



American LNG and the Global Market

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Forward Looking Statements

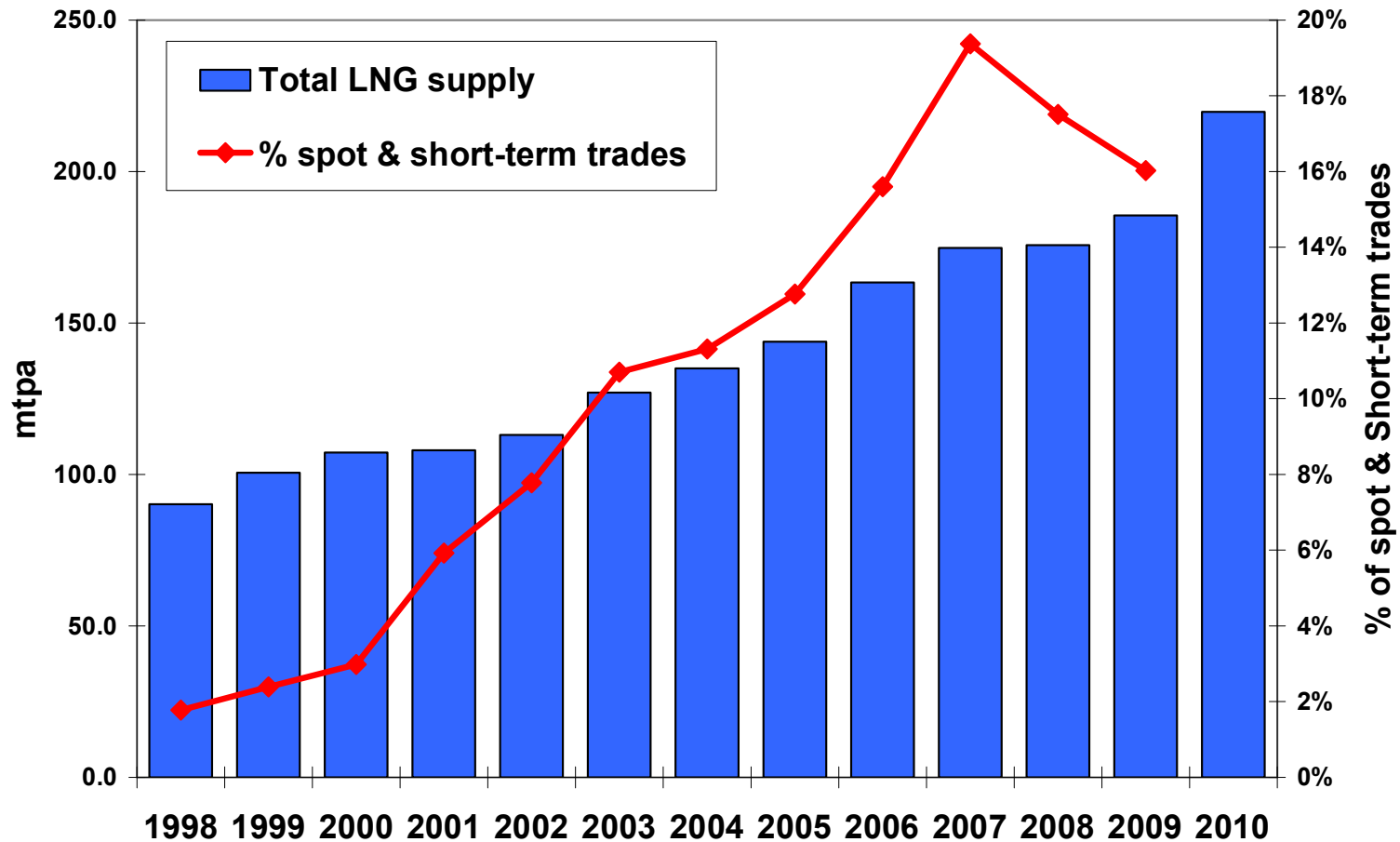
This presentation contains certain statements that are, or may be deemed to be, “forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended”. All statements, other than statements of historical facts, included herein are “forward-looking statements.” Included among “forward-looking statements” are, among other things:

- statements relating to the construction or operation of each of our proposed liquefied natural gas, or LNG, terminals or our proposed pipelines or liquefaction facilities, or expansions or extensions thereof, including statements concerning the completion or expansion thereof by certain dates or at all, the costs related thereto and certain characteristics, including amounts of regasification, transportation, liquefaction and storage capacity, the number of storage tanks, LNG trains, docks, pipeline deliverability and the number of pipeline interconnections, if any;
- statements that we expect to receive an order from the Federal Energy Regulatory Commission, or FERC, authorizing us to construct and operate proposed LNG receiving terminals, liquefaction facilities or proposed pipelines by certain dates, or at all;
- statements regarding future levels of domestic natural gas production, supply or consumption; future levels of LNG imports into North America; sales of natural gas in North America or other markets; exports of LNG from North America; and the transportation, other infrastructure or prices related to natural gas, LNG or other energy sources or hydrocarbon products;
- statements regarding any financing or refinancing transactions or arrangements, or ability to enter into such transactions or arrangements, whether on the part of Cheniere Energy, Inc., or Cheniere, or any subsidiary or at the project level;
- statements regarding any commercial arrangements presently contracted, optioned or marketed, or potential arrangements, to be performed substantially in the future, including any cash distributions and revenues anticipated to be received and the anticipated timing thereof, and statements regarding the amounts of total LNG regasification, liquefaction or storage capacity that are, or may become, subject to such commercial arrangements;
- statements regarding counterparties to our commercial contracts, construction contracts and other contracts;
- statements regarding any business strategy, any business plans or any other plans, forecasts, projections or objectives, including potential revenues and capital expenditures, any or all of which are subject to change;
- statements regarding legislative, governmental, regulatory, administrative or other public body actions, requirements, permits, 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,” “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. Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 5, 2011, 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.

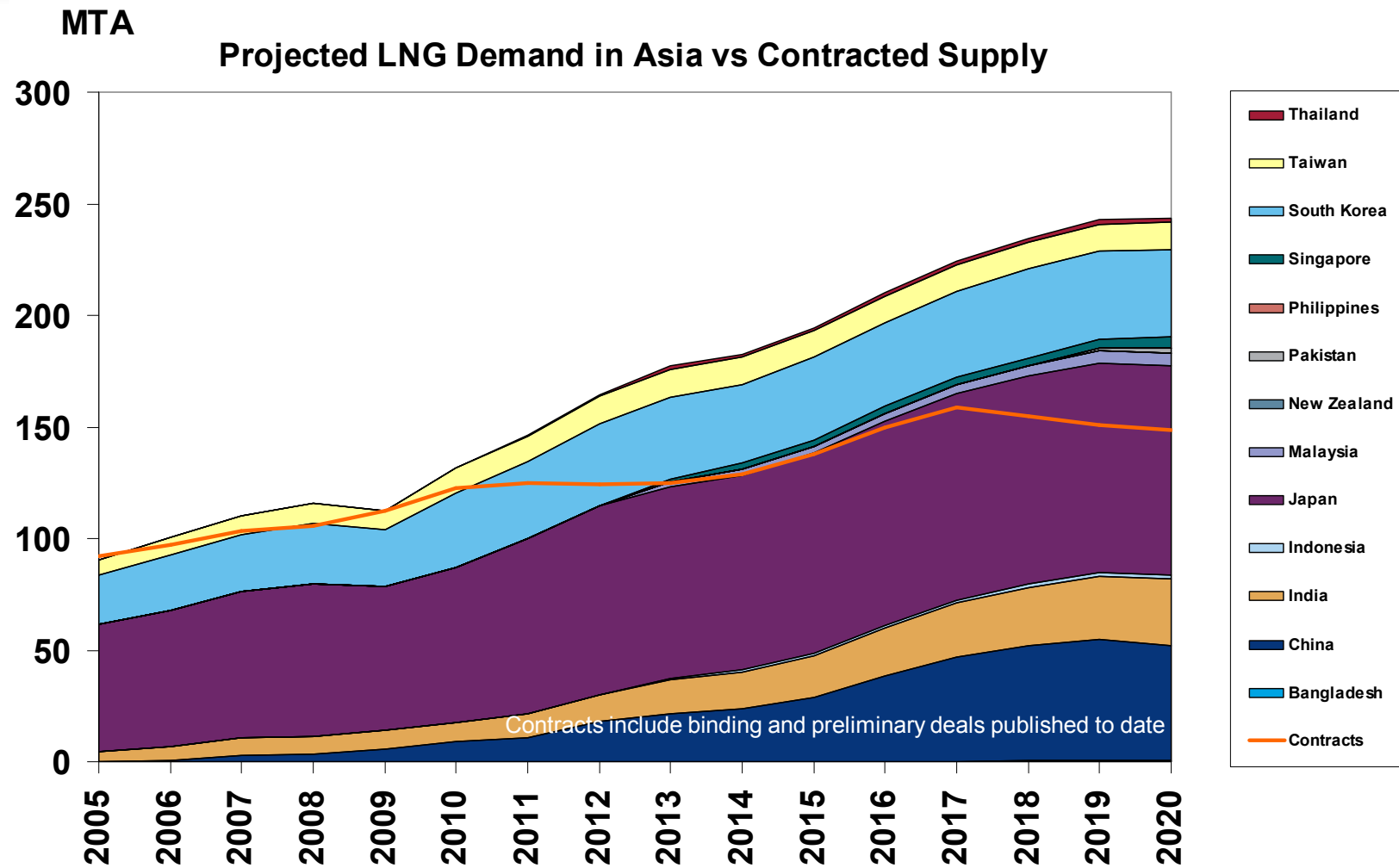
Development of Spot and Short-term LNG Trades

Spot & short-term LNG trades relative to total LNG supply



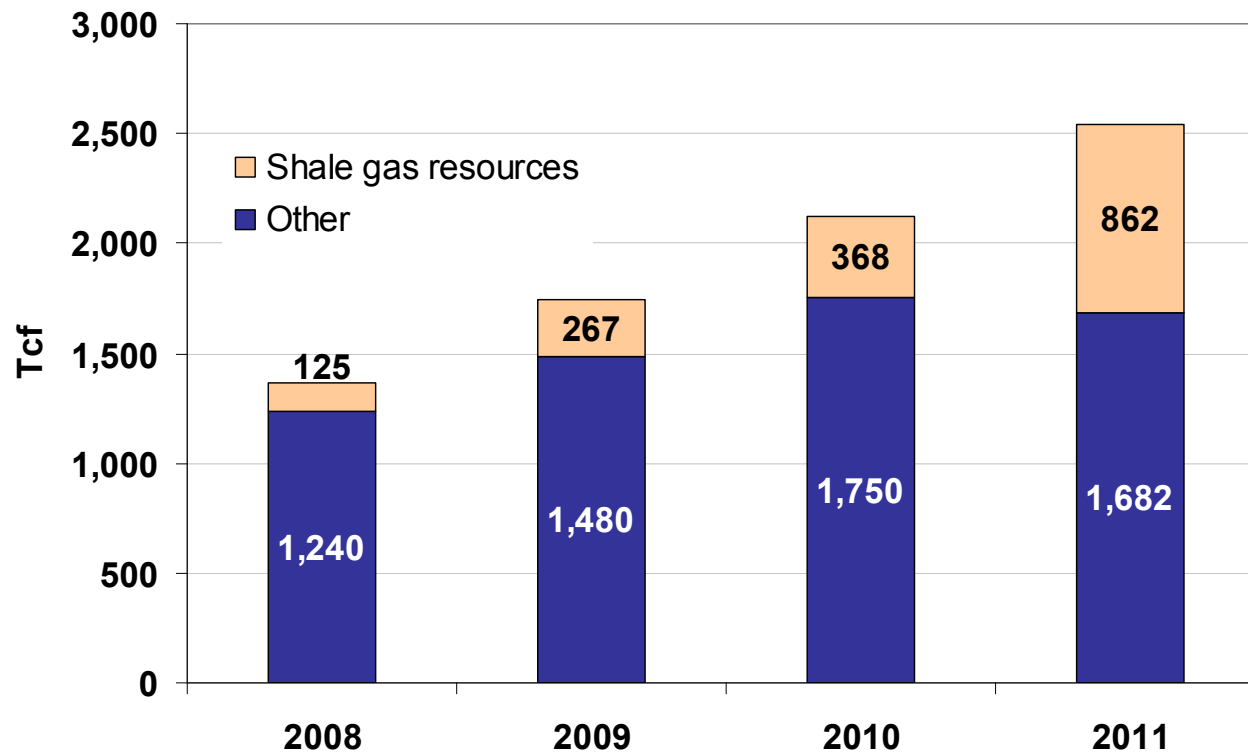
Sources: GIIGNL

Emerging Markets and Nuclear “Rethink” Accelerating Demand Growth



US Reserves Increase by 86% in Last 3 Years

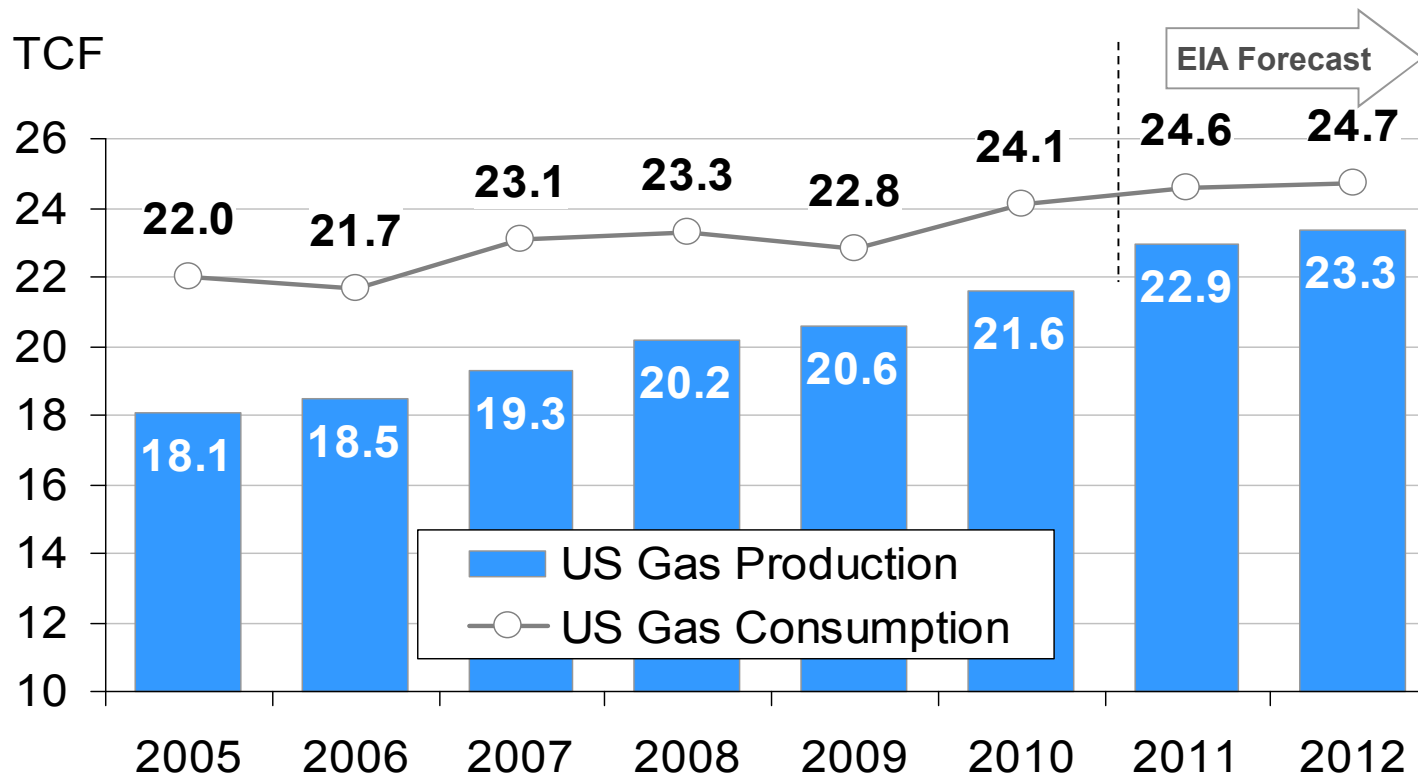
U.S. Technically Recoverable Gas Resources



Source: DOE, Annual Energy Outlook 2008-2011

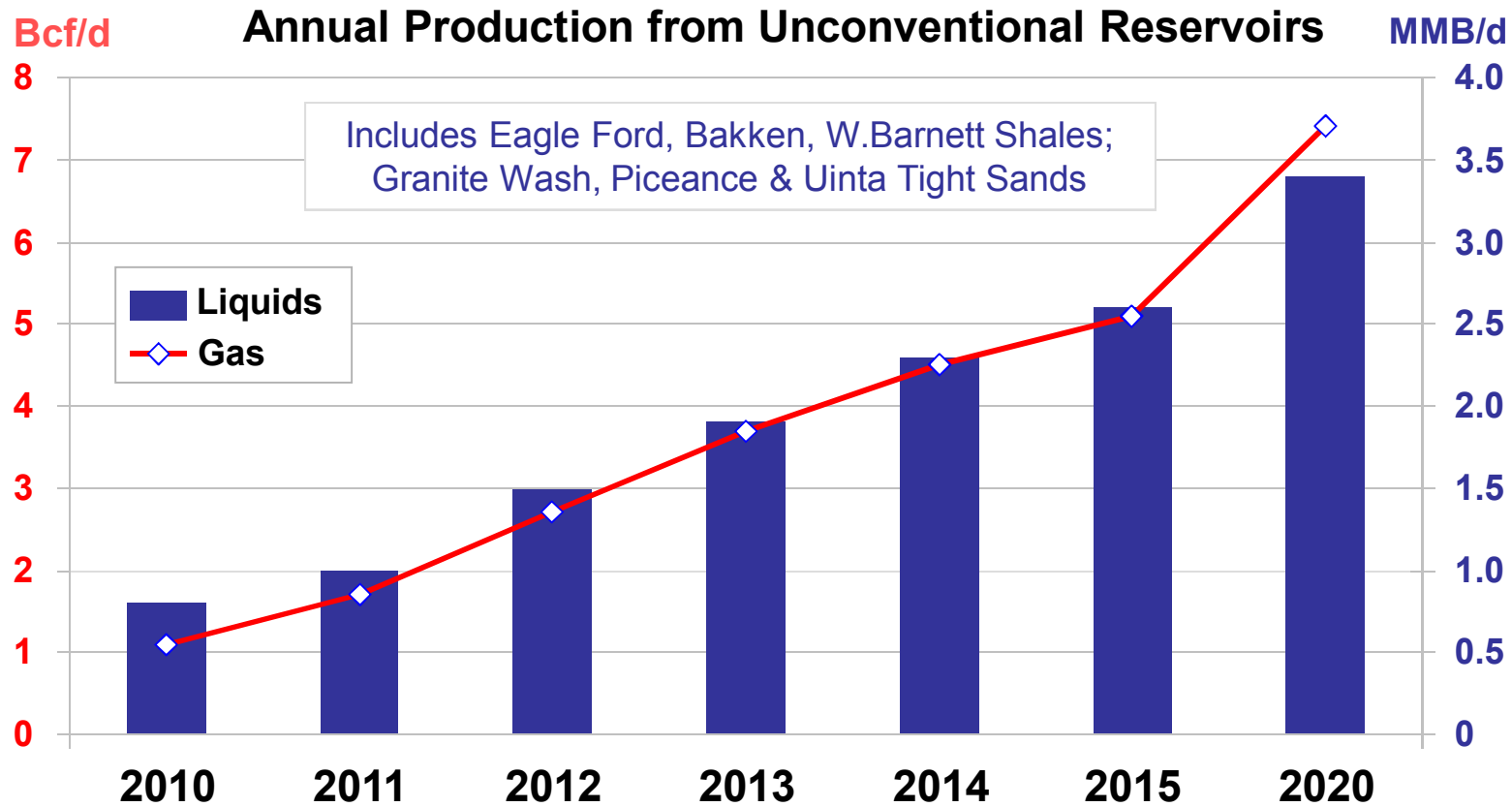
U.S. Gas Production Growth Exceeds Demand; New Markets Needed

- Since 2005, U.S. production growth ~ 4.8 Tcf vs demand growth ~ 2.6 Tcf
- Imports cut -2.2 Tcf (-57%) over this period
- 98 Tcf proved non-producing reserves waiting to come to market
- The U.S. is on pace to be a **net gas exporter** by mid-decade



Liquids Rich Shales impact on Gas Production

- Liquids production from shale plays > 3 million barrels per day by 2020
- Associated natural gas > 7 Bcf/d of “costless” supply



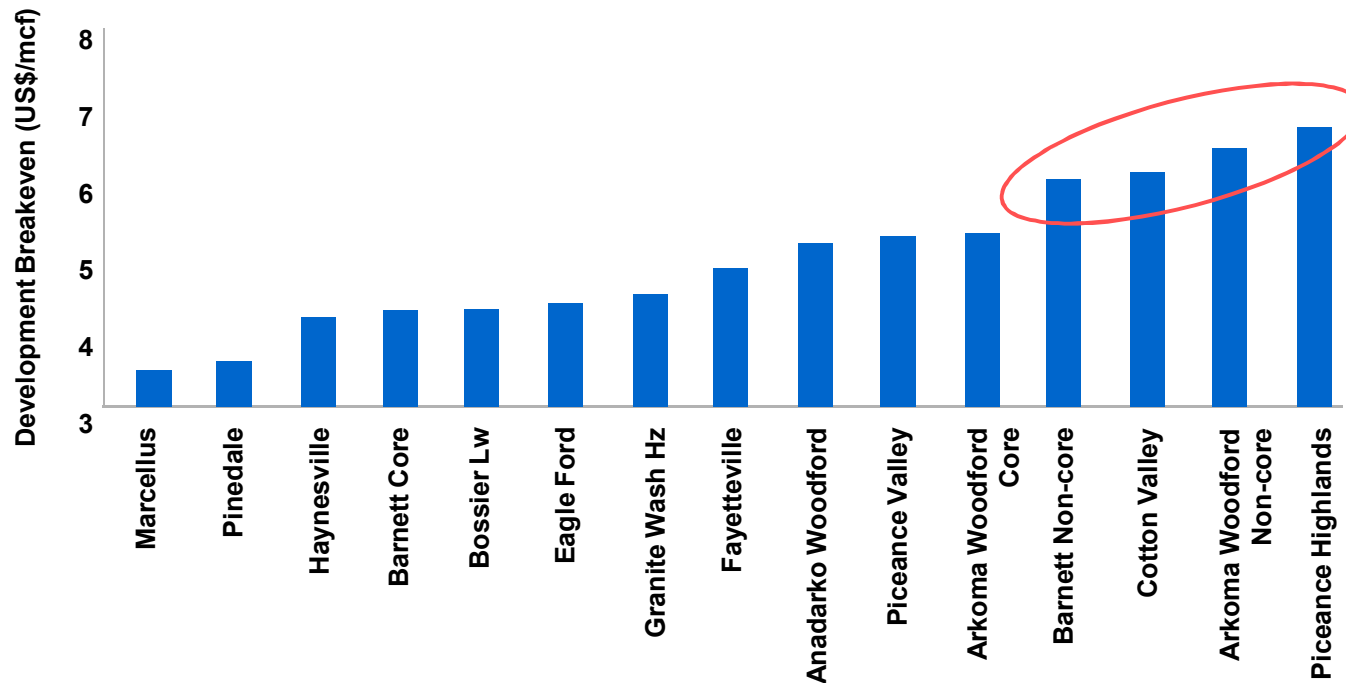
US Implications of Unconventional

- U.S. would already be in natural gas export mode if drilled & unhooked wells were contributing to supply
- Gas markets will soon see 7+ Bcf/d of associated supply from 'liquid' UNC plays indifferent to market prices
- Liquids production only limited by demand growth & infrastructure
- U.S. gas demand cannot keep up
- LNG exports are a necessity to maintain development of 3-5 million bpd oil & NGL production

Low Production Cost and Vast Infrastructure

- Enormous UNC gas reserves
- Infrastructure: extensive and in place
- Production sustainable at ~ \$5/MMBtu

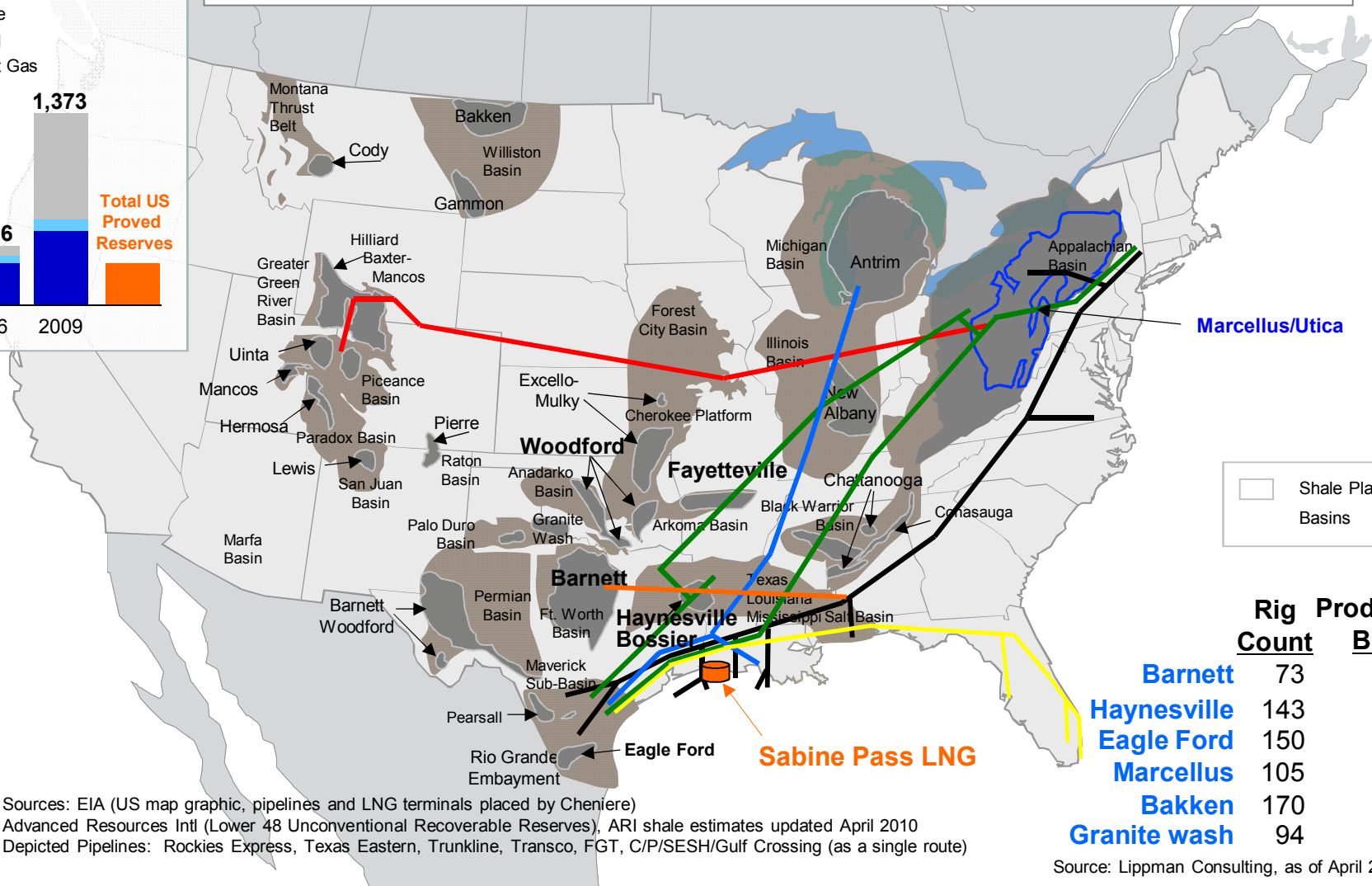
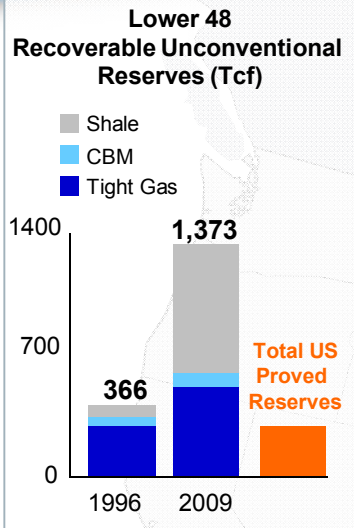
Key North American Supply Sources (2015)



Source: Wood Mackenzie

Strategically Located – Extensive Market Access to Gas

Primary Gas Sources for Sabine Pass Liquefaction Conventional Gulf Coast Onshore; Barnett; Haynesville; Bossier; Eagle Ford



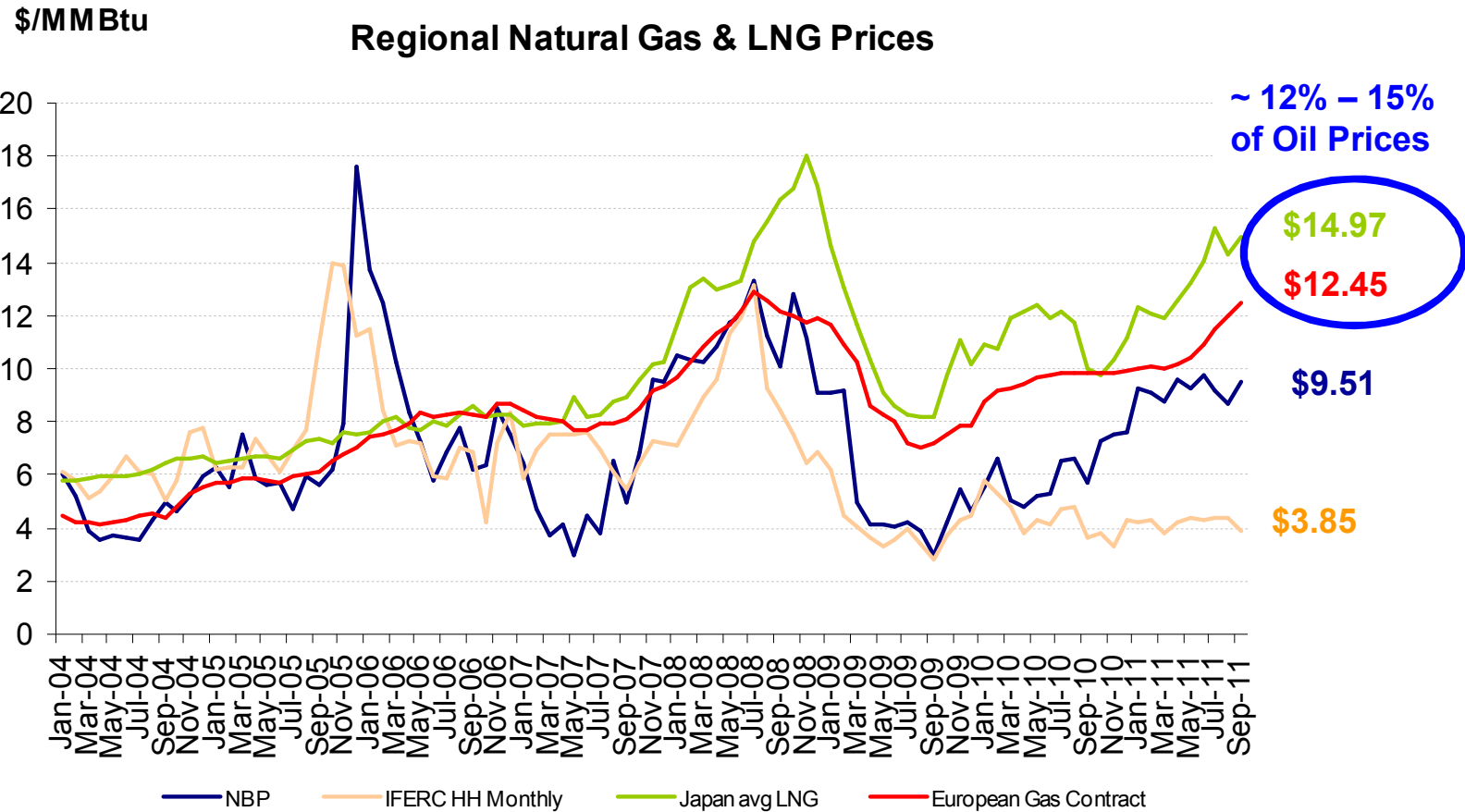
Shale Plays
Basins

	Rig Count	Production Bcf/d
Barnett	73	5.6
Haynesville	143	5.6
Eagle Ford	150	0.7
Marcellus	105	2.0
Bakken	170	0.3
Granite wash	94	0.9

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)

Source: Lippman Consulting, as of April 2011.

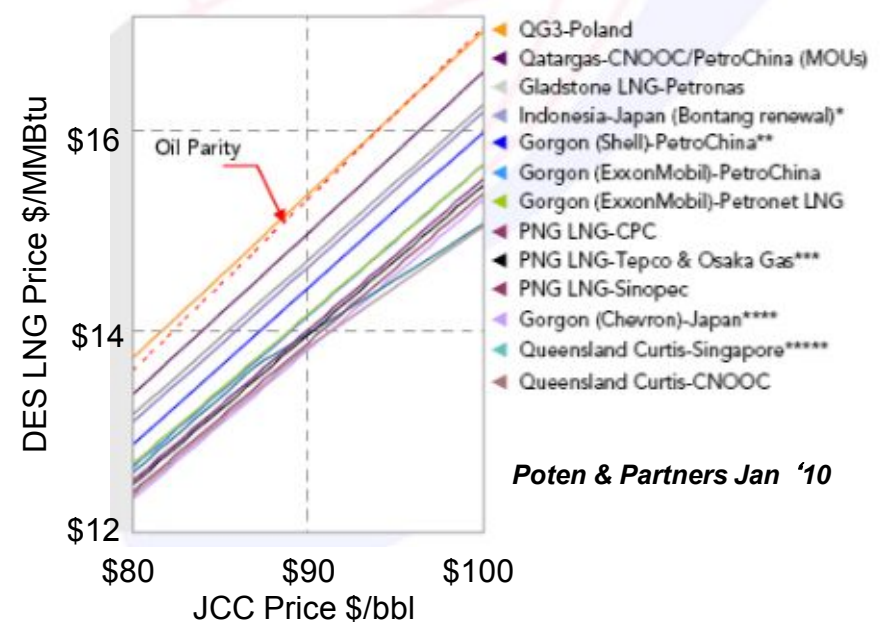
Attractive Oil Linked Market Prices



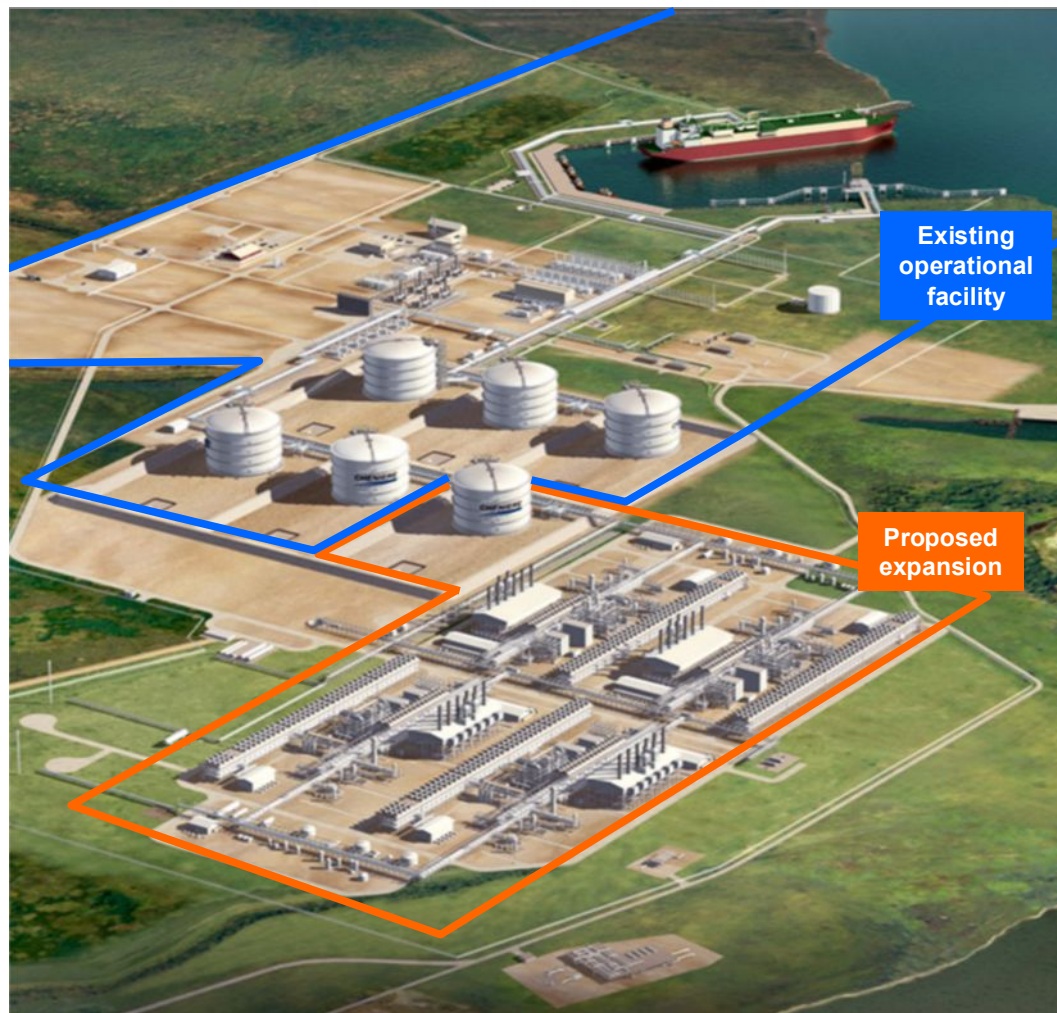
Delivered Cost Compares Favorably to Pacific Basin Price Formulas

- Henry Hub priced LNG delivered cost:
 - 115% x Henry Hub price + \$2.50 + shipping cost
- Gas production economics effectively caps Henry Hub at ~\$6.00
- Based on a JCC formula of 14.85% of JCC + \$0.75, oil price exposure becomes capped at ~ \$80/bbl

	Low	Mid	High
Henry Hub	\$5.00	\$6.00	\$7.00
FOB price	\$8.25	\$9.40	\$10.55
shipping to Asia	\$3.00	\$3.00	\$3.00
DES Price	\$11.25	\$12.40	\$13.55
compared to a formula of 14.85% JCC + \$0.75			
JCC @ 0.1485 slope	\$70.7	\$78.5	\$86.2



Proposed Liquefaction Project will Transform Sabine Pass Terminal into Import / Export Facility



Current Facility

- 853 acres in Cameron Parish, LA
- 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 regasification capacity
- 5.3 Bcf/d of pipeline interconnection to the U.S. pipeline network

Liquefaction Expansion

- Up to four liquefaction trains designed with ConocoPhillips' Optimized Cascade® Process technology
- Six GE LM2500+ G4 gas turbine driven refrigerant compressors per train
- Gas treating and environmental compliance
- Modifications to the Creole Trail P/L
- Sixth tank for fourth liquefaction train

Commercial Structure: Estimated Terms of LNG SPA Contracts

Summary of Estimated Terms for LNG SPA Contracts:

- + Fixed Fee: \$2.00/MMBtu - \$3.00/MMBtu
 - Annual contract volumes are take-or-pay
 - Cheniere procures natural gas, liquefies it and loads LNG onto the customer's LNG vessel
 - + 115% of NYMEX Henry Hub
 - 15% charge above Henry Hub predominantly to account for liquefaction process and basis differential
-
- Customers agree to purchase LNG on an FOB basis at the tailgate of the plant
 - Customers must take (or pay) annual contract quantity under SPAs and pay fixed fee/MMBtu plus 115% of NYMEX Henry Hub
 - More traditional LNG purchase arrangement, simplifies process for customers
 - Cheniere will secure feed gas sourced from pipeline interconnects
 - *Most* customers responsible for making shipping arrangements from the terminal

Various Benefits to Buyers

- ✓ Diversification in terms of both LNG supply source and pricing index
- ✓ LNG sourced from a country with an exceptional degree of political and legal stability
- ✓ Powerful portfolio optimization tool
 - Lower Henry Hub priced LNG delivered cost
 - Introduction of Henry Hub priced LNG off-take reduces volatility of LNG portfolio procurement cost
 - Free destination flexibility gives the buyer the ability to arbitrage global natural gas / LNG prices.

Expected Timeline

Milestone	Target Date
▪ Sign MOUs with interested parties	Completed
▪ DOE export authorization	Received
▪ Definitive commercial agreements	2H2011
▪ EPC contract	2H2011
▪ Financing commitments	2H2011
▪ FERC construction authorization	2012
▪ Commence construction	2012
▪ Commence operations	2015

Project teams in place with the same key people who delivered the Sabine Pass LNG terminal and Creole Trail P/L on time and on budget

Note: Past results not a guarantee of future performance.

