

# ***CHENIERE ENERGY, INC.***

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\* Sabine Pass LNG, L.P.  
Cheniere Energy Partners, L.P.  
Cheniere Energy, Inc. 91%



\*Corpus Christi LNG, LLC  
Cheniere Energy, Inc. 100%



\*Creole Trail LNG, L.P.  
Cheniere Energy, Inc. 100%



\*Freeport LNG Development, L.P.  
Cheniere Energy, Inc. 30%

## **Credit Suisse Energy Summit February 2008**

\*Artist's Rendition

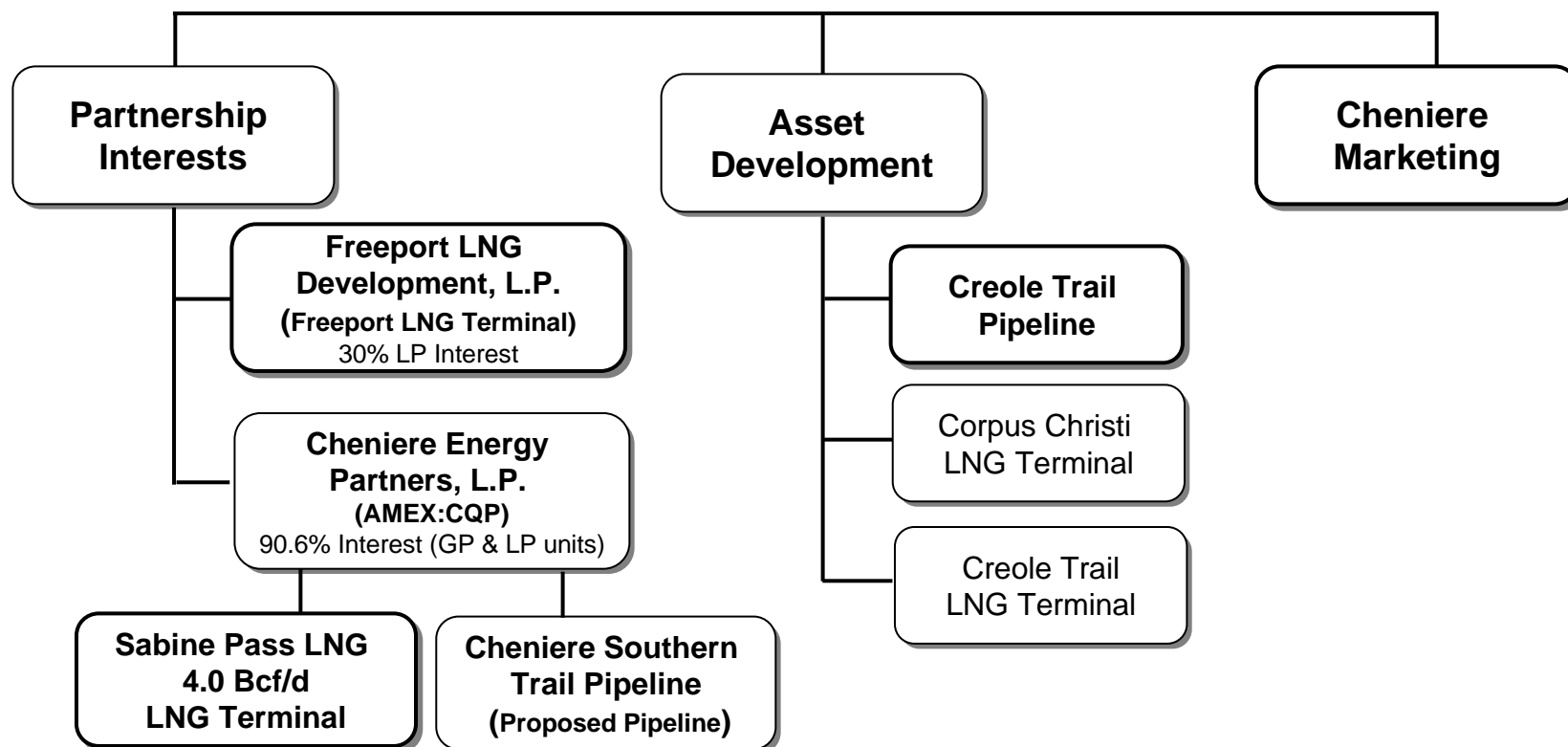
**CHENIERE**

# Safe Harbor Act

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 and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements, other than statements of historical facts, included herein are “forward-looking statements.” Included among “forward-looking statements” are, among other things:

- statements that we expect to commence or complete construction of each or any of our proposed liquefied natural gas, or LNG, receiving terminals by certain dates, or at all;
- statements that we expect to receive authorization from the Federal Energy Regulatory Commission, or FERC, to construct and operate proposed LNG receiving terminals by a certain date, or at all;
- statements regarding future levels of domestic natural gas production and consumption, or the future level of LNG imports into North America, or regarding projected future capacity of liquefaction or regasification, liquifaction utilization or total monthly LNG trade facilities worldwide, regardless of the source of such information;
- statements regarding any financing transactions or arrangements, whether on the part of Cheniere or at the project level;
- statements relating to the construction of our proposed LNG receiving terminals, including statements concerning estimated costs, and the engagement of any contractor;
- statements regarding any Terminal Use Agreement, or TUA, or other commercial arrangements presently contracted, optioned, marketed or potential arrangements to be performed substantially in the future, including any cash distributions and revenues anticipated to be received;
- statements regarding the commercial terms and potential revenues from activities described in this presentation;
- statements regarding the commercial terms or potential revenue from any arrangements which may arise from the marketing of uncommitted capacity from any of the terminals, including the Creole Trail and Corpus Christi terminals which do not currently have contractual commitments;
- statements regarding the commercial terms or potential revenue from any arrangement relating to the proposed contracting for excess or expansion capacity for the Sabine Pass LNG Terminal or the Indexed Purchase Agreement (“IPA”) or LNG spot purchase examples described in this presentation;
- statements that our proposed LNG receiving terminals, when completed, will have certain characteristics, including amounts of regasification and storage capacities, a number of storage tanks and docks and pipeline interconnections;
- statements regarding Cheniere and Cheniere Marketing forecasts, and any potential revenues and capital expenditures which may be derived from any of Cheniere business groups;
- statements regarding Cheniere Pipeline Company, and the capital expenditures and potential revenues related to this business group; statements regarding our proposed LNG receiving terminals’ access to existing pipelines, and their ability to obtain transportation capacity on existing pipelines; statements regarding the Cheniere Southern Trail Pipeline, and its potential business opportunities;
- statements regarding possible expansions of the currently projected size of any of our proposed LNG receiving terminals;
- statements regarding the payment by Cheniere Energy Partners, L.P. of cash distributions;
- statements regarding our business strategy, our business plan or any other plans, forecasts, examples, models, or objectives, any or all of which are subject to change;
- statements regarding estimated corporate overhead expenses; and
- any other statements that relate to non-historical information.

These forward-looking statements are often identified by the use of terms and phrases such as “achieve,” “anticipate,” “believe,” “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 for the year ended December 31, 2006, 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.



# Freeport LNG Development, L.P.

## Cheniere Energy, Inc. 30%

- **TUA Contracts totaling 1.55 Bcf/d**
  - Conoco 0.90 Bcf/d
  - Dow 0.50 Bcf/d
  - Mitsubishi 0.15 Bcf/d
- **Operational in 2008**
- **Facility ownership: Cheniere (30%), M. Smith (45%), Contango (10%) and Dow (15%)**
- **Contango recently announced an agreement to sell their 10% interest to an Asian utility for \$68 million**
- **Freeport LNG has obtained ~\$1.1 billion debt to fund construction**
- **Cheniere expects to receive annual cash receipts of ~\$15mm**

Freeport LNG Construction Site August 2007





# Cheniere Energy Partners, L.P. (AMEX: CQP)

## Sabine Pass LNG, L.P.

Cheniere Energy, Inc. 90.6%

Sabine Pass Construction Site – January 2008

- **4 Bcf/d capacity contracted at Sabine Pass facility resulting in annual revenues of approximately:**
  - ~\$256 MM from CVX and Total
  - ~\$256 MM from Marketing
- **Operating costs, debt service and common unit holder distributions are estimated to be \$245 MM to \$255 MM\***
- **Annual distribution is \$1.70 per unit and will be paid to all unit holders beginning mid 2009\*\***
- **Estimated construction costs are ~\$1.5 B**



Sold – Terminal Use Agreement (TUA)	Capacity	2010 Full-Year Revenue (\$MM)
Total, S.A.	1.0 Bcf/d	~ \$126
Chevron	1.0 Bcf/d	~ \$130
Cheniere Marketing	2.0 Bcf/d	~ \$256
<b>Estimated Annual Distribution from CQP to Cheniere Energy, Inc.</b>		
2010		~ \$254 MM

\* Estimate for 2010 full year basis

\*\* Currently CQP is paying \$1.70 per unit to common unit holders. Distributions to GP and subordinated units expected to reach \$1.70 per unit by 2H09.



# Next Generation of Terminals

## Including Some Terminals Under Construction

- Higher construction costs: ~ \$1 billion for 1 Bcf/d
- Utilization constraints
  - Operational
    - Marine access
    - Pipeline takeaway
    - Storage
  - Market size and access
    - Affects regional price basis
  - Seasonality

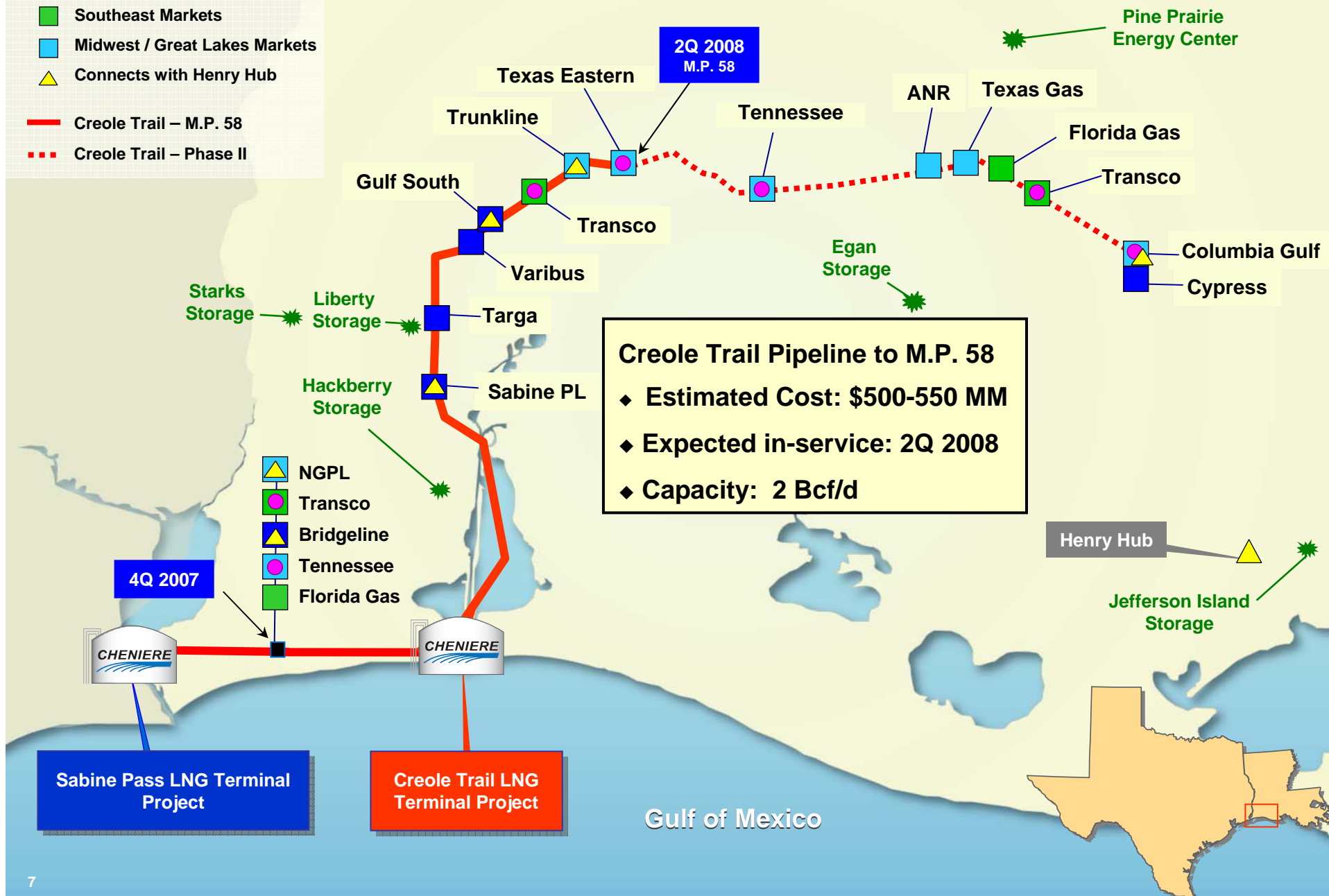
**\$0.32 per MMBtu TUA is a thing of the past**

Potential Pipeline Interconnects:

- Gulf Coast Markets
- Northeast Markets
- Southeast Markets
- Midwest / Great Lakes Markets
- ▲ Connects with Henry Hub

- Creole Trail – M.P. 58
- - - Creole Trail – Phase II

# Creole Trail Pipeline



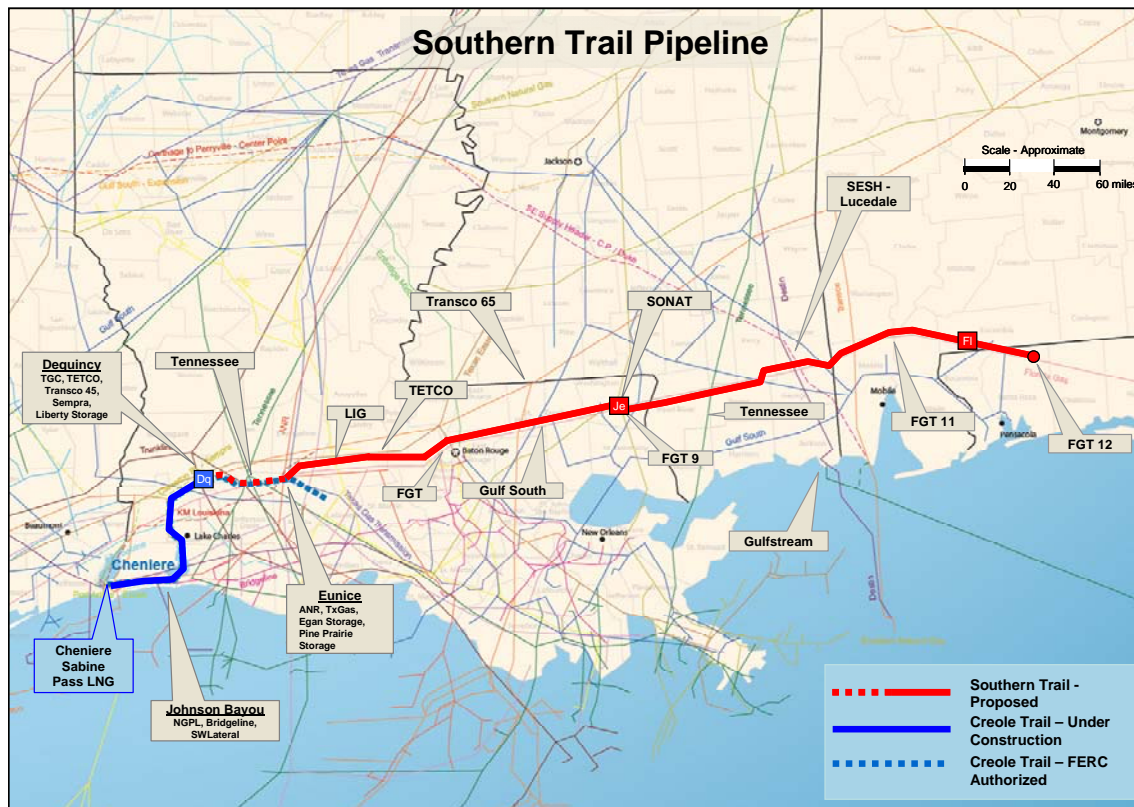
# Fuel Efficiency Projects

- Projects include installation of waste heat recovery units and ambient air vaporizers
  - Waste heat recovery utilizes waste heat from gas turbine generator exhaust to heat water for use in the submerged combustion vaporizers
  - Ambient air vaporizers reheat LNG without using fuel
- Proposed projects would result in fuel savings, which would allow for partial monetization of the 2% LNG retained
  - Savings depends on LNG throughput at the terminal
  - Savings will also depend on number of ambient air vaporizers that can be effectively installed
  - Estimated to save potentially 50-75% of the 2% LNG retainage
- Estimated project completions
  - Waste heat recovery: 2010
  - Ambient air vaporizers: 2010-2011



# Southern Trail Pipeline

- Provide Southeast markets with incremental transportation capacity accessing new and existing LNG gas supply in and around Louisiana; nearly 10 Bcf/d regas capacity by 2010
- Connect to new electric generation in Florida, with an estimated 1 Bcf/d of incremental demand

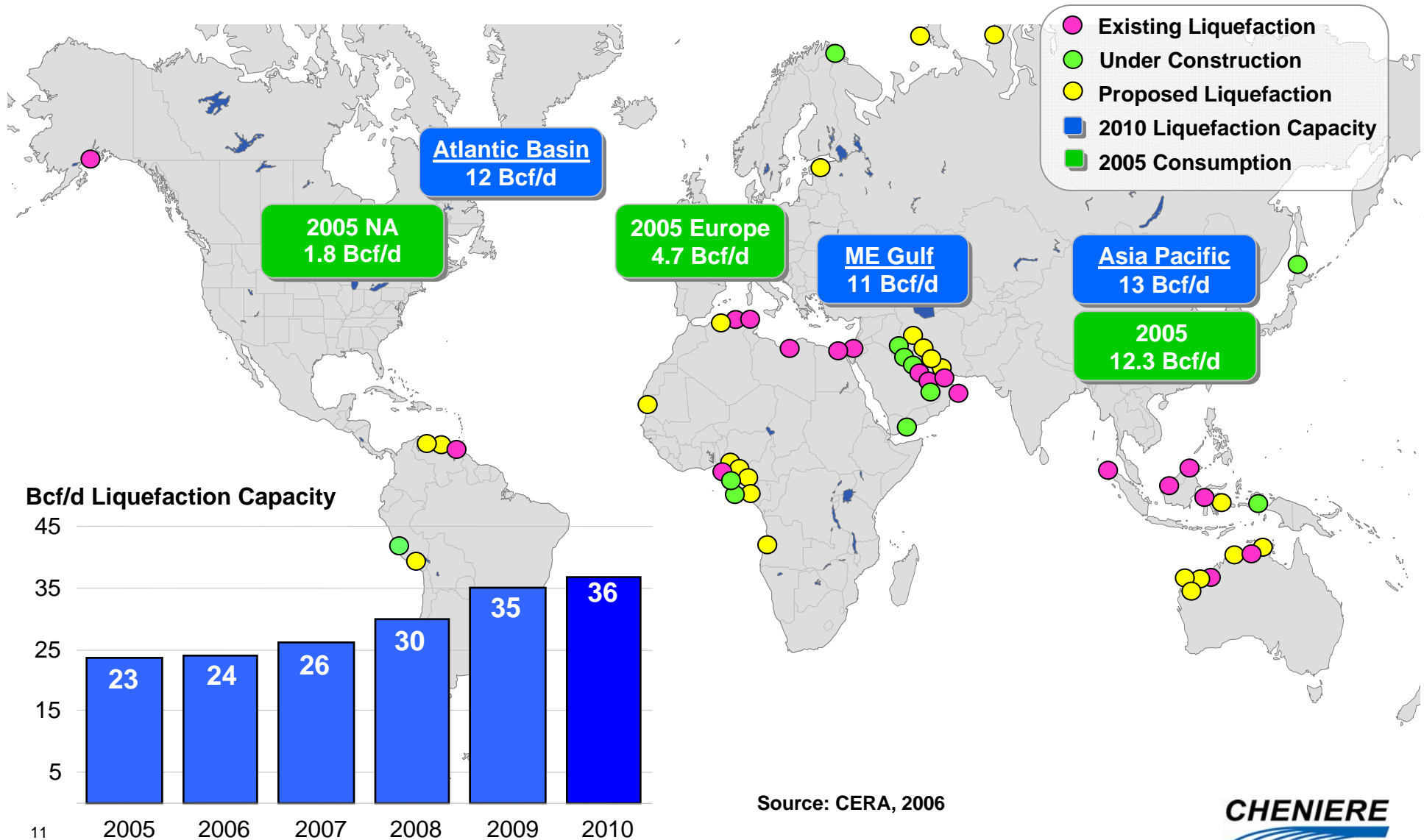


- Length:
  - 330 to 400 miles
- Diameter:
  - 36-inch & 42-inch segments
- Held non-binding open season, continuing to negotiate with respondents
- Initiating permitting:
  - NEPA pre-filing
- Estimated In-service:
  - as early as mid-2010

# Value of Marketing

## LNG Fundamentals

# New Liquefaction Competes for Market Share



# Constraint is not Regasification but Natural Gas Consumption

- Regasification capacity reflects seasonal variations

Bcf/d	2000			2007 Estimates*			2010 Estimates*		
	LNG <sup>1</sup> Imports	Regas <sup>2</sup> Capacity	% <sup>3</sup> Utilized	LNG <sup>1</sup> Imports	Regas <sup>2</sup> Capacity	% <sup>3</sup> Utilized	LNG <sup>1</sup> Imports	Regas <sup>2</sup> Capacity	% <sup>3</sup> Utilized
Asia	10	28	36	14	34	40	~ 16	39	47
Europe	3	5	68	5	11	50	~ 6	20	33
North America	1	2	47	3	6	48	~ 10	18	54

Source: GIIGNL; Waterborne LNG; Cheniere Research

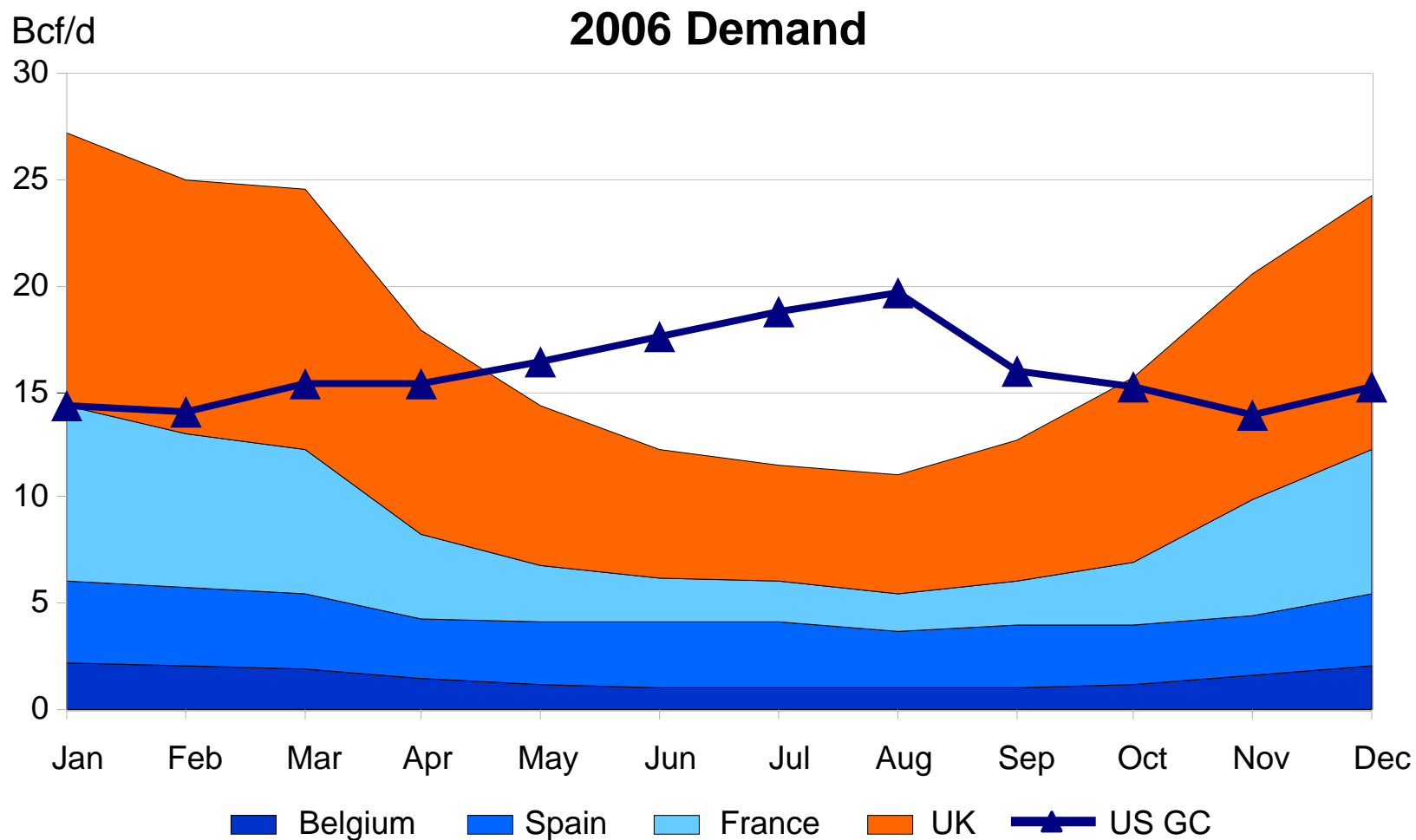
<sup>1</sup> Average LNG imports

<sup>2</sup> Year-end capacity

<sup>3</sup> Average LNG imports as percentage of year-end capacity

\* 2010 capacity equals existing plus announced construction to be completed by year-end 2010

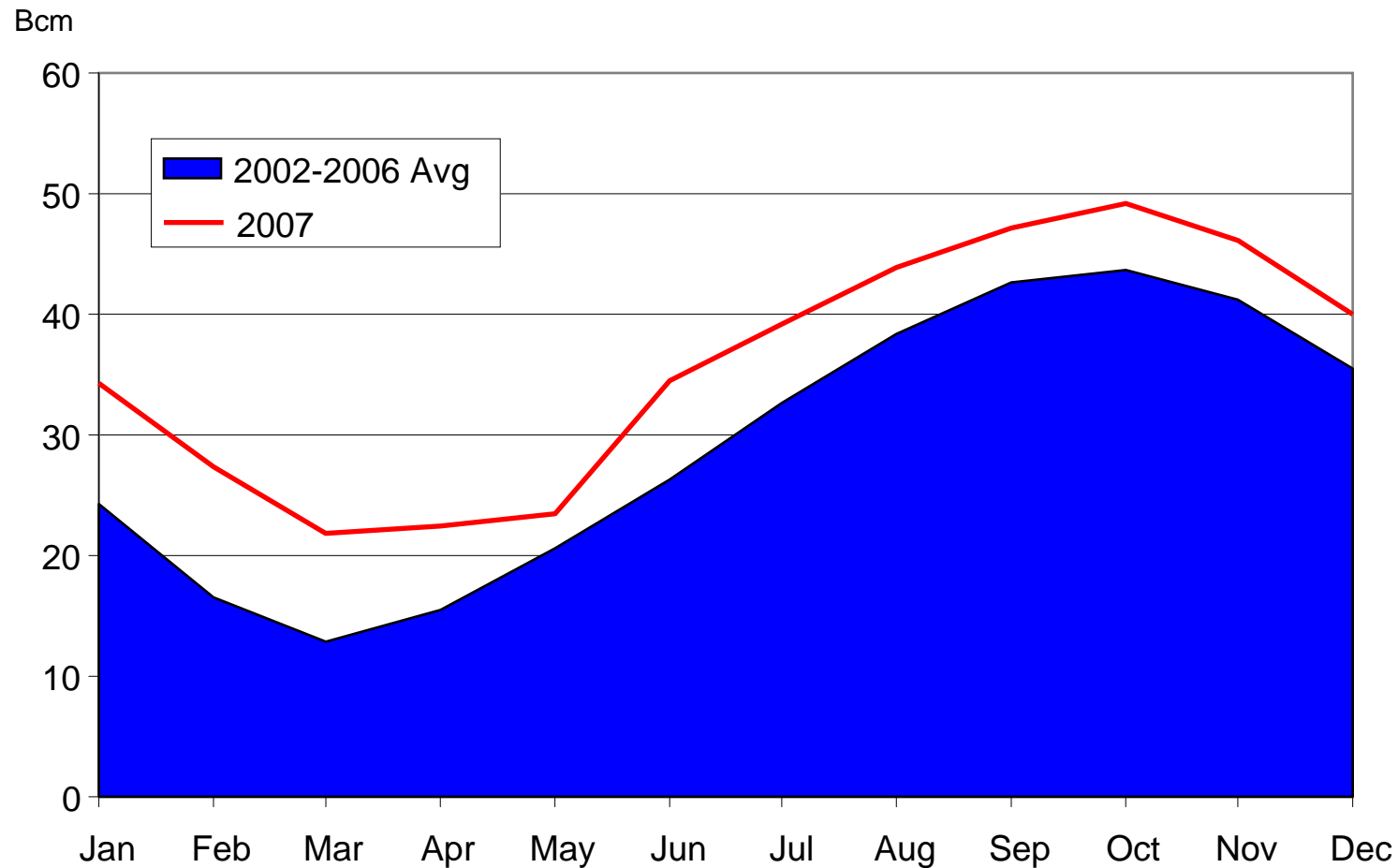
# Demand Seasonality will Impact Flows



Source: IEA

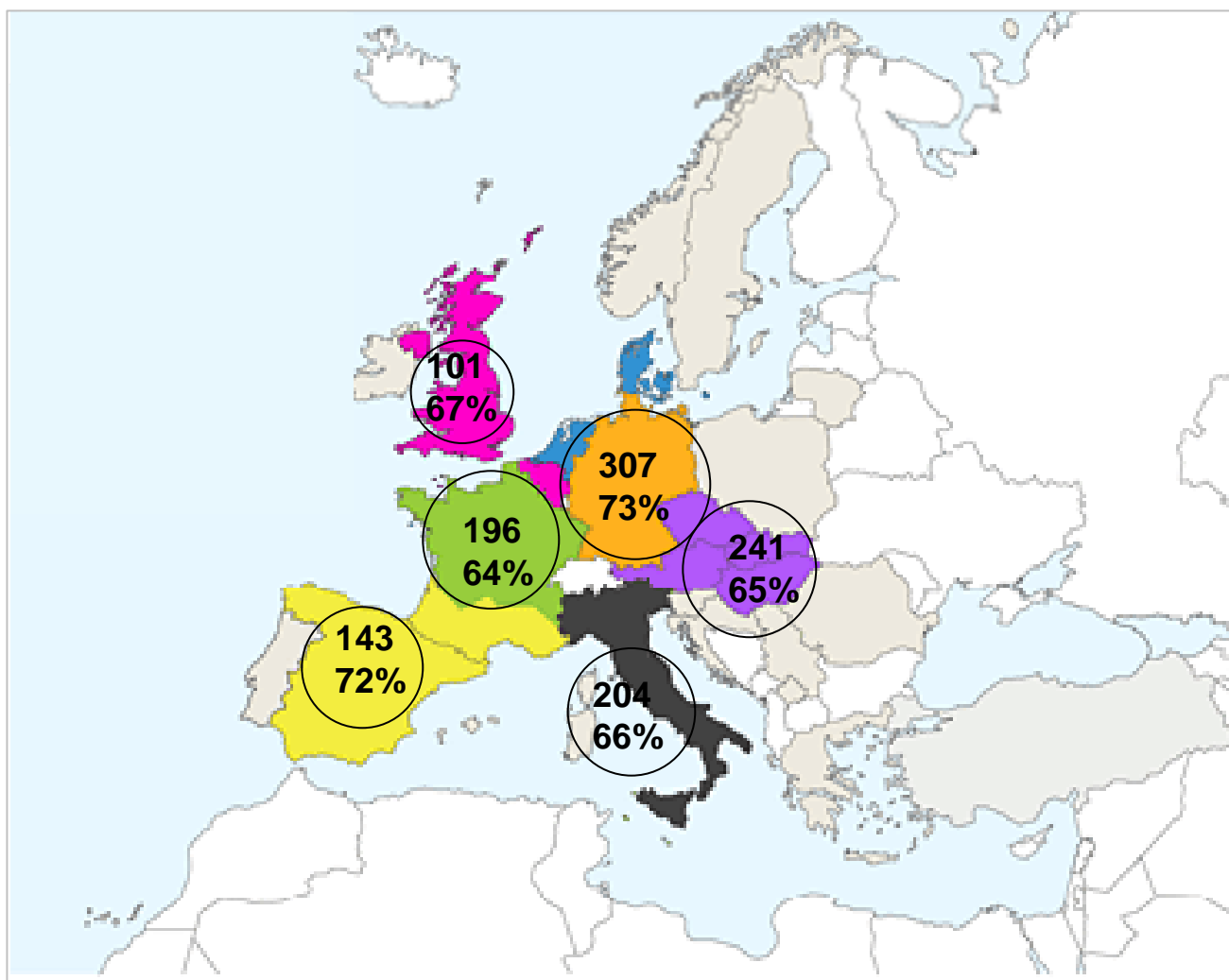


# European Storage: 2007 vs 5yr Avg



Source: PIRA

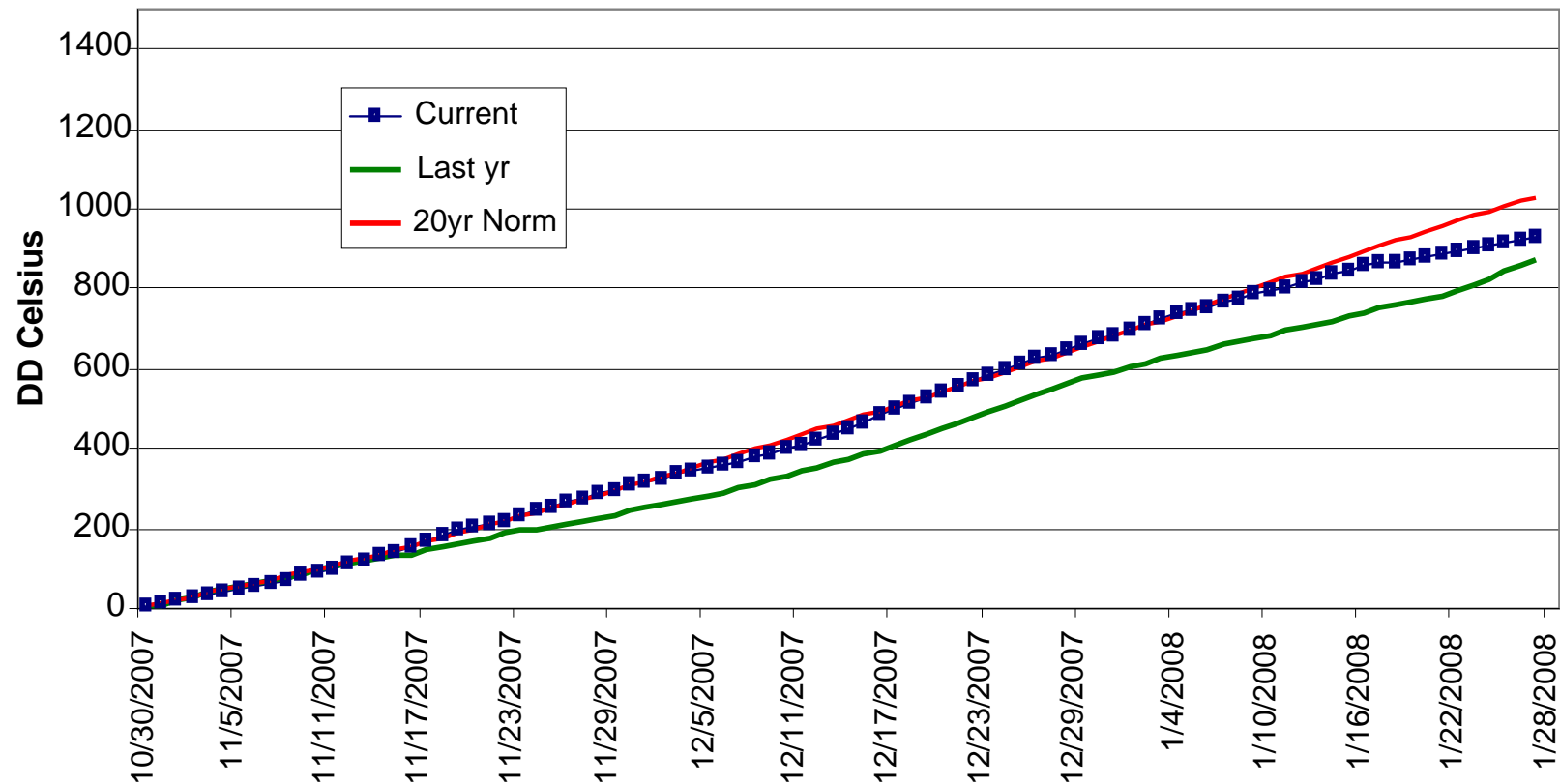
# European Gas Storage Inventory - Bcf



Inventory as of Jan 14, 2008  
Source: GSE 1/14/08

# Europe Heating Degree Days

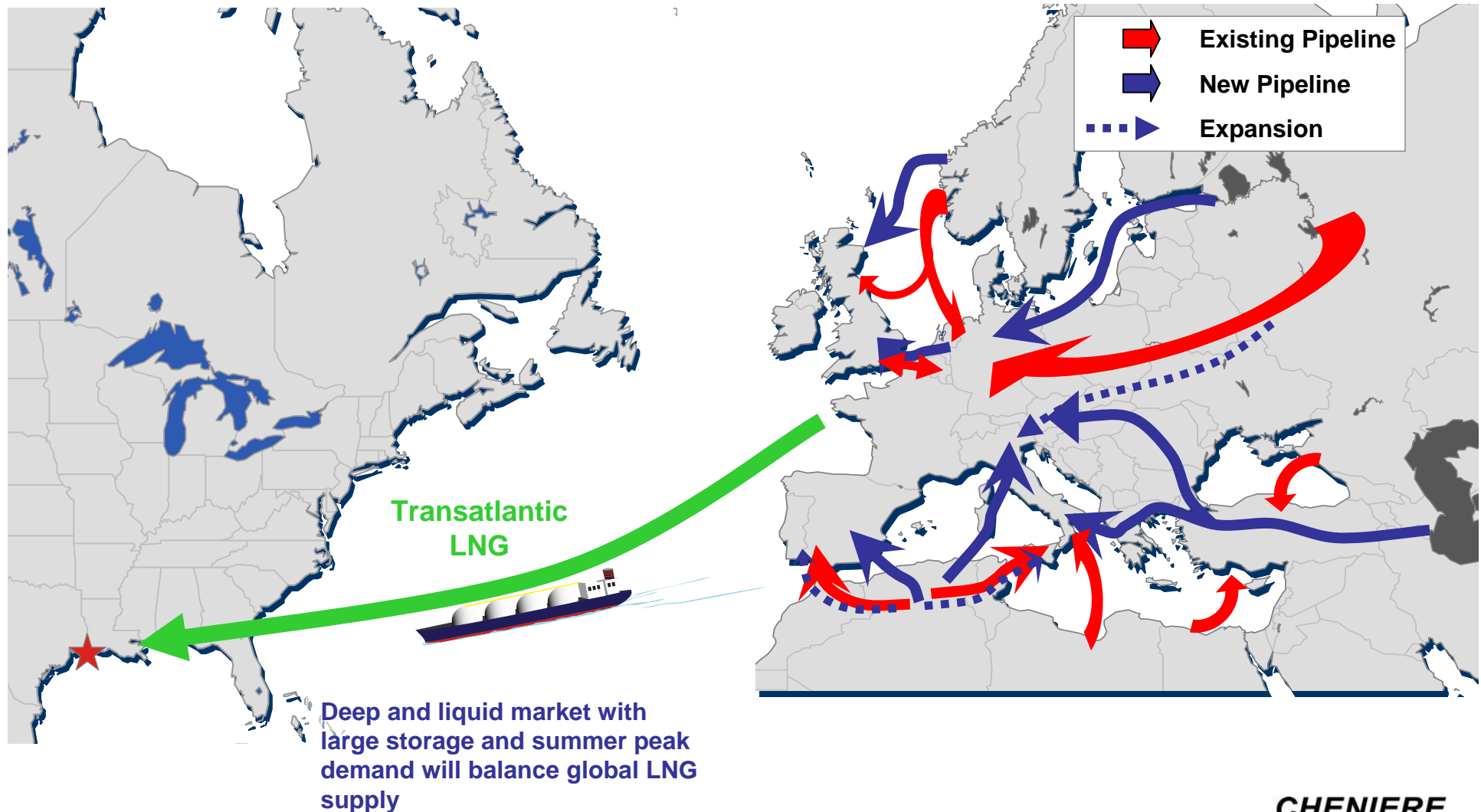
## Cumulative Heating Degree Days



- Colder than normal temperatures in Spain and France are offset by warmer UK temps

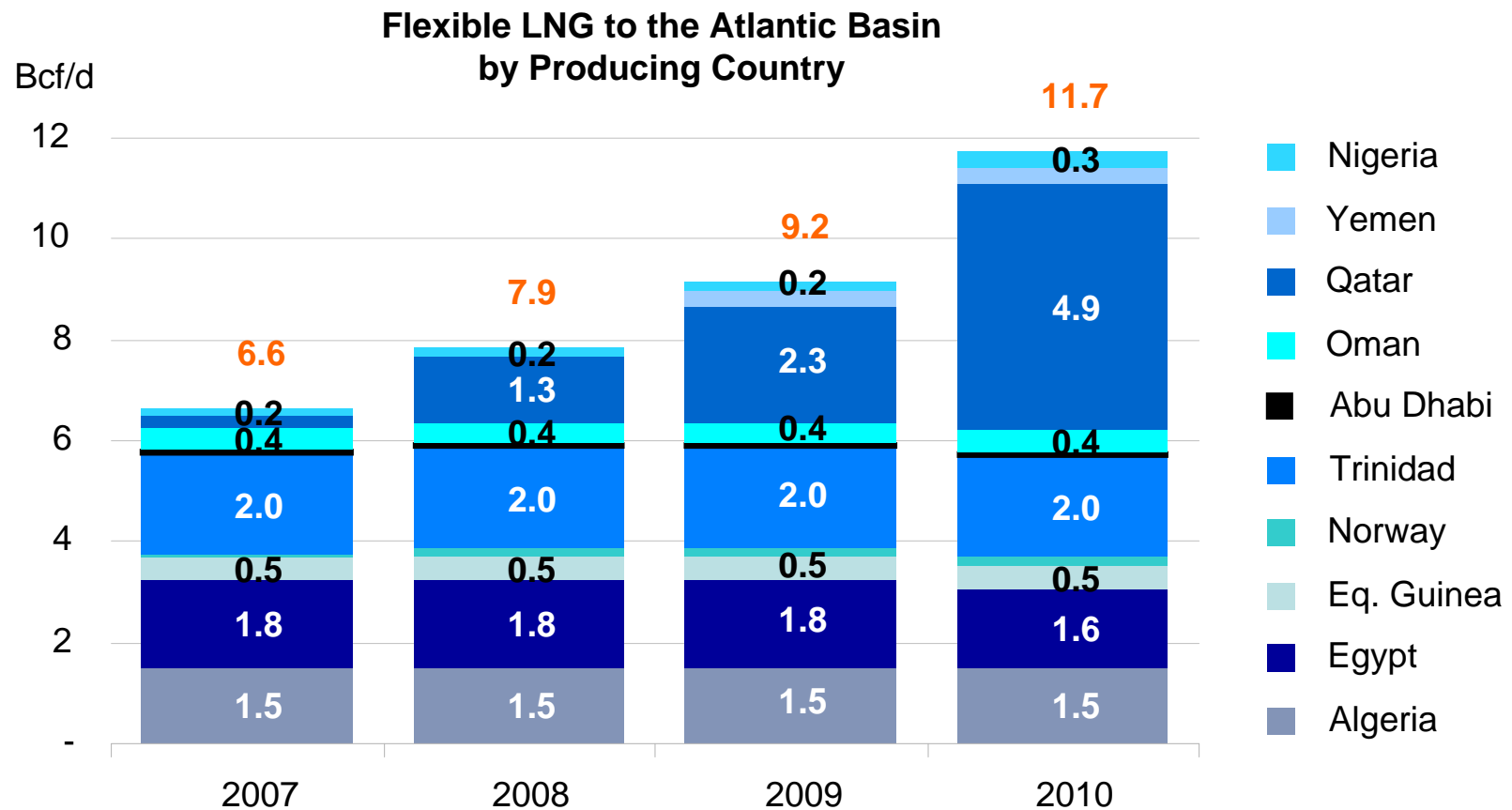
# Pipeline Capacity Increasing in Europe

Pipeline gas supply into Europe will compete to push LNG to higher value markets



# More LNG is Becoming Flexible

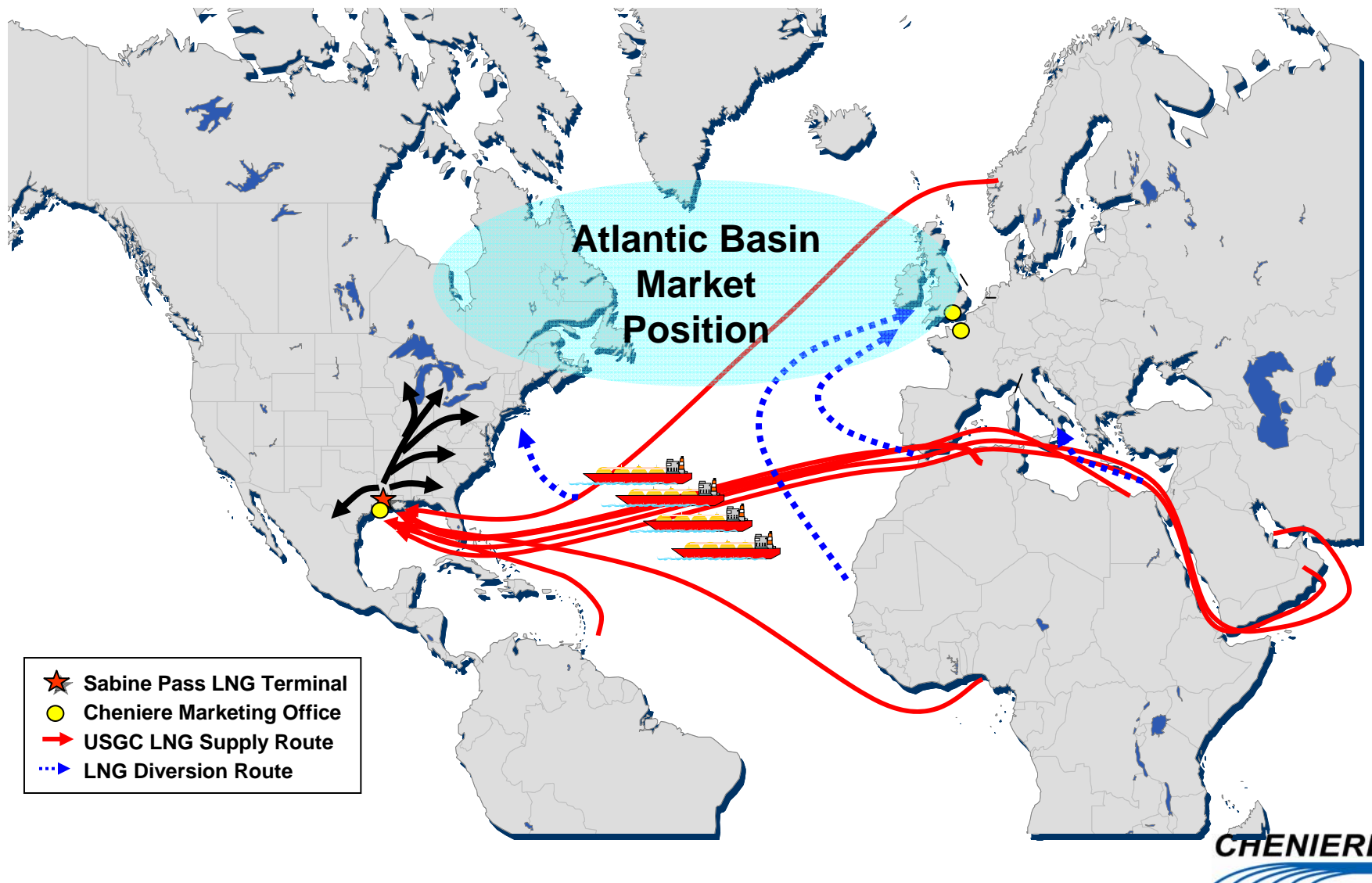
- 12 Bcf/d of LNG with access to Atlantic Basin will have destination flexibility by 2010
- Additional volumes could become flexible should the contract parties agree



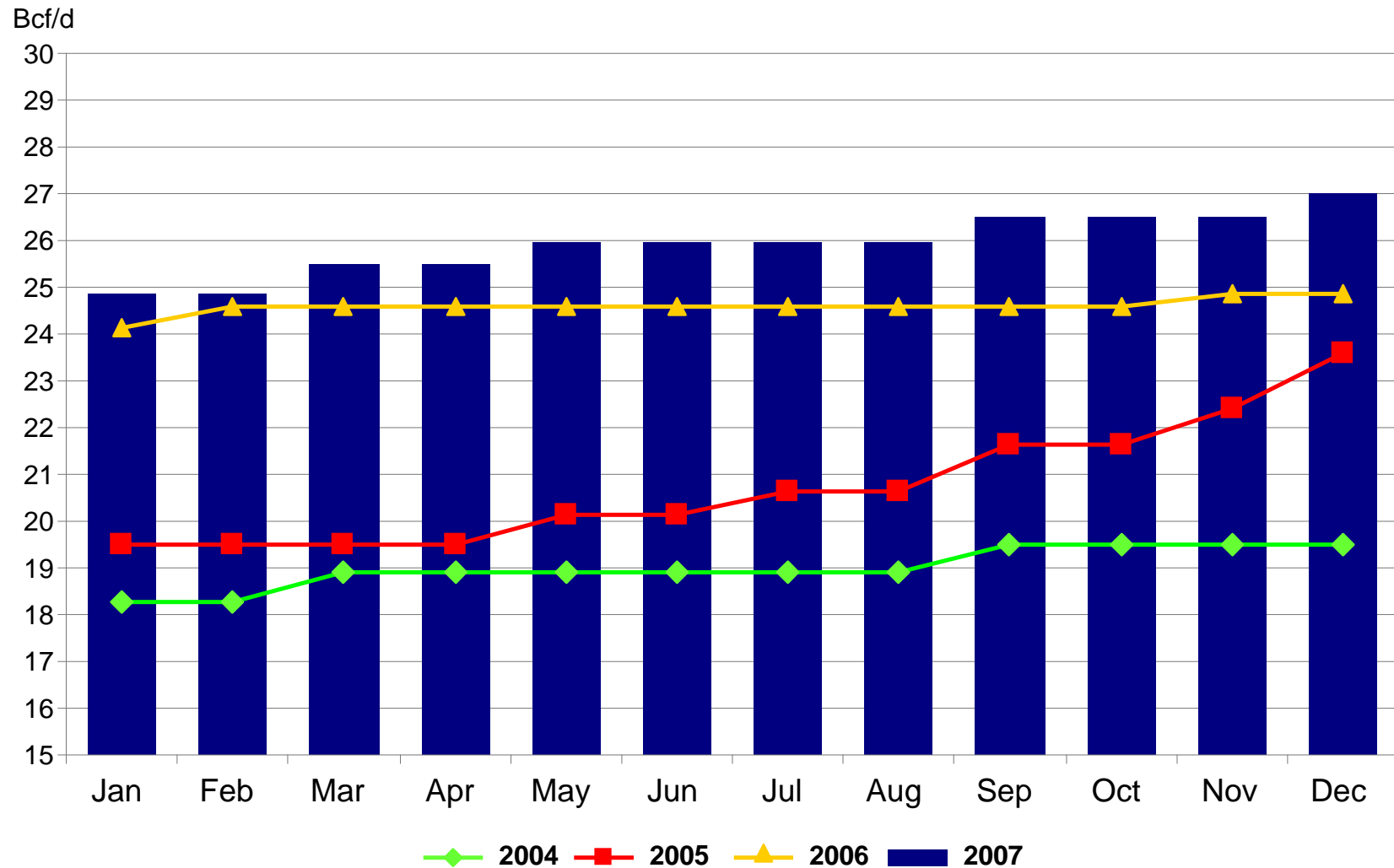
Source: Cheniere Energy Research



# Flexibility, Optionality, Profitability

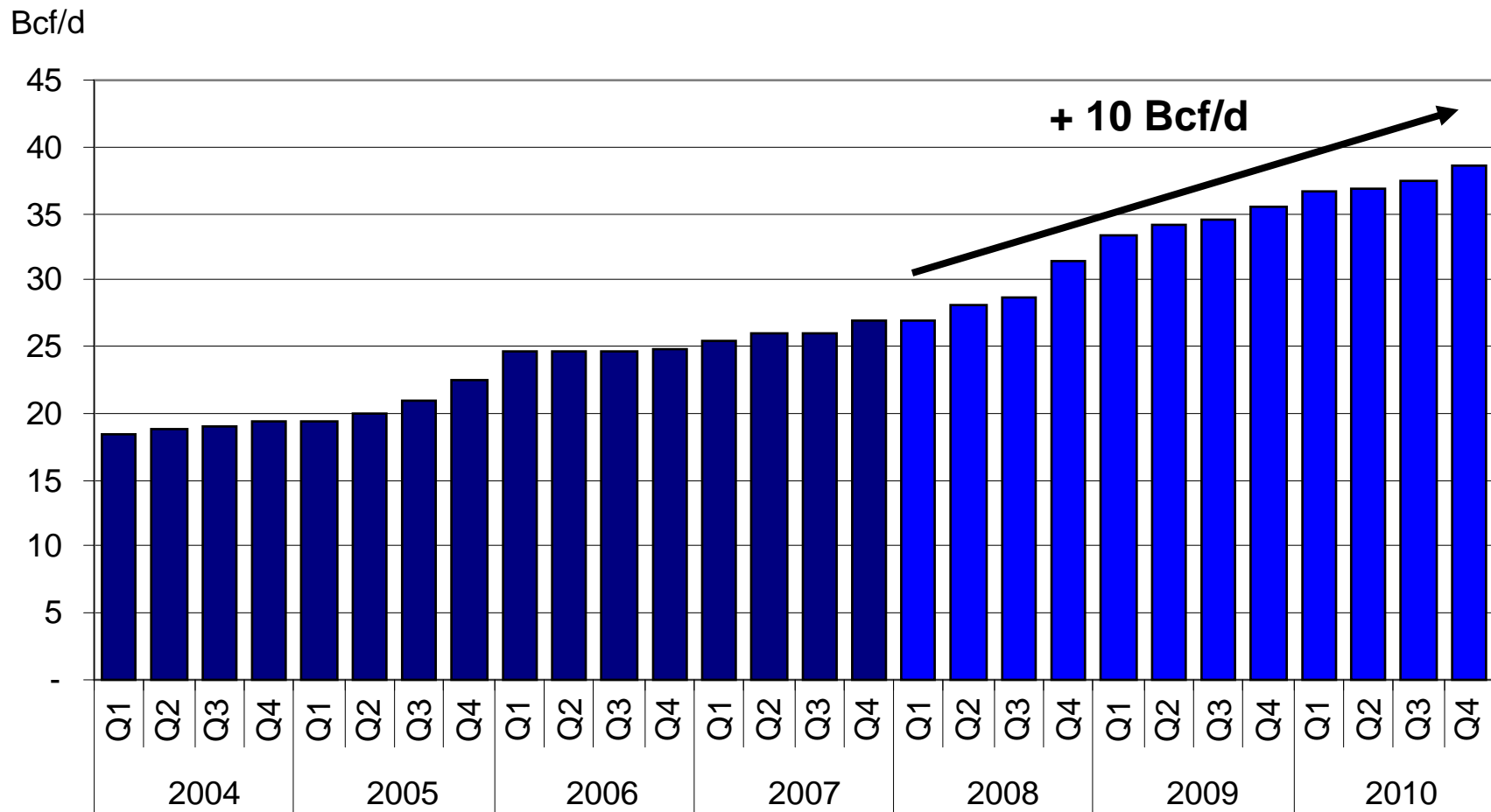


# Worldwide Liquefaction Capacity



Source: GIIGNL; Poten, Cheniere Research

# Worldwide Liquefaction Capacity - Growth



Source: Cheniere Research

## 2010 Annual Balance - Bcf/d

Global Liquefaction Capacity	36
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Estimated LNG Delivery @ 90%	32
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Asian Consumption	<~16>
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European Consumption	<u>&lt;~ 6&gt;</u>
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Remaining for North America	~10
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Source: Cheniere Research

# Cheniere Marketing Strategy

- **Optimize value of capacity at Sabine Pass LNG terminal**

## Term Contracts: Indexed Purchase Agreements (IPA)

- 1 Bcf/d by 2010
- 86% of Henry Hub  
94% - 65 cents (GdF transaction)
- Seek to capture portion of redirect rights

## Spot Market:

- 1 Bcf/d portion
- Seek to capture arbitrage value of HH vs NBP

Note: The above outlines the current strategy of Cheniere Marketing, which is subject to change.  
Please refer to Page 2 of this presentation.



# Cheniere Growth Strategy

- Continue asset development: terminals and pipelines
- Develop a balanced supply portfolio for Cheniere Marketing between long-term IPA's and exposure to the spot, option and short-term markets to optimize seasonality
- Pursue acquisitions for Cheniere Energy Partners, L.P. (AMEX: CQP)