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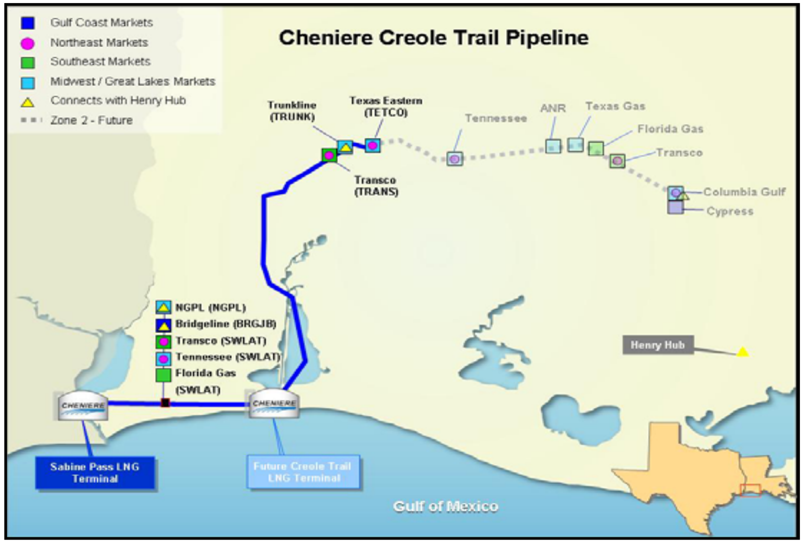
Howard Weil Energy Conference
New Orleans - March 2011

Cheniere Operations

- Cheniere is engaged in the development, construction and operation of onshore LNG terminals and pipelines, including the 4 Bcf/d Sabine Pass LNG terminal
  - Sabine Pass LNG has been operational since 2008 and cost ~$1.6 billion
  - Sabine receives LNG arriving by ship and is connected to the U.S. natural gas pipeline grid through the Creole Trail pipeline and other interconnecting pipelines
  - Creole Trail pipeline has also been operational since 2008 and cost ~$560 million, 2.0 Bcf/d capacity, 42-inch diameter

Sabine Pass LNG

Creole Trail Pipeline



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Strategic Focus: Liquefaction Expansion Project

- Cheniere is developing a project to add liquefaction trains, transforming the Sabine Pass facility into the first bi-directional LNG terminal that can import and export LNG
  - 4 LNG trains, each 4 mtpa (16 mtpa total project)
  - 20-yr fixed price contracts for 14 mtpa or 2 Bcf/d of bi-directional service
  - Begin construction 2012, begin operations 2015
- LNG value chain:

Expansion Project

Current Operations

Field Development

Liquefaction

Shipping

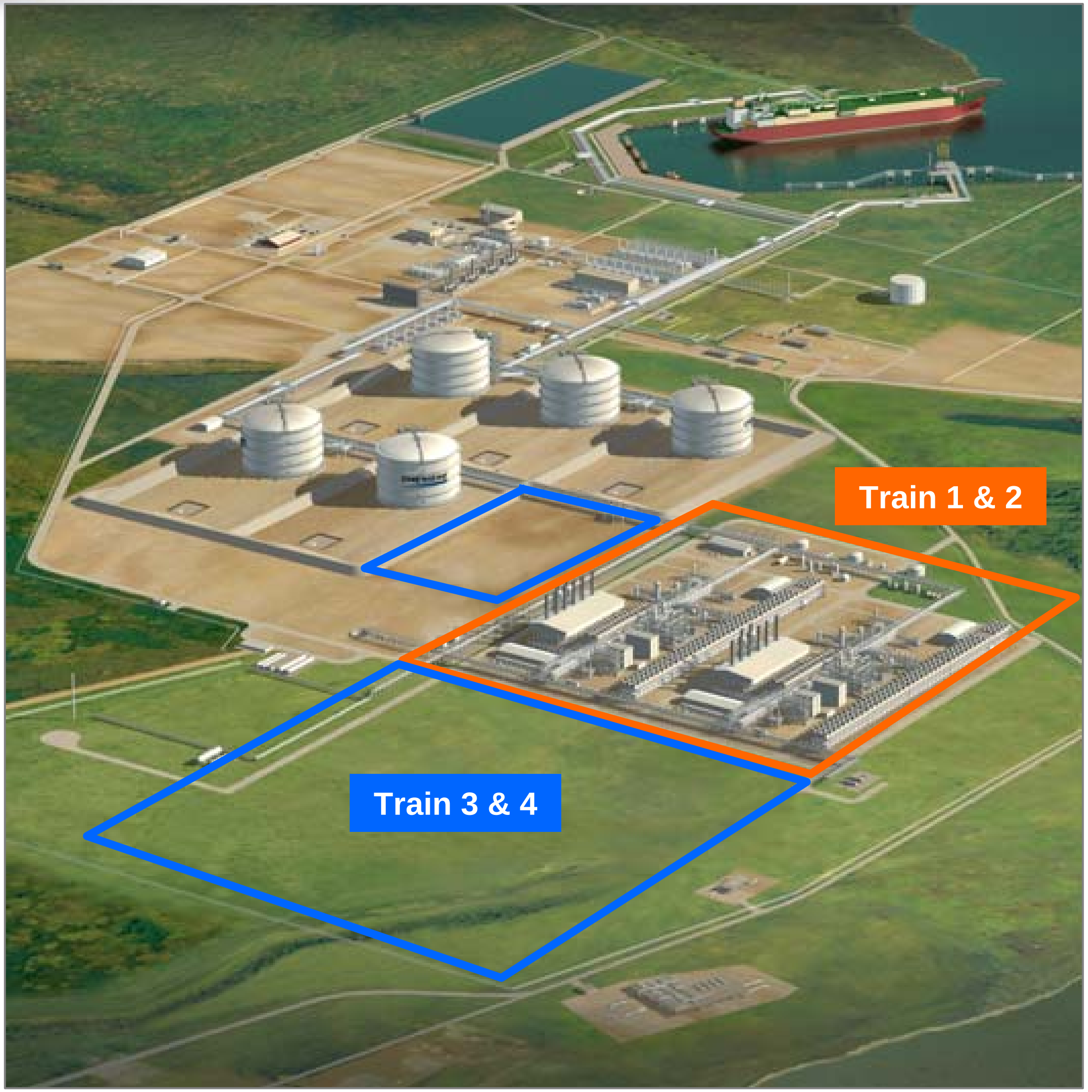
Regasification

Pipeline

End Use

LNG is natural gas cooled to -260ºF in order to be transported by ship to distant markets

Proposed Liquefaction Project Will Transform Sabine into Bi-directional Import / Export Facility



Current Facility

- 853 acres in Cameron Parish, Louisiana
- 40 ft ship channel 3.7 miles from coast
- 2 berths; 4 dedicated tugs
- 5 LNG storage tanks (17 Bcf of storage)
- 4.3 Bcf/d peak vaporization
- LNG export licenses approved

Liquefaction Expansion

- World's first bi-directional LNG facility
- Monthly nomination rights to liquefy for export or regasify for import
- Up to 4 liquefaction trains
  - Each 3.5 mtpa / ~ 500 MMcf/d
  - ConocoPhillips Optimized Cascade technology
- Estimated CAPEX: ~ $400/ton
- Estimated commercial start date: 2015

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Bi-directional Service at Sabine Pass Provides Opportunity to Arbitrage Henry Hub vs. Oil

Worldwide LNG prices predominantly based on a prices of oil

($/MMBtu)	Europe Low	Europe High	Asia Low	Asia High
Henry Hub	**$ 4.00**	**$ 6.50**	**$ 4.00**	**$ 6.50**
Capacity Charge	**1.75**	**1.75**	**1.75**	**1.75**
Shipping	**1.00**	**1.00**	**2.50**	**2.80**
Fuel	**0.40**	**0.65**	**0.40**	**0.65**
Delivered Cost	**$ 7.15**	**$ 9.90**	**$ 8.95**	**$ 11.70**
Equivalent Oil Price ($/MMBtu)	**$ 43**	**$ 58**	**$ 54**	**$ 69**
Equivalent Oil Indexation Rate				
at $90/bbl	**7.9%**	**11.0%**	**9.9%**	**13.0%**
at $150/bbl	**4.8%**	**6.6%**	**6.0%**	**7.8%**

Sabine Pass bi-directional service primary targeted customers

- Long standing purchasers of gas indexed to oil prices (11 - 15% indexed prices)
  - 30 to 40 Bcf/d market
- Power generators (mostly in developing economies) who burn fuel and diesel for electric generation at a current cost of ~$15/mmbtu
  - 20 to 30 Bcf/d market

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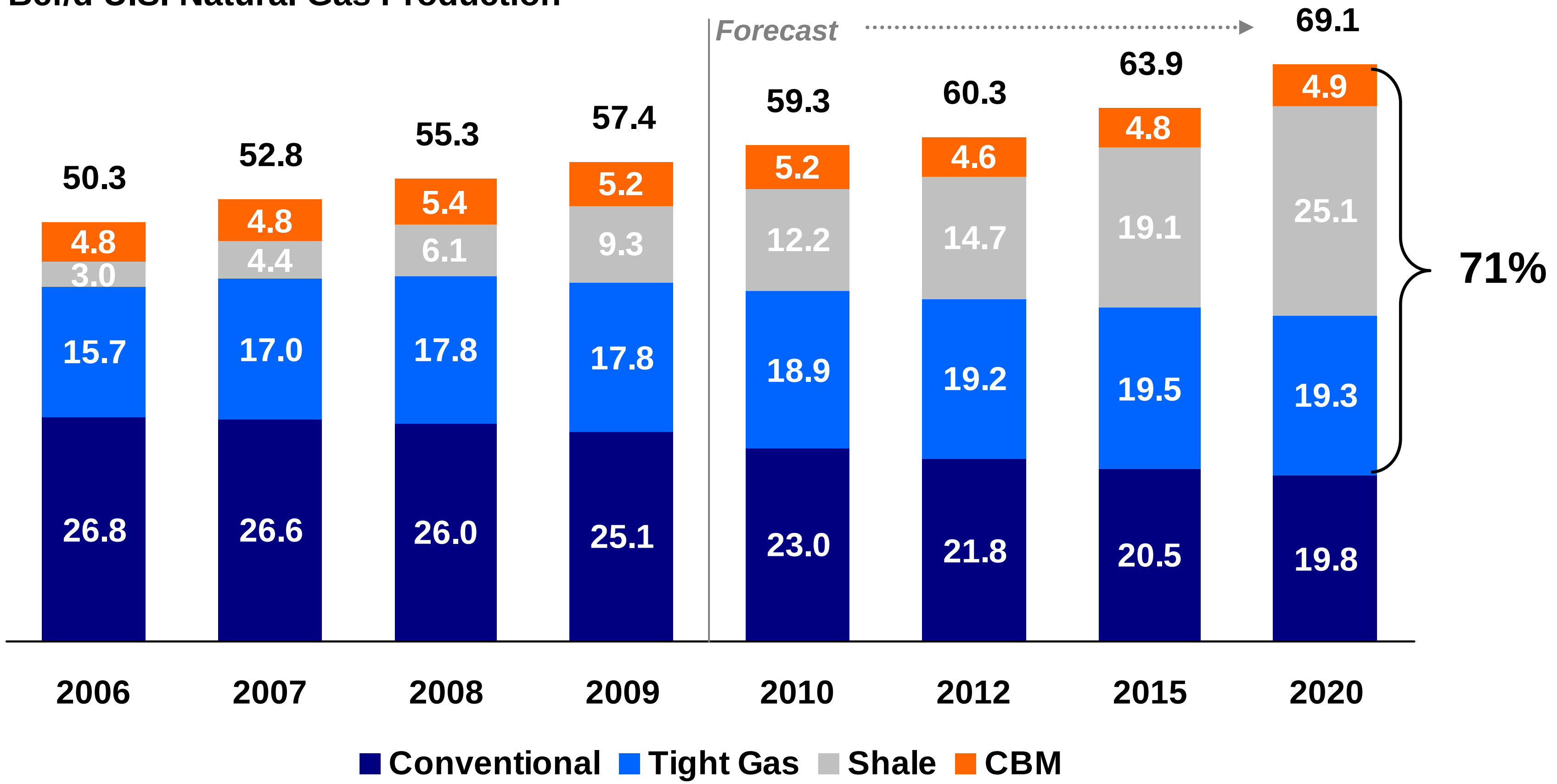
U.S. Gas Production Growth

- **Unconventional gas = 61% of 2010 natural gas production**
- **Potential 11 Bcf/d new production from unconventional gas 2015 vs 2009 (34%)**

Bcf/d U.S. Natural Gas Production



Source: Advanced Resources International Inc.(Aug 2010), EIA

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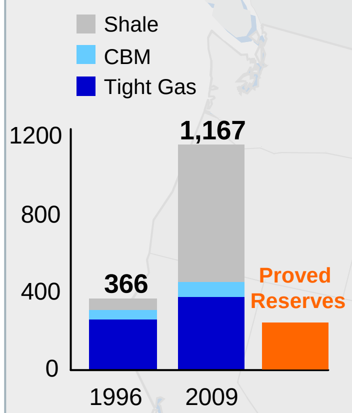
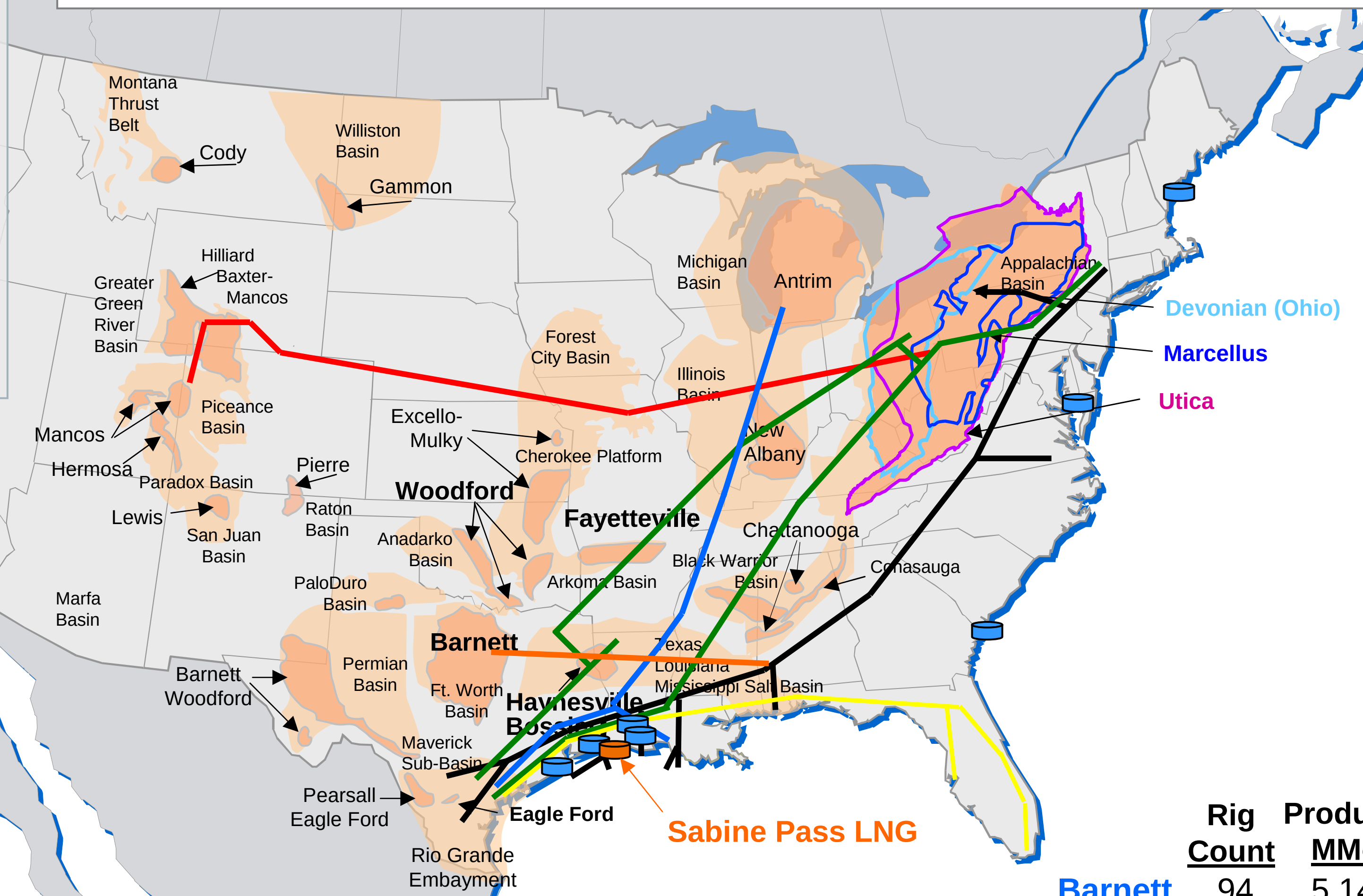
Extensive Market Access to Gas

Lower 48 Technically Recoverable Unconventional Reserves (Tcf)



Primary Gas Sources for Sabine Pass Liquefaction

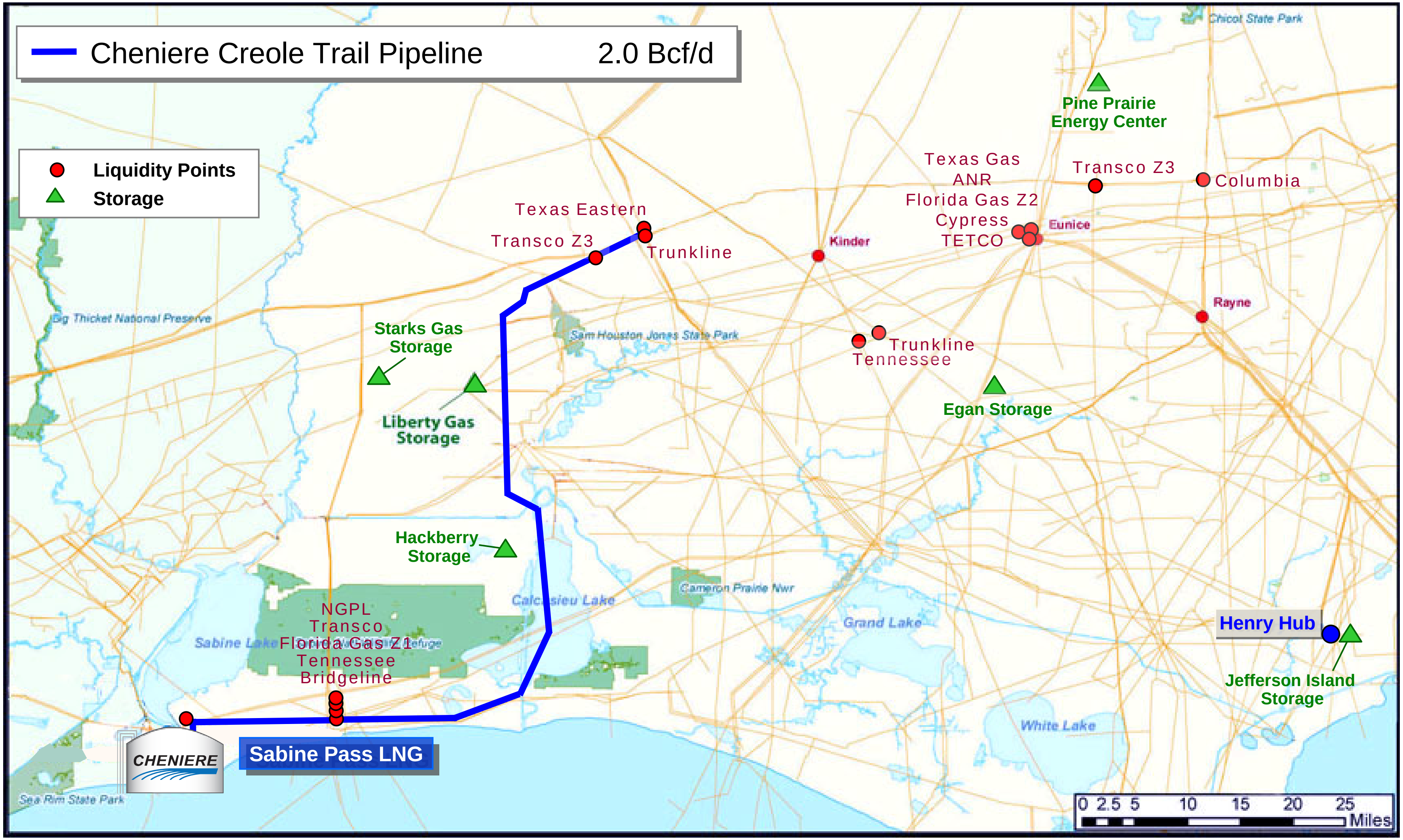
Conventional Gulf Coast Onshore; Barnett; Haynesville; Bossier; Eagle Ford



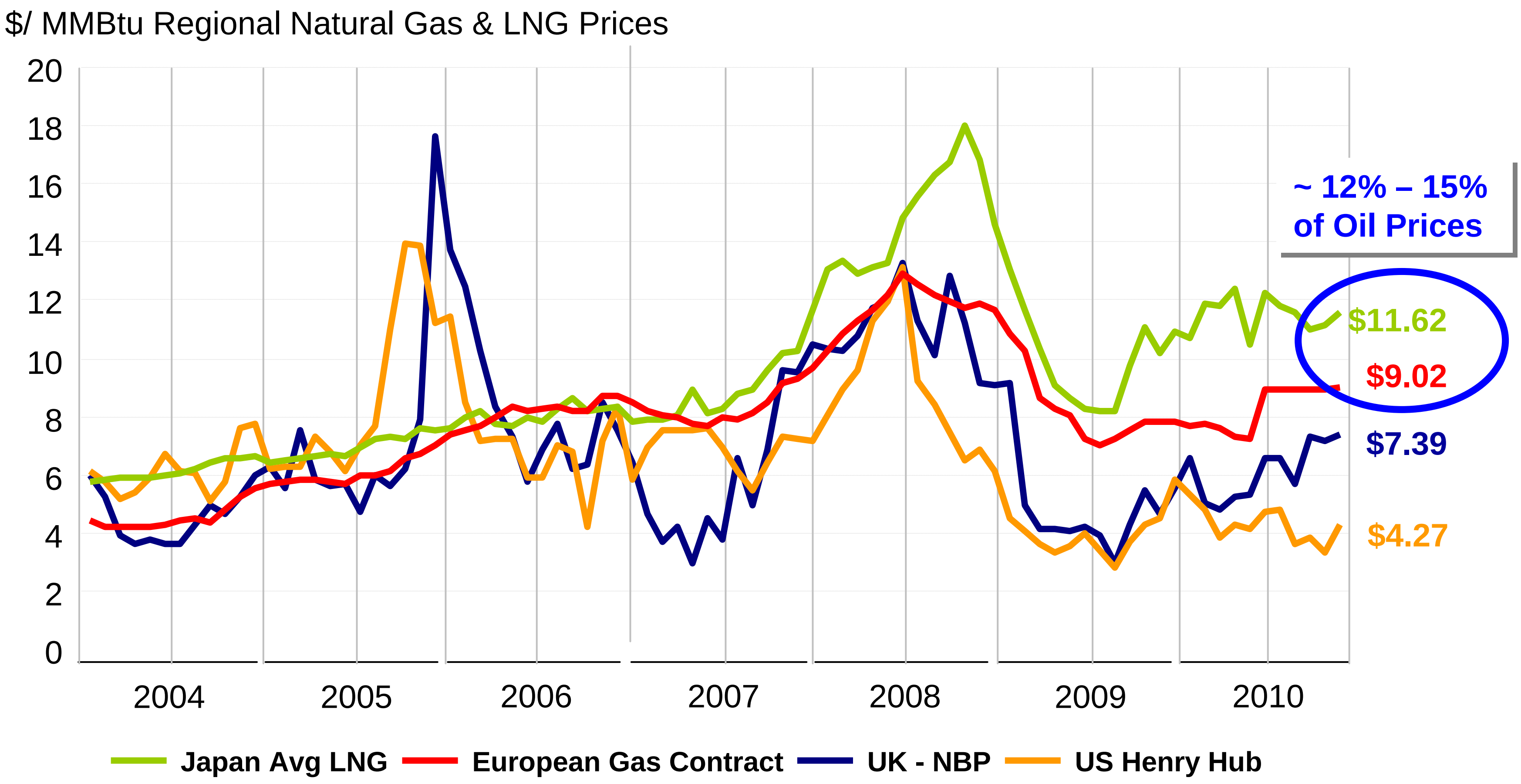
	Rig Count	Production MMcf/d
Barnett	94	5,140
Haynesville/Bossier	167	3,730
Eagle Ford	83	345

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

Strategically Located
Sabine Pass Liquidity Points



Attractive Oil Linked Market Prices



Source: CME, as of December, 2010.

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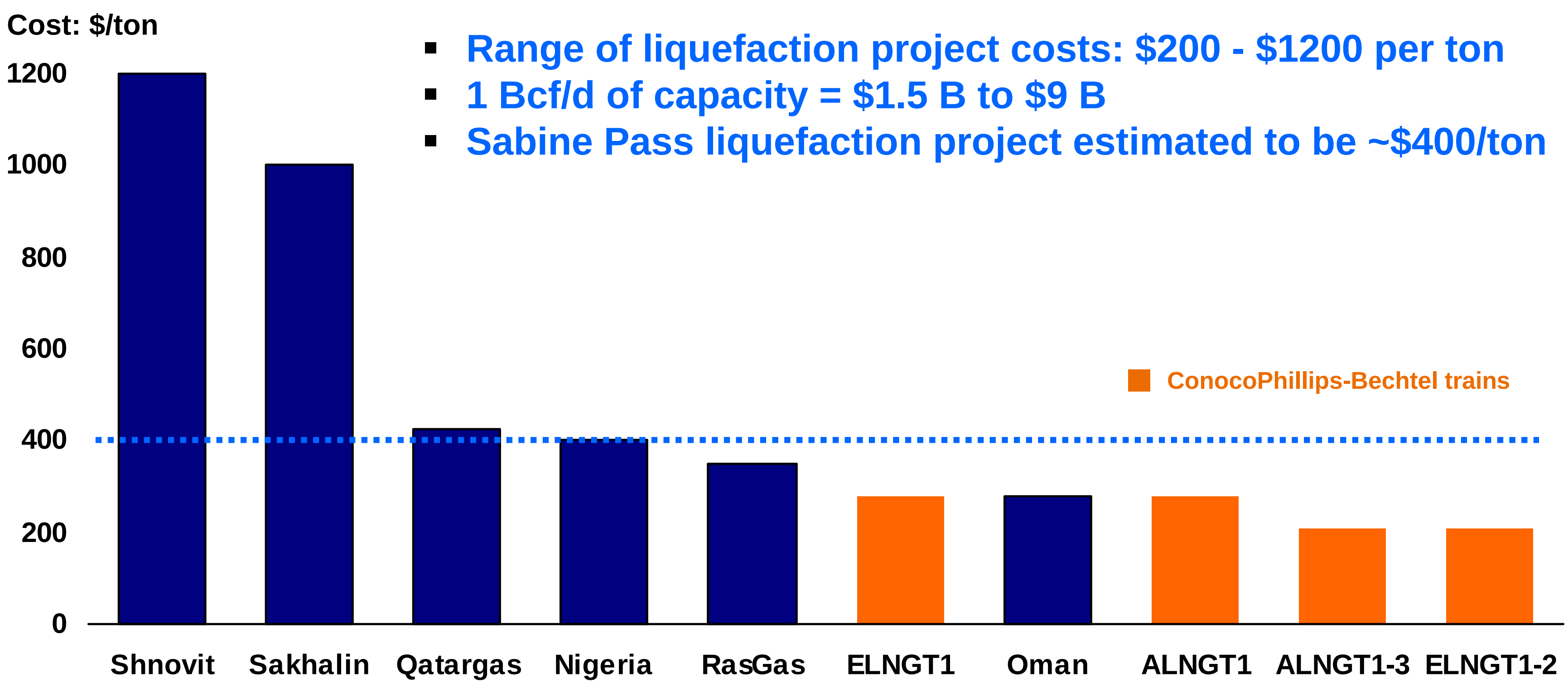
Sabine Pass Liquefaction Project - Brownfield Development, Lower Expected Capital Costs



- Range of liquefaction project costs: $200 - $1200 per ton
- 1 Bcf/d of capacity = $1.5 B to $9 B
- Sabine Pass liquefaction project estimated to be ~$400/ton

- **Brownfield development – significant infrastructure already in place**
  - Storage, marine and pipeline interconnection facilities
- **Upstream wells, gathering pipelines and treatment infrastructure not required**
  - Pipeline quality natural gas sourced from U.S. pipeline grid

Source: ConocoPhillips-Bechtel, Cheniere research

ConocoPhillips-Bechtel – Global LNG Collaboration

Proven Designs

1969 | 1999 | 2006 | 2007 | 2012

All Collaboration projects have come onstream ahead of schedule and exceeded expectations

ConocoPhillips, Bechtel

LNG Project Support & Regulatory

- Very strong local support: Cameron Parish officials, Louisiana state and federal congressional delegations, parish & state agencies
- Strong support from most gas producing states
- Cheap ethane by-product means added competitive landscape for chemical industry ($35/Bbl for ethane vs $90/Bbl for naptha)
- Job implication 30,000 to 50,000
- Balance of trade improvement ~$7 B
- Positive foreign policy implications of U.S. role in global gas markets

Regulatory

FERC: Authorization to Construct

- Base site permitted ✓
- NEPA pre-filing 7/10 for expansion ✓
- Some agencies already in agreement ✓
- Formal application filed – 1/31/11 ✓
- Estimated approval 2012

DOE: Authorization to Export

- Filing in two applications in 8/10 & 9/10 ✓
- Approval to export 2 Bcf/d for 30 years to Free Trade nations received 9/10 ✓
- Public comment period to export to non FT nations closed 12/13/10 ✓
- Approval to export to non FT nations pending

***Source: Cheniere DOE application dated 09.07.2010**

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Commercial Structure: Estimated Terms of Liquefaction Contracts

<u>Estimated cost for customer to purchase U.S. supply:</u>

- \+ Capacity Fee: $1.40 - $1.75/MMBtu
  - "Take or Pay", permits lifting or unloading cargoes
- \+ 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

- Customers reserve bi-directional capacity rights, both import and export services, under Liquefaction Processing Agreements (LPAs)
- Customers pay take or pay capacity fee of $1.40 - $1.75/MMBtu plus fuel surcharge of 8-12% (used for processing LNG)
  - –1 Bcf/d = ~$510 million to $640 million of revenues
- Customers responsible for delivering their own feed gas for processing, sourced from pipeline interconnects (including Creole Trail pipeline)

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Customer MOUs Signed to Date

Date	Customer	Rating	Capacity (mtpa)
Nov-10	Morgan Stanley (US)	A2 / A	1.7
Oct-10	ENN Energy Holdings (China)	Ba1 / BBB-	1.5
Nov-10	Gas Natural Fenosa (Spain)	Baa2 / BBB	1.5
Jan-11	EDF (France)	A3 / A	1.5
Jan-11	Sumitomo (Japan)	A2 / A	1.5
Feb-11	Basic Energy (Dominican Republic)	NR / B-	0.6
Feb-11	Endesa / Enel (Spain/Italy)	A2 / A-	1.5
	Total signed to date		9.8
	Target capacity for first two trains		7.0

- Sabine has signed non-binding MOUs with customers for up to 9.8 mtpa of bi-directional processing capacity, exceeding the targeted capacity of 7.0 mtpa for the first two trains
- Anticipated contract tenor: 20 years

*Non-binding MOUs entered into with potential customers intending to contract bi-directional processing capacity at the Sabine Pass LNG terminal. Capacity figures are approximate and represent the upper end of the quantity range in certain instances. Ratings listed are company specific or parent ratings.

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Estimated Financial Impact

(Annualized)

	Annual Contracted Cash, $MM[1]	Liquefaction Project Economics	
		Impact to CQP	Impact to LNG
Current	$253	▪ Stable common unit distributions ▪ ~1 x coverage supported by 20 year fixed price contracts with AA rated counterparties	▪ ~$38 mm paid to CEI as mgmt fees & Common/G.P. distributions
Train 1 500 MMcf/d	$255 - $320	▪ Increases common unit distribution coverage	▪ Distributions to sub units potentially start
Trains 1 & 2 1 Bcf/d	$510 - $640	▪ Allows distributions to subordinated unit holders ($230mm needed to meet annualized IQD) ▪ Potential common distribution growth ▪ Position CQP as a growth MLP	▪ Sub unit distributions to CEI; Sub units may begin 3 year “earned pay” period for conversion to common units
Trains 3 & 4 1 Bcf/d	$510 - $640	▪ Increase distributions to all unit holders	▪ Cash flow to CEI increases including GP IDRs

(1) Contracted cash, Current, based on the Chevron and Total TUAs. Contracted cash for the liquefaction trains based on a capacity fee of $1.40 - $1.75/mcf/d. Actual net distributable cash flow will depend upon various factors, including debt service payments for amortization and interest, operating expenses, etc.

Note: Estimates represent a summary of internal forecasts, are based on current assumptions and are subject to change. Actual performance may differ materially from, and there is no plan to update the forecast. See “Forward Looking Statements” cautions.

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Expected Timeline

▪ Sign MOUs with interested parties	4Q2010
▪ DOE export authorization	Pending
▪ Definitive commercial agreements	Mid 2011
▪ EPC contract	2H2011
▪ Financing commitments	2H2011
▪ FERC construction authorization	2012
▪ Commence construction	2012
▪ Commence operations	2015

Appendix

Cheniere Overview

Cheniere Energy, Inc.
NYSE Amex US: LNG

88.6% (LP interest)
2.0% (GP interest)

Cheniere Energy Partners, L.P.
NYSE Amex US: CQP

Cheniere LNG Holdings, LLC
- 90.6% Ownership of CQP

Cheniere Marketing
- 2 Bcf/d Regasification Capacity at SPLNG

Creole Trail Pipeline
- 2 Bcf/d Takeaway Capacity for SPLNG

Permitted Projects
- Corpus Christi LNG
- Creole Trail LNG

Sabine Pass LNG, L.P. (SPLNG)
- 4 Bcf/d Regasification Terminal, Fully Contracted

Proposed Project - Liquefaction
- *Up to 2 Bcf/d LNG Processing at SPLNG*

Estimated CQP Distributable Cash Flows*

(Annualized, $ in mm)

Receipts	
TUAs – Chevron and Total	**$ 253**
Other Services	**7**
Total Cash Receipts	**260**
Costs	
Operating, G&A, Maintenance CapEx	**46**
Debt Service	**165**
Total Costs	**211**
Available for Distributions to Common and G.P.	**$ 49**
Potential Future Cash Flows	
Regas Capacity (from VCRA)	**$ 0 – 250**
Available for Management Fees(1) & Subordinated Units	**$ 0 – 250**

(1) 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.

* Does not include any estimates for liquefaction.

Note: Estimates represent a summary of internal forecasts, are based on current assumptions and are subject to change. Actual performance may differ materially from, and there is no plan to update the forecast. See "Forward Looking Statements" cautions.

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Ownership - CQP

(in mm)	Cheniere Energy, Inc	Public*	Total
Common Units	10.9	15.5	26.4
Subordinated Units	135.4		135.4
General Partner @ 2%	3.3		3.3
	149.6	15.5	165.1
Percent of total	90.6%	9.4%	100%

*Excludes 1MM shares to be sold by CQP through a strategic equity offering as described in the prospectus supplement filed by CQP on 1/14/2011.

Estimated LNG 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**
Marketing activity	**?**

* Does not include any estimates for liquefaction.

**Estimates represent a summary of internal forecasts, are based on current assumptions and are subject to change. Actual performance may differ materially from, and there is no plan to update the forecast. See "Forward Looking Statements" cautions. Estimates exclude earnings forecasts from operating activities.

***Approximately $11 million is fees for management services provided by Cheniere to CQP 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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Organizational Structure
Existing Debt

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NYSE Amex US: LNG

$205 mm 2.25% Convertible Senior Unsecured Notes due 2012

100% Ownership Interest

Cheniere LNG Holdings, LLC

$298 mm 9.75% Term Loan due 2012
$263 mm 12.0% Senior Secured Loans due 2018*

88.6% LP Interest
100% of 2% GP Interest

Cheniere Energy Partners, L.P.

9.4% LP Interest

NYSE Amex US: CQP

Public Unitholders

100% Ownership Interest

Cheniere Energy Investments, LLC

100% Ownership Interest

Sabine Pass LNG, L.P.

$550 mm 7.25% Senior Secured Notes due 2013
$1,666 mm 7.50% Senior Secured Notes due 2016

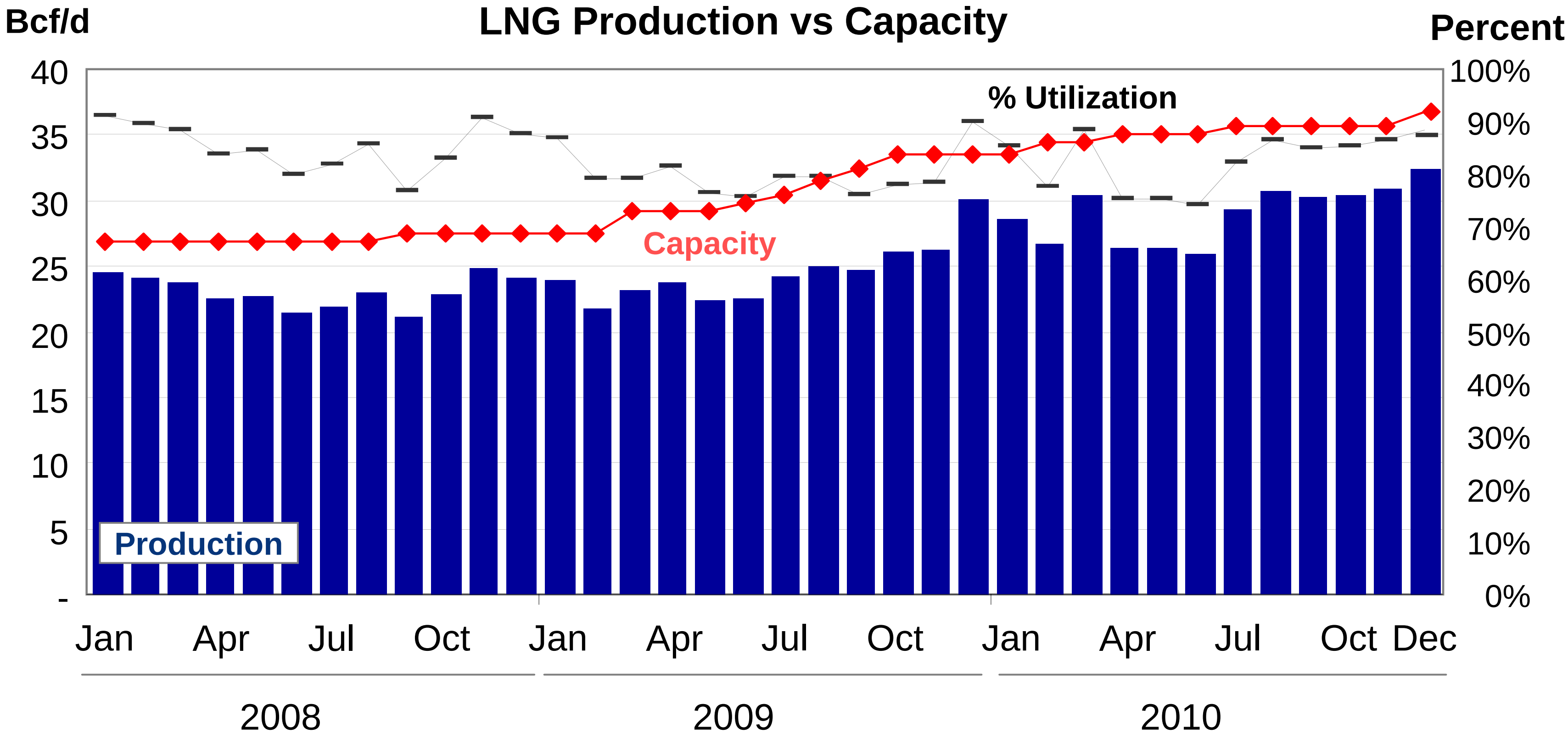
Customer	Annual TUA Pmt
Total	$123MM
Chevron	$128MM
Investments	$252MM

* Put rights removed per credit amendment effective 12/10/2010

Note: Balances as of December 31, 2010

LNG Production, Capacity, Utilization

- **Production +5.1 Bcf/d > 2009, 21% increase YoY in 2010**
- **Utilization rates returning to historical 90% norm**
- **1.6 Bcf/d remaining capacity to bring on line in 1Q2011**



Source: Waterborne, Cheniere Research

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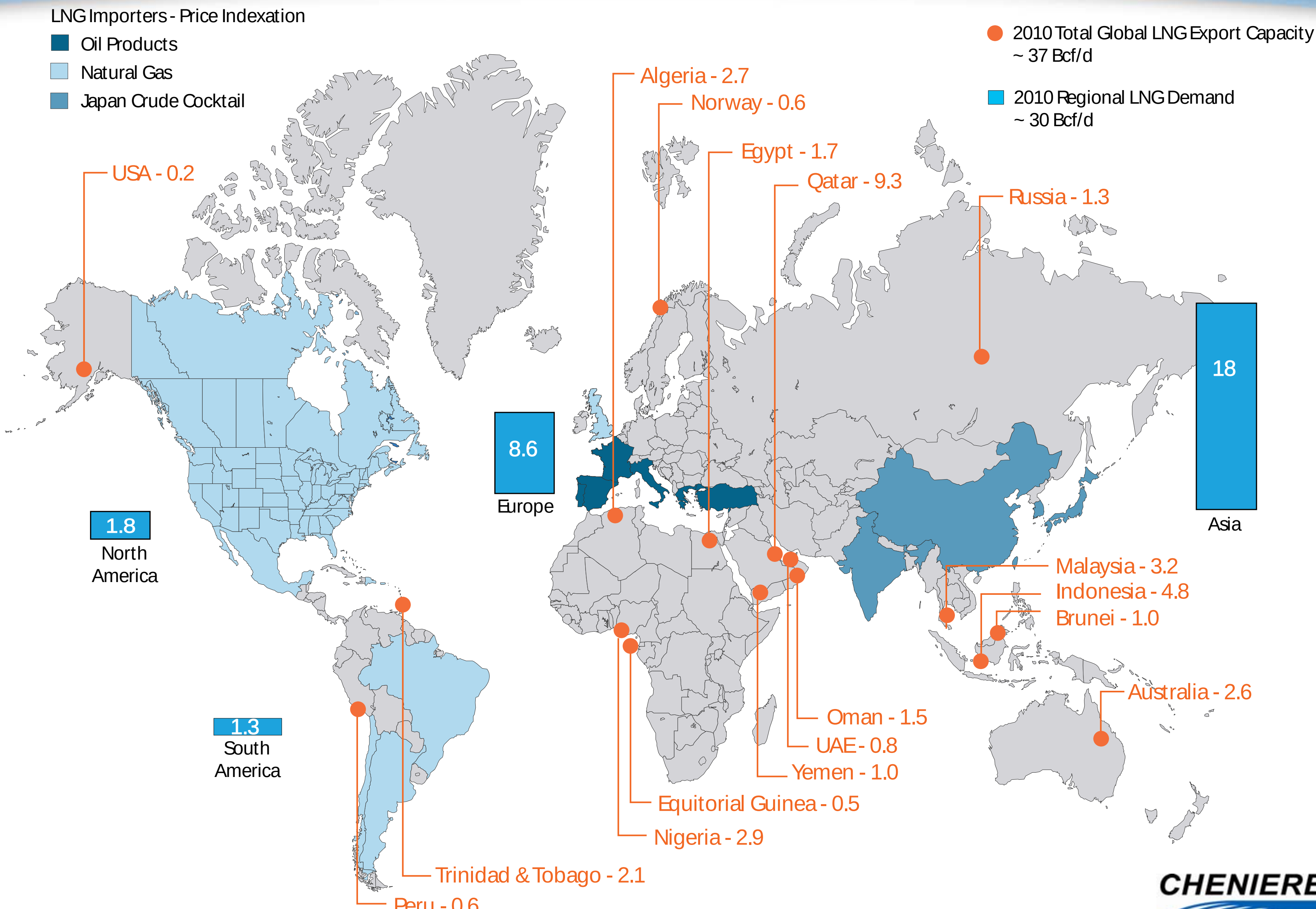
Global LNG Market - 2010



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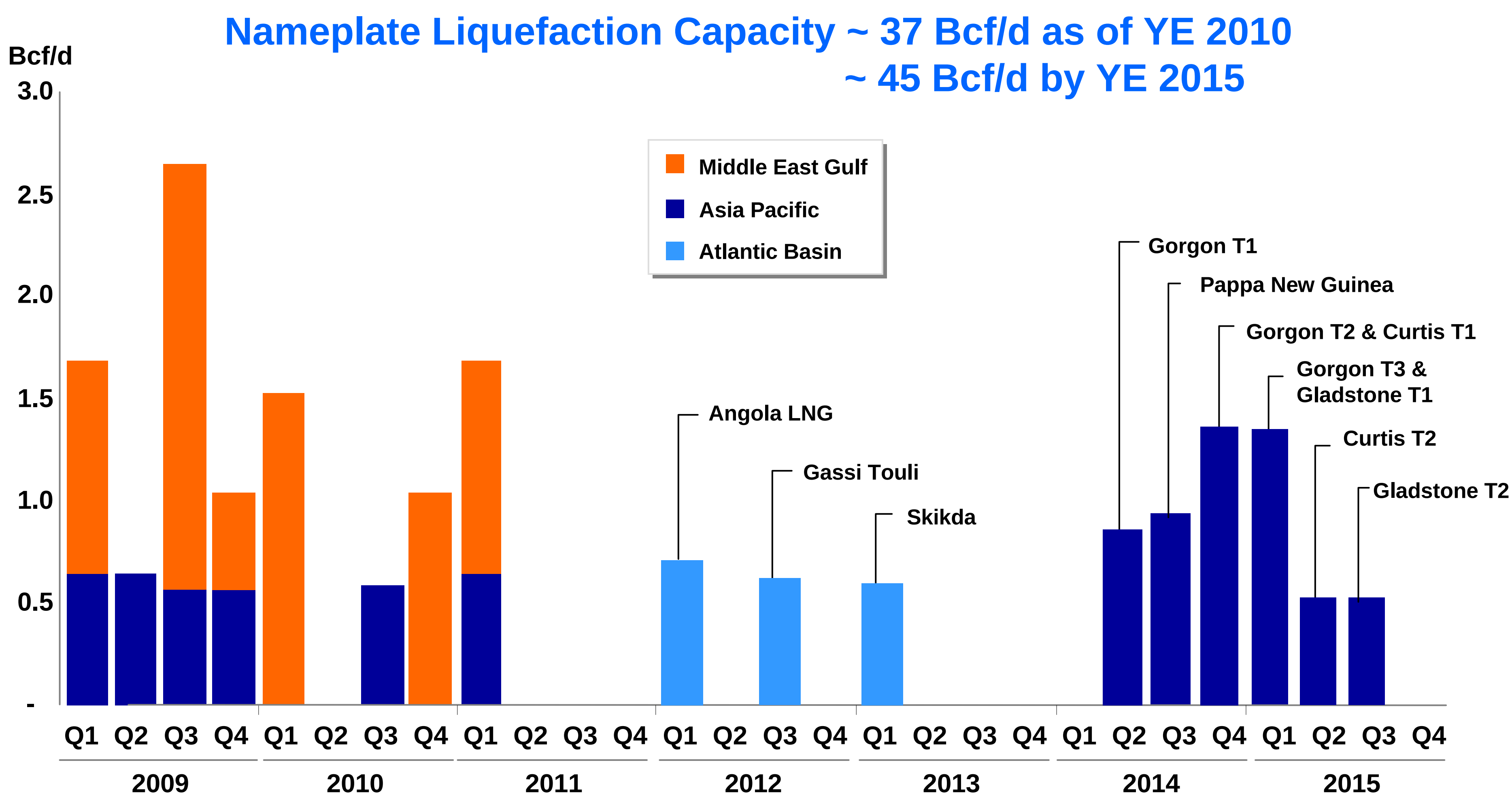
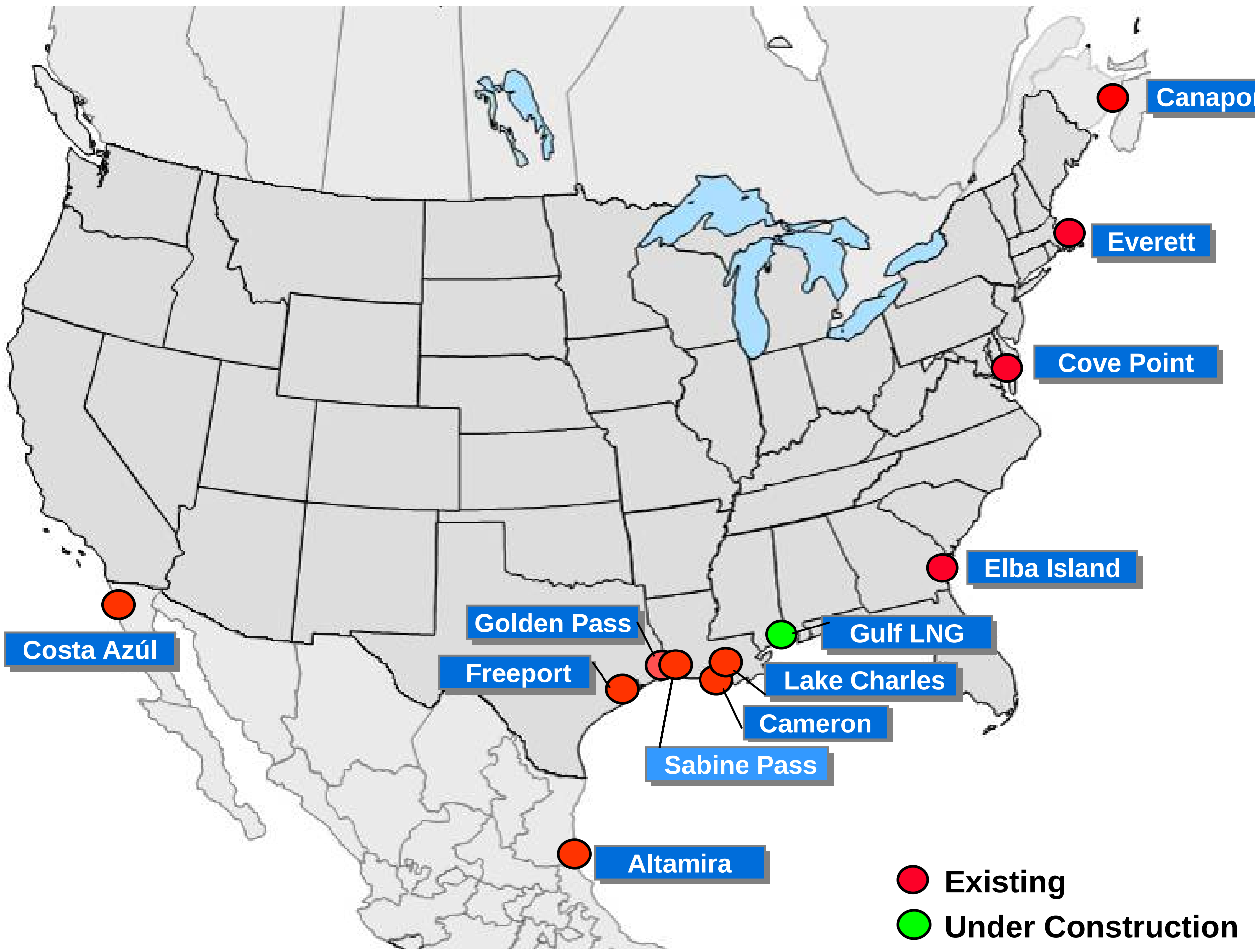
Firm Liquefaction Capacity Additions



 Source: Cheniere Research

North America Onshore Regasification Capacity



Terminal Capacity Holder	Baseload Sendout (MMcf/d)
Canaport Repsol	1,000
Everett - Suez	700
Cove Point BP, Statoil, Shell	1,800
Elba Island BG, Marathon, Shell	1,800
Gulf LNG Angola LNG, ENI	1,300
Lake Charles - BG	1,800
Freeport ConocoPhillips, Dow, Mitsui	1,500
Sabine Pass Total, Chevron, Cheniere	4,000
Cameron Sempra, ENI	1,500
Golden Pass ExxonMobil, ConocoPhillips, QP	2,000
Altamira Shell, Total	700
Costa Azul Shell, Sempra, Gazprom	1,000
Total	19,100

Source: Websites of Terminal Owners

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