

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 6, 2006

CHENIERE ENERGY, INC.

(Exact name of registrant as specified in its charter)

|  |  |   |
|--|--|---|
| Delaware<br>(State or other jurisdiction of<br>incorporation or organization)                | 1-16383<br>(Commission File<br>Number) | 95-4352386<br>(I.R.S. Employer<br>Identification No.) |
| 717 Texas Avenue<br>Suite 3100<br>Houston, Texas<br>(Address of principal executive offices) |  | 77002<br>(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 2.02. Results of Operations and Financial Conditions

On November 6, 2006, Cheniere Energy, Inc. (the "Company") issued a press release announcing the Company's results of operations for the third quarter ended September 30, 2006. The press release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein in its entirety.

The information included in this Item 2.02 of Current Report on Form 8-K, including the attached Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

d) Exhibits

| Exhibit<br>Number | Description   |
|-------------------|---|
| 99.1              | Press Release, dated November 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: November 6, 2006

By: /s/ Don A. Turkleson

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

EXHIBIT INDEX

| Exhibit<br>Number<br>- - - - - | Description<br>- - - - -                                |
|--------------------------------|---|
| 99.1                           | Press Release, dated November 6, 2006 (filed herewith). |

## Cheniere Energy Reports Third Quarter 2006 Results

HOUSTON--(BUSINESS WIRE)--Nov. 6, 2006--Cheniere Energy, Inc. (AMEX:LNG) reported a net loss of \$33.1 million, or \$0.61 per basic and diluted share, for the third quarter of 2006, compared to net income of \$8.0 million, or \$0.15 and \$0.14 per basic and diluted share, respectively, during the corresponding period in 2005. The major factors contributing to the net loss during the third quarter of 2006 were an income tax provision of \$15.1 million, charges for general and administrative expenses of ("G&A") \$12.0 million, interest expense of \$10.9 million, and LNG receiving terminal and pipeline development expenses of \$2.9 million. These were partially offset by interest income of \$11.1 million. The major factors contributing to our net income of \$8.0 million during the third quarter of 2005 were a \$20.2 million gain on the sale of our investment in Gryphon Exploration Company and interest income of \$4.5 million, which were partially offset by G&A expenses of \$6.5 million, interest expense of \$5.1 million and LNG receiving terminal and pipeline development expenses of \$4.1 million.

Cheniere's working capital at September 30, 2006 was \$681.6 million, compared with \$810.1 million at December 31, 2005. The decrease was primarily the result of working capital used for the following: the construction of Phase 1 and Phase 2 of the Sabine Pass LNG receiving terminal, non-current restricted cash securing a letter of credit associated with a purchase order to purchase pipe related to the Creole Trail natural gas pipeline, initial site preparation at the Corpus Christi LNG receiving terminal, and working capital used in operating activities. These uses were partially offset by \$351.5 million drawn under the amended Sabine Pass Credit Facility.

For additional information please refer to the Cheniere Energy, Inc. Quarterly Report on Form 10-Q for the period ended September 30, 2006, filed with the Securities and Exchange Commission.

Cheniere Energy, Inc.

Cheniere is developing a network of three, 100% owned LNG receiving terminals and related natural gas pipelines along the Gulf Coast of the United States. The three terminals will have an aggregate send-out capacity of 9.9 billion cubic feet per day. Cheniere is 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.

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](http://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.

(Financial Table Follows)

Cheniere Energy, Inc.  
Selected Financial Information  
(in thousands) (1)

| Three Months Ended<br>September 30, |       | Nine Months Ended<br>September 30, |       |
|-------------------------------------|-------|------------------------------------|-------|
| -----                               | ----- | -----                              | ----- |
| 2006                                | 2005  | 2006                               | 2005  |
| -----                               | ----- | -----                              | ----- |
|                                     | (as   |                                    | (as   |

|   |             | adjusted) (2) |             | adjusted) (2) |
|---|-------------|---------------|-------------|---------------|
| Revenues  | \$737       | \$729         | \$1,572     | \$2,154       |
| Operating costs and expenses                                  |             |               |             |               |
| LNG receiving terminal and pipeline development expenses      | 2,923       | 4,127         | 6,730       | 14,902        |
| Exploration costs   | 661         | 246           | 2,089       | 1,347         |
| Oil and gas production costs                                  | 61          | 78            | 166         | 166           |
| Impairment of fixed assets                                    | 1,628       | --            | 1,628       | --            |
| Depreciation, depletion and amortization                      | 896         | 362           | 2,080       | 816           |
| General and administrative expenses                           | 12,044      | 6,523         | 37,669      | 17,114        |
|   | -----       | -----         | -----       | -----         |
| Total operating costs and expenses                            | 18,213      | 11,336        | 50,362      | 34,345        |
|   | -----       | -----         | -----       | -----         |
| Loss from operations  | (17,476)    | (10,607)      | (48,790)    | (32,191)      |
| Gain on sale of investment in unconsolidated affiliate        | --          | 20,206        | --          | 20,206        |
| Equity in net loss of limited partnership                     | --          | (2,261)       | --          | (3,232)       |
| Derivative gain (loss)  | (966)       | 931           | (44)        | 264           |
| Interest expense  | (10,886)    | (5,058)       | (33,120)    | (5,058)       |
| Interest income   | 11,100      | 4,541         | 30,978      | 8,114         |
| Other income  | 201         | 295           | 485         | 722           |
| Income tax provision  | (15,079)    | --            | (2,045)     | --            |
| Minority interest   | --          | --            | --          | 97            |
|   | -----       | -----         | -----       | -----         |
| Net income (loss)   | \$ (33,106) | \$8,047       | \$ (52,536) | \$ (11,078)   |
|   | =====       | =====         | =====       | =====         |
| Net income (loss) per common share--basic                     | \$ (0.61)   | \$0.15        | \$ (0.97)   | \$ (0.21)     |
|   | =====       | =====         | =====       | =====         |
| Net income (loss) per common share--diluted                   | \$ (0.61)   | \$0.14        | \$ (0.97)   | \$ (0.21)     |
|   | =====       | =====         | =====       | =====         |
| Weighted average number of common shares outstanding--basic   | 54,496      | 53,938        | 54,361      | 53,358        |
|   | =====       | =====         | =====       | =====         |
| Weighted average number of common shares outstanding--diluted | 54,496      | 55,749        | 54,361      | 53,358        |
|   | =====       | =====         | =====       | =====         |

|  | September 30,<br>2006 | December 31,<br>2005 |
|--|-----------------------|----------------------|
|  | -----                 | -----                |
|  | (unaudited)           | (as adjusted) (2)    |
| Cash and cash equivalents                        | \$586,787             | \$692,592            |
| Restricted cash and cash equivalents             | 139,623               | 160,885              |
| Other current assets                             | 19,277                | 17,986               |
| Non-current restricted cash and cash equivalents | 100,098               | 16,500               |
| Property, plant and equipment, net               | 624,026               | 280,106              |
| Debt issuance costs, net                         | 47,401                | 43,008               |
| Goodwill   | 76,844                | 76,844               |
| Other assets                                     | 18,046                | 2,226                |
|  | -----                 | -----                |
| Total assets                                     | \$1,612,102           | \$1,290,147          |
|  | =====                 | =====                |

|   |             |             |
|---|-------------|-------------|
| Current liabilities                           | \$64,096    | \$61,322    |
| Long-term debt                                | 1,264,500   | 917,500     |
| Deferred revenue                              | 41,000      | 41,000      |
| Other liabilities                             | 24,681      | 1,784       |
| Stockholders' equity                          | 217,825     | 268,541     |
|   | -----       | -----       |
| Total liabilities and<br>stockholders' equity | \$1,612,102 | \$1,290,147 |
|   | =====       | =====       |

(1) Please refer to Cheniere Energy, Inc. Quarterly Report on Form 10-Q for the period ended September 30, 2006, filed with the Securities and Exchange Commission.

(2) Effective January 1, 2006, Cheniere converted from the full cost method of accounting to the successful efforts method of accounting for its investment in oil and gas properties. The change in accounting methods constitutes a "Change in Accounting Principle," requiring that all prior period financial statements be adjusted to reflect the results and balances that would have been reported had the company been following the successful efforts method of accounting from its inception. The cumulative effect of the change in accounting method as of December 31, 2005 was to reduce the balance of our net investment in oil and gas properties and retained earnings by \$18.0 million. The change in accounting methods resulted in an increase in net income of \$369,000 and a decrease in the net loss of \$296,000 for the three and nine months ended September 30, 2005, respectively, and had no significant impact on earnings per share (basic and diluted) for these respective periods. The change in method of accounting has no impact on cash or working capital.

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