Fourth Quarter 2017
Financial Results

February 20, 2018

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Agenda

- 2017 accomplishments and highlights
- Full-year and fourth-quarter 2017 financial results
- Project status
- New business development
- 2018 Guidance

2017 accomplishments and highlights

Hydrocarbon storage terminals

- In July 2017, IEnova was awarded a 20-year concession by the Port of Veracruz to build and operate a marine terminal for the receipt, storage, and delivery of hydrocarbons (primarily gasoline, diesel, and jet fuel)
- In August 2017, IEnova signed long-term firm capacity contracts with Valero at the marine terminal in the new Port of Veracruz and at two in-land terminals in Puebla and Mexico City
- IEnova will be responsible for the implementation of the projects, including permitting, engineering, procurement, construction, operation, maintenance, financing, and providing services
- Approximately US$275 million investment for the three terminals
- Commercial operations date: Q4 2018 / 1H 2019

Valero, a *Fortune 50* company, is a manufacturer and marketer of transportation fuels and other petrochemical products based in San Antonio, Texas. With approximately 10,000 employees, its assets include 15 petroleum refineries with a combined throughput capacity of approximately 3.1 million barrels per day and 11 ethanol plants with a combined production capacity of approximately 1.4 billion gallons per year

2017 accomplishments and highlights, continued

Pima Solar

- In March 2017, IEnova executed a 20-year electric supply contract with DeAcero to provide them energy, clean energy certificates, and capacity from a new solar power plant
- IEnova will develop, build, and operate the project
- 110 MW capacity located in Caborca, Sonora
- Approximately US$115 million investment
- 100% owned by IEnova
- Commercial operations date: Q4 2018

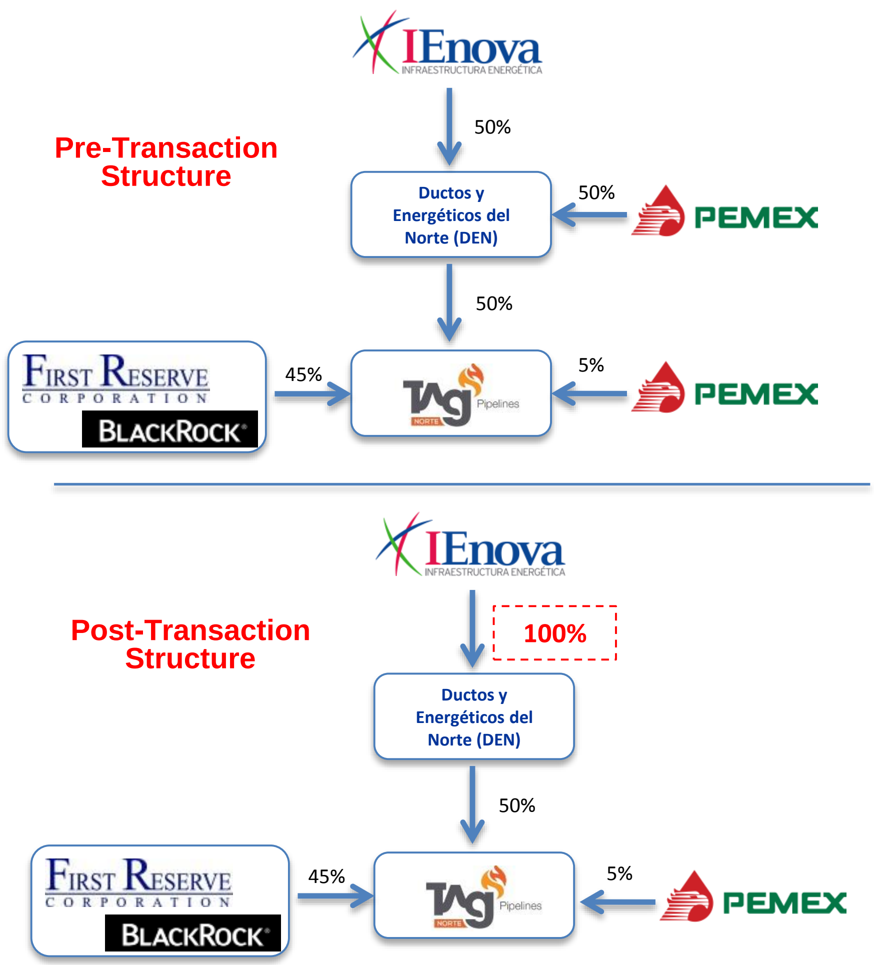
Power Purchase Agreement with San Diego Gas & Electric

- On November 16, 2017, IEnova executed a 20-year power purchase agreement with San Diego Gas & Electric Company
- The contract will be supplied through a new wind power generation facility
- 108 MW capacity located in the municipality of Tecate in Baja California
- Approximately US$150 million investment
- The development of this project is subject to the receipt of regulatory approvals and other authorizations
- Estimated COD: Q3 2020

2017 accomplishments and highlights, continued

Acquisition of Pemex Transformación Industrial's participation in "*Ductos y Energeticos del Norte*" ("DEN")

- On October 6, 2017, IEnova announced its acquisition of Pemex Transformación Industrial's participation in DEN
- On November 16, 2017, IEnova acquired DEN
- IEnova increased its indirect participation in the Los Ramones Norte pipeline from 25% to 50%
- Purchase price was US$547 million
  - US$258 million cash
  - US$289 million outstanding debt



2017 accomplishments and highlights, continued

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Una empresa de Sempra

Senior Notes

Senior Note Offerings of US$840 million

US$300 million of 3.750% Senior Notes due 2028

US$540 million of 4.875% Senior Notes due 2048

Received an investment grade rating from Fitch (BBB+), Moody's (Baa1), and Standard & Poor's (BBB)

Proceeds used mainly to repay short-term debt

Fourth-quarter 2017 and full year 2017 results

(Unaudited; net profit in millions of dollars, share count in millions, EPS in dollars)	Three months ended December 31, 2017	Three months ended December 31, 2016	Twelve months ended December 31, 2017	Twelve months ended December 31, 2016
Adjusted EBITDA(1)	$ 182	$ 161	$ 759	$ 504
Profit (loss) for the period	$ 37	$ 28	$ 354	$ 755
Shares outstanding (weighted average)	1,534	1,479	1,534	1,236
Earnings per share (EPS)	$ 0.02	$ 0.02	$ 0.23	$ 0.61

- Full-year 2017 Adjusted EBITDA was up 51% from 2016. The increase of US$255 million was due to the acquisitions of Gasoductos de Chihuahua, Ventika and Los Ramones Norte, and the start of operations of four pipelines
- Fourth-quarter 2017 Adjusted EBITDA was up 13% from the same period of 2016. The increase of US$21 million was mainly due to the acquisitions of Ventika in December 2016 and Los Ramones Norte in November 2017, higher operational results at the Termoeléctrica de Mexicali power plant, and the start of operations of new pipelines. This increase was partially offset by operating, administrative and other expenses
- Full-year 2017 profit was US$418 million, up 135% from US$178 million in 2016. The increase of US$240 million was mainly due to the acquisitions of Gasoductos de Chihuahua and Ventika, the start of operations of four pipelines, lower income tax expense, and higher operational results at the Termoeléctrica de Mexicali power plant. This increase was partially offset by exchange rate effects. These figures exclude the non-cash after-tax impairment charges related to the Termoeléctrica de Mexicali power plant and the non-cash gain related to Gasoductos de Chihuahua
- Profit for the fourth quarter of 2017 increased US$9 million from the same period of 2016. The increase was mainly due to lower income tax expense, higher joint venture profits, and higher operational results at the Termoeléctrica de Mexicali power plant. This increase was partially offset by exchange rate effects and operating, administrative and other expenses

(1) Adjusted EBITDA includes proportional share of EBITDA from joint ventures and the Adjustment EBITDA from discontinued operations

Gas segment pre-tax profit

(Unaudited; dollars in millions)	Three months ended December 31, 2017	Three months ended December 31, 2016	Twelve months ended December 31, 2017	Twelve months ended December 31, 2016
Gas segment profit before income tax and share of profits of the joint venture	$ 113	$ 135	$ 526	$ 1,010

- Full-year 2017 Gas segment profit before income tax and share of profits of joint ventures was US$526 million, compared with US$337 million in 2016, excluding the non-cash gain related to Gasoductos de Chihuahua.
  - The increase of US$190 million is mainly due to the acquisition of Gasoductos de Chihuahua, the start of operations of four pipelines, and higher distribution revenue at Ecogas.
  - This increase was partially offset by lower interest capitalization related to projects under construction and operating, administrative and other expenses.
- Fourth-quarter 2017 Gas segment profit before income tax and share of profits of joint ventures was US$113 million, compared to US$135 million in the same period of 2016.
  - The decrease of US$22 million is mainly due to operating, administrative and other expenses and lower interest capitalization related to projects under construction.

Power segment pre-tax profit

(Unaudited; dollars in millions)	Three months ended December 31, 2017	Three months ended December 31, 2016	Twelve months ended December 31, 2017	Twelve months ended December 31, 2016
Power segment profit (loss) before income tax and share of profits of the joint venture	$ -	$ (1)	$ 21	$ (1)

- Full-year 2017 Power segment profit before income tax and share of profits of joint ventures was US$21 million
- Fourth-quarter 2017 Power segment loss before income tax and share of profits of joint ventures was US$0.2 million
- The increase is mainly from the Ventika wind power generation facility, acquired on December 14, 2016

Project updates

Project	CapEx (USD, millions)	Target COD[1]	Contract Term	Update
Wholly-owned projects				
Pima Solar	$115	Q4 2018	20 years	• Under construction
Rumorosa Solar	$50	Q2 2019	15 and 20 years	• Under construction
Veracruz marine storage terminal	$155	Q4 2018	10 years*	• Engineering and procurement activities in progress
Mexico City & Puebla in-land storage terminals	$120	1H 2019	10 years*	• Engineering and procurement activities in progress
ESJ II**	$150	Q3 2020	20 years	• Approvals in progress
Joint venture projects				
Texas – Tuxpan (Marine pipeline)	$2,100	Q4 2018	25 years	• Under construction
Tepezalá II Solar	$100	Q2 2019	15 and 20 years	• Under construction

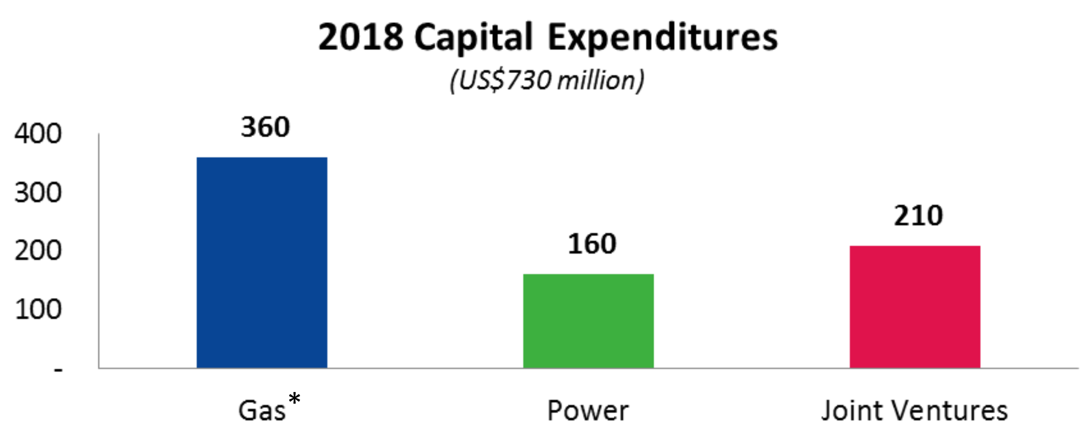
(1) Commercial Operations Date
* With potential extension to 20 years
** May be developed under a joint venture

New Business Development

Liquids	• Storage terminals
Renewables	• Bi-lateral contracts with industrial customers
Transmission	• SENER bid process • CFE bid process
Natural Gas	• ECA Liquefaction

2018 EBITDA guidance and CapEx plan

Guidance			
(USD, millions)	Low		High
2018 Adjusted EBITDA	**805**	**-**	**845**
Guidance range includes the following assumptions:			
Gas segment	614	-	626
Power segment	81	-	91
Corporate	0	-	1
Joint Ventures Adjusted EBITDA	110	-	127



* Gas CapEx includes the liquids terminals

Summary

- Accomplished 2017 financial goals: Adjusted EBITDA within high end of guidance
- Expected progress in construction activities with more projects commencing operations this year
- Continued strength in operations
- Delivering strong growth:
  - 2017 results 51% above 2016 results
  - Continued growth in 2018 and beyond from contracted projects
- Focused on executing our growth strategy by expanding and diversifying our portfolio

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