October 30, 2014

Cheniere Energy, Inc. Reports Third Quarter 2014 Results

HOUSTON, Oct. 30, 2014 /PRNewswire/ -- Cheniere Energy, Inc. ("Cheniere") (NYSE MKT: LNG) reported a net loss attributable to common stockholders of $89.6 million, or $0.40 per share (basic and diluted), for the three months ended September 30, 2014, compared to a net loss attributable to common stockholders of $100.8 million, or $0.46 per share (basic and diluted), for the comparable 2013 period. For the nine months ended September 30, 2014, Cheniere reported a net loss attributable to common stockholders of $389.3 million, or $1.74 per share (basic and diluted), compared to a net loss attributable to common stockholders of $372.7 million, or $1.71 per share (basic and diluted), during the corresponding period of 2013.

Results include significant items for the three and nine months ended September 30, 2014 of $6.0 million and $242.5 million, compared to $33.4 million and $75.0 million for the comparable 2013 periods, respectively. The significant items for the three and nine months ended September 30, 2014 related to development expenses primarily for the liquefaction facilities being developed by us near Corpus Christi, Texas (the "Corpus Christi Liquefaction Project"), losses on early extinguishment of debt related to the write-off of debt issuance costs by Sabine Pass Liquefaction, LLC ("Sabine Pass Liquefaction") in connection with the refinancing of a portion of its credit facilities in May 2014 and April 2013, and derivative gains (losses) due primarily to changes in long-term LIBOR during the respective periods.

Included in general and administrative expense were non-cash compensation expenses of $21.2 million and $80.4 million for the three and nine months ended September 30, 2014, respectively, compared to $24.7 million and $187.1 million for the comparable 2013 periods, respectively.

Results are reported on a consolidated basis and include our ownership interest in Cheniere Energy Partners, L.P. ("Cheniere Partners"), which is based on our 100% ownership of the general partner and 84.5% ownership interest in Cheniere Energy Partners LP Holdings, LLC which owns a 55.9% limited partner interest in Cheniere Partners.

Recent Significant Events

- In August 2014, our wholly owned subsidiary, Cheniere Marketing, LLC ("Cheniere Marketing"), entered into an amended and restated LNG Sale and Purchase Agreement ("SPA") with Sabine Pass Liquefaction to purchase, at Cheniere Marketing's option, any liquefied natural gas ("LNG") produced by Sabine Pass Liquefaction in excess of that required for other customers; and
- In August 2014, Cheniere Marketing entered into SPAs with Corpus Christi Liquefaction, LLC under which Cheniere Marketing has the option to purchase any LNG produced by Corpus Christi Liquefaction in excess of that required for other

customers.

Liquefaction Projects Update

Sabine Pass Liquefaction Project

Through Cheniere Partners we are developing up to six natural gas liquefaction trains ("Trains"), each with an expected nominal production capacity of approximately 4.5 mtpa, at the Sabine Pass LNG terminal adjacent to the existing regasification facilities (the "Sabine Pass Liquefaction Project").

The Trains are in various stages of development.

- Construction on Trains 1 and 2 began in August 2012, and as of September 30, 2014, the overall project for Trains 1 and 2 was approximately 76% complete, which is ahead of the contractual schedule. Based on our current construction schedule, we anticipate that Train 1 will produce LNG as early as late 2015.
- Construction on Trains 3 and 4 began in May 2013, and as of September 30, 2014, the overall project for Trains 3 and 4 was approximately 43% complete, which is ahead of the contractual schedule. We expect Trains 3 and 4 to become operational in late 2016 and 2017, respectively.
- Trains 5 and 6 are under development. We have entered into SPAs for approximately 3.75 mtpa in aggregate that commence with the date of first commercial delivery for Train 5. We have received authorizations from the U.S. Department of Energy ("DOE") to export 503 Bcf per year of LNG volumes from Trains 5 and 6 to free trade agreement ("FTA") countries. Authorization to export LNG to non-FTA countries is pending. Federal Energy Regulatory Commission ("FERC") authorization is also pending.

We will contemplate making a final investment decision to commence construction on Trains 5 and 6 based upon, among other things, entering into acceptable commercial arrangements, receiving all regulatory approvals and obtaining financing.

Corpus Christi Liquefaction Project

We continue to make progress on the commercialization and development of the Corpus Christi Liquefaction Project, which is being designed for up to three Trains with expected aggregate nominal production capacity of approximately 13.5 mtpa of LNG.

- To date, we have entered into SPAs aggregating approximately 6.9 mtpa of LNG volumes commencing with Trains 1 and 2 and 0.77 mtpa of LNG volumes commencing with Train 3.
- We have received authorization from the DOE to export up to 767 Bcf per year of domestically produced LNG to FTA countries. Authorization to export LNG to non-FTA countries is pending. In October 2014, the FERC issued the Final Environmental Impact Statement, which is pending final approval. We expect to receive remaining regulatory approvals by early 2015.

We will contemplate making a final investment decision to commence construction of the Corpus Christi Liquefaction Project based upon, among other things, entering into

acceptable commercial arrangements, receiving all regulatory approvals and obtaining financing.

Timelines for Liquefaction Projects

	Target Date			
	Sabine Pass Liquefaction			Corpus Christi Liquefaction
Milestone	**Trains 1 & 2**	**Trains 3 & 4**	**Trains 5 & 6**	
DOE export authorization	Received	Received	Received FTA Pending Non-FTA	Received FTA; Pending Non-FTA
	Completed	Completed	T5: Completed	T1-T2: Completed
Definitive commercial agreements	7.7 mtpa	8.3 mtpa	T6: 2014/2015	
- BG Gulf Coast LNG, LLC	4.2 mtpa	1.3 mtpa		
- Gas Natural Fenosa	3.5 mtpa			
- KOGAS		3.5 mtpa		
- GAIL (India) Ltd.		3.5 mtpa		
- Total Gas & Power N.A.			2.0 mtpa	
- Centrica plc			1.75 mtpa	
- PT Pertamina				1.52 mtpa
- Endesa, S.A.				2.25 mtpa
- Iberdrola, S.A.				0.76 mtpa
- Gas Natural Fenosa LNG SL				1.50 mtpa
- Woodside Energy Trading Singapore				0.85 mtpa
- Électricité de France, S.A.				0.77 mtpa
EPC contract	Completed	Completed	2014/2015	Completed
Financing			2015	2014
- Equity	Completed	Completed		
- Debt commitments	Received	Received		
FERC authorization				
- FERC Order	Received	Received	2014/2015	2014/2015
- Certificate to commence construction	Received	Received		
Issue Notice to Proceed	Completed	Completed	2015	2015
Commence operations	2015/2016	2016/2017	2018/2019	2018/2019

Cheniere Energy, Inc. is a Houston-based energy company primarily engaged in LNG-related businesses, and owns and operates the Sabine Pass LNG terminal and Creole Trail Pipeline in Louisiana. Cheniere is pursuing related business opportunities both upstream and downstream of the Sabine Pass LNG terminal. Through its subsidiary, Cheniere Energy Partners, L.P., Cheniere is developing a liquefaction project at the Sabine Pass LNG terminal adjacent to the existing regasification facilities for up to six Trains, each of which is expected to have a nominal production capacity of approximately 4.5 mtpa. Construction has begun on Trains 1 through 4 at the Sabine Pass Liquefaction Project. Cheniere has also initiated a project to develop liquefaction facilities near Corpus Christi, Texas. The Corpus Christi Liquefaction Project is being designed for up to three Trains, with expected aggregate nominal production capacity of approximately 13.5 mtpa of LNG, three LNG storage tanks with capacity of approximately 10.1 Bcfe and two LNG carrier docks. Commencement of construction for the Corpus Christi Liquefaction Project is subject, but not limited, to obtaining regulatory approvals, entering into long-term customer contracts sufficient to underpin financing of the project, obtaining financing, and Cheniere making a final investment decision. Cheniere believes that LNG exports from the Corpus Christi Liquefaction Project could commence as early as 2018.

For additional information, please refer to the Cheniere Energy, Inc. website at

www.cheniere.com and Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, 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 fact, 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, including the construction and operation of liquefaction facilities, (ii) statements regarding expectations regarding regulatory authorizations and approvals, (iii) statements expressing beliefs and expectations regarding the development of Cheniere's LNG terminal and pipeline businesses, including liquefaction facilities, (iv) statements regarding the business operations and prospects of third parties, (v) statements regarding potential financing arrangements and (vi) statements regarding future discussions and entry into contracts. 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]
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues				
LNG terminal revenues	$ 66,983	$ 66,735	$ 200,243	$ 199,222
Marketing and trading revenues (losses)	(499)	590	482	441
Other	323	385	1,277	1,130
Total revenues	66,807	67,710	202,002	200,793
Operating costs and expenses				
General and administrative expense	74,255	57,096	215,783	277,971
Depreciation	16,189	15,246	48,962	45,533
Operating and maintenance expense	26,102	30,098	69,198	76,425
Development expense	11,544	11,046	38,919	50,214
Other	75	100	245	258
Total operating costs and expenses	128,165	113,586	373,107	450,401
Loss from operations	(61,358)	(45,876)	(171,105)	(249,608)
Other income (expense)				
Interest expense, net	(46,884)	(52,528)	(130,943)	(134,806)
Loss on early extinguishment of debt	—	—	(114,335)	(80,510)
Derivative gain (loss), net	5,573	(22,335)	(89,286)	55,706
Other income (expense)	(160)	65	(39)	954
Total other expense	(41,471)	(74,798)	(334,603)	(158,656)

Loss before income taxes and non-controlling interest	(102,829)	(120,674)	(505,708)	(408,264)
Income tax provision	(1,971)	(1,809)	(2,147)	(2,751)
Net loss	(104,800)	(122,483)	(507,855)	(411,015)
Less: net loss attributable to non-controlling interest	(15,219)	(21,659)	(118,536)	(38,323)
Net loss attributable to common stockholders	$ (89,581)	$ (100,824)	$ (389,319)	$ (372,692)
Net loss per share attributable to common stockholders—basic and diluted	$ (0.40)	$ (0.46)	$ (1.74)	$ (1.71)
Weighted average number of common shares outstanding—basic and diluted	224,309	220,734	223,710	217,940

	September 30, 2014	December 31, 2013
ASSETS	(unaudited)	
Current assets		
Cash and cash equivalents	$ 791,656	$ 960,842
Restricted cash and cash equivalents	661,804	598,064
Accounts and interest receivable	23,385	4,486
LNG inventory	13,966	10,563
Prepaid expenses and other	19,051	17,225
Total current assets	1,509,862	1,591,180
Non-current restricted cash and cash equivalents	1,139,104	1,031,399
Property, plant and equipment, net	8,634,504	6,454,399
Debt issuance costs, net	251,101	313,944
Non-current derivative assets	32,161	98,123
Goodwill	76,819	76,819
Other	141,765	107,373
Total assets	$ 11,785,316	$ 9,673,237
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 16,064	$ 10,367
Accrued liabilities	378,982	186,552
Deferred revenue	26,639	26,593
Other	17,103	13,499
Total current liabilities	438,788	237,011
Long-term debt, net	8,989,760	6,576,273
Long-term deferred revenue	14,500	17,500
Other non-current liabilities	11,715	2,396
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $0.0001 par value, 5.0 million shares authorized, none issued	—	—
Common stock, $0.003 par value		
Authorized: 480.0 million shares at September 30, 2014 and December 31, 2013		
Issued and outstanding: 237.7 million and 238.1 million shares at September 30, 2014 and December 31, 2013, respectively	715	716
Treasury stock: 9.7 million shares and 9.0 million shares at September 30, 2014 and December 31, 2013, respectively, at cost	(224,944)	(179,826)
Additional paid-in-capital	2,562,647	2,459,699
Accumulated deficit	(2,490,226)	(2,100,907)
Total stockholders' equity	(151,808)	179,682
Non-controlling interest	2,482,361	2,660,375
Total equity	2,330,553	2,840,057
Total liabilities and equity	$ 11,785,316	$ 9,673,237

(1) Please refer to the Cheniere Energy, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, filed with the Securities and Exchange Commission.

As of September 30, 2014, we had cash and cash equivalents of $791.7 million available to Cheniere. In addition, we had current and non-current restricted cash and cash equivalents of $1,800.9 million (which included current and non-current restricted cash and cash equivalents available to Cheniere Partners, Sabine Pass Liquefaction and Sabine Pass LNG, L.P.) designated for the following purposes: $1.4 billion for the Sabine Pass Liquefaction Project, $33.5 million for Cheniere Creole Trail Pipeline, L.P., $129.1 million for interest payments related to the Sabine Pass LNG senior secured notes, and $274.9 million for other restricted purposes.

SOURCE Cheniere Energy, Inc.