



The Outlook for LNG in the US Market

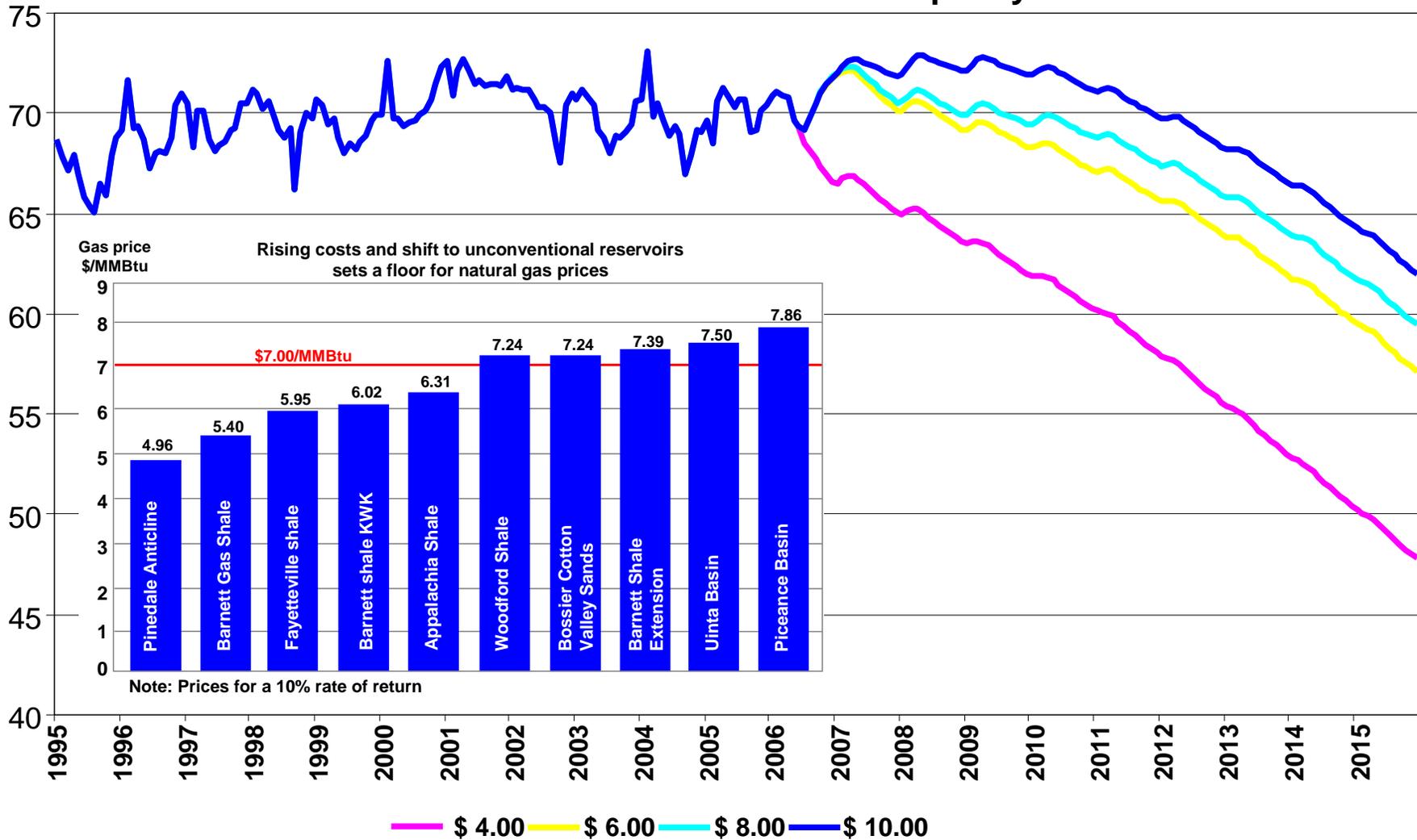
6th Annual Energy Trading & Marketing Conference
March 11, 2008

The Outlook for LNG in the US Gas Market

- Why do we need LNG imports?
- Where will it come from?
- Who are we competing against?
- Where will it go?
- What is unique about trading around LNG imports?
- Shameless promotion...

North American Production is Not Sustainable

Lower 48 & Canada Productive Capacity

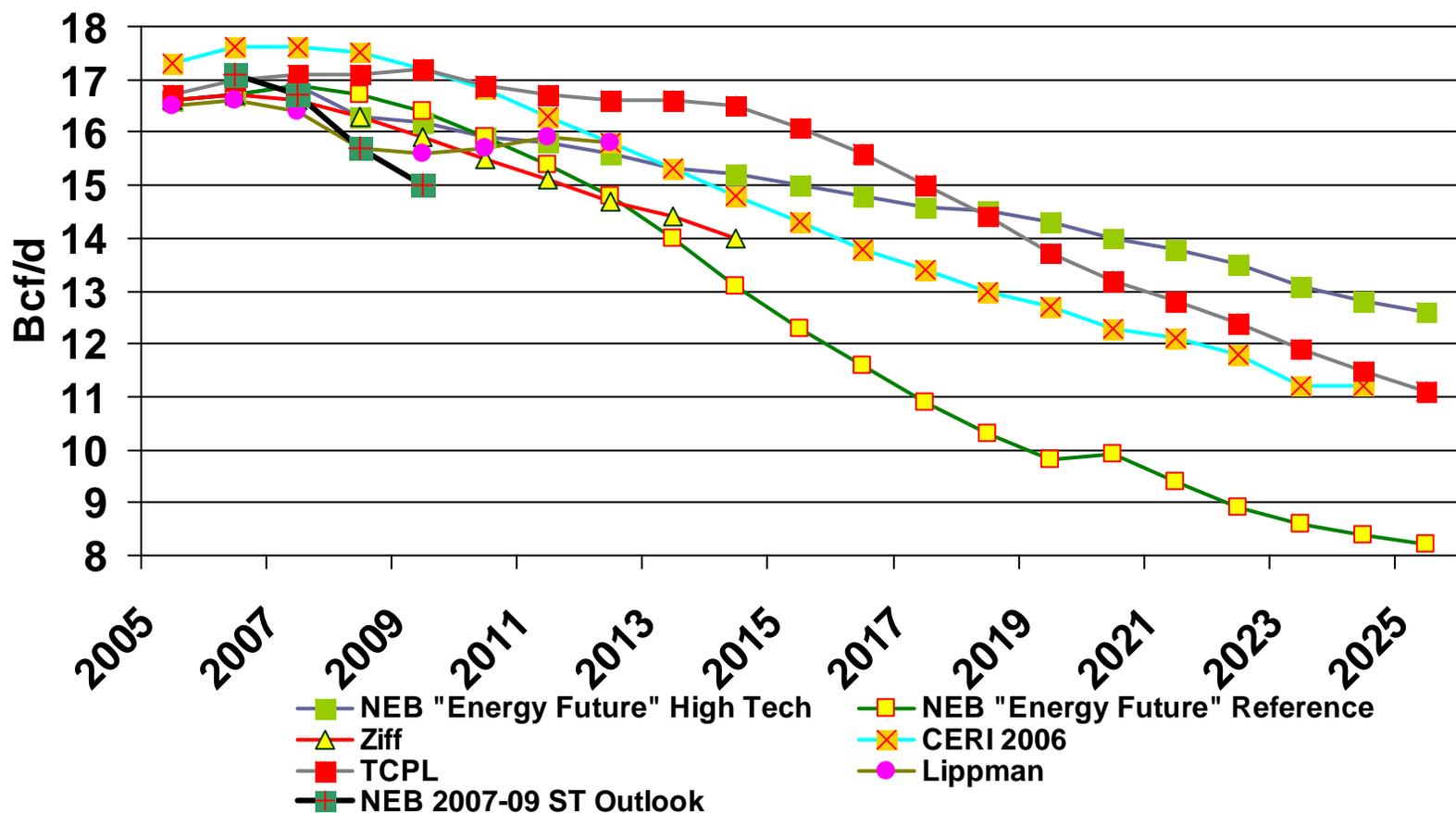


3 Source: Productivity Graph - CERA/IHS; NYMEX Gas Prices Chart - Kuuskraa et al, OJG, Oct. 2007



Consensus on Canadian Production Decline

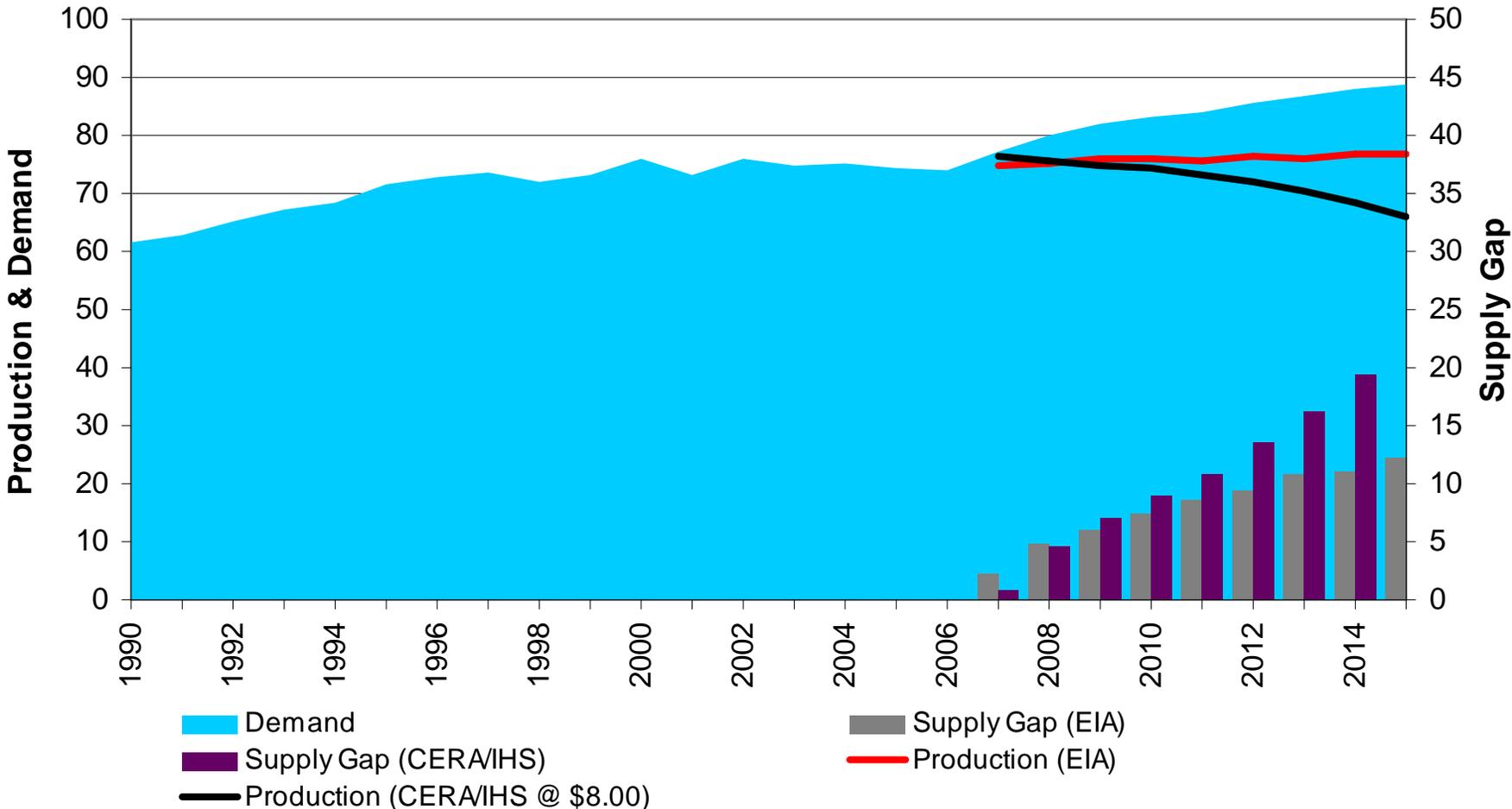
Outlooks on Canadian Gas Production



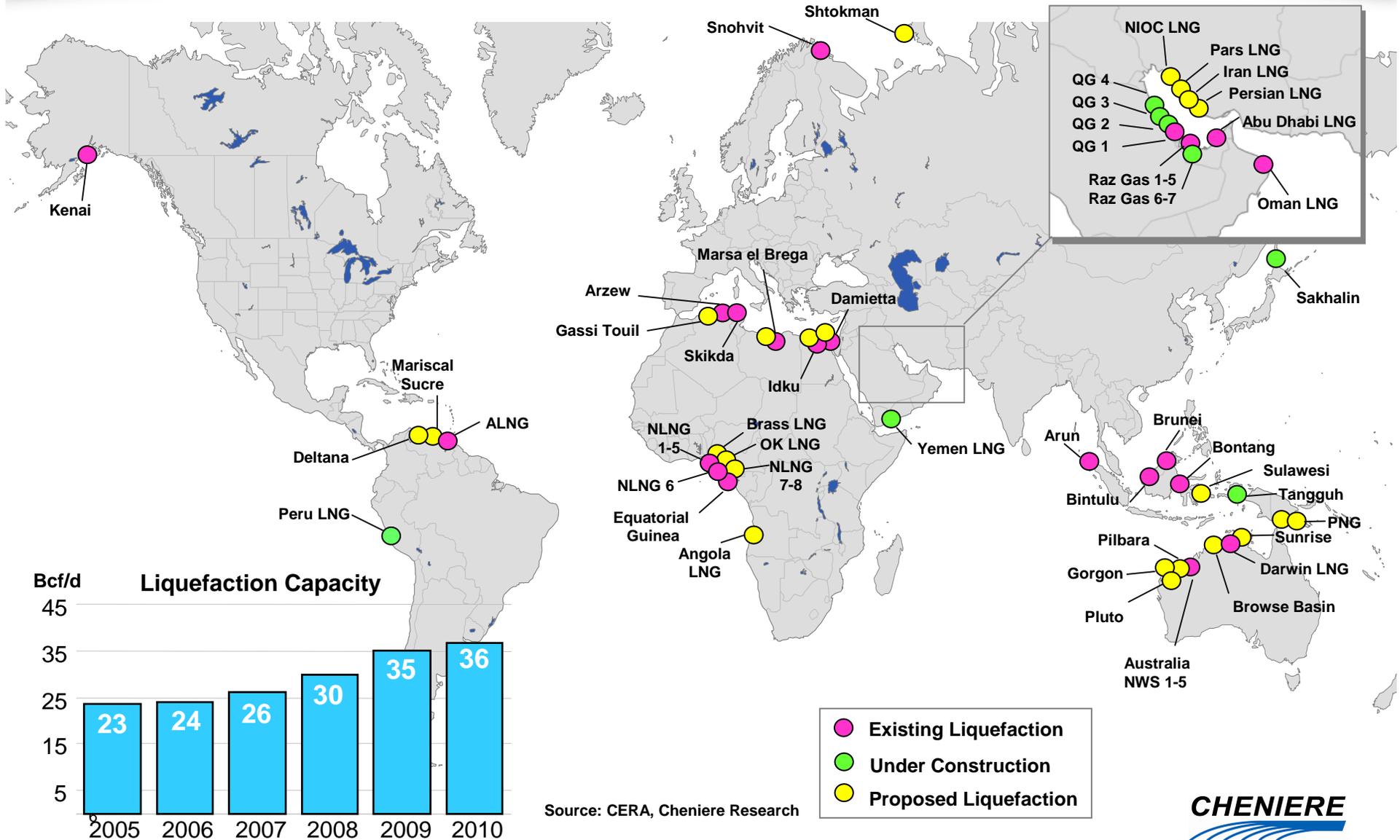
Supply Gap in North America

How Big and How Will it Be Filled?

N. America Supply-Demand

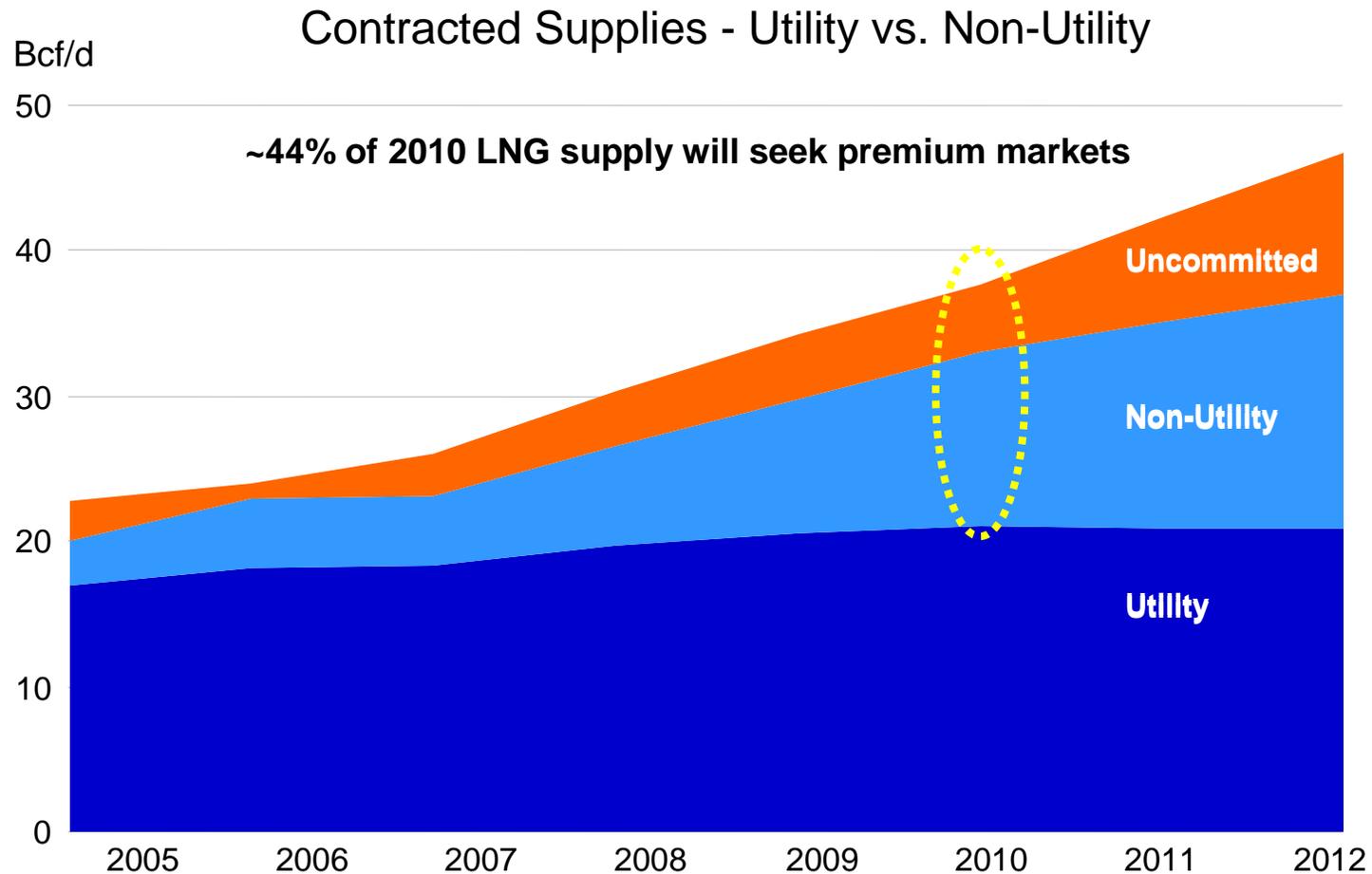


New Liquefaction Competes for Market Share



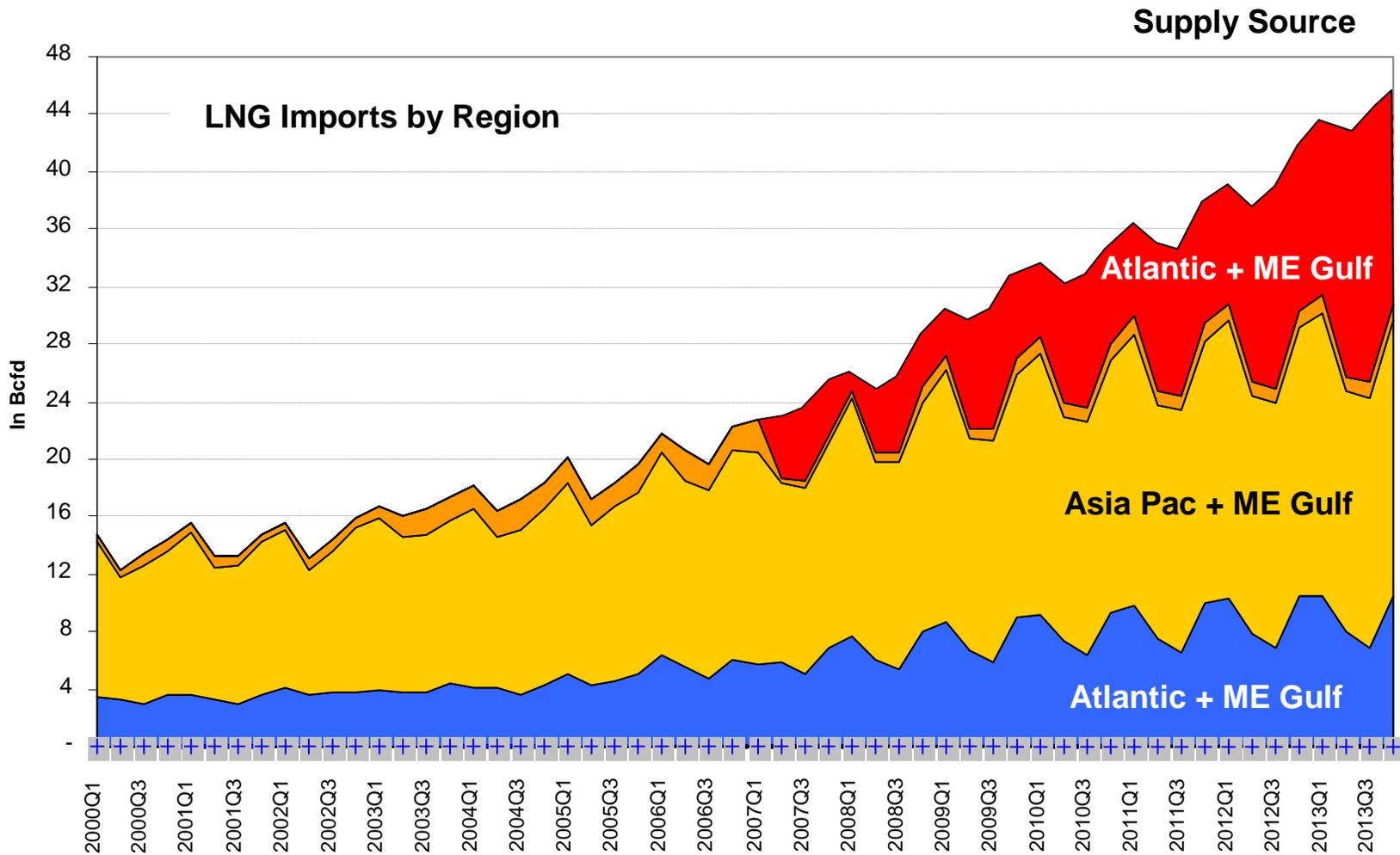
Source: CERA, Cheniere Research

Contractual Trends Away from Utilities . . .



Source: Cheniere Research

...Results in Increasingly Flexible LNG Supply

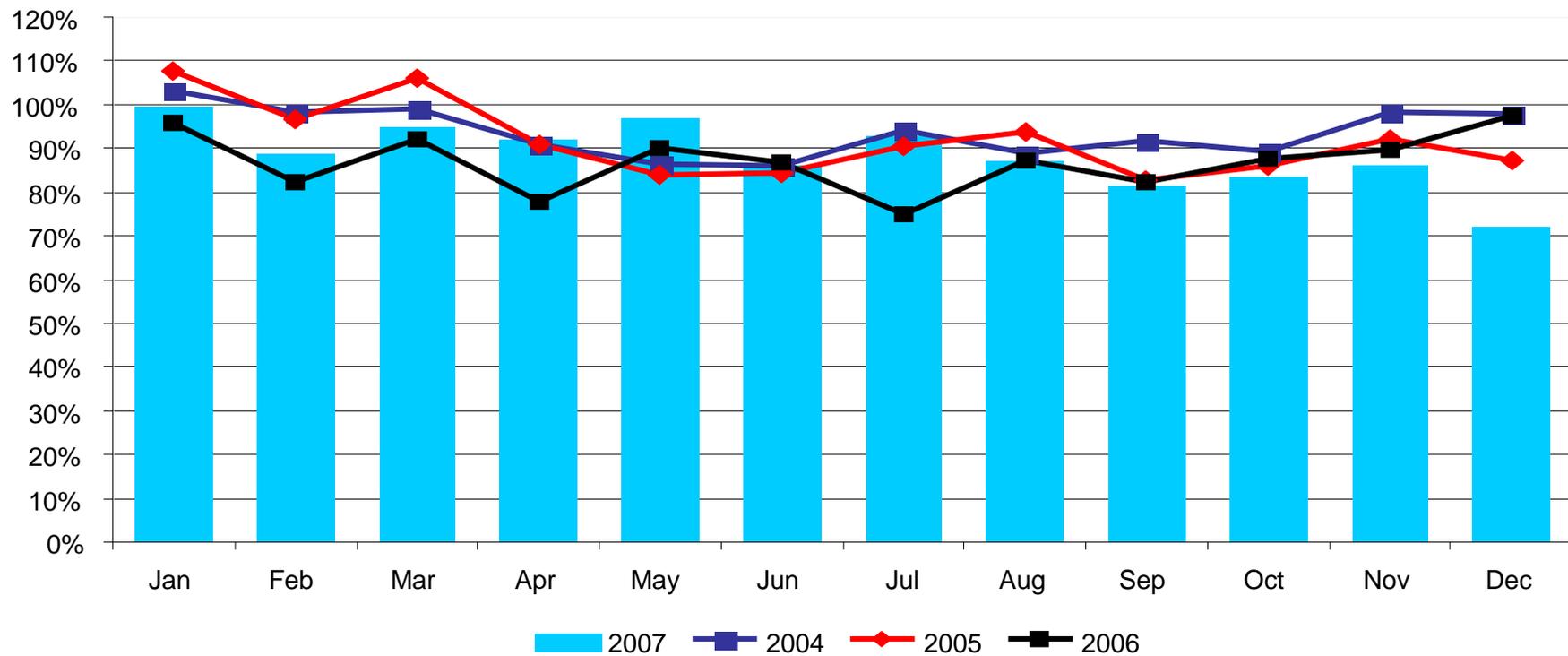


Source: Cheniere Research

North America
 Available LNG
 Europe
 AP

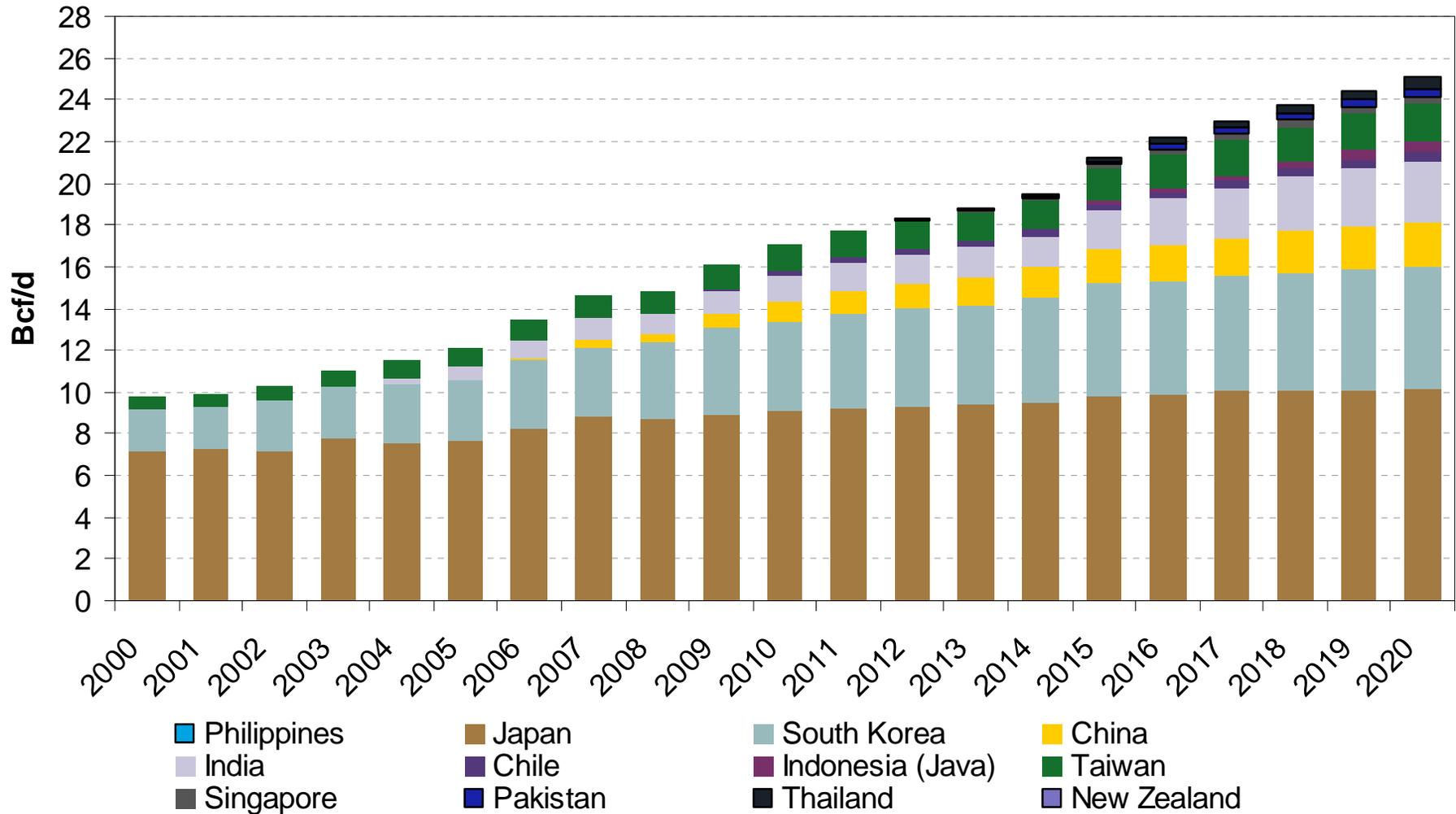


Worldwide Liquefaction Utilization



First in the Demand Stack: Asia-Pacific

Asia Pacific Historical - Forecast LNG Imports

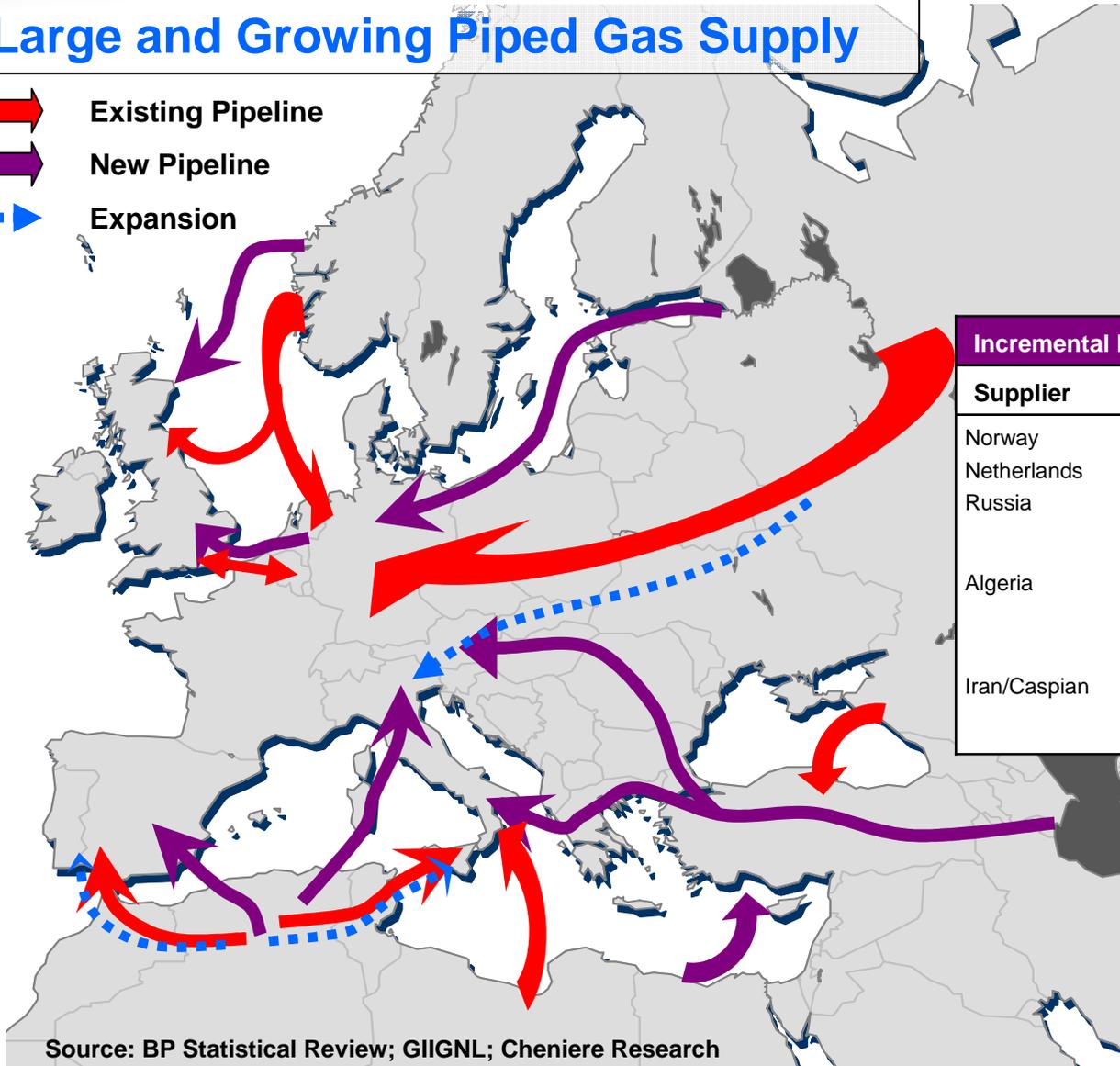


Source: WoodMackenzie

Second: Europe – A Pipeline-Supplied Market

Large and Growing Piped Gas Supply

-  Existing Pipeline
-  New Pipeline
-  Expansion



Consumption
2006: 50 Bcf/d

Production
2006: 26 Bcf/d

Piped Gas Import Trades
2006: 27 Bcf/d

Incremental Pipeline Supplies in Europe

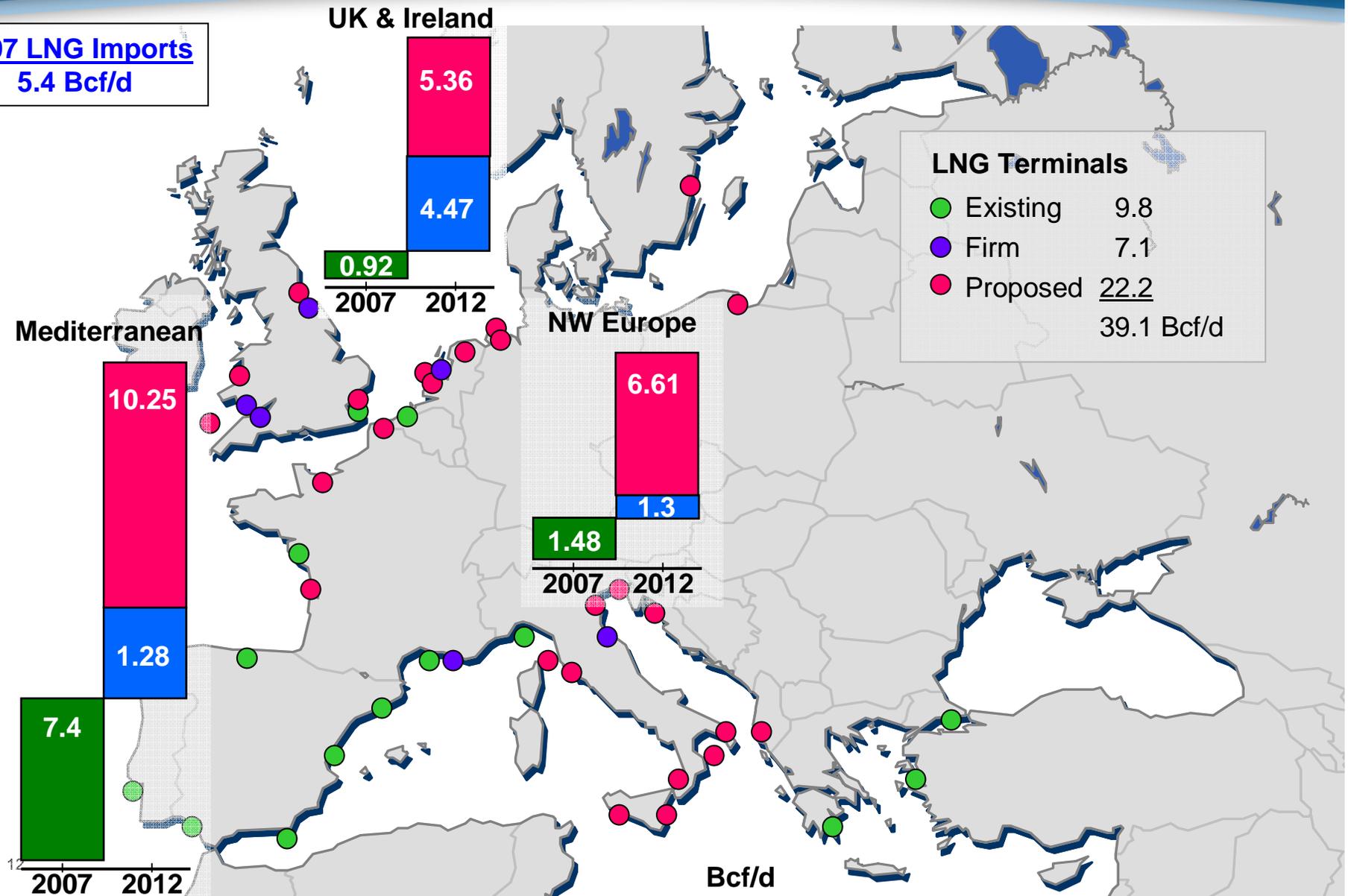
Supplier	Pipeline	Bcf/d	Date
Norway	Langeled	1.9	2007
Netherlands	BBL	1.5	2006
Russia	Nord Stream (NEGP)	2.6 - 5.3	2012
	TAG Loop II	0.4	2007
	TAG Expansion	0.6	2008
Algeria	Medgaz	0.8	2009
	Transmed (Expansion)	0.6	2009
	Galsi	0.8 - 1.0	2009
	Maghreb-Europe (Exp.)	0.3	2006
Iran/Caspian	Nabucco	2.9	2012
	Italy-Greece Interconnect.	0.8	2011
	Turkey-Greece Intercon.	0.3	2007

Total Incremental Capacity
13.5 – 16.7 Bcf/d

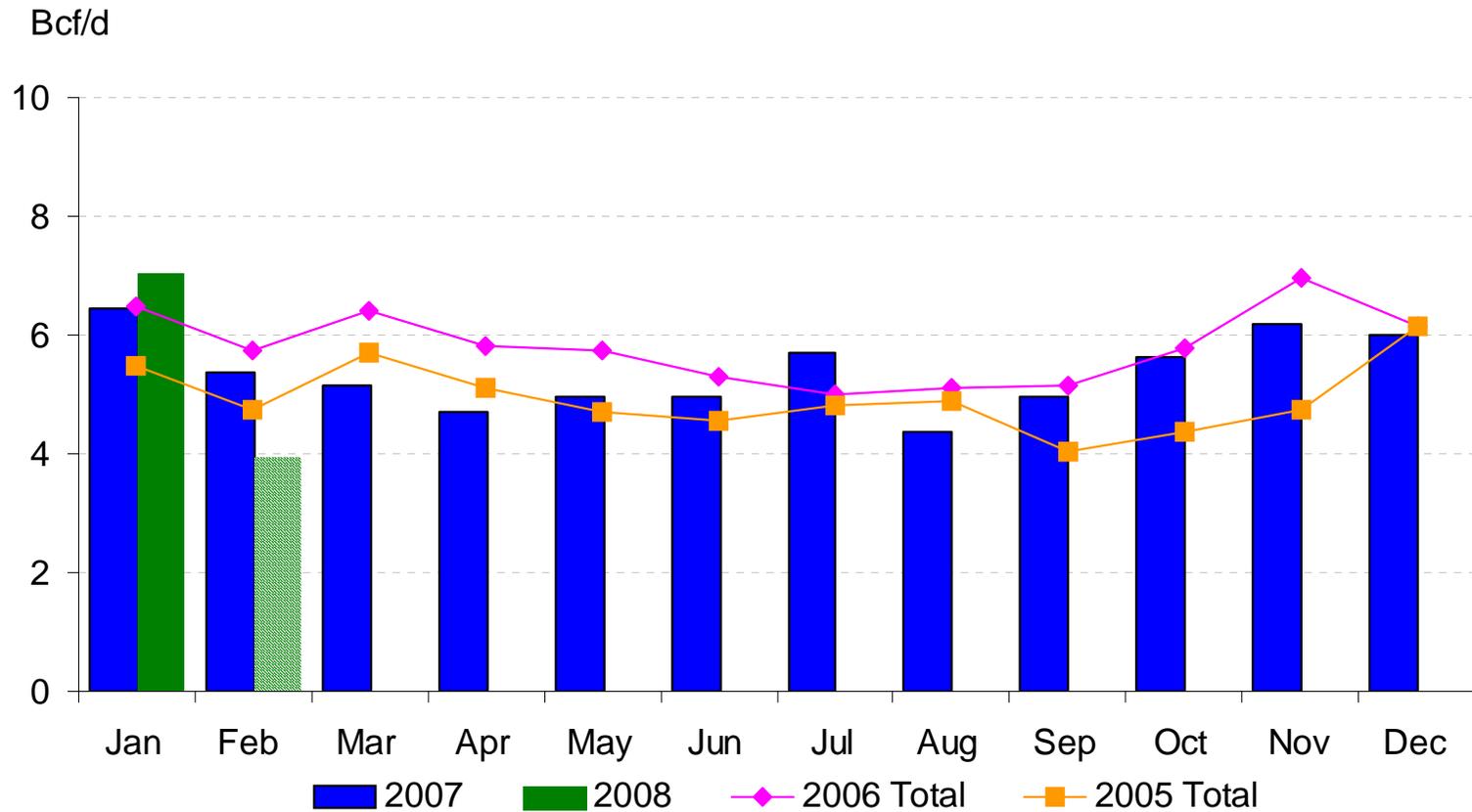
Source: BP Statistical Review; GIIGNL; Cheniere Research

...with LNG Terminals Becoming a Negotiating Tool

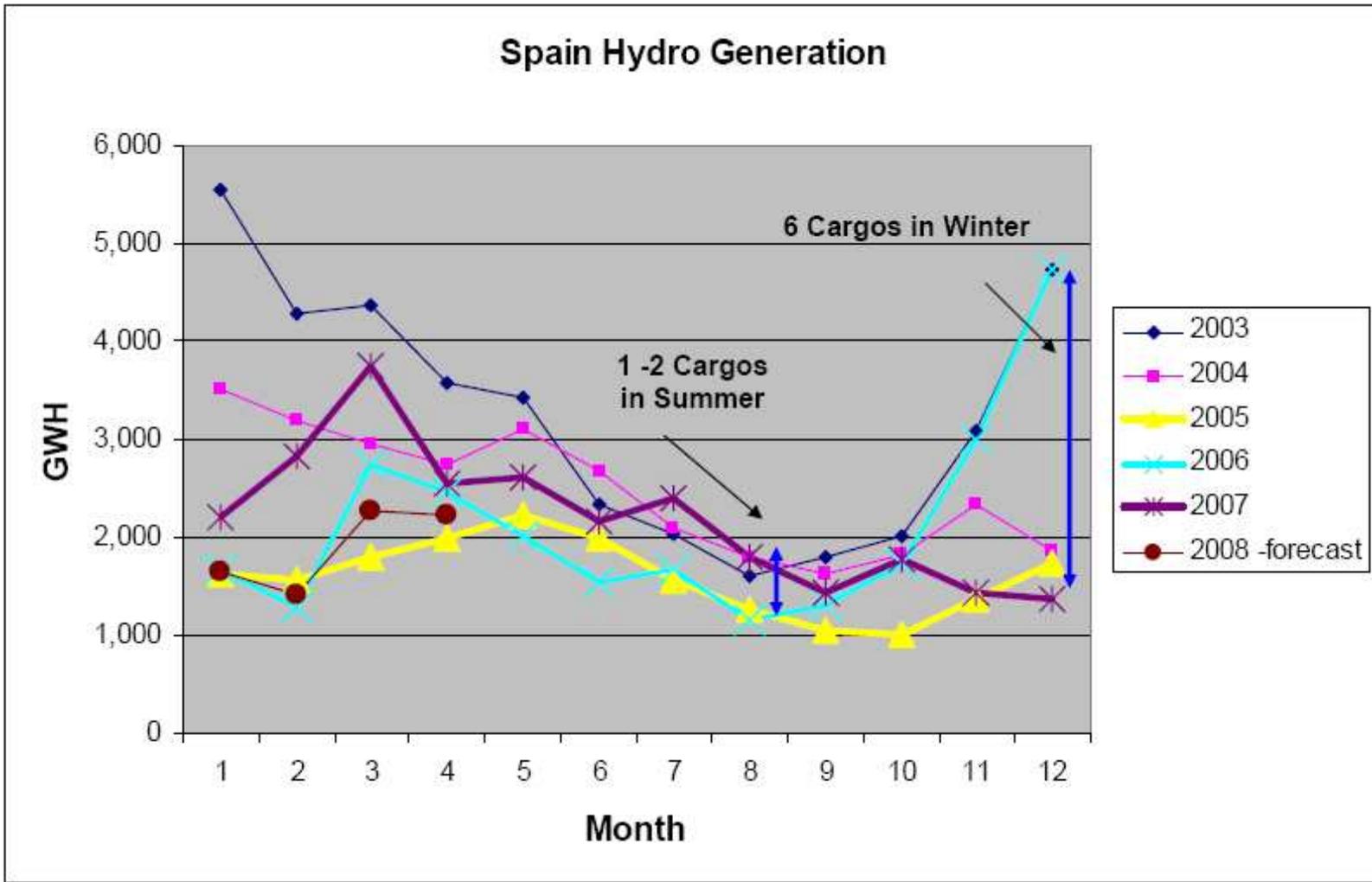
2007 LNG Imports
5.4 Bcf/d



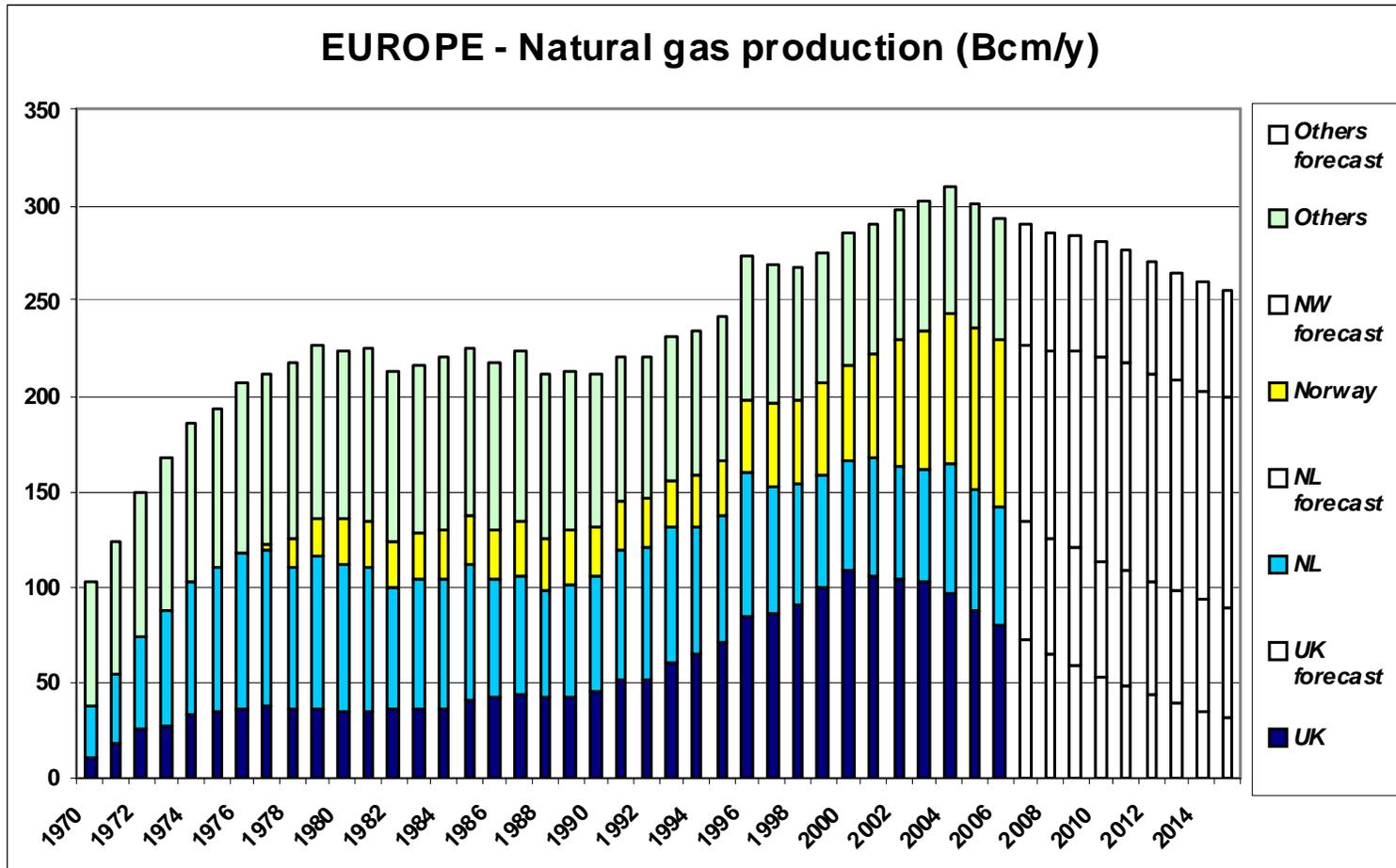
Europe – Total LNG Imports



Spain Hydro Generation Impact on LNG Imports



European Production Decline Outlook

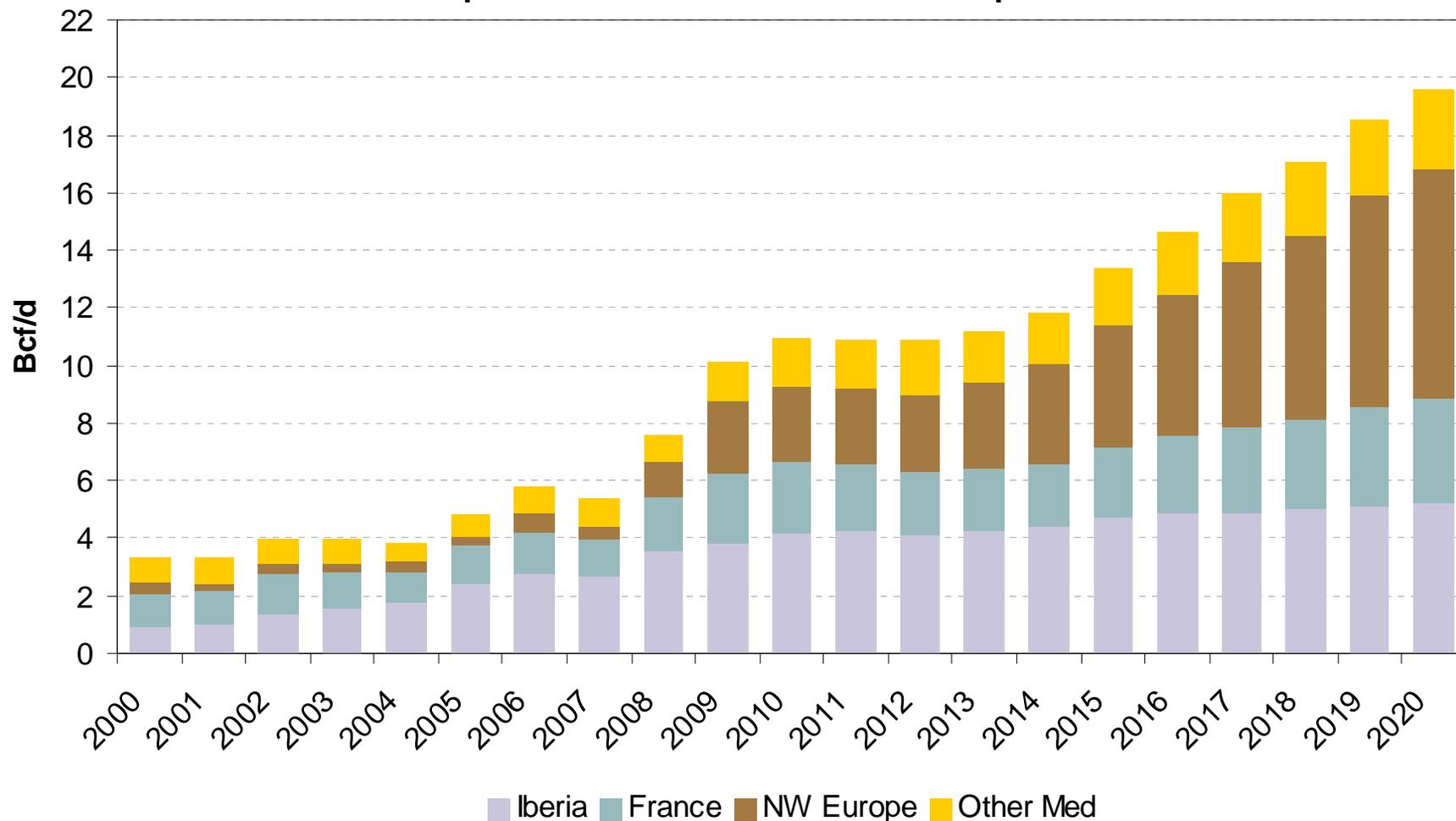


Source: Cheniere Research

What proportion of Europe's production declines will be replaced by pipeline supply from FSU and Algeria?

Some European Import Forecasts are Impressive

Europe - Historical vs. Forecast LNG Imports



2010 Annual Balance - Bcf/d

Global Liquefaction Capacity	36
<hr/>	
Estimated LNG Delivery @ 90%	32
Asian Consumption	<~16>
European Consumption	<u><~ 6></u>
Remaining for North America	~10

Source: Cheniere Research

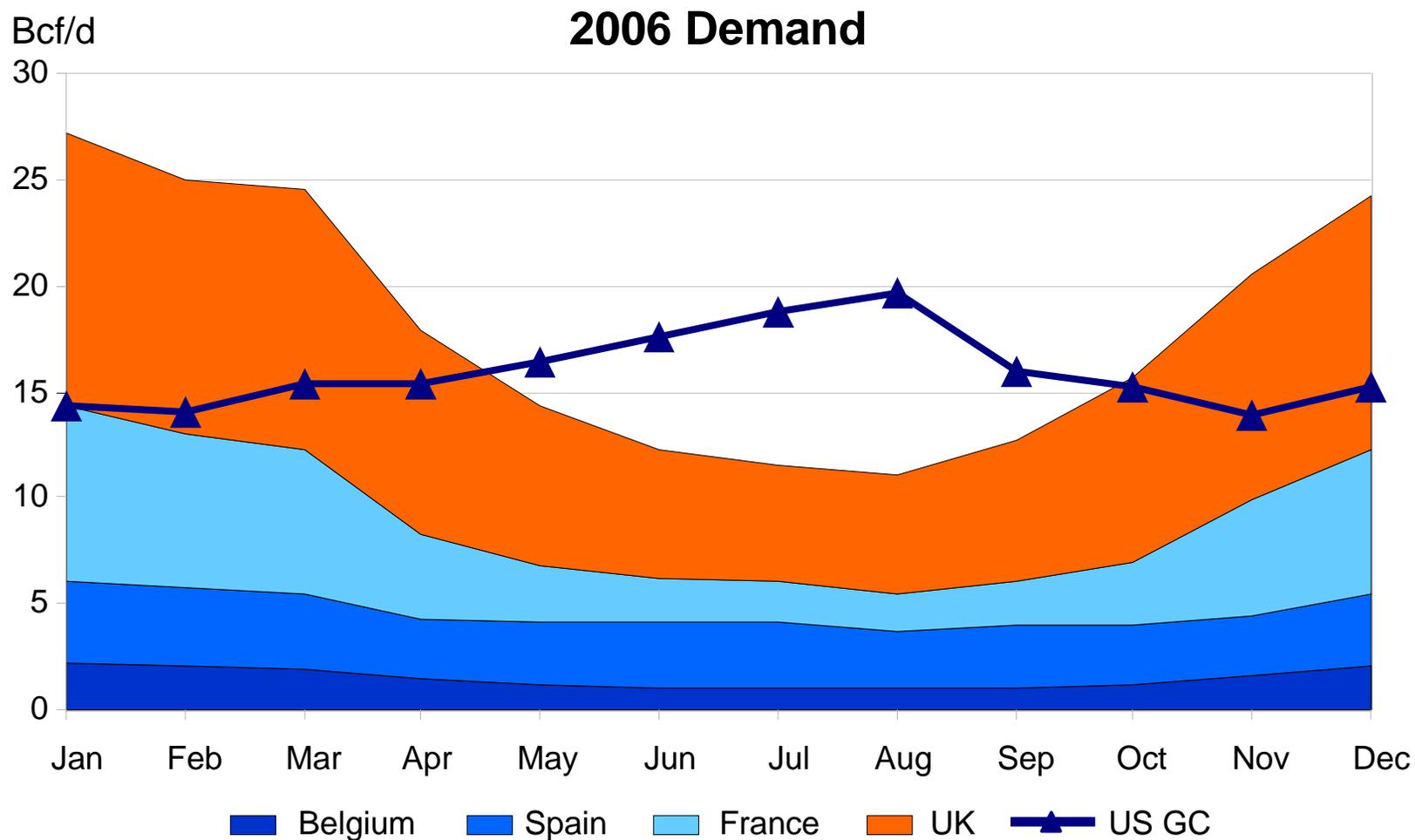
Constraint is not Regas Capacity but Consumption

- Regasification is built for peak utilization because of seasonal variations

	2000			2007E			2010E		
Bcf/d	LNG Imports	Regas Capacity	% Utilized	LNG Imports	Regas Capacity	% Utilized	LNG Imports	Regas Capacity	% Utilized
Asia	10	28	36	14	34	40	~ 16	39	47
Europe	3	5	68	5	11	50	~ 6	20	33
North America	1	2	47	3	6	48	~ 10	18	54

Source: GIIGNL; Waterborne LNG; Cheniere Research

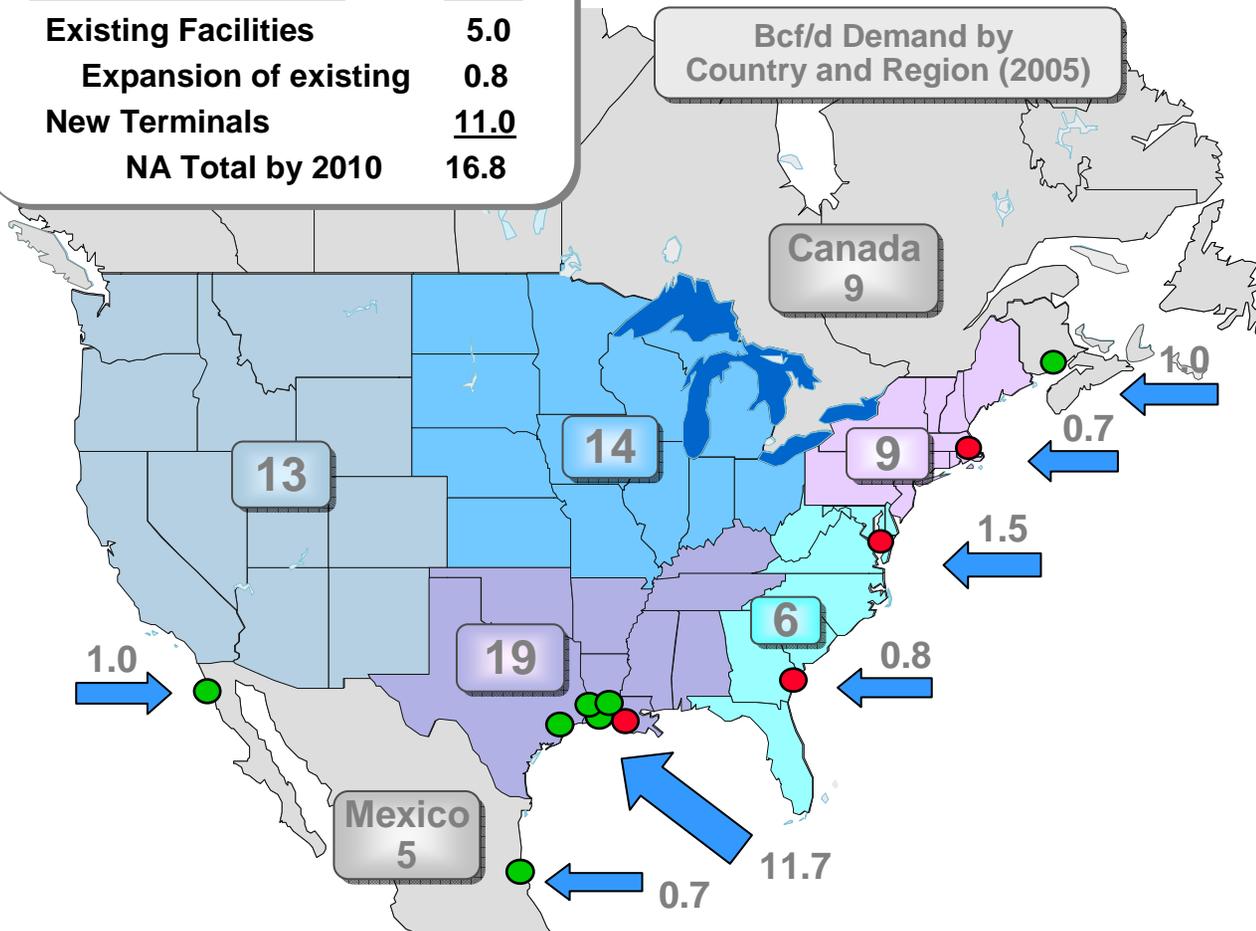
Demand Seasonality Impacts Flows



Source: IEA

North American Demand and Seasonality

LNG Import Capacity	Bcf/d
Existing Facilities	5.0
Expansion of existing	0.8
New Terminals	11.0
NA Total by 2010	16.8



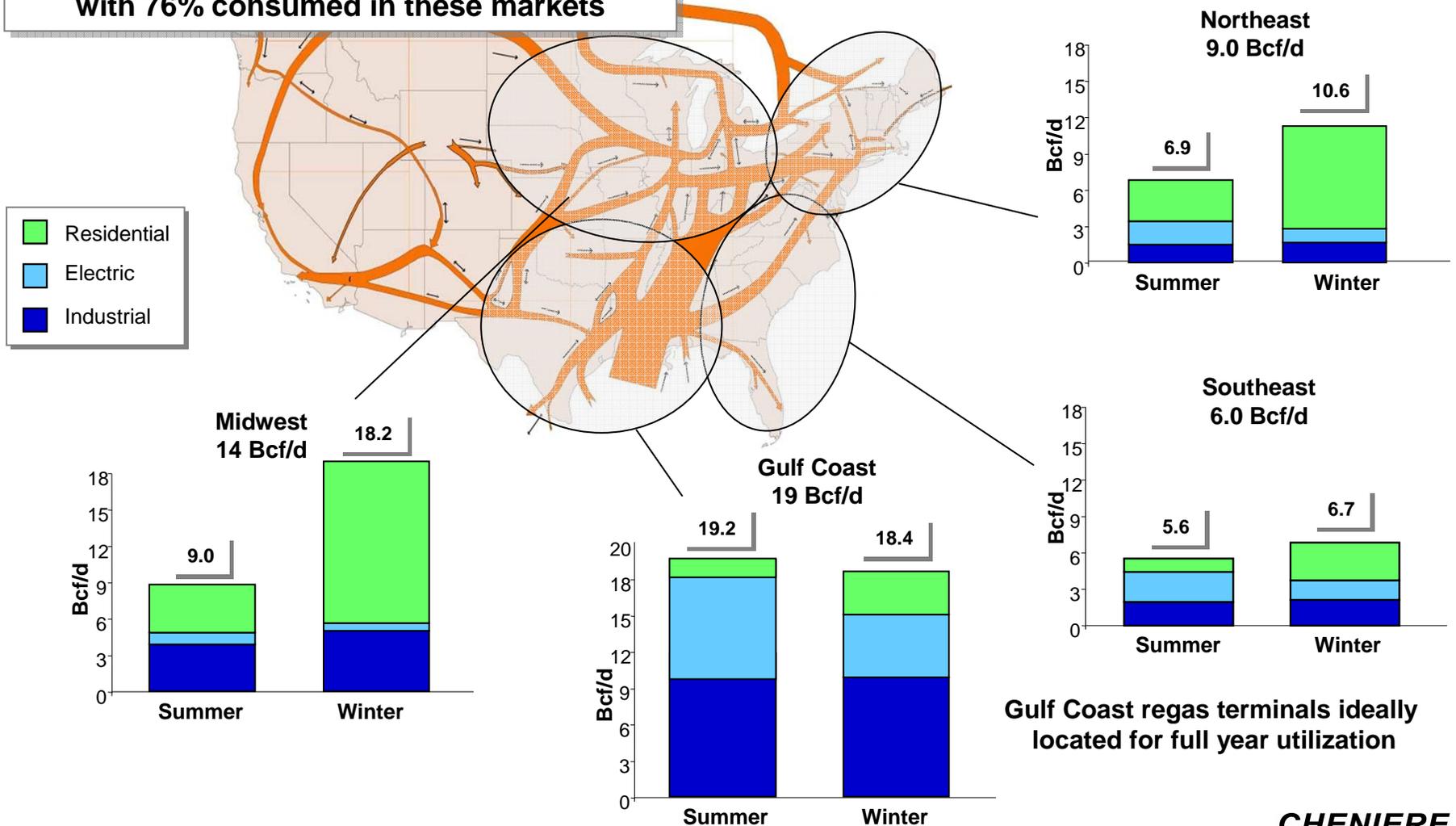
Terminal Capacity Holder	Baseload Sendout (MMcf/d)
Canaport Irving, Repsol	1,000
Everett - Suez	700
Cove Point BP, Statoil, Shell	1,800
Elba Island BG, Marathon, Shell	800
Lake Charles - BG	1,800
Freeport ConocoPhillips, Dow	1,500
Sabine Pass Total, Chevron, Cheniere	4,000
Cameron Sempra, ENI	1,500
Golden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

Historical: EIA (2005), BP Statistical Review (2006); Forecast: IEA WEO (2004), Cheniere Research

Demand by Region, Market and Season

LNG Receiving Terminal Utilization Depends on Seasonality, Pipelines & Logistics

Total U.S. consumption of 61 Bcf/d in 2005
with 76% consumed in these markets



Gulf Coast regas terminals ideally located for full year utilization

Trading Considerations

- Maritime issues in transportation
 - Scheduling, diversions, force majeure
- LNG terminals as a gas asset
 - Storage, sendout, pipeline interconnections
- Regulatory considerations
 - Hackberry rule, EPL Act 2005, anti-manipulation legislation
- Role of conventional assets
 - Underground storage, pipeline transport, power generation
- Valuing destination options
- Services for the supply community
 - “Put” rights, ratability services, bundled risk management

Cheniere's Assets and Projects



Cheniere Energy Partners, L.P. (AMEX: CQP)

Sabine Pass LNG, L.P.

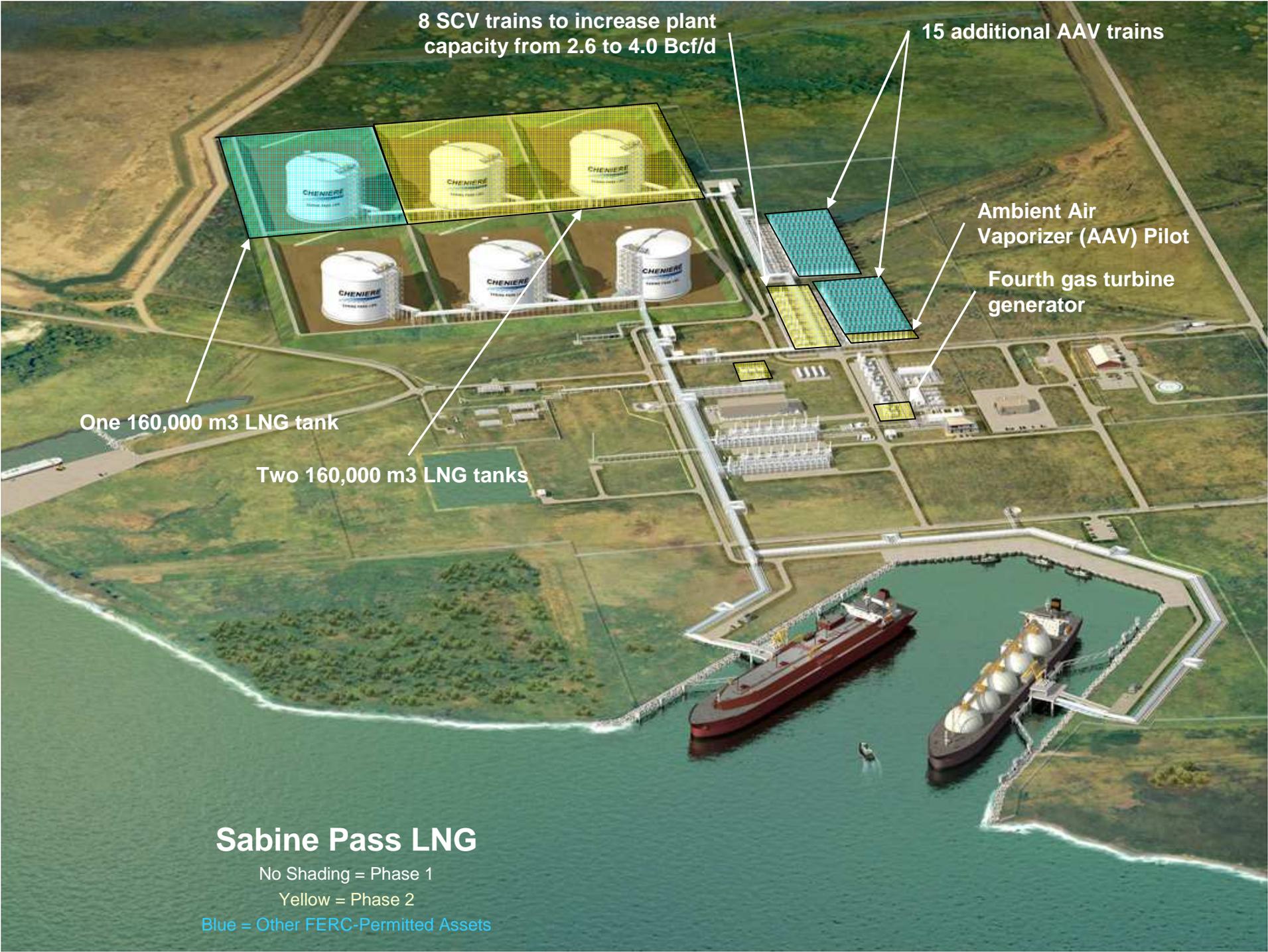
Cheniere Energy, Inc. 90.6%

Sabine Pass LNG Terminal Construction – January 2008

- **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
- **Berthing/Unloading**
 - 2 docks
 - LNGCs up to 265,000 cm
 - 4 dedicated tugs
- **Storage**
 - Phase I: 3 x 160,000 cm (10.1 Bcfe)
 - Phase II: 2 x 160,000 cm (6.7 Bcfe)
- **Vaporization**
 - Phase I: 2.6 Bcf/d
 - Phase II: 1.4 Bcf/d
- **Potential Pipeline Access (Interstate)**
 - Access to NE, MW, SE, & Mid-Atlantic markets
 - ~14 Bcf/d within 150 miles
- **Regional Market - Strong Gas Demand**
 - Port Arthur, Beaumont, Orange, Lake Charles
- **Project Status**
 - Phase I: operational Q2 2008
 - Phase II: operational Q2 2009



Sold – Terminal Use Agreement (TUA)	Capacity	2010 Full-Year Revenue (\$MM)
Total, S.A.	1.0 Bcf/d	~ \$126
Chevron	1.0 Bcf/d	~ \$130
Cheniere Marketing	2.0 Bcf/d	~ \$256



8 SCV trains to increase plant capacity from 2.6 to 4.0 Bcf/d

15 additional AAV trains

Ambient Air Vaporizer (AAV) Pilot

Fourth gas turbine generator



One 160,000 m3 LNG tank

Two 160,000 m3 LNG tanks

Sabine Pass LNG

No Shading = Phase 1

Yellow = Phase 2

Blue = Other FERC-Permitted Assets

Potential Pipeline Interconnects:

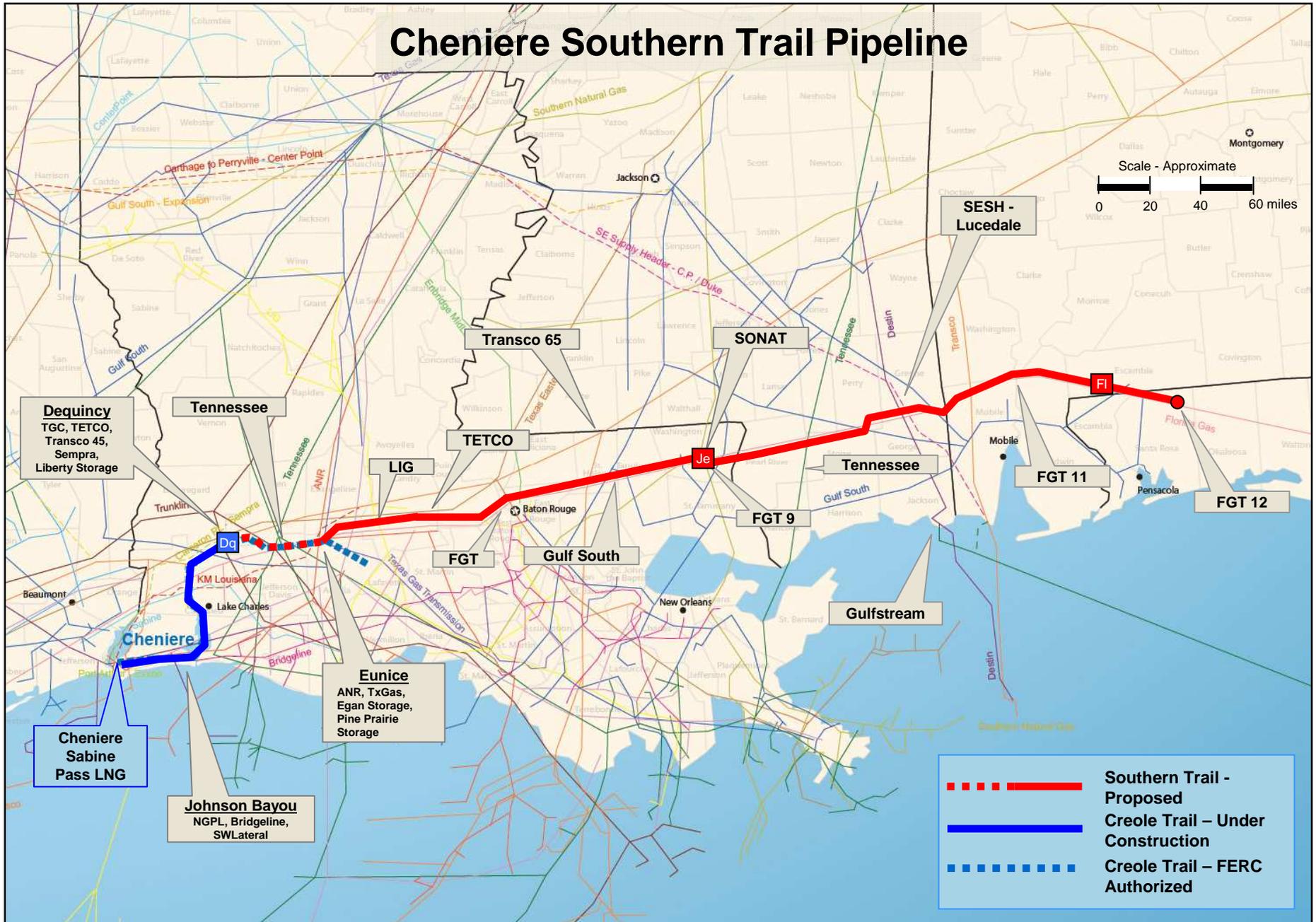
- Gulf Coast Markets
- Northeast Markets
- Southeast Markets
- Midwest / Great Lakes Markets
- ▲ Connects with Henry Hub

- Creole Trail – MP 58*
- - - Creole Trail – Phase II

Creole Trail Pipeline



Cheniere Southern Trail Pipeline



Corpus Christi LNG Facility Highlights

Corpus Christi Terminal
Artist's Rendition

- **Land**
 - 212 acres in San Patricio County, TX
 - ~ 400 acres of permanent easement
- **Accessibility - Deepwater Ship Channel**
 - La Quinta Channel dredged to 45 feet
- **Proximity**
 - 14.3 nautical miles from coast
 - 16 nautical miles from outer buoy
- **Berthing/Unloading**
 - 2 docks
 - LNGCs up to 265,000 cm
 - 3 dedicated tugs
- **Storage**
 - 3 x 160,000cm (10.1 Bcfe)
- **Vaporization**
 - 2.6 Bcf/d
- **Potential Pipeline Access**
 - Interstate access to NE, MW, SE & Mexico markets
 - ~5 Bcf/d within 25 Miles
- **Regional Market - Strong Gas Demand**
 - Texas industrials & power generators
- **Project Status**
 - Site Preparation and engineering complete



Creole Trail LNG, L.P. Facility Highlights

Creole Trail Terminal
Artist's Rendition

- **Land**
 - 1463 Acres in Cameron Parish, LA
- **Accessibility - Deepwater Ship Channel**
 - Calcasieu Channel dredged to 40+ feet
- **Proximity**
 - 3.2 nautical miles from Coast
 - 30.9 nautical miles from outer buoy
- **Berthing/Unloading**
 - 2 docks
 - LNGCs up to 265,000 cm
 - 3 dedicated tugs
- **Storage**
 - 4 x 160,000 cm tanks (13.5 Bcfe)
- **Vaporization Capacity**
 - 3.3 Bcf/d
- **Potential Pipeline Access**
 - Interstate access to NE, MW, SE, & Mid-Atlantic markets; ~14 Bcf/d w/in 120 Miles
- **Regional Market - Strong Gas Demand**
 - Louisiana industrials & power generators
- **Project Status**
 - FERC permitted



Safe Harbor Act

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 1934, as amended, or the Exchange Act. 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 each or any of our proposed liquefied natural gas, or LNG, receiving terminals by certain dates, or at all;
- statements that we expect to receive authorization from the Federal Energy Regulatory Commission, or FERC, to construct and operate proposed LNG receiving terminals by a certain date, or at all;
- statements regarding future levels of domestic natural gas production and consumption, or the future level of LNG imports into North America, or regarding projected future capacity of liquefaction or regasification, liquifaction utilization or total monthly LNG trade facilities worldwide, regardless of the source of such information
- statements regarding any financing transactions or arrangements, whether on the part of Cheniere or at the project level;
- statements relating to the construction of our proposed LNG receiving terminals, including statements concerning estimated costs, and the engagement of any EPC contractor;
- statements regarding any Terminal Use Agreement, or TUA, or other commercial arrangements presently contracted, optioned, marketed or potential arrangements to be performed substantially 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 regarding the commercial terms or potential revenue from any arrangements which may arise from the marketing of uncommitted capacity from any of the terminals, including the Creole Trail and Corpus Christi terminals which do not currently have contractual commitments;
- statements regarding the commercial terms or potential revenue from any arrangement relating to the proposed contracting for excess or expansion capacity for the Sabine Pass LNG Terminal or the Indexed Purchase Agreement (“IPA”) or LNG spot purchase examples described in this presentation;
- statements that our proposed LNG receiving terminals, when completed, will have certain characteristics, including amounts of regasification and storage capacities, a number of storage tanks and docks and pipeline interconnections;
- statements regarding Cheniere and Cheniere Marketing forecasts, and any potential revenues and capital expenditures which may be derived from any of Cheniere business groups;
- statements regarding Cheniere Pipeline Company, and the capital expenditures and potential revenues related to this business group; statements regarding our proposed LNG receiving terminals’ access to existing pipelines, and their ability to obtain transportation capacity on existing pipelines; statements regarding the Cheniere Southern Trail Pipeline, and its potential business opportunities
- statements regarding possible expansions of the currently projected size of any of our proposed LNG receiving terminals;
- statements regarding the payment by Cheniere Energy Partners, L.P. of cash distributions;
- statements regarding our business strategy, our business plan or any other plans, forecasts, examples, models, 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. Annual Report on Form 10-K for the year ended December 31, 2006, 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.