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**CHENIERE ENERGY, INC.**

2016 BARCLAYS CEO ENERGY-POWER CONFERENCE

September 2016



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NYSE MKT: LNG

# Safe Harbor Statements

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## 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 or incorporated by reference herein are “forward-looking statements.” Included among “forward-looking statements” are, among other things:

- statements regarding the ability of Cheniere Energy, Inc. to pay dividends to its shareholders or participate in share buybacks, Cheniere Energy Partners, L.P. to pay distributions to its unitholders or Cheniere Energy Partners LP Holdings, LLC to pay dividends to its shareholders;
- statements regarding Cheniere Energy Inc.’s, Cheniere Energy Partners LP Holdings, LLC’s or Cheniere Energy Partners, L.P.’s expected receipt of cash distributions from their respective subsidiaries;
- statements that Cheniere Energy Partners, L.P. expects to commence or complete construction of its proposed liquefied natural gas (“LNG”) terminals, liquefaction facilities, pipeline facilities or other projects, or any expansions or portions thereof, by certain dates or at all;
- statements that Cheniere Energy, Inc. expects to commence or complete construction of its proposed LNG terminals, liquefaction facilities, pipeline facilities or other projects, or any expansions or portions thereof, by certain dates or at all;
- statements regarding future levels of domestic and international natural gas production, supply or consumption or future levels of LNG imports into or exports from North America and other countries worldwide, or purchases of natural gas, regardless of the source of such information, or the transportation or other infrastructure, or demand for and prices related to natural gas, LNG or other hydrocarbon products;
- statements regarding any financing transactions or arrangements, or ability to enter into such transactions;
- statements relating to the construction of our proposed liquefaction facilities and natural gas liquefaction trains (“Trains”) and the construction of the Corpus Christi Pipeline, including statements concerning the engagement of any engineering, procurement and construction (“EPC”) contractor or other contractor and the anticipated terms and provisions of any agreement with any EPC or other contractor, and anticipated costs related thereto;
- statements regarding any LNG sale and purchase agreement (“SPA”) or other agreement to be entered into or performed substantially in the future, including any revenues anticipated to be received and the anticipated timing thereof, and statements regarding the amounts of total LNG regasification, natural gas liquefaction or storage capacities that are, or may become, subject to contracts;
- statements regarding counterparties to our commercial contracts, construction contracts and other contracts;
- statements regarding our planned development and construction of additional Trains or pipelines, including the financing of such Trains or pipelines;
- statements that our Trains, when completed, will have certain characteristics, including amounts of liquefaction capacities;
- statements regarding our business strategy, our strengths, our business and operation plans or any other plans, forecasts, projections or objectives, including anticipated revenues, capital expenditures, maintenance and operating costs, cash flows, EBITDA, adjusted EBITDA, Net Loss, As Adjusted and Net Loss per share, As Adjusted, any or all of which are subject to change;
- statements regarding projections of revenues, expenses, earnings or losses, working capital or other financial items;
- statements regarding legislative, governmental, regulatory, administrative or other public body actions, approvals, requirements, permits, applications, filings, 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,” “goals,” “opportunities,” “plan,” “potential,” “project,” “propose,” “subject to,” “strategy,” “target,” and similar terms and phrases, or by use of future tense. 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., Cheniere Energy Partners, L.P. and Cheniere Energy Partners LP Holdings, LLC Annual Reports on Form 10-K filed with the SEC on February 19, 2016, 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 other than as required by law, we undertake no obligation to update or revise any forward-looking statement or provide reasons why actual results may differ, whether as a result of new information, future events or otherwise.

## Reconciliation to U.S. GAAP Financial Information

The following presentation includes certain “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934, as amended. Schedules are included in the appendix hereto that reconcile the non-GAAP financial measures included in the following presentation to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

# Jack Fusco CV

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- **Cheniere Energy, Inc.**, President, CEO, Director
  - May 2016 – Present
  
- **Calpine Corporation**, Director, Former Executive Chairman and CEO
  - August 2008 – Present
  - Reorganized and repositioned Calpine Corporation from bankruptcy to a top tier U.S. power company
  
- **Texas Genco LLC**, Former Chairman and CEO
  - July 2004 – February 2006
  
- **Texas Pacific Group**, Former Energy Investment Advisor
  - January 2002 – July 2004
  
- **Orion Power Holdings, LLC**, Former President, CEO, and Founder
  - November 1998 – February 2002
  
- **Goldman Sachs**, Former Vice President, Energy Trading
  
- **Pacific Gas & Electric Company**, Former Executive Director, International Development and Operations
  - Developed and managed PG&E's non-regulated international power business strategy and launched International Generation Company (InterGen), an international independent power producer
  - Various Management Roles

# Cheniere LNG Platform

## Sabine Pass Liquefaction Project

- 6 train development – 27 mtpa
- Train 1: Substantial completion achieved
- Trains 2 and 3: Commissioning
- Trains 4-5: Under construction
- Train 6: Fully permitted

## Corpus Christi LNG Terminal

- 5 train development – 22.5 mtpa
- Trains 1-2: Under construction
- Train 3: Fully permitted
- Train 4-5: Initiated development



# Cheniere Investment Thesis

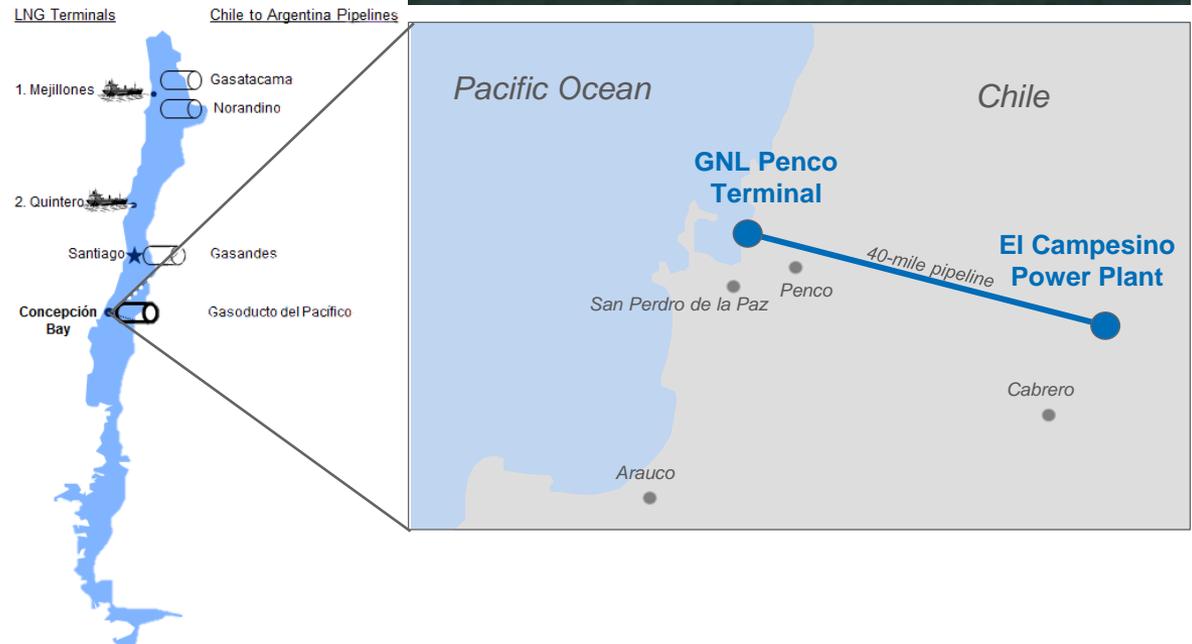
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- **Secular shift to cleaner burning natural gas for power generation worldwide anticipated**
  - ✓ Approximately 50% increase in global natural gas demand forecast by 2030
  - ✓ LNG accounted for 10% of global gas consumption in 2015, forecast to rise to 15% by 2030
  
- **Premier LNG provider with a proven track record and low-cost advantage**
  
- **Existing 7 train platform offers excellent visibility for long-term cash flows**
  - ✓ 20-year “take-or-pay” style commercial agreements with investment grade off-takers for approximately 87% of the expected aggregate nominal production capacity under construction
  - ✓ Competitive cost of production, an estimated 100+ years of gas reserves in U.S., with 800 Tcf of North American shale gas at / below \$3.00/MMBtu
  - ✓ Conservative estimate of operating potential
  
- **Expansion opportunities for future cash flow growth at attractive hurdles**
  - ✓ Uncontracted incremental production from existing facilities available to Cheniere
  - ✓ Construction of additional LNG trains
    - Two trains fully permitted (CCL T3, SPL T6), with one partially commercialized (CCL T3)
    - Permitting process for additional two trains at Corpus Christi site has been initiated
  - ✓ Investments in additional infrastructure along the LNG value chain

# Cheniere Investment in Chilean Project

## Cheniere participating in the development of a Chilean LNG to power solution

- **Phase I - El Campesino expected to take FID in 2H 2016 once final regulatory approvals have been received**
- **Project includes up to two phases, each with a 600 MW gas-fired combined cycle plant**
- **Cheniere is a 50% partner in the terminal GNL Penco, which will supply gas to the El Campesino Project**
  - The GNL Penco terminal is an offshore Floating Storage Regasification Unit (“FSRU”)
- **El Campesino 15-year SPA<sup>(1)</sup> with Cheniere Marketing**
  - Cheniere Marketing to deliver up to ~0.6 mtpa from the Corpus Christi terminal beginning in 2019
- **Cheniere will continue to pursue similar LNG to power projects to stimulate new LNG demand**



(1): Pending FID



# Construction and Developments

	SPL Stage 1	SPL Stage 2	SPL Stage 3	CCL Stage 1																							
Project Status	99.7% Overall Train 1 - Operational Train 2 - Commissioning	88.4% Overall Train 3 – 2Q 2017 Train 4 – 3Q 2017	38.3% Overall Train 5 – 3Q 2019	39.5% Overall Train 1 – 1Q 2019 Train 2 – 2Q 2019																							
	<table border="1"> <tr> <td>Engineering</td> <td>100%</td> </tr> <tr> <td>Procurement</td> <td>100%</td> </tr> <tr> <td>Construction</td> <td>99.7%</td> </tr> </table>	Engineering	100%	Procurement	100%	Construction	99.7%	<table border="1"> <tr> <td>Engineering</td> <td>100%</td> </tr> <tr> <td>Procurement</td> <td>100%</td> </tr> <tr> <td>Construction</td> <td>77.8%</td> </tr> </table>	Engineering	100%	Procurement	100%	Construction	77.8%	<table border="1"> <tr> <td>Engineering</td> <td>81.5%</td> </tr> <tr> <td>Procurement</td> <td>59.3%</td> </tr> <tr> <td>Construction</td> <td>3.0%</td> </tr> </table>	Engineering	81.5%	Procurement	59.3%	Construction	3.0%	<table border="1"> <tr> <td>Engineering</td> <td>98.7%</td> </tr> <tr> <td>Procurement</td> <td>55.5%</td> </tr> <tr> <td>Construction</td> <td>10.4%</td> </tr> </table>	Engineering	98.7%	Procurement	55.5%	Construction
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- **20 cargoes loaded and exported from Sabine Pass as of July 31**
- **Sabine Pass Train 1 substantial completion achieved**
- **Sabine Pass Train 2 began producing LNG on July 28; expect substantial completion in Fall 2016**
- **Sabine Pass Train 3 substantial completion expected in June 2017; Train 4 expected in the following months**
- **Planned outage at Sabine Pass scheduled in September to conduct maintenance and address flare performance**

*Note: Project completion percentages as of July 31, 2016.*

# Second Quarter Financial Overview

(\$ millions, excl. per share)

Metric	2Q 2016	2Q 2015
Revenue	\$176.8*	\$68.0
Operating Income	(\$76.5)	(\$95.9)
Marketing Expense	\$26.2	\$20.4
G&A	\$61.4	\$87.5
Adjusted EBITDA	(\$3.7)	(\$60.5)
Net Loss	(\$298.4)	(\$118.5)
Net Loss per share	(\$1.31)	(\$0.52)
Net Loss per share, As Adjusted	(\$0.61)	(\$0.93)
Unrestricted Cash Balance	\$1,049.5	\$1,470.2

Significant Items	2Q 2016	2Q 2015
Loss on early extinguishment of debt	(\$55.3)	(\$7.3)
Changes in fair value of interest rate derivatives, net	(\$80.4)	\$98.4
Changes in fair value of commodity and FX derivatives, net	(\$25.4)	\$0.1
Share-based compensation related to employee separations	(\$15.6)	-
Adjustments attributable to NCI	\$18.4	\$1.5

- **2Q marks the first quarter with revenue recognized from LNG sales for Train 1**
  - LNG Revenues of \$111 million
  - 5 commercial cargoes loaded and exported
- **Operating income impacted by costs no longer being capitalized for Train 1 and recognition of related depreciation expense**
- **Adjusted EBITDA of (\$3.7) million in 2Q 2016**
- **Net loss per share impacted by significant items and interest expense no longer being capitalized for Train 1**
- **G&A decreased by approximately 30% to \$61.4 million in 2Q 2016; certain costs were reallocated from G&A to O&M after substantial completion of Train 1**
- **CQP distribution per unit consistent at \$0.425**

\*Revenue recognized for 5 complete and 1 partial commercial cargo loading during the quarter. 6 additional cargo loadings during the quarter were booked as offsets to construction work in progress as they occurred prior to substantial completion of Train 1.

Note: Reconciliations of Adjusted EBITDA to Net Income (Loss), and Net Loss per share, As Adjusted to Net Loss per share, in each case the most comparable U.S. GAAP measure, are included in the appendix.

# LNG Market Outlook

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## Next 3-5 years; robust supply

- Rapid increase in supply over next 3-5 years
- U.S. becoming a significant contributor due to large, low cost resource base
- OECD Asian demand growth has slowed but new markets growing
- Europe may become the price elastic residual balancing market driven by coal displacement & environmental policy
- LNG trade liquidity will grow boosting market depth and enhancing market participation
- Cost curve compression essential to face competition
- Challenging investment environment – limited FID opportunities

### Key Opportunities:

- ✓ *LNG price elasticity of demand*
- ✓ *Emergence of new markets*

## Beyond; tighter markets expected

- Potential for over-correction - supply project FIDs have slowed dramatically since mid-2015
- Lead-time for new supply (4+ years) means commitments need to be made by 2017 - 19 for 2021 - 23 start
- Anticipate return to price levels that will incentivize sanctioning of new supply
- Long-term demand growth - driven by emerging markets in Asia
- Coal and renewables dynamics (i.e. policy / economics) will continue to impact long-term gas demand

### Key Opportunities:

- ✓ *Growing supply-demand gap*
- ✓ *Secular shift to cleaner gas*

# Near-Term Goals

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Vision: To be recognized as the premier global LNG company

## Operational

- Ensure safe, reliable, and efficient LNG platform operations
- Continue to execute on the construction of the LNG platform on time and on budget
- Incorporate lessons learned to commission trains better, faster, and cheaper

## Financial

- Increase financial transparency
- Initiate budget review process with emphasis on cost efficiency
- Explore opportunities to simplify corporate structure
- Achieve investment grade credit rating at SPL
- Define and communicate long-term financial strategy

## Commercial

- Monetize commissioning cargoes
- Fulfill contractual obligations to foundation customers
- Trade and optimize excess cargoes
- Continue to build relationships to commercialize additional trains

## Organizational

- Align organizational clarity with shareholder interest
- Specify strategic focus by defining mission, vision, values, and goals
- Optimize organizational structure around clarified strategy

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## APPENDIX

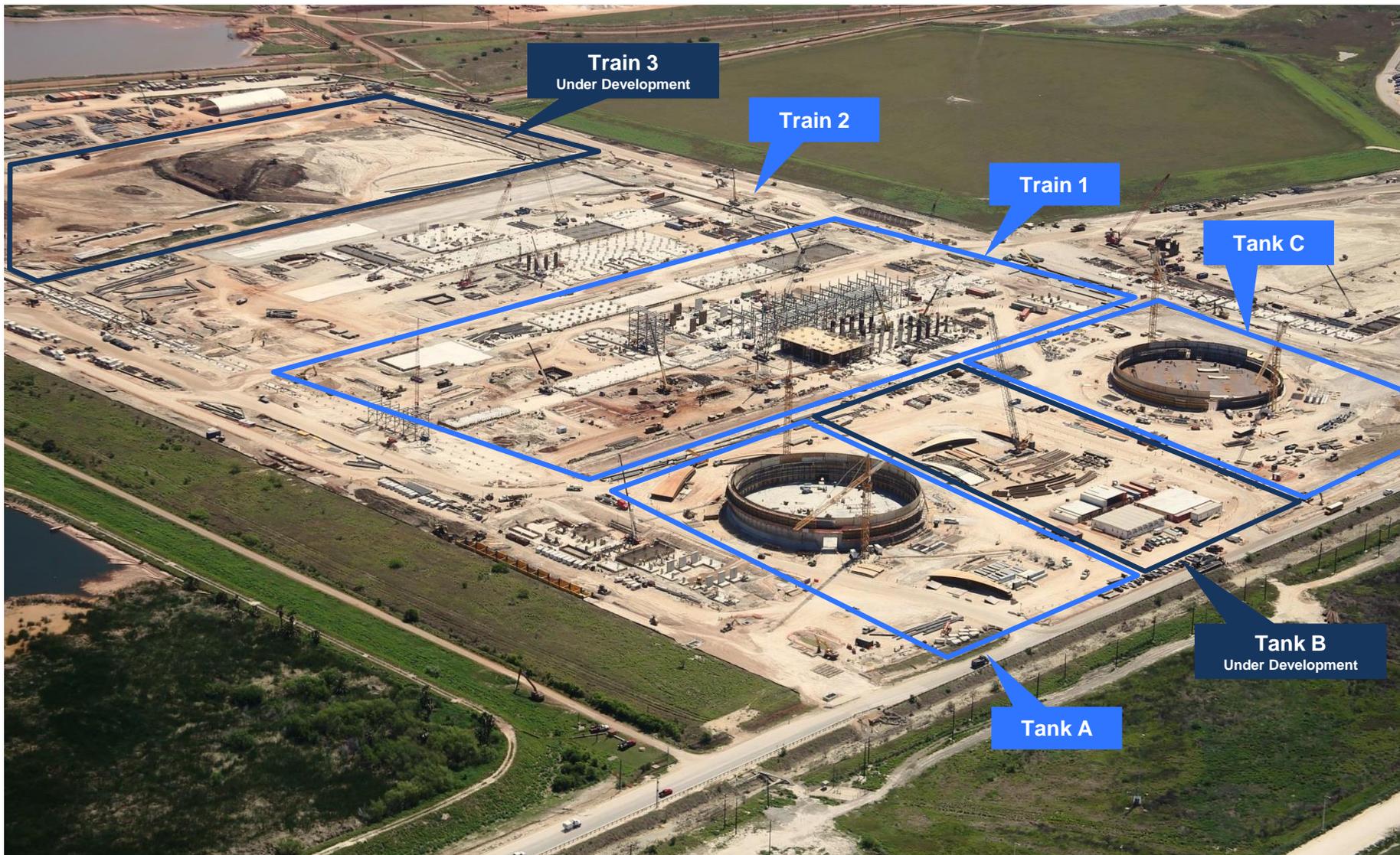
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# Aerial View of SPL Construction – 2Q 2016



# Aerial View of CCL Construction – 2Q 2016



# Reconciliation to Non-GAAP Measures

## Regulation G Reconciliations

In addition to disclosing financial results in accordance with U.S. GAAP, the accompanying presentation contains non-GAAP financial measures. Adjusted EBITDA, Net Loss, As Adjusted and Net Loss per share, As Adjusted are non-GAAP financial measures that we use to facilitate comparisons of operating performance across periods. These non-GAAP measures should be viewed as a supplement to and not a substitute for our U.S. GAAP measures of performance and the financial results calculated in accordance with U.S. GAAP and reconciliations from these results should be carefully evaluated.

Adjusted EBITDA represents net loss attributable to Cheniere before net loss attributable to the non-controlling interest, interest, taxes, depreciation and amortization, adjusted for certain non-cash items, other non-operating income or expense items, and items not otherwise predictive or indicative of ongoing operating performance, as detailed in the following reconciliation. Adjusted EBITDA is not intended to represent cash flows from operations or net loss as defined by U.S. GAAP and is not necessarily comparable to similarly titled measures reported by other companies.

We believe Adjusted EBITDA provides relevant and useful information to management, investors and other users of our financial information in evaluating the effectiveness of our operating performance in a manner that is consistent with management's evaluation of business performance. We believe Adjusted EBITDA is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization which vary substantially from company to company depending on capital structure, the method by which assets were acquired and depreciation policies. Further, the exclusion of certain non-cash items, other non-operating income or expense items, and items not otherwise predictive or indicative of ongoing operating performance, enables comparability to prior period performance and trend analysis.

Adjusted EBITDA is calculated by taking net loss attributable to common stockholders before net loss attributable to non-controlling interest, interest expense, net of capitalized interest, including changes in the fair value and settlement of our interest rate derivatives, taxes, depreciation and amortization, and adjusting for the effects of certain non-cash items, other non-operating income or expense items, and other items not otherwise predictive or indicative of ongoing operating performance, including the effects of modification or extinguishment of debt, impairment expense (recovery), changes in the fair value of our commodity and foreign currency exchange ("FX") derivatives and non-cash compensation expense. We believe the exclusion of these items enables investors and other users of our financial information to assess our sequential and year-over-year performance and operating trends on a more comparable basis and is consistent with management's own evaluation of performance.

Net Loss, As Adjusted represents net loss attributable to Cheniere common shareholders and Net Loss per share, As Adjusted represents Cheniere's basic and diluted earnings per share, in each case adjusted for certain non-recurring items or other items not predictive or indicative of ongoing operating performance, net of the portion attributable to non-controlling interests, including changes in the fair value of our interest rate, commodity and FX derivatives, the effects of modifications or extinguishments of debt, share-based compensation related to employee separations, impairment expense (recovery) and other adjustments. Net Loss, As Adjusted and Net Loss per share, As Adjusted are presented because we believe they are useful tools for assessing the operating performance of Cheniere. Net Loss, As Adjusted and Net Loss per share, As Adjusted are not intended to represent net loss attributable to common stockholders and net loss per share attributable to common stockholders, the most comparable U.S. GAAP measures, respectively, as indicators of operating performance, and are not necessarily comparable to measures reported by other companies.

## Net Loss, As Adjusted and Net Loss per share, As Adjusted

The following tables reconcile our Net Loss, As Adjusted and Net Loss per share, As Adjusted to U.S. GAAP results for the three and six months ended June 30, 2016 and 2015 (in thousands, except per share data):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Net loss attributable to common stockholders	\$ (298,418)	\$ (118,495)	\$ (619,256)	\$ (386,204)
Add:				
Impairment expense (recovery)	(71)	—	10,095	176
Loss on early extinguishment of debt	55,315	7,281	56,772	96,273
Loss (gain) from changes in fair value of interest rate derivatives, net	80,352	(98,407)	253,417	(9,199)
Loss (gain) from changes in fair value of commodity and FX derivatives, net	25,415	(144)	25,702	463
Share-based compensation related to employee separations	15,647	—	22,060	—
Less:				
Adjustments attributable to non-controlling interest	18,404	1,471	27,053	35,390
<b>Net Loss, As Adjusted</b>	<b>\$ (140,164)</b>	<b>\$ (211,236)</b>	<b>\$ (278,263)</b>	<b>\$ (333,881)</b>
Net loss per share attributable to common stockholders—basic and diluted	\$ (1.31)	\$ (0.52)	\$ (2.71)	\$ (1.71)
Add:				
Impairment expense (recovery)	—	—	0.04	—
Loss on early extinguishment of debt	0.24	0.03	0.25	0.43
Loss (gain) from changes in fair value of interest rate derivatives, net	0.35	(0.43)	1.11	(0.04)
Loss (gain) from changes in fair value of commodity and FX derivatives, net	0.11	—	0.11	—
Share-based compensation related to employee separations	0.07	—	0.10	—
Less:				
Adjustments attributable to non-controlling interest	0.08	0.01	0.12	0.16
<b>Net Loss per share, As Adjusted—basic and diluted<sup>(1)</sup></b>	<b>\$ (0.61)</b>	<b>\$ (0.93)</b>	<b>\$ (1.22)</b>	<b>\$ (1.47)</b>
Weighted average number of common shares outstanding—basic and diluted	228,323	226,481	228,231	226,405

(1) Numbers may not foot due to rounding.

## Adjusted EBITDA

The following table reconciles our Adjusted EBITDA to U.S. GAAP results for the three and six months ended June 30, 2016 and 2015 (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Net loss attributable to common stockholders	\$ (298,418)	\$ (118,495)	\$ (619,256)	\$ (386,204)
Net loss attributable to non-controlling interest	(36,526)	(23,307)	(64,662)	(91,442)
Income tax provision (benefit)	(343)	(507)	273	171
Interest expense, net of capitalized interest	105,967	85,486	182,304	145,098
Loss on early extinguishment of debt	55,315	7,281	56,772	96,273
Derivative loss (gain), net	90,621	(46,049)	271,555	80,641
Other expense (income)	6,930	(283)	6,001	(655)
Loss from operations	\$ (76,454)	\$ (95,874)	\$ (167,013)	\$ (156,118)
Adjustments to reconcile loss from operations to Adjusted EBITDA:				
Depreciation and amortization expense	32,781	20,154	56,870	37,923
Loss (gain) from changes in fair value of commodity and FX derivatives, net	25,415	(144)	25,702	463
Total non-cash compensation expense	14,613	15,340	26,464	31,060
Impairment expense (recovery)	(71)	—	10,095	176
<b>Adjusted EBITDA</b>	<b>\$ (3,716)</b>	<b>\$ (60,524)</b>	<b>\$ (47,882)</b>	<b>\$ (86,496)</b>

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**CHENIERE ENERGY, INC.**  
INVESTOR RELATIONS CONTACTS



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