



Sempra Energy Reports First-Quarter 2010 Earnings

SAN DIEGO, May 4, 2010 - Sempra Energy (NYSE: SRE) today reported first-quarter 2010 earnings of \$106 million, or \$0.42 per diluted share, compared with \$316 million, or \$1.29 per diluted share, in the first quarter 2009.

First-quarter 2010 earnings included a charge of \$96 million after tax, or \$0.38 per diluted share, related to the energy-crisis litigation settlement announced last week. The reduction in first-quarter earnings also reflected poor performance at the company's commodities joint venture. In February, Sempra Energy announced it intends to exit the joint venture. Excluding the \$96 million energy-crisis litigation charge, Sempra Energy had earnings of \$202 million, or \$0.81 per diluted share, in the first quarter 2010.

"While the quarterly results at our commodities joint venture were disappointing, our core businesses continue to perform in-line with expectations," said Donald E. Felsing, chairman and chief executive officer of Sempra Energy. "We have an active sales process under way for the commodities joint venture and expect to exit the business completely in the latter half of this year."

SEGMENT RESULTS

San Diego Gas & Electric

First-quarter earnings for San Diego Gas & Electric (SDG&E) were \$83 million in 2010, compared with \$99 million in 2009, due primarily to higher liability insurance premiums for wildfire coverage and a tax charge resulting from the recently enacted federal health care legislation. In the first quarter last year, SDG&E also benefited from the favorable resolution of a litigation matter.

Southern California Gas Co.

Earnings for Southern California Gas Co. (SoCalGas) in the first quarter 2010 increased to \$65 million from \$59 million in last year's first quarter, due to higher authorized margins and regulatory awards, as well as lower bad debt expense. The improvement in the quarter was partially offset by higher taxes resulting from the recently enacted federal health care legislation.

Last month, SoCalGas received approval from the California Public Utilities Commission for the utility's \$1.05 billion advanced metering program. In 2012, SoCalGas will begin replacing its customers' six million meters with digital devices that allow two-way communications.

Sempra Generation

Sempra Generation recorded a first-quarter loss of \$53 million in 2010, compared with earnings of \$43 million in 2009, primarily due to an \$84 million after-tax charge related to the energy-crisis litigation settlement, as well as scheduled major maintenance costs and associated downtime.

Sempra Pipelines & Storage

First-quarter earnings for Sempra Pipelines & Storage were \$38 million in 2010, up from \$37 million last year.

Yesterday, Sempra Pipelines & Storage announced that it had completed its acquisition of the Mexican pipeline and gas infrastructure assets of El Paso Corp. The acquisition involves a natural gas pipeline and compression assets in the Mexican state of Sonora and a 50-percent interest in a joint venture with PEMEX, the Mexican state-owned oil company. The joint venture operates two natural gas pipelines and a propane system in northern Mexico.

Sempra LNG

Sempra LNG earned \$32 million in the first quarter 2010, compared with a loss of \$7 million in the first quarter 2009, due primarily to the start-up of marketing and terminal operations.

On April 22, Sempra LNG announced an agreement with Gazprom Global LNG Ltd. that will allow Gazprom to sell and deliver up to two liquefied natural gas cargoes per month to Sempra LNG's Cameron LNG terminal near Lake Charles, La., beginning next month.

Sempra Commodities

Sempra Energy's commodity operations lost \$5 million in the first quarter 2010, compared with earnings of \$114 million last year. The loss was due primarily to reduced margins in oil and European natural gas marketing, as well as higher costs for employee retention, and a \$12 million after-tax charge related to the energy-crisis litigation settlement. Sempra Energy said the performance at Sempra Commodities is not expected to show significant improvement prior to the completion of the sales

process, because of low commodity prices and the disruptions caused by the sale.

On Feb. 16, Sempra Energy and The Royal Bank of Scotland (RBS) announced a definitive agreement to sell the international oil, metals and European businesses of the RBS Sempra Commodities joint venture to J.P. Morgan Chase & Co. for an expected \$1.7 billion. An active sales process is under way for the remaining North American natural gas and power businesses. Sempra Energy expects the sale of both parts of the joint venture to be completed in the latter half of 2010.

EARNINGS OUTLOOK

Assuming break-even performance at RBS Sempra Commodities and the \$96 million after-tax litigation charge, Sempra Energy now expects earnings per share of \$3.15 to \$3.40 in 2010, compared with previous per-share guidance of \$4.25 to \$4.50.

INTERNET BROADCAST

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. EDT with senior management of the company. Access is available by logging onto the Web site at www.sempra.com. For those unable to log onto the live webcast, the teleconference will be available on replay a few hours after its conclusion by dialing (888) 203-1112 and entering passcode 3541735.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2009 revenues of more than \$8 billion. The Sempra Energy companies' 13,800 employees serve about 29 million consumers worldwide.

Complete financial tables, including earnings information by business unit, are available on Sempra Energy's Web site at <http://www.sempra.com/downloads/1Q2010.pdf>.

This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "could," "should," or similar expressions, or discussions of strategies, plans or intentions. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, California State Legislature, California Department of Water Resources, Federal Energy Regulatory Commission, Federal Reserve Board, and other regulatory and governmental bodies in the United States and other countries where the company does business; capital market conditions and inflation, interest and exchange rates; energy and trading markets, including the timing and extent of changes and volatility in commodity prices; the availability of electric power, natural gas and liquefied natural gas; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental and legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. 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 without charge at the SEC's Web site, www.sec.gov and on the company's Web site, at www.sempra.com.

Sempra Pipelines & Storage, Sempra Generation, Sempra LNG and RBS Sempra Commodities dba Sempra Energy Solutions and Sempra Energy Trading are not the same companies as the utility, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra Pipelines & Storage, Sempra Generation, Sempra LNG and RBS Sempra Commodities dba Sempra Energy Solutions and Sempra Energy Trading are not regulated by the California Public Utilities Commission.

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