



LNG:
*The New Asia – North America
Connection*

APGas Forum

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Darcel L. Hulse

President, Sempra LNG



Safe Harbor Statement



This presentation contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When the company uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "could," "should" or similar expressions, or when the company discusses its strategy or plans, the company is making forward-looking statements. 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, the California State Legislature, the California Department of Water Resources, the Federal Energy Regulatory Commission and other regulatory bodies in the United States and other countries; capital markets conditions, inflation rates, interest rates and exchange rates; energy and trading markets, including the timing and extent of changes in commodity prices; the availability of 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 company's reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov and on the company's Web site, www.sempra.com.

Energía Costa Azul LNG

1.0 Bcf/d



- ▶ First LNG receipt terminal in North America
- ▶ Fully permitted
- ▶ Capacity fully contracted
- ▶ Construction initiated in early 2005
- ▶ Commercial operations early 2008
- ▶ Expandable to 2.5 Bcf/d

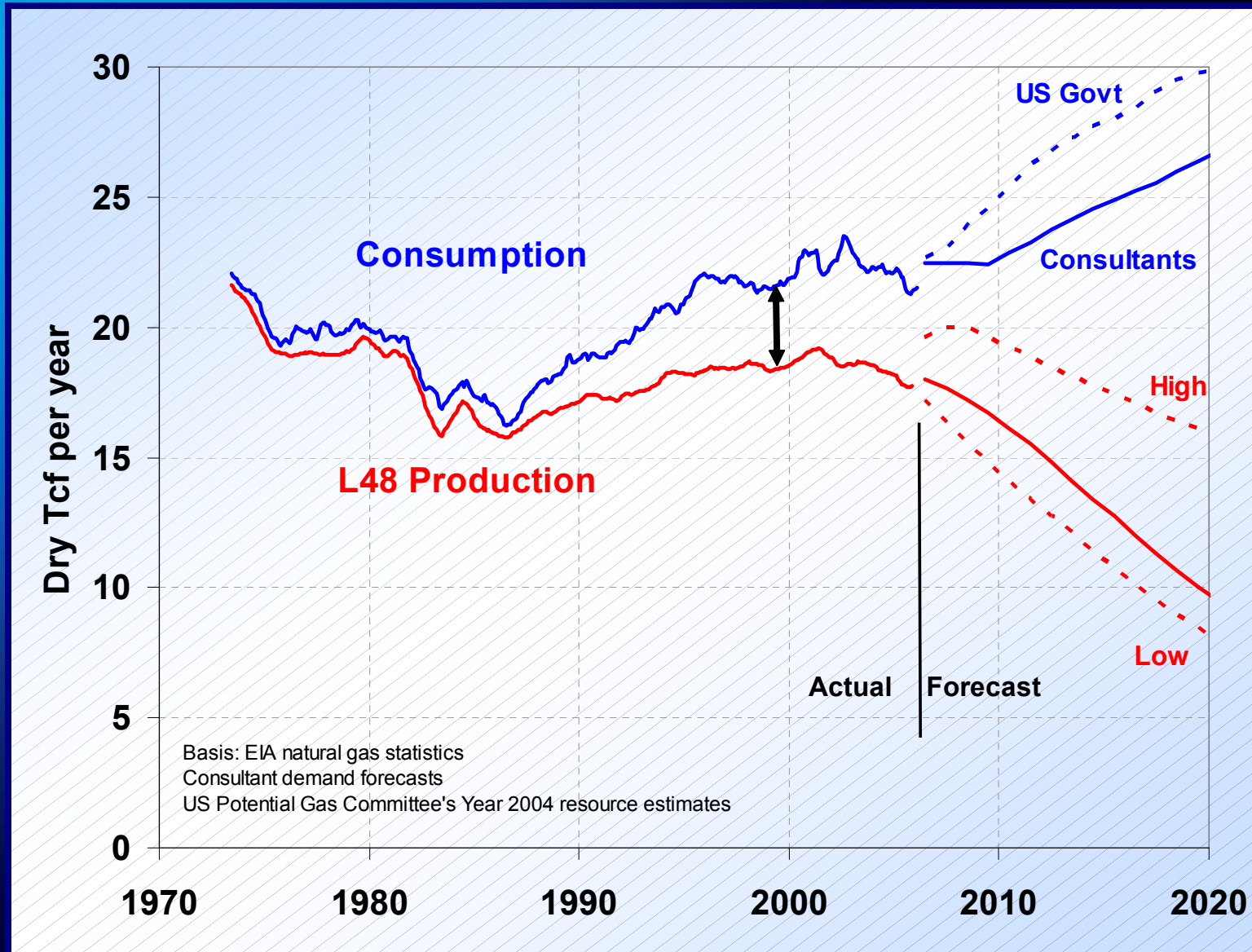
Terminal Site



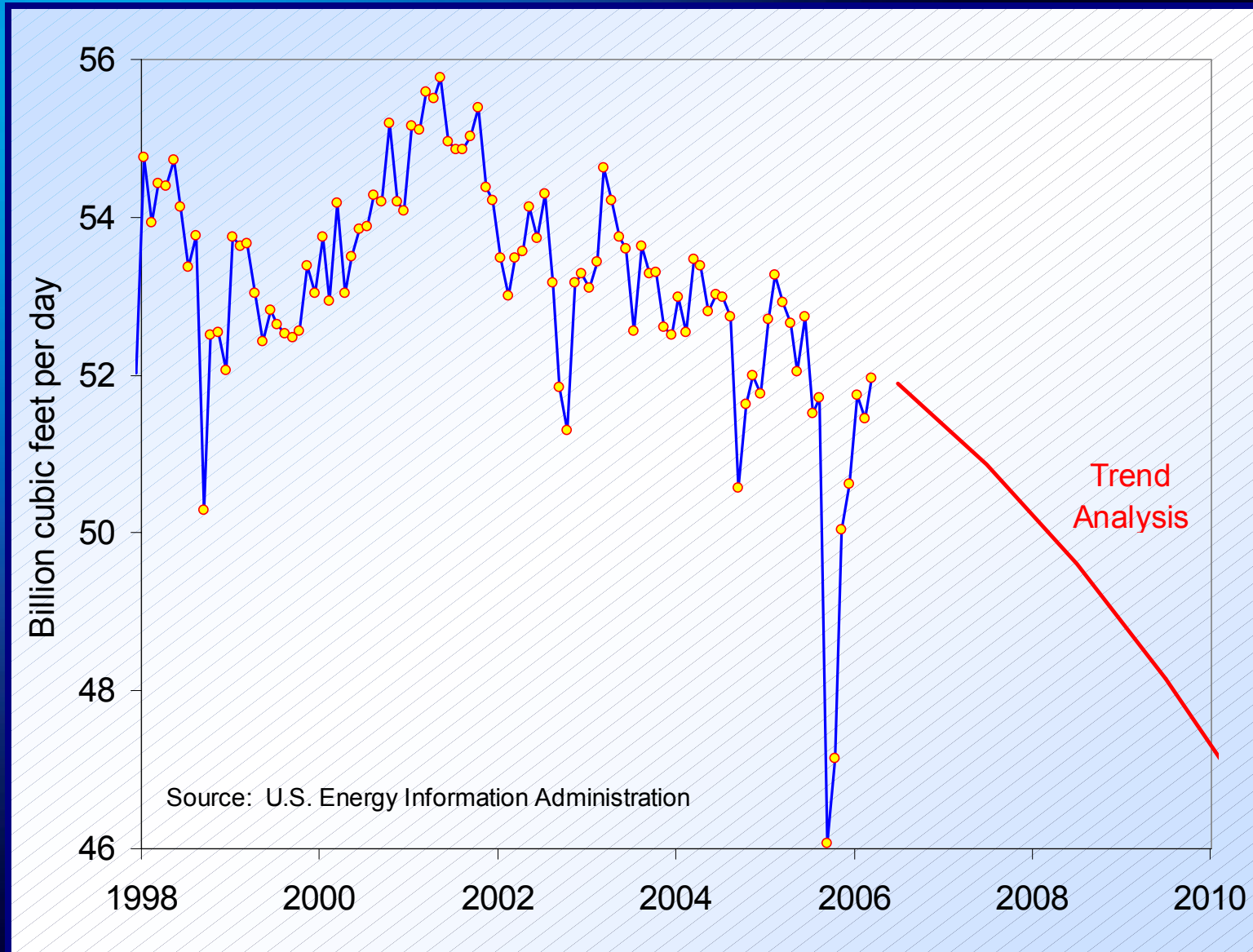
Raising Roof – Tank 2



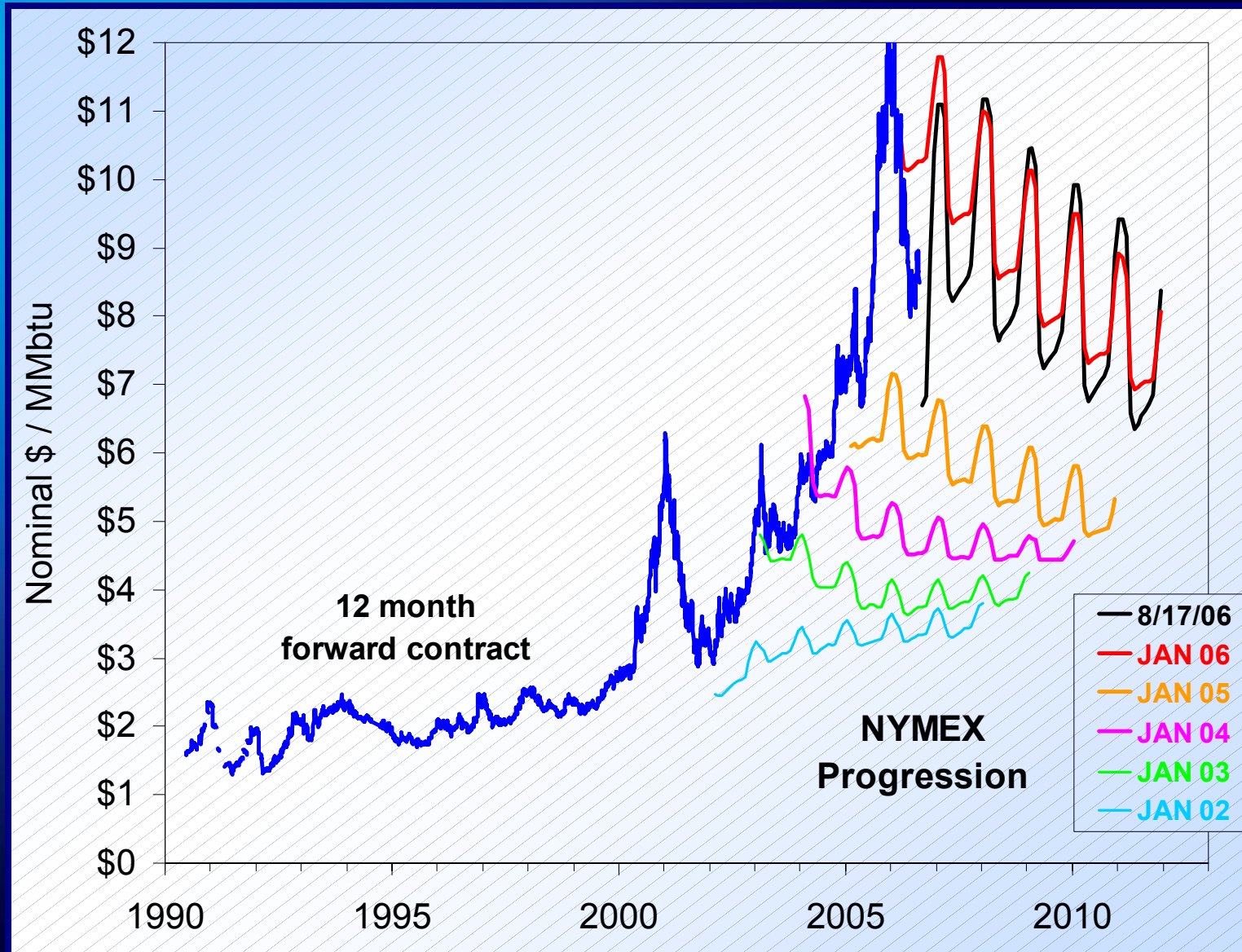
U.S. Gas Market Balance



Lower 48 States Gas Production



NYMEX History & Forward Curve



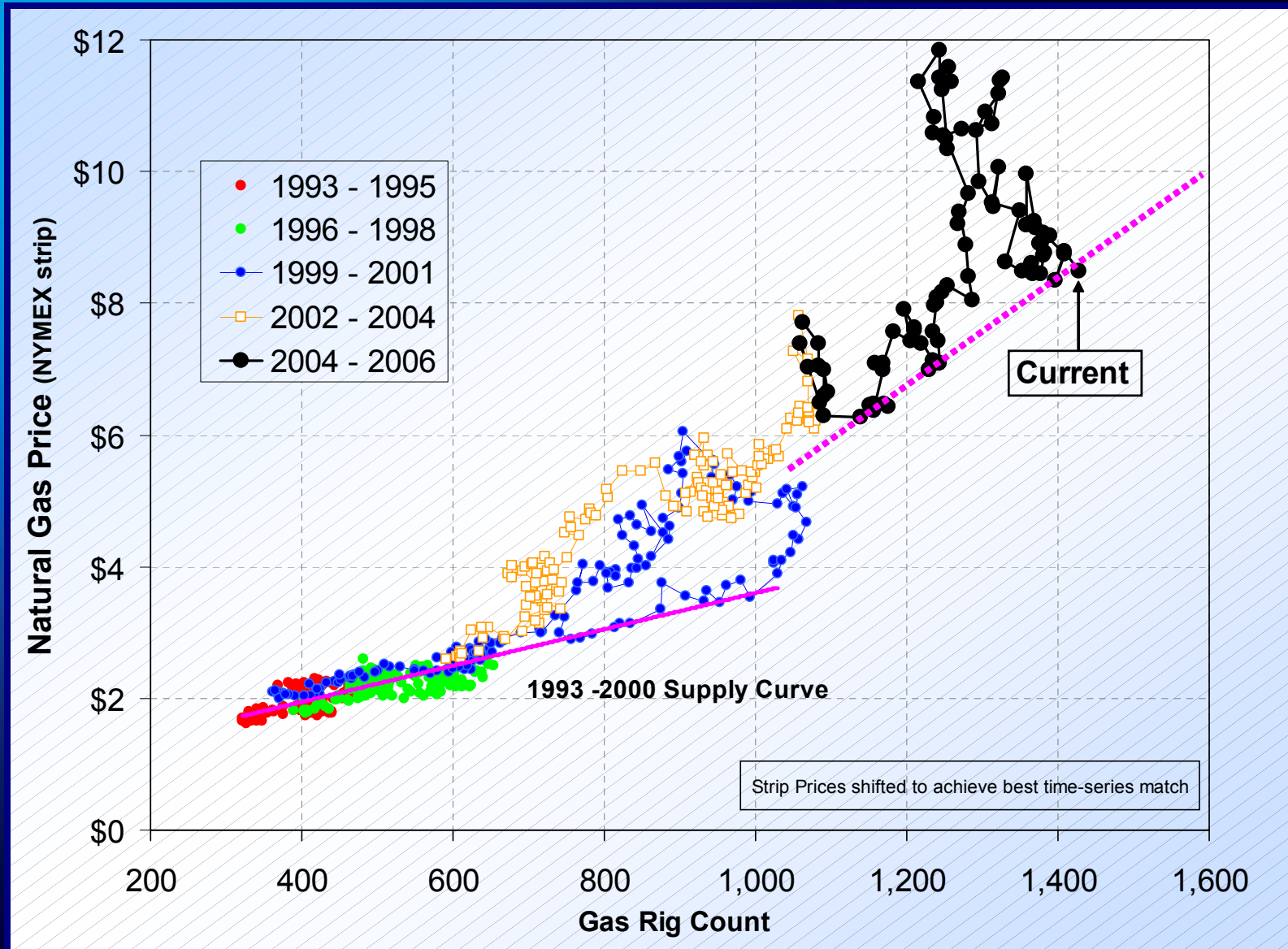
NYMEX Distance Future NatGas



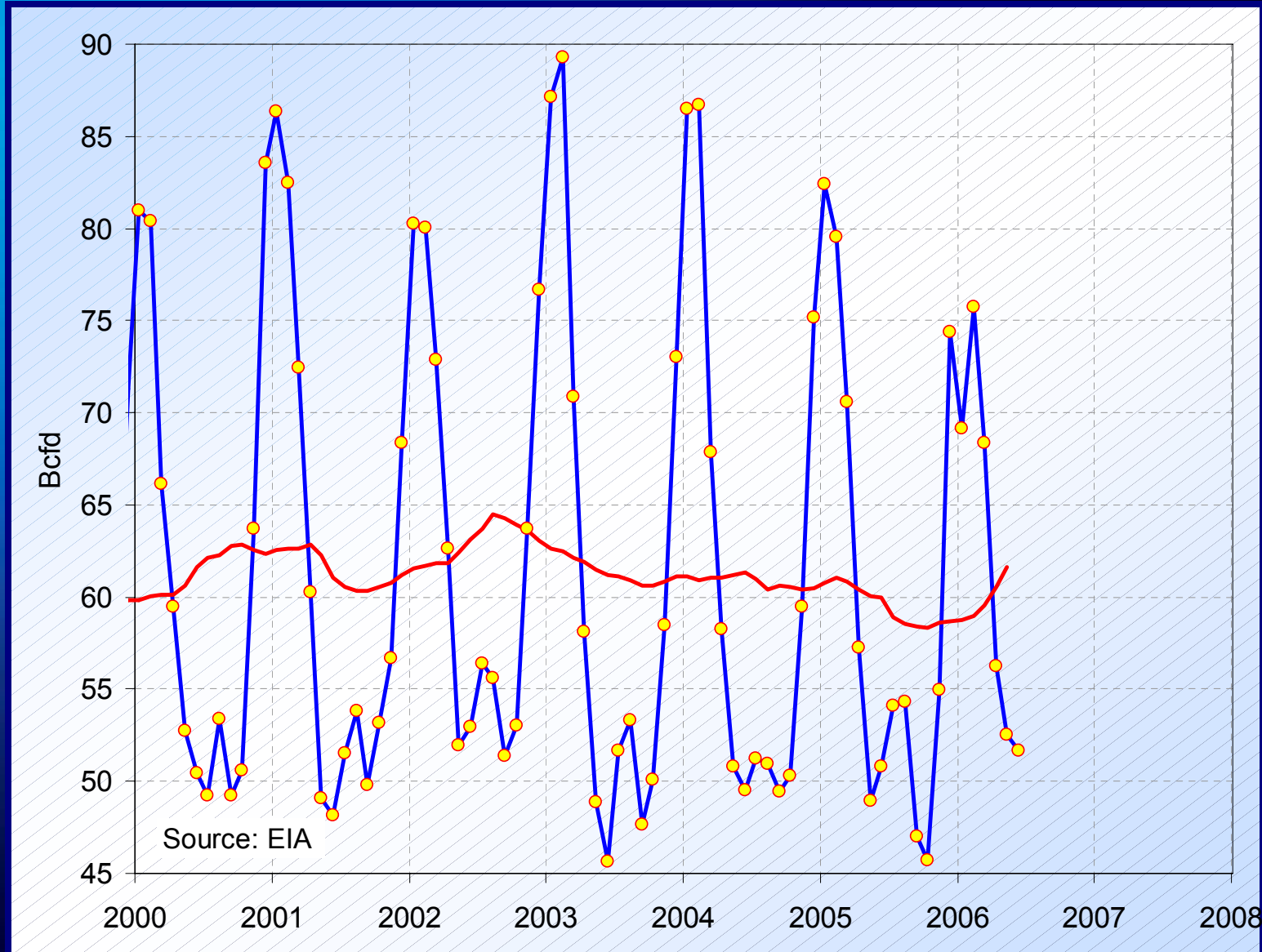
NYMEX 5 Year Forward 12-month Natural Gas Strip



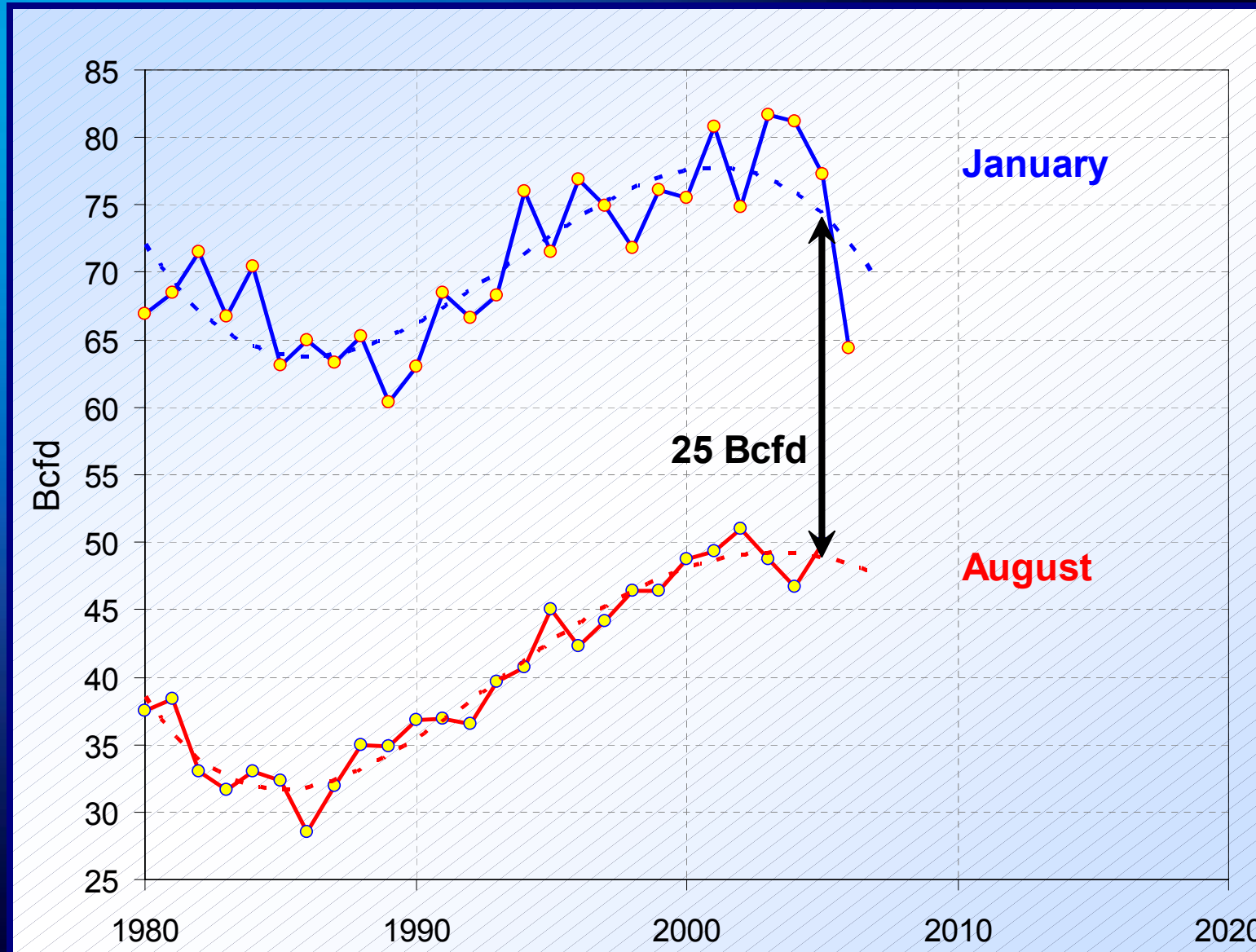
U.S. Gas Rig Supply Curve



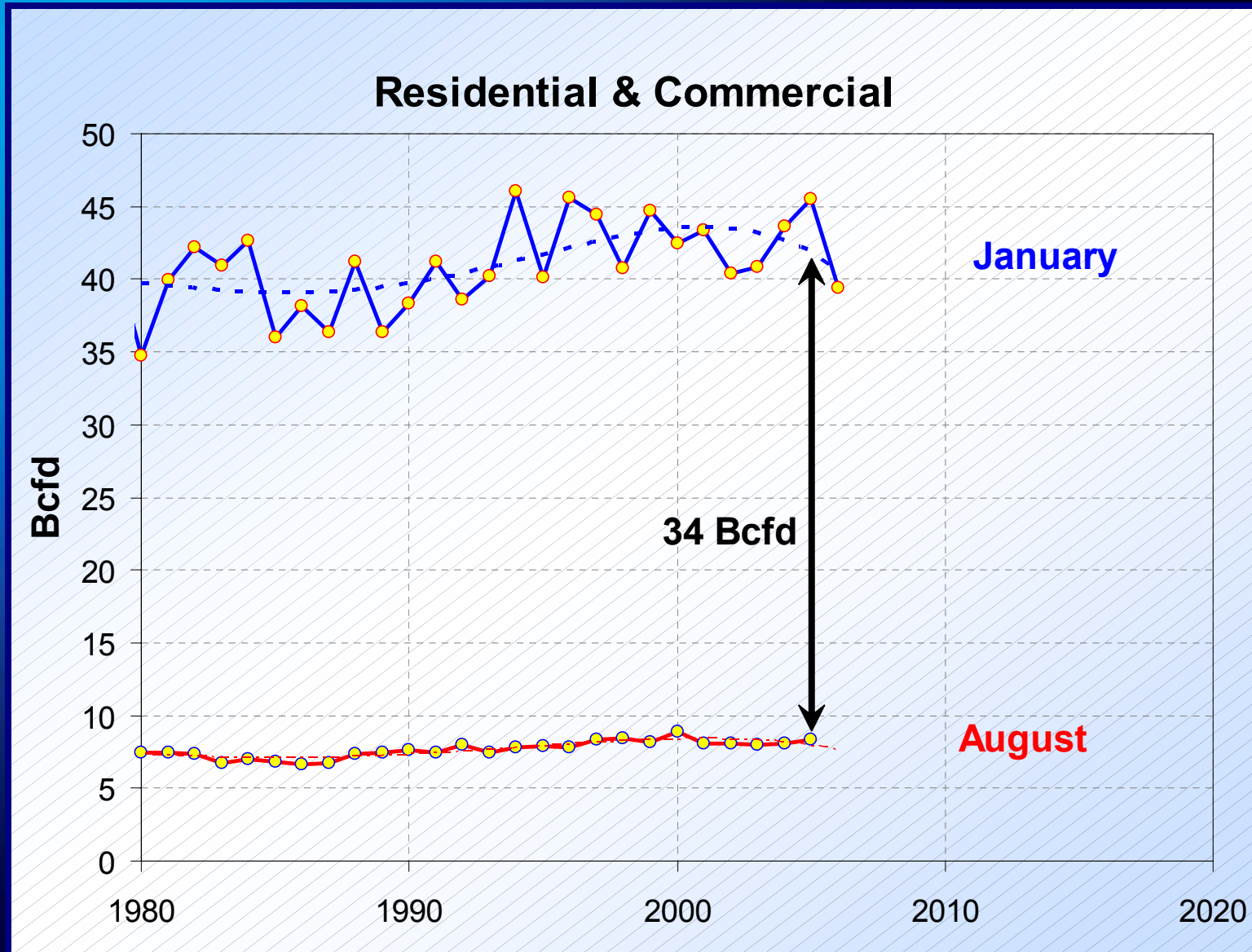
U.S. Natural Gas Consumption



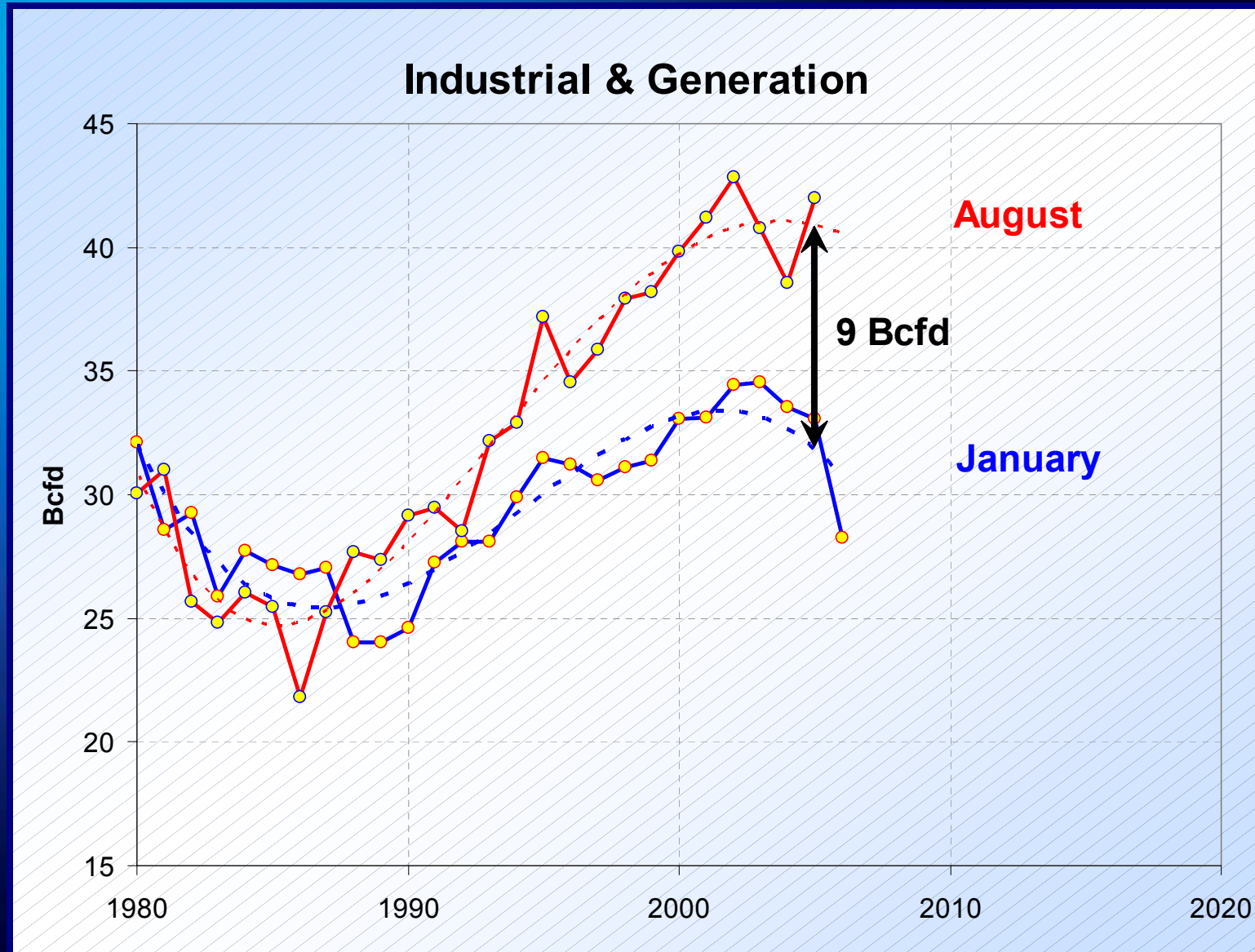
U.S. Gas Consumption: Seasonal Spread



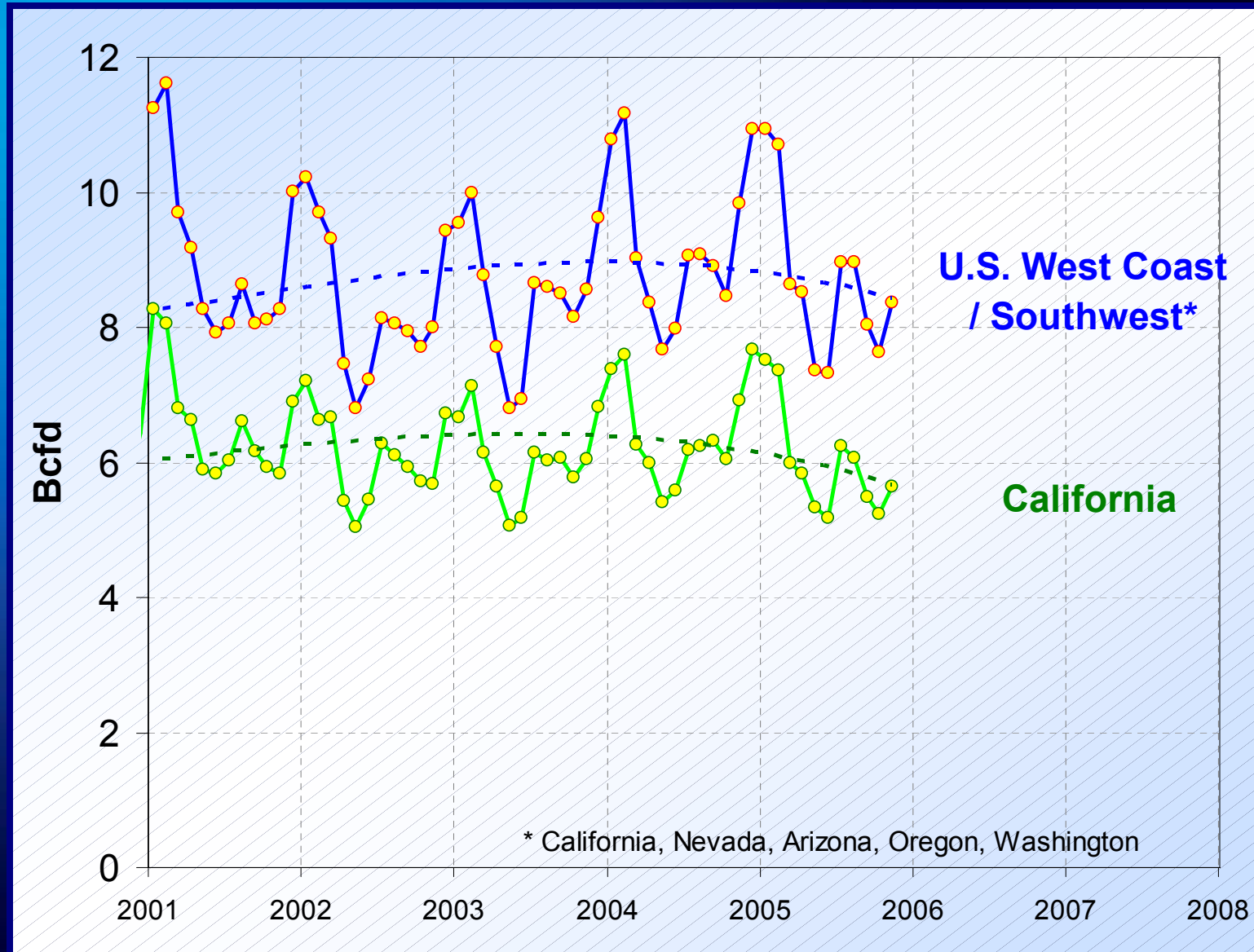
U.S. Gas Consumption: Seasonal Spread



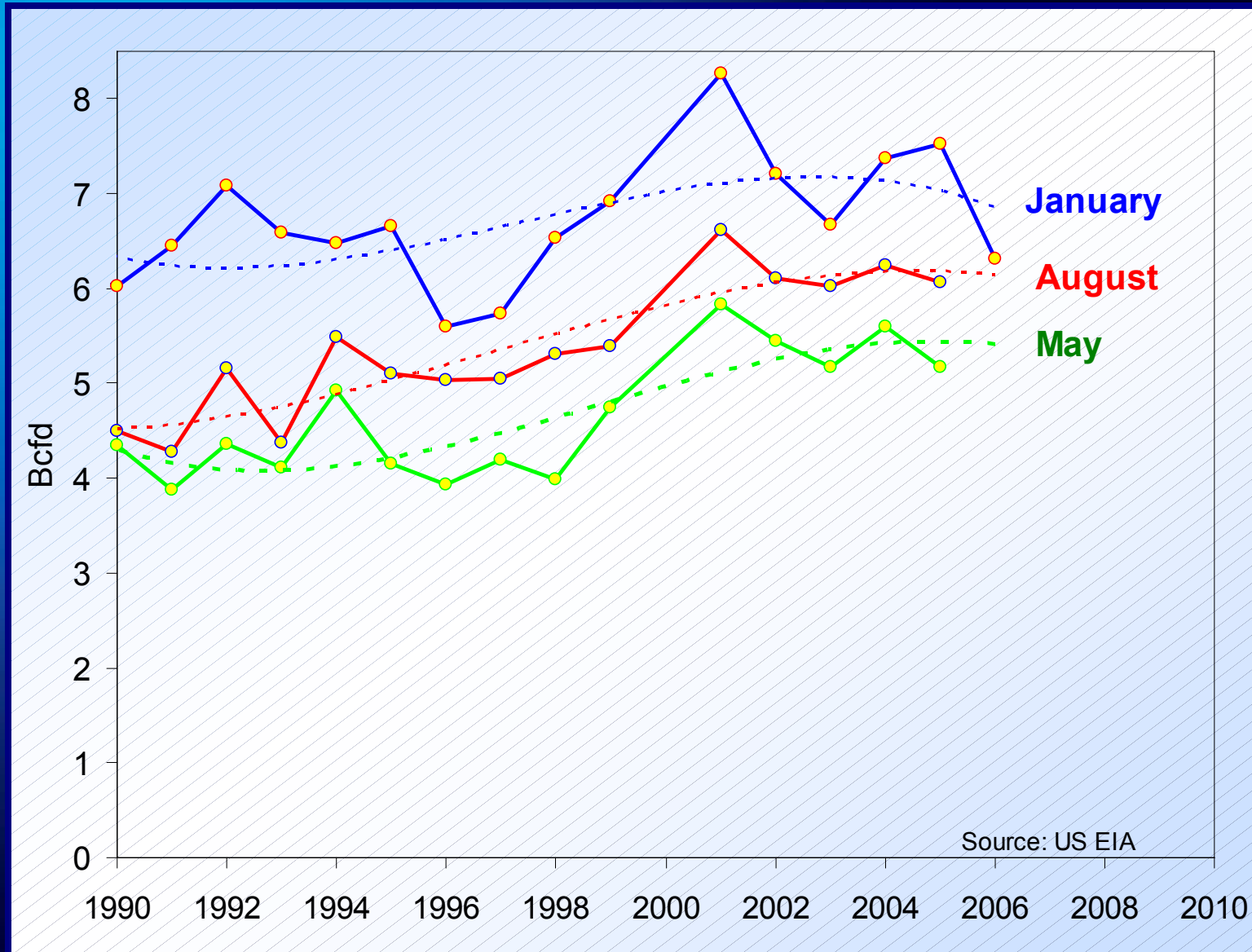
U.S. Gas Consumption: Seasonal Spread



Western U.S. Gas Consumption



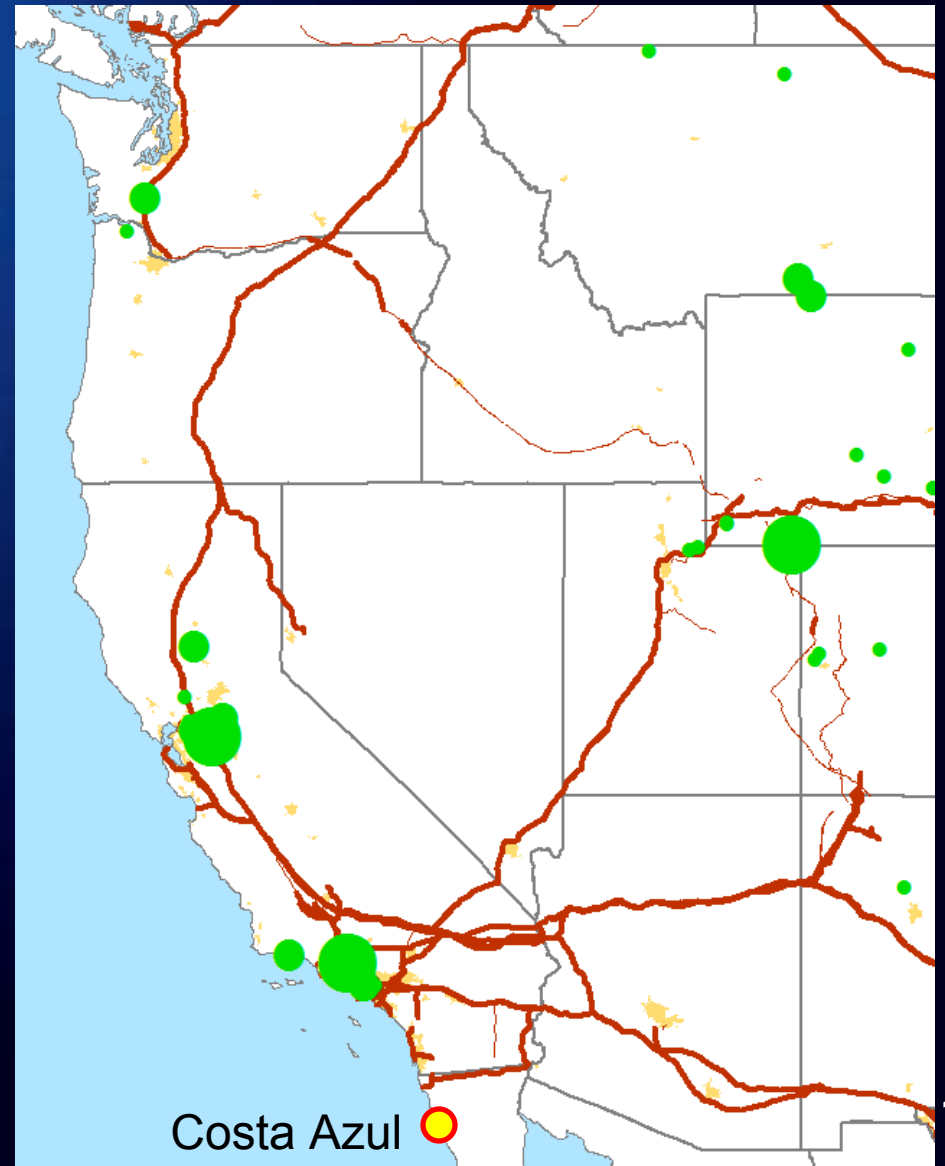
California Gas Consumption



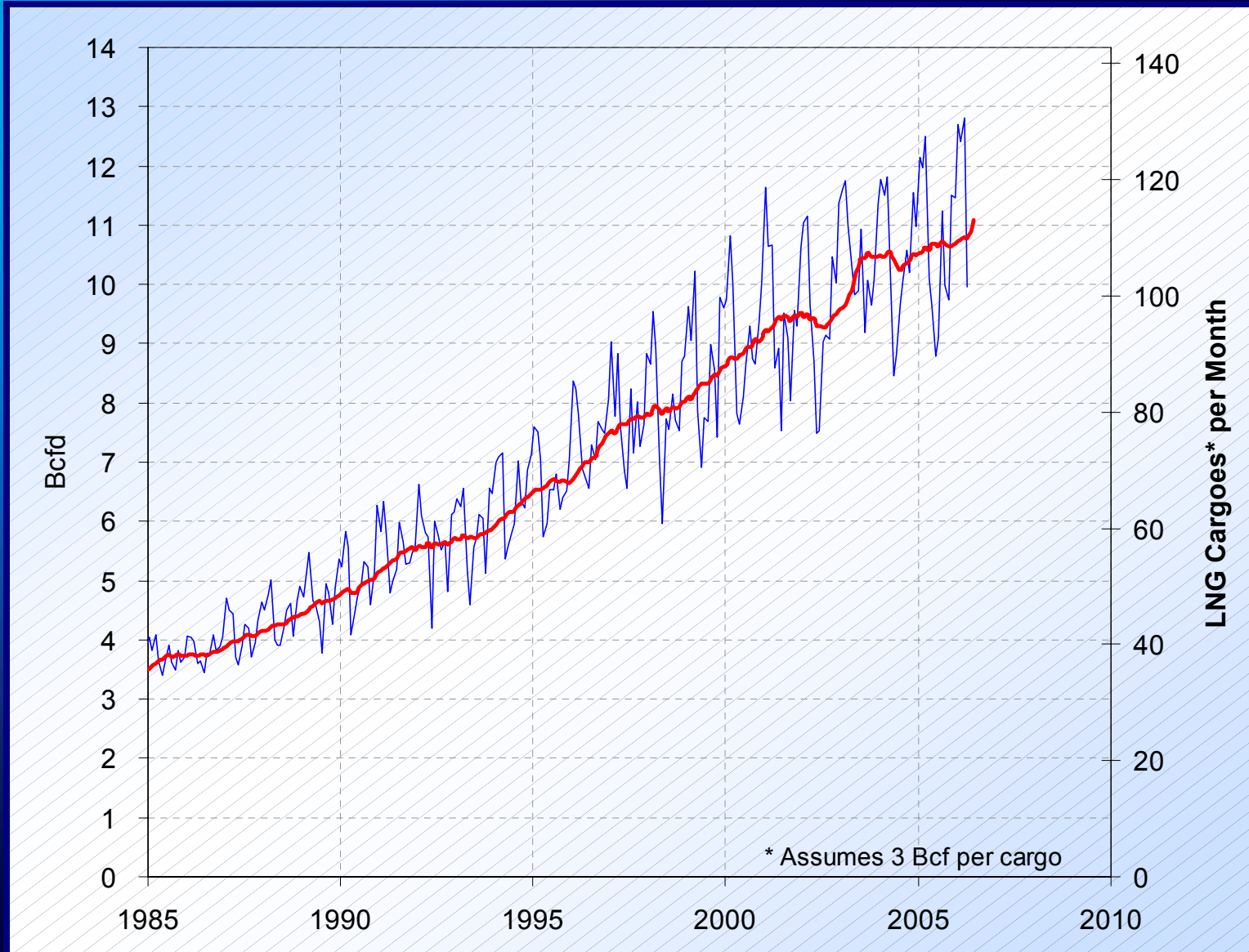
Western U.S. Underground Storage



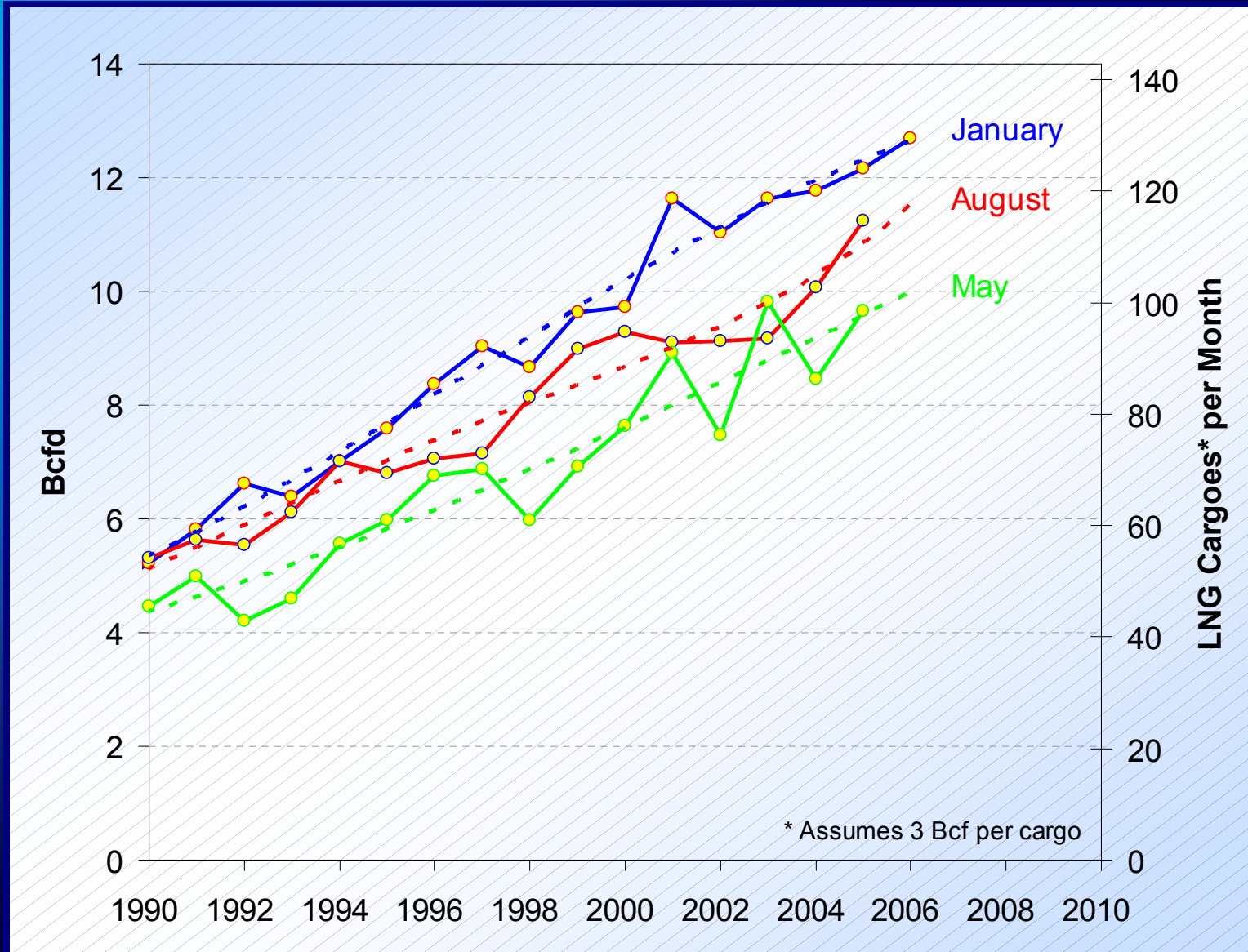
	<u>Bcf</u>
■ Southern California	118
■ Northern California	118
■ Rocky Mountains	125
■ Pacific Northwest	<u>21</u>
Total	382



Japan & S. Korea Gas Imports



Japan & S. Korea Gas Imports Seasonal Spreads



Why is the U.S. gas market important to Asia?



- Increased value for resource holders
- Enhanced opportunity to monetize value
- Accelerate development of LNG as a world commodity
- Transparent and stable market