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Cheniere Signs MOU With Endesa and Enel Trade for Bi-Directional Processing Capacity at the Sabine Pass LNG Terminal

HOUSTON, Feb. 17, 2011 /PRNewswire/ -- 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 Endesa, S.A. ("Endesa"), a Spanish corporation, whose principal place of business is at Calle Ribera del Loira 60, 28042 Madrid, Spain and Enel Trade S.p.A. ("Enel Trade"), an Italian corporation, having an office at Viale Regina Margherita 125, 00198 Rome.

Subject to the terms and conditions of the MOU, Sabine, Endesa, and Enel Trade have agreed to proceed with negotiations to contract up to 1.5 million tonnes per annum ("mtpa") of bi-directional LNG processing capacity at the Sabine Pass LNG terminal located in Cameron Parish, Louisiana, subject to certain conditions precedent, including but not limited to the receipt by each party of requisite internal approvals, Sabine's receipt of regulatory approvals and making a final investment decision to construct the liquefaction facilities.

Endesa, an Enel Group company, is the leading Spanish electric utility and the top ranking private electricity multinational in Latin America. Endesa operates in ten countries, has more than 26,300 employees and controls nearly 40,000 MW of installed capacity, with sales of approximately 169,900 GWh and a customer base of 24.6 million. Its main business activity is the generation, transmission, distribution and supply of electricity. The company is an increasingly important operator in the natural gas sector, has significant operations in renewables, and provides various other energy-related services.

Enel Trade is a subsidiary of Enel, Italy's largest power company and Europe's second listed utility by installed capacity. It is an integrated player which produces, distributes and sells electricity and gas. The Enel Group has a presence in forty countries over four continents, has around 95,000 MW of net installed capacity and sells power and gas to more than 61 million customers.

"We are pleased to announce the start of negotiations of definitive agreements with Endesa and Enel Trade," said Charif Souki, Chairman and CEO of Cheniere Partners. "To date we have entered into MOUs for up to 9.8 mtpa of processing capacity, which exceeds our targeted capacity of 7.0 mtpa for the first two trains. Our MOU process has demonstrated that there is significant interest in our project. We now look forward to converting these non-binding MOUs into definitive agreements and finalizing reserved capacity for customers."

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 Partners may be found on its website: www.cheniereenergypartners.com.

As currently contemplated, the Sabine Pass 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 processing 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. Commencement of construction is subject to regulatory approvals and a final investment decision contingent upon Cheniere Partners obtaining satisfactory construction contracts and entering into long-term customer contracts sufficient to underpin financing of the project. We believe that the time and cost required to develop the project would be materially lessened by Sabine Pass LNG's existing large acreage and infrastructure. 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 Partners' business strategy, plans and objectives, including the construction and operation of liquefaction facilities, (ii) statements regarding our expectations regarding regulatory authorizations and approvals, (iii) statements expressing beliefs and expectations regarding the development of Cheniere Partners' LNG terminal and liquefaction business and (iv) statements regarding the business operations and prospects of third parties. Although Cheniere 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 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 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 Partners does not assume a duty to update these forward-looking statements.

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