



Howard Weil Energy Conference

Charif Souki
CEO, Cheniere Energy, Inc.

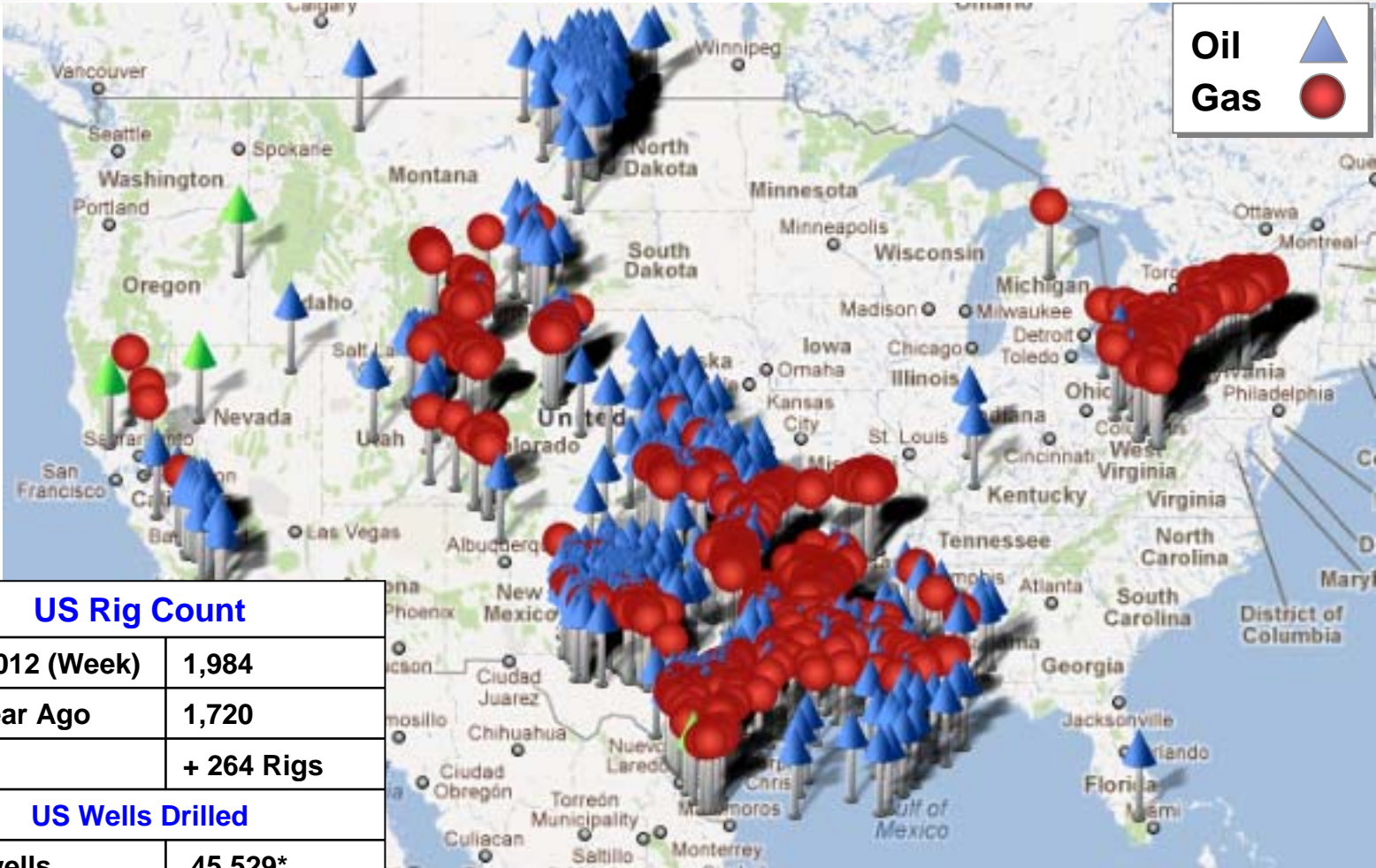
Forward Looking Statements



This presentation contains certain statements that are, or may be deemed to be, “forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended”. All statements, other than statements of historical facts, included herein are “forward-looking statements.” Included among “forward-looking statements” are, among other things:

- statements relating to the construction or operation of each of our proposed liquefied natural gas, or LNG, terminals or our proposed pipelines or liquefaction facilities, or expansions or extensions thereof, including statements concerning the completion or expansion thereof by certain dates or at all, the costs related thereto and certain characteristics, including amounts of regasification, transportation, liquefaction and storage capacity, the number of storage tanks, LNG trains, docks, pipeline deliverability and the number of pipeline interconnections, if any;
- statements that we expect to receive an order from the Federal Energy Regulatory Commission, or FERC, authorizing us to construct and operate proposed LNG receiving terminals, liquefaction facilities or proposed pipelines by certain dates, or at all;
- statements regarding future levels of domestic natural gas production, supply or consumption; future levels of LNG imports into North America; sales of natural gas in North America or other markets; exports of LNG from North America; and the transportation, other infrastructure or prices related to natural gas, LNG or other energy sources or hydrocarbon products;
- statements regarding any financing or refinancing transactions or arrangements, or ability to enter into such transactions or arrangements, whether on the part of Cheniere Energy, Inc., Cheniere Energy Partners, L.P., or any of their subsidiaries or at the project level;
- statements regarding any commercial arrangements presently contracted, optioned or marketed, or potential arrangements, to be performed substantially in the future, including any cash distributions and revenues anticipated to be received and the anticipated timing thereof, and statements regarding the amounts of total LNG regasification, liquefaction or storage capacity that are, or may become, subject to such commercial arrangements;
- statements regarding the ability of Cheniere Energy Partners, L.P. to pay distributions to its unitholders;
- statements regarding the expected receipt of cash distributions from Cheniere Energy Partners, L.P. or Sabine Pass LNG, L.P.;
- statements regarding counterparties to our commercial contracts, construction contracts and other contracts;
- statements regarding any business strategy, any business plans or any other plans, forecasts, projections or objectives, including potential revenues and capital expenditures, any or all of which are subject to change;
- statements regarding legislative, governmental, regulatory, administrative or other public body actions, requirements, permits, investigations, proceedings or decisions;
- statements regarding our anticipated LNG and natural gas marketing activities; and
- any other statements that relate to non-historical or future information.

These forward-looking statements are often identified by the use of terms and phrases such as “achieve,” “anticipate,” “believe,” “contemplate,” “develop,” “estimate,” “example,” “expect,” “forecast,” “opportunities,” “plan,” “potential,” “project,” “propose,” “subject to,” and similar terms and phrases. Although we believe 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. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Our 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 “Risk Factors” in the Cheniere Energy, Inc. Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) on March 5, 2012 and the Cheniere Energy Partners, L.P. Annual Report on Form 10-K/A filed with the SEC on September 12, 2011, which are incorporated by reference into this presentation. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these “Risk Factors”. These forward-looking statements are made as of the date of this presentation, and we undertake no obligation to publicly update or revise any forward-looking statements.

U.S. Rig Activity



Oil	
Gas	

US Rig Count	
3-16-2012 (Week)	1,984
vs. Year Ago	1,720
	+ 264 Rigs
US Wells Drilled	
2011 wells	45,529*
2010 wells	38,322
	+ 7,207 Wells

Source: Baker Hughes (rigs); US Energy Information Administration (wells drilled)

* Estimated -- 38,747 US wells drilled through Oct. 2011 (EIA)

Perspective

Capital Invested

45,000 wells drilled in 2011 ~\$250B

Midstream: INGAA

\$200B (over ~20 years) ~\$10B

Dow, Shell, etc.

Industrial Investment up to \$30B (over 5-10 years) \$5B

Future: Coal substitution ?
Transportation ?

Saudi Oil Revenues \$225B

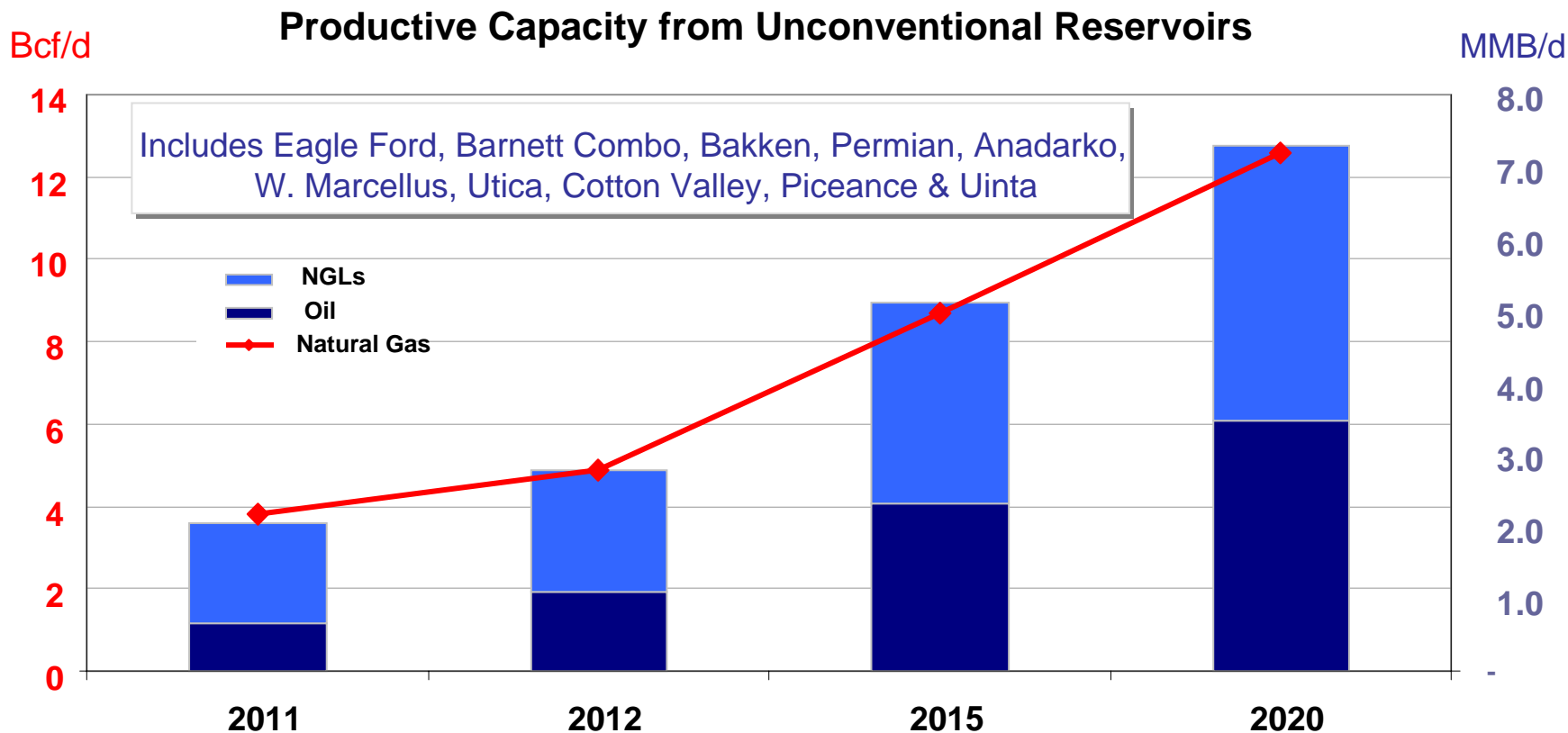
Energy Capital Expenditures \$20B*

Source: EIA, Bloomberg, The INGAA Foundation, "Jobs & Economic Benefits of Midstream Infrastructure Development", February 2012, Cheniere Research

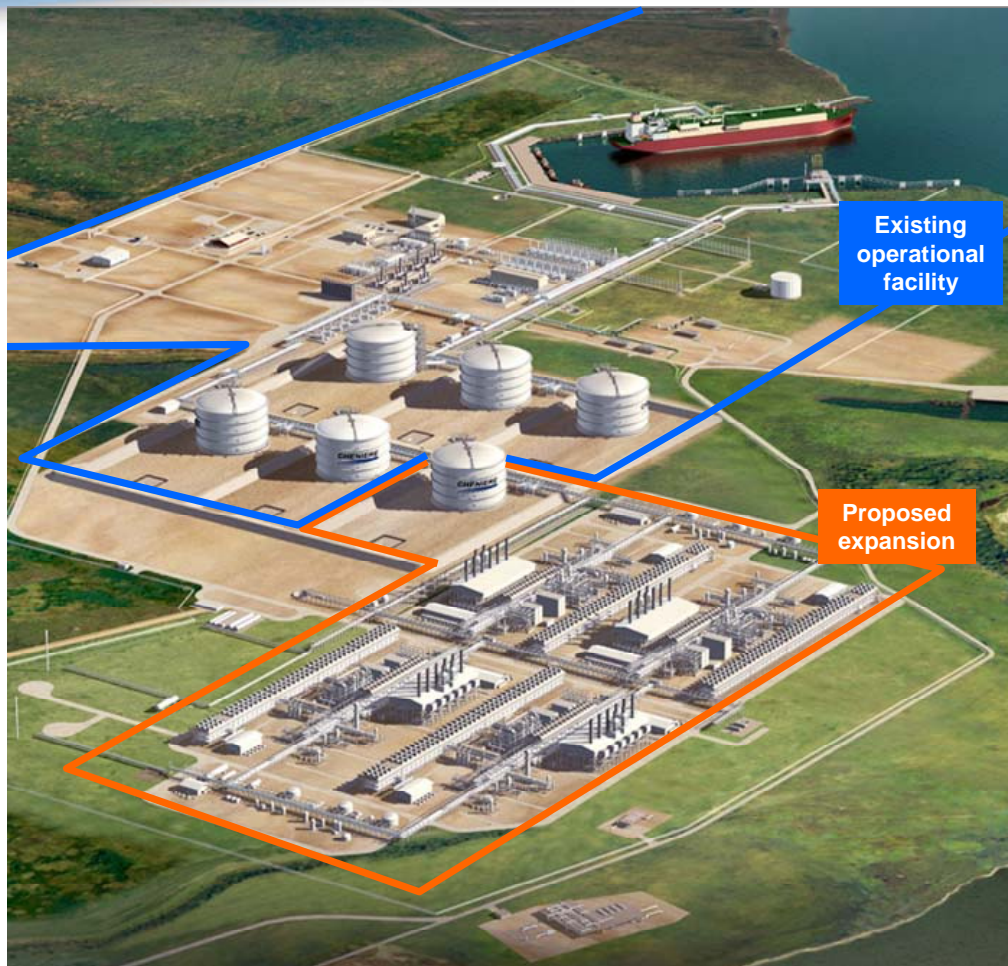
*Estimated to be 10% of revenues

Oil Production Drives Investment Decisions for Gas

- Liquids production from shale plays > 3 million b/d by 2020
- Associated natural gas > 12 Bcf/d of “costless” supply



Proposed SPL Project: Brownfield Development Utilizing Existing Assets



Current Facility

- ~ 1,000 acres in Cameron Parish, LA
- 40 ft ship channel 3.7 miles from coast
- 2 berths; 4 dedicated tugs
- 5 LNG storage tanks (17 Bcf of storage)
- 4.3 Bcf/d peak regasification capacity
- 5.3 Bcf/d of pipeline interconnection to the US pipeline network

Liquefaction Expansion

- Construction contract w/Bechtel for Trains 1 and 2
- Up to four liquefaction trains designed with ConocoPhillips' Optimized Cascade® Process technology
- Six GE LM2500+ G4 gas turbine driven refrigerant compressors per train
- Gas treating and environmental compliance
- Modifications to the Creole Trail Pipeline for bi-directional service
- Sixth tank if needed for fourth train

Significant infrastructure in place including storage, marine and pipeline interconnection facilities; pipeline quality natural gas to be sourced from U.S. pipeline network

U.S. LNG Arbitrage Opportunity

Henry Hub vs. Brent

Current Prices

Henry Hub: \$2.50 / MMBtu





Brent Crude: \$105 / Barrel

(\$/MMBtu)	<u>Americas</u>	<u>Europe</u>	<u>Asia</u>
Henry Hub	\$ 2.50	\$ 2.50	\$ 2.50
Liquefaction	3.00	3.00	3.00
Shipping	0.75	1.25	3.00
Fuel/Basis	0.35	0.35	0.35
DES	\$ 6.60	\$ 7.10	\$ 8.85
vs Brent			
	@ 15% <u>15.75</u>	@ 12% <u>12.60</u>	@ 15% <u>15.75</u>
Margin	\$ 9.15	\$ 5.50	\$ 6.90

Source: Cheniere Research estimates

Contracted Capacity at SPL Sale and Purchase Agreements (SPAs)

Long-term, “take-or-pay” style commercial contracts equating to ~2.2 Bcf/d

	 BG GROUP BG Gulf Coast LNG ⁽¹⁾	 Gas Natural Fenosa ⁽¹⁾	 GAIL (India) Limited ⁽¹⁾	 Korea Gas Corporation ⁽¹⁾
Annual Contract Quantity (MMBtu)	286,500,000	182,500,000	182,500,000	182,500,000
Markets Served	Global	Spain, Italy, Americas	India	South Korea
Description	Global LNG marketer	Spain’s largest gas utility	India’s major vertical gas utility	World’s largest buyer of LNG
Annual Revenue	~\$723 MM	~\$454 MM	~\$548 MM	~\$548 MM
Revenue \$/MMBtu ⁽²⁾	\$2.52	\$2.49	\$3.00	\$3.00
Term	20 years	20 years	20 years	20 years
Contract Start Date	Train 1 + additional Volumes for trains 2,3,4	Train 2	Train 4	Train 3

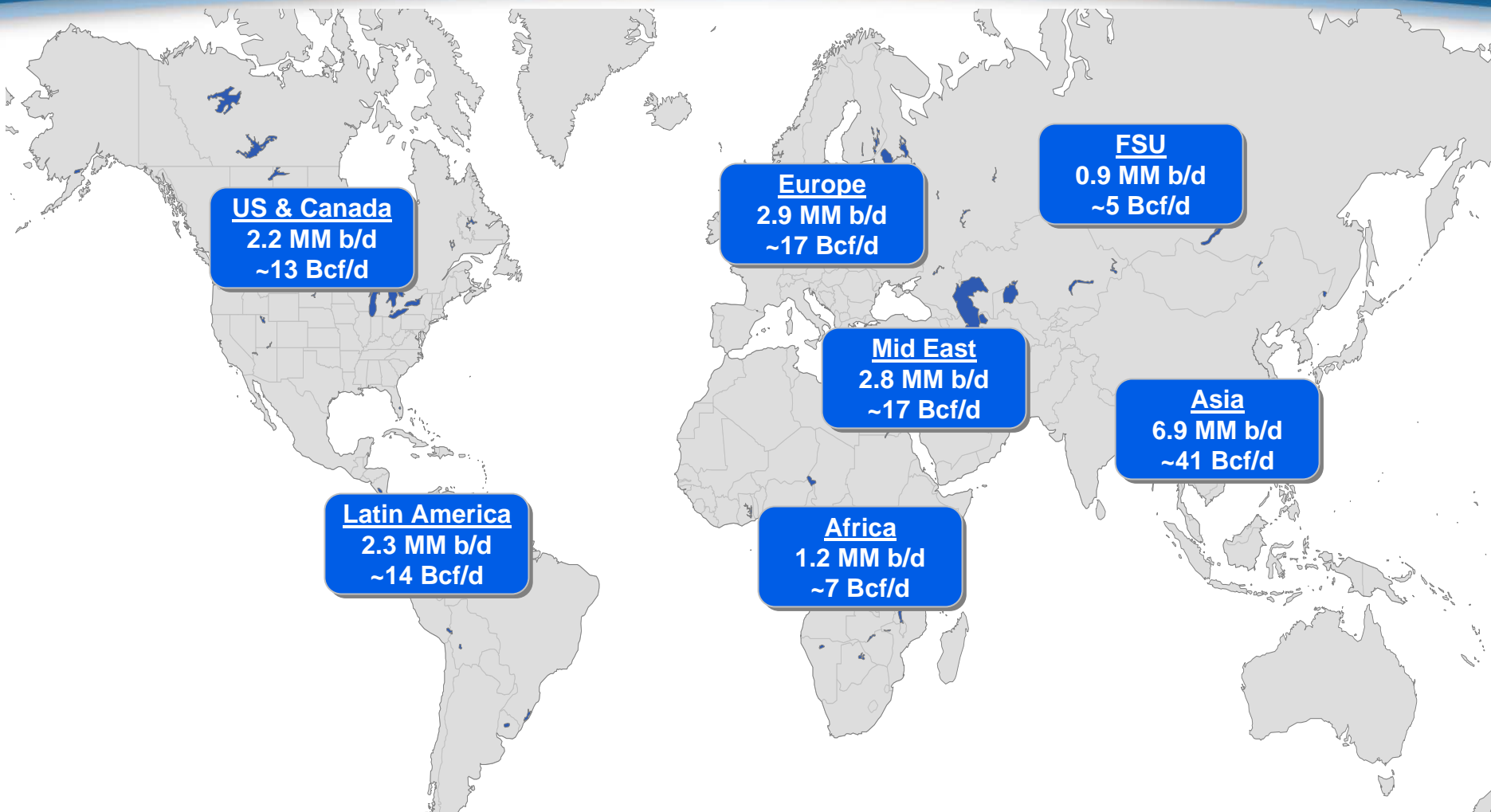
(1) Conditions precedent must be satisfied by December 31, 2012 for Gas Natural Fenosa and by June 30, 2013 for BG Group, KOGAS and GAIL (India) Ltd. or either party can terminate. CPs include financing, regulatory approvals, positive final investment decision, issuance of notice to proceed and entering into common facilities agreements (other than GAIL (India) Limited).

(2) A portion of the fee is subject to inflation, approximately 15% for BG Group, 13.6% for Gas Natural Fenosa and 15% for Korea Gas Co. and GAIL (India) Ltd.

(3) Ratings may be changed, suspended or withdrawn at anytime and are not a recommendation to buy, hold or sell any security.

(4) SPAs have a 20 year term with the right to extend up to an additional 10 years. Gas Natural Fenosa has an extension right up to an additional 12 years in certain circumstances.

Global Petroleum Demand – Stationary Sources

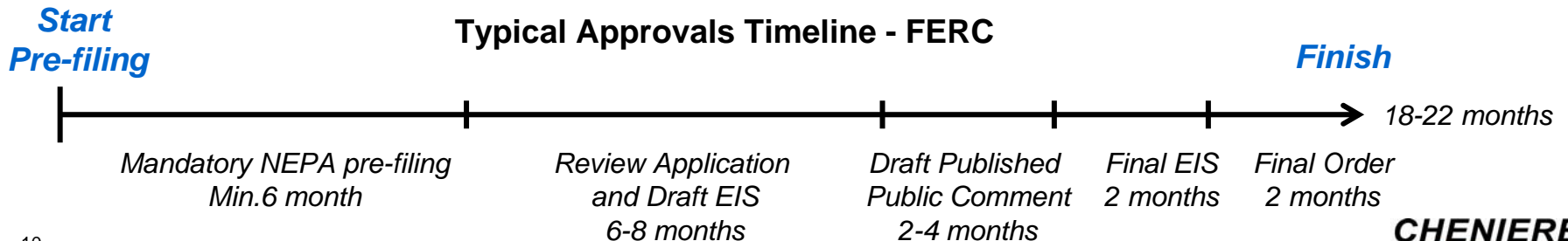


Global oil use totals 19 million b/d (~22%) in stationary sources, such as industrial, power and heating, that could be switched to natural gas: equivalent to 100+ Bcf/d natural gas demand

Regulatory Process

DOE vs FERC

- **Dual regulatory tracks with DOE and FERC**
 - FERC coordinates federal and state review of LNG project impacts
 - DOE authorizes license to import and export natural gas
- **DOE Authority**
 - Section 3 of 1938 Natural Gas Act Requires that DOE authorize exports to a foreign country unless there is a finding that such exports “will not be consistent with the public interest”
 - Creates a statutory presumption in favor of approval by DOE of export applications, which opponents of such applications bear the burden of overcoming
 - Sabine Pass is only project to have received non-FTA license from DOE to export gas as LNG
- **FERC Authority**
 - National Environmental Policy Act (NEPA) empowers FERC as the lead Federal agency to prepare an Environmental Impact Statement in cooperation with other state and federal agencies
 - EPACT 2005 confirms FERC’s role as lead agency in review and authorization of LNG terminals
 - DOE is a cooperating agency with FERC and is to use FERC’s NEPA process to address a project’s potential environmental impacts as part of its “public interest” evaluation
- **World Trade Organization Commitments**
 - The WTO framework limits the U.S. from placing constraints on the export of natural resources

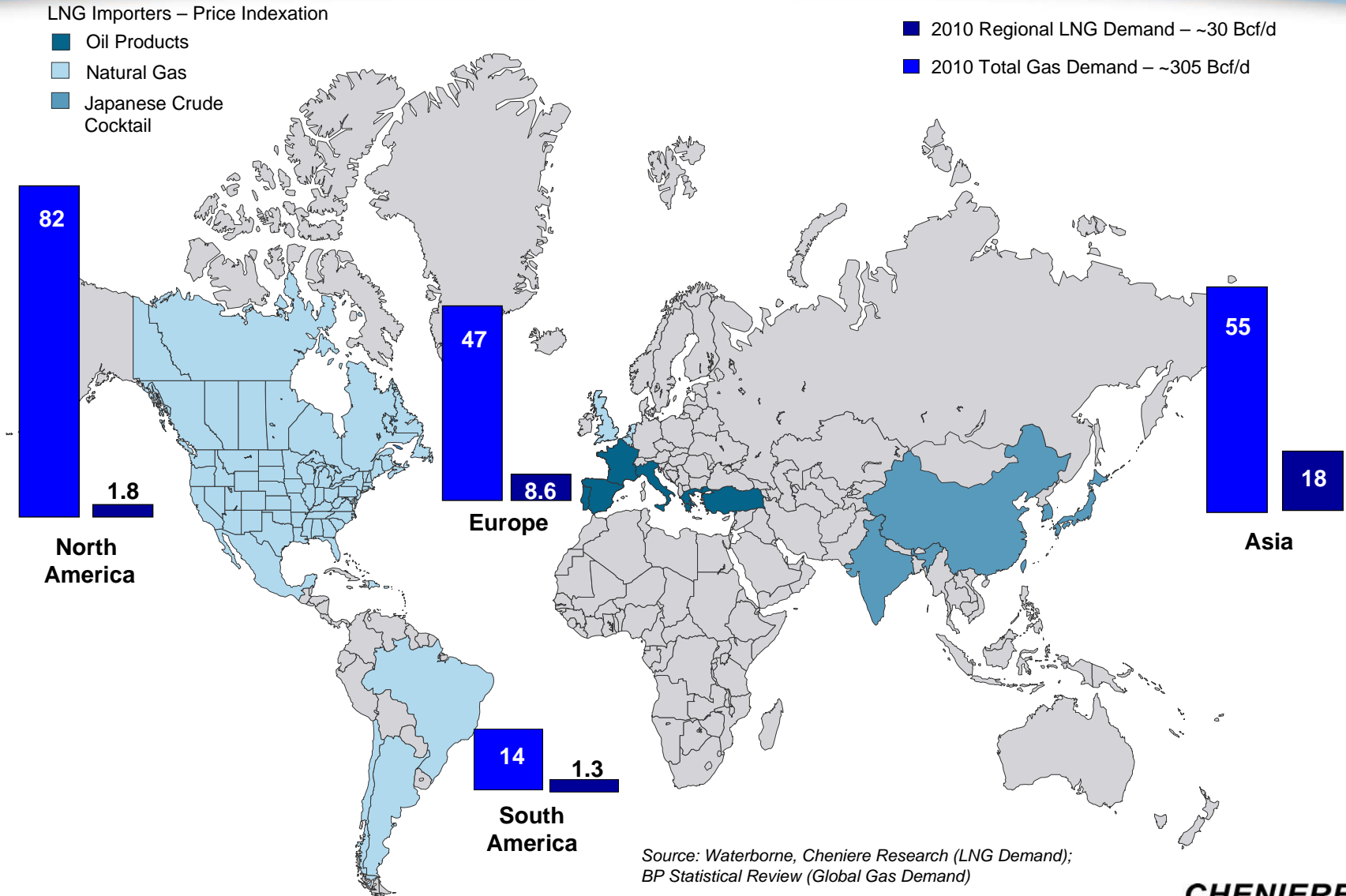


LNG Exports – U.S. Gas Price Impact

- Impact of LNG exports on U.S. gas prices has been evaluated by numerous industry forecasters (Deloitte, Navigant, Brookings, EIA)
- These experts are in agreement that the U.S. could export substantial volumes of natural gas as LNG with minimal impacts to U.S. gas prices
- Estimated proved, nonproducing reserves: 98 Tcf per EIA
- Production capacity vs. actual production
 - 2011 natural gas imports 5 Bcf/d in U.S., lowest in 19 years per EIA
- Volume response to price signals

Global LNG Markets

Oil Indexation vs Gas Competition



Conclusions

- Resource base is enormous
 - Minimal impact on U.S. gas prices
- 12 Bcf/d of natural gas exports would reduce oil demand by almost 1.5 mm bpd
- Oil production increase in U.S. could be 3.4 mm bpd by 2020
- All very bearish indicators for oil prices

But...

- Emerging country demand, particularly China / India
- Political fragility of many producers, especially if prices dip under \$100 per barrel

Source: Advanced Resources