February 11, 2011

Cheniere Signs MOU for LNG Sales to Basic Energy, a Dominican Republic Power Generator

HOUSTON, Feb. 11, 2011 /PRNewswire/ -- Cheniere Energy Partners, L.P. (NYSE Amex: CQP) ("Cheniere Partners") announced today that its subsidiary, Sabine Pass Liquefaction, LLC ("Sabine"), has signed memoranda of understanding ("MOUs") with Empresa Generadora de Electricidad Haina, SA ("EGE Haina") and Compania de Electricidad de San Pedro de Macoris ("CESPM"), companies managed by Basic Energy, (hereafter referred to as Basic Energy), under which Basic Energy intends to purchase up to 0.6 million tonnes per annum ("mtpa") of liquefied natural gas ("LNG") through arrangements with Sabine. These companies operate in the Dominican Republic, which is a free trade nation where Sabine has already received approval from the Department of Energy to export LNG.

Under the MOUs, Basic Energy and Sabine have agreed to proceed with negotiations of definitive sale and purchase agreements ("SPAs") whereby Basic Energy would purchase LNG for receipt at its designated receiving terminal(s) on a delivered ex-ship basis ("DES"). These agreements would be 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.

EGE Haina is the largest single generator formed out of the privatization of the Dominican Republic power sector in 1999. CESPM is the largest IPP which was completed in 2002 to supply the power needs of a growing economy. Both companies are substantially operated by Basic Energy. Their combined portfolio includes over 880 MWs of installed capacity throughout the country consisting of dual fuel, coal and natural gas plants. Basic Energy is focused on reducing electricity production costs in the country by securing competitively priced U.S. LNG which will be based on a NYMEX index.

"We are pleased to announce the start of negotiations of definitive sale and purchase agreements with Basic Energy and are excited to have the opportunity to provide LNG to our neighbors in the Caribbean," said Charif Souki, Chairman and CEO of Cheniere Partners. "Basic Energy operates several power plants in the Dominican Republic and is seeking to optimize its power portfolio by focusing on natural gas as an alternative, more economical and environmentally friendly fuel source. They are a great example of the emerging markets we are targeting for LNG sales, where natural gas is being sought out by power producers to replace fuel oil for dual fuel plants in order to reduce power generating costs and reduce emissions. If the gas is sourced based on an indexation to Henry Hub prices, this can also result in significant cost savings for these power producers."

Mr. Souki further commented, "The Dominican Republic is one of several countries in the

Caribbean focused on environmental initiatives and participating in the Energy and Climate Partnership of the Americas, an organization chaired by the U.S. Secretary of Energy, established to promote and implement sustainable energy policies and programs for energy efficiency, renewables and energy infrastructure. We are pleased to participate in this effort."

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.

Basic Energy is an operator of generation, distribution and energy marketing in the Dominican Republic, where it is the leader in the private power generation sector. Basic Energy's managed assets are Compania de Electricidad de Bayahibe ("CEB"), Consorcio Energetico Punta Cana - Macao ("CEPM"), CESPM and EGE Haina. The plants are located in the towns of Bavaro, Bayahibe, San Pedro de Macoris, Haina, Barahona, Pedernales and Puerto Plata. Today, Basic Energy plants have an installed capacity of approximately 1,000 MW. With almost 20 years of experience in the Dominican electricity market, with a staff consisting of more than 600 professionals, Basic Energy maintains a continuous relationship with international organizations for the financing of new projects, using cutting-edge technology, promotes the use of alternative sources for the generation of clean energy and, through its companies nationwide, develops programs for social commitment related to the environment and surrounding communities. Basic Energy is a pioneer developer of wind energy in the country and it will put into operation the first wind farm of the Dominican Republic during the second half of 2011. This, the largest wind farm in the Caribbean, will have an initial capacity of 33 MW and is expected to grow to 100 MW. Basic Energy is committed to the success and development of the energy sector in the Dominican Republic. For additional information, please go to the following websites: www.cespm.com.do or www.egehaina.com.

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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