August 8, 2007

Cheniere Energy Reports Second Quarter 2007 Results

HOUSTON--(BUSINESS WIRE)--

Cheniere Energy, Inc. (AMEX:LNG) reported a net loss of $41.1 million, or $0.76 per share (basic and diluted), for the second quarter of 2007 compared with a net loss of $3.6 million, or $0.07 per share (basic and diluted), during the corresponding period in 2006.

This quarter was characterized by several milestones including the construction and placement of roofs on three storage tanks at Sabine Pass LNG, groundbreaking on the Creole Trail pipeline and the successful execution of a supply contract with Gaz de France and the launch of an online system to capture value in the global LNG arbitrage market.

The primary reasons for the $37.5 million increase in the net loss between corresponding quarters in 2006 and 2007 include general and administrative expenses increasing by $16.5 million principally related to personnel costs necessary for the expansion of the Cheniere's business and the effect in 2006 of capitalizing as regulatory assets $12.3 million of previously expensed pipeline development costs.

As of June 30, 2007, Cheniere had unrestricted cash and cash equivalents of $710.8 million compared to $463.0 million at December 31, 2006. The primary sources of the increase 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. Part of the proceeds of the term loan were used by the company to purchase 6,000,000 shares of its common stock at a cost of $212.5 million in partial fulfillment of Cheniere's announced plans to purchase an aggregate of 9,175,595 shares of its common stock. As previously announced, Cheniere completed the purchase of the 9,175,595 shares of its common stock on July 26, 2007.

At June 30, 2007, Cheniere held restricted cash, cash equivalents and treasury securities totaling $1.0 billion and comprised of $619.6 million dedicated to the completion of the construction of the Sabine Pass LNG receiving terminal construction including expansion to 4 billion cubic feet per day of throughput capacity, $280.9 million reserved for interest payments on the Sabine Pass LNG, L.P. senior notes and $97.8 million as a reserve for distributions to Cheniere Partners' common unit holders.

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 June 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 the 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 June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Revenues	$ 872	$ 413	$ (385)	$ 835
Operating costs and expenses				
LNG receiving terminal and pipeline development expenses	10,532	(4,506)	16,286	3,807
Exploration costs	14	590	372	1,428
Oil and gas production costs	101	55	168	105
Depreciation, depletion and amortization	1,513	579	2,589	1,185
General and administrative expenses	28,936	12,444	50,197	25,625
Total operating costs and expenses	41,096	9,162	69,612	32,150
Loss from operations	(40,224)	(8,749)	(69,997)	(31,315)
Derivative gain	--	162	--	923

Interest expense, net	(25,930)	(11,096)	(52,356)	(22,234)
Interest income	24,120	10,335	45,703	19,879
Other income (expense)	(184)	108	(183)	284
Income tax benefit	--	5,621	--	13,033
Minority interest	1,099	--	1,158	--
Net loss	$(41,119)	$ (3,619)	$(75,675)	$(19,430)
Net loss per common share-- basic and diluted	$ (0.76)	$ (0.07)	$ (1.38)	$ (0.36)
Weighted average number of common shares outstanding-- basic and diluted	54,391	54,369	54,640	54,293

	June 30, 2007	December 31, 2006
	(Unaudited)	
Cash and Cash Equivalents	$ 710,802	$ 462,963
Restricted Cash and Cash Equivalents	195,337	176,827
Other Current Assets	29,281	10,183
Non-Current Restricted Cash, Cash Equivalents and Treasury Securities	823,819	1,071,722
Property, Plant and Equipment, Net	1,150,953	748,818
Debt Issuance Costs, Net	46,875	41,545
Goodwill	76,844	76,844
Other Assets	50,513	15,586
Total Assets	$ 3,084,424	$2,604,488
Current Liabilities	$ 101,997	$ 61,939
Long-Term Debt	2,757,000	2,357,000
Deferred Revenue	41,000	41,000
Other Liabilities	6,874	1,302
Minority Interest	300,795	--
Stockholders' (Deficit) Equity	(123,242)	143,247
Total Liabilities and Stockholders' (Deficit) Equity	$ 3,084,424	$2,604,488

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

Source: Cheniere Energy, Inc.