
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 4, 2012



CHENIERE ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1-16383

(Commission File Number)

95-4352386

(I.R.S. Employer Identification No.)

700 Milam Street

Suite 800

Houston, Texas

(Address of principal executive offices)

77002

(Zip Code)

Registrant's telephone number, including area code: **(713) 375-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On May 4, 2012, Cheniere Energy, Inc. (the “Company”) issued a press release announcing the Company's results of operations for the first quarter March 31, 2012. The press release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein in its entirety.

The information included in this Item 2.02 of Current Report on Form 8-K, including the attached Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

d) Exhibits

Exhibit

| <u>Number</u> | <u>Description</u> |
|----------------------|----------------------------------|
| 99.1* | Press Release, dated May 4, 2012 |

* (filed herewith).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHENIERE ENERGY, INC.

/s/ MEG A. GENTLE

Meg A. Gentle
Senior Vice President and
Chief Financial Officer

Date: May 4, 2012

EXHIBIT INDEX

Exhibit

Number Description

99.1* Press Release, dated May 4, 2012

* (filed herewith).

CHENIERE ENERGY, INC. NEWS RELEASE

Cheniere Energy Reports First Quarter 2012 Results

Houston, Texas - May 4, 2012 - Cheniere Energy, Inc. ("Cheniere") (NYSE Amex: LNG) reported a net loss of \$56.4 million, or \$0.43 per share (basic and diluted), for the quarter ended March 31, 2012, compared with a net loss of \$39.8 million, or \$0.60 per share (basic and diluted), for the comparable 2011 period. Results include LNG terminal and pipeline development expenses of \$21.8 million, or \$0.17 per share for the quarter ended March 31, 2012 and \$8.4 million, or \$0.13 per share, for the comparable 2011 period, which primarily related to the Sabine Pass Liquefaction Project ("Liquefaction Project") being developed.

Results are reported on a consolidated basis and include our 88.7 percent ownership interest in Cheniere Energy Partners, L.P. ("Cheniere Partners").

Overview of Significant 2012 Events

- In January 2012, we repaid in full the entire outstanding principal balance of the 2007 Term Loan due May 31, 2012. We used a portion of the net proceeds from the public offering of common stock in December 2011 to repay the 2007 Term Loan.
 - In January 2012, Sabine Pass Liquefaction, LLC ("Sabine Pass Liquefaction"), a wholly owned subsidiary of Cheniere Partners, entered into an amended and restated LNG Sale and Purchase Agreement ("SPA") with BG Gulf Coast LNG, LLC ("BG"), a subsidiary of BG Group plc, under which BG has agreed to purchase an additional 2.0 million tonnes per annum ("mtpa") of LNG, bringing BG's total annual contract quantity to 5.5 mtpa of LNG. BG will purchase 3.5 mtpa of LNG with the commencement of train one operations and will purchase a portion of the additional 2.0 mtpa of LNG as each of trains two, three and four commences operations.
 - In January 2012, Sabine Pass Liquefaction entered into an SPA with Korea Gas Corporation ("KOGAS"), under which KOGAS agreed to purchase 182.5 million MMBtu of LNG per year (approximately 3.5 million mtpa).
 - In February 2012, Cheniere Partners entered into discussions with Blackstone Energy Partners L.P., Blackstone Capital Partners VI L.P., and certain affiliates (collectively, "Blackstone"), whereby Blackstone would fund an equity portion of the financing to develop, construct and place into service the Liquefaction Project.
 - In March 2012, we sold 24.2 million shares of Cheniere common stock in an underwritten public offering for net cash proceeds of approximately \$351.9 million. We intend to use the net proceeds from the offering for general corporate purposes, including repayment of indebtedness.
 - In April 2012, Sabine Pass Liquefaction and Sabine Pass LNG, L.P. ("Sabine Pass LNG"), a wholly owned subsidiary of Cheniere Partners, received authorization under Section 3 of the Natural Gas Act (the "Order") from the Federal Energy Regulatory Commission ("FERC") to site, construct and operate facilities for the liquefaction and export of domestically produced natural gas at the Sabine Pass LNG terminal located in Cameron Parish, Louisiana. The Order authorizes the development of up to four modular LNG trains.
 - In April 2012, Cheniere Partners engaged eight financial institutions to act as Joint Lead Arrangers to assist in the structuring and arranging of up to \$4 billion of debt facilities. The proceeds will be used to pay for costs of development and construction of the Liquefaction Project, to fund the acquisition of the Creole Trail Pipeline and for general business purposes.
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- In April 2012, Scorpion Capital Partners, L.P. exchanged all \$8.4 million of its portion of the 2008 Loans for 1.7 million shares of Cheniere common stock and \$1.4 million in accrued interest.

2012 Q1 Results

Cheniere reported income from operations of \$0.7 million for the quarter ended March 31, 2012, compared to income from operations of \$23.6 million for the comparable period in 2011. The decrease in net operating income of \$22.9 million was primarily a result of increased LNG terminal and pipeline development expenses of \$13.4 million and decreased LNG and natural gas marketing and trading revenues of \$5.8 million. LNG terminal and pipeline development expenses increased due to costs incurred to develop the Liquefaction Project. LNG and natural gas marketing and trading revenues decreased due to less LNG export cargo sales and lower-of-cost-or-market adjustments on our LNG inventory.

Interest expense, net of amounts capitalized, decreased \$5.8 million, from the three months ended March 31, 2011 to the three months ended March 31, 2012 due to the reduction of our indebtedness during the first quarter of 2012.

Liquefaction Project Update

Cheniere Partners continues to make progress on the Liquefaction Project, which is being developed for up to four liquefaction trains, each with a nominal production capability of approximately 4.5 mtpa. We anticipate LNG exports from the Sabine Pass LNG terminal could commence as early as 2015, with each liquefaction train commencing operations approximately six to nine months after the previous train.

Cheniere Partners is advancing towards commencing construction on the first two liquefaction trains. The Liquefaction Project recently received approval from the FERC. One of the last steps needed to proceed with construction is to obtain financing. Cheniere Partners expects to fund the first two liquefaction trains with a combination of debt and equity and is actively pursuing financing for the first two liquefaction trains. Construction of the first two liquefaction trains is expected to commence in the first half of 2012.

Commencement of construction for LNG trains three and four is subject, but not limited to, entering into an engineering procurement and construction agreement and reaching a positive final investment decision to obtain financing. Cheniere Partners has engaged Bechtel Oil, Gas and Chemicals, Inc. to complete front-end engineering and design work and to negotiate a lump sum turnkey contract. Construction for liquefaction trains three and four is targeted to begin in early 2013.

Summary Project Timeline

| Milestone | Target Date | |
|--|--------------------|--------------------|
| | Trains 1 & 2 | Trains 3 & 4 |
| ☐ DOE export authorization | Received | Received |
| ☐ Definitive commercial agreements | Completed 7.7 mtpa | Completed 8.3 mtpa |
| - 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 |
| ☐ EPC Contract | Complete | 4Q12 |
| ☐ Financing commitments | | 1Q13 |
| - Equity | 1H12 | |
| - Debt | 1H12 | |
| ☐ FERC authorization | Received | Received |
| - Certificate to commence construction | 1H12 | 2013 |
| ☐ Commence construction | 1H12 | 2013 |
| ☐ Commence operations | 2015/2016 | 2017/2018 |

Financial Update

As of March 31, 2012, we had unrestricted cash and cash equivalents of \$439.8 million that will be available to Cheniere, which excludes cash and cash equivalents and other working capital available to Cheniere Partners and Sabine Pass LNG. In addition, we had consolidated restricted cash and cash equivalents of \$205.9 million, which were designated for the following purposes: \$137.3 million for interest payments related to the Senior Notes described below; \$3.5 million for Sabine Pass LNG's working capital; \$55.9 million for Cheniere Partners' working capital; and \$9.2 million for other restricted purposes.

In January 2012 we repaid the 2007 Term Loans due May 2012. In March 2012 we received net proceeds of \$351.9 million in an underwritten public offering.

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. 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 three-months ended March 31, 2012, 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 terminal and pipeline businesses, including liquefaction services. 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, | |
|--|---------------------------------|-------------|
| | 2012 | 2011 |
| Revenues | | |
| LNG terminal revenues | \$ 67,260 | \$ 70,001 |
| Marketing and trading | 2,658 | 8,449 |
| Oil and gas sales | 550 | 768 |
| Other | 6 | 13 |
| Total revenues | 70,474 | 79,231 |
| Operating costs and expenses | | |
| General and administrative expenses | 19,993 | 21,510 |
| Depreciation, depletion and amortization | 16,290 | 15,386 |
| LNG terminal and pipeline operating expenses | 11,557 | 10,194 |
| LNG terminal and pipeline development expenses | 21,819 | 8,437 |
| Other | 94 | 138 |
| Total operating costs and expenses | 69,753 | 55,665 |
| Income from operations | 721 | 23,566 |
| Interest expense, net | (58,350) | (64,154) |
| Loss on early extinguishment of debt | (507) | — |
| Derivative loss | (836) | — |
| Other income (expense) | 125 | 109 |
| Non-controlling interest | 2,438 | 641 |
| Income tax provision | (6) | — |
| Net loss | \$ (56,415) | \$ (39,838) |
| Net loss per common share—basic and diluted | \$ (0.43) | \$ (0.60) |
| Weighted average number of common shares outstanding—basic and diluted | 131,107 | 66,950 |

| | As of March 31, 2012 | As of December 31, 2011 |
|--|-------------------------|----------------------------|
| Cash and cash equivalents | \$ 439,827 | \$ 459,160 |
| Restricted cash and cash equivalents | 123,023 | 102,165 |
| LNG inventory | 3,293 | 6,562 |
| Accounts and interest receivable | 1,873 | 3,043 |
| Prepaid expenses and other | 23,010 | 20,522 |
| Non-current restricted cash and cash equivalents | 82,892 | 82,892 |
| Property, plant and equipment, net | 2,092,796 | 2,107,129 |
| Debt issuance costs, net | 31,728 | 33,356 |
| Goodwill | 76,819 | 76,819 |
| Other assets | 59,261 | 23,677 |
| Total assets | \$ 2,934,522 | \$ 2,915,325 |
| Current liabilities | \$ 314,173 | \$ 584,960 |
| Long-term debt (including related party debt), net of discount | 2,475,885 | 2,474,711 |
| Deferred revenue | 24,500 | 25,500 |
| Other liabilities | 3,149 | 3,146 |
| Non-controlling interest | 200,888 | 208,575 |
| Stockholders' deficit | (84,073) | (381,567) |
| Total liabilities and deficit | \$ 2,934,522 | \$ 2,915,325 |

| March 31, 2012 | Sabine Pass LNG, L.P. | Cheniere Energy Partners, L.P. | Other Cheniere Energy, Inc. | Consolidated Cheniere Energy, Inc. |
|--------------------------------------|--------------------------|-----------------------------------|--------------------------------|--|
| Cash and cash equivalents | \$ — | \$ — | \$ 439,827 | \$ 439,827 |
| Restricted cash and cash equivalents | 140,860 | 55,907 | 9,148 | 205,915 |
| Total | \$ 140,860 | \$ 55,907 | \$ 448,975 | \$ 645,742 |

(1) Please refer to the Cheniere Energy, Inc. Quarterly Report on Form 10-Q for the three months ended March 31, 2012, filed with the Securities and Exchange Commission.

CONTACTS:

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