

November 29, 2010



Cheniere Signs MOU with Gas Natural SDG (Gas Natural Fenosa) for Bi-Directional Processing Capacity at the Sabine Pass LNG Terminal

HOUSTON, Nov. 29, 2010 /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 Gas Natural Fenosa, in relation to the potential acquisition by Gas Natural Fenosa of certain bi-directional LNG processing capacity up to 1.5 million tonnes per annum ("mtpa") at the Sabine Pass LNG terminal located in Cameron Parish, Louisiana.

Under the MOU, Gas Natural Fenosa and Sabine have agreed to proceed with negotiations of definitive agreements for Gas Natural Fenosa to contract bi-directional capacity, 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.

"This is another significant development for our liquefaction project at Sabine Pass and we are pleased to announce the start of negotiations of definitive agreements with Gas Natural Fenosa," said Charif Souki, Chairman and CEO of Cheniere Partners. "Including this MOU we have entered into MOU's for approximately 4.7 mtpa of LNG processing capacity and look forward to finalizing discussions with additional 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.

Gas Natural Fenosa is a leading multi-national company in the gas and power sectors, operates in 23 countries and has more than 20 million customers around the world. It is the largest integrated gas and power company in Spain and Latin America, and one of the world's largest LNG operators and biggest suppliers of natural gas and LNG in the Mediterranean and Atlantic basin.

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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