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Cheniere Signs Memorandum of Understanding With Morgan Stanley Capital Group Inc. for LNG Processing at the Sabine Pass LNG Terminal

HOUSTON, Nov. 8, 2010 /PRNewswire-FirstCall/ -- Cheniere Energy Partners, L.P. (NYSE Amex: CQP) ("Cheniere Partners") announced today that its subsidiary, Sabine Pass Liquefaction, LLC ("Sabine"), has entered into a non-binding memorandum of understanding ("MOU") with Morgan Stanley Capital Group Inc. ("Morgan Stanley") in connection with the potential acquisition by Morgan Stanley of certain import capacity and approximately twenty percent of a proposed 7.0 million tonnes per annum ("mtpa") of LNG liquefaction capacity at the Sabine Pass LNG terminal located in Cameron Parish, Louisiana.

Consistent with the MOU, definitive agreements would provide Morgan Stanley the ability to export or import 1.7 mtpa of LNG from the proposed facility. The arrangement is subject to negotiation and execution of definitive agreements and certain other customary conditions to closing for transactions of this type including but not limited to the receipt by each party of requisite internal approvals, the receipt of necessary regulatory approvals and Sabine making a final investment decision to construct the liquefaction facilities. The MOU does not represent a final and binding agreement with respect to its subject matter.

"This is a significant development for our liquefaction project at Sabine Pass," said Charif Souki, Chairman and CEO of Cheniere Partners. "I am pleased with all of the progress we have made to date and look forward to continuing discussions with Morgan Stanley and with additional customers in order to advance with our project."

Cheniere Partners owns 100 percent of the Sabine Pass LNG terminal located in western Cameron Parish, Louisiana on the Sabine Pass Channel. The terminal has sendout capacity of 4.0 Bcf/d and storage capacity of 16.9 Bcfe. Additional information about Cheniere Energy Partners, L.P. may be found on its website: www.cheniereenergypartners.com.

As currently contemplated, the liquefaction project would be designed and permitted for up to four modular LNG trains, each with a peak processing capacity of up to approximately 0.7 Bcf/d of natural gas and an average liquefaction capacity of approximately 3.5 mtpa. The initial project phase is anticipated to include two modular trains and the capacity to process on average approximately 1.2 Bcf/d of pipeline quality natural gas. We intend to enter into contracts for at least 0.5 Bcf/d of natural gas liquefaction capacity per train in support of reaching a final investment decision regarding the development of the project. We believe that the time and cost required to develop our proposed liquefaction project would be materially lessened by Sabine Pass LNG's existing large acreage and infrastructure (docks, LNG storage tanks, power generation assets and pipeline connections). Development costs

incurred during the assessment of this project will be funded by us using our existing funds. We will contemplate making a final investment decision to commence construction of the liquefaction facilities upon, among other things, achieving regulatory approval and entering into acceptable commercial and financing arrangements. We anticipate LNG export could commence as early as 2015.

This press release contains certain statements that may include "forward-looking statements" within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, (i) statements regarding Cheniere Energy Partners' business strategy, plans and objectives, including the construction and operation of liquefaction facilities, (ii) statements regarding our expectations regarding regulatory authorizations and approvals and (iii) statements expressing beliefs and expectations regarding the development of Cheniere Energy Partners' LNG terminal and liquefaction business. Although Cheniere Energy Partners believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere Energy Partners' actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere Energy Partners' periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere Energy Partners does not assume a duty to update these forward-looking statements.

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