



Cheniere Energy, Inc.

Corporate Presentation

June 2010

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 and Section 21E of the Securities Exchange Act of 1933, 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 that we expect to commence or complete construction of a liquefaction facility by certain dates, or at all;
- statements that we expect to receive authorization from the Federal Energy Regulatory Commission, or FERC, or the Department of Energy, or DOE to construct and operate a proposed liquefaction facility by a certain date, or at all;
- statements regarding future levels of domestic or foreign natural gas production and consumption, or the future level of LNG imports into North America or exports from the U.S., or regarding projected future capacity of liquefaction or regasification facilities worldwide;
- statements regarding any financing transactions or arrangements, whether on the part of Cheniere or at the project level;
- statements regarding any commercial arrangements marketed or potential arrangements to be performed 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 that our proposed liquefaction facility, when completed, will have certain characteristics, including a number of trains;
- statements regarding our business strategy, our business plan or any other plans, forecasts, examples, models, forecasts 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. and Cheniere Energy Partners, L.P. Annual Reports on Form 10-K for the year ended December 31, 2009, 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.

Cheniere and CQP Restructure Marketing Arrangement

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Transaction Summary

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- CMI will pay Investments 80% of positive gross margin for each cargo delivered at Sabine

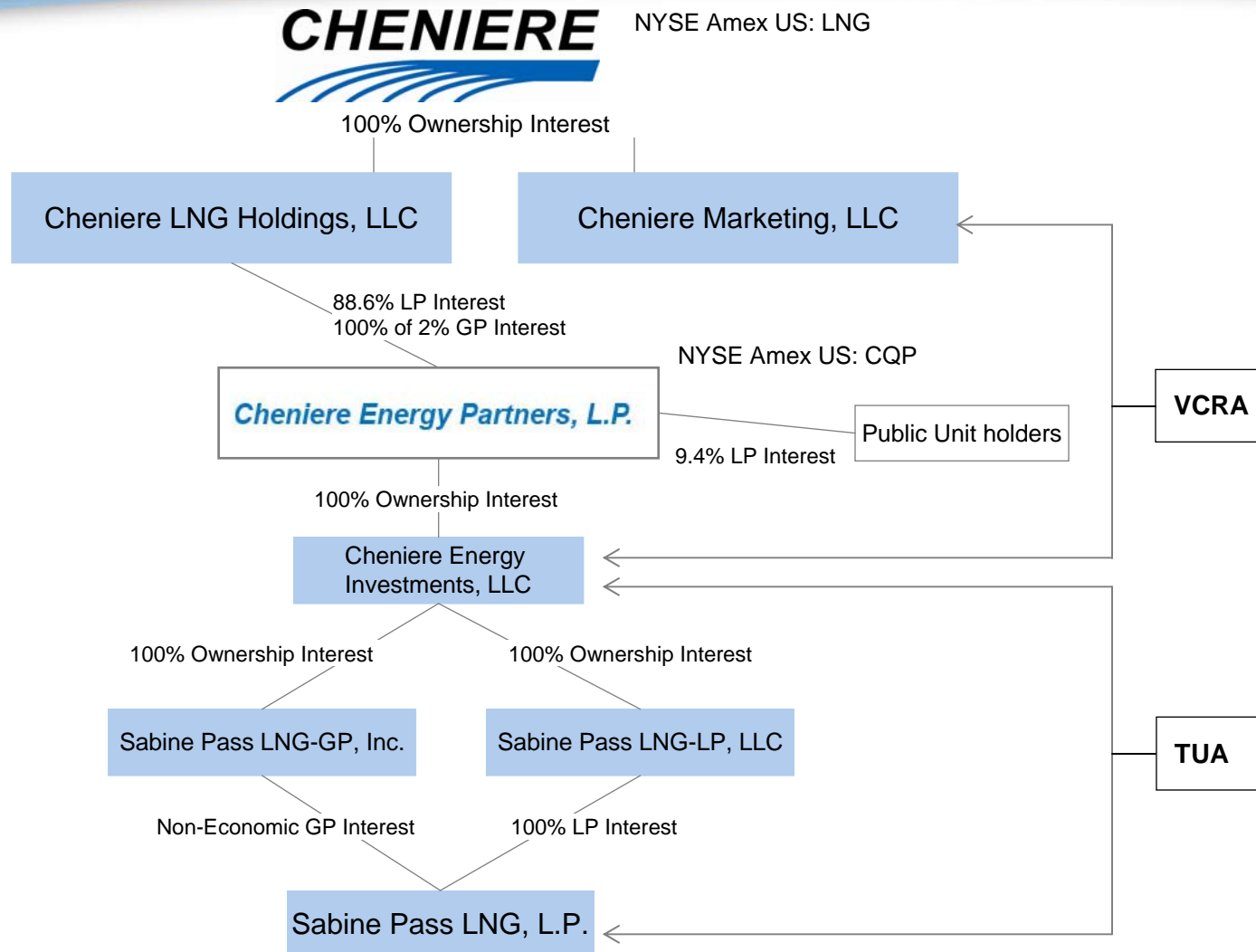
Results

- CQP: Subordination period extended - distributions to sub units dependent on new business generated, including future CMI fees under the VCRA
- LNG: Eliminates need for \$64mm TUA reserve, funds from reserve used to pay down \$64mm on senior secured convertible loans

* No impact to arrangement between CMI and JPMorgan or any existing agreements with other counterparties.

Organizational Structure

TUA Assignment and new VCRA



Estimated Future Cash Flows

Cheniere Energy, Inc.

(\$ in MM)	Annualized*
Receipts	
▪ Distributions from CQP (Common/GP)	\$ 20
▪ Management fees from CQP	8-19**
Disbursements	
▪ G&A, net Marketing	25-35
▪ Pipeline & tug services	10
▪ Other, incl adv tax payments	3-5
▪ Debt service	34
Net cash outflow	\$45 - 55

- Baseline case, excludes estimates for cargo activity, Marketing margins and project development costs

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Estimated Future Cash Flows

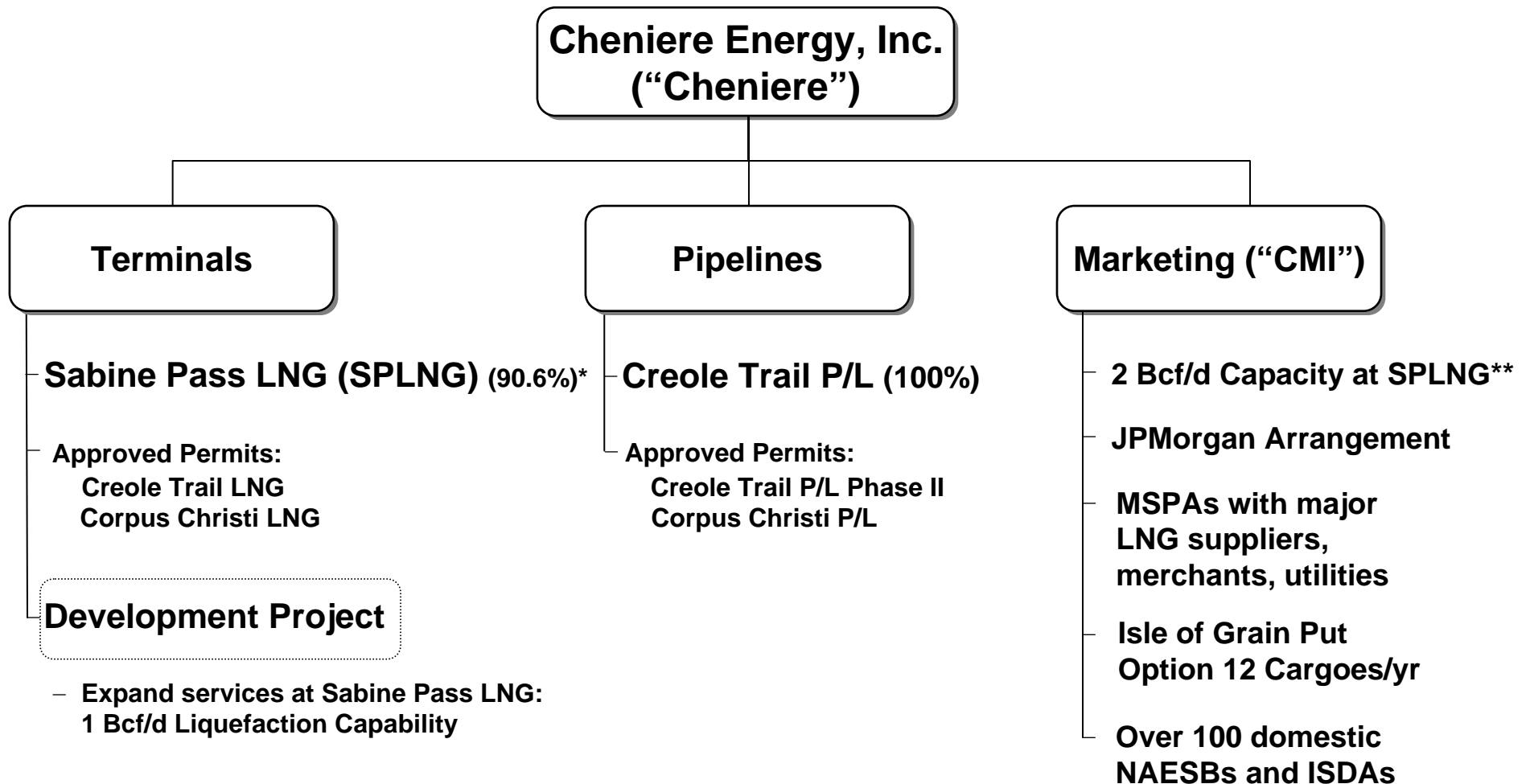
Cheniere Energy Partners

(\$ in MM)	Annualized*
Receipts	
▪ TUA Customers	\$251
▪ Fuel Retainage, Tugs, Other	7
Disbursements	
▪ Operating Expenses	\$34
▪ Management Fees	8
▪ Debt Service	165
Distributable Cash Available	\$51
Distributions to GP and LP Unitholders	\$46

Note: Not included in disbursements above is an estimate of up to approximately \$11 million of fees payable to Cheniere for services provided under a management services agreement. Such fees are payable on a quarterly basis equal to the lesser of 1) \$2.5 million (subject to inflation) or 2) such amount of CQP's unrestricted cash and cash equivalents as remains after CQP has distributed in respect of each quarter for each common unit then outstanding an amount equal to the IQD and the related GP distribution and adjusting for any cash needed to provide for the proper conduct of the business of CQP, other than Sabine Pass operating cash flows reserved for distributions in respect of the next four quarters.

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Cheniere Business Segments



* Sabine Pass LNG owned by Cheniere Energy Partners, L.P. ("CQP")

**Variable Capacity Rights Agreement ("VCRA") with CQP

Sabine Pass LNG

Cheniere Energy, Inc. 90.6%

Aerial view of Sabine Pass LNG

- Vaporization
 - ~4.3 Bcf/d peak send-out
- Storage
 - 5 tanks x 160,000 cm (16.9 Bcfe)
- Berthing / Unloading
 - Two docks
 - LNG carriers up to 266,000 cm
 - Four dedicated tugs
- Land
 - 853 acres in Cameron Parish, LA
- Accessibility – Deep Water Ship Channel
 - Sabine River Channel dredged to 40 feet
- Proximity
 - 3.7 nautical miles from coast
 - 22.8 nautical miles from outer buoy
- LNG Re-Exporting Capability



TUA	Capacity	2010 Full-Year Payments (\$ in MM)
Total LNG USA	1.0 Bcf/d	\$123
Chevron USA	1.0 Bcf/d	\$128
Cheniere Energy Investments	2.0 Bcf/d	\$252

Creole Trail Pipeline

Cheniere Energy, Inc. 100%

- Provides optimal market access for LNG from the Sabine Pass terminal
- First 94 miles complete and in-service, additional 58 miles permitted



- **Size:**
 - 2.0 Bcf/d
- **Diameter:**
 - 42-inch diameter
- **Cost:**
 - ~\$560 million first 94 miles
- **Initial interconnects:**
 - 4.1 Bcf/d of interconnect capacity

Liquefaction Project

Expanding Operations – Liquefaction Project*

Compelling Proposition

Sabine Pass to become bi-directional import/export facility

- Market fundamentals create opportunity to expand into exports
- Export services provide customers with an attractively priced option to access U.S. natural gas supply
- Sabine Pass facility location is strategically situated
 - Many existing assets in place needed for an export terminal reduces capital required, cost estimates comparable to liquefaction expansion economics
 - Abundance of supply and existing infrastructure in surrounding regions, proximity to Henry Hub
- Powerful tool for industry players to manage their portfolios
 - Early indications of interest from both buyers and sellers of natural gas and LNG

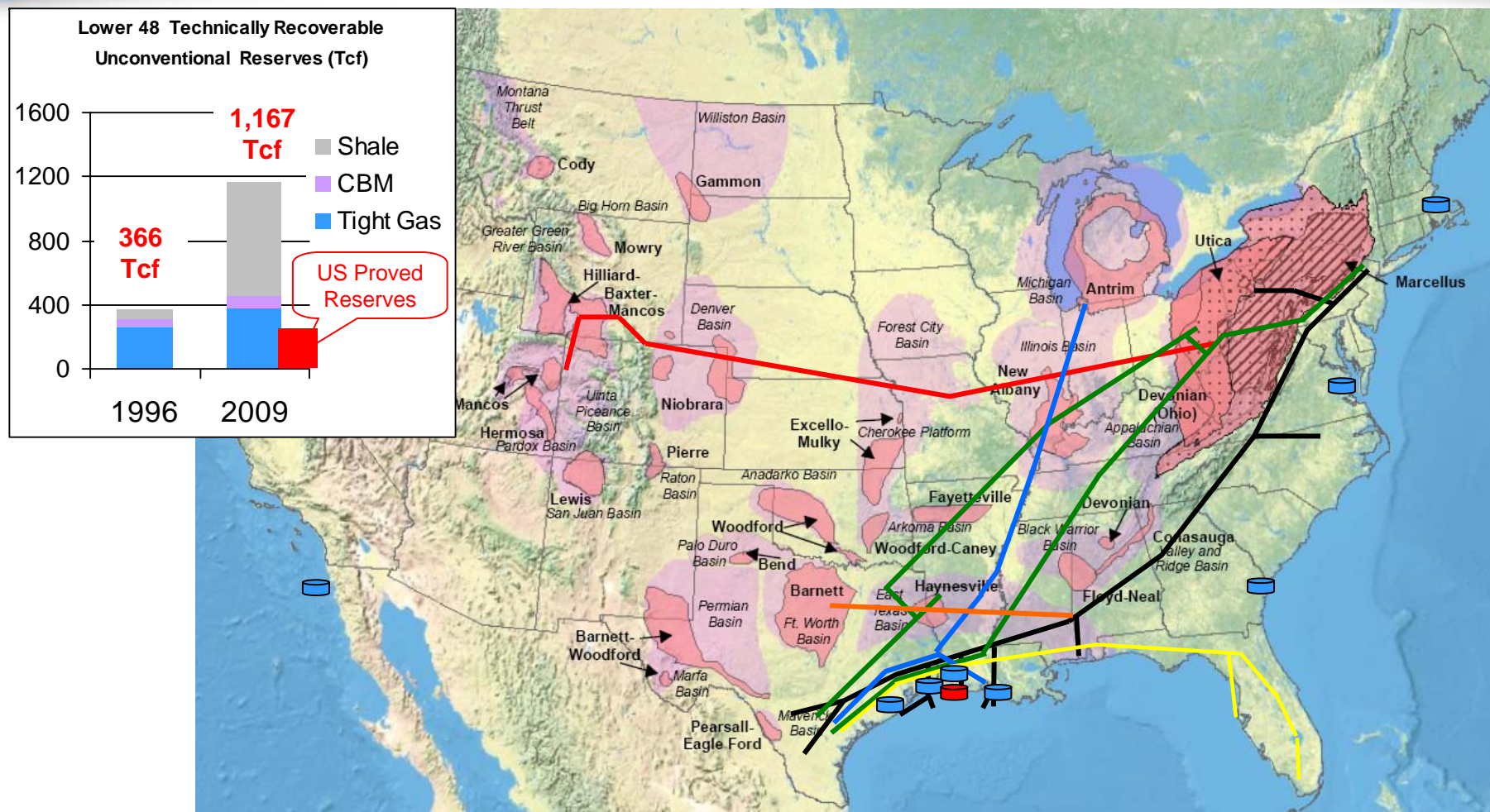
* Commencement of construction is subject to regulatory approvals and a final investment decision contingent upon Cheniere obtaining satisfactory construction contracts and long-term customer contracts sufficient to underpin financing of the project.

Market Fundamentals Drive Liquefaction Project

- The U.S. has become the largest producer of natural gas in the world and production costs rank among the lowest
 - Productive capacity at \$6.50/MMBtu could reach 95 Bcf/d by 2020
- U.S. natural gas demand not likely to keep pace with incremental supply as demand continues to lag market forecasts, threatening to lead to price volatility
- Globally, a natural gas supply gap is projected to develop in 2014-15
 - Key driver is decline of UK Continental Shelf production
 - Exacerbates dependency of European consumers on imported gas
 - Asian consumers highly dependent on imported LNG for gas supply
- Simultaneously, global LNG and pipeline gas suppliers continue to enforce oil-price indexation in new contracts
 - Key markets in Asia and Europe import over 70 Bcf/d of natural gas
 - Imports forecast to increase by 26 Bcf/d over the next ten years

U.S. Unconventional Reserves

Basins Proximate to Premium Markets and Major Pipelines



Sources: EIA (US map graphic, pipelines and LNG terminals placed by Cheniere)

Advanced Resources Intl (Lower 48 Unconventional Recoverable Reserves), ARI shale estimates updated April 2010

Depicted Pipelines: Rockies Express, Texas Eastern, Trunkline, Transco, FGT, C/P/SESH/Gulf Crossing (as a single route)

Depicted LNG terminals: Freeport, Golden Pass, Sabine Pass, Cameron, Trunkline, Elba Island, Cove Point, Everett

Sabine Pass LNG

Proposed Liquefaction Project - Overview

- Leveraging existing assets
 - Large acreage position (853 acres)
 - Can readily accommodate 4 liquefaction trains (up to 2 Bcf/d capacity)
 - Existing infrastructure
 - 2 docks, 4 dedicated tugs
 - LNG storage tanks (5 x 160,000 cm)
 - Power generation
 - Pipeline connections (Creole Trail)
- Gas sourced from pipeline grid - Henry Hub indexed pricing
- “Demand Pull” model
 - Global supply gap
 - Diversity of supply
 - Flexible processing
 - Henry Hub indexation

Project Estimates:

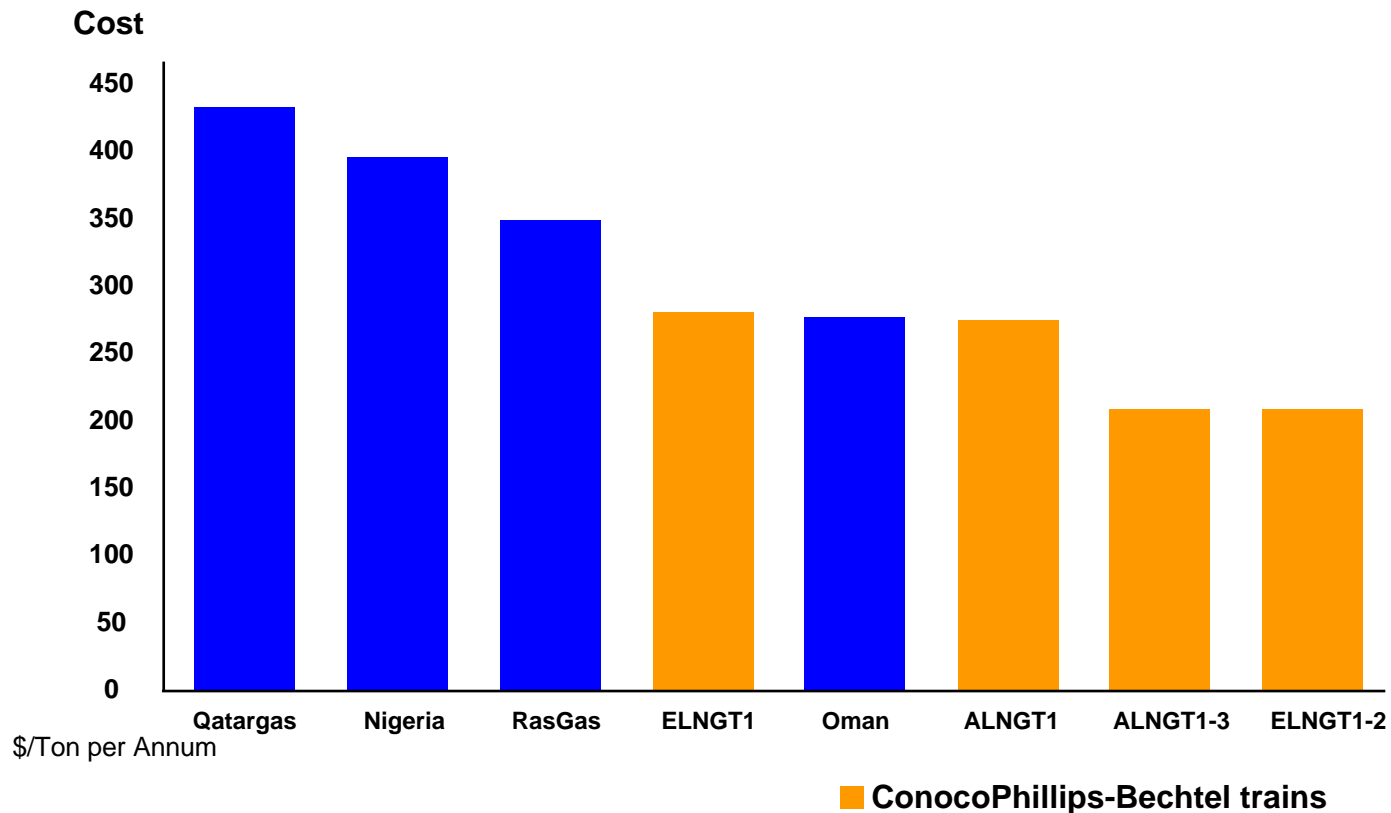
- Initial Phase: 1 Bcf/d (two modular trains)
- Second Phase: Additional 1 Bcf/d
- Estimated capex similar to liquefaction expansion economics
- Commercial start date: 2015e



Low Cost Liquefaction Facilities

Proven Technology

ConocoPhillips-Bechtel – Global Liquefaction Collaboration



Source: ConocoPhillips-Bechtel

Commercial Structure

Estimated Terms for LNG Sales Agreements

Capacity fee includes regasification and liquefaction services - provides customer option to import or export

Estimated cost to purchase U.S. supply:

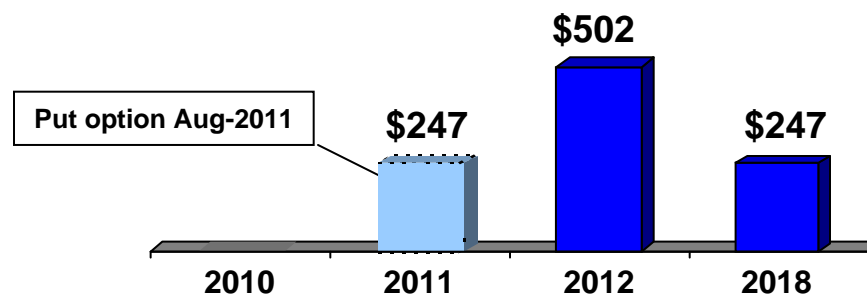
- + Capacity Fee: \$1.40/MMBtu to \$1.75/MMBtu**
 - “Take or Pay”, permits lifting or unloading cargoes
 - Includes all facilities and Creole Trail Pipeline
- + LNG Export Commodity Charge: \$HH /MMBtu**
 - Delivery Terms: FOB
 - Prevailing price for eastbound flow in local pipelines
 - Paid on a per-MMBtu basis, per cargo loaded
- + Fuel Surcharge: 8%-12%**
 - Projected based on forecast export activity
 - Trued up from period to period

Financial

2010 Financial Developments

Cheniere Energy, Inc.

- Entered into marketing arrangement with JPMorgan
 - Reduced working capital requirements for cargo purchases/sales
- Sold 30% equity in Freeport to pay down debt
 - Paid down \$102 million of 9.75% term loan
- Assigned CMI TUA to CQP subsidiary and entered into new variable capacity rights agreement
 - Released TUA reserve account, funds used to pay down \$64 million of convertible senior secured notes
- Continuing to address upcoming debt maturities at Cheniere
 - Considering best options to maintain shareholder value



Note: Balances as of June 30, 2010, reflect paydown of \$64MM on convertible senior secured loans. Amounts do not include notes at CQP

JPMorgan Arrangement

- Cheniere and JPMorgan joined LNG marketing efforts
- CMI provides all services related to:
 - sourcing deals and negotiating contracts, purchasing, transporting, receiving, storing, regasifying and selling cargoes of LNG and regasified LNG on an exclusive basis
- JPM provides credit support
- JPM pays a fixed fee and additional fees dependent upon gross margins achieved
- JPM acquired CMI's commercial inventory as of April 1, 2010
- JPM has option to sign 0.5 Bcf/d TUA at \$0.32/MMBtu

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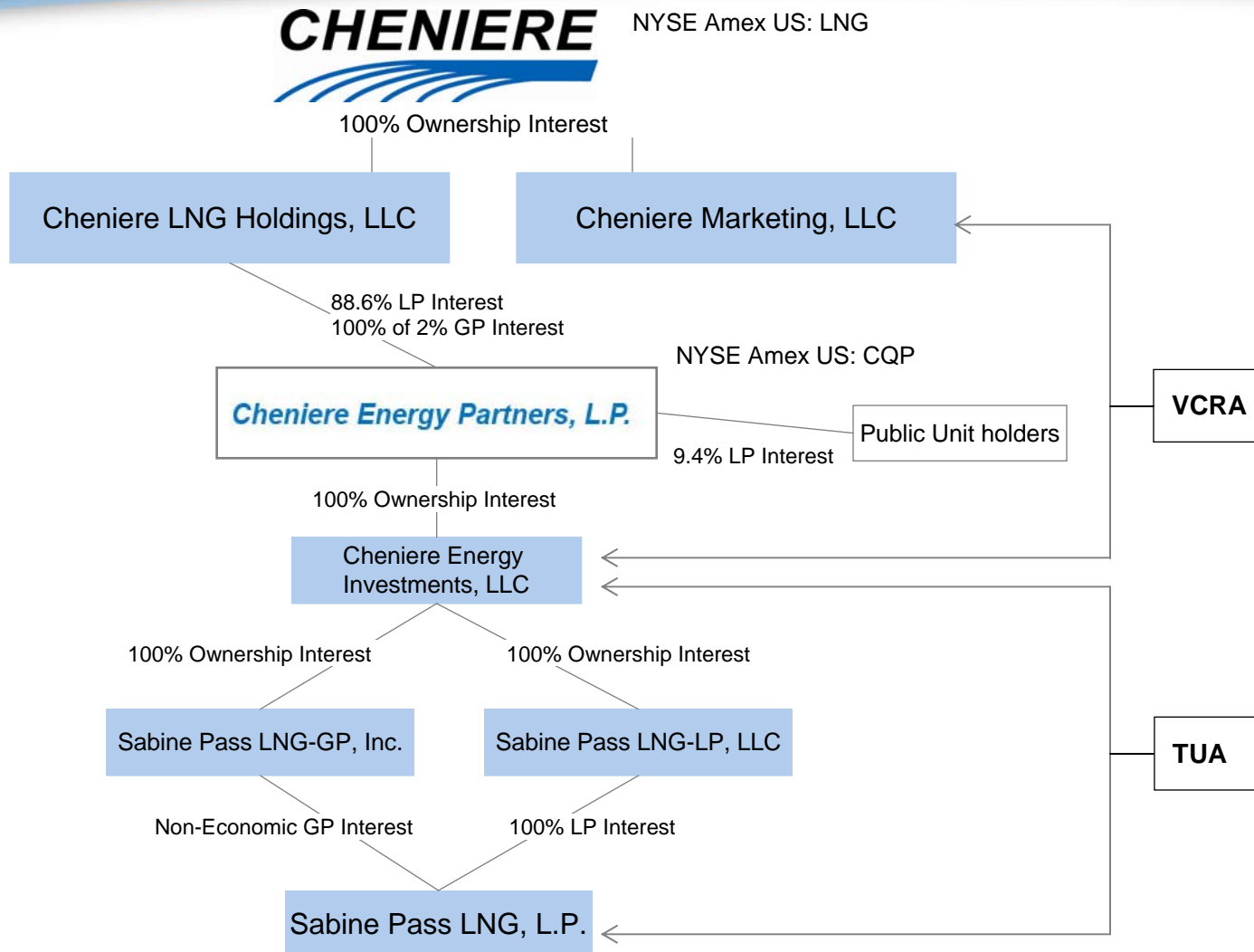
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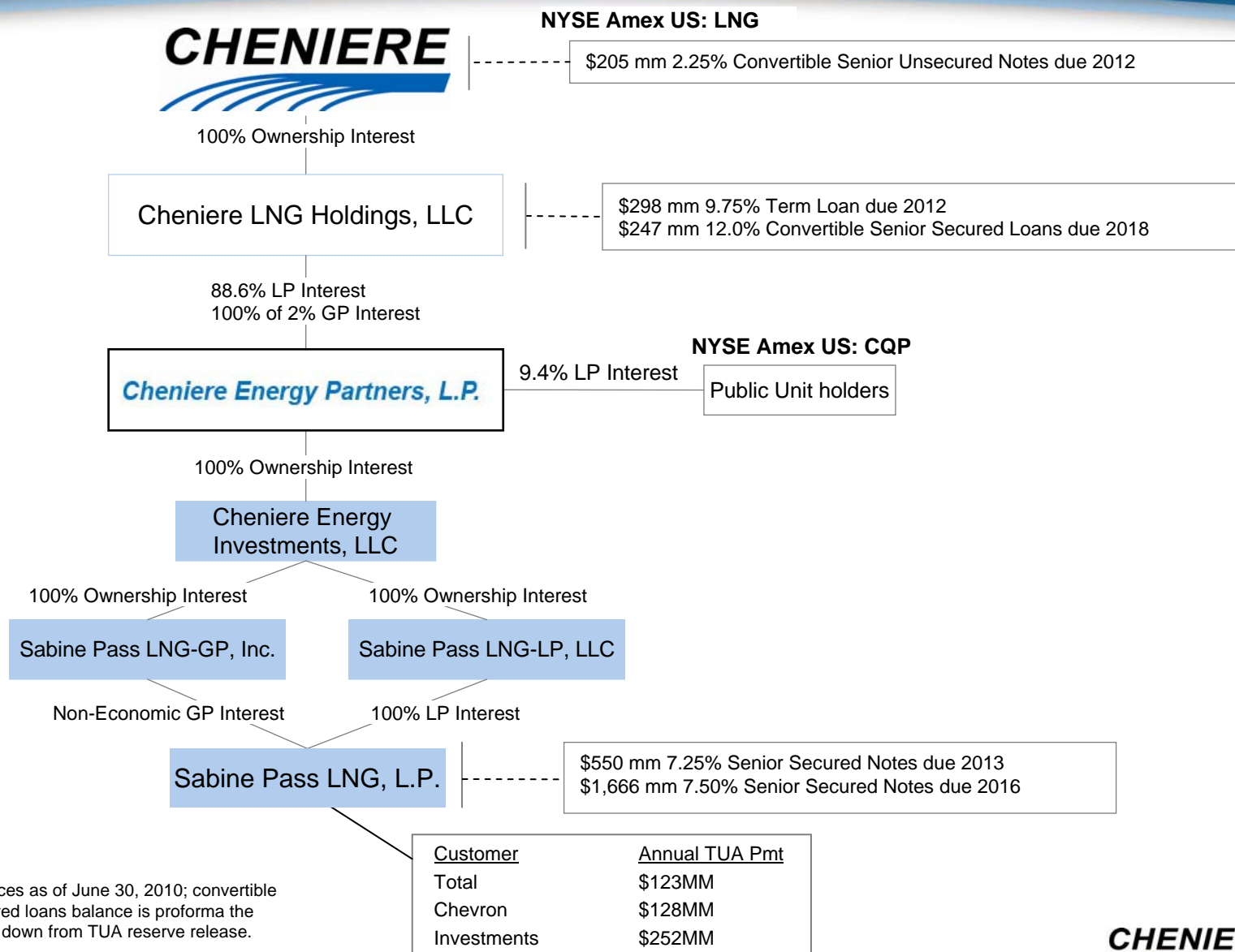
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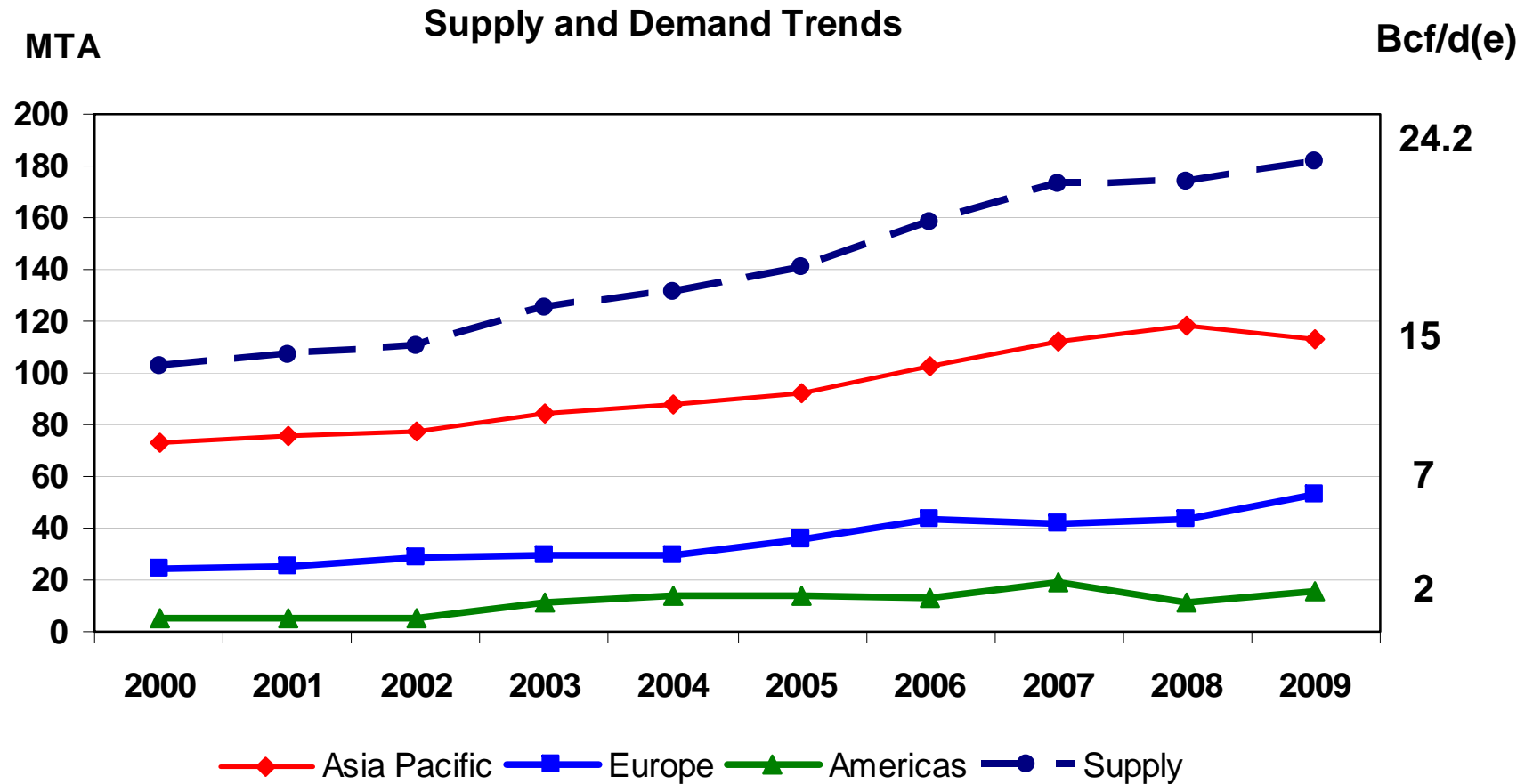


Note: Balances as of June 30, 2010; convertible senior secured loans balance is proforma the \$64MM pay down from TUA reserve release.



Appendix

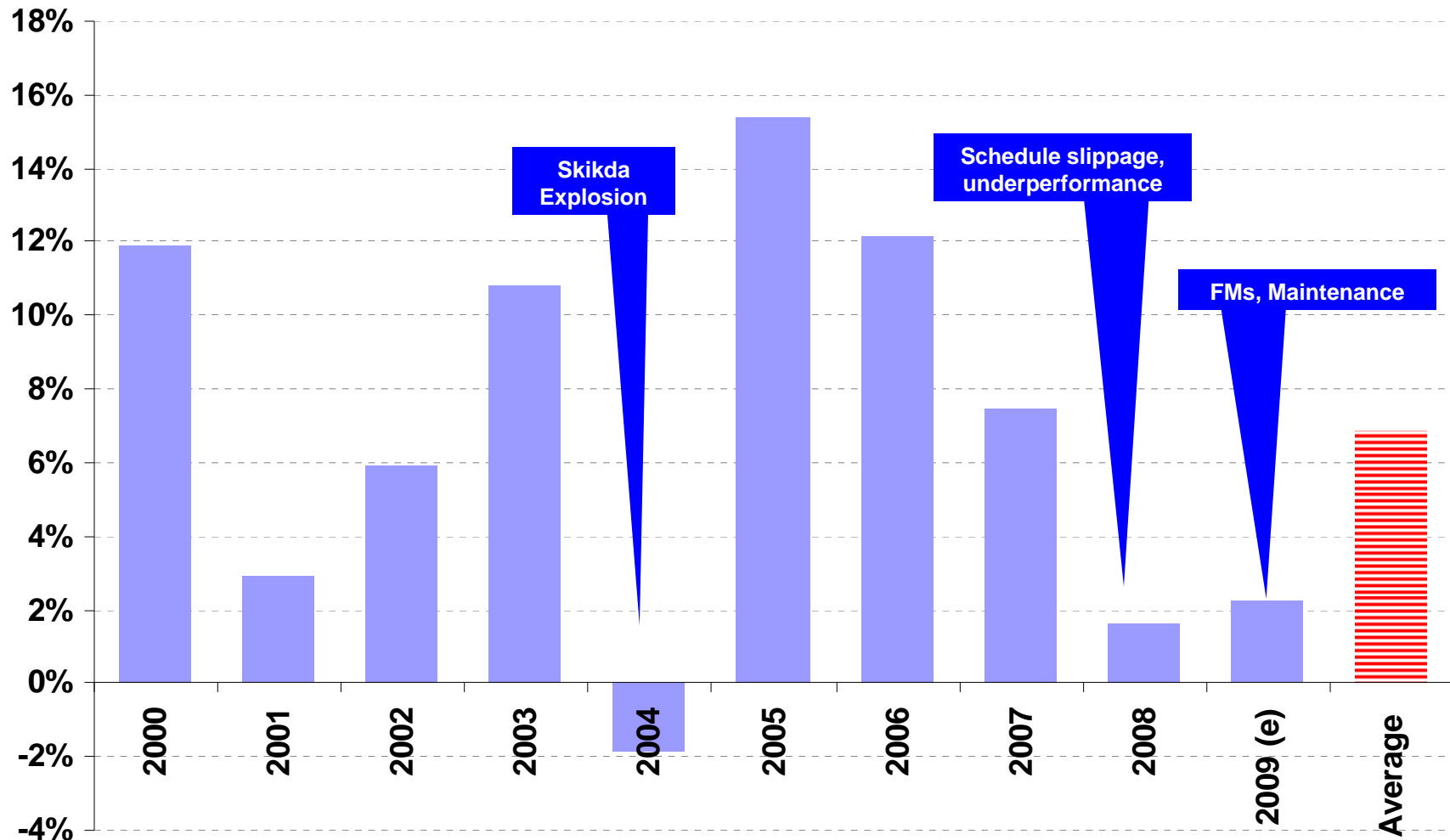
LNG Supply and Demand Trends



Source: Poten

YoY Change in LNG Supply Trends

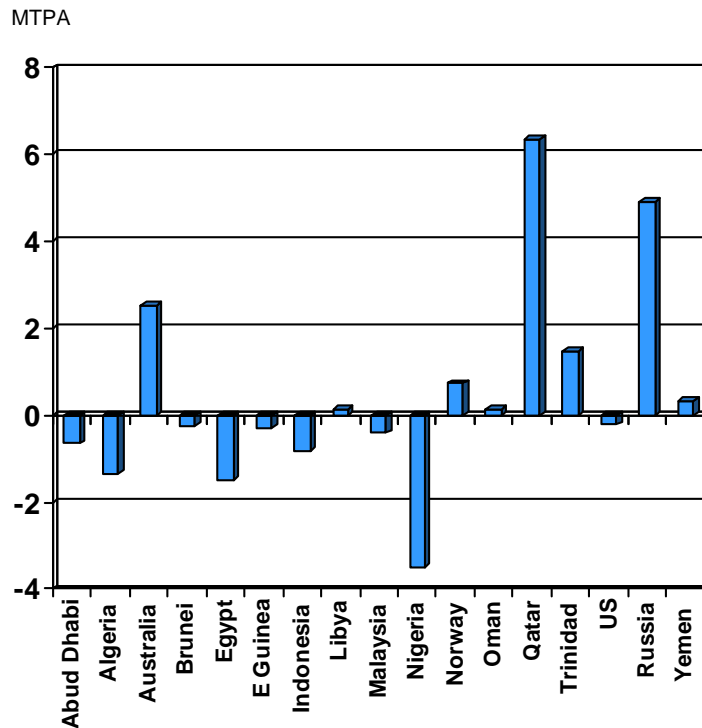
Well-below Average for Second Year



Source: GIIGNL, Cheniere Research, 2009e

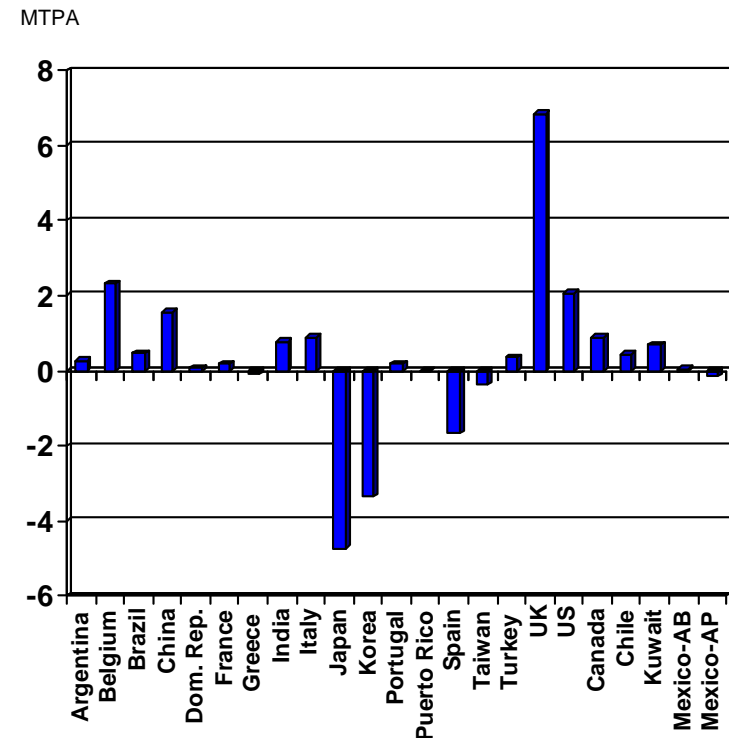
YoY Changes in LNG Supply and Demand

Export Variance 09 v 08



**Supply growth masked
by production losses**

Import Variance 09 v 08



**Traditional markets offset
by traded markets**

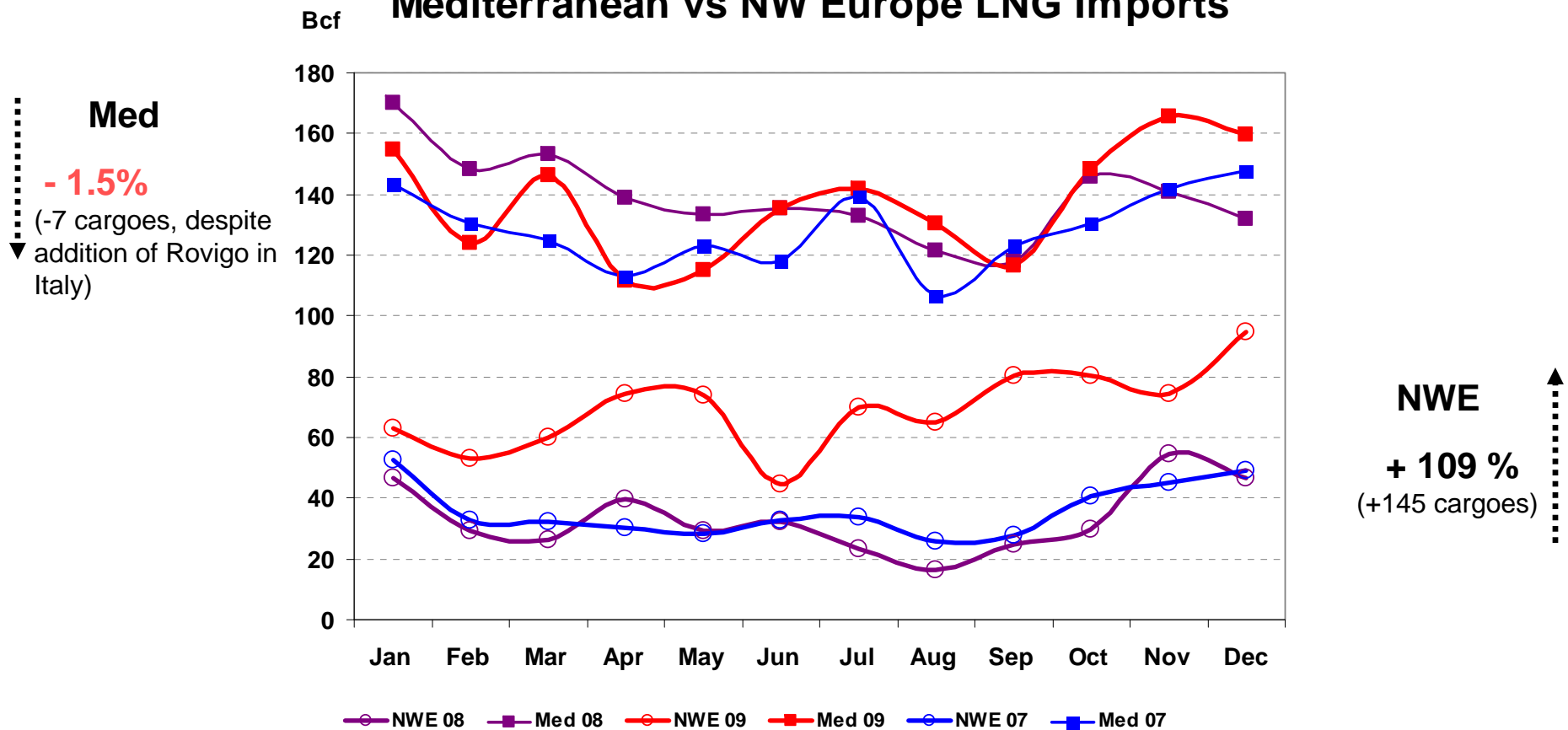
Source: Poten

2009 'Anomaly'

Europe Oversupplied but LNG Imports Up

Recession induced demand reduction ~4 Bcf/d
But LNG Imports Up ~1 Bcf/d YOY

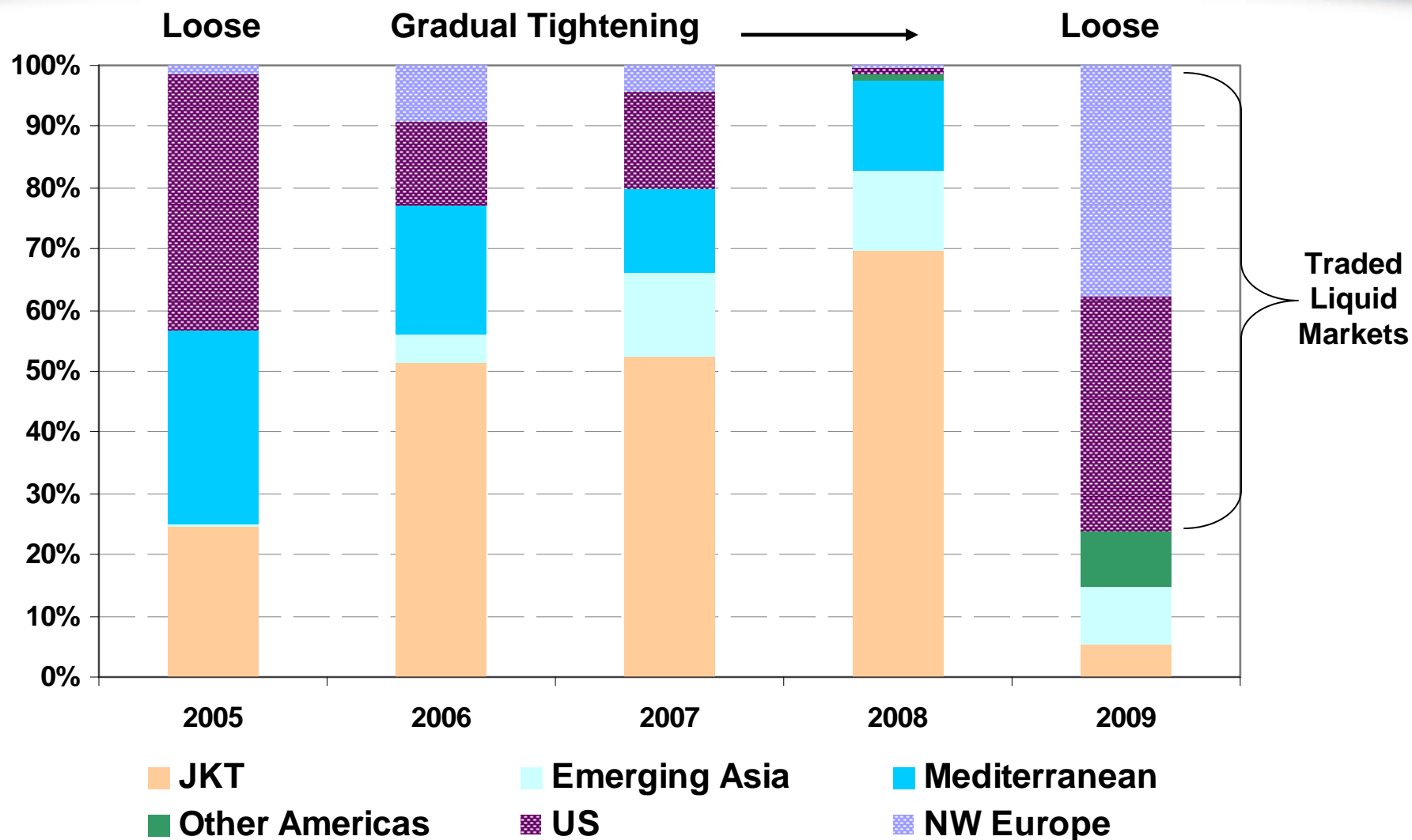
Mediterranean vs NW Europe LNG Imports



Source: Waterborne

Note: NWE = UK, BE, + Montoir

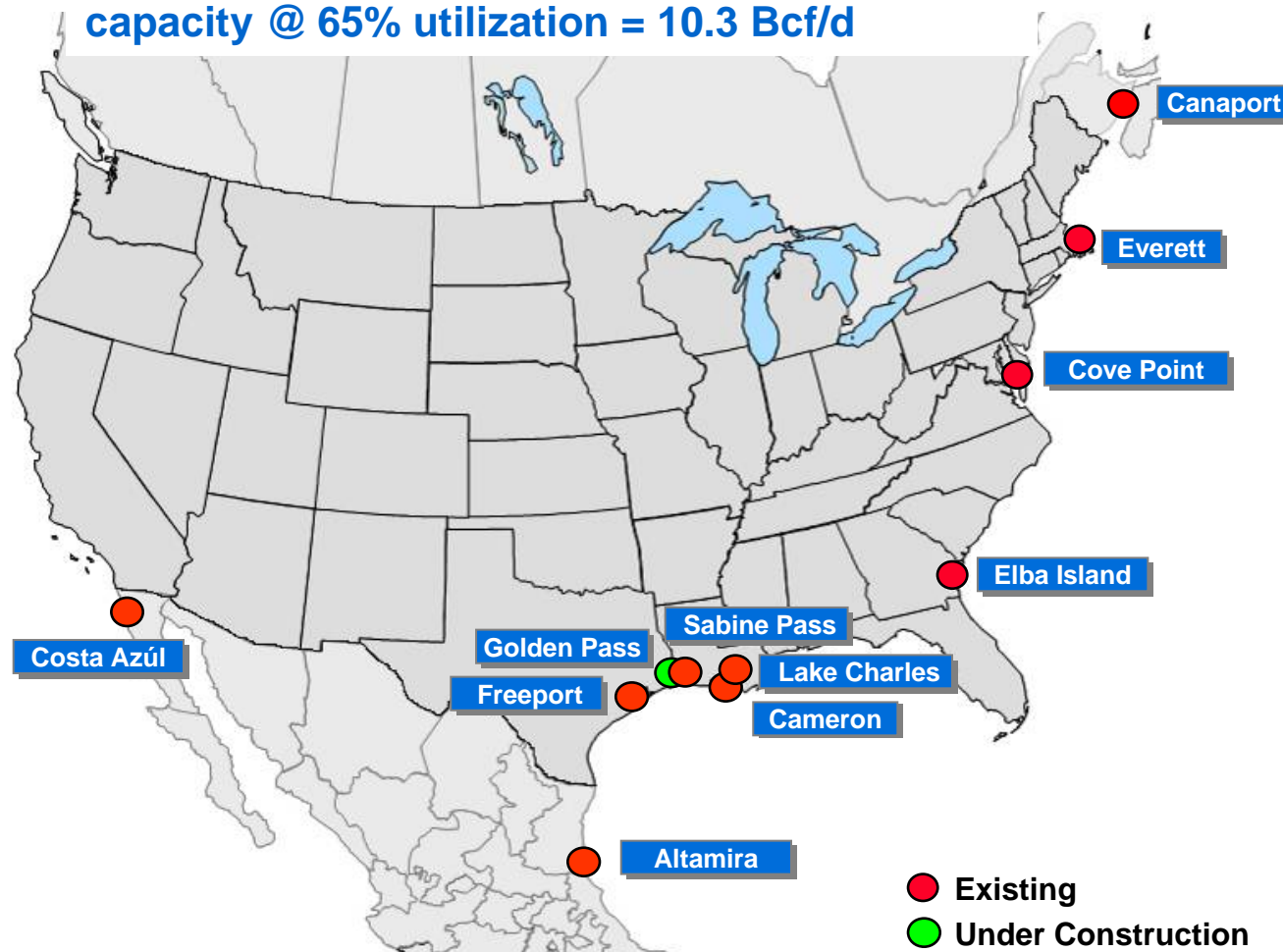
Spot LNG By Destination Region



Source: GIIGNL, Cheniere Research , 2009e

North America Onshore Regasification Capacity By 2010

15.8 Bcf/d North American Atlantic Basin capacity @ 65% utilization = 10.3 Bcf/d



Terminal Capacity Holder	Baseload Sendout (MMcf/d)
Canaport Irving, Repsol	1,000
Everett - Suez	700
Cove Point BP, Statoil, Shell	1,800
Elba Island BG, Marathon, Shell	800
Lake Charles - BG	1,800
Freeport ConocoPhillips, Dow	1,500
Sabine Pass Total, Chevron, Cheniere	4,000
Cameron Semptra, ENI	1,500
Golden Pass ExxonMobil, ConocoPhillips, QP	2,000
Altamira Shell, Total	700
Costa Azul Shell, Semptra	1,000
Total	16,800

Source: Websites of Terminal Owners



Cheniere Energy Investor Relations

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