

Polish Oil and Gas Company (PGNiG SA)  
Head Office



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**PGNiG and Port Arthur LNG sign agreement for  
the sales and purchase of LNG from the U.S.**

**Polish Oil & Gas Company (PGNiG) and Port Arthur LNG, a subsidiary of Sempra LNG & Midstream, today announced they have entered into an agreement relating to the terms of delivery of liquefied natural gas from the Port Arthur liquefaction facility.**

The agreement defines basic terms and conditions of a 20-year contract to be finalized between the parties for the sales and purchase of two million tonnes per annum (Mtpa) of LNG, which equals about 2.7 billion cubic meters (bcm) per year of natural gas following regasification. Cargoes will be supplied starting in 2023 from the Port Arthur LNG facility being developed in Jefferson County, Texas. The documents were signed today during the current World Gas Conference in Washington, D.C.

*“The Port Arthur liquefaction project is one of three major LNG export projects Sempra Energy is developing in North America to meet the demand of global markets, including Poland,” said Joseph A. Householder, president and chief operating officer of Sempra Energy. “This agreement along with PGNiG’s financial strength and experience in delivering natural gas to customers are important to advancing the Port Arthur liquefaction project.*

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*“We are pleased to have PGNiG as a foundation customer of the Port Arthur LNG project,” said Octavio Simoes, president of Sempra LNG & Midstream, a subsidiary company of Sempra Energy. “We look forward to working with PGNiG to finalize the LNG supply agreement that will provide low-cost, flexible and reliable U.S. LNG to PGNiG and bring competitively priced natural gas to the Polish and other European gas markets.”*

*“The signed agreement paves the way for finalizing a contract that will help PGNiG to develop our LNG portfolio in the near future,” commented Piotr Woźniak, CEO and President of the Management Board at PGNiG. “Starting in 2023, LNG deliveries from the Port Arthur terminal can not only help us to further diversify our import structure, but will also help us in strengthening PGNiG’s activities on the international LNG market. PGNiG is constantly looking for market offers to purchase natural gas at competitive prices. We are pleased to be able to cooperate with such an experienced partner as Sempra Energy”.*

Deliveries have the flexibility to allow for further trading by PGNiG on international markets and are contemplated to be supplied on a free-on-board (FOB) basis whereby PGNiG is responsible for transport of the cargoes from Port Arthur LNG.

Today’s announcement represents another step in the ongoing development of the Port Arthur LNG liquefaction project. In 2017, Sempra LNG & Midstream signed a Memorandum of Understanding (MOU) with Korea Gas Corporation (KOGAS) providing a framework for cooperation, including engineering and construction, operations, equity ownership in the Port Arthur LNG liquefaction project, and offtake of LNG. The ultimate participation of KOGAS and PGNiG in the project remains subject to finalization of definitive agreements.

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The Port Arthur LNG liquefaction facility is planned to export approximately 11 Mtpa of LNG starting from 2023. Last week Bechtel was selected by Port Arthur LNG to be the engineering, procurement, construction and commissioning (EPC) contractor. Development of the Port Arthur LNG liquefaction project is contingent upon obtaining customer commitments, completing the required commercial agreements, securing all necessary permits, obtaining financing, incentives and other factors, and reaching a final investment decision.

*Sempra Energy (NYSE: SRE), based in San Diego, is a Fortune 500 energy services holding company with 2017 revenues of more than \$11 billion. Sempra Energy is the utility holding company with the largest U.S. customer base. The Sempra Energy companies' approximately 20,000 employees serve more than 40 million consumers worldwide.*

*PGNiG (the Polish Oil and Gas Company) is the leader of the Polish natural gas market. Listed on the Warsaw Stock Exchange, the company's core businesses include the exploration and production of natural gas and crude oil fields; the import, storage, and sale of natural gas; the distribution of gaseous and liquid fuels; and heat and electricity generation. PGNiG holds exploration and production licenses on the Norwegian Continental Shelf and in Pakistan. The exploration and production activity in Norway is carried out by PGNiG Upstream Norway. Munich-based PGNiG Supply & Trading is engaged in gas trading in Western Europe and operates an LNG trading office in London.*

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*Factors, among others, that could cause actual results and future actions to differ materially from those described in any forward-looking statements include risks and uncertainties relating to: actions and the timing of actions, including decisions, new regulations, and issuances of permits and other authorizations by the U.S. Department of Energy, Federal Energy Regulatory Commission, U.S. Environmental Protection Agency and Pipeline and Hazardous Materials Safety Administration, states, cities and counties, and other regulatory and governmental bodies in the United States and other countries in which we operate; the timing and success of business development efforts and construction projects, including risks in obtaining or maintaining permits and other authorizations on a timely basis, risks in completing construction projects on schedule and on budget, and risks in obtaining the consent and participation of partners; the availability of natural gas and liquefied natural gas, and natural gas pipeline and storage capacity; equipment failures; changes in energy markets; volatility in commodity prices; moves to reduce or eliminate reliance on natural gas; risks posed by actions of third parties who control the operations of our investments, and risks that our partners or counterparties will be unable or unwilling to fulfill their contractual commitments; weather conditions, natural disasters, accidents, equipment failures, computer system outages, explosions, terrorist attacks and other events that disrupt our operations, damage our facilities and systems, cause the release of greenhouse gases and harmful emissions, and subject us to third-party liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance (including costs in excess of applicable policy limits) or may be disputed by insurers; cybersecurity threats to storage and pipeline infrastructure, the information and systems used to operate our businesses; the impact of recent federal tax reform and uncertainty as to how it may be applied, and our ability to mitigate adverse impacts; changes in foreign and domestic trade policies and laws, including border tariffs, revisions to international trade agreements, such as the North American Free Trade Agreement, that make us less competitive or impair our ability to resolve trade disputes; and other uncertainties, some of which may be difficult to predict and are beyond our control.*

*These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the Securities and Exchange Commission. These reports are available through the EDGAR system free-of-charge on the SEC's website, [www.sec.gov](http://www.sec.gov), and on Sempra Energy's website at [www.sempra.com](http://www.sempra.com). Investors should not rely unduly on any forward-looking statements. These forward looking statements speak only as of the date hereof and Sempra Energy or its subsidiaries undertake no obligation to update or revise these forecasts or projections or other forward-looking statements, whether as a result of new information, future events or otherwise.*

*Sempra South American Utilities, Sempra Infrastructure, Sempra LNG & Midstream, Sempra Renewables, Sempra Mexico, Sempra Texas Utility, Oncor Electric Delivery Company LLC (Oncor) and Infraestructura Energética Nova, S.A.B. de C.V. (IEnova) are not the same companies as the California utilities, San Diego Gas & Electric Company (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra South American Utilities, Sempra Infrastructure, Sempra LNG & Midstream, Sempra Renewables, Sempra Mexico, Sempra Texas Utility, Oncor and IEnova are not regulated by the California Public Utilities Commission.*