May 8, 2007

Cheniere Energy Reports First Quarter 2007 Results

HOUSTON--(BUSINESS WIRE)--

Cheniere Energy, Inc. (AMEX:LNG) reported a net loss of $34.6 million, or $0.63 per share (basic and diluted), for the first quarter of 2007 compared with a net loss of $15.8 million, or $0.29 per share (basic and diluted), during the corresponding period in 2006. The primary reasons for the $18.8 million increase in the net loss between periods relate to the following: an $8.1 million increase in general and administrative expenses primarily related to increased personnel costs from the expansion of the company's business; a $15.3 million increase in interest expense related to the $2.032 billion senior notes issued by Cheniere Energy's wholly-owned subsidiary, Sabine Pass LNG, L.P., in November 2006; a $7.4 million income tax benefit recorded in the prior period associated with interest rate hedges. These increases to the net loss were partially offset by an increase in interest income of $12.0 million attributable to the proceeds of the $2.032 billion senior notes offering.

As of March 31, 2007, Cheniere Energy reported unrestricted cash and cash equivalents of $583.6 million compared to $463.0 million at December 31, 2006. The primary source of the increase was the receipt of $164.5 million in net proceeds from the sale of Cheniere Energy Partners, L.P. ("Cheniere Partners") (AMEX:CQP) common units to the public. These units were held by a wholly-owned subsidiary of Cheniere Energy and were sold in conjunction with Cheniere Partners' initial public offering ("IPO") which closed on March 26, 2007.

Cheniere Energy also reported that on March 31, 2007, the company held restricted cash, cash equivalents and treasury securities totaling $1.2 billion, comprised of $738.8 million for the completion of the Sabine Pass LNG receiving terminal construction to 4 billion cubic feet per day of capacity, $353.7 million for interest payments relating to the Sabine Pass LNG, L.P. senior notes and $98.4 million as a reserve for distributions to the common unit holders of Cheniere Partners and related distributions to its general partner.

Subsequent to the reported period, the underwriters of the IPO exercised their over-allotment option to purchase additional common units on April 16, 2007, which resulted in net proceeds to Cheniere Energy of $39.4 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 LNG 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 March 31, 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, except per share data) (1)

	Three Months Ended March 31,	
	2007	2006
	(Unaudited)	(Unaudited)
Oil and gas sales	$832	$422
Marketing and trading loss	(2,088)	--
Operating Costs and Expenses		
LNG Receiving Terminal and Pipeline Development Expenses	5,754	8,313
Oil and Gas Exploration and Production Costs	426	889
Depreciation, Depletion and Amortization	1,075	606
General and Administrative Expenses	21,261	13,181
Total Operating Costs and Expenses	28,516	22,989
Loss from Operations	(29,772)	(22,567)
Interest Expense	(26,426)	(11,138)
Interest Income	21,582	9,544
Other	60	937
Income Tax Benefit	--	7,413

Net Loss	$(34,556)	$(15,811)
Net Loss Per Common Share - Basic and Diluted	$(0.63)	$(0.29)
Weighted Average Common Shares Outstanding - Basic and Diluted	54,891	54,217

	March 31, 2007	December 31, 2006
	(Unaudited)	
Cash and Cash Equivalents	$583,620	$462,963
Restricted Cash and Cash Equivalents	218,145	176,827
Other Current Assets	29,578	10,183
Non-Current Restricted Cash, Cash Equivalents and Treasury Securities	986,762	1,071,722
Property, Plant and Equipment, Net	957,177	748,818
Debt Issuance Costs, Net	39,877	41,545
Goodwill	76,844	76,844
Other Assets	20,358	15,586
Total Assets	$2,912,361	$2,604,488
Current Liabilities	$133,582	$61,939
Long-Term Debt	2,357,000	2,357,000
Deferred Revenue	41,000	41,000
Other Liabilities	1,518	1,302
Minority Interest	262,887	--
Stockholders' Equity	116,374	143,247
Total Liabilities and Stockholders' Equity	$2,912,361	$2,604,488

(1) Please refer to Cheniere Energy, Inc. Quarterly Report on Form 10-Q for the period ended March 31, 2007, filed with the Securities and Exchange Commission.

Source: Cheniere Energy, Inc.