SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): January 14, 1996

Cheniere Energy, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

2-63115	95-4352386
(Commission File Number)	(IRS Employer Identification No.)

Two Allen Center 1200 Smith Street Houston, Texas	77002
(Address of principal executive office)	(Zip code)

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

None
(Former name or former address, if changed since last report)

Item 5. Other Events

As previously reported on Forms 8-K dated December 18, 1996 and January 2, 1997, the Company has recently issued 1,317,721 shares of Common Stock to subscribers pursuant to Regulation D and Regulation S resulting in net proceeds to the Company of $2,969,123.

In order to better reflect the financial condition of the Company as a result of these sales, the Company has prepared interim financial statements for the four month period ended December 31, 1996. These financial statements are attached.

CHENIERE ENERGY, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET (UNAUDITED)
DECEMBER 31, 1996

<TABLE>
<CAPTION>

ASSETS	
CURRENT ASSETS	
<S>	<C>
Cash	$ 2,419,264
Prepaid Expenses And Other Current Assets	6,632
TOTAL CURRENT ASSETS	2,425,896
PROPERTY AND EQUIPMENT, NET	50,315
OTHER ASSETS	
Investment	6,000,000
Security Deposit	500
TOTAL OTHER ASSETS	6,000,500

TOTAL ASSETS	$ 8,476,711
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$ 261,838
Advance from Officers	961
TOTAL LIABILITIES	262,799
STOCKHOLDERS' EQUITY	
Common Stock - $.003 Par Value Authorized 20,000,000 shares; 11,942,515 Issued and Outstanding	35,828
Preferred Stock - Authorized 1,000,000 shares; None Issued and Outstanding	-
Additional Paid-in-Capital	9,601,817
Retained Deficit	(1,423,733)
TOTAL STOCKHOLDERS' EQUITY	8,213,912
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 8,476,711

</TABLE>
See Accompanying Notes to Financial Statements.

CHENIERE ENERGY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE FOUR MONTHS ENDED DECEMBER 31, 1996

<TABLE>

<S>	<C>
Revenue	$ -
General and Administrative Expenses	192,330
Interest Expense	8,552
	200,882
Loss from Operations Before Other Income	(200,882)
Interest Income	7,329
Loss From Operations Before Income Taxes	(193,553)
Provision for Income Taxes	-
Net Loss	$(193,553)
Loss Per Share	$(.02)
Weighted Average Number of Shares Outstanding	10,588,060

</TABLE>

See Accompanying Notes to Financial Statements.

CHENIERE ENERGY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE FOUR MONTHS ENDED DECEMBER 31, 1996

<TABLE>
<CAPTION>

	Common Stock	Additional Paid-in	Retained	Total Stockholders'

	Shares	Par Value	Capital	Deficit	Equity
<S>	<C>	<C>	<C>	<C>	<C>
Balance - September 1, 1996	9,931,767	$ 29,795	$ 5,626,840	$(1,230,180)	$ 4,426,455
Sales of Shares	1,905,748	5,718	4,454,657	-	4,460,375
Conversion of Debt	105,000	315	209,685	-	210,000
Expenses Related to Offering	-	-	(689,365)	-	(689,365)
Net Loss	-	-	-	(193,553)	(193,553)
Balance - December 31, 1996	11,942,515	$ 35,828	$ 9,601,817	$(1,423,733)	$ 8,213,912

</TABLE>

See Accompanying Notes to Financial Statements.

CHENIERE ENERGY, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE FOUR MONTHS ENDED DECEMBER 31, 1996

<TABLE>

<S>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Loss	$(193,553)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities:	
Depreciation	2,695
(Increase) in Prepaid Expenses and Other Current Assets	1,832)
Decrease in Accounts Payable and Accrued Expenses	(31,056)
NET CASH USED BY OPERATING ACTIVITIES	(223,746)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Furniture, Fixtures and Equipment	(6,180)
Investment	(2,000,000)
NET CASH USED BY INVESTING ACTIVITIES	(2,006,180)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayment of Loan	(215,000)
Sale of Common Stock	4,460,375
Offering Costs	(689,365)
NET CASH PROVIDED BY FINANCING ACTIVITIES	3,556,010
NET DECREASE IN CASH	1,326,084
CASH - BEGINNING OF YEAR	1,093,180
CASH - NOVEMBER 30, 1996	$ 2,419,264
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash Paid for Interest	$ 8,552
Cash Paid for Income Taxes	$ -

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

See Accompanying Notes to Financial Statements.

CHENIERE ENERGY, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING

a) Basis of Presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. Certain reclassifications have been made to the prior period to conform to the current period's presentation.

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

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

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

b) Line of Business

Cheniere Operating is a Houston-based company formed for the purpose of oil and gas exploration and exploitation. The Company is currently involved in a joint exploration program which is engaged in the exploration for oil and natural gas along the Gulf Coast of Louisiana, onshore and in the shallow waters of the Gulf of Mexico. The Company commenced its oil and gas activities through such joint program in April 1996.

c) Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

d) Concentration of Credit Risk

The Company places its cash in what it believes to be credit-worthy financial institutions. However, cash balances exceeded FDIC insured levels at various times during the year.

e) Property and Equipment

Property and equipment are recorded at cost. Repairs and maintenance costs are charged to operations as incurred. Depreciation is computed using the straight-line method calculated to amortize the cost of assets over their estimated useful lives, generally five to seven years. Upon retirement or other disposition of property and equipment the cost and related depreciation will be removed from the accounts and the resulting gains or losses recorded.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING (CONTINUED)

f) Income Taxes

Income taxes are provided for based on the liability method of accounting pursuant to Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes". Deferred income taxes are recorded to reflect the tax consequences on future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year-end.

g) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

h) Loss Per Share

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

NOTE 2- PROPERTY AND EQUIPMENT

Property and equipment at December 31, 1996 consist of the following:

Furniture and Fixtures	$29,914
Office Equipment	26,700
	56,614
Less: Accumulated Depreciation	6,299
Property and Equipment - Net	$50,315

Depreciation expense for the three months ended December 31, 1996 was $2,695.

NOTE 3- REORGANIZATION

On July 3, 1996 Cheniere Operating consummated the transactions (the "Reorganization") contemplated in the Agreement and Plan or Reorganization (the "Reorganization Agreement") dated April 16, 1996 between Cheniere Operating and Bexy Communications, Inc., a publicly held Delaware corporation ("Bexy"). Under the terms of the Reorganization Agreement, Bexy transferred its existing aassets and liabilities to Mar Ventures, Inc., its wholly-owned subsidiary ("Mar Ventures"), Bexy received 100% of the outstanding shares of Cheniere Operating and the former shareholders of Cheniere Operating received approximately 8.3 million newly issued shares of Bexy common stock, representing 93% of the then issued and outstanding Bexy shares.

Immediately following the Reorganization, the Original Bexy Stockholders held the remaining 7% of the outstanding Bexy stock. In accordance with the terms of the Reorganization Agreement, Bexy changed its name to Cheniere Energy, Inc. Subsequently, the Company distributed the outstanding capital stock of Mar Ventures to the original holders of Bexy common stock.

NOTE 4- INVESTMENT IN JOINT VENTURE

The Company has entered into a joint exploration program pursuant to an Exploration Agreement between the Company and Zydeco Exploration, Inc. ("Zydeco"), an operating subsidiary of Zydeco Energy, Inc. (the "Exploration Agreement"), with regard to a new proprietary 3-D seismic exploration project in southern Louisiana (the "3-D Joint Venture"). The Company has the right to earn up to a 50% participation in the 3-D Joint Venture. The Company believes that the 3-D seismic survey (the "Survey") is the first of its size within the Transition Zone of Louisiana, an area extending a few miles on either side of the Louisiana State coastline.

The Survey is to be conducted over certain areas located within a total area of approximately 255 square miles running 5 miles south and generally 3 to 5 miles north of the coastline in the most westerly 28 miles of West Cameron Parish, Louisiana (the "Survey AMI"). The 3-D Joint Venture does not currently have rights to survey the entire Survey AMI and the extent of the Survey AMI which the 3-D Joint Venture will be entitled to survey is dependent upon its ability to obtain survey permits and similar rights. Currently, the 3-D Joint Venture has permits and similar rights to survey approximately 84% of the Survey AMI and is attempting to acquire rights to Survey additional portions of the Survey AMI. There is no assurance that the 3-D Joint Venture will successfully obtain rights to survey additional portions of the Survey AMI, nor that it will be successful in acquiring farmouts, lease options (other than those already obtained), leases, or other rights to explore or recover oil and gas.

As of December 31, 1996, the Company has an investment of $6,000,000 in the joint venture. Under the terms of the Exploration Agreement, the Company is still required to make monthly payments to the 3-D Joint Venture aggregating, at least, $7.5 million. The Company's potential participation in the 3-D Joint Venture could be significantly reduced in the event of a failure by the Company to make such required monthly payments when due.

NOTE 5- NOTES PAYABLE

During June 1996, Cheniere Operating borrowed $425,000 through a private placement of short term promissory notes with an initial interest rate of 8% (the "Notes"). The Notes were due on September 14, 1996 (the "Maturity Date"). In connection with the placement of the Notes, Cheniere Operating issued warrants, which, following the Reorganization, were exchanged for an aggregate of 141,666 and 2/3 warrants to purchase shares of the Common Stock, to the holders of the Notes (the "Noteholders"), each of which warrants entitles the holder to purchase one share of the Common Stock at an exercise price of $3.00 per share at any time on or before June 14, 1999.

Failure by the Company to pay all amounts due and payable under the Notes by the Maturity date constitutes an event of default thereunder. In such an event of default, the interest rate applicable to any outstanding Notes would increase to 13%. In addition, the holders of such outstanding Notes would be entitled to receive up to an aggregate of 42,500 additional warrants (on similar terms) for each month, or partial month, any amounts remain due and payable following the Maturity date, up to a maximum aggregate number of 170,000 such additional warrants. The proceeds from the placement of the Notes were applied toward professional expenses and used for working capital.

Effective as of September 14, 1996, certain of the note holders converted their notes into common stock at a price of $2 per share. As a result, 105,000 shares were issued to retire $210,000 of notes.

NOTE 5- NOTES PAYABLE (CONTINUED)

In addition, an individual note holder purchased the promissory notes of the remaining note holders. The holder thus held notes totalling $215,000. As per the terms of the notes (as described above), the interest rate on these outstanding notes increased to 13% per annum, effective September 14, 1996. The holder of the notes was also entitled to receive up to an aggregate of 21,500 additional warrants for each month, or partial month, any amounts remain due and payable after September 14, 1996, up to a maximum aggregate number of 86,000 such additional warrants. On December 13, 1996, the Company repaid the $215,000 notes and related accrued interest. Upon repaying the notes, the Company issued 64,500 warrants in accordance with the loan agreement.

NOTE 6- INCOME TAXES

At December 31, 1996, the Company had net carryforward losses of approximately $1,423,733. A valuation allowance equal to the tax benefit for deferred taxes has been established due to the uncertainty of realizing the benefit of the tax carryforward.

Deferred tax assets and liabilities reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities at December 31, 1996 are as follows:

Deferred Tax Assets	
Loss Carryforwards	$ 484,000
Less: Valuation Allowance	(484,000)
Net Deferred Tax Assets	$ -

Net operating loss carryforwards expire starting in 2006 through 2011. Per year availability is subject to change of ownership limitations under Internal Revenue Code Section 382.

NOTE 7- WARRANTS

The Company has issued and outstanding certain warrants described herein.

The Company has issued and outstanding 141,666 and 2/3 warrants (collectively, the "June Warrants"), each of which entitles the registered holder thereof to purchase one share of Common Stock. The June Warrants are exercisable at any time on or before June 14, 1999, at an exercise price of $3.00 per share (subject to customary anti-dilution adjustments). The June Warrants were originally issued by Cheniere Operating and were converted to warrants of Cheniere following the Reorganization. The June Warrants were issued to a group of 11 investors in connection with a private placement of unsecured promissory notes.

Effective September 14, 1996, the Company failed to pay all amounts due and payable under the Notes by the Maturity Date. Certain of the noteholders converted their notes into 105,000 shares of common stock.

NOTE 7- WARRANTS (CONTINUED)

An individual note holder purchased the promissory notes of the remaining note holders. As per the terms of the notes, the holder was also entitled to receive up to an aggregate of 21,500 additional warrants for each month, or partial month, any amounts remain due and payable after September 14, 1996, up to a maximum aggregate number of 86,000 such additional warrants. On December 14, 1996, upon repaying the notes, the Company issued an additional 64,500 warrants.

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

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

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

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

NOTE 8- STOCK OPTIONS

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

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

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

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

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

NOTE 9- COMMON STOCK RESERVED

The Company has reserved 322,166 and 2/3 share of Common Stock for insurance upon the exercise of outstanding warrants (See Note 8).

The Company has reserved 319,444 and 2/3 shares of Common Shares for insurance upon the exercise of outstanding options (See Note 9).

NOTE 10- COMMITMENTS AND CONTINGENCIES

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

2) On December 20, 1996, Cheniere California signed a Purchase and Sale Agreement with Poseidon Petroleum, LLC, ("Poseidon") to acquire Poseidon's 60% working interest in six undeveloped leases in the Bonito Unit of the Pacific Outer Continental Shelf (OCS) off Santa Barbara County California (which is equal to 47% of the working interest in the Bonito Unit). Poseidon estimates that the net proved undeveloped reserves attributable to its interest are approximately 47 million barrels of oil equivalent. As payment for this interest, Poseidon will receive production payments aggregating $18,000,000 to be paid as three percent of the production revenue from the leases being assigned. Poseidon will have a reserve report prepared with respect to the leases which is subject to Cheniere California's acceptance. The principal amount of the production payment and the required minimum yearly payments are subject to adjustment based on the results of the reserve report. Minimum prepayments from the annual production payment shall be made at the rate of $540,000 per year, payable in advance. Subject to the satisfaction of certain conditions, it is anticipated that closing of the purchase will occur during the second quarter of 1997.

SIGNATURES

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

CHENIERE ENERGY, INC.

By:/s/ KEITH F. CARNEY
Keith F. Carney
Chief Financial Officer

Date: January 15, 1997