

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

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 1)*

Cheniere Energy, Inc.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

16411R109
(CUSIP Number)

Nick D. Nicholas
Porter & Hedges, L.L.P.
700 Louisiana, Suite 3500
Houston, Texas 77002-2764
(713) 226-0600

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

December 15, 1997
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b) (3) or (4), check the following box .

NOTE: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP NO. 16411R109

PAGE 2 OF 9 PAGES

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

BSR INVESTMENTS, LTD.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
NOT APPLICABLE (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
BRITISH VIRGIN ISLANDS

		SOLE VOTING POWER
7		
NUMBER OF	2,768,667	
SHARES		-----
		SHARED VOTING POWER
BENEFICIALLY	8	
OWNED BY		-0-

EACH		SOLE DISPOSITIVE POWER
9		
REPORTING	2,768,667	
PERSON		-----
		SHARED DISPOSITIVE POWER
WITH	10	
		-0-

11		AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	2,768,667	

12		CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
		NOT APPLICABLE

13		PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	18.9%	

14		TYPE OF REPORTING PERSON*
	CO	

ITEM 1. SECURITY AND ISSUER.

This Statement relates to the Common Stock, par value \$.003 per share ("Common Stock"), of Cheniere Energy, Inc. (f/k/a BEXY Communications, Inc.), a Delaware corporation ("Cheniere"), having its principal executive offices at Two Allen Center, 1200 Smith Street, Suite 1710, Houston, Texas 77002.

ITEM 2. IDENTITY AND BACKGROUND.

This Statement is being filed by BSR Investments, Ltd., a British Virgin Islands corporation ("BSR"), which is engaged principally in the business of private investment. The principal business and office address of BSR is c/o Harney, Westwood & Riegels, Box 71, Craigmuir Chambers, Road Town, Tortola, B.V.I. Nicole Souki is the President, Secretary, Chief Financial Officer and sole director of BSR. Mrs. Souki is a private investor and her principal business address is 97 Avenue Henri Martin, Paris 75016, France. Neither BSR nor Nicole Souki has been, during the last five years (a) convicted in a criminal proceeding or (b) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. Nicole Souki is a citizen of France.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

BSR acquired 2,602,000 shares of Common Stock in exchange for 2,602 shares of the common stock of Cheniere Energy Operating Co., Inc. ("Operating"), concurrently with the exchange by the other stockholders of Operating for new shares of Cheniere totaling in aggregate approximately 93% of the then issued and outstanding shares of Common Stock (the "Exchange"), in connection with the reorganization of Cheniere consummated on July 3, 1996 (the "Reorganization") pursuant to and in accordance with a certain Agreement and Plan of Reorganization dated as of April 16, 1996 (the "Reorganization Agreement") among Cheniere, Operating, the stockholders of Operating, including BSR, and Buddy Young.

The Reorganization Agreement is Exhibit 1 to this Statement. The description of the Reorganization Agreement contained herein is qualified in its entirety by reference to the full text of the Reorganization Agreement which is incorporated herein by reference to such Exhibit 1, and made a part hereof.

On December 15, 1997 BSR entered into Term Note Agreements with Arabella S.A., a publicly traded Luxembourg company ("Arabella"), and Alba Limited, a privately held Cayman Islands holding company ("Alba"), a Stock Pledge Agreement with Arabella, and a Term Note with Warrants Agreement, as amended, with Cheniere and Cheniere entered into a Securities Purchase

Agreement with Scorpion Energy Partners ("Scorpion"), Arabella and Alba (collectively the "Agreements"). Pursuant to the Agreements, Arabella and Alba made term loans of U.S. \$1,900,000 and U.S. \$100,000, respectively, to BSR and the proceeds of those loans were restricted to use for, and were duly used as, a term loan of U.S. \$2,000,000 from BSR to Cheniere. Each term loan was evidenced by a promissory note executed by the borrowing party and payable to the lending party. BSR granted a security interest in, and pledged and assigned to Arabella, 1,800,000 shares of Common Stock. As additional consideration for the loans, Cheniere issued BSR a warrant to purchase 166,667 shares of Common Stock, Alba a warrant to purchase 25,000 shares of Common Stock, Arabella a warrant to purchase 475,000 shares of Common Stock, and Scorpion 50,000 shares of Common Stock. The exercise price for all warrants is U.S. \$2.375 per share.

The Term Note Agreement between BSR and Arabella is Exhibit 2 to this Statement, the Term Note Agreement between BSR and Alba is Exhibit 3 to this Statement, the Stock Pledge Agreement between BSR and Arabella is Exhibit 4 to this Statement, the Term Note with Warrants Agreement between BSR and Cheniere is Exhibit 5 to this Statement, the First Amendment to the Term Note with Warrants Agreement between BSR and Cheniere is Exhibit 6 to this Statement, and the Securities Purchase Agreement executed by Cheniere, Arabella, Alba, and Scorpion is Exhibit 7 to this Statement. The description of the Agreements contained herein is qualified in its entirety by reference to the full text of the Agreements which are incorporated herein by reference to such Exhibits 2 through 7, and made a part hereof.

ITEM 4. PURPOSE OF THE TRANSACTION.

The purpose of the transaction to which the original Schedule 13D filed by BSR with the Securities and Exchange Commission on July 15, 1996 (the "Original 13D") relates was to obtain control of Cheniere in furtherance of the Reorganization of Cheniere. On July 3, 1996, a special meeting of stockholders of Cheniere was called (the "Special Meeting") to approve the Reorganization, including the divestiture of the then existing television production and health information business of Cheniere, and the Exchange, and, in connection therewith, to amend the certificate of incorporation of Cheniere as follows:

1. to change the authorized capital stock of Cheniere to a total of 21,000,000 shares, comprised of 20,000,000 shares of Common Stock, par value \$.003 per share, and 1,000,000 shares of preferred stock, the rights, powers and preference of which shall be set by resolution of the Board of Directors of Cheniere (the "Board");
2. to change the name of Cheniere to Cheniere Energy, Inc. from BEXY Communications, Inc.; and
3. to add a provision limiting the liability of Cheniere's directors and to provide for indemnification of officers and directors of Cheniere to the fullest extent permitted by Delaware law.

Page 5 of 9

In addition, at the Special Meeting, the stockholders of Cheniere elected three new directors nominated by Operating. Immediately following the consummation of the Reorganization, the Board elected an additional director and elected new executive officers of Cheniere.

At the time the Original 13D was filed, it was the intention of Cheniere that shares of the newly-authorized class of preferred stock would be issued in connection with corporate finance transactions. However, because of the ability of the Board to set by resolution of the Board, the rights, powers and preferences of the preferred stock, the preferred stock could be utilized as an anti-takeover device, causing potential purchasers of Cheniere's capital stock to incur additional costs and otherwise discourage a potential bidder for the Common Stock.

BSR acquired the shares of Common Stock reported in the Original 13D with the intent and purpose of acquiring control of Cheniere. At the time the Original 13D was filed, BSR had no intention of either acquiring additional shares or disposing of its shares of Common Stock. Because of the amount of Common Stock owned by BSR at the time the Original 13D was filed, BSR may have been deemed to control Cheniere at that time.

At the time the Original 13D was filed, BSR did not anticipate that there would be any change in Cheniere's dividend policy with respect to the Common Stock, although, in the event of the issuance of shares of a series of preferred stock, BSR anticipated that dividends would be paid on such series.

The purpose of the transaction to which this Statement relates was to provide Cheniere with funds to continue its oil and gas exploration activities.

Neither BSR nor Nicole Souki has any present plans or proposals which relate to or would result in:

- (a) The acquisition by any person of additional securities of Cheniere, or

the disposition of securities of Cheniere;

(b) An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Cheniere or any of its subsidiaries;

(c) A sale or transfer of a material amount of assets of Cheniere or any of its subsidiaries;

Page 6 of 9

(d) Any change in the present Board, including any plans or proposals to change the number of directors or to fill any existing vacancies on the Board;

(e) Any material change in the present capitalization or dividend policy of Cheniere;

(f) Any other material change in Cheniere's business or corporate structure;

(g) Changes in Cheniere's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of Cheniere by any person;

(h) Causing a class of securities of Cheniere to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;

(i) A class of equity securities of Cheniere becoming eligible for termination of registration pursuant to Section 12(g) (4) of the Securities Exchange Act of 1934; or

(j) Any action similar to any of those enumerated above.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a) BSR owns of record 2,602,000 shares of Common Stock and a presently exercisable warrant to purchase up to 166,667 shares of Common Stock on or before December 31, 2001 at an exercise price of U.S. \$2.375 per share. In aggregate, BSR beneficially owns 2,768,667 shares of Common Stock, representing approximately 18.9% of the issued and outstanding shares of Common Stock, based on information provided by Cheniere to BSR that Cheniere presently has 14,457,866 shares of Common Stock issued and outstanding.

Nicole Souki does not beneficially own any Common Stock (other than in her capacity as an executive officer or director of BSR) and she does not have the right to acquire any Common Stock (other than in her capacity as an executive officer or director of BSR).

(b) BSR currently has the sole power to vote or direct the vote and to dispose or direct the disposition of 2,602,000 shares of the Common Stock referred to in paragraph (a). If BSR were to exercise its warrant to purchase Common Stock with respect to all shares, it would have the sole power to vote or direct the vote and to dispose or direct the disposition of 2,768,667 shares of Common Stock.

Page 7 of 9

Nicole Souki does not have the power to vote or to direct the vote or to dispose or to direct the disposition of any shares of the Common Stock beneficially owned by BSR (other than in her capacity as an executive officer or director of BSR).

(c) On December 15, 1997, BSR entered into a Term Note With Warrants Agreement (attached hereto as Exhibit 5) with Cheniere. Pursuant to that agreement, in exchange for a U.S. \$2,000,000 term loan to Cheniere from BSR, Cheniere executed a promissory note in the amount of U.S. \$2,000,000 payable to BSR and, as additional consideration for the loan, issued BSR a warrant to purchase 166,667 shares of Common Stock. On December 15, 1997, BSR also entered into Term Note Agreements with Arabella and Alba (attached hereto as Exhibit 2 and Exhibit 3, respectively) and Cheniere executed a Securities Purchase Agreement with Scorpion, Arabella and Alba (attached hereto as Exhibit 7). Pursuant to those agreements, Cheniere issued Scorpion 50,000 shares of Common Stock, issued Arabella a warrant to purchase 475,000 shares of Common Stock, and issued Alba a warrant to purchase 25,000 shares of Common Stock as additional consideration for U.S. \$1,900,000 and U.S. \$100,000 term loans made to BSR by Arabella and Alba, respectively, the proceeds of which were restricted to use as a term loan from BSR to Cheniere. The total number of shares and warrants issued by Cheniere was based on the following formula: 25 shares of Common Stock and warrants to purchase 333 1/3 shares of Common Stock,

at an exercise price of U.S. \$2.375 per share, for each U.S. \$1,000 loaned to Cheniere by BSR.

Other than such transactions, BSR has not effected any transactions in the Common Stock during the past sixty days. Nicole Souki has not effected any transactions in the Common Stock during the past sixty days.

- (d) Arabella has the right to receive and the power to direct the receipt of certain dividends from, and the proceeds from the sale of, 1,800,000 shares of Common Stock beneficially owned by BSR and pledged as collateral to Arabella pursuant to the Stock Pledge Agreement dated December 15, 1997, and attached hereto as Exhibit 4.
- (e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

On December 15, 1997, BSR pledged 1,800,000 shares of Common Stock owned of record by it in favor of Arabella to secure a U.S. \$1,900,000 loan made by Arabella to BSR. The loan

Page 8 of 9

documentation, inclusive of a Stock Pledge Agreement (attached hereto as Exhibit 4) with respect to such shares of Common Stock, contains standard default provisions.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

- 1 Agreement and Plan of Reorganization dated as of April 16, 1996 among Cheniere, Operating, the Stockholders of Operating and Buddy Young referred to in Item 3
- 2 Term Note Agreement between BSR and Arabella referred to in Items 3 and 5
- 2 Term Note Agreement between BSR and Alba referred to in Items 3 and 5
- 3 Stock Pledge Agreement between BSR and Arabella referred to in Items 3, 5 and 6
- 4 Term Note with Warrants Agreement between BSR and Cheniere referred to in Items 3 and 5
- 5 First Amendment to the Term Note with Warrants Agreement between BSR and Cheniere referred to in Item 3
- 6 Securities Purchase Agreement between Cheniere, Scorpion, Arabella and Alba referred to in Items 3 and 5

[SIGNATURE PAGE FOLLOWS]

Page 9 of 9

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Date: February 5, 1998

BSR INVESTMENTS, LTD.

/s/ Nicole Souki

Nicole Souki
President, Secretary and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
1	Agreement and Plan of Reorganization dated as of April 16, 1996 among Cheniere, Operating, the Stockholders of Operating and Buddy Young (Incorporated by reference to Exhibit B to the definitive proxy statement of Cheniere filed on June 13, 1996).
2	Term Note Agreement between BSR and Arabella dated December 15, 1997

- 3 Term Note Agreement between BSR and Alba dated December 15, 1997
- 4 Stock Pledge Agreement between BSR and Arabella dated
December 15, 1997
- 5 Term Note with Warrants Agreement between BSR and Cheniere dated
December 15, 1997
- 6 First Amendment to the Term Note with Warrants Agreement between BSR
and Cheniere dated December 18, 1997
- 7 Securities Purchase Agreement executed by Cheniere, Scorpion,
Arabella and Alba dated December 15, 1997

BSR INVESTMENTS, LTD.
97 Avenue Henri Martin
Paris, France 75016

December 15, 1997

Arabella S.A.
35, rue Glesener
L-1631
Luxembourg

Re: TERM NOTE AGREEMENT

BSR Investments, Ltd. ("BORROWER") and Arabella S.A. ("LENDER"), in consideration of the mutual covenants contained herein, agree as follows:

1. COMMITMENT. In accordance with the terms and conditions set forth herein and upon receipt by Lender of the items listed on Schedule 1, Lender agrees to make a term loan hereunder to Borrower in the amount of \$1,900,000 (the "TERM LOAN"). As additional consideration for the Term Loan, Cheniere Energy, Inc., an affiliate of Borrower ("CHENIERE"), will issue (i) to Scorpion Energy Partners ("Scorpion," Lender and Scorpion are collectively referred to as the "Lender Group") 47,500 shares of Cheniere's common stock, par value \$.003 per share (the "COMMON STOCK") and (ii) to Lender warrants (the "WARRANTS") to purchase 475,000 shares of Common Stock, all pursuant to a Securities Purchase Agreement between Cheniere, Lender and Scorpion (the "SECURITIES PURCHASE AGREEMENT").

2. TERMS OF PAYMENT.

(a) The Term Loan shall be evidenced by, and payable in accordance with the terms of, a promissory note (the "NOTE") executed by Borrower, payable to the order of Lender, in substantially the form of EXHIBIT A.

(b) Borrower may prepay the Note, in whole or in part, without premium or penalty, at any time.

(c) In addition to prepayments under clause (b) above, Borrower shall make prepayments of principal of the Term Loan equal to any payment received by Borrower from Cheniere under Borrower's \$2,000,000 term loan to Cheniere.

(d) All payments on the Notes shall be applied pro rata to the then due and outstanding principal amounts or interest obligations, as the case may be, under each of the Notes.

3. EXTENSION OF MATURITY DATE. If no Default or Potential Default exists, Borrower may extend the Maturity Date for a period of up to 180 days by notifying Lender of such extension prior to the original Maturity Date. If Borrower extends the Maturity Date hereunder, Cheniere will issue to Lender additional Warrants pursuant to the terms of the Securities Purchase Agreement.

4. CERTAIN REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender that:

(a) Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, is duly qualified to transact business as a foreign corporation in each jurisdiction where the nature and extent of its business require the same (except where the failure to do so would not constitute a Material Adverse Event), and possesses all requisite authority, powers, licenses, permits and franchises to conduct its business and execute, deliver and comply with the terms of the Loan Papers executed or to be executed by it, all of which have been duly authorized and approved by all requisite corporate action and for which no approval or consent of any person, entity or governmental authority is required that has not been obtained;

(b) Borrower is not, and the execution, delivery and performance of the Loan Papers will not cause it to be, in violation of any law, regulation or agreement (to the extent such violation is a Material Adverse Event) or its corporate charter or bylaws;

(c) upon execution and delivery by all parties thereto, each Loan Paper will constitute a legal and binding obligation of Borrower, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable Debtor Relief Laws and general principles of equity;

(d) Borrower is not involved in or aware of the threat of any litigation which, if determined adversely to it, would be a Material Adverse

Event, and there are no outstanding or unpaid judgments against Borrower;

(e) all financial statements (or any replacements thereto) of Borrower and related information concerning Borrower delivered to Lender by Borrower were true and correct in all material respects as of the date thereof, were (in the case of financial statements) prepared in accordance with generally accepted accounting principles ("GAAP") and fairly present the financial condition, results of operations and all material liabilities of Borrower, and, except as previously disclosed to Lender, there have been no material adverse changes in the financial condition of Borrower since the date of such financial statements; and

(f) the Note is not being offered or sold by any form of general solicitation or general advertising.

5. CERTAIN AFFIRMATIVE COVENANTS. Borrower shall:

(a) use the proceeds of the Term Loan only for its term loan to Cheniere;

(b) promptly pay when due all taxes due by Borrower, except taxes being contested in good faith by appropriate legal proceedings, for which adequate reserves in accordance with GAAP have been established.

6. DEFAULT. "DEFAULT" means the occurrence of any one or more of the following (and "POTENTIAL DEFAULT" means the occurrence of any event which, with notice or lapse of time or both, would become a Default):

(a) the failure or refusal of Borrower (i) to pay any principal, interest or other part of the Obligation when due, (ii) to punctually and properly comply with any covenant in SECTION 6, or (iii) to

2

punctually and properly comply with any other covenant in any Loan Paper and such failure continues for a period of 10 days after Borrower has notice thereof;

(b) Borrower becomes a party to (other than as a claimant or creditor) or is made the subject of any proceeding provided by any Debtor Relief Law which is not stayed or dismissed within 60 days; and

(c) Borrower fails to have discharged, within a period of 60 days after commencement, any judgment, warrant of attachment, sequestration or similar proceeding against its assets with a value in excess of \$400,000.

7. REMEDIES AND RIGHTS. If a Default exists, then Lender may exercise any and all legal and equitable rights and remedies afforded by the Loan Papers, applicable laws, or otherwise, including, without limitation, declaring the Note immediately due and payable. All rights available to Lender under the Loan Papers are cumulative of and in addition to all other rights at law or in equity. Any sums spent by Lender to exercise any right provided herein become part of the Obligation and bear interest from the date spent until the date repaid by Borrower at LIBOR plus 4% per annum. The obligations of Borrower and the rights of Lender under the Loan Papers continue in full force and effect until the Obligation is paid and performed in full.

8. DEFINITIONS.

DEBTOR RELIEF LAWS means the Bankruptcy Code of the United States of America and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments or similar laws affecting creditors' rights.

LIBOR means, initially, the three-month London InterBank Offered Rate, as published in the "Money Rates" column of The Wall Street Journal on the date of this agreement. With respect to any extension period under SECTION 3, "LIBOR" means the London InterBank Offered Rate, as published in such column on the original Maturity Date, for the period closest in length to such extension period.

LOAN PAPERS means this agreement, the Note, any and all other agreements, instruments and documents ever delivered pursuant hereto, and all renewals, extensions or restatements of, or amendments or supplements to, all or any part of the foregoing.

MATERIAL ADVERSE EVENT means any set of one or more circumstances or events which, individually or collectively, could result in any (a) material adverse effect upon the validity or enforceability of any material Loan Paper, (b) material adverse effect upon the financial condition or business operations of Borrower, or (c) Default.

MATURITY DATE means the earlier of (a) subject to the extension provisions of SECTION 3, March 15, 1998, and (b) the date that the Note is declared immediately due and payable pursuant to SECTION 11 in the event of a Default;

provided that Lender's rights continue until the Obligation has been paid and performed in full.

NOTE is defined in SECTION 2.

OBLIGATION means all debt now or hereafter owed to Lender by Borrower pursuant to any Loan Paper, together with all interest accruing thereon and costs, expenses and attorneys' fees incurred in the enforcement or collection thereof.

3

TERM LOAN is defined in SECTION 1.

9. MISCELLANEOUS.

(a) All financial terms shall be determined in accordance with GAAP, and the accounting principles applied in a current period shall be comparable in all respects to those applied during the preceding comparable period.

(b) THE LAWS OF THE STATE OF TEXAS AND THE UNITED STATES SHALL GOVERN THE RIGHTS AND DUTIES OF THE PARTIES HERETO AND THE VALIDITY, CONSTRUCTION, ENFORCEMENT AND INTERPRETATION OF THE LOAN PAPERS. Where appropriate, words of any number shall include the plural and singular or of any gender shall include each other gender. Headings and captions may not be used in interpreting provisions in the Loan Papers. References to monetary amounts and payments are to United States currency. Any action that is due on a non-Texas banking business day may be delayed until the next succeeding Texas banking business day, but interest accrues on any payment until made. Unless specifically otherwise provided, any communication under the Loan Papers to any party must be in writing (which may be by facsimile transmission if a facsimile number is provided herein for such party and if, without affecting the date such facsimile transmission was actually made, subsequently confirmed by delivery or mailing in accordance with this paragraph) to be effective and shall be deemed to have been given on the day actually delivered or, if mailed, on the third Texas banking business day after it is enclosed in an envelope, addressed to the party to be notified, properly stamped, sealed and deposited in the appropriate postal service. Until changed by notice pursuant hereto, the address for each party is set forth after its name on the first page of this agreement. The form, substance and number of counterparts of each writing to be furnished under any Loan Paper must be satisfactory to Lender. An exception to a covenant does not permit violation of any other covenant. All provisions in any Loan Paper shall survive all closings under the Loan Papers and shall not be affected by any investigation made by any party. If any provision in any Loan Paper is unenforceable, the remaining provisions thereof shall remain in full force and effect. The Loan Papers may be amended only by an instrument in writing executed jointly by Borrower and Lender, and supplemented only by documents delivered or to be delivered in accordance with the express terms thereof. If any payment is ever rescinded or must be restored or returned for any reason, then all rights and obligations are automatically reinstated as though the payment had not been made. Any conflict or ambiguity between the terms and provisions herein and terms and provisions in any other Loan Paper shall be controlled by the terms and provisions herein. Any Loan Paper may be executed in any number of counterparts, with the same effect as if all signatories had signed the same document, and all of those counterparts constitute, collectively, one agreement.

10. ENTIRETY. THE LOAN PAPERS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BY THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

4

11. ACCEPTANCE; PARTIES BOUND. This agreement binds and inures to the benefit of Lender, and Borrower, and their respective successors and assigns; provided that Borrower may not, without the prior written consent of Lender, assign any rights, duties, or obligations hereunder, and any purported assignment without such consent is void.

Very truly yours,

BSR INVESTMENTS, LTD.

By: /s/ NICOLE SOUKI

Name: Nicole Souki

Title: Director

The foregoing is accepted and agreed to in all respects.

ARABELLA S.A.

By: /s/ ROBERT T. TUCKER

Name: Robert T. Tucker

Title: Attorney-in-fact

5

SCHEDULE 1

CLOSING DOCUMENTS

1. LOAN AGREEMENT between Borrower and Lender.
2. TERM NOTE executed by Borrower, payable to the order of Lender, in the amount of \$1,900,000.
3. WARRANT AGREEMENT representing the Warrants issued to Lender pursuant to the Securities Purchase Agreement.
4. STOCK CERTIFICATE representing the shares of Common Stock issued to Scorpion Holdings, Inc. pursuant to the Securities Purchase Agreement.

EXHIBIT A

FORM OF SENIOR TERM NOTE

\$1,900,000

December 15, 1997

FOR VALUE RECEIVED, the undersigned ("MAKER") hereby promises to pay to the order of ARABELLA S.A. ("PAYEE"), at _____, the principal sum of ONE MILLION, NINE HUNDRED THOUSAND DOLLARS, together with interest, as hereinafter described.

This note is executed and delivered pursuant to the Senior Term Loan Agreement (as renewed, extended, and amended from time to time, the "AGREEMENT") dated as of December 15, 1997, between Maker and Payee. Unless indicated otherwise, capitalized terms in this note are used as defined in the Agreement. This note is one of the Loan Papers referred to in the Agreement and is therefore subject to the applicable provisions of the Agreement (including, without limitation, SECTION 13 thereof).

The principal of this note is due and payable on the Maturity Date. Interest on this note shall be due and payable quarterly as it accrues and at maturity.

The principal from day to day unpaid shall, except as stated below, bear interest at a rate per annum which shall from day to day be equal to the lesser of (a) the Maximum Rate (hereinafter defined), net of the daily portion of United States federal income tax withholding attributable to such interest (the "MAXIMUM NET RATE") and (b) the sum of 4% plus LIBOR, net of the daily portion of United States federal income tax withholding attributable to such interest (the "LIBOR NET RATE"). At the option of the holder of this note and to the extent permitted by applicable law, all past-due principal of this note and accrued and past-due interest on this note shall bear interest from the date due and payable (stated or by acceleration) until paid at a rate per annum which shall from day to day be equal to the lesser of (a) the Maximum Net Rate and (b) LIBOR Net Rate, regardless of whether such payment is made before or after entry of a judgment. Each change in the Maximum Rate will become effective, without notice to Maker or any other person or entity, upon the effective date of such change.

If at any time the rate determined under either clause (b) in the foregoing paragraph (the "CONTRACT RATE") exceeds the Maximum Rate, the rate of interest on this note shall be limited to the Maximum Rate, but any subsequent reductions in the Contract Rate shall not reduce the rate of interest below the Maximum Rate until the total amount of interest accrued equals the amount of interest which would have accrued if the Contract Rate applicable from time to time had at all times been in effect. If at maturity (stated or by acceleration), or at final payment of this note, the total amount of interest paid or accrued is less than the amount of interest which would have accrued if the Contract Rate applicable from time to time had at all times been in effect, then, at such time and to the extent permitted by applicable law, Maker shall pay to the holder hereof an amount equal to the sum of (a) the lesser of the amount of interest which would have accrued if the Contract Rate applicable from time to time had

at all times been in effect and the amount of interest which would have accrued if the Maximum Rate had at all times been in effect minus (b) the amount of interest actually paid or accrued on this note.

Interest shall be calculated on the basis of actual days (including the first day but excluding the last day) elapsed but computed as if each calendar year consisted of 360 days (unless the result would exceed

Page 1 of 2

the Maximum Amount, in which event such interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be).

As used herein, the terms "MAXIMUM AMOUNT" and "MAXIMUM RATE" mean, respectively, the maximum amount and the maximum rate of interest which, under applicable law, the holder hereof is permitted to contract for, charge, take, reserve or receive on this note. Regardless of any provision in the Loan Papers, the holder hereof shall never be entitled to contract for, charge, take, reserve, receive, or apply, as interest on this note any amount in excess of the Maximum Amount, and, if the holder hereof ever contracts for, charges, takes, reserves, receives or applies as interest any such excess, it shall be deemed a partial prepayment of principal and treated hereunder as such and any remaining excess shall be refunded to Maker. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the Maximum Amount, Maker and the holder hereof shall, to the maximum extent permitted under applicable law, (a) treat all advances as but a single extension of credit (and the holder hereof and Maker agree that such is the case and that any provision herein for multiple advances is for convenience only), (b) characterize any nonprincipal payment as an expense, fee or premium rather than as interest, (c) exclude voluntary prepayments and the effects thereof, and (d) "spread" the total amount of interest throughout the entire contemplated term of this note; provided that if this note is paid in full prior to the end of the full contemplated term hereof, and if the interest received for the actual period of existence hereof exceeds the Maximum Amount, the holder hereof shall refund such excess, and, in such event, the holder hereof shall not to the extent permitted by applicable law, be subject to any penalties provided by any laws for contracting for, charging, taking, reserving or receiving interest in excess of the Maximum Amount. To the extent the laws of the State of Texas are applicable for purposes of determining the "Maximum Rate" or the "Maximum Amount," such term shall mean the "indicated rate ceiling" from time to time in effect under Article 1.04, Title 79, Revised Civil Statutes of Texas, as amended.

Maker and each surety, endorser, guarantor and other party ever liable for payment of any part hereof jointly and severally waive presentment and demand for payment, protest, notice of intention to accelerate, notice of acceleration and notice of protest and nonpayment, and agree that their liability on this note shall not be affected by, and hereby consent to, any renewal or extension in the time of payment hereof, any indulgences, or any release or change in any security for the payment of this note.

BSR INVESTMENTS, LTD.

By: _____
Name: _____
Title: _____

Page 2 of 2

BSR INVESTMENTS, LTD.
97 Avenue Henri Martin
Paris, France 75016

December 15, 1997

Alba Limited
c/o Huntlaw Corporate Services, Ltd.
P.O. Box 1350GT
The Huntlaw Building
Fort Street
Grand Cayman, Cayman Islands

Re: TERM NOTE AGREEMENT

BSR Investments, Ltd. ("BORROWER") and Alba Limited ("LENDER"), in consideration of the mutual covenants contained herein, agree as follows:

1. COMMITMENT. In accordance with the terms and conditions set forth herein and upon receipt by Lender of the items listed on Schedule 1, Lender agrees to make a term loan hereunder to Borrower in the amount of \$100,000 (the "TERM LOAN"). As additional consideration for the Term Loan, Cheniere Energy, Inc., an affiliate of Borrower ("CHENIERE"), will issue (i) to Scorpion Energy Partners ("Scorpion," Lender and Scorpion are collectively referred to as the "Lender Group") 2,500 shares of Cheniere's common stock, par value \$.003 per share (the "COMMON STOCK") and (ii) to Lender warrants (the "WARRANTS") to purchase 25,000 shares of Common Stock, all pursuant to a Securities Purchase Agreement between Cheniere, Lender and Scorpion (the "SECURITIES PURCHASE AGREEMENT").

2. TERMS OF PAYMENT.

(a) The Term Loan shall be evidenced by, and payable in accordance with the terms of, a promissory note (the "NOTE") executed by Borrower, payable to the order of Lender, in substantially the form of EXHIBIT A.

(b) Borrower may prepay the Note, in whole or in part, without premium or penalty, at any time.

(c) In addition to prepayments under clause (b) above, Borrower shall make prepayments of principal of the Term Loan equal to any payment received by Borrower from Cheniere under Borrower's \$2,000,000 term loan to Cheniere.

(d) All payments on the Notes shall be applied pro rata to the then due and outstanding principal amounts or interest obligations, as the case may be, under each of the Notes.

3. EXTENSION OF MATURITY DATE. If no Default or Potential Default exists, Borrower may extend the Maturity Date for a period of up to 180 days by notifying Lender of such extension prior to the

original Maturity Date. If Borrower extends the Maturity Date hereunder, Cheniere will issue to Lender additional Warrants pursuant to the terms of the Securities Purchase Agreement.

4. CERTAIN REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender that:

(a) Borrower is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, is duly qualified to transact business as a foreign corporation in each jurisdiction where the nature and extent of its business require the same (except where the failure to do so would not constitute a Material Adverse Event), and possesses all requisite authority, powers, licenses, permits and franchises to conduct its business and execute, deliver and comply with the terms of the Loan Papers executed or to be executed by it, all of which have been duly authorized and approved by all requisite corporate action and for which no approval or consent of any person, entity or governmental authority is required that has not been obtained;

(b) Borrower is not, and the execution, delivery and performance of the Loan Papers will not cause it to be, in violation of any law, regulation or agreement (to the extent such violation is a Material Adverse Event) or its corporate charter or bylaws;

(c) upon execution and delivery by all parties thereto, each Loan Paper will constitute a legal and binding obligation of Borrower, enforceable against it in accordance with its terms, except as enforceability may be limited

by applicable Debtor Relief Laws and general principles of equity;

(d) Borrower is not involved in or aware of the threat of any litigation which, if determined adversely to it, would be a Material Adverse Event, and there are no outstanding or unpaid judgments against Borrower;

(e) all financial statements (or any replacements thereto) of Borrower and related information concerning Borrower delivered to Lender by Borrower were true and correct in all material respects as of the date thereof, were (in the case of financial statements) prepared in accordance with generally accepted accounting principles ("GAAP") and fairly present the financial condition, results of operations and all material liabilities of Borrower, and, except as previously disclosed to Lender, there have been no material adverse changes in the financial condition of Borrower since the date of such financial statements; and

(f) the Note is not being offered or sold by any form of general solicitation or general advertising.

5. CERTAIN AFFIRMATIVE COVENANTS. Borrower shall:

(a) use the proceeds of the Term Loan only for its term loan to Cheniere;

(b) promptly pay when due all taxes due by Borrower, except taxes being contested in good faith by appropriate legal proceedings, for which adequate reserves in accordance with GAAP have been established.

6. DEFAULT. "DEFAULT" means the occurrence of any one or more of the following (and "POTENTIAL DEFAULT" means the occurrence of any event which, with notice or lapse of time or both, would become a Default):

2

(a) the failure or refusal of Borrower (i) to pay any principal, interest or other part of the Obligation when due, (ii) to punctually and properly comply with any covenant in SECTION 6, or (iii) to punctually and properly comply with any other covenant in any Loan Paper and such failure continues for a period of 10 days after Borrower has notice thereof;

(b) Borrower becomes a party to (other than as a claimant or creditor) or is made the subject of any proceeding provided by any Debtor Relief Law which is not stayed or dismissed within 60 days; and

(c) Borrower fails to have discharged, within a period of 60 days after commencement, any judgment, warrant of attachment, sequestration or similar proceeding against its assets with a value in excess of \$400,000.

7. REMEDIES AND RIGHTS. If a Default exists, then Lender may exercise any and all legal and equitable rights and remedies afforded by the Loan Papers, applicable laws, or otherwise, including, without limitation, declaring the Note immediately due and payable. All rights available to Lender under the Loan Papers are cumulative of and in addition to all other rights at law or in equity. Any sums spent by Lender to exercise any right provided herein become part of the Obligation and bear interest from the date spent until the date repaid by Borrower at LIBOR plus 4% per annum. The obligations of Borrower and the rights of Lender under the Loan Papers continue in full force and effect until the Obligation is paid and performed in full.

8. DEFINITIONS.

DEBTOR RELIEF LAWS means the Bankruptcy Code of the United States of America and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments or similar laws affecting creditors' rights.

LIBOR means, initially, the three-month London InterBank Offered Rate, as published in the "Money Rates" column of The Wall Street Journal on the date of this agreement. With respect to any extension period under SECTION 3, "LIBOR" means the London InterBank Offered Rate, as published in such column on the original Maturity Date, for the period closest in length to such extension period.

LOAN PAPERS means this agreement, the Note, any and all other agreements, instruments and documents ever delivered pursuant hereto, and all renewals, extensions or restatements of, or amendments or supplements to, all or any part of the foregoing.

MATERIAL ADVERSE EVENT means any set of one or more circumstances or events which, individually or collectively, could result in any (a) material adverse effect upon the validity or enforceability of any material Loan Paper, (b) material adverse effect upon the financial condition or business operations of Borrower, or (c) Default.

MATURITY DATE means the earlier of (a) subject to the extension provisions

of SECTION 3, March 15, 1998, and (b) the date that the Note is declared immediately due and payable pursuant to SECTION 11 in the event of a Default; provided that Lender's rights continue until the Obligation has been paid and performed in full.

NOTE is defined in SECTION 2.

3

OBLIGATION means all debt now or hereafter owed to Lender by Borrower pursuant to any Loan Paper, together with all interest accruing thereon and costs, expenses and attorneys' fees incurred in the enforcement or collection thereof.

TERM LOAN is defined in SECTION 1.

9. MISCELLANEOUS.

(a) All financial terms shall be determined in accordance with GAAP, and the accounting principles applied in a current period shall be comparable in all respects to those applied during the preceding comparable period.

(b) THE LAWS OF THE STATE OF TEXAS AND THE UNITED STATES SHALL GOVERN THE RIGHTS AND DUTIES OF THE PARTIES HERETO AND THE VALIDITY, CONSTRUCTION, ENFORCEMENT AND INTERPRETATION OF THE LOAN PAPERS. Where appropriate, words of any number shall include the plural and singular or of any gender shall include each other gender. Headings and captions may not be used in interpreting provisions in the Loan Papers. References to monetary amounts and payments are to United States currency. Any action that is due on a non-Texas banking business day may be delayed until the next succeeding Texas banking business day, but interest accrues on any payment until made. Unless specifically otherwise provided, any communication under the Loan Papers to any party must be in writing (which may be by facsimile transmission if a facsimile number is provided herein for such party and if, without affecting the date such facsimile transmission was actually made, subsequently confirmed by delivery or mailing in accordance with this paragraph) to be effective and shall be deemed to have been given on the day actually delivered or, if mailed, on the third Texas banking business day after it is enclosed in an envelope, addressed to the party to be notified, properly stamped, sealed and deposited in the appropriate postal service. Until changed by notice pursuant hereto, the address for each party is set forth after its name on the first page of this agreement. The form, substance and number of counterparts of each writing to be furnished under any Loan Paper must be satisfactory to Lender. An exception to a covenant does not permit violation of any other covenant. All provisions in any Loan Paper shall survive all closings under the Loan Papers and shall not be affected by any investigation made by any party. If any provision in any Loan Paper is unenforceable, the remaining provisions thereof shall remain in full force and effect. The Loan Papers may be amended only by an instrument in writing executed jointly by Borrower and Lender, and supplemented only by documents delivered or to be delivered in accordance with the express terms thereof. If any payment is ever rescinded or must be restored or returned for any reason, then all rights and obligations are automatically reinstated as though the payment had not been made. Any conflict or ambiguity between the terms and provisions herein and terms and provisions in any other Loan Paper shall be controlled by the terms and provisions herein. Any Loan Paper may be executed in any number of counterparts, with the same effect as if all signatories had signed the same document, and all of those counterparts constitute, collectively, one agreement.

10. ENTIRETY. THE LOAN PAPERS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BY THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

4

11. ACCEPTANCE; PARTIES BOUND. This agreement binds and inures to the benefit of Lender, and Borrower, and their respective successors and assigns; provided that Borrower may not, without the prior written consent of Lender, assign any rights, duties, or obligations hereunder, and any purported assignment without such consent is void.

Very truly yours,

BSR INVESTMENTS, LTD.

By: /s/ NICOLE SOUKI

Name: Nicole Souki

Title: Director

The foregoing is accepted and agreed to in all respects.

ALBA LIMITED

By: /s/ ROBERT T. TUCKER

Name: Robert T. Tucker

Title: Director

5

SCHEDULE 1

CLOSING DOCUMENTS

1. LOAN AGREEMENT between Borrower and Lender.
2. TERM NOTE executed by Borrower, payable to the order of Lender, in the amount of \$100,000.
3. WARRANT AGREEMENT representing the Warrants issued to Lender pursuant to the Securities Purchase Agreement.
4. STOCK CERTIFICATE representing the shares of Common Stock issued to Scorpion Holdings, Inc. pursuant to the Securities Purchase Agreement.

EXHIBIT A

FORM OF SENIOR TERM NOTE

\$100,000

December 15, 1997

FOR VALUE RECEIVED, the undersigned ("MAKER") hereby promises to pay to the order of ALBA LTD. ("PAYEE"), at

_____, the principal sum of ONE HUNDRED THOUSAND DOLLARS, together with interest, as hereinafter described.

This note is executed and delivered pursuant to the Senior Term Loan Agreement (as renewed, extended, and amended from time to time, the "AGREEMENT") dated as of December 15, 1997, between Maker and Payee. Unless indicated otherwise, capitalized terms in this note are used as defined in the Agreement. This note is one of the Loan Papers referred to in the Agreement and is therefore subject to the applicable provisions of the Agreement (including, without limitation, SECTION 13 thereof).

The principal of this note is due and payable on the Maturity Date. Interest on this note shall be due and payable quarterly as it accrues and at maturity.

The principal from day to day unpaid shall, except as stated below, bear interest at a rate per annum which shall from day to day be equal to the lesser of (a) the Maximum Rate (hereinafter defined), net of the daily portion of United States federal income tax withholding attributable to such interest (the "MAXIMUM NET RATE") and (b) the sum of 4% plus LIBOR, net of the daily portion of United States federal income tax withholding attributable to such interest (the "LIBOR NET RATE"). At the option of the holder of this note and to the extent permitted by applicable law, all past-due principal of this note and accrued and past-due interest on this note shall bear interest from the date due and payable (stated or by acceleration) until paid at a rate per annum which shall from day to day be equal to the lesser of (a) the Maximum Net Rate and (b) LIBOR Net Rate, regardless of whether such payment is made before or after entry of a judgment. Each change in the Maximum Rate will become effective, without notice to Maker or any other person or entity, upon the effective date of such change.

If at any time the rate determined under either clause (b) in the foregoing paragraph (the "CONTRACT RATE") exceeds the Maximum Rate, the rate of interest on this note shall be limited to the Maximum Rate, but any subsequent reductions in the Contract Rate shall not reduce the rate of interest below the Maximum Rate until the total amount of interest accrued equals the amount of interest which would have accrued if the Contract Rate applicable from time to time had at all times been in effect. If at maturity (stated or by acceleration), or at final payment of this note, the total amount of interest paid or accrued is less than the amount of interest which would have accrued if the Contract Rate

applicable from time to time had at all times been in effect, then, at such time and to the extent permitted by applicable law, Maker shall pay to the holder hereof an amount equal to the sum of (a) the lesser of the amount of interest which would have accrued if the Contract Rate applicable from time to time had at all times been in effect and the amount of interest which would have accrued if the Maximum Rate had at all times been in effect minus (b) the amount of interest actually paid or accrued on this note.

Interest shall be calculated on the basis of actual days (including the first day but excluding the last day) elapsed but computed as if each calendar year consisted of 360 days (unless the result would exceed the Maximum Amount, in which event such interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be).

Page 1 of 2

As used herein, the terms "MAXIMUM AMOUNT" and "MAXIMUM RATE" mean, respectively, the maximum amount and the maximum rate of interest which, under applicable law, the holder hereof is permitted to contract for, charge, take, reserve or receive on this note. Regardless of any provision in the Loan Papers, the holder hereof shall never be entitled to contract for, charge, take, reserve, receive, or apply, as interest on this note any amount in excess of the Maximum Amount, and, if the holder hereof ever contracts for, charges, takes, reserves, receives or applies as interest any such excess, it shall be deemed a partial prepayment of principal and treated hereunder as such and any remaining excess shall be refunded to Maker. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the Maximum Amount, Maker and the holder hereof shall, to the maximum extent permitted under applicable law, (a) treat all advances as but a single extension of credit (and the holder hereof and Maker agree that such is the case and that any provision herein for multiple advances is for convenience only), (b) characterize any nonprincipal payment as an expense, fee or premium rather than as interest, (c) exclude voluntary prepayments and the effects thereof, and (d) "spread" the total amount of interest throughout the entire contemplated term of this note; provided that if this note is paid in full prior to the end of the full contemplated term hereof, and if the interest received for the actual period of existence hereof exceeds the Maximum Amount, the holder hereof shall refund such excess, and, in such event, the holder hereof shall not to the extent permitted by applicable law, be subject to any penalties provided by any laws for contracting for, charging, taking, reserving or receiving interest in excess of the Maximum Amount. To the extent the laws of the State of Texas are applicable for purposes of determining the "Maximum Rate" or the "Maximum Amount," such term shall mean the "indicated rate ceiling" from time to time in effect under Article 1.04, Title 79, Revised Civil Statutes of Texas, as amended.

Maker and each surety, endorser, guarantor and other party ever liable for payment of any part hereof jointly and severally waive presentment and demand for payment, protest, notice of intention to accelerate, notice of acceleration and notice of protest and nonpayment, and agree that their liability on this note shall not be affected by, and hereby consent to, any renewal or extension in the time of payment hereof, any indulgences, or any release or change in any security for the payment of this note.

BSR INVESTMENTS, LTD.

By: _____
Name: _____
Title: _____

Page 2 of 2

STOCK PLEDGE AGREEMENT

THIS AGREEMENT is executed as of December 15, 1997, by BSR INVESTMENTS, LTD. ("BORROWER"), for the benefit of ARABELLA S.A., a publicly traded Luxembourg company ("LENDER").

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, Borrower agrees with Lender as follows:

(a) Reference to Loan Agreement. This agreement is being executed and delivered pursuant to the terms and conditions of the \$1,900,000 Term Note with Warrants Agreement dated December 15, 1997, between Borrower and Lender (as the same may hereafter be renewed, extended, amended or supplemented, the "LOAN AGREEMENT").

(b) Security Interest. In order to secure the full and complete payment and performance of all future, as well as existing, advances, indebtedness, liabilities and obligations owed by Borrower to Lender under the Loan Agreement and all indebtedness, liabilities and obligations of Borrower arising under this agreement (the "OBLIGATION" or "SECURED OBLIGATIONS") when due, Borrower hereby grants to Lender a security interest in, and pledges and assigns to Lender, the following items and types of property (the "COLLATERAL"): (a) 1,800,000 shares of common stock (the "STOCK") of Cheniere Energy, Inc., a Delaware corporation ("CHENIERE"); and (b) all present and future accounts, contract rights, general intangibles, chattel paper, documents, instruments, cash and noncash proceeds and other rights arising from or by virtue of, or from the voluntary or involuntary sale or other disposition of, or collections with respect to, or claims against any other person with respect to, the Stock. Such security interest is granted, and such pledge and assignment are made, as security only and shall not subject Lender to, or transfer or in any way affect or modify, any obligation of Borrower with respect to any of the Collateral or any transaction involving or giving rise thereto.

The description of Collateral contained in this PARAGRAPH 2 shall not be deemed to permit any action prohibited by this agreement.

All capitalized terms used herein not otherwise defined shall have the respective meaning ascribed to them in the Loan Agreement.

(c) Delivery of Collateral. All securities pledged as Collateral hereunder shall be delivered to and held by Escrow Agent, with stock powers attached, endorsed in blank. All instruments or certificates other than securities representing or evidencing Collateral hereunder shall be delivered to and held by Escrow Agent and shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, and/or with appropriate endorsements, in form and substance satisfactory to Lender.

(d) Representations and Warranties. Borrower represents and warrants to Lender that:

(i) Borrower's place of business and chief executive office is as specified opposite its signature below and is where Borrower is entitled to receive notices hereunder.

(ii) The Stock is duly authorized, validly issued, fully paid and non-assessable, and the transfer thereof is not subject to any restrictions other than restrictions imposed by applicable securities and corporate laws. Borrower has full right, power and authority to execute, deliver and perform this Pledge Agreement. This Pledge Agreement constitutes a legally valid and binding obligation of Borrower,

enforceable against Borrower in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally. The execution, delivery and performance of this Pledge Agreement does not and will not require authorization, approval or other action by, notice to, or registration or filing with, any person or entity, including without limitation, any stockholder or creditor of Borrower, or any other governmental officer or entity.

(iii) Borrower owns the Stock free and clear of all liens. Borrower is (or to the extent that the Collateral is acquired after the date hereof, will be) the sole legal and beneficial owner of the Collateral and has exclusive possession and control thereof; the security interest hereunder in the Collateral is a first, prior and perfected security interest securing the Secured Obligations; there are no security interests, liens, charges or t encumbrances upon, or adverse claims of title to, or any other interest whatsoever in, the Collateral or any portion thereof except that created by this Pledge Agreement; and no financing statement, notice of lien, mortgage, deed of trust or instrument similar in effect covering the Collateral or any portion thereof or any proceeds thereof exists or is on file in any public office,

except as may have been filed in favor of Lender relating to this Pledge Agreement or related agreements, or for which duly executed termination statements have been delivered to Lender for filing.

(iv) None of the execution, delivery and performance of this Pledge Agreement by Borrower, the consummation of the transactions herein contemplated, the fulfillment of the terms hereof or the exercise by Lender of any rights or remedies hereunder will constitute or result in a breach of any of the terms or provisions of, or constitute a default under, or constitute an event which with notice or lapse of time or both will result in a breach of or constitute a default, or result in the creation of any lien (other than in favor of Lender), under any agreement, indenture, mortgage, deed of trust, equipment lease, instrument or other document to which Borrower is a party, or conflict with any law, order, rule, regulation, license or permit applicable to Borrower of any court or any federal or state government, regulatory body or administrative agency, or any other governmental body having jurisdiction over Borrower or its properties.

(v) None of the Collateral constitutes "margin stock," as defined in Regulation U of the Board of Governors of the Federal Reserve System.

(e) Covenants. Borrower shall:

(i) Promptly notify Lender of any change in any fact or circumstances represented or warranted by Borrower with respect to any of the Collateral.

(ii) Promptly notify Lender of any claim, action or proceeding affecting the security interest granted and the pledge and assignment made under PARAGRAPH 2 (the "SECURITY INTEREST") or title to all or any of the Collateral and, at the request of Lender, appear in and defend, at Borrower's expense, any such action or proceeding.

(iii) Deliver to Lender each item of Collateral hereunder promptly upon Borrower's acquisition thereof, accompanied by the relevant documents, instruments and/or endorsements described above, and Borrower will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

(iv) Not in any way sell, transfer or convey, whether voluntarily, involuntarily, by operation of law or otherwise, or voluntarily hypothecate or encumber, any interest in the Collateral, except the liens created by this Pledge Agreement, and Borrower will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. If the Collateral, or any part

2

thereof or interest therein, is sold, transferred, assigned, exchanged, or otherwise disposed of in violation of these provisions, the security interest of Lender shall continue in such Collateral or part thereof notwithstanding such sale, transfer, assignment, exchange or other disposition, and Borrower will hold the proceeds thereof in a separate account for Lender's benefit. Borrower will, at Lender's request, transfer such proceeds to Lender in kind.

(v) At Borrower's expense and Lender's request, file or cause to be filed such applications and take such other actions as Lender may request to obtain the consent or approval of any tribunal to Lender's rights hereunder, including, without limitation, the right to sell all the Collateral upon a Default (as defined in the Loan Agreement) without additional consent or approval from such tribunal.

(vi) Promptly and in no event later than five business days follow request Lender, procure or execute and deliver any documents, any instruments, give any notices, execute and file any financing statements or other documents, all in form and substance reasonably satisfactory to Lender, and take any other actions which are necessary or, in the reasonable judgment of Lender, desirable or appropriate to perfect or continue the perfection, first priority and enforceability of Lender's security interest in the Collateral, to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any Collateral, to protect the Collateral against the rights, claims, or interests of third persons or to effect or to assure further the purposes and provisions of this Pledge Agreement, and will pay all costs reasonably incurred in connection therewith.

(vii) Not relocate Borrower's principal place of business or chief executive office unless prior thereto it (i) gives Lender thirty days prior written notice of such proposed relocation (such notice to include, without limitation, the name of the county or parish and state into which such relocation is to be made) and (ii) executes and delivers all such additional documents and performs all additional acts as Lender, in its sole discretion, may request in order to continue or maintain the existence and priority of the Security Interest in such Collateral.

(viii) Not change Borrower's name or address to which it is entitled

to receive notices hereunder unless prior thereto it gives Lender 30 days prior written notice of such proposed change and executes and delivers all such additional documents and performs all additional acts as Lender, in its sole discretion, may request in order to continue or maintain the existence and priority of the Security Interest in all of the Collateral.

(ix) Pay and discharge all taxes, assessments and governmental charges or levies against the Collateral prior to delinquency thereof and will keep the Collateral free of all unpaid claims and charges whatsoever subject to Borrower's right to Contest any such matter.

Lender is hereby authorized to pay all reasonable costs and expenses incurred in the exercise or enforcement of its rights hereunder, including reasonable attorneys' fees, and to apply any Collateral or proceeds thereof against such amounts, and then to credit or use any further proceeds of the Collateral in accordance herewith. Lender may take any actions permitted hereunder or in connection with the Collateral by or through agents or employees and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. Lender shall only be accountable for monies which it actually receives from or out of the Collateral.

(f) Dividends and Distributions. So long as no Event of Default shall have occurred or exist under the Loan Papers and all amounts due Lender have been paid as provided therein, Borrower shall be entitled to receive all cash dividends and other distributions with respect to the Collateral. Upon the occurrence of such an Event of Default, Lender shall thereafter receive and, at its option, may apply all cash

3

dividends and other distributions against the Obligation or may hold such dividends as additional Collateral hereunder. Any dividends and other distributions other than those permitted to be received by Borrower pursuant to the first sentence hereof receivable or otherwise distributed with respect to the Collateral shall be, and shall forthwith be delivered to Lender to be, applied to reduce the Obligation or, at Lender's option, held as additional Collateral hereunder, and shall, if received by Borrower, be received in trust for the benefit of Lender, be segregated from the other property or funds of Borrower, and be forthwith delivered to Lender as Collateral in the same form as so received (with any necessary endorsement).

(g) Defaults. The occurrence of any one or more of the following events or conditions shall constitute a default under this Pledge Agreement:

(i) an Event of Default under the Loan Agreement; or

(ii) Borrower shall fail to perform any obligation or covenant required to be performed by it, or otherwise defaults in the performance of any of its obligations hereunder; or

(iii) Borrower makes any written warranty, representation or statement to Lender in connection with this Pledge Agreement which is or was false or misleading in any material respect when made or furnished.

(h) Remedies. Upon the occurrence and continuation of a default by Borrower hereunder, Borrower expressly covenants and agrees that Lender may, at its option, in addition to other rights and remedies provided herein or otherwise available to it, without notice to or demand upon, exercise any one or more of the rights set forth as follows:

(i) declare all advances made by Lender to Borrower under the Loan Agreement to be immediately due and payable, whereupon all unpaid principal and interest on said advances and all other indebtedness and Secured Obligations shall become and be immediately due and payable;

(ii) immediately take possession of all items of Collateral hereunder not then in its possession and require Borrower or the parties in possession thereof to deliver such Collateral to Lender at one or more locations as Lender shall designate;

(iii) exercise any or all of the rights and remedies provided for by the New York Uniform Commercial Code or any other applicable jurisdiction, specifically including, without limitation, the right to recover the reasonable attorneys' fees and other expenses incurred by Lender in the enforcement of this Pledge Agreement or in connection with Borrower's redemption of the Collateral. Lender may exercise its rights under this Pledge Agreement independently of any other collateral or guaranty that Borrower may have granted or provided to Lender in order to secure payment and performance of the Secured Obligations, and Lender shall be under no obligation or duty to foreclose or levy upon any other collateral given by Borrower to secure any Secured Obligation or to proceed against any guarantor before enforcing its rights under this Pledge Agreement;

(iv) without notice (except as specified below), sell the Collateral, or any part thereof in one or more parcels at one or more public or

private sales or on any securities exchange or other recognized market, at such time or times, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as shall be commercially reasonable. Lender shall be entitled at any such sale, if it deems it advisable to do so, to restrict the prospective bidders or purchasers to persons who will provide assurances satisfactory to Lender that they may be offered and sold the Collateral to be sold without registration under the Securities Act of 1933, as amended, or any other applicable state or federal statute, and

4

upon the consummation of any such sale, Lender shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Lender may solicit offers to buy the Collateral, or any part of it, from a limited number of investors deemed by Lender, in its reasonable judgment, to meet the requirements to purchase securities under Regulation D promulgated under the Securities Act of 1933 as then in effect (or any other regulation of similar import). If Lender solicits such offers from such investors, then the acceptance by Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposition of the Collateral. Borrower acknowledges and agrees that, to the extent notice of sale is required by law, at least ten (10) days' written notice to Borrower of the time and place of any public sale or of the date on or after which a private sale is to be made shall constitute reasonable notification. Any public sale shall be held at such time or times during ordinary business hours and at such place or places as Lender may fix in the notice of such sale. Lender may sell all or any portion of the Collateral on any securities exchange or other recognized market without notice to Borrower. At any private or public sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate lots, as Lender shall determine. Lender, in its sole discretion, if permitted by law, may bid (which bid may be, in whole or in part, in the form of cancellation of indebtedness) for and purchase for its account the whole or any part of the Collateral at any public sale or sale on any securities exchange or other recognized market. Notwithstanding the foregoing, Lender shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Lender may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale or, with respect to a private sale, after which such sale may take place, and any such sale may, without further notice, be made at the time and place to which the same was so adjourned or, with respect to a private sale, after which such sale may take place. Each purchaser at any such sale shall hold the property sold free from any claim or right on the part of Borrower, and Borrower hereby waives, to the full extent permitted by law, all rights of redemption, stay and/or appraisal which Borrower now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by Lender until the sale price is paid by the purchaser or purchasers thereof, and Lender shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral purchased. In case of any such failure, such Collateral may be sold again upon like notice. The parties hereto agree that the notice provisions, method, manner and terms of any sale, transfer or disposition of any Collateral in compliance with the terms set forth herein or any other provision of this Pledge Agreement are commercially reasonable. If Lender determines to exercise its right to sell any or all of the Collateral, upon request, Borrower shall and shall cause each Issuer from time to time to furnish to Lender all information Lender may request in order to value the Collateral and/or effect its sale, including without limitation determining the number of shares and other instruments included in the Collateral and any information which may be helpful in determining which of the Collateral may be sold by Lender as exempt transactions under the Securities Act of 1933, as amended, and the rules of the Securities and Exchange Commission thereunder as then in effect;

(v) enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent Lender from pursuing any other or further remedy which it may have hereunder or by law, and any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Borrower until full and final payment of any deficiency has been made in cash. Borrower shall reimburse Lender upon demand for, or Lender may apply any proceeds of Collateral to, the costs and expenses (including reasonable attorneys' fees, transfer taxes and any other charges) incurred by Lender in connection with any sale, disposition or retention of any Collateral or any other exercise of rights or remedies hereunder; and

(vi) upon the occurrence of a default hereunder, any cash held by Lender as Collateral and all cash proceeds received by Lender in respect of any sale of, collection from, or other realization upon

5

all or any part of the Collateral may, in the discretion of Lender, be held by Lender as collateral for and/or then or at any time thereafter applied (including application to the payment of any costs, expenses, indemnification and other amounts payable to Lender hereunder, which amounts may be paid in

whole or in part prior to the other obligations secured hereby) in whole or in part by Lender against all or any part of the Obligations in such order as Lender shall elect. Any surplus of such cash or cash proceeds held by Lender and remaining after payment in full of all the Obligations shall be paid over to Borrower or to whomever may be lawfully entitled to receive such surplus or as a court of competent jurisdiction may direct, provided, however, that in the event that all of the conditions to termination of this Pledge Agreement under subsection 11(u) hereof shall have not been fulfilled, such balance shall be held as additional Collateral hereunder and applied from time to time to Lender's costs and expenses and as otherwise provided hereunder until all such conditions shall have been fulfilled.

(i) Authority of the Lender. Lender shall have and be entitled to exercise all powers hereunder which are specifically delegated to Lender by the terms hereof, together with such powers as are reasonably incident thereto. In addition, Lender shall be entitled to transfer into street name or the name of a nominee or nominees any certificates or instruments representing or evidencing any of the Collateral hereunder, and to have any such certificates or instruments exchanged for ones of smaller or larger denominations. Without limiting the foregoing, Lender shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking action (including, without limitation, the release or substitution of Collateral) in accordance with this Pledge Agreement and any agreements related thereto; provided that, in the event of a conflict between the provisions of such agreements, the applicable provisions of this Pledge Agreement shall control. Lender may perform any of its duties hereunder or in connection with the Collateral by or through agents or employees and shall be entitled to retain counsel and to act in reliance upon the advice of counsel concerning all such matters. None of Lender or any director, officer, employee, attorney or agent of Lender shall be liable to Borrower for any action taken or omitted to be taken by it or them hereunder or in connection herewith (including without limitation any action or inaction with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral whether or not Lender has or is deemed to have knowledge thereof and with respect to any necessary steps to preserve rights against any parties with respect to any Collateral, all of which action or inaction shall be at Lender's sole option), except for its own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction; nor shall Lender be responsible for the validity, effectiveness or sufficiency hereof or of any document or security furnished pursuant hereto. Lender and its directors, officers, employees, attorneys and agents shall be entitled to rely on any communication, instrument or document believed by it or them to be genuine and correct and to have been signed or sent by the proper person or persons.

(j) Other Rights of Lender.

(i) Performance. In the event Borrower shall fail to perform any of its obligations hereunder with respect to the Collateral, then Lender may, at its option, but without being required to do so, take such action which Borrower is required, but has failed or refused, to take. Any sum which may be expended or paid by Lender under this subparagraph (including, without limitation, court costs and attorneys' fees) shall bear interest from the dates of expenditure or payment at LIBOR (as defined in the Loan Agreement) plus 4%, net of the daily portion of United States federal income tax withholding attributable to such interest, until paid and, together with such interest, shall be payable by Borrower to Lender upon demand and shall be part of the Obligation.

(ii) Collection. Upon notice from Lender, Cheniere is hereby authorized and directed by Borrower to make payments on any of the Collateral (including, without limitation, dividends and other distributions) directly to Lender. Subject to Subparagraph (e) hereof, until such notice is given, Borrower

6

is authorized to retain and expend all payments made on Collateral. Regardless of any other provision hereof, however, Lender shall never be liable for its failure to collect, or for its failure to exercise diligence in the collection of, any amounts owed with respect to Collateral, nor shall it be under any duty whatever to anyone except Borrower to account for funds that it shall actually receive hereunder. Without limiting the generality of the foregoing, Lender shall have no responsibility for ascertaining any maturities, calls, conversions, exchanges, offers, tenders or similar matters relating to any Collateral, or for informing Borrower with respect to any of such matters (irrespective of whether Lender actually has, or may be deemed to have, knowledge thereof).

(iii) Record Ownership of Securities. If a Default has occurred and is continuing, Lender may have the Stock registered in its name, or in the name of its nominee or nominees, as pledgee.

(iv) Voting of Securities. So long as no Default has occurred, Borrower shall be entitled to exercise all voting rights pertaining to the Stock. After the occurrence and during the continuance of a Default, the right to vote the Stock shall be vested exclusively in Lender. To this end, Borrower

irrevocably appoints Lender the proxy and attorney-in-fact of Borrower, with full power of substitution, to vote and to act with respect to the Stock, subject to the understanding that such proxy may not be exercised unless a Default has occurred and is continuing. The proxy herein granted is coupled with an interest, is irrevocable, and shall continue until the Obligation has been paid and performed in full.

(v) Certain Proceeds. Any and all stock dividends or distributions in property made on or in respect of the Stock, and any proceeds of the Stock, whether such dividends, distributions, or proceeds result from a subdivision, combination or reclassification of the outstanding capital stock of Cheniere or as a result of any merger, consolidation, acquisition or other exchange of assets to which Cheniere may be a party, or otherwise, shall be part of the Collateral hereunder, shall, if received by Borrower, be held in trust for the benefit of Lender, and shall forthwith be delivered to Lender (accompanied by proper instruments of assignment and/or stock and/or bond powers executed by Borrower in accordance with Lender's instructions) to be held subject to the terms hereof. Any cash proceeds of Collateral which come into the possession of Lender may, at Lender's option, be applied in whole or in part to the Obligation (to the extent then due), be released in whole or in part to or on the written instructions of Borrower for any general or specific purpose, or be retained in whole or in part by Lender as additional Collateral.

(k) Miscellaneous.

(i) Term. Upon full and final payment and performance of the Obligation, this agreement shall thereafter terminate upon receipt by Lender of Borrower's written notice of such termination; provided that no Obligor shall ever be obligated to make inquiry as to the termination of this agreement, but shall be fully protected in making payment directly to Lender.

(ii) Actions Not Releases. The Security Interest and Borrower's obligations shall not be affected by the occurrence of any one or more of the following events: (i) The acceptance of any other security for the Obligation; (ii) any release, surrender, exchange, subordination or loss of any security for the Obligation; (iii) the insolvency, bankruptcy or lack of corporate or trust power of any party at any time liable for the payment of any or all of the Obligation; (iv) any neglect, delay, omission, failure or refusal of Lender to take or prosecute any action in connection with any other instrument evidencing or securing the Obligation; or (v) if any payment by any party obligated with respect thereto is held to constitute a preference under applicable laws or for any other reason Lender is required to refund such payment or pay the amount thereof to someone else.

7

(iii) Waivers. Borrower waives (i) any right to require Lender to proceed against any other person, to exhaust its rights in the Collateral, or to pursue any other right which Lender may have; (ii) with respect to the Obligation, presentment and demand for payment, protest, notice of protest and nonpayment and notice of the intention to accelerate; and (iii) all rights of marshaling.

(iv) Financing Statement. Lender shall be entitled at any time to file this agreement (or a copy) as a UCC financing statement, but the failure of Lender to do so shall not impair the validity or enforceability of this agreement.

(v) Information. Except as otherwise provided by law, the charge of Lender for furnishing each statement of account or each list of Collateral shall be \$10.00.

(vi) Notices. All notices, requests, demands, consents and other communications which are required or may be given under this Pledge Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic or digital method and receipt is confirmed electronically; the day after it is sent, if sent for next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express); and upon receipt, if sent by certified or registered mail, return receipt requested. In each case notice shall be sent to:

To Lender: Arabella S.A.
 35, rue Glesener
 L-1631
 Luxembourg

With a copy to: Stroock & Stroock & Lavan LLP
 180 Maiden Lane
 New York, New York 10038-4982
 Attention: Stephan Haimo, Esq.

To Borrower: BSR Investments, Ltd.
 97 Avenue Henri Martin
 Paris, France 75016

With a copy to
Cheniere's counsel: Porter & Hedges, L.L.P.
700 Louisiana Street, 35th Floor
Houston, Texas 77002
Attention: Nick D. Nicholas

(vii) Headings. The various headings in this Pledge Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Pledge Agreement or any provision hereof.

(viii) Amendments. This Pledge Agreement or any provision hereof may be changed, waived, or terminated only by a statement in writing signed by the party against which such change, waiver or termination is sought to be enforced and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

8

(ix) No Waiver. No failure on the part of Lender to exercise, and no delay in exercising, and no course of dealing with respect to, any power, privilege or right under this Pledge Agreement or any related agreement shall operate as a waiver thereof nor shall any single or partial exercise by Lender of any power, privilege or right under this Pledge Agreement or any related agreement preclude any other or further exercise thereof or the exercise of any other power, privilege or right. The powers, privileges and rights in this Pledge Agreement are cumulative and are not exclusive of any other remedies provided by law. No waiver by Lender of any default hereunder shall be effective unless in writing, nor shall any waiver operate as a waiver of any other default or of the same default on a future occasion.

(x) Time of the Essence. Time is of the essence of each provision of this Pledge Agreement of which time is an element.

(xi) Binding Pledge Agreement. All rights of Lender hereunder shall inure to the benefit of its successors and assigns. Borrower shall not assign any of its interest under this Pledge Agreement without the prior written consent of Lender. Any purported assignment inconsistent with this provision shall, at the option of Lender, be null and void.

(xii) Entire Agreement. This Pledge Agreement, together with any other agreement executed in connection herewith, is intended by the parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof. Acceptance of or acquiescence in a course of performance rendered under this Pledge Agreement shall not be relevant to determine the meaning of this Pledge Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

(xiii) Attorneys' Fees. In any action or proceeding brought to enforce any provision of this Pledge Agreement, or to seek damages for a breach of any provision hereof, or where any provision hereof is validly asserted as a defense, the successful party shall be entitled to recover reasonable attorneys' fees in addition to any other available remedy.

(xiv) Fees and Expenses. Except as set forth herein and in the Loan Agreement, each party hereto shall pay its own legal, accounting, out-of-pocket and other expenses incident to this Pledge Agreement and to any action taken by such party in preparation of carrying this Pledge Agreement into effect.

(xv) Statute of Limitations. Borrower hereby waives the right to plead any statute of limitations as a defense to any indebtedness or obligation hereunder or secured hereunder to the full extent permitted by law.

(xvi) Severability. If any provision or obligation of this Pledge Agreement should be found to be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions and obligations or any other agreement executed in connection herewith, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby and shall nonetheless remain in full force and effect to the maximum extent permitted by law.

(xvii) Survival of Provisions. All representations, warranties and covenants of Borrower contained herein shall survive the execution and delivery of this Pledge Agreement, and shall terminate only upon the termination of this Pledge Agreement pursuant to subsection 11(u) hereof.

(xviii) Power of Attorney. Borrower hereby appoints and constitutes Lender as Borrower's attorney-in-fact for purposes of, subject to Sections 6 and 8 hereof, (i) collecting any Collateral, (ii)

9

conveying any item of Collateral to any purchaser thereof, and (iii) making any payments or taking any acts under the last part of Section 5 hereof. Lender's

authority hereunder shall include, without limitation, the authority to endorse and negotiate, for Lender's own account, any checks or instruments in the name of Borrower, to execute or receipt for any document, to transfer title to any item of Collateral, and to take any other actions necessary or incident to the powers granted to Lender in this Pledge Agreement. This power of attorney is coupled with an interest and is irrevocable by Borrower.

(xix) Registration Rights. Upon the occurrence of a default hereunder, if Lender has taken possession of the stock and determines that registration of any of the stock under, or other compliance with, the Securities Act of 1933 or any similar federal or state law is desirable, Borrower will use its best efforts to cause such registration or compliance to be effectively made, at no expense to Lender, and to continue any such registration effective for such time as may be reasonably necessary in the opinion of Lender. Borrower will reimburse Lender upon demand for any expenses incurred by Lender (including reasonable attorneys' fees) incurred in connection therewith which expenses shall be part of the Secured Obligations hereunder.

(xx) Duty of Care. None of Lender or any director, officer, employee, attorney or agent of Lender shall have any duty or obligation to care for the Collateral hereunder or to take any actions to protect the value of the Collateral or any rights or privileges the Borrower might have with respect thereto, except that Lender shall exercise reasonable care in the physical preservation of items of Collateral in Lender's possession. Lender shall be deemed to have exercised such reasonable care if the Collateral is accorded treatment substantially equal to that which Lender accords its own property. None of Lender or any director, officer, employee, attorney or agent of Lender shall have any obligation to take any actions to preserve any rights which Borrower or any other party may have against any third party with respect to any item of Collateral.

(xxi) Termination of Pledge. This Pledge Agreement and the security interest and pledge hereunder shall not terminate until the full and final payment and performance of all indebtedness and obligations secured hereunder. At such time or at any other time when the Loan Agreement requires Lender to release its security interest hereunder, Lender shall reassign and redeliver to Borrower all of the Collateral hereunder which has not been sold, disposed of, retained or applied by Lender in accordance with the terms hereof. Such reassignment and redelivery shall be without warranty by or recourse to Lender, and shall be at the expense of Borrower. Without limiting the generality of the foregoing, the security interest and pledge hereunder shall not be terminated by the transfer of any of the Collateral hereunder from Lender to Borrower, or any person designated by Borrower, for the purpose of ultimate sale, exchange, presentation, collection, renewal or registration of transfer or for any other purpose. Notwithstanding anything to the contrary herein, this Pledge Agreement (including all representations, warranties and covenants contained herein) shall continue to be effective or be reinstated, as the case may be, if at any time any amount received by Lender in respect of the indebtedness and obligations secured hereunder is rescinded or must otherwise be restored or returned by Lender upon or in connection with the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrower or any other person or upon or in connection with the appointment of any intervenor or conservator of, or trustee or similar official for, Borrower or any other person or any substantial part of its assets, or otherwise, all as though such payment had not been made.

(xxii) Waiver of Marshalling. Borrower, for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the liens granted under this Pledge Agreement, hereby expressly waives and releases all rights to direct the order in which any of the Collateral shall be sold in the event of any sale or sales pursuant hereto and to have the Collateral and/or any other property now or hereafter constituting security for any of the obligations secured hereunder marshalled upon the exercise of any remedies under this Pledge Agreement or any other agreement granting security for the obligations secured hereunder.

10

(xxiii) Security Interest Absolute. All rights of Borrower and security interests hereunder, and all obligations of Borrower hereunder, shall be absolute and unconditional, irrespective of:

(1) any lack of validity or enforceability of any document, agreement or instrument entered into in connection herewith;

(2) any change in the time, manner or place of payment of, or in any other term of, all or any of the obligations secured hereby, or any other amendment or waiver of or any consent to any departure from any document, agreement or instrument entered into in connection herewith, including, without limitation, any change in fees or interest rates, or any increase in the obligations secured hereby resulting from the extension of additional credit to Borrower or any of its subsidiaries or otherwise;

(3) any enforcement, release, amendment, termination or waiver of, or consent to the departure from any term or condition of this Pledge Agreement, any guarantee or any related document, including the taking, holding

or sale of any collateral or any termination or release of any collateral (other than a complete release of the Collateral from the liens created by this Pledge Agreement or any related document) or any guarantee, or the non-perfection of any liens created by this Pledge Agreement or any related document;

(4) any refusal of payment by Lender in whole or in part, from any obligor or guarantor in connection with any of the obligations secured hereby, whether or not with notice to, or further assent by, or any reservation of rights against. Borrower; or

(5) any change, restructuring or termination of the corporate structure or existence of Borrower or any of its subsidiaries.

(xxiv) Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of a default if such action is taken or condition exists.

(xxv) Governing Law: Submission to Jurisdiction; Waiver of Jury Trial; Waiver of Damages.

(1) The interpretation, validity and enforcement of this Pledge Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, and any dispute arising out of, connected with, related to, or incidental to this Pledge Agreement, or to the relationship established with Borrower and Lender, and whether arising in contract, tort, equity or otherwise (the "DISPUTE") shall be resolved in accordance with the internal laws and decisions of the State of New York, excluding and without regard to its conflicts of laws principles.

(2) Except as provided in subparagraph (e) below with respect to enforcement by the Lender of a judgment or order awarded in connection with any Dispute, Borrower and the Lender agree that any Dispute shall be resolved by, and shall be under the sole and exclusive jurisdiction of, State or Federal Courts located in The City and County of New York, New York.

(3) Borrower irrevocably agrees and consents

(A) to be subject to the personal jurisdiction of such Courts as to any Dispute, and

11

(B) that service of process in connection with any Dispute may be effected by: (i) mailing copies of service of process documents by registered or certified mail, postage prepaid, to the Borrower at its address specified in subsection 11(f) hereof, such service to become effective 10 days after such mailing, or (ii) through service of process in any other manner permitted by law.

(4) Borrower waives in any Dispute any objection they may have to the location of the Court considering the Dispute, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens.

(5) Borrower agrees that the Lender shall have the right to proceed against Borrower or the Collateral in a Court in any location reasonably selected in good faith to enable the Lender to realize on such property, or to enforce a final judgment or other court order entered in favor of the Lender in connection with any Dispute, including a default judgment entered on any Borrower's failure to appear in any proceeding relating to a Dispute, and that in any such proceeding, Borrower agrees:

(A) the judgment or order shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment, or in any other manner provided by law;

(B) it will not assert any permissive counterclaims;

(C) in connection with any such proceeding, it agrees and consents to be subject to the personal jurisdiction of the Court, and to service of process in the same manner described in (iii)(2) above;

(D) it waives any objection it may have to the location of the court where the proceeding is brought, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens;

(E) it waives to the extent permissible under law any objection it may have to enforcement of the judgment to its full extent, or any other right to challenge the enforcement of any such judgment or to assert any defenses to such judgment, and will do all that is possible, including preparing and signing documents and

cooperating in whatever process and procedure is necessary to enforce the judgment, to have the judgment enforced as fully and as quickly as possible.

(6) Borrower has been fully advised by its lawyers as to the foregoing, understands and agrees to all of the foregoing, and agrees and believes it should be fully obligated under the foregoing as written.

(xxvi) Successors and Assigns. This Pledge Agreement shall inure to the benefit of Lender, its successors and assigns, including the assignees of any Secured Obligation or of the benefit of any Secured Obligation and shall bind the heirs, executors, administrators, successors and assigns of Borrower. This Pledge Agreement is assignable by Lender with respect to all or any portion of the Secured Obligations, and when so assigned, Borrower shall be liable to the assignees under this Pledge Agreement without in any manner affecting the liability of Borrower hereunder with respect to any of the Secured Obligations retained by Lender. Each reference herein to powers or rights of Lender shall also be deemed a reference to the same power or right of such assignees, to the extent of the interest assigned to them.

12

(xxvii) Multiple Counterparts. This agreement has been executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one agreement; but, in making proof of this agreement, it shall not be necessary to produce or account for more than one such counterpart.

EXECUTED as of the day and year first herein set forth.

BSR INVESTMENTS, LTD.

By: /s/ NICOLE SOUKI

Name: Nicole Souki

Title: Director

13

CHENIERE ENERGY, INC.
Two Allen Center
1200 Smith Street, Suite 1710
Houston, Texas 77002-4312

December 15, 1997

BSR Investments, Ltd.
97 Avenue Henri Martin
Paris, France 75016

Re: TERM NOTE WITH WARRANTS

Cheniere Energy, Inc., a Delaware corporation ("BORROWER"), and the undersigned, a Lender ("LENDER"), in consideration of the mutual covenants contained herein, agree as follows:

1. COMMITMENT. In accordance with the terms and conditions set forth herein and upon receipt by Lender of the items listed on Schedule 1, Lender agrees to make a term loan hereunder to Borrower in the amount of \$2,000,000 (the "TERM LOAN"). As additional consideration for the Term Loan Borrower will issue to Lender warrants in the form of EXHIBIT A (the "LENDER WARRANTS") to purchase 166,667 shares of Borrower's common stock, par value \$.003 per share (the "COMMON STOCK") at an exercise price of \$2.375 per share (the "EXERCISE PRICE").

2. TERMS OF PAYMENT.

(a) The Term Loan shall be evidenced by, and payable in accordance with the terms of, a promissory note (the "NOTE") executed by Borrower, payable to the order of Lender, in substantially the form of EXHIBIT B.

(b) Borrower may prepay the Note, in whole or in part, without premium or penalty, at any time.

(c) In addition to prepayments under clause (b) above, Borrower shall make prepayments of principal of the Term Loan equal to the net cash proceeds received by Borrower from any private placement of Borrower's equity securities or from any sale by Borrower of seismic data, less up to \$1,000,000 which may be retained by Borrower.

3. EXTENSION OF MATURITY DATE. If no Default or Potential Default exists, Borrower may extend the Maturity Date for a period of up to 180 days by notifying Lender of such extension prior to the original Maturity Date. If Borrower extends the Maturity Date hereunder, Borrower shall issue to Lender additional warrants (the "ADDITIONAL LENDER WARRANTS") with an exercise price equal to the Exercise Price, which expire on the Expiration Date in the form of EXHIBIT A to purchase 66,667 shares of Common Stock for each 30 day period after the original Maturity Date during which any amount of the Term Loan is outstanding and unpaid until the date (the "FINAL REPAYMENT DATE") that is the earlier of (x) the date of repayment of the Term Loan in full and (y) 180 days after the original Maturity Date. The Additional Lender Warrants shall be issued within 10 days after the Final Repayment Date.

4. CERTAIN REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender that:

(a) Borrower is a corporation duly organized, validly existing and in good standing under the laws of Delaware, is duly qualified to transact business as a foreign corporation in each jurisdiction where the nature and extent of its business require the same (except where the failure to do so would not constitute a Material Adverse Event), and possesses all requisite authority, powers, licenses, permits and franchises to conduct its business and execute, deliver and comply with the terms of the Loan Papers executed or to be executed by it, all of which have been duly authorized and approved by all requisite corporate action and for which no approval or consent of any person, entity or governmental authority is required that has not been obtained;

(b) Borrower is not, and the execution, delivery and performance of the Loan Papers will not cause it to be, in violation of any law, regulation or agreement (to the extent such violation is a Material Adverse Event) or its corporate charter or bylaws;

(c) upon execution and delivery by all parties thereto, each Loan Paper will constitute a legal and binding obligation of Borrower, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable Debtor Relief Laws and general principles of equity;

(d) Borrower is not involved in or aware of the threat of any

litigation which, if determined adversely to it, would be a Material Adverse Event, and there are no outstanding or unpaid judgments against Borrower;

(e) all financial statements (or any replacements thereto) of Borrower and related information concerning Borrower delivered to Lender by Borrower were true and correct in all material respects as of the date thereof, were (in the case of financial statements) prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and fairly present the financial condition, results of operations and all material liabilities of Borrower, and, except as previously disclosed to Lender, there have been no material adverse changes in the financial condition of Borrower since the date of such financial statements;

(f) the Lender Warrants and Additional Lender Warrants (collectively, the "WARRANTS") when issued, will be binding obligations of Borrower, enforceable against it in accordance with the terms of the Warrants, except as enforceability may be limited by applicable Debtor Relief Laws and general principles of equity; the Common Stock issuable upon exercise of each Warrant will, when issued and paid for in accordance with such Warrant, be duly and validly authorized and issued, fully paid and nonassessable; and

(g) the Note and the Warrants are not being offered or sold by any form of general solicitation or general advertising.

5. CERTAIN AFFIRMATIVE COVENANTS. Borrower shall:

(a) use the proceeds of the Term Loan only for working capital and general corporate purposes (including, without limitation, payments to Zydeco Exploration, Inc., a subsidiary of Zydeco Energy, Inc., under Borrower's Exploration Agreement with them);

(b) deliver to Lender each filing made by Borrower during the term of the Term Loan pursuant to the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT");

2

(c) promptly pay when due all taxes due by Borrower, except taxes being contested in good faith by appropriate legal proceedings, for which adequate reserves in accordance with GAAP have been established.

6. CERTAIN NEGATIVE COVENANTS. Borrower will not, directly or indirectly:

(a) use the proceeds of any advance hereunder (i) to acquire any other entity, (ii) to purchase or carry (or to extend credit to another for the purpose of purchasing or carrying) "margin stock" (as defined in Regulation U of the Federal Reserve System), (iii) to pay any wages (unless a payment to or deposit with the United States of all amounts of tax required to be deducted and withheld with respect thereto has been made), or (iv) for any unlawful purpose;

(b) merge or consolidate with any entity, or dissolve;

(c) declare, make or pay any distribution or dividend to its owners;

(d) sell, lease or otherwise dispose of all or any substantial portion of its assets;

(e) engage in any business other than that in which it is presently engaged; or

(f) pledge any of its assets, including its interest in seismic data.

7. LENDER ACKNOWLEDGMENTS.

(a) TRANSFER RESTRICTIONS. Lender acknowledges that (i) the Term Note, Warrants and the Common Stock underlying the Warrants (collectively, the "RESTRICTED SECURITIES") to be issued to it hereunder have not been and are not being registered under the provisions of the Securities Act of 1933, as amended (the "SECURITIES ACT"), or any applicable state securities laws (except as provided in SECTION 9), and may not be offered, sold, pledged or otherwise transferred unless (A) the Restricted Securities are subsequently registered under the Securities Act and all applicable state securities laws or (B) the holder of the Restricted Securities shall have delivered to Borrower an opinion of counsel, reasonably satisfactory in form, scope and substance to Borrower, to the effect that the Restricted Securities may be sold or transferred pursuant to a valid exemption from such registration requirements; (ii) the Restricted Securities are and will be "restricted securities" (as defined in Rule 144 promulgated under the Securities Act); (iii) any sale of the Restricted Securities, as the case may be, made in reliance on Rule 144 promulgated under the Securities Act may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any resale of the Restricted Securities, as the case may be, under circumstances in which the seller, or the person through whom the sale is made, may be deemed to be an underwriter, as that term is used in the Securities Act, may require compliance with some other

exemption under the Securities Act or the rules and regulations of the Securities and Exchange Commission (the "SEC") thereunder; and (iv) neither Borrower nor any other person is under any obligation to register the Restricted Securities (other than as set forth in SECTION 9) under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(b) RESTRICTIVE LEGEND. Lender acknowledges and agrees that "stop transfer" instructions shall be given regarding the Restricted Securities on the transfer books of Borrower, and that the certificate(s) evidencing the Restricted Securities shall bear the following legend:

"THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("THE SECURITIES ACT"), OR ANY

3

APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD OR OTHERWISE DISPOSED OF FOR VALUE UNLESS A REGISTRATION STATEMENT HAS BECOME EFFECTIVE WITH RESPECT TO SUCH SECURITIES UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN OPINION OF COUNSEL REASONABLY ACCEPTABLE TO THE CORPORATION THAT THERE IS AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS."

8. LENDER REPRESENTATIONS, WARRANTIES AND COVENANTS.

Lender represents and warrants to, and covenants and agrees with, Borrower as follows:

(a) Lender is purchasing the Restricted Securities for its own account, for investment only and not with a view towards the public sale or distribution thereof in violation of the Securities Act, and with no present intention of dividing or allowing others to participate in this investment.

(b) If Lender is an individual, Lender is an "accredited investor" as that term is defined in Rule 501(a)(5) or (6) of Regulation D promulgated under the Securities Act by reason that Lender is an individual (i) having an individual net worth, or a joint net worth with Lender's spouse, at the time of the purchase that exceeds \$1,000,000, or (ii) who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with Lender's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or if Lender is a corporation or other business entity, the Lender is an "accredited investor" as that term is defined in Rule 501(a)(1), (2), (3), (7) or (8) of Regulation D promulgated under the Securities Act and Lender was not organized for the specific purpose of acquiring the Restricted Securities.

(c) Lender has such knowledge, sophistication and experience in business, tax and financial matters that Lender is capable of evaluating, and is familiar with, the merits and risks of an investment in the Restricted Securities, can bear the substantial economic risk of an investment in the Restricted Securities for an indefinite period of time and can afford a complete loss of such investment.

(d) Lender represents that its overall commitment to investments which are not readily marketable is not disproportionate to Lender's net worth, and Lender's investment in the Restricted Securities will not cause such overall commitment to become excessive.

(e) All subsequent offers and sales of the Restricted Securities by Lender shall be made pursuant to registration of such securities under the Securities Act and applicable state securities laws or pursuant to a valid exemption from such registration requirements.

(f) Lender understands that the Restricted Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that Borrower is relying upon the truth and accuracy of, and Lender's compliance with, the representations, warranties, agreements, acknowledgments and understandings of Lender set forth herein in order to determine the availability of such exemptions and the eligibility of Lender to acquire the Restricted Securities. Lender agrees that, if any of the representations, warranties, agreements, acknowledgments or understandings deemed to have been made by it in connection with its investment in the Restricted Securities is no longer accurate, it shall promptly notify Borrower and consult with Borrower in order to determine an appropriate course of action.

(g) Lender has carefully read the terms and provisions hereof and, to the extent that Lender believed necessary, has discussed the representations, warranties and agreements which Lender

4

makes herein and the applicable limitations upon Lender's resale of the

Restricted Securities with Lender's counsel.

(h) Lender and its advisors have been afforded the opportunity to ask questions of Borrower, and have received complete and satisfactory answers to any and all such inquiries and has had access to such financial and other information concerning Borrower and the Restricted Securities as it has deemed necessary in connection with its decision as to whether to make its investment.

(i) Lender understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Restricted Securities.

9. REGISTRATION PROCEDURES.

(a) Within 120 days after the issuance of the Note, Borrower shall prepare and file or cause to be filed with the SEC a registration statement (the "REGISTRATION STATEMENT") with respect to the shares of Common Stock underlying the Warrants (collectively, the "REGISTRABLE SHARES"). Borrower shall thereafter use diligence in attempting to cause the Registration Statement to be declared effective by the SEC and shall thereafter use reasonable efforts to maintain the effectiveness of the Registration Statement until the earlier to occur of (i) the date which is one year from the effective date of the Registration Statement, (ii) the date on which all of the Warrants and Registrable Shares are no longer held by Lender or (iii) the date on which no warrants are held by Lender and the Registrable Shares held by Lender can be resold pursuant to Rule 144.

(b) Following effectiveness of the Registration Statement, Borrower shall furnish to Lender a prospectus as well as such other documents as Lender may reasonably request.

(c) Borrower shall use reasonable efforts to (i) register or otherwise qualify the Registrable Shares for sale under the securities laws of such jurisdictions as Lender may reasonably request, (ii) prepare and file in those jurisdictions such amendments (including post-effective amendments) and supplements as may be required, (iii) take such other actions as may be necessary to maintain such registrations and/or qualifications in effect at all times while the Registration Statement is likewise maintained effective and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Shares for sale in such jurisdictions; provided, however, that Borrower shall not be required in connection therewith or as a condition thereto to (I) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this SECTION 9(C), (II) subject itself to general taxation in any such jurisdiction, (III) file a general consent to service of process in any such jurisdiction, (IV) provide any undertakings that cause more than nominal expense or burden to Borrower or (V) make any change in its certificate of incorporation or bylaws, which in each case the Board of Directors of Borrower determines to be contrary to the best interests of Borrower and its stockholders.

(d) Borrower shall, following effectiveness of the Registration Statement, as promptly as practicable after becoming aware of any such event, notify Lender of the happening of any event of which Borrower has knowledge, as a result of which the prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and use reasonable efforts promptly to prepare a supplement or amendment to the Registration Statement to correct such untrue statement or omission, and deliver a number of copies of such supplement or amendment to Lender or as Lender may reasonably request. Borrower may voluntarily suspend the effectiveness of such Registration Statement for a limited time, which in no event shall be longer

5

than 90 days, if Borrower has been advised by legal counsel that the offering of Common Stock pursuant to the Registration Statement would adversely affect, or would be improper in view of (or improper without disclosure in a prospectus), a proposed financing, a reorganization, recapitalization, merger, consolidation, or similar transaction involving Borrower or its subsidiaries, and, during such suspension, Lender and its affiliates shall not sell or otherwise dispose for value any Registered Shares, in which event the one year period referred to in clause (i) of SECTION 9(A) shall be extended for an additional period of time beyond such one year period for an additional period of time equal to the number of days the effectiveness thereof has been suspended pursuant to this sentence.

(e) Following effectiveness of the Registration Statement, Borrower, as promptly as practicable after becoming aware of any such event, will notify Lender of the issuance by the SEC of any stop order or other suspension of effectiveness of the Registration Statement at the earliest possible time.

(f) Following effectiveness of the Registration Statement, Borrower will use reasonable efforts either to (i) cause all the Registrable Shares to be listed on each national securities exchange on which similar securities issued

by Borrower are then listed, if any, if the listing of the Registrable Shares is then permitted under the rules of such exchange, or (ii) secure the quotation of the Registrable Shares on the Nasdaq Stock Market, Inc. ("NASDAQ"), if the listing of the Registrable Shares is then permitted under the rules of Nasdaq, or (iii) if, despite Borrower's reasonable efforts to satisfy the preceding clause (i) or (ii), Borrower is unsuccessful in satisfying the preceding clause (i) or (ii) and without limiting the generality of the foregoing, to use reasonable efforts to arrange for at least two market makers to register with the National Association of Securities Dealers, Inc. as such with respect to such Common Stock.

(g) Provide a transfer agent and registrar, which may be a single entity, for the Registrable Shares not later than the effective date of the Registration Statement.

(h) It shall be a condition precedent to the obligations of Borrower to take any action pursuant to this SECTION 9 that Lender shall furnish to Borrower such information regarding itself as Borrower may reasonably request to effect the registration of the Registrable Shares and shall execute such documents in connection with such registration as Borrower may reasonably request.

(i) Lender agrees to cooperate with Borrower in any manner reasonably requested by Borrower in connection with the preparation and filing of the Registration Statement hereunder.

(j) Lender agrees that, upon receipt of any notice from Borrower of the happening of any event of the kind described in SECTION 9(D) or 9(E), Lender will immediately discontinue disposition of Shares pursuant to the Registration Statement until Lender receives notice from Borrower that sales may resume and copies of the supplemented or amended prospectus and, if so directed by Borrower, shall deliver to Borrower (at the expense of Borrower) or destroy (and deliver to Borrower a certificate of destruction) all copies in Lender's possession of the prospectus covering the Registrable Shares current at the time of receipt of such notice.

(k) All expenses, other than (i) underwriting discounts and commissions, (ii) other fees and expenses of investment bankers and (iii) brokerage commissions, incurred in connection with registrations, filings or qualifications pursuant to this SECTION 9, including, without limitation, all registration, listing and qualification fees, printers and accounting fees and the fees and disbursements of counsel to Borrower, shall be borne by Borrower.

(l) To the extent permitted by law, Borrower will indemnify and hold harmless Lender, the directors, if any, of Lender, the officers, if any, of Lender, each person, if any, who controls Lender

6

within the meaning of the Securities Act or the Exchange Act, any underwriter (as defined in the Securities Act) for Lender, the directors, if any, of such underwriter and the officers, if any, of such underwriter, and each person, if any, who controls any such underwriter within the meaning of the Securities Act or the Exchange Act (each, an "INDEMNIFIED PERSON"), against any losses, claims, damages, expenses or liabilities (joint or several) (collectively, "CLAIMS") to which any of them may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any of the following statements, omissions or violations in the Registration Statement, or any post effective amendment thereof, or any prospectus included therein: (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post effective amendment thereof or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if Borrower files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading or (iii) any violation or alleged violation by Borrower of the Securities Act, any state securities law or any rule or regulation under the Securities Act, the Exchange Act or any state securities law (the matters in the foregoing clauses (i) through (iii) are hereinafter collectively referred to as the "VIOLATIONS"). Subject to the restrictions set forth in SECTION 9(N) with respect to the number of legal counsel, Borrower shall reimburse Lender and each such underwriter or controlling person, promptly as such expenses are incurred and are due and payable, for any reasonable legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnity contained in this SECTION 9(L) (I) shall not apply to a Claim arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to Borrower by any Indemnified Person or underwriter for such Indemnified Person expressly for use in connection with the

preparation of the Registration Statement or any such amendment thereof or supplement thereto; (II) with respect to any preliminary prospectus shall not inure to the benefit of any person from whom the person asserting any Claim purchased the Restricted Securities that are the subject thereof (or to the benefit of any person controlling such person) if the untrue statement or omission of material fact contained in the preliminary prospectus was corrected in the prospectus, as then amended or supplemented, if such final prospectus was timely made available by Borrower; (III) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of Borrower, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of the Restricted Securities by Lender; and (IV) shall not apply to a Claim arising out of or based upon the failure of an Indemnified Person to deliver a final prospectus to purchasers of Registrable Securities if Borrower provided such final prospectus to the Indemnified Person.

(m) Lender agrees to indemnify and hold harmless, to the same extent and in the same manner set forth in SECTION 9(L), Borrower, each of its directors, each of its officers who signs the Registration Statement, each person, if any, who controls Borrower within the meaning of the Securities Act or the Exchange Act, any underwriter and any other stockholder selling securities pursuant to the Registration Statement or any of its directors or officers or any person who controls such stockholder or underwriter within the meaning of the Securities Act or the Exchange Act (each such person and each Indemnified Person, an "INDEMNIFIED PARTY"), against any Claim to which any of them may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such Claim arises out of or is based upon any Violation by Lender, in each case to the extent (and only to the extent) that (I) such Violation occurs in reliance upon and in conformity with written information furnished to Borrower by Lender expressly for use in connection with such Registration Statement or such prospectus or (II) is a result of the breach of federal

7

or state securities laws pertaining to the transfer by Lender of the Restricted Securities or the securities underlying the Restricted Securities; and Lender will reimburse any reasonable legal or other expenses reasonably incurred by any Indemnified Party in connection with investigating or defending any such Claim; provided, however, that the indemnity contained in this SECTION 9(M) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of Lender, which consent shall not be unreasonably withheld; provided, further, that Lender shall be liable under this SECTION 9(M) for only that amount of a Claim as does not exceed the net proceeds to Lender as a result of the sale of Shares pursuant to such Registration Statement or such prospectus. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of the Restricted Securities (or underlying securities) by Lender. Notwithstanding anything to the contrary contained herein the indemnity contained in this SECTION 9(M) with respect to any preliminary prospectus shall not inure to the benefit of any Indemnified Party if the untrue statement or omission of material fact contained in the preliminary prospectus was corrected on a timely basis in the prospectus, as then amended or supplemented.

(n) Promptly after receipt by an Indemnified Person or Indemnified Party under SECTION 9(L) or 9(M) of notice of the commencement of any action (including any governmental action), such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is made against any indemnifying party under this SECTION 9, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, assume control of the defense thereof with counsel mutually satisfactory to the indemnifying parties; provided, however, that an Indemnified Person or Indemnified Party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential conflicts of interest between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. Except as provided in the preceding sentence, Borrower shall pay for only one separate legal counsel for the Indemnified Persons. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this SECTION 9, except to the extent that the indemnifying party is prejudiced in its ability to defend such action. The indemnity required by this SECTION 9 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as such expense, loss, damage or liability is incurred and is due and payable.

10. DEFAULT. "DEFAULT" means the occurrence of any one or more of the following (and "POTENTIAL DEFAULT" means the occurrence of any event which, with

notice or lapse of time or both, would become a Default):

(a) the failure or refusal of Borrower (i) to pay any principal, interest or other part of the Obligation when due, (ii) to punctually and properly comply with any covenant in SECTION 6, or (iii) to punctually and properly comply with any other covenant in any Loan Paper and such failure continues for a period of 10 days after Borrower has notice thereof;

(b) Borrower becomes a party to (other than as a claimant or creditor) or is made the subject of any proceeding provided by any Debtor Relief Law which is not stayed or dismissed within 60 days;

8

(c) Borrower fails to have discharged, within a period of 60 days after commencement, any judgment, warrant of attachment, sequestration or similar proceeding against its assets with a value in excess of \$400,000; and

(d) a default exists in respect of any other Senior Note.

11. REMEDIES AND RIGHTS. If a Default exists, then the holders of Senior Notes evidencing at least two-thirds of the aggregate principal amount then outstanding under the Senior Notes may exercise any and all legal and equitable rights and remedies afforded by the Loan Papers, applicable laws, or otherwise, including, without limitation, declaring the Senior Notes immediately due and payable. All rights available to the holders of the Senior Notes under the Loan Papers are cumulative of and in addition to all other rights at law or in equity. Any sums spent by Lender to exercise any right provided herein become part of the Obligation and bear interest from the date spent until the date repaid by Borrower at LIBOR plus 4% per annum. The obligations of Borrower and the rights of Lender under the Loan Papers continue in full force and effect until the Obligation is paid and performed in full.

12. DEFINITIONS.

DEBTOR RELIEF LAWS means the Bankruptcy Code of the United States of America and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments or similar laws affecting creditors' rights.

LIBOR means, initially, the three-month London InterBank Offered Rate, as published in the "Money Rates" column of The Wall Street Journal on the date of this agreement. With respect to any extension period under SECTION 3, "LIBOR" means the London InterBank Offered Rate, as published in such column on the original Maturity Date, for the period closest in length to such extension period.

LOAN PAPERS means this agreement, the Note, any and all other agreements, instruments and documents ever delivered pursuant hereto, and all renewals, extensions or restatements of, or amendments or supplements to, all or any part of the foregoing.

MATERIAL ADVERSE EVENT means any set of one or more circumstances or events which, individually or collectively, could result in any (a) material adverse effect upon the validity or enforceability of any material Loan Paper, (b) material adverse effect upon the financial condition or business operations of Borrower, or (c) Default.

MATURITY DATE means the earlier of (a) subject to the extension provisions of SECTION 3, March 15, 1998, and (b) the date that the Senior Notes are declared immediately due and payable pursuant to SECTION 11 in the event of a Default; provided that Lender's rights continue until the Obligation has been paid and performed in full.

NOTE is defined in SECTION 2.

OBLIGATION means all debt now or hereafter owed to Lender by Borrower pursuant to any Loan Paper, together with all interest accruing thereon and costs, expenses and attorneys' fees incurred in the enforcement or collection thereof.

SENIOR NOTES means the Note issued under this agreement and each of the other promissory notes of similar tenor issued by Borrower under loan agreements of even date herewith, in an aggregate principal amount of \$4,000,000.

9

TERM LOAN is defined in SECTION 1.

13. MISCELLANEOUS.

(a) All financial terms shall be determined in accordance with GAAP, and the accounting principles applied in a current period shall be comparable in all respects to those applied during the preceding comparable period.

(b) THE LAWS OF THE STATE OF TEXAS AND THE UNITED STATES SHALL GOVERN THE RIGHTS AND DUTIES OF THE PARTIES HERETO AND THE VALIDITY, CONSTRUCTION, ENFORCEMENT AND INTERPRETATION OF THE LOAN PAPERS. Where appropriate, words of any number shall include the plural and singular or of any gender shall include each other gender. Headings and captions may not be used in interpreting provisions in the Loan Papers. References to monetary amounts and payments are to United States currency. Any action that is due on a non-Texas banking business day may be delayed until the next succeeding Texas banking business day, but interest accrues on any payment until made. Unless specifically otherwise provided, any communication under the Loan Papers to any party must be in writing (which may be by facsimile transmission if a facsimile number is provided herein for such party and if, without affecting the date such facsimile transmission was actually made, subsequently confirmed by delivery or mailing in accordance with this paragraph) to be effective and shall be deemed to have been given on the day actually delivered or, if mailed, on the third Texas banking business day after it is enclosed in an envelope, addressed to the party to be notified, properly stamped, sealed and deposited in the appropriate postal service. Until changed by notice pursuant hereto, the address for each party is set forth after its name on the first page of this agreement. The form, substance and number of counterparts of each writing to be furnished under any Loan Paper must be satisfactory to Lender. An exception to a covenant does not permit violation of any other covenant. All provisions in any Loan Paper shall survive all closings under the Loan Papers and shall not be affected by any investigation made by any party. If any provision in any Loan Paper is unenforceable, the remaining provisions thereof shall remain in full force and effect. The Loan Papers may be amended only by an instrument in writing executed jointly by Borrower and Lender, and supplemented only by documents delivered or to be delivered in accordance with the express terms thereof. If any payment is ever rescinded or must be restored or returned for any reason, then all rights and obligations are automatically reinstated as though the payment had not been made. Any conflict or ambiguity between the terms and provisions herein and terms and provisions in any other Loan Paper shall be controlled by the terms and provisions herein. Any Loan Paper may be executed in any number of counterparts, with the same effect as if all signatories had signed the same document, and all of those counterparts constitute, collectively, one agreement.

14. ENTIRETY. THE LOAN PAPERS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BY THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

10

15. ACCEPTANCE; PARTIES BOUND. This agreement binds and inures to the benefit of Lender and Borrower, and their respective successors and assigns; provided that Borrower may not, without the prior written consent of Lender, assign any rights, duties, or obligations hereunder, and any purported assignment without such consent is void.

Very truly yours,
CHENIERE ENERGY, INC.

By: /s/ DON A. TURKLESON

Name: Don A. Turkleson

Title: Chief Financial Officer

The foregoing is accepted and agreed to in all respects.

LENDER:
BSR Investments, Ltd.

By: /s/ NICOLE SOUKI

Name: Nicole Souki

Title: Director

11

SCHEDULE 1

CLOSING DOCUMENTS

1. LOAN AGREEMENT between Borrower and Lender.
2. TERM NOTE executed by Borrower.
3. WARRANT AGREEMENT representing the Lender Warrants.

EXHIBIT A

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED ("ACT"), OR UNDER ANY APPLICABLE STATE SECURITIES LAWS, AND THEY CANNOT BE OFFERED FOR SALE, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE HYPOTHECATED EXCEPT IN ACCORDANCE WITH THE REGISTRATION REQUIREMENTS OF THE ACT AND SUCH STATE LAWS OR UPON DELIVERY TO THE COMPANY OF AN OPINION OF LEGAL COUNSEL SATISFACTORY TO THE COMPANY THAT AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

Form of
WARRANT TO PURCHASE COMMON STOCK
OF
CHENIERE ENERGY, INC.

This Warrant to Purchase Common Stock (this "Warrant") is issued _____, 1997, by Cheniere Energy, Inc., a Delaware corporation (the "Company"), to _____ (the "Holder").

1. Issuance of Warrant; Term. The Company hereby grants to Holder, subject to the provisions hereinafter set forth, the right to purchase _____ shares of common stock \$.003 par value per share, of the Company (the "Common Stock"). The shares of Common Stock issuable upon exercise of this Warrant are hereinafter referred to as the "Shares." This Warrant shall be exercisable at any time before 5:00 p.m. (Houston, Texas time) on December 31, 2001.

2. Exercise Price. This exercise price per share for which all or any of the Shares may be purchased pursuant to the terms of this Warrant shall be \$ _____ (the "Exercise Price").

3. Exercise

(a) This Warrant may be exercised by Holder in whole or in part, upon delivery of written notice of intent to the Company at the address of the Company set forth below its signature below or such other address as the Company shall designate in written notice to Holder, together with this Warrant and payment (in the manner described in Section 3(b) below) for the aggregate Exercise Price of the Shares so purchased. Upon exercise of this Warrant as aforesaid, the Company shall as promptly as practicable execute and deliver to Holder a certificate or certificates for the total number of whole Shares for which this Warrant is being exercised in such names and denominations as are requested by Holder. If this Warrant shall be exercised with respect to less than all of the Shares, Holder shall be entitled to receive a new Warrant covering the number of Shares in respect of which this Warrant shall not have been exercised, which new Warrant shall in all other respects be identical to this Warrant.

(b) Payment for the Shares to be purchased upon exercise of this Warrant may be made by the delivery of a certified or cashier's check payable to the Company for the aggregate Exercise Price of the Shares to be purchased.

4. Covenants and Conditions. The above provisions are subject to the following:

(a) Neither this Warrant nor the Shares have been registered under the Securities Act of 1933, as amended (the "Act"), or any state securities laws ("Blue Sky Laws"). This Warrant and the Shares have been acquired for investment purposes and not with a view to distribution or resale, and the

Shares may not be made subject to a security interest, pledged, hypothecated, sold or otherwise transferred without an effective registration statement therefor under the Act and such applicable Blue Sky Laws or an opinion of counsel (which opinion and counsel rendering same shall be reasonably acceptable to the Company) that registration is not required under the Act and under any applicable Blue Sky Laws. The certificates representing the Shares shall bear substantially the following legend:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAWS, BUT HAVE BEEN ACQUIRED FOR THE PRIVATE INVESTMENT OF THE HOLDER HEREOF AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED UNTIL (I) A REGISTRATION STATEMENT UNDER THE ACT OR SUCH APPLICABLE STATE SECURITIES LAWS SHALL HAVE BECOME EFFECTIVE WITH REGARD THERETO, OR (II) IN THE OPINION OF COUNSEL (WHICH OPINION AND COUNSEL SHALL BE REASONABLY SATISFACTORY TO THE COMPANY) REGISTRATION UNDER THE LAW OR SUCH APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED OFFER, SALE OR TRANSFER.

Other legends as required by applicable federal and state laws may be placed on such certificates. Holder and the Company agree to execute such documents and instruments as counsel for the Company reasonably deems necessary to effect compliance of the issuance of this Warrant and any Shares issued upon exercise hereof with applicable federal and state securities laws.

(b) The Company covenants and agrees that all Shares which may be issued upon exercise of this Warrant will, upon issuance and payment therefor, be legally and validly issued and outstanding, fully paid and nonassessable.

5. Warrantholder not Stockholder. This Warrant does not confer upon Holder any voting rights or other rights as a stockholder of the Company.

6. Certain Adjustments.

6.1 Capital Reorganizations, Mergers, Consolidations or Sales of Assets. If at any time there shall be a capital reorganization (other than a combination or subdivision of Common Stock otherwise provided for herein), a share exchange (subject to and duly approved by the stockholders of the Company) or a merger or consolidation of the Company with or into another corporation, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person, then, as a part of such reorganization, share exchange, merger, consolidation or sale, lawful provision shall be made so that Holder shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Exercise Price, the number of shares of stock or other securities or property of the Company or the successor corporation resulting from such reorganization, share, exchange, merger, consolidation or sale, to which Holder would have been entitled under the provisions of the agreement in such reorganization, share exchange, merger, consolidation or sale if this Warrant had been exercised immediately before that reorganization, share exchange, merger, consolidation or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of Holder after the reorganization, share exchange, merger, consolidation or sale to the end that the provisions of this Warrant (including adjustment of the Exercise Price then in effect and the number of the Shares) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant.

6.2 Splits and Subdivisions. If the Company at any time or from time to time fixes a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of the holders of Common Stock entitled to receive a dividend or other distribution payable

2

in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as the "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or Common Stock Equivalents, then, as of such record date (or the date of such distribution, split or subdivision if no record date is fixed), the Exercise Price shall (i) in the case of a split or subdivision, be appropriately decreased and the number of the Shares shall be appropriately increased in proportion to such increase of outstanding shares and (ii) in the case of a dividend or other distribution, the holder of the warrant shall have the right to acquire without additional consideration, upon exercise of the warrant, such property or cash as would have been distributed in respect of the shares of Common Stock for which the warrant was exercisable had such shares of Common Stock been outstanding on the date of such distribution.

6.3 Combination of Shares. If the number of shares of Common Stock outstanding at any time after the date hereof is decreased by a combination or reverse stock split of the outstanding shares of Common Stock, the Exercise Price shall be appropriately increased and the number of the Shares shall be appropriately decreased in proportion to such decrease in outstanding shares.

6.4 Adjustments for Other Distributions. In the event the Company shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not referred to in Section 6.2, upon exercise of this Warrant, Holder shall be entitled to a proportionate share of any such distribution as though Holder was the holder of the number of shares of Common Stock of the Company into which this Warrant may be exercised as of the record date fixed for the determination of the holders of Common Stock of the Company entitled to receive such distribution.

6.5 Certificate as to Adjustments. In the case of each adjustment or readjustment of the Exercise Price pursuant to this Section 6, the Company will promptly compute such adjustment or readjustment in accordance with the terms hereof and cause a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based to be delivered to Holder. The Company will, upon the written request at any

time of Holder, furnish or cause to be furnished to Holder a certificate setting forth:

(a) Such adjustment and readjustments;

(b) The Exercise Price at the time in effect; and

(c) The number of Shares and the amount, if any, of other property at the time receivable upon the exercise of the Warrant.

6.6 Notices of Record Date, etc. In the event of:

(a) Any taking by the Company of a record of the holders of any class of securities of the Company for the purpose of determining the holders thereof who are entitled to receive any dividends or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right; or

(b) Any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any transfer of all or substantially all of the assets of the Company to any other person or any consolidation, share exchange or merger involving the Company; or

3

(c) Any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company will mail to Holder at least 20 days prior to the earliest date specified herein, a notice specifying:

(i) The date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right; and

(ii) The date on which any such reorganization, reclassification, transfer, consolidation, share exchange, merger, dissolution, liquidation or winding up is expected to become effective and the record date for determining stockholders entitled to vote thereon.

7. Call of Warrant. This Warrant may be called and canceled by the Company at its election at any time following the date upon which the closing price of the Common Stock on its principal trading market has been 200% or more of the Exercise Price for a period of 20 consecutive trading days (all as determined in good faith by the Company's Board of Directors) at a price equal to \$.01 per share of Common Stock for which this Warrant shall be exercisable on the Call Date (as defined below). The Company shall give the holder of this Warrant at least 30 days prior written notice of any such call of this Warrant, which notice shall certify the foregoing condition for such call and set forth the date upon which the call shall occur (the "Call Date"). The holder of this Warrant shall, however, be entitled to exercise this Warrant, in whole or in part, prior to the Call Date and, in that event, the Company's right to call this Warrant shall be limited to the extent to which the Warrant remains unexercised on the Call Date.

8. Reservation of Common Stock. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the exercise of this Warrant, such number of its shares of Common Stock as shall from time to time be sufficient to effect the exercise of this Warrant, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the exercise of the entire Warrant, in addition to such other remedies as shall be available to the holder of this Warrant, the Company will use commercially reasonable efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

9. Split-Up, Combination, Exchange and Transfer of Warrants. Subject to and limited by the provisions of Section 4(a) hereof, this Warrant may be split up, combined or exchanged for another Warrant or Warrants containing the same terms and entitling the Holder to purchase a like aggregate number of Shares. If the Holder desires to split up, combine or exchange this Warrant, the Holder shall make such request in writing delivered to the Company and shall surrender to the Company this Warrant and any other Warrants to be so split up, combined or exchanged. Upon any such surrender for a split-up, combination or exchange, the Company shall execute and deliver to the person entitled thereto a Warrant or Warrants, as the case may be, as so requested. The Company shall not be required to effect any split-up, combination or exchange which will result in the issuance of a Warrant entitled the Warrantholder to purchase upon exercise a fraction of a share of Common Stock or a fractional Warrant. The Company may require such Holder to pay a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any split-up, combination or exchange of Warrants.

10. Successors and Assigns. All the covenants and provisions of this Warrant shall bind and inure to the benefit of the Company's successors and

assigns, and the heirs, legatees, devisees, executors, administrators, personal and legal representatives, and successors and permitted assigns of Holder.

11. Governing Law. This Warrant shall be governed by and construed in accordance with the laws, and not the laws of conflicts, of the State of Delaware. The Holder hereby consents and agrees to submit to the jurisdiction in the United States of the District Court of the State of Texas located in Harris County or of the United States District Court for the Southern District of Texas for any action or proceeding brought by the Company arising under this Warrant and to the venue of such action or proceeding in such courts.

CHENIERE ENERGY, INC.

By: _____
Name: _____
Title: _____

EXHIBIT B

FORM OF SENIOR TERM NOTE

\$ _____

December __, 1997

FOR VALUE RECEIVED, the undersigned ("MAKER") hereby promises to pay to the order of _____ ("PAYEE"), at its offices at _____, the principal sum of _____ DOLLARS, together with interest, as hereinafter described.

This note is executed and delivered pursuant to the Agreement (as renewed, extended, and amended from time to time, the "AGREEMENT") dated as of December 15, 1997, between Maker and Payee. Unless indicated otherwise, capitalized terms in this note are used as defined in the Agreement. This note is one of the Loan Papers referred to in the Agreement and is therefore subject to the applicable provisions of the Agreement (including, without limitation, SECTION 13 thereof).

The principal of this note is due and payable on the Maturity Date. Interest on this note shall be due and payable quarterly as it accrues and at maturity.

The principal from day to day unpaid shall, except as stated below, bear interest at a rate per annum which shall from day to day be equal to the lesser of (a) the Maximum Rate (hereinafter defined) and (b) the sum of 4% plus LIBOR. At the option of the holder of this note and to the extent permitted by applicable law, all past-due principal of this note and accrued and past-due interest on this note shall bear interest from the date due and payable (stated or by acceleration) until paid at a rate per annum which shall from day to day be equal to the lesser of (a) the Maximum Rate and (b) the sum of 4% plus LIBOR, regardless of whether such payment is made before or after entry of a judgment. Each change in the Maximum Rate will become effective, without notice to Maker or any other person or entity, upon the effective date of such change.

If at any time the rate determined under either clause (b) in the foregoing paragraph (the "CONTRACT RATE") exceeds the Maximum Rate, the rate of interest on this note shall be limited to the Maximum Rate, but any subsequent reductions in the Contract Rate shall not reduce the rate of interest below the Maximum Rate until the total amount of interest accrued equals the amount of interest which would have accrued if the Contract Rate applicable from time to time had at all times been in effect. If at maturity (stated or by acceleration), or at final payment of this note, the total amount of interest paid or accrued is less than the amount of interest which would have accrued if the Contract Rate applicable from time to time had at all times been in effect, then, at such time and to the extent permitted by applicable law, Maker shall pay to the holder hereof an amount equal to the sum of (a) the lesser of the amount of interest which would have accrued if the Contract Rate applicable from time to time had at all times been in effect and the amount of interest which would have accrued if the Maximum Rate had at all times been in effect minus (b) the amount of interest actually paid or accrued on this note.

Interest shall be calculated on the basis of actual days (including the first day but excluding the last day) elapsed but computed as if each calendar year consisted of 360 days (unless the result would exceed the Maximum Amount, in which event such interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be).

As used herein, the terms "MAXIMUM AMOUNT" and "MAXIMUM RATE" mean, respectively, the maximum amount and the maximum rate of interest which, under applicable law, the holder hereof is

Page 1 of 2

permitted to contract for, charge, take, reserve or receive on this note. Regardless of any provision in the Loan Papers, the holder hereof shall never be entitled to contract for, charge, take, reserve, receive, or apply, as interest on this note any amount in excess of the Maximum Amount, and, if the holder hereof ever contracts for, charges, takes, reserves, receives or applies as interest any such excess, it shall be deemed a partial prepayment of principal and treated hereunder as such and any remaining excess shall be refunded to Maker. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the Maximum Amount, Maker and the holder hereof shall, to the maximum extent permitted under applicable law, (a) treat all advances as but a single extension of credit (and the holder hereof and Maker agree that such is the case and that any provision herein for multiple advances is for convenience only), (b) characterize any nonprincipal payment as an expense, fee or premium rather than as interest, (c) exclude voluntary prepayments and the effects thereof, and (d) "spread" the total amount of interest throughout the entire contemplated term of this note; provided that if this note is paid in full prior to the end of the full contemplated term hereof, and if the interest received for the actual period of existence hereof exceeds the Maximum Amount, the holder hereof shall refund such excess, and, in such event, the holder hereof shall not to the extent permitted by applicable law, be subject to any penalties provided by any laws for contracting for, charging, taking, reserving or receiving interest in excess of the Maximum Amount. To the extent the laws of the State of Texas are applicable for purposes of determining the "Maximum Rate" or the "Maximum Amount," such term shall mean the "indicated rate ceiling" from time to time in effect under Article 1.04, Title 79, Revised Civil Statutes of Texas, as amended.

Maker and each surety, endorser, guarantor and other party ever liable for payment of any part hereof jointly and severally waive presentment and demand for payment, protest, notice of intention to accelerate, notice of acceleration and notice of protest and nonpayment, and agree that their liability on this note shall not be affected by, and hereby consent to, any renewal or extension in the time of payment hereof, any indulgences, or any release or change in any security for the payment of this note.

CHENIERE ENERGY, INC.

By: _____
Name: _____
Title: _____

Page 2 of 2

CHENIERE ENERGY, INC.
Two Allen Center
1200 Smith Street, Suite 1710
Houston, Texas 77002-4312

As of December 18, 1997

BSR Investments, Ltd.
97 Avenue Henri Martin
Paris, France 75016

Re: First Amendment to Term Note with Warrants

Ladies and Gentlemen:

Reference is made to the Term Note with Warrants dated as of December 15, 1997 (the "AGREEMENT"), between Cheniere Energy, Inc., a Delaware corporation ("BORROWER"), and BSR Investments, Ltd. ("LENDER"). Unless otherwise indicated, all capitalized terms herein are used as defined in the Agreement.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower and Lender agree as follows:

1. Amendment of Terms of Payment. SECTION 2 of the Agreement is hereby amended by adding to the end of such Section a new paragraph (d) which reads as follows in its entirety:

(d) All payments on the Notes shall be applied pro rata to the then due and outstanding principal amounts or interest obligations, as the case may be, under each of the Notes."

2. Representations and Warranties. Borrower represents and warrants that it possesses all requisite power and authority to execute, deliver and comply with the terms of this instrument, which has been duly authorized and approved by all necessary corporate action and for which no consent of any person is required.

3. Fees and Expenses. Borrower agrees to pay the reasonable fees and expenses of counsel to Lender for services rendered in connection with the negotiation and execution of this instrument.

4. Loan Paper; Effect. This instrument is a Loan Paper and, therefore, is subject to the applicable provisions of SECTION 13 of the Agreement, all of which are incorporated herein by reference the same as if set forth herein verbatim. Except as amended in this instrument, the Loan Papers are and shall be unchanged and shall remain in full force and effect. In the event of any inconsistency between the terms of the Agreement as hereby modified (the "AMENDED AGREEMENT") and any other Loan Papers, the terms of the Amended Agreement shall control and such other document shall be deemed to be amended hereby to conform to the terms of the Amended Agreement.

5. No Waiver of Defaults. This instrument does not constitute a waiver of, or a consent to any present or future violation of or default under, any provision of the Loan Papers, or a waiver of Lender's right to insist upon future compliance with each term, covenant, condition and provision of the Loan Papers, and the Loan Papers shall continue to be binding upon, and inure to the benefit of, Borrower, Lender and their respective successors and assigns.

6. Final Agreement. THE LOAN PAPERS, AS AMENDED HEREBY, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

If the foregoing terms and conditions are acceptable to Lender, Lender should indicate its acceptance by signing in the space provided below, whereupon this letter shall become an agreement binding upon and inuring to the benefit of Borrower and Lender and their respective successors and assigns.

Very truly yours,

CHENIERE ENERGY, INC.

By: /s/ DON A. TURKLESON

Name: Don A. Turkleson

Title: Chief Financial Officer

Accepted and agreed to as of the day and year first set forth in the foregoing letter.

BSR INVESTMENTS, LTD.

By: /s/ NICOLE SOUKI

Name: Nicole Souki

Title: Director

CHENIERE ENERGY, INC.
 Two Allen Center
 1200 Smith Street, Suite 1710
 Houston, Texas 77002-4312

December 15, 1997

Arabella S.A.
 35, rue Glesener
 L-1631
 Luxembourg

Alba Limited
 c/o Huntlaw Corporate Services, Ltd.
 P.O. Box 1350GT
 The Huntlaw Building
 Fort Street
 Grand Cayman, Cayman Islands

Scorpion Energy Partners
 505 Park Avenue, 12th Floor
 New York, New York 10022

Re: SECURITIES PURCHASE AGREEMENT

Cheniere Energy, Inc. ("CHENIERE"), Arabella S.A. ("ARABELLA"), Alba Limited ("ALBA") and Scorpion Energy Partners ("SCORPION"; Arabella, Alba and Scorpion are collectively referred to herein as the "LENDER GROUP") in consideration of the mutual covenants contained herein, agree as follows:

1. ISSUANCE OF STOCK AND WARRANTS.

(a) In accordance with the terms and conditions set forth herein and as additional consideration for the purchase of Term Notes in the principal amount of \$1,900,000 by Arabella and \$100,000 by Alba from BSR Investments, Ltd. ("BSR"), Cheniere will issue (i) to Scorpion 50,000 shares (the "LENDER STOCK") of Cheniere's common stock, par value \$.003 per share (the "COMMON STOCK"); (ii) to Arabella warrants in the form of EXHIBIT A (the "LENDER WARRANTS") to purchase 475,000 shares of Common Stock at an exercise price of 2.375 per share (the "EXERCISE PRICE"); and (iii) to Alba Lender Warrants to purchase 25,000 shares of Common Stock at the Exercise Price.

(b) If BSR extends the Maturity Date of the Term Notes pursuant to the terms of the Note Purchase Agreements, Cheniere will issue to Arabella and Alba additional warrants (the "ADDITIONAL LENDER WARRANTS" and together with the Lender Warrants, the "WARRANTS") with an exercise price equal to the Exercise Price which expire on the Expiration Date in the form of EXHIBIT A to purchase 63,334 and 3,333 shares of Common Stock, respectively, for each 30 day period after the original Maturity Date during which any amount of the Term Loan is outstanding and unpaid until the date (the "FINAL REPAYMENT DATE")

that is the earlier of (x) the date of repayment of the Term Loan in full and (y) 180 days after the original Maturity Date. The Additional Lender Warrants shall be issued within 10 days after the Final Repayment Date.

2. LENDER GROUP ACKNOWLEDGMENTS.

(a) TRANSFER RESTRICTIONS. Each member of the Lender Group acknowledges that (i) the Lender Stock, Warrants and the Common Stock underlying the Warrants (collectively, the "RESTRICTED SECURITIES") to be issued to it hereunder have not been and are not being registered under the provisions of the Securities Act of 1933, as amended (the "SECURITIES ACT"), or any applicable state securities laws (except as provided in SECTION 4), and may not be offered, sold, pledged or otherwise transferred unless (A) the Restricted Securities are subsequently registered under the Securities Act and all applicable state securities laws or (B) the holder of the Restricted Securities shall have delivered to Cheniere an opinion of counsel, reasonably satisfactory in form, scope and substance to Cheniere, to the effect that the Restricted Securities may be sold or transferred pursuant to a valid exemption from such registration requirements; (ii) the Restricted Securities are and will be "restricted securities" (as defined in Rule 144 promulgated under the Securities Act); (iii) any sale of the Restricted Securities, as the case may be, made in reliance on Rule 144 promulgated under the Securities Act may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any resale of the Restricted Securities, as the case may be, under circumstances in which the seller, or the person through whom the sale is made, may be deemed to be an underwriter, as that term is used in the Securities Act, may require

compliance with some other exemption under the Securities Act or the rules and regulations of the Securities and Exchange Commission (the "SEC") thereunder; and (iv) Cheniere is not under any obligation to register the Restricted Securities (other than as set forth in SECTION 4) under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

(b) RESTRICTIVE LEGEND. Each member of the Lender Group acknowledges and agrees that "stop transfer" instructions shall be given regarding the Restricted Securities on the transfer books of Cheniere, and that the certificate(s) evidencing the Restricted Securities shall bear the following legend:

"THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("THE SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD OR OTHERWISE DISPOSED OF FOR VALUE UNLESS A REGISTRATION STATEMENT HAS BECOME EFFECTIVE WITH RESPECT TO SUCH SECURITIES UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN OPINION OF COUNSEL REASONABLY ACCEPTABLE TO THE CORPORATION THAT THERE IS AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS."

3. LENDER GROUP REPRESENTATIONS, WARRANTIES AND COVENANTS.

Each member of the Lender Group jointly and severally represents and warrants to, and covenants and agrees with, Cheniere as follows:

(a) Each member of the Lender Group is purchasing the Restricted Securities for its own account, for investment only and not with a view towards the public sale or distribution thereof in violation of the Securities Act, and with no present intention of dividing or allowing others to participate in this investment.

2

(b) Each member of the Lender Group is an "accredited investor" as that term is defined in Rule 501(a)(1), (2), (3), (7) or (8) of Regulation D promulgated under the Securities Act and no member of the Lender Group was organized for the specific purpose of acquiring the Restricted Securities.

(c) Each member of the Lender Group has such knowledge, sophistication and experience in business, tax and financial matters that it is capable of evaluating, and is familiar with, the merits and risks of an investment in the Restricted Securities, can bear the substantial economic risk of an investment in the Restricted Securities for an indefinite period of time and can afford a complete loss of such investment.

(d) Each member of the Lender Group represents that its overall commitment to investments which are not readily marketable is not disproportionate to its net worth, and its investment in the Restricted Securities will not cause such overall commitment to become excessive.

(e) All subsequent offers and sales of the Restricted Securities by each member of the Lender Group shall be made pursuant to registration of such securities under the Securities Act and applicable state securities laws or pursuant to a valid exemption from such registration requirements.

(f) Each member of the Lender Group understands that the Restricted Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that Cheniere is relying upon the truth and accuracy of, and compliance by each member of the Lender Group with the representations, warranties, agreements, acknowledgments and understandings of each member of the Lender Group set forth herein in order to determine the availability of such exemptions and the eligibility of each member of the Lender Group to acquire the Restricted Securities. Each member of the Lender Group agrees that, if any of the representations, warranties, agreements, acknowledgments or understandings deemed to have been made by it in connection with its investment in the Restricted Securities is no longer accurate, it shall promptly notify Cheniere and consult with Cheniere in order to determine an appropriate course of action.

(g) Each member of the Lender Group has carefully read the terms and provisions hereof and, to the extent that it believed necessary, has discussed the representations, warranties and agreements which each member of the Lender Group makes herein and the applicable limitations upon the resale of the Restricted Securities by each member of the Lender Group with its counsel.

(h) Each member of the Lender Group and its advisors have been afforded the opportunity to ask questions of Cheniere, and have received complete and satisfactory answers to any and all such inquiries and has had access to such financial and other information concerning Cheniere and the Restricted Securities as it has deemed necessary in connection with its decision as to whether to make its investment.

(i) Each member of the Lender Group understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Restricted Securities.

4. REGISTRATION PROCEDURES.

(a) Within 120 days after the issuance of the Lender Stock and the Lender Warrants, Cheniere shall prepare and file or cause to be filed with the SEC a registration statement (the "REGISTRATION STATEMENT") with respect to the Lender Stock and the shares of Common Stock underlying the Warrants (collectively, the "REGISTRABLE SHARES"). Cheniere shall thereafter use diligence in attempting to cause the

3

Registration Statement to be declared effective by the SEC and shall thereafter use reasonable efforts to maintain the effectiveness of the Registration Statement until the earlier to occur of (i) the date which is one year from the effective date of the Registration Statement, (ii) the date on which all of the Warrants and Registrable Shares are no longer held by Any member of the Lender Group or (iii) the date on which no warrants are held by any member of the Lender Group and the Registrable Shares held by any member of the Lender Group can be resold pursuant to Rule 144.

(b) Following effectiveness of the Registration Statement, Cheniere shall furnish to each member of the Lender Group a prospectus as well as such other documents as each member of the Lender Group may reasonably request.

(c) Cheniere shall use reasonable efforts to (i) register or otherwise qualify the Registrable Shares for sale under the securities laws of such jurisdictions as each member of the Lender Group may reasonably request, (ii) prepare and file in those jurisdictions such amendments (including post-effective amendments) and supplements as may be required, (iii) take such other actions as may be necessary to maintain such registrations and/or qualifications in effect at all times while the Registration Statement is likewise maintained effective and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Shares for sale in such jurisdictions; provided, however, that Cheniere shall not be required in connection therewith or as a condition thereto to (I) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this SECTION 9(C), (II) subject itself to general taxation in any such jurisdiction, (III) file a general consent to service of process in any such jurisdiction, (IV) provide any undertakings that cause more than nominal expense or burden to Cheniere or (V) make any change in its certificate of incorporation or bylaws, which in each case the Board of Directors of Cheniere determines to be contrary to the best interests of Cheniere and its stockholders.

(d) Cheniere shall, following effectiveness of the Registration Statement, as promptly as practicable after becoming aware of any such event, notify each member of the Lender Group of the happening of any event of which Cheniere has knowledge, as a result of which the prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and use reasonable efforts promptly to prepare a supplement or amendment to the Registration Statement to correct such untrue statement or omission, and deliver a number of copies of such supplement or amendment to each member of the Lender Group or as each member of the Lender Group may reasonably request. Cheniere may voluntarily suspend the effectiveness of such Registration Statement for a limited time, which in no event shall be longer than 90 days, if Cheniere has been advised by legal counsel that the offering of Common Stock pursuant to the Registration Statement would adversely affect, or would be improper in view of (or improper without disclosure in a prospectus), a proposed financing, a reorganization, recapitalization, merger, consolidation, or similar transaction involving Cheniere or its subsidiaries, and, during such suspension, each member of the Lender Group and its affiliates shall not sell or otherwise dispose for value any Registered Shares, in which event the one year period referred to in clause (i) of SECTION 9(A) shall be extended for an additional period of time beyond such one year period for an additional period of time equal to the number of days the effectiveness thereof has been suspended pursuant to this sentence.

(e) Following effectiveness of the Registration Statement, Cheniere, as promptly as practicable after becoming aware of any such event, will notify each member of the Lender Group of the issuance by the SEC of any stop order or other suspension of effectiveness of the Registration Statement at the earliest possible time.

4

(f) Following effectiveness of the Registration Statement, Cheniere will use reasonable efforts either to (i) cause all the Registrable Shares to be listed on each national securities exchange on which similar securities issued by Cheniere are then listed, if any, if the listing of the Registrable Shares is

then permitted under the rules of such exchange, or (ii) secure the quotation of the Registrable Shares on the Nasdaq Stock Market, Inc. ("NASDAQ"), if the listing of the Registrable Shares is then permitted under the rules of Nasdaq, or (iii) if, despite Cheniere's reasonable efforts to satisfy the preceding clause (i) or (ii), Cheniere is unsuccessful in satisfying the preceding clause (i) or (ii) and without limiting the generality of the foregoing, to use reasonable efforts to arrange for at least two market makers to register with the National Association of Securities Dealers, Inc. as such with respect to such Common Stock.

(g) Provide a transfer agent and registrar, which may be a single entity, for the Registrable Shares not later than the effective date of the Registration Statement.

(h) It shall be a condition precedent to the obligations of Cheniere to take any action pursuant to this SECTION 9 that each member of the Lender Group shall furnish to Cheniere such information regarding itself as Cheniere may reasonably request to effect the registration of the Registrable Shares and shall execute such documents in connection with such registration as Cheniere may reasonably request.

(i) Each member of the Lender Group agrees to cooperate with Cheniere in any manner reasonably requested by Cheniere in connection with the preparation and filing of the Registration Statement hereunder.

(j) Each member of the Lender Group agrees that, upon receipt of any notice from Cheniere of the happening of any event of the kind described in SECTION 9(D) or 9(E), each member of the Lender Group will immediately discontinue disposition of Registrable Shares pursuant to the Registration Statement until each member of the Lender Group receives notice from Cheniere that sales may resume and copies of the supplemented or amended prospectus and, if so directed by Cheniere, shall deliver to Cheniere (at the expense of Cheniere) or destroy (and deliver to Cheniere a certificate of destruction) all copies of the prospectus covering the Registrable Shares current at the time of receipt of such notice in the possession of each member of the Lender Group.

(k) All expenses, other than (i) underwriting discounts and commissions, (ii) other fees and expenses of investment bankers and (iii) brokerage commissions, incurred in connection with registrations, filings or qualifications pursuant to this SECTION 9, including, without limitation, all registration, listing and qualification fees, printers and accounting fees and the fees and disbursements of counsel to Cheniere, shall be borne by Cheniere.

(l) To the extent permitted by law, Cheniere will indemnify and hold harmless each member of the Lender Group, the directors, if any, of each member of the Lender Group, the officers, if any, of each member of the Lender Group, each person, if any, who controls each member of the Lender Group within the meaning of the Securities Act or the Exchange Act, any underwriter (as defined in the Securities Act) for any member of the Lender Group, the directors, if any, of such underwriter and the officers, if any, of such underwriter, and each person, if any, who controls any such underwriter within the meaning of the Securities Act or the Exchange Act (each, an "INDEMNIFIED PERSON"), against any losses, claims, damages, expenses or liabilities (joint or several) (collectively, "CLAIMS") to which any of them may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any of the following statements, omissions or violations in the Registration Statement, or any post effective amendment thereof, or any prospectus included therein: (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any post effective amendment thereof or the omission or alleged

omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus if used prior to the effective date of such Registration Statement, or contained in the final prospectus (as amended or supplemented, if Cheniere files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading or (iii) any violation or alleged violation by Cheniere of the Securities Act, any state securities law or any rule or regulation under the Securities Act, the Exchange Act or any state securities law (the matters in the foregoing clauses (i) through (iii) are hereinafter collectively referred to as the "VIOLATIONS"). Subject to the restrictions set forth in SECTION 9(N) with respect to the number of legal counsel, Cheniere shall reimburse each member of the Lender Group and each such underwriter or controlling person, promptly as such expenses are incurred and are due and payable, for any reasonable legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnity contained in this SECTION 9(L) (I) shall not apply to a Claim arising out of or based upon a Violation which occurs in reliance upon and in conformity with

information furnished in writing to Cheniere by any Indemnified Person or underwriter for such Indemnified Person expressly for use in connection with the preparation of the Registration Statement or any such amendment thereof or supplement thereto; (II) with respect to any preliminary prospectus shall not inure to the benefit of any person from whom the person asserting any Claim purchased the Restricted Securities that are the subject thereof (or to the benefit of any person controlling such person) if the untrue statement or omission of material fact contained in the preliminary prospectus was corrected in the prospectus, as then amended or supplemented, if such final prospectus was timely made available by Cheniere; (III) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of Cheniere, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person and shall survive the transfer of the Restricted Securities by the members of the Lender Group; and (IV) shall not apply to a Claim arising out of or based upon the failure of an Indemnified Person to deliver a final prospectus to purchasers of Registrable Securities if Cheniere provided such final prospectus to the Indemnified Person.

(m) Each member of the Lender Group agrees to indemnify and hold harmless, to the same extent and in the same manner set forth in SECTION 9(L), Cheniere, each of its directors, each of its officers who signs the Registration Statement, each person, if any, who controls Cheniere within the meaning of the Securities Act or the Exchange Act, any underwriter and any other stockholder selling securities pursuant to the Registration Statement or any of its directors or officers or any person who controls such stockholder or underwriter within the meaning of the Securities Act or the Exchange Act (each such person and each Indemnified Person, an "INDEMNIFIED PARTY"), against any Claim to which any of them may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such Claim arises out of or is based upon any Violation by any member of the Lender Group, in each case to the extent (and only to the extent) that (I) such Violation occurs in reliance upon and in conformity with written information furnished to Cheniere by any member of the Lender Group expressly for use in connection with such Registration Statement or such prospectus or (II) is a result of the breach of federal or state securities laws pertaining to the transfer by any member of the Lender Group of the Restricted Securities or the securities underlying the Restricted Securities; and each member of the Lender Group will reimburse any reasonable legal or other expenses reasonably incurred by any Indemnified Party in connection with investigating or defending any such Claim; provided, however, that the indemnity contained in this SECTION 9(M) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such member of the Lender Group, which consent shall not be unreasonably withheld; provided, further, that each member of the Lender Group shall be liable under this SECTION 9(M) for only that amount of a Claim as does not exceed the net proceeds to such member of the Lender Group as a result of the sale of Registrable Shares

6

pursuant to such Registration Statement or such prospectus. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of the Restricted Securities (or underlying securities) by the members of the Lender Group. Notwithstanding anything to the contrary contained herein the indemnity contained in this SECTION 9(M) with respect to any preliminary prospectus shall not inure to the benefit of any Indemnified Party if the untrue statement or omission of material fact contained in the preliminary prospectus was corrected on a timely basis in the prospectus, as then amended or supplemented.

(n) Promptly after receipt by an Indemnified Person or Indemnified Party under SECTION 9(L) or 9(M) of notice of the commencement of any action (including any governmental action), such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is made against any indemnifying party under this SECTION 9, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, assume control of the defense thereof with counsel mutually satisfactory to the indemnifying parties; provided, however, that an Indemnified Person or Indemnified Party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential conflicts of interest between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. Except as provided in the preceding sentence, Cheniere shall pay for only one separate legal counsel for the Indemnified Persons. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this SECTION 9, except to the extent that the indemnifying party is prejudiced in its ability to defend such action. The indemnity required by this SECTION 9 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as such expense, loss, damage or liability is incurred and is due and payable.

(o) If Arabella exercises its right under the Pledge Agreement between BSR and Arabella to take possession of the shares of Common Stock held by BSR and pledged as security for the BSR Term Notes issued to Arabella and Alba (the "PLEGGED COMMON STOCK"), Arabella shall have the right, on one and only one occasion, to require Cheniere to prepare and file a registration statement regarding the Pledged Common Stock (the "PLEGGED COMMON STOCK REGISTRATION STATEMENT") pursuant to the terms and agreements regarding the registration of Registrable Shares set forth in SECTIONS 4(B) - 4(G). Cheniere shall file the Pledged Common Stock Registration Statement within 120 days of receipt of the written request of Arabella for registration pursuant to this SECTION 4(H). For purposes of SECTIONS 4(B) - 4(G) in connection with the Pledged Common Stock Registration Statement, the Pledged Common Stock shall be considered to be Restricted Securities.

5. MISCELLANEOUS.

(a) THE LAWS OF THE STATE OF TEXAS AND THE UNITED STATES SHALL GOVERN THE RIGHTS AND DUTIES OF THE PARTIES HERETO AND THE VALIDITY, CONSTRUCTION, ENFORCEMENT AND INTERPRETATION HEREOF. Where appropriate, words of any number shall include the plural and singular or of any gender shall include each other gender. Headings and captions may not be used in interpreting provisions hereof. Any action that is due on a non-Texas banking business day may be delayed until the next succeeding Texas banking business day. Unless specifically otherwise provided, any communication hereunder to any party must be in writing (which may be by facsimile transmission if a facsimile number is provided herein for such party and if, without affecting the date such facsimile transmission was actually made, subsequently confirmed by delivery or mailing in accordance with this paragraph) to be effective and shall be deemed to have been

7

given on the day actually delivered or, if mailed, on the third Texas banking business day after it is enclosed in an envelope, addressed to the party to be notified, properly stamped, sealed and deposited in the appropriate postal service. Until changed by notice pursuant hereto, the address for each party is set forth after its name on the first page of this agreement. If any provision herein is unenforceable, the remaining provisions thereof shall remain in full force and effect. The terms herein may be amended only by an instrument in writing executed jointly by Cheniere, Arabella, Alba and Scorpion, and supplemented only by documents delivered or to be delivered in accordance with the express terms thereof. This Agreement may be executed in any number of counterparts, with the same effect as if all signatories had signed the same document, and all of those counterparts constitute, collectively, one agreement.

6. ACCEPTANCE; PARTIES BOUND. This agreement binds and inures to the benefit of Cheniere, Arabella, Alba and Scorpion, and their respective successors and assigns; provided that Cheniere may not, without the prior written consent of Arabella, Alba and Scorpion, assign any rights, duties, or obligations hereunder, and any purported assignment without such consent is void.

Very truly yours,
CHENIERE ENERGY, INC.

By: /s/ DON A. TURKLESON

Name: Don A. Turkleson

Title: Chief Financial Officer

The foregoing is accepted and agreed to in all respects.

ARABELLA S.A.

By: /s/ ROBERT T. TUCKER

Name: Robert T. Tucker

Title: Attorney-in-fact

ALBA LIMITED

By: /s/ ROBERT T. TUCKER

Name: Robert T. Tucker

Title: Director

SCORPION ENERGY PARTNERS

By: /s/ MICHAEL GLASER

Name: Michael Glaser

Title: Partner

8

EXHIBIT A

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED ("ACT"), OR UNDER ANY APPLICABLE STATE SECURITIES LAWS, AND THEY CANNOT BE OFFERED FOR SALE, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE HYPOTHECATED EXCEPT IN ACCORDANCE WITH THE REGISTRATION REQUIREMENTS OF THE ACT AND SUCH STATE LAWS OR UPON DELIVERY TO THE COMPANY OF AN OPINION OF LEGAL COUNSEL SATISFACTORY TO THE COMPANY THAT AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

Form of
WARRANT TO PURCHASE COMMON STOCK
OF
CHENIERE ENERGY, INC.

This Warrant to Purchase Common Stock (this "Warrant") is issued _____, 1997, by Cheniere Energy, Inc., a Delaware corporation (the "Company"), to _____ (the "Holder").

1. Issuance of Warrant; Term. The Company hereby grants to Holder, subject to the provisions hereinafter set forth, the right to purchase _____ shares of common stock \$.003 par value per share, of the Company (the "Common Stock"). The shares of Common Stock issuable upon exercise of this Warrant are hereinafter referred to as the "Shares." This Warrant shall be exercisable at any time before 5:00 p.m. (Houston, Texas time) on December 31, 2001.

2. Exercise Price. This exercise price per share for which all or any of the Shares may be purchased pursuant to the terms of this Warrant shall be \$ _____ (the "Exercise Price").

3. Exercise

(a) This Warrant may be exercised by Holder in whole or in part, upon delivery of written notice of intent to the Company at the address of the Company set forth below its signature below or such other address as the Company shall designate in written notice to Holder, together with this Warrant and payment (in the manner described in Section 3(b) below) for the aggregate Exercise Price of the Shares so purchased. Upon exercise of this Warrant as aforesaid, the Company shall as promptly as practicable execute and deliver to Holder a certificate or certificates for the total number of whole Shares for which this Warrant is being exercised in such names and denominations as are requested by Holder. If this Warrant shall be exercised with respect to less than all of the Shares, Holder shall be entitled to receive a new Warrant covering the number of Shares in respect of which this Warrant shall not have been exercised, which new Warrant shall in all other respects be identical to this Warrant.

(b) Payment for the Shares to be purchased upon exercise of this Warrant may be made by the delivery of a certified or cashier's check payable to the Company for the aggregate Exercise Price of the Shares to be purchased.

4. Covenants and Conditions. The above provisions are subject to the following:

(a) Neither this Warrant nor the Shares have been registered under the Securities Act of 1933, as amended (the "Act"), or any state securities laws ("Blue Sky Laws"). This Warrant and the Shares have been acquired for investment purposes and not with a view to distribution or resale, and the

Shares may not be made subject to a security interest, pledged, hypothecated, sold or otherwise transferred without an effective registration statement therefor under the Act and such applicable Blue Sky Laws or an opinion of counsel (which opinion and counsel rendering same shall be reasonably acceptable to the Company) that registration is not required under the Act and under any applicable Blue Sky Laws. The certificates representing the Shares shall bear substantially the following legend:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAWS, BUT HAVE BEEN

ACQUIRED FOR THE PRIVATE INVESTMENT OF THE HOLDER HEREOF AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED UNTIL (I) A REGISTRATION STATEMENT UNDER THE ACT OR SUCH APPLICABLE STATE SECURITIES LAWS SHALL HAVE BECOME EFFECTIVE WITH REGARD THERETO, OR (II) IN THE OPINION OF COUNSEL (WHICH OPINION AND COUNSEL SHALL BE REASONABLY SATISFACTORY TO THE COMPANY) REGISTRATION UNDER THE LAW OR SUCH APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED OFFER, SALE OR TRANSFER.

Other legends as required by applicable federal and state laws may be placed on such certificates. Holder and the Company agree to execute such documents and instruments as counsel for the Company reasonably deems necessary to effect compliance of the issuance of this Warrant and any Shares issued upon exercise hereof with applicable federal and state securities laws.

(b) The Company covenants and agrees that all Shares which may be issued upon exercise of this Warrant will, upon issuance and payment therefor, be legally and validly issued and outstanding, fully paid and nonassessable.

5. Warrantholder not Stockholder. This Warrant does not confer upon Holder any voting rights or other rights as a stockholder of the Company.

6. Certain Adjustments.

6.1 Capital Reorganizations, Mergers, Consolidations or Sales of Assets. If at any time there shall be a capital reorganization (other than a combination or subdivision of Common Stock otherwise provided for herein), a share exchange (subject to and duly approved by the stockholders of the Company) or a merger or consolidation of the Company with or into another corporation, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person, then, as a part of such reorganization, share exchange, merger, consolidation or sale, lawful provision shall be made so that Holder shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified in this Warrant and upon payment of the Exercise Price, the number of shares of stock or other securities or property of the Company or the successor corporation resulting from such reorganization, share, exchange, merger, consolidation or sale, to which Holder would have been entitled under the provisions of the agreement in such reorganization, share exchange, merger, consolidation or sale if this Warrant had been exercised immediately before that reorganization, share exchange, merger, consolidation or sale. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of Holder after the reorganization, share exchange, merger, consolidation or sale to the end that the provisions of this Warrant (including adjustment of the Exercise Price then in effect and the number of the Shares) shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant.

6.2 Splits and Subdivisions. If the Company at any time or from time to time fixes a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of the holders of Common Stock entitled to receive a dividend or other distribution payable

2

in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as the "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or Common Stock Equivalents, then, as of such record date (or the date of such distribution, split or subdivision if no record date is fixed), the Exercise Price shall (i) in the case of a split or subdivision, be appropriately decreased and the number of the Shares shall be appropriately increased in proportion to such increase of outstanding shares and (ii) in the case of a dividend or other distribution, the holder of the warrant shall have the right to acquire without additional consideration, upon exercise of the warrant, such property or cash as would have been distributed in respect of the shares of Common Stock for which the warrant was exercisable had such shares of Common Stock been outstanding on the date of such distribution.

6.3 Combination of Shares. If the number of shares of Common Stock outstanding at any time after the date hereof is decreased by a combination or reverse stock split of the outstanding shares of Common Stock, the Exercise Price shall be appropriately increased and the number of the Shares shall be appropriately decreased in proportion to such decrease in outstanding shares.

6.4 Adjustments for Other Distributions. In the event the Company shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not referred to in Section 6.2, upon exercise of this Warrant, Holder shall be entitled to a proportionate share of any such distribution as though Holder was the holder of the number of shares of Common Stock of the Company into which this Warrant may be exercised as of the record date fixed for the determination of the holders of Common Stock of the Company entitled to receive such distribution.

6.5 Certificate as to Adjustments. In the case of each adjustment or readjustment of the Exercise Price pursuant to this Section 6, the Company will promptly compute such adjustment or readjustment in accordance with the terms hereof and cause a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based to be delivered to Holder. The Company will, upon the written request at any time of Holder, furnish or cause to be furnished to Holder a certificate setting forth:

(a) Such adjustment and readjustments;

(b) The Exercise Price at the time in effect; and

(c) The number of Shares and the amount, if any, of other property at the time receivable upon the exercise of the Warrant.

6.6 Notices of Record Date, etc. In the event of:

(a) Any taking by the Company of a record of the holders of any class of securities of the Company for the purpose of determining the holders thereof who are entitled to receive any dividends or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right; or

(b) Any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company or any transfer of all or substantially all of the assets of the Company to any other person or any consolidation, share exchange or merger involving the Company; or

3

(c) Any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company will mail to Holder at least 20 days prior to the earliest date specified herein, a notice specifying:

(i) The date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right; and

(ii) The date on which any such reorganization, reclassification, transfer, consolidation, share exchange, merger, dissolution, liquidation or winding up is expected to become effective and the record date for determining stockholders entitled to vote thereon.

7. Call of Warrant. This Warrant may be called and canceled by the Company at its election at any time following the date upon which the closing price of the Common Stock on its principal trading market has been 200% or more of the Exercise Price for a period of 20 consecutive trading days (all as determined in good faith by the Company's Board of Directors) at a price equal to \$.01 per share of Common Stock for which this Warrant shall be exercisable on the Call Date (as defined below). The Company shall give the holder of this Warrant at least 30 days prior written notice of any such call of this Warrant, which notice shall certify the foregoing condition for such call and set forth the date upon which the call shall occur (the "Call Date"). The holder of this Warrant shall, however, be entitled to exercise this Warrant, in whole or in part, prior to the Call Date and, in that event, the Company's right to call this Warrant shall be limited to the extent to which the Warrant remains unexercised on the Call Date.

8. Reservation of Common Stock. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the exercise of this Warrant, such number of its shares of Common Stock as shall from time to time be sufficient to effect the exercise of this Warrant, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the exercise of the entire Warrant, in addition to such other remedies as shall be available to the holder of this Warrant, the Company will use commercially reasonable efforts to take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

9. Split-Up, Combination, Exchange and Transfer of Warrants. Subject to and limited by the provisions of Section 4(a) hereof, this Warrant may be split up, combined or exchanged for another Warrant or Warrants containing the same terms and entitling the Holder to purchase a like aggregate number of Shares. If the Holder desires to split up, combine or exchange this Warrant, the Holder shall make such request in writing delivered to the Company and shall surrender to the Company this Warrant and any other Warrants to be so split up, combined or exchanged. Upon any such surrender for a split-up, combination or exchange, the Company shall execute and deliver to the person entitled thereto a Warrant or Warrants, as the case may be, as so requested. The Company shall not be required to effect any split-up, combination or exchange which will result in the issuance of a Warrant entitled the Warrant holder to purchase upon exercise a fraction of a share of Common Stock or a fractional Warrant. The Company may

require such Holder to pay a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any split-up, combination or exchange of Warrants.

10. Successors and Assigns. All the covenants and provisions of this Warrant shall bind and inure to the benefit of the Company's successors and assigns, and the heirs, legatees, devisees, executors, administrators, personal and legal representatives, and successors and permitted assigns of Holder.

4

11. Governing Law. This Warrant shall be governed by and construed in accordance with the laws, and not the laws of conflicts, of the State of Delaware. The Holder hereby consents and agrees to submit to the jurisdiction in the United States of the District Court of the State of Texas located in Harris County or of the United States District Court for the Southern District of Texas for any action or proceeding brought by the Company arising under this Warrant and to the venue of such action or proceeding in such courts.

CHENIERE ENERGY, INC.

By: _____
Name: _____
Title: _____

5