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

FORM 10-Q/A

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED FEBRUARY 28, 1997

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1943

For the transition period from _______ to ________

COMMISSION FILE NO. 0-9092

CHENIERE ENERGY, INC.
(Exact name as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

95-4352386
(I. R. S. Identification No.)

1200 SMITH STREET, SUITE 1710
HOUSTON, TEXAS
(Address or principal place of business)

77002-4312
(Zip Code)

(713) 659-1361
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] NO [ ].

As of March 14, 1997, there were 12,648,409 shares of Cheniere Energy, Inc. Common Stock, $.003 par value, issued and outstanding.

CHENIERE ENERGY, INC
INDEX TO FORM 10-Q

CHENIERE ENERGY, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEET (UNAUDITED)

	February 28, 1997	August 31, 1996
ASSETS		
CURRENT ASSETS		
Cash	$ 3,843,088	$ 1,093,180
Prepaid Expenses And Other Current Assets	153,321	4,800
TOTAL CURRENT ASSETS	3,996,409	1,097,980
PROPERTY AND EQUIPMENT, NET	48,967	46,830
OTHER ASSETS		
Investment in 3-D Exploration Program	7,141,745	4,000,000
Security Deposit	500	500
TOTAL OTHER ASSETS	7,142,245	4,000,500
TOTAL ASSETS	$ 11,187,621	$ 5,145,310
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 196,776	$ 292,894
Loans Payable	-	425,000
Advance from Officers	-	961
Advances for Issuance of Common Stock	1,500,025	-
TOTAL LIABILITIES	1,696,801	718,855
STOCKHOLDERS' EQUITY		
Common Stock - $.003 Par Value Authorized 20,000,000 shares; 12,295,462 and 9,931,767 Issued and Outstanding at February 28, 1997 and August 31, 1996, respectively	36,886	29,795
Preferred Stock - Authorized 1,000,000 shares; None Issued and Outstanding		
Additional Paid-in-Capital	9,880,480	4,518,507
Deficit Accumulated During the Development Stage	(426,546)	(121,847)
TOTAL STOCKHOLDERS' EQUITY	9,490,820	4,426,455
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 11,187,621	$ 5,145,310

See Accompanying Notes to Financial Statements.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

<TABLE>
<CAPTION>

<S>	THREE MONTHS ENDED FEBRUARY 28, 1997 <C>	SIX MONTHS ENDED FEBRUARY 28, 1997 <C>	CUMULATIVE FROM THE DATE OF INCEPTION <C>
Revenue	$ -	$ -	$ -
General and Administrative Expenses	165,765	311,693	415,507
Interest Expense	1,313	15,002	34,835
	167,078	326,695	450,342
Loss from Operations Before Other Income	(167,078)	(326,695)	(450,342)
Interest Income	20,495	21,996	23,796

Loss From Operations Before Income Taxes	(146,583)	(304,699)	(426,546)
Provision for Income Taxes	-	-	-
Net Loss	$ (146,583)	$ (304,699)	$ (426,546)
Loss Per Share	(.012)	(.028)	(.043)
Weighted Average Number of Shares Outstanding	11,757,696	11,036,471	9,950,972

</TABLE>

See Accompanying Notes to Financial Statements.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

<TABLE>
<CAPTION>

		Common Stock		Additional	Retained	Total
	Per Share	Shares	Amount	Paid-in Capital	Deficit	Stockholders' Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sale of Founders Shares on April 9, 1996	$ 0.012	$ 6,242,422	$ 18,727	$ 56,276	$ -	$ 75,003
Sale of Shares on May 3, 1996	1.50	2,000,000	6,000	2,994,000	-	3,000,000
Issuance of Shares to an Employee on July 1, 1996	1.00	30,000	90	29,910	-	30,000
Issuance of Shares in Re-organization to Former Bexy Shareholders	-	600,945	1,803	(1,803)	-	-
Sale of Shares on July 30, 1996	2.00	50,000	150	99,850	-	100,000
Sale of Shares on August 1, 1996	2.00	508,400	1,525	1,015,275	-	1,016,800
Sale of Shares on August 30, 1996	2.00	500,000	1,500	988,500	-	1,000,000
Expenses Related to Offering	-	-	-	(686,251)	-	(686,251)
Issuance of Warrants	-	-	-	12,750	-	12,750
Net Loss	-	-	-	-	(121,847)	(121,847)
Balance - August 31, 1996		9,931,767	29,795	4,518,507	(121,847)	4,426,455
Sales of Shares on September 12, 1996	2.00	50,000	150	99,850	-	100,000
Sale of Shares on September 16, 1996	2.00	80,250	241	160,259	-	160,500
Conversion of Debt	2.00	105,000	315	209,685	-	210,000
Sale of Shares on October 30, 1996	2.25	457,777	1,374	1,028,627	-	1,030,001
Issuance of Warrants	-	-	-	6,450	-	6,450
Sale of Shares on December 6, 1996	2.25	475,499	1,426	1,068,448	-	1,069,874

Sale of Shares on December 9, 1996	2.50	400,000	1,200	998,800	-	1,000,000
Sale of Shares on December 11, 1996	2.25	22,222	67	49,933	-	50,000
Sale of Shares on December 19, 1996	2.50	200,000	600	499,400	-	500,000
Sale of Shares on December 20, 1996	2.50	220,000	660	549,340	-	550,000
Sale of Shares on February 28, 1997	4.25	352,947	1,058	1,498,967	-	1,500,025
Expenses Related to Offering	-	-	-	(807,786)	-	(807,786)
Net Loss	-	-	-	-	(304,699)	(304,699)
Balance - February 28, 1997		12,295,462	$36,886	$ 9,880,480	$ (426,546)	$9,490,820

</TABLE>

All of the Sales of Shares indicated above were made pursuant to private placement transactions.

The accompanying notes are an integral part of this report.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

<TABLE>
<CAPTION>

<S>	For the Six Months Ended February 28, 1997 <C>	Cumulative from Date of Inception <C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (304,699)	$ 426,546
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities:		
Depreciation	4,043	7,646
Compensation Paid in Common Stock	-	30,000
(Increase) in Prepaid Expenses and Other Current Assets	(148,521)	(153,321)
Increase in Security Deposit	-	(500)
(Decrease) Increase in Accounts Payable and Accrued Expenses	(96,118)	196,786
(Decrease) in Advance from Officers	(961)	-
NET CASH USED BY OPERATING ACTIVITIES	(546,256)	(345,935)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Furniture, Fixtures and Equipment	(6,180)	(56,623)
Investment in 3-D Exploration Program	(3,141,745)	(7,141,745)
NET CASH USED BY INVESTING ACTIVITIES	(3,147,925)	(7,198,368)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds of Loan	-	425,000
Repayment of Loan	(215,000)	(215,000)
Sale of Common Stock	5,960,400	11,152,203
Issuance of Warrants	6,450	19,200
Offering Costs	(807,786)	(1,494,037)
Advances for Issuance of Common Stock	1,500,025	1,500,025
NET CASH PROVIDED BY FINANCING ACTIVITIES	6,444,089	11,387,391
NET INCREASE IN CASH	2,749,908	3,843,088
CASH - BEGINNING OF YEAR	1,093,180	-
CASH - FEBRUARY 28, 1997	$ 3,843,088	$ 3,843,088
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash Paid for Interest	$ 15,635	$ 15,635
Cash Paid for Income Taxes	$ -	$ -

SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCIAL ACTIVITIES:
Common stock totaling 105,000 shares was issued upon the conversion of $210,000 of debt.

</TABLE>

See Accompanying Notes to Financial Statements.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FEBRUARY 28, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING

a) Basis of Presentation
The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. Certain reclassifications have been made to the prior period to conform to the current periods' presentation.

For further information refer to the financial statements and footnotes included in the Registrant's Annual Report on form 10-K for the period ending August 31, 1996.

The results of operations for any interim period are not necessarily indicative of the results to be expected for the full fiscal year ended August 31, 1997.

The accompanying consolidated financial statements include the accounts of Cheniere Energy, Inc. ("The Company") and its 100% owned subsidiaries, Cheniere Energy Operating Co., Inc. ("Cheniere Operating") and Cheniere Energy California, Inc. ("Cheniere California"). Accordingly, all references herein to Cheniere Energy, Inc. or the "Company" include the consolidated results of its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

On July 3, 1996, Cheniere Energy, Inc. ("Cheniere"), formerly Bexy Communications, Inc., acquired all of the outstanding capital stock of Cheniere Energy Operating Co., Inc. ("Cheniere Operating"). For accounting purposes, this acquisition has been treated as a recapitalization of Cheniere Operating.

The financial statements presented include only the accounts of Cheniere and its subsidiaries since Cheniere Operating's inception (February 21, 1996). While Cheniere Operating did obtain a presence in the public market through the recapitalization, it did not succeed to the business or assets of Bexy. For this reason, the value of the shares issued to the former Bexy shareholders has been deemed to be de minimus and, accordingly, no value has been assigned to those shares.

The Company is currently a development stage enterprise under the provisions of SFAS No.7. The Company's future business will be in the field of oil and gas exploration and exploitation.

b) Loss Per Share
Loss per share is based on the weighted average number of shares of common stock outstanding during the period.

c) Offering Costs
Offering costs consist primarily of placement fees, professional fees and printing costs. These costs are charged against the proceeds of the sale of common stock in the periods in which they occur.

NOTE 2 - ACQUISITIONS

On December 19, 1996, Cheniere California was incorporated. Cheniere California is a 100% owned subsidiary of the Company.

NOTE 3 - WARRANTS

The Company has issued and outstanding certain warrants described herein.

The Company has issued and outstanding 141,666 and 2/3 warrants (collectively, the "June Warrants"), each of which entitles the registered holder thereof to purchase one share of Common Stock. The June Warrants are exercisable at any time on or before June 14, 1999, at an exercise price of $3.00 per share (subject to customary anti-dilution adjustments). The exercise price was determined at a 100% premium to the sale price of Cheniere Operating Stock by private placement during May, 1996. The June Warrants were originally issued by Cheniere Operating and were converted to warrants of Cheniere following the Reorganization. The June Warrants were issued to a

NOTE 3 - WARRANTS (Cont'd)

group of 11 investors in connection with a private placement of unsecured promissory notes. Pursuant to APB 14, the warrants issued have been valued at the differential rate between the initial interest rate (8%) and the estimated market rate (20%), applied to the principal balance. This value, $12,750, has been credited to additional paid-in capital.

Effective September 14, 1996, the Company had not paid all amounts due and payable under the Notes by the Maturity Date. Certain of the noteholders converted their notes into 105,000 shares of Common Stock. An individual note holder purchased the promissory notes of the remaining note holders. As per the terms of the notes, the holder was entitled to receive up to an aggregate of 21,500 additional warrants for each month, or partial month, any amounts that remained due and payable after September 14, 1996, up to a maximum aggregate number of 86,000 such additional warrants. These notes were repaid on December 14, 1996 and, upon repayment, the Company issued 64,500 warrants in accordance with the loan agreement. The terms of the warrants were similar to the June warrants. Pursuant APB 14, these additional warrants will be valued at the differential rate between the interest rate charged (13%) and the then estimated market rate (25%), applied to the principal balance for each month outstanding after September 14, 1996. This value, $6,450, has been credited to additional paid-in capital.

In consideration of certain investment advisory and other services to the Company, pursuant to warrant agreements each dated as of August 21, 1996, the Company issued warrants to purchase 13,600 and 54,400 shares of Common Stock, (collectively the "Adviser Warrants"). The Adviser Warrants are exercisable at any time on or before May 15, 1999 at an exercise price of $3.00 per share (subject to customary anti-dilution adjustments). The exercise price represents the approximate market price of the underlying Common Stock at the time of the transaction.

In connection with the July and August 1996 placement of 508,400 shares of Common Stock, the Company issued warrants to purchase 12,500 shares of Common Stock to one of two distributors who placed the shares. Such warrants are exercisable on or before the second anniversary of the sale of the shares of Common Stock at an exercise price of $3.125 per share (subject to customary anti-dilution adjustments). The exercise price represents the approximate market price of the underlying Common Stock at the time of the transaction.

In late August 1996, the Company sold 100,000 units, each such unit consisting of 5 shares of Common Stock and a warrant to purchase one share of Common Stock. Each such warrant is exercisable on or before September 1, 1999 at an exercise price of $3.125 per share (subject to customary anti-dilution adjustments). The exercise price represents the approximate market price of the underlying Common Stock at the time of the transaction.

The Warrants do not confer upon the holders thereof any voting or other rights of a stockholder of the Company.

NOTE 4 - STOCK OPTIONS

The Company has granted certain options to purchase shares of Common Stock to 2 executives. Such options aggregate 300,000 shares at an exercise price of $3.00 per share. The options vest and are exercisable as follows:

1) 75,000 qualified options vest and become exercisable on June 1, 1997 and expire June 1, 2001.

2) 75,000 qualified options vest and become exercisable on June 1, 1998 and expire June 1, 2001.

3) 150,000 qualified options vest and become exercisable in equal annual installments of 25% each on the first through fourth anniversary of July 16, 1996 and expire July 16, 2001.

In addition, the Company has granted qualified options to the former President of the Company. The holder has the option to acquire 19,444 and 2/3 shares of Common Stock at an exercise price of $1.80 per share. The options expire November 11, 2003.

Also, the Company has granted 12,000 options to an employee at an exercise price of $3.00 per share. These options vest and become exercisable in equal annual installments of 25% each on the first through fourth anniversary of January 23, 1997 and expire January 23, 2002.

The disclosure provisions of SFAS No. 123 do not have a material effect on the financial statements.

NOTE 5 - COMMON STOCK RESERVED

The Company has reserved 386,666 and 2/3 share of Common Stock for insurance upon the exercise of outstanding warrants.

The Company has reserved 331,444 and 2/3 shares of Common Shares for insurance upon the exercise of outstanding options.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

1) The Company subleases its Houston, Texas headquarters from Zydeco under a month-to-month sublease.

2) On December 19, 1996, Cheniere Energy California, Inc. ("Cheniere California") was incorporated. Cheniere California is a 100% owned subsidiary of the Company.

NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONT'D)

On December 20, 1996, Cheniere California signed a Purchase and Sale Agreement with Poseidon Petroleum, LLC ("Poseidon") to acquire Poseidon's 60% working interest in six undeveloped leases in the Bonito Unit of the Pacific Outer Continental Shelf (OCS) off Santa Barbara County, California. The combined working interest of the six leases are equal to a 47% working interest in the Bonito Unit, which includes a seventh lease that Poseidon has no interest in. Poseidon estimates that the net proved undeveloped reserves attributable to its interest are approximately 47 million barrels of oil equivalent. As payment for this interest, Poseidon will receive production payments aggregating $18,000,000 to be paid as three percent of the production revenue from the leases being assigned. Minimum prepayments from the annual production payment shall be made at the rate of $540,000 per year, payable in advance. Poseidon will receive the first minimum prepayment of $540,000 at closing. Poseidon will have a reserve report prepared with respect to the leases which is subject to Cheniere California's acceptance. The principal amount of the production payment and the required minimum yearly payments are subject to adjustment based on the results of the reserve report. Closing of the transaction is subject to the satisfaction of certain conditions by Poseidon and Cheniere California.

3) As of February 28, 1997, the Company has an investment of $7,141,745 in a joint exploration program. Under the terms of the joint exploration program, the Company is required to make additional monthly payments aggregating, at least, approximately $6.358 million (See Note 7). The Company's potential participation in the joint exploration program could be significantly reduced in the event of a failure by the Company to make such required monthly payments when due.

4) On February 28, 1997, the Company issued 352,947 shares of Common Stock at a price of $4.25 per share. If during the 270 day period following the date of purchase of these shares the Company offers and sells any shares of its common stock for a gross sales price lower than the price paid for these shares, the Company will issue additional shares of Common Stock to reflect the lowest per share gross sales price at which shares were offered and sold during the period.

NOTE 7 - SUBSEQUENT EVENTS

1) As previously disclosed, Cheniere California signed a Purchase and

Sale Agreement with Poseidon Petroleum, LLC ("Poseidon") to acquire Poseidon's 60% working interest in six undeveloped leases in the Bonito Unit of the Pacific Outer Continental Shelf offshore Santa Barbara County, California. Cheniere California and Poseidon have mutually agreed to terminate the Purchase and Sale Agreement pursuant to the terms thereof and that upon termination, neither party thereto shall have any liability thereunder. The Company has decided that it is in its best interests at this time to concentrate its resources on the 3-D Exploration Program.

2) On March 4, 1997, $1,500,025 of Advances for Issuance of Common Stock were transferred to capital, as the Company issued 352,947 shares of common stock. Proceeds received are intended to fund future commitments to the 3-D Exploration Program. If during the 270 day period following the date of purchase of these shares the Company offers and sells any shares of its common stock for a gross sales price lower than the price paid for these shares, the Company will issue additional shares to reflect the

NOTE 7 - SUBSEQUENT EVENTS (CONT'D)

lowest per share gross sales price at which shares were offered and sold during the period.

On March 4, 1997, the Company funded an additional $858,255 investment in the 3-D Exploration Program, bringing its total investment to date to $8,000,000. The Company has a remaining commitment of at least $5.5 million, which is due in three payments: $2 million each on April 22, 1997 and May 22, 1997 and $1.5 million due on June 21, 1997. A thirty day grace period applies to each of the payments.

If the two events described above had occurred as of February 28, 1997, along with applicable costs and expenses, the balance sheet as of February 28, 1997 would reflect the following:

Cash	$ 2,759,882
Prepaid Expenses and Other Current Assets	119,571
Property and Equipment, Net	48,967
Investment	8,000,000
Security Deposit	500
Total Assets	$10,928,920
Accounts Payable and Accrued Expenses	$ 84,300
Common Stock	37,946
Additional Paid-in Capital	11,233,220
Deficit Accumulated during the Development Stage	(426,546)
	10,844,620
Total Liabilities and Stockholders' Equity	$10,928,920

3) During May 1997, Cheniere issued 535,000 shares of Common Stock, at a sale price of $3.00 per share and received net proceeds of $1,605,000 from such sale. As noted above, under the terms of the February 28, 1997 and March 4, 1997 sales of Common Stock, Cheniere has agreed that if, during the 270 day period following the date of purchase of these shares, Cheniere offers and sells any shares of Common Stock for a per share gross sales price lower than the per share price paid for these shares, Cheniere will issue additional shares of Common Stock to reflect the lowest per share gross sales price at which shares were offered and sold during the period. As a consequence of the private placement of Common Stock at a price of $3.00 per share, Cheniere is obligated to issue 294,124 additional shares of Common Stock to those investors who purchased Common Stock on February 28, 1997 or March 4, 1997.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cheniere Energy, Inc. is currently a development stage company under the provisions of SFAS No. 7. As such, the Company's accompanying unaudited financial statements and notes thereto relate to the fiscal quarter ended November 30, 1996. These statements and notes thereto together with the consolidated financial statements included in the Company's Annual Report on Form 10-K for the period ended August 31, 1996 contain detailed information that should be referred to in conjunction with the following discussion.

GENERAL. On July 3, 1996, the Company changed its name to Cheniere Energy, Inc. and its principal business became oil and gas exploration.

CHENIERE ENERGY CALIFORNIA, INC. PURCHASE AND SALE AGREEMENT On December 20, 1996, Cheniere Energy California, Inc. ("Cheniere California"), a wholly-owned direct subsidiary of the Company, signed a Purchase and Sale Agreement with Poseidon Petroleum, LLC ("Poseidon") to acquire Poseidon's 60% working interest in six undeveloped leases in the Bonito Unit of the Pacific Outer Continental Shelf (OCF) off Santa Barbara County, California. The majority interest in the unit is owned by Nuevo Energy Company. Torch Operating Co. is the operator of the Unit, pursuant to an agreement with Nuevo.

Poseidon estimates that the net proved undeveloped reserves attributable to its interests are approximately 47 million barrels of oil equivalent. As payment for this interest, Poseidon will receive production payments aggregating $18,000,000 to be paid as three percent of the production revenue from the leases being assigned. Minimum prepayments of the annual production payment shall be made at the rate of $540,000 per year, payable in advance. Poseidon will receive the first minimum prepayment of $540,000 at closing. Poseidon will have a reserve report prepared with respect to the leases which is subject to Cheniere California's acceptance. The principal amount of the production payment and the required minimum yearly payments are subject to adjustment based on the results of the revenue report. Subject to the satisfaction of certain conditions by Poseidon and Cheniere California, it is anticipated that the closing of the purchase will occur during the second quarter of 1997.

ZYDECO EXPLORATION, INC. 3-D SEISMIC EXPLORATION PROGRAM. Cheniere made two payments totaling $1.14 million during the quarter, and a third payment of $0.86 million on March 4, 1997 to Zydeco Exploration, Inc. to raise its investment in the two companies' 3-D seismic exploration program in southern Louisiana (the "3-D Joint Venture") to $8 million. On January 22, 1997 the Company was given notice by Zydeco to resume the schedule of Seismic Fund payments pursuant to the November 29, 1996 amendment to the Exploration Agreement relating to the project, in anticipation of the resumption of seismic acquisition activities during April. Cheniere has a remaining commitment of at least $5.5 million, which is due in three payments; $2 million each on April 22 and May 22 of 1997, and $1.5 million on June 21, 1997. A thirty-day grace period applies to each of the payments.

PRIVATE PLACEMENT OF COMMON SHARES. In December 1996, pursuant to Regulation D promulgated under the Securities Act of 1933 ("Regulation D"), the Company sold an aggregate of 182,166 shares for gross proceeds of $414,875. The Common Stock was sold to six "accredited investors" pursuant to Rule 506 of Regulation D. Net proceeds after placement fees totaled $389,638.

In December 1996 and February 1997, pursuant to Regulation S promulgated under the Securities Act of 1933, the Company sold an aggregate of 1,448,502 shares of Common Stock to nine offshore investors for gross proceeds of $4,225,025. Net proceeds after fees and placement commissions totaled $3,933,284.

The proceeds of the sales of Common Stock during the quarter as set forth above, together with cash balances, were used to fund payments to the 3-D Joint Venture and for general corporate purposes.

RESULTS OF OPERATIONS; THREE MONTHS ENDED FEBRUARY 28, 1997 AND FEBRUARY 29, 1996 The Company's operating results for the three months ended February 28, 1997 reflect a loss of $146,583, or $0.12 per share, as there were no operating revenues. General and administrative expenses of $165,765 and interest expenses of $1,313 were partially offset by interest income of $20,495. General and administrative expense consisted primarily of the costs of salary, occupancy, office expense and insurance. Interest expense was incurred with respect to a short term promissory note that was repaid on December 14, 1996. Interest income was generated on the Company's cash balances.

RESULTS OF OPERATIONS - SIX MONTHS ENDED FEBRUARY 28, 1997 The Company's operating results for the six months ended February 28, 1997 reflect a loss of $304,699, or $0.028 per share, as there were no operating revenues. General and administrative expenses of $311,693 and interest expenses of $15,002 were offset partially by interest income of $21,996. General and Administrative expense consisted primarily of the costs of salary, occupancy, office expense and insurance. Interest expense was incurred with respect to a short term promissory note that was repaid on December 14, 1996 and to the issuance of certain warrants during the period. Interest income was generated on the Company's cash balances.

RESULTS OF OPERATIONS - PERIOD FROM INCEPTION (FEBRUARY 21, 1996) TO FEBRUARY 28, 1997 The Company's operating results for the period from inception (February 21, 1996) to February 28, 1997 reflect a loss of $426,546, or $0.043 per share, as there were no operating revenues. General and administrative expenses of $415,507 and interest expense of $34,835 were offset partially by interest income of $23,796. General and administrative expenses consisted primarily of thee costs of salary and compensation, occupancy, office expense and insurance. Interest expense was incurred with respect to a short term promissory note that was repaid on December 14, 1996, and to the issuance of certain warrants during the period. Interest income was generated on the Company's cash balances.

LIQUIDITY AND CAPITAL RESOURCES At February 28, 1997, total assets were $11,187,621 compared to $5,145,310 at August 31, 1996. The increase is primarily an increase in additional paid-in capital of $5,361,973, from the sale of Common Stock. Other assets reflected an increase in investment to approximately $7.1 million from $4 million in the 3-D Exploration Program. This increase was funded primarily from cash balances and equity proceeds. On March 4, 1997, the Company funded an additional $858,255 investment in the 3-D Exploration Program also from equity proceeds and cash balances, and on May 2, 1997, the Company funded an additional $2 million investment in the 3-D Exploration Program from cash balances, bringing its total investment to date in the 3-D Exploration Program to $10 million. General and administrative and interest expenses were funded with equity proceeds and cash balances.

PART II. OTHER INFORMATION

ITEM 5. OTHER INFORMATION

CHAIRMAN OF BOARD OF DIRECTORS SELECTED. On January 23, 1997 the Company's Board of Directors elected Charif Souki as Chairman of the Board. Mr. Souki also serves as Corporate Secretary.

PRIVATE PLACEMENT OF COMMON SHARES. On February 28, 1997, pursuant to Regulation S under the Securities Act of 1933, the Company sold an aggregate of 352,947 shares of Common Stock for a price of $4.25 per share to two offshore investors for gross proceeds of $1,500,025. Net proceeds after fees/commissions totaled $1,353,800. On March 4, 1997, the Company sold an additional 352,947 shares of Common Stock Pursuant to Regulation S for a price of $4.25 per share to two offshore investors for gross proceeds of $1,500,025. Net proceeds after fees/commissions totaled $1,353,800 If during the 270 day period following the date of purchase of these shares the Company offers and sells any shares of its Common Stock for a per share gross sales price lower than the price paid for these shares, the Company will issue additional shares of Common Stock to reflect the lowest per share gross sales price at which shares were offered and sold during the period.

The proceeds of the sales of Common Stock will be used to fund payments to the 3-D Joint Venture.

ITEM 6. REPORTS ON FORM 8-K

27.1 --Financial Data Schedule

(b) A report on Form 8-K was filed on December 18, 1996 relating to the private placement of Common Stock. A report on Form 8-K was filed on January 2, 1997 relating to the signing of a Purchase and Sale Agreement to acquire an interest in the Bonito Unit of the Pacific Outer Continental Shelf and to the private placement of Common Stock. An additional Form 8-K was filed on January 15, 1997 in order to disclose Financial Statements for the period ended December 31, 1996.

SIGNATURES

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

CHENIERE ENERGY, INC.

/s/ WILLIAM D. FORSTER

William D. Forster
President and Chief Executive Officer

Date: June 25, 1997

<TABLE> <S> <C>

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