

## **IENOVA AND VALERO SIGN LONG-TERM FIRM CAPACITY CONTRACTS AT THE MARINE TERMINAL FOR THE RECEIPT, STORAGE AND DELIVERY OF HYDROCARBONS IN THE NEW PORT OF VERACRUZ AS WELL AS FOR TWO IN-LAND TERMINALS TO BE CONSTRUCTED IN PUEBLA AND MEXICO CITY.**

- *Valero is the world's largest independent petroleum refiner and a leading marketer of refined products.*
- *In addition to the \$155 million U.S. dollar investment announced at Veracruz, IEnova will invest \$120 million U.S. dollars to build two additional storage terminals to supply refined products to Central Mexico.*
- *IEnova executed the concession agreement with the Port Authority of Veracruz to develop the marine terminal.*

Mexico City, August 3, 2017 – Infraestructura Energética Nova, S.A.B. de C.V. ("**IEnova**") announces the execution of a contract with a subsidiary of Valero Energy Corporation ("**Valero**") for the new Veracruz marine terminal's storage capacity. As communicated last month, IEnova won the Port of Veracruz's bid for a 20-year concession to build and operate a \$155 million U.S. dollar marine terminal for the receipt, storage and delivery of refined products.

Today, IEnova also executed the 20-year concession agreement with the Port Authority of Veracruz to develop, construct and operate the aforementioned marine terminal. The concession includes the transfer, by the end of the year, of the waterfront lot where the terminal will be built.

Additionally, IEnova will build and operate two storage terminals that will be strategically located near Puebla and Mexico City and will have initial storage capacities of approximately 500,000 and 800,000 barrels, respectively. The capacity of the Puebla and Mexico City terminals has also been contracted with Valero. The global project, including the marine terminal and the two in-land terminals, represents a \$275 million U.S. dollar investment.

The contracts with Valero at the three terminals are long-term, firm and dollar denominated. Valero plans to import refined products including gasoline, diesel and jet

fuel, and store them at the Veracruz Marine Terminal. Locally, the products will be distributed by truck and they will be transported to Puebla and Mexico City by rail. These assets will contribute to the reliability of supply of refined products in Central Mexico.

IEnova will be responsible for the implementation of the projects, including permitting, engineering, procurement, construction, operation, maintenance, financing and providing services. The two in-land terminals will start operations during 2019 and the marine terminal in Veracruz at the end of 2018.

After commercial operations, and subject to all relevant regulatory and corporate authorizations as well as the approval of the Port Authority of Veracruz, Valero will have the option to acquire 50% of the equity in all three assets.

Carlos Ruiz Sacristán, CEO and Chairman of the Board of IEnova, stated that “with this transaction, we demonstrate IEnova’s ability to continue adding new business lines to our portfolio while maintaining our solid business strategy. Mexico will require important investments in the transportation and storage of refined products in the next years, and IEnova is ideally positioned to become a leader.”

“We are pleased to enter this relationship with IEnova, a well-respected energy infrastructure company,” said Joe Gorder, Valero Chairman, President and Chief Executive Officer. “With the recent Constitutional reform, it is now possible for Valero to import refined products directly into Mexico for further distribution, including branded sales. This transaction will enable us to extend our supply chain to efficiently supply gasoline, diesel and jet fuel to the growing Mexican market.”

These projects represent a new strategic milestone for IEnova. Through this investment, the Company reaffirms its interest in positioning itself as leader in the refined fuels storage and transport sector, as well as continuing to provide energy infrastructure in Mexico.

## **About IEnova**

IEnova, a Sempra Energy company, develops, constructs, and operates energy infrastructure in Mexico. With nearly 900 employees and more than \$7 billion U.S. dollars invested in the country, its presence spans various lines of business within the Mexican energy value chain. IEnova is the first and only energy infrastructure company to be listed on the Mexican stock exchange and it is the only energy company to be part of the IPC Sustainability Index.

## **About Valero**

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.