



Energy Transfer Signs LNG Sale and Purchase Agreement With China Gas

June 6, 2022

25-Year Agreement for LNG for Supply from Energy Transfer's Lake Charles LNG Export Facility Represents First Long-Term LNG Contract Signed by China Gas

DALLAS--(BUSINESS WIRE)--Jun. 5, 2022-- **Energy Transfer LP (NYSE: ET)** and **China Gas Holdings Limited (HKEX:00384)** today announced that China Gas Hongda Energy Trading Co., LTD, a subsidiary of China Gas Holdings Limited (China Gas) has entered into an LNG Sale and Purchase Agreement with Energy Transfer LNG Export, LLC (Energy Transfer LNG), a subsidiary of Dallas-based Energy Transfer LP, related to its Lake Charles LNG project.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20220603005512/en/>

Under the SPA, Energy Transfer LNG will supply 0.7 million tonnes of LNG per annum to China Gas on a free-on-board (FOB) basis. The purchase price is indexed to the Henry Hub benchmark plus a fixed liquefaction charge. The SPA is for a term of 25 years, and first deliveries are expected to commence as early as 2026. The SPAs will become fully effective upon the satisfaction of the conditions precedent, including Energy Transfer LNG taking final investment decision (FID).

"This LNG SPA signed with Energy Transfer LNG, which is the first long-term contract of China Gas, strengthens our existing portfolio for the import of LNG, and will further enable China Gas to reliably and securely meet our natural gas customers' needs. It is also an important step along the path to realizing China's carbon peaking and carbon neutrality goals," said Yalong Qi, General Manager of China Gas Hongda Energy Trading Co., LTD.

"China Gas is a premier natural gas distribution company in China, and we are pleased to enter into this 25-year LNG offtake agreement with them," said Tom Mason, President of Energy Transfer LNG. "This SPA brings our total amount of LNG contracted from our Lake Charles LNG export facility to nearly 6.0 mtpa and is an important step towards our goal of reaching FID later this year."

Energy Transfer is one of the largest and most diversified midstream energy companies in North America, with a strategic footprint in all of the major U.S. production basins. Energy Transfer's Lake Charles LNG export facility will be constructed on the existing brownfield regasification facility and will capitalize on four existing LNG storage tanks, two deep water berths and other LNG infrastructure. Lake Charles LNG has received all federal, state and local permits necessary for the construction for the project, including authorizations from the Federal Energy Regulatory Commission, as well as export authorizations from the Department of Energy. Lake Charles LNG will also benefit from its direct connection to Energy Transfer's existing Trunkline pipeline system that in turn provides connections to multiple intrastate and interstate pipelines. These pipelines allow access to multiple natural gas producing basins, including the Haynesville, the Permian and the Marcellus Shale.

About China Gas

China Gas Holdings Limited (HKEX: 00384) is a leading gas service provider in China, principally engaged in the investment, construction and management of city gas pipeline infrastructure, distribution of natural gas and LPG to residential, industrial and commercial users, and gas refilling stations for vehicles and vessels. China Gas owns a total of 652 city and township gas projects with concession rights, 32 natural gas long-distance pipeline transmission projects, 554 CNG/LNG refilling stations for vehicles, as well as the license to import and export LNG and other fuel products in China, in addition to 113 LPG distribution projects.

About Energy Transfer

Energy Transfer LP (NYSE: ET) owns and operates one of the largest and most diversified portfolios of energy assets in North America, with a strategic footprint in all of the major U.S. production basins. Energy Transfer is a publicly traded limited partnership with core operations that include complementary natural gas midstream, intrastate and interstate transportation and storage assets; crude oil, natural gas liquids (NGL) and refined product transportation and terminaling assets; and NGL fractionation. Energy Transfer also owns Lake Charles LNG Company, as well as the general partner interests, the incentive distribution rights and 28.5 million common units of Sunoco LP (NYSE: SUN), and the general partner interests and 46.1 million common units of USA Compression Partners, LP (NYSE: USAC).

Forward Looking Statements

This press release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management's control. An extensive list of factors that can affect future results are discussed in the Partnership's Annual Report on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. In addition to the risks and uncertainties previously disclosed, the Partnership has also been, or may in the future be, impacted by new or heightened risks related to the COVID-19 pandemic, and we cannot predict the length and ultimate impact of those risks. The Partnership undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

The information contained in this press release is available on our website at energytransfer.com.

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