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): April 4, 2006

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

Delaware	1-16383	95-4352386
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

717 Texas Avenue Suite 3100 Houston, Texas	77002
(Address of principal executive offices)	(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 April 4, 2006, Cheniere LNG Marketing, Inc. ("Cheniere Marketing"), a wholly-owned subsidiary of Cheniere Energy, Inc. ("Cheniere"), entered into a Gas Purchase and Sale Agreement (the "Agreement") with PPM Energy, Inc. ("PPM"), which is a U.S. subsidiary of Scottish Power plc, a developer and operator of renewable energy in both the United Kingdom and the United States. Pursuant to the Agreement, Cheniere Marketing has the right to sell to PPM up to 600,000 million British thermal units ("MMBtu") of natural gas per day, and has agreed to initially allocate qualifying liquefied natural gas ("LNG") purchases to PPM. A qualifying LNG supply agreement:

- has an initial term of at least two years;
- has a purchase quantity of LNG equivalent to at least 100,000 MMBtu per day of continuously delivered natural gas;
- has a contract price for purchased LNG, as converted into a price per MMBtu, of not more than 94% of the final NYMEX settlement price per MMBtu for a delivery month, less $0.32 per MMBtu;
- has the LNG receiving terminal being developed by Cheniere in western Cameron Parish, Louisiana (the "Sabine Pass LNG Receiving Terminal") as the primary destination of the LNG; and
- is not a contract that supports another downstream natural gas purchase agreement.

PPM will be allocated 40% of the first 100,000 MMBtu per day achieved under a qualifying LNG supply agreement and 20% after a delivery quantity of 100,000 MMBtu has been achieved. PPM has agreed to buy the natural gas from Cheniere Marketing at a price equal to the sum of (a) 96% of the NYMEX Henry Hub natural gas futures contract price for a delivery month, plus (b) $0.10 per MMBtu. Gas will be delivered to PPM at delivery points designated by PPM from time to time along Cheniere's proposed natural gas pipeline that will service the LNG receiving terminal being developed by Cheniere at the mouth of the Calcasieu Channel in central Cameron Parish, Louisiana (the "Creole Trail Pipeline").

Both PPM and Cheniere Marketing are excused from performance under the Agreement for reasons of force majeure or planned maintenance. Except for weather events that may delay an LNG tanker's transit within, or entry into, the Gulf of Mexico, Cheniere Marketing may not claim force majeure for interruptions in LNG supply that may occur overseas. Instead, Cheniere Marketing has the right to notify PPM prior to each delivery month that the monthly delivery quantity will be reduced due to an anticipated interruption of LNG supply. If an interruption in LNG supply occurs within a delivery month, and Cheniere Marketing has not notified PPM of its anticipated occurrence, Cheniere Marketing is liable to PPM for its damages or losses, which are capped at $0.50 per MMBtu over the quantity of gas that was not delivered.

The Agreement runs for an initial term of 10 years beginning two months after the later to occur of commencement of commercial operations at the Sabine Pass LNG Receiving Terminal, commencement of commercial operation of the Creole Trail Pipeline with firm service provided to certain principal pipelines, and commencement of commercial delivery of natural gas from the Sabine Pass LNG Receiving Terminal to the Creole Trail Pipeline. The Agreement will extend for a five-year period following the initial term and for a second five-year period following the first extension term unless either party provides written notice of termination to the other party at least 120 days prior to the expiration of the then-current term.

Either party may terminate the Agreement if the initial term has not commenced by June 30, 2010 or Cheniere Marketing has not elected to deliver gas to PPM by October 31, 2010. In addition, Cheniere Marketing may terminate the Agreement if:

- it has not received all governmental approvals for the construction and operation of the Sabine Pass LNG Receiving Terminal, Cheniere's proposed natural gas pipeline that will service the Sabine Pass LNG Receiving Terminal (the "Sabine Pass Pipeline"), or the Creole Trail Pipeline by June 30, 2008;

- it incurs cumulative damages or losses resulting from interruptions of LNG exceeding $15 million; however, PPM may avoid termination by reimbursing Cheniere Marketing for its damages or losses;

- there is a material breach by PPM of a representation or warranty in the agreement, which remains unremedied for more than five business days after notice thereof;

- PPM fails to make any payment when due, within five business days after notice thereof; or

- PPM or its guarantor makes an assignment for the benefit of its creditors, becomes subject to voluntary or involuntary bankruptcy proceedings, or otherwise becomes bankrupt or insolvent.

PPM may also terminate the Agreement if:

- it incurs cumulative damages or losses exceeding $15 million resulting from interruptions of LNG supply; however, Cheniere Marketing may avoid termination by reimbursing PPM for its damages or losses;

- PPM fails to receive natural gas on 15 days in any twelve-month period;

- there is a material breach by Cheniere Marketing of a representation or warranty in the agreement, which remains unremedied for more than five business days after notice thereof; or

- Cheniere Marketing makes an assignment for the benefit of its creditors, becomes subject to voluntary or involuntary bankruptcy proceedings or otherwise becomes bankrupt or insolvent.

If an event of force majeure lasts more than 24 consecutive months and will not be resolved in the foreseeable future, either party may reduce its obligations under the Agreement by the amount of the delivery quantity affected by the event of force majeure.

PPM has provided a guarantee executed in favor of Cheniere Marketing by Scottish Power Finance (US), Inc. ("SPF(US)"), a wholly-owned indirect subsidiary of Scottish Power plc and the parent of PPM. SPF(US) has a corporate credit rating of A-, and a senior unsecured rating of BBB+, from Standard & Poors. In the event that the sum of the value of the gas delivered by Cheniere Marketing which has yet to be invoiced, and the gas delivered by Cheniere Marketing which has been invoiced but has yet to be paid by PPM, exceeds the amount of the guarantee, Cheniere Marketing has the right to reduce delivery volumes in the succeeding month if PPM does not elect to pay for invoiced gas on an accelerated basis.

The foregoing description of the Agreement is not complete and is qualified in its entirety by reference to the Agreement.

Item 8.01. Other Events.

On April 6, 2006, the Company issued a press release announcing that Cheniere LNG Marketing, Inc. entered into a Gas Purchase Agreement with PPM Energy, Inc. The press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 8.01.

Item 9.01. Financial Statements and Exhibits.

c) Exhibits

Exhibit Number	Description
99.1	Press Release dated April 6, 2006 (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.

CHENIERE ENERGY, INC.

Date: April 6, 2006

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 April 6, 2006 (filed herewith).

Exhibit 99.1

Cheniere LNG Marketing and Scottish Power's PPM Energy Enter Into 10-Yr. Gas Purchase and Sale Agreement

HOUSTON--(BUSINESS WIRE)--April 6, 2006--Cheniere Energy, Inc. (AMEX:LNG) and PPM Energy, Inc., a subsidiary of Scottish Power PLC (NYSE:SPI)(LSE:SPW) announced today that Cheniere Energy's wholly-owned subsidiary, Cheniere LNG Marketing, Inc. (Cheniere LNG Marketing) has entered into a 10-year Gas Purchase and Sale Agreement with PPM. Upon completion of certain facilities, the agreement gives Cheniere LNG Marketing the ability to sell to PPM up to 600,000 MMBtus of natural gas per day at a Henry Hub related market index price, and calls for Cheniere to allocate to PPM a portion of the liquefied natural gas (LNG) that it procures under certain long-term LNG supply agreements.

Terry Hudgens, PPM's CEO, said, "PPM Energy is delighted to have been selected by Cheniere to purchase long term LNG supply into the U.S. Gulf Coast Market. PPM considers this an important strategic relationship that links its growing gas storage supply and marketing business to Cheniere's leading LNG terminal business. LNG will become a vital part of U.S. natural gas supply over the next several years and PPM will be well positioned to offer LNG along with domestic supply and storage services to its growing gas customer base."

Cheniere LNG Marketing President, Keith Meyer said, "PPM has taken a proactive step in addressing North America's natural gas supply shortfall by helping to pull long-term LNG supply into North America. PPM's network of storage capacity and its natural gas marketing platform are assets that complement Cheniere's LNG receiving network and Cheniere LNG Marketing's LNG procurement business. We view this venture as a strategic relationship that will play off the strengths of both parties to our mutual benefit."

PPM Energy, Inc.

PPM Energy (www.ppmenergy.com) provides optimized energy solutions tailored to meet the needs of wholesale and large commercial and industrial customers. It offers expertise in all aspects of wholesale power and gas markets from generation and gas storage development to long-term energy supply to asset management services.

PPM is a subsidiary of Scottish Power (www.scottishpower.com), an international energy company comprised of four continuing businesses, Energy Retail, Energy Wholesale and Energy Networks in the UK and PPM Energy in the U.S. It provides electricity generation, transmission, distribution, and supply services to electricity and natural gas customers.

Cheniere Energy, Inc.

Cheniere Energy is developing a platform of three, 100% owned LNG receiving terminal projects along the U.S. Gulf Coast. The three terminals will have an aggregate send-out capacity of 9.9 billion cubic feet of natural gas per day. Cheniere plans to leverage its terminal platform by pursuing related LNG business opportunities both upstream and downstream of the terminals. Cheniere is also the founder and holds a 30% limited partner interest in a fourth LNG receiving terminal, is a partner in an LNG shipping venture, and engages in oil and gas exploration in the shallow waters of the U.S. Gulf of Mexico.

Cheniere is based in Houston, Texas, with offices in Johnson Bayou, Louisiana, and Paris, France. Additional information about Cheniere may be found on the company's web site at www.cheniere.com.

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

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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