November 6, 2007

Cheniere Energy Reports Third Quarter 2007 Results

HOUSTON--(BUSINESS WIRE)--

Cheniere Energy, Inc. (AMEX:LNG) reported a net loss of $53.5 million, or $1.14 per share (basic and diluted), for the third quarter of 2007 compared with a net loss of $33.1 million, or $0.61 per share (basic and diluted), during the corresponding period in 2006. Year to date through September 30, 2007, Cheniere reported a loss of $129.1 million, or $2.48 per share (basic and diluted) compared to a net loss of $52.5 million, or $0.97 per share (basic and diluted), for the comparable period 2006.

During the quarter, progress continued and the construction of the Sabine Pass LNG receiving terminal and Creole Trail pipeline remains on schedule and on budget. The Sabine Pass terminal is expected to commence operations in the second quarter of 2008 with initial send out capacity of 2.6 Bcf/d and storage capacity of 10.1 Bcf. Construction is also underway to expand the terminal to a total send out capacity of 4.0 Bcf/d and storage capacity of 16.8 Bcf by second quarter 2009. Commencement of operations of the 2.0 Bcf/d Creole Trail pipeline is expected to coincide with the initial start up of the terminal.

Results for the quarter and nine months ended September 30, 2007 were primarily impacted by costs associated with the development of the infrastructure as well as the continued development of the organization in preparation for operations. The primary reasons for the $20.4 million increase in the net loss between corresponding quarters in 2006 and 2007 included the following: general and administrative expenses increasing by $22.9 million principally related to personnel costs necessary for the expansion of Cheniere's business; LNG terminal and pipeline development expenses increasing by $7.1 million due to the hiring of employees who will ultimately be operating and maintaining the Sabine Pass LNG receiving terminal and the Creole Trail pipeline and an increase in interest expense of $17.1 million primarily related to the Sabine Pass LNG, L.P. senior notes. These increases were partially offset by increased interest income of $9.9 million and by the effect in 2006 of a $15.1 million income tax provision.

At September 30, 2007, Cheniere had unrestricted cash and cash equivalents of $446.6 million compared to $463.0 million at December 31, 2006. The primary sources of cash and cash equivalents during the first nine months of 2007 were the receipt of $203.9 million in net proceeds from the sale of Cheniere Energy Partners, L.P. ("Cheniere Partners") (AMEX:CQP) common units to the public and receipt of $391.7 million in net proceeds from a $400 million term loan in May 2007. The primary use of the proceeds from the term loan was to purchase 9,175,595 shares of the Company's common stock at a cost of $325.0 million, as previously announced. Another significant use of cash was for the construction of the Creole Trail pipeline, with costs incurred through September 30, 2007 of $310.6 million. Estimated costs of the Creole Trail pipeline, before financing costs, are approximately $500

to $550 million.

At September 30, 2007, Cheniere held restricted cash, cash equivalents and treasury securities totaling $930.5 million which was comprised of $513.6 million dedicated to the completion of the construction of the Sabine Pass LNG receiving terminal including the expansion to 4 billion cubic feet per day of throughput capacity, $284.7 million reserved for interest payments on the Sabine Pass LNG, L.P. senior notes and $86.7 million as a reserve for distributions to Cheniere Partners' common unit holders. Estimated costs, before financing costs, for the Sabine Pass terminal are $1.4 to $1.5 billion. Costs incurred through September 30, 2007 were $941.9 million.

Cheniere Energy, Inc. is developing a network of three LNG receiving terminals and related natural gas pipelines along the Gulf Coast of the United States. Cheniere is pursuing related business opportunities both upstream and downstream of the terminals. Cheniere is also the founder and holds a 30% limited partner interest in a fourth LNG receiving terminal. Additional information about Cheniere Energy, Inc. may be found on its web site at www.cheniere.com.

For additional information, please refer to the Cheniere Energy, Inc. Quarterly Report on Form 10-Q for the period ended September 30, 2007, filed with the Securities and Exchange Commission.

This press release contains certain statements that may include "forward-looking statements" within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, (i) statements regarding Cheniere's business strategy, plans and objectives and (ii) statements expressing beliefs and expectations regarding the development of Cheniere's LNG receiving terminal business. Although Cheniere believes 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. Cheniere's 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 Cheniere's periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere does not assume a duty to update these forward-looking statements.

(Financial Table Follows)

Cheniere Energy, Inc.
Selected Financial Information
(in thousands) (1)

Three Months Ended September 30,		Nine Months Ended September 30,	
2007	2006	2007	2006

Revenues	$ 394	$ 737	$ 9	$ 1,572
Operating costs and expenses				
LNG receiving terminal and pipeline development expenses	10,071	2,923	26,357	6,730
Exploration costs	659	661	1,032	2,089
Oil and gas production costs	82	61	250	166
Impairment of fixed assets	--	1,628	18	1,628
Depreciation, depletion and amortization	1,952	896	4,523	2,080
General and administrative expenses	34,904	12,044	85,101	37,669
Total operating costs and expenses	47,668	18,213	117,281	50,362
Loss from operations	(47,274)	(17,476)	(117,272)	(48,790)
Derivative loss	--	(966)	--	(44)
Interest expense, net	(28,027)	(10,886)	(80,383)	(33,120)
Interest income	20,990	11,100	66,695	30,978
Other income (expense)	(188)	201	(372)	485
Income tax provision	--	(15,079)	--	(2,045)
Minority interest	1,045	--	2,203	--
Net loss	$(53,454)	$(33,106)	$(129,129)	$(52,536)
Net loss per common share-- basic and diluted	$ (1.14)	$ (0.61)	$ (2.48)	$ (0.97)
Weighted average number of common shares outstanding-- basic and diluted	46,728	54,496	51,974	54,361

	September 30, 2007	December 31, 2006
	(Unaudited)	
Cash and Cash Equivalents	$ 446,579	$ 462,963
Restricted Cash and Cash Equivalents	234,546	176,827
Other Current Assets	52,726	10,183
Non-Current Restricted Cash, Cash Equivalents and Treasury Securities	695,961	1,071,722
Property, Plant and Equipment, Net	1,399,345	748,818
Debt Issuance Costs, Net	45,789	41,545
Goodwill	76,844	76,844
Other Assets	65,144	15,586
Total Assets	$ 3,016,934	$ 2,604,488
Current Liabilities	$ 184,532	$ 61,939
Long-Term Debt	2,757,000	2,357,000
Deferred Revenue	41,000	41,000

Other Liabilities	7,359	1,302
Minority Interest	293,477	--
Stockholders' (Deficit) Equity	(266,434)	143,247
Total Liabilities and Stockholders' (Deficit) Equity	$ 3,016,934	$ 2,604,488

(1) Please refer to the Cheniere Energy, Inc. Quarterly Report on Form 10-Q for the period ended September 30, 2007, filed with the Securities and Exchange Commission.

Source: Cheniere Energy, Inc.