

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 9, 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 September 2, 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 Total LNG USA, Inc. (Total), a subsidiary of Total SA (NYSE: TOT), with 1.0 billion cubic feet per day (Bcf/d) of liquefied natural gas (LNG) regasification capacity at the 2.6 Bcf/d LNG receiving terminal being developed by Sabine Pass LNG in Cameron Parish, Louisiana. On November 9, 2004, Total exercised its option to proceed with the transaction by delivering to Sabine (i) an advance Capacity Reservation Fee payment of \$10 million, and (ii) a guarantee by Total SA of certain of its subsidiary's obligations under the TUA. Cheniere, Sabine Pass LNG and Total also entered into an Omnibus Agreement on September 2, 2004, under which the TUA remains subject to certain conditions described below.

The TUA provides for Total to pay a tariff of \$0.32 per million British thermal units (mmbtu), subject in part to adjustment for inflation, for 1.0 Bcf/d of regasification capacity for a 20-year period beginning not later than April 1, 2009. In addition, under the Omnibus Agreement, if Sabine Pass LNG enters into a new terminal use agreement with a third party, other than Cheniere affiliates, for capacity of 50 million cubic feet per day or more, with a term of five years or more, prior to the commercial start date of the terminal, Total will have the option, exercisable within 30 days of the receipt of notice of such transaction, to adopt the pricing terms contained in such new terminal use agreement for the remainder of the term of the Total terminal use agreement.

Because Total has elected to proceed with the transaction, an additional advance Capacity Reservation Fee payment of \$10 million will be payable to Sabine Pass LNG upon satisfaction of two conditions: (i) approval by the Federal Energy Regulatory Commission (FERC) of the pending application to build the Sabine Pass terminal; and (ii) confirmation of evidence of the ability to finance construction of the facility. Total has the right to terminate this transaction if these conditions are not satisfied by June 30, 2005. The Capacity Reservation Fee payments will be amortized over a ten-year period as a reduction of Total'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).

Total Secures Capacity at Cheniere's Sabine Pass LNG Terminal

HOUSTON--(BUSINESS WIRE)--Nov. 9, 2004--Cheniere Energy Inc. (AMEX:LNG) announced today that Total LNG USA, Inc. a subsidiary of Total SA (NYSE:TOT) has exercised its option to acquire 1 billion cubic feet per day (Bcf/d) of capacity at its Sabine Pass liquefied natural gas (LNG) receiving terminal pursuant to the agreements announced in September.

As reported, Cheniere's wholly owned limited partnership, Sabine Pass LNG, L.P. entered into a Terminal Use Agreement on September 2, 2004 to provide Total with LNG regasification capacity of 1 Bcf/d for a period of 20 years commencing no later than April 1, 2009.

Keith Meyer, president of Cheniere LNG, Inc., a wholly owned Cheniere subsidiary said, "Total's commitment at Sabine completes the commercial foundation for the project and keeps us on track to begin construction early next year. We are pleased to have the opportunity to be a significant part of Total's growing North American natural gas presence."

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.

Sabine Pass LNG, L.P. received its Draft Environmental Impact Statement from FERC on August 12, 2004, and should begin construction in the first quarter of 2005. The facility is designed to process 2.6 Bcf/d of LNG.

Total has a major presence in the global LNG markets with equity sales of 7 million metric tons in 2003. Total has interests in six liquefaction plants worldwide and holds interests in three LNG regasification terminal projects: the Altamira project on the eastern coast of Mexico near Tampico; the Hazira project on the northwest coast of India in the Gujarat State; and the Fos Cavaou project in southern France. More Information on Total may be found at www.Total.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 Web site 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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