

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): November 8, 2004

CHENIERE ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	1-16383 (Commission File Number)	95-4352386 (I.R.S. Employer Identification No.)
717 Texas Avenue Suite 3100 Houston, Texas (Address of principal executive offices)		77002 (Zip Code)

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

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

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

Item 1.01. Entry into a Material Definitive Agreement.

On November 8, 2004, Cheniere Energy, Inc.'s wholly owned partnership, Sabine Pass LNG, L.P. (Sabine Pass LNG), entered into a Terminal Use Agreement (TUA) to provide Chevron USA, Inc. (Chevron USA), a wholly-owned subsidiary of ChevronTexaco Corporation (NYSE: CVX) (ChevronTexaco), with 700 million cubic feet per day (mmcf/d) of liquefied natural gas (LNG) regasification capacity at the 2.6 billion cubic feet per day (Bcf/d) LNG receiving terminal being developed by Sabine Pass LNG in Cameron Parish, Louisiana. Cheniere, Sabine Pass LNG and Chevron USA simultaneously entered into an Omnibus Agreement, under which Chevron USA agreed to make advance Capacity Reservation Fee payments and the companies agreed to continue to negotiate for Chevron USA to make a \$200 million equity investment to acquire a 20% limited partner interest in Sabine Pass LNG. The TUA and Omnibus Agreement remain subject to final corporate approvals, including approval by the ChevronTexaco Board of Directors, by December 20, 2004.

The TUA provides for Chevron USA to pay a tariff of \$0.32 per million British thermal units, subject in part to adjustment for inflation, for 700 mmcf/d of regasification capacity for a 20-year period beginning not later than July 1, 2009. Under the Omnibus Agreement, Chevron USA has the option, at the same tariff, either to reduce its reserved capacity at Sabine Pass to 500 mmcf/d by July 1, 2005 or to increase its reserved capacity to 1.0 Bcf/d by December 1, 2005. ChevronTexaco will guarantee certain of its subsidiary's obligations under the TUA.

The Omnibus Agreement requires Chevron USA to make advance Capacity Reservation Fee payments to Sabine Pass LNG totaling up to \$20 million, beginning with an unconditional payment of \$5 million within 15 days. Except for this \$5 million payment, Chevron USA has the right to terminate the TUA, the Omnibus Agreement and the transactions under those agreements if approval of ChevronTexaco's board of directors is not obtained by December 20, 2004. If the agreements and transactions are not terminated, further advance Capacity Reservation Fee payments will be due -- \$7 million after ChevronTexaco's board approval; \$5 million after December 20, 2004, conditioned upon both Federal

Energy Regulatory Commission (FERC) approval of the pending application to build the Sabine Pass terminal and confirmation of evidence of the ability to finance construction of the facility; and \$3 million if Chevron USA exercises the option to increase its capacity at Sabine Pass to 1.0 Bcf/d. These Capacity Reservation Fee payments will be amortized over a ten-year period as a reduction of Chevron USA's regasification capacity tariff under the TUA.

On November 9, 2004, Cheniere Energy, Inc. issued a press release regarding the foregoing. That press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

c) Exhibits

Exhibit Number -----	Description -----
99.1	Press Release, dated November 9, 2004 (filed herewith).

SIGNATURES

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

Date: November 9, 2004

CHENIERE ENERGY, INC.

By: /s/ Don A. Turkleson

Name: Don A. Turkleson
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number - -----	Description -----
99.1	Press Release, dated November 9, 2004 (filed herewith).

Cheniere Energy and ChevronTexaco Reach Agreement for Capacity
at Sabine Pass LNG Receiving Terminal

HOUSTON--(BUSINESS WIRE)--Nov. 9, 2004--Cheniere Energy Inc. (AMEX:LNG) announced that it has entered into Terminal Use and related agreements with a subsidiary of ChevronTexaco (NYSE:CVX) to provide it with 700 million cubic feet per day (mmcf/d) of liquefied natural gas (LNG) regasification capacity at the Sabine Pass LNG receiving terminal. ChevronTexaco also has an option to increase its capacity to 1.0 billion cubic feet per day (Bcf/d) or to decrease it to 500 mmcf/d. The agreements remain subject to final approval by ChevronTexaco management by December 20, 2004.

The companies also have agreed to continue to negotiate definitive agreements for ChevronTexaco to make a \$200 million equity investment in Cheniere's wholly owned Sabine Pass LNG, L.P., which will own and operate the terminal, in exchange for a 20% limited partner interest.

Keith Meyer, President of Cheniere LNG, Inc., a wholly owned subsidiary of Cheniere Energy said, "Cheniere has a commitment to creating LNG gateways to North America that will provide safe, reliable, and efficient service to our customers. We are very pleased to have the opportunity to serve ChevronTexaco as a major customer in what we hope will be a growing relationship."

For additional information on the agreements, please refer to the Cheniere Energy, Inc. Current Report on Form 8-K filed with the Securities and Exchange Commission.

Cheniere's 2.6 Bcf/d Sabine Pass LNG project received its Draft Environmental Impact Statement from FERC on August 12, 2004. Construction is planned to begin by the end of the first quarter of 2005.

ChevronTexaco is currently celebrating its 125th anniversary. It is one of the world's leading energy companies with more than 50,000 employees. ChevronTexaco conducts business in approximately 180 countries around the world, producing and transporting crude oil and natural gas, and marketing and distributing fuels and other energy products. ChevronTexaco is based in San Ramon, Calif. More information on ChevronTexaco is available at www.ChevronTexaco.com.

Cheniere Energy, Inc. is a Houston-based developer of liquefied natural gas receiving terminals and a Gulf of Mexico E&P company. Cheniere is developing Gulf Coast LNG receiving terminals near Sabine Pass in Cameron Parish, LA, and near Corpus Christi, TX. Cheniere is also a 30% limited partner in Freeport LNG Development, L.P., which is developing an LNG receiving terminal in Freeport, Texas. Cheniere conducts exploration for oil and gas in the Gulf of Mexico using a regional database of 7,000 square miles of PSTM 3D seismic data. Cheniere also owns 9% of Gryphon Exploration Company, along with Warburg, Pincus Equity Partners, L.P. which owns 91%. Additional information about Cheniere Energy, Inc. may be found on its website at www.Cheniere.com.

This press release contains certain statements that may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, (i) statements regarding Cheniere's business strategy, plans and objectives and (ii) statements expressing beliefs and expectations regarding the development of Cheniere's LNG receiving terminal business. Although Cheniere believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere's periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere does not assume a duty to update these forward-looking statements.

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