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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2008

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-16383

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

Delaware
(State or other jurisdiction of incorporation or organization)

95-4352386
(I.R.S. Employer Identification No.)

700 Milam Street, Suite 800
Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

(713) 375-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller company filer. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2008, there were 50,692,153 shares of Cheniere Energy, Inc. Common Stock, $0.003 par value, issued and outstanding.

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CHENIERE ENERGY, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

CHENIERE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	June 30, 2008	December 31, 2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 162,615	$ 296,530
Restricted cash and cash equivalents	192,302	228,085
Accounts and interest receivable	33,126	48,786
Prepaid expenses and other	41,628	27,211
Total current assets	429,671	600,612
NON-CURRENT RESTRICTED CASH AND CASH EQUIVALENTS	61,716	478,225
NON-CURRENT RESTRICTED U.S. TREASURY SECURITIES	42,206	63,923
PROPERTY, PLANT AND EQUIPMENT, NET	2,074,380	1,645,112
DEBT ISSUANCE COSTS, NET	51,496	44,005
GOODWILL	76,844	76,844
INTANGIBLE LNG ASSETS	6,182	20,402
LNG HELD FOR COMMISSIONING	65,416	—
ADVANCES UNDER LONG-TERM CONTRACTS	10,378	28,497
OTHER	14,052	4,679
Total assets	$ 2,832,341	$ 2,962,299
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	$ 5,610	$ 6,620
Accrued liabilities	123,000	164,917
Derivative liabilities	7,760	1,564
Total current liabilities	136,370	173,101
LONG-TERM DEBT	2,852,000	2,757,000
MINORITY INTEREST	268,809	285,675
DEFERRED REVENUE	40,000	40,000
OTHER NON-CURRENT LIABILITIES	6,015	8,637
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' DEFICIT		
Preferred stock, $.0001 par value, 5,000,000 shares authorized, none issued	—	—
Common stock, $.003 par value		
Authorized: 120,000,000 shares at both June 30, 2008 and December 31, 2007		
Issued and outstanding: 50,630,482 and 47,730,869 shares at June 30, 2008 and December 31, 2007, respectively	152	143
Treasury stock: 9,452,110 and 9,192,529 shares at June 30, 2008 and December 31, 2007, respectively, at cost	(329,445)	(325,039)
Additional paid-in-capital	469,670	451,705
Accumulated deficit	(611,162)	(428,918)
Accumulated other comprehensive loss	(68)	(5)
Total stockholders' deficit	(470,853)	(302,114)
Total liabilities and stockholders' deficit	$ 2,832,341	$ 2,962,299

The accompanying notes are an integral part of these financial statements.

CHENIERE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Revenues				
Oil and gas sales	$ 1,207	$ 2,719	$ 2,293	$ 3,551
Marketing and trading gain (loss)	(293)	(1,847)	98	(3,936)
Total revenues	914	872	2,391	(385)
Operating costs and expenses				
LNG receiving terminal and pipeline development expense	2,566	10,532	9,282	16,286
LNG receiving terminal and pipeline operating expense	416	—	416	—
Exploration costs	24	14	93	372
Oil and gas production costs	114	101	207	168
Depreciation, depletion and amortization	3,333	1,513	5,617	2,589
General and administrative expenses	19,364	28,936	50,043	50,197
Restructuring charges	78,564	—	78,564	—
Total operating costs and expenses	104,381	41,096	144,222	69,612
Loss from operations	(103,467)	(40,224)	(141,831)	(69,997)
Loss from equity method investments	(3,000)	—	(4,800)	—
Derivative loss	(11,536)	—	(12,366)	—
Interest expense, net	(21,402)	(25,930)	(41,251)	(52,356)
Interest income	4,801	24,120	14,405	45,703
Other expense	(34)	(184)	(71)	(183)
Loss before income taxes and minority interest	(134,638)	(42,218)	(185,914)	(76,833)
Income tax provision	—	—	—	—
Loss before minority interest	(134,638)	(42,218)	(185,914)	(76,833)
Minority interest	2,305	1,099	3,670	1,158
Net loss	$ (132,333)	$ (41,119)	$ (182,244)	$ (75,675)
Net loss per common share—basic and diluted	$ (2.81)	$ (0.76)	$ (3.87)	$ (1.38)
Weighted average number of common shares outstanding—basic and diluted	47,129	54,391	47,053	54,640

The accompanying notes are an integral part of these financial statements.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
(in thousands)
(unaudited)

	Common Stock		Treasury Stock at Cost	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' Deficit
	Shares	Amount					
Balance—December 31, 2007	47,731	$ 143	$ (325,039)	$ 451,705	$ (428,918)	$ (5)	$ (302,114)
Issuances of stock	45	—	—	241	—	—	241
Issuances of restricted stock	3,113	9	—	(9)	—	—	—
Forfeitures of restricted stock	(104)	—	—	—	—	—	—
Stock-based compensation	—	—	—	17,733	—	—	17,733
Treasury stock acquired	(155)	—	(4,406)	—	—	—	(4,406)
Comprehensive loss:							
Foreign currency translation	—	—	—	—	—	(63)	(63)
Net loss	—	—	—	—	(182,244)	—	(182,244)
Balance—June 30, 2008	50,630	$ 152	$ (329,445)	$ 469,670	$ (611,162)	$ (68)	$ (470,853)

The accompanying notes are an integral part of these financial statements.

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CHENIERE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (182,244)	$ (75,675)
Adjustments to reconcile net loss to net cash used in operating activities:		
Use of restricted cash and cash equivalents	54,926	56,610
Non-cash compensation	15,905	19,321
Non-cash restructuring charges	17,144	—
Depreciation, depletion and amortization	5,617	2,571
Amortization of debt issuance costs	5,012	2,722
Restricted interest income on restricted cash and cash equivalents	(13,105)	(29,719)
Minority interest	(3,670)	(1,158)
Non-cash derivative loss	6,196	—
Other	(155)	204
Changes in operating assets and liabilities:		
Accounts and interest receivable	16,716	(12,776)
Prepaid expenses	(15,473)	(6,700)
Accounts payable and accrued liabilities	(14,031)	16,308
Other	—	4,448
NET CASH USED IN OPERATING ACTIVITIES	(107,162)	(23,844)
CASH FLOWS FROM INVESTING ACTIVITIES:		
LNG terminal and pipeline construction-in-progress	(440,782)	(360,400)
Use of restricted cash and cash equivalents	410,457	300,314
Use of (investment in) restricted treasury securities	21,717	(98,442)
Purchases of LNG for commissioning, net of amounts transferred to LNG terminal construction-in-process	(65,416)	—
Purchases of fixed assets	(3,542)	(15,926)
Advances under long-term contracts, net of amounts transferred to LNG terminal construction-in-process	(5,118)	(11,816)
Investment in unconsolidated affiliate	—	(25,025)
Other	(9,218)	101
NET CASH USED IN INVESTING ACTIVITIES	(91,902)	(211,194)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Bridge Loan	95,000	—
Proceeds from sale of common units in partnership	—	203,946
Proceeds from issuance of common units to minority owners in partnership	—	98,442
Proceeds from 2007 Term Loan	—	400,000
Distributions to minority interest	(13,196)	(435)
Debt issuance costs	(12,503)	(8,883)
Sale of common stock	241	1,748
Purchase of treasury shares	(4,406)	(212,582)
Use of restricted cash and cash equivalents	13	641
NET CASH PROVIDED BY FINANCING ACTIVITIES	65,149	482,877
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(133,915)	247,839
CASH AND CASH EQUIVALENTS—BEGINNING OF PERIOD	296,530	462,963
CASH AND CASH EQUIVALENTS—END OF PERIOD	$ 162,615	$ 710,802

The accompanying notes are an integral part of these financial statements.

CHENIERE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

NOTE 1—Basis of Presentation

The accompanying unaudited consolidated financial statements of Cheniere Energy, Inc. have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In our opinion, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation, have been included. As used herein, the terms "Cheniere," "the Company," "we," "our" and "us" refer to Cheniere Energy, Inc. and its wholly-owned or controlled subsidiaries, unless otherwise stated or indicated by context.

For further information, refer to the consolidated financial statements and footnotes included in our annual report on Form 10-K for the year ended December 31, 2007.

NOTE 2—Recent Business Developments

In February 2008, we announced that we were exploring strategic options for the Company. Further to this strategic option review process, in April we announced our decision to take steps aimed at reducing costs and capital requirements and increasing our available cash and cash equivalents. Since that time those actions have included:

- In May 2008, we entered into an 18-month credit facility with Credit Suisse and received approximately $82.3 million of net proceeds (see Note 12—"Long-Term Debt and Credit Facility"). The purpose of this facility is to provide incremental funding and liquidity until we enter into a strategic transaction, obtain sufficient revenues from a significant number of imported LNG cargos or consummate an alternative financing transaction.
- As a result of the downsizing of our natural gas marketing business activities and the wrapping up of significant construction activities for both the Sabine Pass LNG receiving terminal and Creole Trail Pipeline, we have reduced our personnel Company-wide by approximately 41% (see Note 3—"Restructuring Charges").
- We terminated one of the two LNG vessel time charter interests during the second quarter of 2008, and have subsequently terminated the second time charter interest in July 2008. In consideration for the termination of both time charters, we have forfeited cash collateral that had been classified as non-current restricted cash and cash equivalents on our Consolidated Balance Sheet (see Note 3—"Restructuring Charges").
- In June 2008, we announced that we had entered into a domestic marketing agreement for the sale of LNG with J.P. Morgan Ventures Energy Corporation, a wholly owned subsidiary of J.P. Morgan Chase & Co. ("JPMorgan"). The agreement provides a framework under which Cheniere Marketing may offer to sell to JPMorgan all or a portion of the LNG from each cargo it acquires on delivery to the Sabine Pass LNG receiving terminal, and under which JPMorgan will utilize a portion of Cheniere Marketing's terminal use agreement ("TUA") capacity for storage and regasification services related to the portion of the LNG cargo that JPMorgan purchases. In addition, JPMorgan has agreed to purchase any LNG that is delivered to Cheniere Marketing under its Transatlantic Option Agreement with Gaz de France during 2008. JPMorgan has also acquired a "first look" right through March 31, 2009 under which JPMorgan will have the preemptive right to acquire LNG on the same pricing terms that Cheniere Marketing offers to its other customers. JPMorgan will guarantee all of J.P. Morgan Ventures Energy Corporation's obligations under this agreement, including any LNG purchases executed under this agreement.

- On August 6, 2008, we accepted a commitment for $250.0 million of convertible security financing to replace the Credit Suisse 18-month credit facility and provide additional funds. The commitment is subject to certain conditions, including regulatory approvals, completion of definitive documentation and the absence of any change, development or event that would be expected to have a material adverse effect on us or our industry, business, financial condition or prospects. We expect to complete the new $250.0 million financing in August 2008.

Upon closing of the new $250.0 million financing we believe we will have sufficient short-term liquidity to conduct our business even assuming we are wholly unsuccessful in our efforts to exploit our reserved capacity at the Sabine Pass LNG receiving terminal and our other business initiatives (see Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations).

We have recognized losses from our cost savings program, which are described in greater detail in Note 3—"Restructing Charges."

If we are not successful in closing this $250.0 million convertible security financing, entering into another strategic transaction, or obtaining a sufficient number of LNG cargos, we will need to obtain an alternative source of funding during the first quarter of 2009.

NOTE 3—Restructuring Charges

In the second quarter of 2008, we announced a cost saving program in connection with the downsizing of our natural gas marketing business activities, the wrapping up of significant construction activities for both the Sabine Pass LNG receiving terminal and Creole Trail Pipeline and the seeking of alternative arrangements for our time charter interest in two LNG vessels (see Note 2—"Recent Business Developments"). In connection with this program, we recognized $78.6 million in restructuring charges in the second quarter of 2008 in accordance with Statement of Financial Accounting Standard ("SFAS") No. 146, *Accounting for Costs Associated with Exit or Disposal Activities,* and have presented the financial impact as Restructuring Charges on the Consolidated Statement of Operations.

Below is a reconciliation of the total restructuring charges expected to be recognized and charged to expense over the restructuring period to the amount of expected restructuring charges at June 30, 2008 (in thousands):

	Severance Costs	Facility Costs	Marketing Costs	Total
Estimated restructuring charges (at inception of plan)	$12,400	$ —	$ 69,400	$ 81,800
Adjustment to estimated restructuring charges as of June 30, 2008	(5,431)	2,549	1,235	(1,647)
Total estimated restructuring charges at June 30, 2008	6,969	2,549	70,635	80,153
Restructuring charges recognized in second quarter 2008	(5,380)	(2,549)	(70,635)	(78,564)
Estimated restructuring charges to be recognized in the future	$ 1,589	$ —	$ —	$ 1,589

NOTE 4—LNG Held for Commissioning

In connection with the construction of the Sabine Pass LNG receiving terminal, we require LNG to perform certain commissioning activities, as follows:

- Cool down—A minimum amount of LNG will be used to cool down the LNG receiving terminal. Cool down represents the amount of LNG required to cool the LNG receiving terminal to its normal operating temperature.

- LNG heel—A certain amount of LNG will be used to establish a level of LNG inventory in each LNG storage tank and in the LNG receiving terminal piping in order for the LNG receiving terminal to function properly.
- Equipment commissioning—The remaining amount of the LNG will be used to commission the equipment in the LNG receiving terminal to ensure that it performs at designed specifications. Equipment commissioning will result in natural gas being sold.

LNG purchased for commissioning activities is recorded at cost and classified as a non-current asset on our consolidated balance sheet as LNG held for commissioning. As the LNG held for commissioning is used to cool down the LNG receiving terminal and establish LNG heel in the LNG receiving terminal, we capitalize the portion used. The LNG used in the commissioning process is capitalized net of amounts received from the sale of natural gas.

As of June 30, 2008, we had acquired a total of three LNG commissioning cargoes for the Sabine Pass LNG receiving terminal and have successfully unloaded the LNG into the Sabine Pass LNG receiving terminal.

NOTE 5—Minority Interest

We have consolidated certain joint ventures and partnerships because we have a controlling interest in these ventures. Therefore, the entities' financial statements are consolidated in our consolidated financial statements and the ownership interests of others in these entities equity is recorded as minority interest. The following table sets forth the components of our minority interest balance attributable to third-party investors' interest (in thousands):

Net proceeds from Cheniere Partners' issuance of common units (1)	$ 98,442
Net proceeds from sale of Cheniere Partners common units (2)	203,946
Distributions to Cheniere Partners' minority interest	(26,827)
Minority interest share of loss of Cheniere Partners	(7,095)
Minority interest in Frontera (3)	343
Minority interest at June 30, 2008	$ 268,809

(1) Through the public offering of Cheniere Energy Partners, L.P. ("Cheniere Partners"), Cheniere Partners received $98.4 million in net proceeds from the issuance of its common units to the public in March 2007 ("Cheniere Partners Offering"). Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 51, *Accounting for Sales of Stock by a Subsidiary*, provides guidance on accounting by the parent for issuances of a subsidiary's common equity to unaffiliated parties. Under SAB No. 51, a company may elect an accounting policy of recording a gain or loss on the sale of common equity of a subsidiary equal to the amount of proceeds received in excess of the carrying value of the parent's investment. Upon the conversion of all of our subordinated units in Cheniere Partners to common units, we will evaluate whether to recognize a gain through earnings at that time.

(2) In conjunction with the Cheniere Partners Offering, we sold a portion of our Cheniere Partners common units to the public, realizing net proceeds of $203.9 million. Due to the subordinated distribution rights on our subordinated units, we have recorded those proceeds as a minority interest. Upon the conversion of all of our subordinated units in Cheniere Partners to common units, we will evaluate whether to recognize a gain through earnings at that time.

(3) In September 2007, we acquired an 80% interest in Frontera Pipeline LLC ("Frontera") from Tidelands Oil and Gas Corporation ("Tidelands") for $1.0 million, providing us with an 80% ownership stake in the Burgos Hub Project. This project involves the development and construction of an integrated pipeline

project traversing the United States and Mexico border and the construction of a related subterranean storage facility in Mexico. As of June 30, 2008, Tidelands' proportionate interest in the net assets of Frontera was $0.3 million.

NOTE 6—Restricted Cash, Cash Equivalents and U.S. Treasury Securities

Restricted cash and cash equivalents and U.S. treasury securities are composed of cash that has been contractually restricted as to usage or withdrawal, as follows:

Sabine Pass LNG Receiving Terminal Construction Reserve

In November 2006, Sabine Pass LNG, L.P., our majority-owned subsidiary ("Sabine Pass LNG"), consummated a private offering of an aggregate principal amount of $2,032.0 million of Senior Secured Notes consisting of $550.0 million of 7 1/4% Senior Secured Notes due 2013 (the "2013 Notes") and $1,482.0 million of 7 1/2% Senior Secured Notes due 2016 (the "2016 Notes" and collectively with the 2013 Notes, the "Senior Notes") (see Note 12—"Long-Term Debt and Credit Facility"). Under the terms and conditions of the Senior Notes, we were required to fund a cash reserve account with approximately $887 million to pay the costs to construct the Sabine Pass LNG receiving terminal. The cash accounts are controlled by a collateral trustee, and therefore, are shown as restricted cash and cash equivalents on our Consolidated Balance Sheets. As of June 30, 2008 and December 31, 2007, $42.6 million and $40.2 million related to accrued construction costs were classified as part of current restricted cash and cash equivalents, and $26.8 million and $380.2 million related to remaining construction costs were classified as a non-current asset on our Consolidated Balance Sheets, respectively.

Senior Notes Debt Service Reserve

As described above, Sabine Pass LNG consummated a private offering of an aggregate principal amount of $2,032.0 million of Senior Notes (see Note 12—"Long-Term Debt and Credit Facility"). Under the terms and conditions of the Senior Notes, we were required to fund a cash reserve account of $335.0 million related to future interest payments on the Senior Notes through May 2009. The cash accounts are controlled by a collateral trustee, and therefore, are shown as restricted cash and cash equivalents on our Consolidated Balance Sheets. As of June 30, 2008 and December 31, 2007, $141.3 million and $151.0 million related to the payment of interest due within twelve months had been classified as part of current restricted cash, and zero and $61.8 million related to the remaining payments of interest through May 2009 had been classified as non-current restricted cash, respectively.

Cheniere Partners Distribution Reserve

At the closing of the Cheniere Partners Offering, Cheniere Partners funded a distribution reserve of $98.4 million, which was invested in U.S. treasury securities. The distribution reserve, including interest earned thereon, will be used to pay quarterly distributions of $0.425 per common unit for all common units, as well as related distributions to Cheniere Partners' general partner, through the distribution made in respect of the quarter ending June 30, 2009. The U.S. treasury securities were acquired at a discount from their maturity values equal to an average of approximately 4.87% per year. As of June 30, 2008, and December 31, 2007, we classified the $42.2 million and $63.9 million balance of U.S. treasury securities as Non-Current Restricted U.S. Treasury Securities on our Consolidated Balance Sheet, respectively, as these securities had original maturities greater than three months. In addition, we classified $11.9 million of the distribution reserve as non-current restricted cash as of June 30, 2008.

CHENIERE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(unaudited)

Other Restricted Cash and Cash Equivalents

As of June 30, 2008 and December 31, 2007, $8.4 million and $36.9 million had been classified as part of current restricted cash and cash equivalents, and $23.0 million and $36.2 million had been classified as a non-current asset on our Consolidated Balance Sheets, respectively, related to various other contractual restrictions.

NOTE 7—Property, Plant and Equipment

Property, plant and equipment consists of LNG terminal construction-in-process expenditures, LNG site and related costs, investments in oil and gas properties, and fixed assets, as follows (in thousands):

	June 30, 2008	December 31, 2007
LNG TERMINAL COSTS		
LNG terminal construction-in-process	$ 1,462,514	$ 1,169,695
LNG site and related costs, net	2,031	1,991
Total LNG terminal costs	$ 1,464,545	$ 1,171,686
NATURAL GAS PIPELINE COSTS		
Pipeline	$ 537,640	$ —
Natural gas pipeline construction-in-process	28,376	425,038
Pipeline rights-of-way	17,136	15,751
Accumulated depreciation	(1,042)	—
Total natural gas pipeline costs	$ 582,110	$ 440,789
OIL AND GAS PROPERTIES, successful efforts method		
Proved	$ 2,526	$ 2,526
Accumulated depreciation, depletion and amortization	(860)	(653)
Total oil and gas properties, net	$ 1,666	$ 1,873
FIXED ASSETS		
Computers and office equipment	$ 6,729	$ 8,195
Furniture and fixtures	5,123	5,008
Computer software	12,650	12,268
Leasehold improvements	10,456	11,247
Projects-in-process	1,104	2,147
Other	1,197	1,072
Accumulated depreciation	(11,200)	(9,173)
Total fixed assets, net	$ 26,059	$ 30,764
PROPERTY, PLANT AND EQUIPMENT, net	$ 2,074,380	$ 1,645,112

LNG Terminal Costs

Once an LNG receiving terminal is constructed, the related LNG terminal construction-in-process costs will be depreciated using the straight-line depreciation method. The identifiable components of the Sabine Pass LNG receiving terminal with similar estimated useful lives have a depreciable range between 10 and 50 years. Depreciation will begin once construction is complete.

Costs associated with the construction of the Sabine Pass LNG receiving terminal have been capitalized as construction-in-process since the date the project satisfied our criteria for capitalization. For the six months ended June 30, 2008 and 2007, we capitalized $47.6 million and $27.9 million of interest expense related to the construction of the Sabine Pass LNG receiving terminal, respectively. In March 2006, our Corpus Christi LNG receiving terminal satisfied the criteria for capitalization. Accordingly, costs associated with the initial site work for the Corpus Christi LNG receiving terminal have been capitalized as construction-in-process since that time. For the six months ended June 30, 2008 and 2007, we capitalized $0.6 million and $1.0 million, respectively, of interest expense related to this construction project.

Natural Gas Pipeline Costs

Our natural gas pipeline business is subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") in accordance with the Natural Gas Act of 1938 and the Natural Gas Policy Act of 1978, and we have determined that our pipelines that may be constructed have met the criteria set forth in SFAS No. 71. Accordingly, we began applying the provisions of SFAS No. 71 to the affected pipeline subsidiaries in the third quarter of 2006. Natural gas pipeline costs also include amounts capitalized as Allowance for Funds Used During Construction ("AFUDC"). The rates used in the calculation of AFUDC are determined in accordance with guidelines established by the FERC. AFUDC represents the cost of debt and equity funds used to finance our natural gas pipeline additions during construction. AFUDC is capitalized as a part of the cost of our natural gas pipelines. Under regulatory rate practices, we generally are permitted to recover AFUDC, and a fair return thereon, through our rate base after our natural gas pipelines are placed in service. For the six months ended June 30, 2008 and 2007, we capitalized $17.0 million and $4.0 million, respectively, of AFUDC to our natural gas pipeline projects.

Fixed Assets

Our fixed assets are recorded at cost and are depreciated on a straight-line method based on estimated lives of the individual assets or groups of assets. Depreciation expense related to our property, plant and equipment totaled $5.6 million and $2.4 million for the six months ended June 30, 2008 and 2007, respectively.

Asset Retirement Costs

Our asset retirement obligations relate primarily to the retirement of certain LNG receiving terminal, natural gas pipeline assets and obligations related to right-of-way agreements. In accordance with SFAS No. 143, *Accounting for Asset Retirement Obligations*, we determined that due to an indeterminate life of such assets, the fair value of the retirement obligation is not reasonably estimable. A liability for such asset retirement obligation will be recorded when a fair value is determinable.

NOTE 8—Advances Under Long-Term Contracts

We have entered into certain engineering, procurement and construction ("EPC") contracts and purchase agreements related to the construction of the Sabine Pass LNG receiving terminal that require us to make payments to fund costs that will be incurred or equipment that will be received in the future. Advances made under long-term contracts on purchase commitments are carried at face value and transferred to property, plant and equipment as the costs are incurred or equipment is received. As of June 30, 2008 and December 31, 2007, our Advances Under Long-term Contracts were $10.4 million and $28.5 million, respectively.

CHENIERE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(unaudited)

NOTE 9—Intangible Assets

The fair values, net book values and estimated useful lives of our intangible assets as of June 30, 2008 and December 31, 2007 are presented in the following tables.

	As of June 30, 2008			
	Fair Value	Amortization Period	Accumulated Amortization	Net book value
Intangible assets not subject to amortization	$ 6,182	—	$ —	$ 6,182

	As of December 31, 2007			
	Fair Value	Amortization Period	Accumulated Amortization	Net book value
Amortizable intangible assets	$ 14,228	5 years	$ —	$ 14,228
Intangible assets not subject to amortization	6,174	—	—	6,174
	$ 20,402		$ —	$ 20,402

Amortizable Intangible Assets

At December 31, 2007, we assigned $14.2 million to intangible assets acquired either individually or with a group of assets that are subject to amortization as of December 31, 2007. The weighted average amortization period for these assets is 5 years. For the year ended December 31, 2007, we had not recognized amortization expense.

In the second quarter of 2008, we impaired these amortizable intangible assets in connection with the downsizing of our natural gas marketing business. This impairment was recorded in Restructuring Charges on the Consolidated Statement of Operations for the three months ended June 30, 2008 (see Note 3—"Restructuring Charges").

Intangible Assets Not Subject to Amortization

We assigned $6.2 million to intangible assets acquired either individually or with a group of assets that are not subject to amortization as of both June 30, 2008 and December 31, 2007.

NOTE 10—Investment in Limited Partnership

We account for our 30% limited partnership investment in Freeport LNG Development, L.P. ("Freeport LNG") using the equity method of accounting. As of June 30, 2008 and December 31, 2007, we had unrecorded cumulative suspended losses of $25.1 million and $19.8 million, respectively, related to our investment in Freeport LNG as the basis in this investment had been reduced to zero.

In March 2008 and May 2008, we received cash call notices from Freeport LNG requesting that we provide further financial support due to higher than expected commissioning and performance testing costs. During the six months ended June 30, 2008, we funded the cash calls and recorded $4.8 million of additional losses in Freeport LNG. We have not recorded the unrecorded cumulative suspended losses referred to above as we have not guaranteed any obligations and are not committed to provide any further financial support.

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The financial position of Freeport LNG at June 30, 2008 and December 31, 2007 and the results of Freeport LNG's operations for the three and six months ended June 30, 2008 and 2007 are summarized as follows (in thousands):

	June 30, 2008	December 31, 2007
Current assets	$ 81,311	$ 120,580
Property, plant and equipment, net	908,764	1,590
Construction-in-process	51,072	863,977
Other assets	50,072	46,316
Total assets	$ 1,091,219	$ 1,032,463
Current liabilities	28,192	34,477
Notes payable	1,143,944	1,063,984
Deferred revenue and other deferred credits	8,243	5,478
Partners' capital	(89,160)	(71,476)
Total liabilities and partners' capital	$ 1,091,219	$ 1,032,463

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Loss from continuing operations	$(27,180)	$(5,540)	$(33,157)	$(11,201)
Net loss	(27,459)	(5,540)	(33,684)	(11,201)
Cheniere's 30% equity in net loss from limited partnership (1)	(8,238)	(1,662)	(10,105)	(3,360)

(1) During the three months ended June 30, 2008 and 2007, we did not record $8.2 million and $1.7 million of the net losses for such periods, respectively, and during the six months ended June 30, 2008 and 2007, we did not record $10.1 million and $3.4 million of the net losses for such periods, respectively, as the basis in this investment had been reduced to zero and because we have not guaranteed any obligations and have not been committed to provide any further financial support since December 2005.

NOTE 11—Accrued Liabilities

As of June 30, 2008 and December 31, 2007, accrued liabilities consisted of the following (in thousands):

	June 30, 2008	December 31, 2007
LNG terminal construction costs	$ 37,822	$ 39,574
Restructuring costs	23,088	—
Accrued interest expense and related fees	18,591	16,159
Pipeline construction costs	21,714	47,266
Domestic natural gas marketing purchases	9,499	40,607
Payroll	6,666	16,143
Other accrued liabilities	5,620	5,168
Accrued liabilities	$ 123,000	$ 164,917

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NOTE 12—Long-Term Debt and Credit Facility

As of June 30, 2008 and December 31, 2007, our long-term debt consisted of the following (in thousands):

	June 30, 2008	December 31, 2007
Senior Notes	$ 2,032,000	$ 2,032,000
Convertible Senior Unsecured Notes	325,000	325,000
2007 Term Loan	400,000	400,000
Bridge Loan	95,000	—
Total Long-Term Debt	$ 2,852,000	$ 2,757,000

Sabine Pass LNG Senior Notes

In November 2006, Sabine Pass LNG issued an aggregate principal amount of $2,032.0 million of Senior Notes, consisting of $550.0 million of the 2013 Notes and $1,482.0 million of the 2016 Notes. Interest on the Senior Notes is payable semi-annually in arrears on May 30 and November 30 of each year. The Senior Notes are secured on a first-priority basis by a security interest in all of Sabine Pass LNG's equity interests and substantially all of its operating assets.

Under the indenture governing the Senior Notes, except for permitted tax distributions, Sabine Pass LNG may not make distributions until certain conditions are satisfied. The indenture requires that Sabine Pass LNG apply its net operating cash flow (i) first, to fund with monthly deposits its next semiannual payment of approximately $75.5 million of interest on the Senior Notes, and (ii) second, to fund a one-time, permanent debt service reserve fund equal to one semiannual interest payment of approximately $75.5 million on the Senior Notes. Distributions from Sabine Pass LNG will be permitted only after phase 1 target completion, as defined in the indenture governing the Senior Notes, or such earlier date as project revenues are received, upon satisfaction of the foregoing funding requirements, after satisfying a fixed charge coverage ratio test of 2:1 and after satisfying other conditions specified in the indenture.

Convertible Senior Unsecured Notes

In July 2005, we consummated a private offering of $325.0 million aggregate principal amount of Convertible Senior Unsecured Notes due 2012 to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended ("Securities Act"). The notes bear interest at a rate of 2.25% per year. The notes are convertible at any time into our common stock under certain circumstances at an initial conversion rate of 28.2326 shares per $1,000 principal amount of the notes, which is equal to a conversion price of approximately $35.42 per share. As of June 30, 2008, no holders had elected to convert their notes.

We may redeem some or all of the notes on or before August 1, 2012, for cash equal to 100% of the principal plus any accrued and unpaid interest if in the previous 10 trading days the volume-weighted average price of our common stock exceeds $53.13, subject to adjustment, for at least five consecutive trading days. In the event of such a redemption, we will make an additional payment equal to the present value of all remaining scheduled interest payments through August 1, 2012, discounted at the U.S. Treasury rate plus 50 basis points. The indenture governing the notes contains customary reporting requirements.

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2007 Term Loan

In May 2007, Cheniere Subsidiary Holdings, LLC ("Cheniere Subsidiary"), a wholly-owned subsidiary of Cheniere, entered into a $400.0 million credit agreement ("2007 Term Loan"). Borrowings under the 2007 Term Loan generally bear interest at a fixed rate of 9.75% per annum. Interest is calculated on the unpaid principal amount of the 2007 Term Loan outstanding and is payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. The 2007 Term Loan will mature on May 31, 2012. The net proceeds of $391.7 million from the 2007 Term Loan are being used for general corporate purposes, including our repurchase, completed during the year ended December 31, 2007, of approximately 9.2 million shares of our outstanding common stock pursuant to the exercise of the call options acquired in the issuer call spread purchased by us in connection with the issuance of the Convertible Senior Unsecured Notes. The 2007 Term Loan is secured by a pledge of our 135,383,831 subordinated units in Cheniere Partners and our equity interests in the entities that own our 30% interest in Freeport LNG.

Marketing Credit Facility

In June 2008, we terminated a credit facility that Cheniere Marketing had and cash collateralized letters of credit that had been issued under the facility but had not yet been returned to us. As of June 30, 2008, we had $3.3 million of cash collateralized letters of credit outstanding that had been issued under the facility. Except for the cash that collateralizes outstanding letters of credit, all of the working capital of Cheniere Marketing has become unrestricted funds available to the Company.

Bridge Loan

In May 2008, Cheniere Common Units Holding, LLC ("Cheniere Common Units Holding"), a newly formed wholly-owned subsidiary of Cheniere, entered into a Credit Agreement (the "Bridge Loan") among Cheniere Common Units Holding, Credit Suisse, Cayman Islands Branch, as administrative agent, collateral agent and as a lender, and the several lenders from time to time party thereto, pursuant to which the lenders agreed to make a term loan of $95.0 million to Cheniere Common Units Holding. Borrowings under the Bridge Loan generally bear interest at a fixed rate of 16.458% per annum. Interest is calculated on the unpaid principal amount of the Bridge Loan and is payable quarterly in arrears on the earlier of the 46th day following the end of each calendar quarter, or the maturity date. The Bridge Loan will mature on November 5, 2009. The net proceeds from the Bridge Loan were $82.3 million and are being used for general corporate purposes and pipeline capital expenditures. The Bridge Loan is secured by a pledge of our 10,891,357 common units in Cheniere Partners and our equity interests in the entities that own our Creole Trail Pipeline.

NOTE 13—Financial Instruments

We entered into financial derivatives to hedge the exposure to variability in expected future cash flows attributable to the future sale of natural gas from our LNG commissioning cargoes ("LNG commissioning cargo derivatives"). The net cost (LNG commissioning cargo purchase price less natural gas sales proceeds) of our LNG commissioning cargoes is capitalized on our Consolidated Balance Sheets as it is directly related to the LNG receiving terminal construction and is incurred to place the LNG receiving terminal in usable condition. However, changes in the fair value of our LNG commissioning cargo derivatives are reported in earnings because they are not able to be designated in a qualifying hedging relationship in accordance with FASB Statement No. 133 *Accounting for Derivative Instruments and Hedging Activities*.

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Effective January 1, 2008, we adopted SFAS No. 157, *Fair Value Measurements*, and SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115*. As a result of the adoption, we elected not to measure any additional financial assets or liabilities at fair value, other than those which were recorded at fair value prior to adoption.

The estimated fair value of financial instruments is the amount at which the instrument could be exchanged currently between willing parties. The financial assets and liabilities at June 30, 2008, measured at fair value on a recurring basis, are summarized below (in thousands):

	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Carrying Value at June 30, 2008
Trading derivative payables	$ —	$ 20	$ —	$ 20
Other derivatives payables	7,704	36	—	7,740
Total liabilities at fair value	$ 7,704	$ 56	$ —	$ 7,760

Trading derivatives reflect positions held by Cheniere Marketing and include exchange-traded derivative contracts and over-the-counter derivative contracts. Other derivatives reflect positions held by Sabine Pass LNG related to natural gas swaps entered into to hedge the cash flows from the sale of excess LNG purchased for commissioning.

SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*, requires the disclosure of the estimated fair value of financial instruments including those financial instruments for which the SFAS No. 159 fair value option was not elected. The carrying amounts reported in the Consolidated Balance Sheets for cash and cash equivalents, restricted cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to their short-term nature. The carrying amounts of the fair values of financial instruments for which SFAS No. 159 was not elected are as follows:

Financial Instruments (in thousands):

	June 30, 2008		December 31, 2007	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
2013 Notes (1)	$ 550,000	$ 497,750	$ 550,000	$ 525,250
2016 Notes (1)	1,482,000	1,326,390	1,482,000	1,404,195
2.25% Convertible Senior Unsecured Notes (2)	325,000	157,424	325,000	338,611
2007 Term Loan (3)	400,000	400,000	400,000	400,000
Bridge Loan (4)	95,000	95,000	—	—
Restricted U.S. treasury securities (5)	42,206	45,272	63,923	66,984

(1) The fair value of the Senior Notes is based on quotations obtained from broker-dealers who made markets in these and similar instruments as of June 30, 2008 and December 31, 2007, as applicable.

(2) The fair value of our Convertible Senior Unsecured Notes is based on the closing trading prices on June 30, 2008 and December 31, 2007, as applicable.

(3) The 2007 Term Loan bears interest at a fixed rate; therefore, the estimated fair value is expected to vary with changes in market interest rates. At June 30, 2008 and December 31, 2007, the fair value of the debt instrument was stated at its carrying amount due to it being a non-trading instrument with no liquid market.

(4) The Bridge Loan bears interest at a fixed rate; therefore, the estimated fair value is expected to vary with changes in market interest rates. At June 30, 2008, the fair value of the debt instrument was stated at its carrying amount due to it being a non-trading instrument with no liquid market.

(5) The fair value of our Restricted U.S. Treasury Securities is based on quotations obtained from broker-dealers who made markets in these and similar instruments as of June 30, 2008 and December 31, 2007, as applicable.

NOTE 14—Income Taxes

From our inception, we have reported a net operating loss ("NOL") for both financial reporting purposes and for international, federal and state income tax reporting purposes. Accordingly, we are not presently a taxpayer and have not recorded a net liability for international, federal or state income taxes in any of the periods included in the accompanying financial statements. Our Consolidated Statements of Operations for the three months ended June 30, 2008 and 2007 included no income tax benefits.

In July 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation ("FIN") No. 48,*Accounting for Uncertainty in Income Taxes—An Interpretation of FASB Statement No. 109*. FIN No. 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, Accounting for Income Taxes. It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition rules.

We adopted the provisions of FIN No. 48 on January 1, 2007. We have determined that all of the material tax positions taken in our income tax returns and the positions we expect to take in our future income tax filings meet the more likely-than-not recognition threshold prescribed by FIN No. 48. We have approximately $19.3 million of deferred tax benefits for tax positions related to the accelerated recovery of certain capital costs for which the ultimate deductibility is highly certain, but for which there is some uncertainty corresponding to the timing of the related prior, current and future year tax deductions. Under SFAS No. 109, the disallowance of an accelerated recovery period would not affect our annual reported effective income tax rate in any of the prior, current or future financial reporting periods, but could result in the acceleration of cash payments in prior reporting periods. Adjustments that would increase our federal taxable income in our prior periods would largely be offset by our available NOL carryovers, and therefore, the potential underpayment interest and penalties have not been accrued with respect to this liability.

The amount of our unrecognized tax benefits associated with uncertain tax positions decreased significantly in the first quarter of 2008 based on discussions with the relevant taxing authorities on the timing of the deductions related to a significant portion of our capital costs. The remaining $19.3 million of unrecognized tax benefits pertain to tax positions taken in prior years for which there is still some uncertainty as to the timing of the corresponding tax deductions. To date, the adoption of FIN No. 48 has had no impact on our financial position, results of operations or cash flows. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

Balance at January 1, 2008	$ 70,530
Additions based on tax positions related to current year	—
Additions for tax positions of prior years	3,400
Reductions for tax positions of prior years	(54,591)
Settlements	—
Balance at June 30, 2008	$ 19,339

SFAS No. 109, *Accounting for Income Taxes*, establishes specific procedures to (a) measure deferred tax liabilities and assets using a specified tax rate convention, and (b) assess whether a valuation allowance should be established for an enterprise's deferred tax assets. As provided for in SFAS No. 109, we have established a tax valuation allowance for the tax benefits related to all of our international, federal and state NOL carryovers and all of our other deferred tax assets due to the uncertainty of our ability to realize the related future tax benefits. Once a valuation allowance has been established, SFAS No. 109 requires that all available evidence, both positive and negative, must be considered to determine when, based on the weight of that evidence, it is appropriate to release all or any portion of the valuation allowance. Judgment must be used in considering the relative impact of both positive and negative evidence; the weight given to such evidence must be commensurate with the extent to which such evidence can be objectively verified. Based on the criteria provided in SFAS No. 109, we have determined that all of our deferred tax assets should have a full valuation allowance for financial reporting purposes as of June 30, 2008.

Our federal consolidated income tax returns have not been audited by the Internal Revenue Service; we have not been notified of any pending federal, state or international income tax audits; and we are not aware of any additional income tax controversies that are likely to occur with any taxing authority. We have not entered into any agreements with any taxing authorities to extend the period of time in which they may assert or assess additional income tax, penalties or interest. However, since we are presently in an NOL carryover position and have been since our inception, under the applicable Internal Revenue Service guidelines, in the event of an audit, our available federal NOL carryover amount is subject to adjustment until the normal three year federal statute of limitations closes for the year in which the NOL is fully utilized. In 2007, the Texas Comptroller's office completed an audit of Cheniere's Texas franchise tax returns for the three year period ended December 31, 2004; the Louisiana Department of Revenue completed an income and franchise audit of Cheniere and one of our wholly-owned affiliates for the two year period ended December 31, 2003. We expect that all of our significant operating affiliates will be audited by the States of Texas and Louisiana for annual tax reporting periods ended on and after December 31, 2004. To date, all of the state-level income tax audits that have been settled favorably and without changes. None of our foreign affiliates have been audited by any foreign taxing authorities and none have been notified of any pending income tax audits.

As discussed above, we have not previously recorded a liability for international, federal or state income taxes and therefore we have not been subject to any penalties or interest expense related to any income tax liabilities. In future reporting periods, if any interest or penalties are imposed in connection with an income tax liability, we expect to include both of these items in the our income tax provision.

NOTE 15—Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted average number of shares of common stock outstanding for the period. The computation of diluted net loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock that are dilutive to net income were exercised or converted into common stock or resulted in the issuance of common stock that would then share in our earnings.

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The following table reconciles basic and diluted weighted average common shares outstanding for the three and six months ended June 30, 2008 and 2007 (in thousands except for loss per share):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Weighted average common shares outstanding:				
Basic	47,129	54,391	47,053	54,640
Dilutive common stock options	—	—	—	—
Dilutive Convertible Senior Unsecured Notes	—	—	—	—
Diluted	47,129	54,391	47,053	54,640
Basic loss per share	$ (2.81)	$ (0.76)	$ (3.87)	$ (1.38)
Diluted loss per share	$ (2.81)	$ (0.76)	$ (3.87)	$ (1.38)

NOTE 16—Comprehensive Loss

The following table is a reconciliation of our net loss to our comprehensive loss for the three and six months ended June 30, 2008 and 2007 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net loss	$ (132,333)	$ (41,119)	$ (182,244)	$ (75,675)
Other comprehensive loss items:				
Foreign currency translation	(53)	(28)	(63)	(33)
Comprehensive loss	$ (132,386)	$ (41,147)	$ (182,307)	$ (75,708)

NOTE 17—Supplemental Cash Flow Information and Disclosures of Non-Cash Transactions

The following table provides supplemental disclosure of cash flow information for the six months ended June 30, 2008 and 2007 (in thousands):

	Six Months Ended June 30,	
	2008	2007
Cash paid for:		
Interest, net of amounts capitalized	$ 36,968	$ 55,110
Construction-in-process and debt issuance additions funded with accrued liabilities	$ 103,135	$ 54,787

NOTE 18—Business Segment Information

We have four business segments: LNG receiving terminal business, natural gas pipeline business, LNG and natural gas marketing business and oil and gas exploration and development business. These segments reflect lines of business for which separate financial information is produced internally and are subject to evaluation by our chief operating decision makers in deciding how to allocate resources.

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Our LNG receiving terminal business segment is in various stages of developing up to three LNG receiving terminal projects along the U.S. Gulf Coast at the following locations: Sabine Pass LNG, approximately 90.6% owned, in western Cameron Parish, Louisiana on the Sabine Pass Channel; Corpus Christi LNG, 100% owned, near Corpus Christi, Texas; and Creole Trail LNG, 100% owned, at the mouth of the Calcasieu Channel in central Cameron Parish, Louisiana. In addition, we own a 30% limited partner interest in a fourth project, Freeport LNG, located on Quintana Island near Freeport, Texas.

Our natural gas pipeline business segment is in various stages of developing natural gas pipelines to provide access to North American natural gas markets.

Our LNG and natural gas marketing business segment is developing a portfolio of long-term, short-term, and spot LNG purchase agreements, and will focus on entering into business relationships such as the one entered into with JPMorgan for the domestic marketing of natural gas that is imported by Cheniere Marketing as LNG to the Sabine Pass LNG receiving terminal.

Our oil and gas exploration and development business segment conducts and participates in exploration, development and production activities in the shallow waters of the Gulf of Mexico.

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The following table summarizes revenues, net income (loss) from operations and total assets for each of our operating segments (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Revenues:				
LNG receiving terminal	$ —	$ —	$ —	$ —
Natural gas pipeline	352	—	352	—
LNG and natural gas marketing	(607)	(1,847)	(226)	(3,936)
Oil and gas exploration and development	1,207	2,719	2,293	3,551
Total	952	872	2,419	(385)
Corporate and other (1)	(38)	—	(28)	—
Total consolidated	$ 914	$ 872	$ 2,391	$ (385)
Restructuring charges:				
LNG receiving terminal	$ 1,451	$ —	$ 1,451	$ —
Natural gas pipeline	130	—	130	—
LNG and natural gas marketing	70,563	—	70,563	—
Oil and gas exploration and development	—	—	—	—
Total	72,144	—	72,144	—
Corporate and other (1)	6,420	—	6,420	—
Total consolidated	$ 78,564	$ —	$ 78,564	$ —
Net income (loss):				
LNG receiving terminal	$ (26,585)	$ (13,340)	$ (40,167)	$ (28,406)
Natural gas pipeline	(3,694)	(1,147)	(4,063)	(1,886)
LNG and natural gas marketing	(58,003)	(6,490)	(68,165)	(11,950)
Oil and gas exploration and development	898	2,507	1,743	2,843
Total	(87,384)	(18,470)	(110,652)	(39,399)
Corporate and other (1)	(44,949)	(22,649)	(71,592)	(36,276)
Total consolidated	$ (132,333)	$ (41,119)	$ (182,244)	$ (75,675)

	June 30, 2008	December 31, 2007
Total assets:		
LNG receiving terminal	$ 2,006,046	$ 2,041,894
Natural gas pipeline	592,322	443,421
LNG and natural gas marketing	198,242	157,601
Oil and gas exploration and development	2,681	2,403
Total	2,799,291	2,645,319
Corporate and other (1)	33,050	316,980
Total consolidated	$ 2,832,341	$ 2,962,299

(1) Includes corporate activities and certain intercompany eliminations.

NOTE 19—Share-Based Compensation

We have granted options to purchase common stock to employees, consultants and outside directors under the Cheniere Energy, Inc. Amended and Restated 1997 Stock Option Plan (“1997 Plan”) and the Cheniere Energy, Inc. Amended and Restated 2003 Stock Incentive Plan (“2003 Plan”). Effective January 1, 2006, we adopted SFAS No. 123R (revised 2004), *Share-Based Payment*, which revised SFAS No. 123 and superseded Accounting Principles Bulletins (“APB”) No. 25. No adjustments to prior periods were made as a result of adopting SFAS No. 123R. SFAS No. 123R requires that all share-based payments to employees be recognized in the financial statements based on their fair values at the date of grant. The calculated fair value is recognized as expense (net of any capitalization) over the requisite service period, net of estimated forfeitures, using the straight-line method under SFAS No. 123R. We consider many factors when estimating expected forfeitures, including types of awards, employee class and historical experience.

For the three and six months ended June 30, 2008, the total share-based compensation expense (net of amount capitalized) recognized in our net loss was $3.1 million and $15.9 million, respectively. For the three and six months ended June 30, 2007, the total share-based compensation expense (net of amounts capitalized) recognized in our net loss was $12.7 million and $19.3 million, respectively. As required by SFAS No. 123R, the effect of a change in estimated forfeitures is recognized through a cumulative adjustment included in share-based compensation cost in the period of change in estimate. We consider many factors when estimating expected forfeitures, including types of awards, employee class and historical experience. Given the staff reduction plan implemented during second quarter 2008, a cumulative adjustment of $8.3 million was recognized as a decrease in our compensation expense during the six months ended June 30, 2008. For the three and six months ended June 30, 2008, the total share-based compensation cost capitalized as part of the cost of capital assets was $0.3 million and $0.8 million, respectively. For the three and six months ended June 30, 2007, the total share-based compensation expense (net of amounts capitalized) recognized in our net loss was $0.3 million and $0.7 million, respectively.

The total unrecognized compensation cost at June 30, 2008 relating to non-vested share-based compensation arrangements granted under the 1997 Plan and 2003 Plan, before any capitalization, was $62.1 million. That cost is expected to be recognized over 4 years, with a weighted average period of 1.15 years.

We received total proceeds from the exercise of stock options of $0.2 million and $1.7 million in the six months ended June 30, 2008 and 2007, respectively.

Phantom Stock

In May 2007, the Company established the 2007 Incentive Compensation Plan (“2007 Plan”) and the 2008-2010 Incentive Compensation Plan (“2008-2010 Plan”) covering executive officers and other key employees for the performance periods of 2007, 2008, 2009 and 2010. During 2007, a total of 537,000 and 1,647,000 shares of phantom stock were granted under the 2007 Plan and 2008-2010 Plans, respectively, which will be payable in shares of our common stock if stock price hurdles established by the plans are achieved. At its sole discretion, the Compensation Committee of our Board of Directors may elect to settle all or part of the phantom stock in cash. Using a Monte Carlo simulation, fair values (net of forfeitures) of $13.7 million, $11.1 million and $8.3 million were calculated for the performance periods 2008, 2009 and 2010, respectively. A projected earnings date was also forecasted on which the stock price hurdle will be achieved for the award related to each performance period. The fair value of the award for each performance period will be amortized as compensation expense ratably from the date of plan approval to the date it is expected to be earned. In January 2008, 537,000 shares of our common stock were issued as the stock price hurdle for the 2007 Plan was achieved. In addition, during the

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six months ended June 30, 2008, additional grants of 147,000 shares of phantom stock were made under the 2008-2010 Plan. Using the Monte Carlo simulation, fair values (net of forfeitures) of $0.5 million, $0.3 million, and $0.2 million were calculated for the additional shares for the performance periods 2008, 2009 and 2010, respectively. For the six months ended June 30, 2008, a total of $6.2 million was recognized as compensation expense relating to all phantom stock awards.

Stock Options

We estimate the fair value of stock options under SFAS No. 123R at the date of grant using a Black-Scholes valuation model, which is consistent with the valuation technique we previously utilized to value stock options for the footnote disclosures required under SFAS No. 123. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. The expected term (estimated period of time outstanding) of stock options granted is based on the "simplified" method of estimating the expected term for "plain vanilla" stock options allowed by SAB No. 107, *Valuation of Share-based Payment Agreements for Public Companies*, and varies based on the vesting period and contractual term of the stock option. Expected volatility for stock options granted is based on an equally weighted average of the implied volatility of exchange traded stock options on our common stock expiring more than one year from the measurement date, and historical volatility of our common stock for a period equal to the stock option's expected life. We have not declared dividends on our common stock. We did not issue any options to purchase shares of our common stock during the six months ended June 30, 2008.

The table below provides a summary of option activity under the combined plans as of June 30, 2008, and changes during the six months then ended:

	Option (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2008	4,442	$ 38.84		
Granted	—	—		
Exercised	(55)	7.88		
Forfeited or Expired	(765)	32.11		
Outstanding at June 30, 2008	3,622	40.72	5.7	206
Exercisable at June 30, 2008	1,179	$ 23.61	$ 3.2	$ 206

Stock and Non-Vested Stock

We have granted stock and non-vested (restricted) stock to employees, executive officers, outside directors and consultants under the 2003 Plan. Under SFAS No. 123R, grants of non-vested stock are accounted for on an intrinsic value basis. No recognition of deferred compensation is made in stockholders' equity. Instead, the amortization of the calculated value of non-vested stock grants is accounted for as a charge to compensation and an increase in additional paid-in-capital over the requisite service period.

In January 2008, 479,802 shares having three-year graded vesting were issued to our employees in the form of non-vested stock awards and 537,000 were issued to our executive officers in the form of vested stock awards related to our performance in 2007. In May 2008, 202,788 shares having a one-year graded vesting were issued to our directors. In May 2008 and June 2008, as a part of the short-term and long-term retention plans approved by the Compensation Committee, 373,656 shares vesting on December 1, 2008 and 1,525,038 shares having a three-year graded vesting beginning December 31, 2008 were issued to our employees and a consultant in the form of non-vested stock awards. In the six months ended June 30, 2008, an additional 21,293 shares of non-vested stock having three- or four-year graded vestings were issued to employees.

The table below provides a summary of the status of our non-vested shares under the 2003 Plan as of June 30, 2008, and changes during the six months then ended (in thousands except for per share information):

	Non-Vested Shares	Weighted Average Grant Date Fair Value Per Share
Non-vested at January 1, 2008	1,355	$ 32.74
Granted	3,140	12.85
Vested	(870)	11.67
Forfeited	(107)	25.74
Non-vested at June 30, 2008	3,518	$ 8.42

Share-based Plan Descriptions and Information

Our 1997 Plan provided for the issuance of stock options to purchase up to 5.0 million shares of our common stock, all of which have been granted. Non-qualified stock options were granted to employees, contract service providers and outside directors. Option terms for the remaining unexercised options are five years with vesting that generally occurs on a graded basis over three years.

Awards providing for the issuance of up to an aggregate of 11.0 million shares of our common stock may be made under our 2003 Plan. These awards may be in the form of non-qualified stock options, incentive stock options, purchased stock, restricted (non-vested) stock, bonus (unrestricted) stock, stock appreciation rights, phantom stock and other share-based performance awards deemed by the Compensation Committee to be consistent with the purposes of the 2003 Plan. To date, the only awards made by the Compensation Committee have been in the form of non-qualified stock options, restricted stock, bonus stock and phantom shares. Beginning in 2005, stock options granted to employees as hiring incentives have been granted at the money with 10-year terms and graded vesting over four years. Prior to that time, stock options granted as hiring incentives were granted at the money with five-year terms and graded vesting over three years. Retention grants made to employees provide for exercise prices at or in excess of the stock price on the grant date, 10-year terms and graded vesting over three years, which commence on the fourth anniversary of the grant date. Restricted stock that has been granted as a hiring incentive vests over three or four years on a graded basis, while restricted stock granted from a bonus pool vests over three years. Shares issued under the 2003 Plan are generally newly issued shares.

[Index to Financial Statements](#)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report contains certain statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical fact, included herein or incorporated herein by reference are "forward-looking statements." Included among "forward-looking statements" are, among other things:

- statements relating to the construction and operation of each of our proposed liquefied natural gas ("LNG") receiving terminals or our proposed pipelines, or expansions or extensions thereof, including statements concerning the completion or expansion thereof by certain dates or at all, the costs related thereto and certain characteristics, including amounts of regasification and storage capacity, the number of storage tanks and docks, pipeline deliverability and the number of pipeline interconnections, if any;
- statements regarding future levels of domestic natural gas production, supply or consumption; future levels of LNG imports into North America; sales of natural gas in North America; and the transportation, other infrastructure or prices related to natural gas, LNG or other energy sources or hydrocarbon products;
- statements regarding any financing transactions or arrangements, or ability to enter into such transactions or arrangements, whether on the part of Cheniere or at the project level;
- statements regarding any terminal use agreement ("TUA") or other commercial arrangements presently contracted, optioned or marketed or potential arrangements to be performed substantially in the future, including any cash distributions and revenues anticipated to be received and the anticipated timing thereof, and statements regarding the amounts of total LNG regasification capacity that are, or may become subject to, TUAs or other contracts;
- statements regarding counterparties to our TUAs, construction contracts and other contracts;
- statements regarding any business strategies, any business plans or any other plans, forecasts, projections or objectives, including potential revenues, capital expenditures, cost savings and strategic options, any or all of which are subject to change;
- statements regarding legislative, governmental, regulatory, administrative or other public body actions, requirements, permits, investigations, proceedings or decisions;
- statements regarding our anticipated LNG and natural gas marketing activities; and
- any other statements that relate to non-historical or future information.

These forward-looking statements are often identified by the use of terms and phrases such as "achieve," "anticipate," "believe," "estimate," "expect," "forecast," "plan," "potential," "project," "propose," "strategy" and similar terms and phrases. Although we believe 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. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this quarterly report.

As used herein, the terms "Cheniere," "the Company," "we," "our" and "us" refer to Cheniere Energy, Inc. and its wholly-owned or controlled subsidiaries.

Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed under "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2007, as supplemented herein. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these risk factors. These forward-looking statements are made as of the date of this quarterly report.

The following discussion and analysis presents management's view of our business, financial condition and overall performance and should be read in conjunction with our consolidated financial statements and the accompanying notes in Item 1. "Consolidated Financial Statements." This information is intended to provide investors with an understanding of our past performance, current financial condition and outlook for the future.

OVERVIEW

We are engaged primarily in the business of developing and constructing, and then owning and operating, a network of up to three onshore LNG receiving terminals and related natural gas pipelines. In addition, we are engaged to a limited extent in LNG and natural gas marketing activities, and in oil and natural gas exploration and development activities in the Gulf of Mexico.

In February 2008, we announced that we were exploring strategic options for the Company to enhance stockholder value, including options to optimize the value of the Sabine Pass LNG receiving terminal and the regasification capacity at the facility held under a long-term terminal use agreement by our wholly-owned subsidiary, Cheniere Marketing, Inc. ("Cheniere Marketing").

In April 2008, we commenced a cost savings program in connection with the downsizing of our natural gas marketing business activities as well as nearing completion of significant construction activities for both the Sabine Pass LNG receiving terminal and Creole Trail Pipeline. The cost savings program involves reducing our personnel Company-wide by approximately 41%. We anticipate recognizing losses from this cost savings program, including the impact of cancelling our LNG vessel charter agreements, of approximately $80.2 million, with substantially all of these losses being non-working capital impacts. As of June 30, 2008, we had recognized approximately $78.6 million of such losses.

In May 2008, we entered into an 18-month credit facility with Credit Suisse and received approximately $82.3 million of net proceeds to be held as unrestricted cash and cash equivalents and to be used for general corporate purposes and pipeline capital expenditures. The purpose of this facility is to provide incremental funding and liquidity until we enter into a strategic transaction, obtain sufficient revenues from a significant number of imported LNG cargos or consummate an alternative financing transaction.

As of June 30, 2008, we had unrestricted cash and cash equivalents of $162.6 million. In addition, we had restricted cash and cash equivalents and U.S. treasury securities of $296.2 million, which were designated for the following purposes: $69.4 million for construction costs of the Sabine Pass LNG receiving terminal; $141.3 million for interest payments through May 2009 related to the Senior Notes described below; $54.1 million for cash distributions by Cheniere Energy Partners, L.P. ("Cheniere Partners") through the distribution made in respect of the quarter ending June 2009; $3.3 million held as cash collateral for guarantee arrangements; and $28.1 million in other restricted cash and cash equivalents.

On August 6, 2008, we accepted a commitment for $250 million of convertible security financing to replace the Credit Suisse 18–month credit facility and provide additional funds. The commitment is subject to certain conditions, including regulatory approvals, completion of definitive documentation and the absence of any change, development or event that would be expected to have a material adverse effect on us or our industry, business, financial condition or prospects. We expect to complete the new $250 million financing in August 2008.

Upon closing of the new $250 million financing we are confident that we will be able to conduct our business for a minimum of three years even assuming we are wholly unsuccessful in our efforts to exploit our reserved capacity at the Sabine Pass terminal and our other business initiatives.

If we are not successful in closing this $250 million financing, entering into another strategic transaction, or obtaining a sufficient number of LNG cargos, we will need to obtain an alternative source of funding during the first quarter of 2009

LIQUIDITY, CAPITAL RESOURCES AND OPERATIONS

LNG Receiving Terminal Business

Sabine Pass LNG

Subject to the completion of routine punch list items, as of June 30, 2008, we had completed construction of the initial 2.6 Bcf/d of send out capacity and 10.1 Bcf of storage capacity at the Sabine Pass LNG receiving terminal. The terminal is operating and able to accept commercial cargoes. The commissioning process was initiated in April 2008 and is estimated to be completed in the third or fourth quarter of 2008. To date, three LNG cargoes have been obtained for the commissioning process and we expect to obtain one more cargo to complete the process. Construction for the remaining 1.4 Bcf/d was approximately 79% complete as of the end of the second quarter.

Our estimated aggregate cost to construct the Sabine Pass LNG receiving terminal is approximately $1,462 million, before operating expenses during construction, future commissioning costs, and financing costs, an increase of approximately $36 million from our estimate as of March 31, 2008 due to commissioning costs not previously budgeted. Our estimated total construction, commissioning and operating cost budget through the achievement of full operability is approximately $1,559 million. As of June 30, 2008, we incurred approximately $1,437 million of our total budget. Our remaining construction, commissioning and operating costs are anticipated to be funded from restricted cash and cash equivalents designated for construction, working capital or additional financing.

Beginning in 2009, each of the customers at the Sabine Pass LNG receiving terminal must make the full contracted amount of capacity reservation fee payments under its TUA whether or not it uses any of its reserved capacity. Provided the Sabine Pass LNG receiving terminal has achieved commercial operations, capacity reservation fee TUA payments will be made by the following Sabine Pass LNG customers:

- Total LNG USA, Inc. (“Total”) has reserved approximately 1.0 Bcf/d of regasification capacity and has agreed to make monthly capacity payments to Sabine Pass LNG, L.P. (“Sabine Pass LNG”) aggregating approximately $125 million per year for 20 years commencing April 1, 2009. Total, S.A. has guaranteed Total’s obligations under its TUA up to $2.5 billion, subject to certain exceptions; and
- Chevron U.S.A., Inc. (“Chevron”) has reserved approximately 1.0 Bcf/d of regasification capacity and has agreed to make monthly capacity payments to Sabine Pass LNG aggregating approximately $125 million per year for 20 years commencing not later than July 1, 2009. Chevron Corporation has guaranteed Chevron’s obligations under its TUA up to 80% of the fees payable by Chevron.

In addition, Cheniere Marketing has reserved the remaining 2.0 Bcf/d of regasification capacity, and is entitled to use any capacity not utilized by Total and Chevron. Cheniere Marketing has agreed to make monthly capacity payments to Sabine Pass LNG aggregating approximately $250 million per year for at least 19 years commencing January 1, 2009, plus capacity payments of $5 million per month during 2008 after the Sabine Pass LNG receiving terminal commences commercial operations. Cheniere has guaranteed Cheniere Marketing’s obligations under its TUA.

Other LNG Receiving Terminals

We have a 30% limited partner interest in Freeport LNG Development, L.P. ("Freeport LNG"). Under the limited partnership agreement of Freeport LNG, development expenses of the Freeport LNG receiving terminal project and other Freeport LNG cash needs generally are to be funded out of Freeport LNG's own cash flows, borrowings or other sources, and with capital contributions by the limited partners. In March 2008 and May 2008, we received cash call notices from Freeport LNG requesting that we provide further financial support due to higher than expected commissioning and performance testing costs. As of June 30, 2008, we had funded the cash calls and have recorded $4.8 million of additional losses in Freeport LNG. We do not anticipate any additional cash calls in the foreseeable future.

We will contemplate making final investment decisions to complete construction of our Corpus Christi LNG receiving terminal project and to commence construction of our Creole Trail LNG receiving terminal project upon, among other things, entering into acceptable commercial arrangements and entering into acceptable financing arrangements for the applicable project.

Natural Gas Pipeline Business

As of June 30, 2008, Phase 1 of the Creole Trail Pipeline, consisting of 94 miles of pipeline, had been placed into commercial operations. Creole Trail Pipeline expenditures incurred through June 30, 2008 were $547.7 million, including accrued liabilities. On a cash basis, we had incurred $522.9 million through June 30, 2008 and expect to spend an additional $33.1 million of cash from July 1, 2008 until completion of Phase 1 of the pipeline. Total costs, excluding financing costs, are expected to be approximately $556 million to construct the Creole Trail Pipeline.

We will contemplate making a final investment decision to construct Phase 2 of the Creole Trail Pipeline, the Corpus Christi Pipeline, the Cheniere Southern Trail Pipeline and the Burgos Hub project upon, among other things, receiving all required authorizations to construct and operate the applicable pipeline (and storage facility in the case of Burgos Hub), to the extent not already obtained, and entering into acceptable commercial arrangements, including acceptable financing arrangements for the applicable project.

LNG and Natural Gas Marketing Business

Our LNG and natural gas marketing business segment is developing a portfolio of long-term, short-term, and spot LNG purchase agreements, and will focus on entering into business relationships such as the one entered into with JPMorgan for the domestic marketing of natural gas that is imported by Cheniere Marketing as LNG to the Sabine Pass LNG receiving terminal. See Note 2 of the Notes to Consolidated Financial Statements.

We have unwound, terminated or assigned our commitments under our domestic natural gas agreements on terms we believe to be acceptable and have cancelled both of our LNG vessel charters.

We have cancelled our Marketing Credit Facility and, as a result of the release of cash collateral for that facility, have increased our unrestricted cash balance by $39.7 million as of June 30, 2008.

Oil and Gas Exploration and Development Business

Although our focus is primarily on the development of LNG-related businesses, we have continued to be involved to a limited extent in oil and gas exploration, development and production activities in the shallow waters of the Gulf of Mexico. This business has historically required, and will continue to require, an insignificant amount of cash to fund its operations.

Cheniere Partners

For each calendar quarter through June 30, 2009, Cheniere Partners is expected to make quarterly cash distributions of $0.425 per unit on all outstanding common units, as well as related distributions to its general partner, from restricted cash and cash equivalents. We anticipate receiving $4.8 million per quarter out of the total $11.4 million of quarterly common unit distributions. After the distribution in respect of the quarter ending June 30, 2009, a distribution reserve established in connection with Cheniere Partners' initial public offering is expected to have been depleted, and Cheniere Partners will rely on the receipt of operating revenues from Sabine Pass LNG's TUAs to fund future quarterly cash distributions to us and other unitholders. Sabine Pass LNG is not permitted under the Senior Notes indenture to make cash distributions to Cheniere Partners if it does not satisfy a fixed charge coverage ratio test of 2:1, calculated as required in the indenture. When Cheniere Marketing makes its capacity reservation fee payments under its TUA of approximately $250 million per year in addition to the TUA payments of approximately $250 million aggregate payments by Total and Chevron under their TUAs, we anticipate that the fixed charge coverage ratio test will be met and we expect to receive, subject to declaration by Cheniere Partners' board of directors, approximately $254 million per year from Cheniere Partners in distributions on our common, subordinated and general partner units, as well as an additional approximately $18 million of management and service fees. Until such time, we may not receive distributions equal to the amount of our TUA payment.

Sources and Uses of Cash

The following table summarizes the sources and uses of our cash and cash equivalents for the six months ended June 30, 2008 and 2007. The table presents capital expenditures on a cash basis; therefore, these amounts differ from the amounts of capital expenditures, including accruals that are referred to elsewhere in this document. Additional discussion of these items follows the table (in thousands).

	Six Months Ended June 30,	
	2008	2007
Sources of cash and cash equivalents:		
Use of restricted cash and cash equivalents	$ 410,470	$ 300,955
Use of restricted treasury securities	21,717	—
Proceeds from debt	95,000	400,000
Proceeds from sale of common units in partnership	—	203,946
Proceeds from issuance of common units in partnership	—	98,442
Other	241	1,748
Total sources of cash and cash equivalents	527,428	1,005,091
Uses of cash and cash equivalents:		
LNG terminal and pipeline construction-in-process	(440,782)	(360,400)
Operating cash flow	(107,162)	(23,844)
Purchases of LNG for commissioning, net of amounts transferred to LNG terminal construction-in- process	(65,416)	—
Distributions to minority interest	(13,196)	(435)
Debt issuance costs	(12,503)	(8,883)
Advances under long-term contracts, net of transfers to construction-in-process	(5,118)	(11,816)
Purchase of treasury shares	(4,406)	(212,582)
Purchase of investment in unconsolidated affiliate	—	(25,025)
Investment in U.S. treasury securities	—	(98,442)
Purchases of intangible and fixed assets, net of sales	(3,542)	(15,926)
Other	(9,218)	101
Total uses of cash and cash equivalents	(661,343)	(757,252)
Net increase (decrease) in cash and cash equivalents	$(133,915)	$ 247,839
Cash and cash equivalents at end of period	$ 162,615	$ 710,802

Use of restricted cash and cash equivalents

Under the indenture governing the Senior Notes, a portion of the proceeds from the Senior Notes is required to be used for scheduled interest payments through May 2009 and to fund the cost to complete construction of the Sabine Pass LNG receiving terminal. Due to these restrictions imposed by the indenture, the proceeds are not presented as cash and cash equivalents, and therefore, when proceeds from the Senior Notes are used they are presented as a source of cash and cash equivalents. For the six months ended June 30, 2008 and 2007, the $410.5 million and $301.0 million, respectively, of restricted cash and cash equivalents were used primarily to pay for construction activities at the Sabine Pass LNG receiving terminal.

Use of treasury securities

At the closing of the Cheniere Partners offering, we funded a distribution reserve, which was invested in U.S. treasury securities. The distribution reserve, including interest earned thereon, will be used to pay quarterly distributions of $0.425 per common unit for all common units, as well as related distributions to Cheniere Partners' general partner, through the distribution made in respect of the quarter ended June 30, 2009.

Proceeds from debt

Our proceeds from debt were $95.0 million and $400.0 million for the six months ended June 30, 2008 and 2007, respectively. During the six months ended 2008, we received $95.0 million under the Bridge Loan described below used primarily for general corporate purposes. During the six months ended June 30, 2007, we received $400.0 million from borrowings under the 2007 Term Loan described below used primarily to repurchase shares of our common stock under the call option acquired in the issuer call spread purchased by us in connection with the issuance of the Convertible Senior Unsecured Notes described below.

Proceeds from sale of common units in partnership

In conjunction with the Cheniere Partners offering in the first quarter of 2007, we sold to the public a portion of the Cheniere Partners common units held by us, realizing net proceeds of $164.5 million. These net proceeds are being used for corporate and general purposes.

Proceeds from issuance of common units in partnership

Through the Cheniere Partners offering in the first quarter of 2007, Cheniere Partners received $98.4 million in net proceeds for the issuance of common units to the public. Cheniere Partners used all of the net proceeds to purchase U.S. treasury securities to fund a distribution reserve for payment of initial quarterly distributions through the quarter ending June 30, 2009.

LNG terminal and pipeline construction-in-process

Capital expenditures for our LNG receiving terminals and pipeline projects were $440.8 million and $360.4 million in the six months ended June 30, 2008 and 2007, respectively. The 22.3% increase in the six months ended June 30, 2008 resulted primarily from our continued construction expenditures on the Sabine Pass LNG receiving terminal, which commenced construction in the first quarter of 2005, and the Creole Trail Pipeline, which commenced initial construction in the second quarter of 2007.

Operating cash flow

Net cash used in operations was $107.2 million and $23.8 million in the six months ended June 30, 2008 and 2007, respectively. The $83.4 million increase in the net cash used in operations in the six months ended June 30, 2008 resulted primarily from restructuring charges recognized in the second quarter of 2008 and an increase in interest expense.

Purchases of LNG for commissioning

As of June 30, 2008, we had acquired a total of three LNG commissioning cargoes for the Sabine Pass LNG receiving terminal and have successfully unloaded the LNG into the Sabine Pass LNG receiving terminal.

Distributions to minority interest

During the six months ended June 30, 2008 and 2007, we distributed $13.2 million and $0.4 million to non-affiliated common unitholders of Cheniere Partners, respectively.

Debt issuance costs

Our debt issuance costs were $12.5 million and $8.9 million in the six months ended June 30, 2008 and 2007, respectively. The debt issuance costs in 2008 primarily related to the Bridge Loan. Debt issuance costs in 2007 related primarily to the 2007 Term Loan.

Advances under long-term contracts, net of transfer to construction-in-process

We have entered into certain contracts and purchase agreements related to the construction of the Sabine Pass LNG receiving terminal that require us to make payments to fund costs that will be incurred or equipment that will be received in the future. Advances made under long-term contracts on purchase commitments are carried at face value and transferred to property, plant and equipment as the costs are incurred or equipment is received.

Purchase of treasury securities

In the six months ended June 30, 2008 and 2007, we purchased treasury shares valued at $4.4 million and $212.6 million, respectively. In 2007, we purchased approximately 6.0 million shares under the call option acquired in the issuer call spread purchased by us in connection with the issuance of the Convertible Senior Unsecured Notes.

Purchase of investment in unconsolidated affiliate

In the six-month period ended June 30, 2007, we increased our ownership interest in J & S Cheniere, S.A. ("J & S Cheniere") to 49% and loaned J & S Cheniere $25.0 million for the purpose of collateralizing certain obligations of J & S Cheniere relating to two LNG tanker time charters. We subsequently acquired the remaining 51% interest in J & S Cheniere and cancelled the time charters.

Investment in U.S. treasuries

Through the Cheniere Partners offering in the first quarter of 2007, Cheniere Partners received $98.4 million in net proceeds for the issuance of common units to the public. Cheniere Partners used all of the net proceeds to purchase U.S. treasury securities to fund a distribution reserve for payment of initial quarterly distributions through the quarter ending June 30, 2009.

Debt Agreements

Convertible Senior Unsecured Notes

In July 2005, we consummated a private offering of $325.0 million aggregate principal amount of Convertible Senior Unsecured Notes due 2012 to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The notes bear interest at a rate of 2.25% per year. The notes are convertible at any time into our common stock under certain circumstances at an initial conversion rate of 28.2326 per $1,000 principal amount of the notes, which is equal to a conversion price of approximately $35.42 per share. As of June 30, 2008, no holders had elected to convert their notes. We may redeem some or all of the notes on or before August 1, 2012, for cash equal to 100% of the principal plus any accrued and unpaid interest if in the previous 10 trading days the volume-weighted average price of our common stock exceeds $53.13, subject to adjustment, for at least five consecutive trading days. In the event of such redemption, we will make an additional payment equal to the present value of all remaining scheduled interest payments through August 1, 2012, discounted at the U.S. Treasury rate plus 50 basis points. The indenture governing the notes contains customary reporting requirements.

Sabine Pass LNG Senior Secured Notes

In November 2006, Sabine Pass LNG issued an aggregate principal amount of $2,032.0 million of Senior Notes, consisting of $550.0 million of 7 1/4% Senior Secured Notes due 2013 and $1,482.0 million of 7 1/2% Senior Secured Notes due 2016. Interest on the Senior Notes is payable semi-annually in arrears on May 30 and November 30 of each year. The Senior Notes are secured on a first-priority basis by a security interest in all of Sabine Pass LNG's equity interests and substantially all of its operating assets. Under the indenture governing the Senior Notes, except for permitted tax distributions, Sabine Pass LNG may not make distributions until certain conditions are satisfied. The indenture requires that Sabine Pass LNG apply its net operating cash flow (i) first, to fund with monthly deposits its next semiannual payment of approximately $75.5 million of interest on the Senior Notes, and (ii) second, to fund a one-time, permanent debt service reserve fund equal to one semiannual interest payment of approximately $75.5 million on the Senior Notes. Distributions will be permitted only after phase 1 target completion of the Sabine Pass LNG receiving terminal, as defined in the indenture governing the Senior Notes, or such earlier date as project revenues are received, upon satisfaction of the foregoing funding requirements, after satisfying a fixed charge coverage ratio test of 2:1 and after satisfying other conditions specified in the indenture.

2007 Term Loan

In May 2007, Cheniere Subsidiary Holdings, LLC ("Cheniere Subsidiary"), a wholly-owned subsidiary of Cheniere, entered into a $400.0 million credit agreement ("2007 Term Loan"). Borrowings under the 2007 Term Loan generally bear interest at a fixed rate of 9.75% per annum. Interest is calculated on the unpaid principal amount of the 2007 Term Loan outstanding and is payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. The 2007 Term Loan will mature on May 31, 2012. The net proceeds from the 2007 Term Loan were $391.7 million and are being used for general corporate purposes, including the repurchase, completed in July 2007, of approximately 9.2 million shares of our outstanding common stock pursuant to the exercise of the call options acquired in the issuer call spread purchased by us in connection with the issuance of the Convertible Senior Unsecured Notes. The 2007 Term Loan is secured by a pledge of our 135,383,831 subordinated units in Cheniere Partners and our equity interests in the entities that own our 30% interest in Freeport LNG.

Marketing Credit Facility

In June 2008, we terminated a credit facility that Cheniere Marketing had and cash collaterialized letters of credit that had been issued under the facility but had not yet been returned to us. As of June 30, 2008, we had $3.3 million of cash collateralized letters of credit outstanding that had been issued under the facility. Except for the cash that collateralizes outstanding letters of credit, all of the working capital of Cheniere Marketing has become unrestricted funds available to the Company.

Bridge Loan

In May 2008, Cheniere Common Units Holding, LLC ("Cheniere Common Units Holding"), a newly formed wholly-owned subsidiary of Cheniere, entered into a Credit Agreement (the "Bridge Loan") among Cheniere Common Units Holding, Credit Suisse, Cayman Islands Branch, as administrative agent, collateral agent and as a lender, and the several lenders from time to time party thereto, pursuant to which the lenders agreed to make a term loan of $95.0 million to Cheniere Common Units Holding. Borrowings under the Bridge Loan generally bear interest at a fixed rate of 16.458% per annum. Interest is calculated on the unpaid principal amount of the Bridge Loan and is payable quarterly in arrears on the earlier of the 46th day following the end of each calendar quarter, or the maturity date. The Bridge Loan will mature on November 5, 2009. The net proceeds from the Bridge Loan were $82.3 million and are being used for general corporate purposes and pipeline capital expenditures. The Bridge Loan is secured by a pledge of our 10,891,357 common units in Cheniere Partners and our equity interests in the entities that own our Creole Trail Pipeline.

Issuances of Common Stock

During the first six months of 2008, a total of 45,403 shares of our common stock were issued pursuant to the exercise of stock options, resulting in net cash proceeds of $0.2 million. In addition, in January 2008, 479,802 shares of our common stock were issued to our employees in the form of non-vested restricted stock awards, and 537,000 shares of vested common stock were issued to our executive officers related to our performance in 2007. In May 2008, 202,788 shares having a one-year graded vesting were issued to our directors. In May 2008 and June 2008, as a part of the short-term and long-term retention plans approved by the Compensation Committee, 373,656 shares vesting on December 1, 2008 and 1,525,038 shares having a three-year graded vesting beginning December 31, 2008 were issued to our employees and a consultant in the form of non-vested stock awards. In the six months ended June 30, 2008, an additional 21,293 shares of non-vested stock having three- or four-year graded vestings were issued to employees.

During the first six months of 2007, a total of 208,728 shares of our common stock were issued pursuant to the exercise of stock options, resulting in net cash proceeds of $1.7 million. In addition, 206,359 shares of common stock were issued in satisfaction of cashless exercises of options to purchase 225,330 shares of common stock.

In January 2007, 628,396 shares of our common stock were issued to our employees and executive officers in the form of non-vested (restricted) stock awards related to our performance in 2006. During the first six months of 2007, we issued an additional 179,741 shares of non-vested restricted stock to new and existing employees.

In May 2007, 30,574 shares of our common stock were issued to our outside directors in the form of non-vested restricted stock awards.

As of July 26, 2007, we had purchased approximately 9.2 million shares of our common stock for a cash price of $35.42 per share under the call options acquired by us concurrently with the issuance of the Convertible Senior Unsecured Notes.

RESULTS OF OPERATIONS

Three Months Ended June 30, 2008 vs. Three Months Ended June 30, 2007

Overall Operations

Our consolidated net loss for the second quarter of 2008 reflected a net loss of $132.3 million, or $2.81 per share (basic and diluted), compared to a net loss of $41.1 million, or $0.76 per share (basic and diluted), for the second quarter of 2007. The increase in consolidated net loss was primarily due to restructuring charges, losses on derivatives, a loss from equity method investments and decreased interest income, which was partially offset by decreased general and administrative expenses, decreased LNG receiving terminal and pipeline development expense and decreased interest expense. Not including the impact of the restructuring charges in the second quarter of 2008, our net loss would have been $53.7 million, or $1.14 per common share—basic and diluted.

Restructuring Charges

During the three months ended June 30, 2008, we recognized $78.6 million of restructuring charges resulting from our cost savings program in connection with the downsizing of our natural gas marketing business activities, wrapping up of significant construction activities for both the Sabine Pass LNG receiving terminal and Creole Trail Pipeline and seeking alternative arrangements for our time charter interests in two LNG vessels (see Note 3— "Restructuring Charges" of our Notes to Consolidated Financial Statements).

Derivative Loss

During the three months ended June 30, 2008, we recognized $11.5 millions derivative losses as a result of entering into several natural gas swaps to hedge the exposure to variability in expected future cash flows related to the commissioning and cool down cargos purchased.

Loss from Equity Method Investments

During the three months ended June 30, 2008, we recognized $3.0 million of suspended losses from our equity method investment in Freeport LNG. In the second quarter of 2008, we received and paid a $3.0 million cash call notice from Freeport LNG requesting that we provide further financial support due to higher than expected commissioning and performance testing costs.

Interest Income

Interest income decreased $19.3 million in the second quarter of 2008 compared to the second quarter of 2007 because of the lower average invested cash balances resulting from the use of cash to pay construction costs and interest payments and lower interest rates.

General and Administrative Expenses

General and administrative ("G&A") expenses decreased $9.6 million in the second quarter of 2008 compared to the second quarter of 2007. The decrease in G&A primarily resulted from a decrease of non-cash compensation of $8.6 million. The decrease in non-cash compensation was a result of our cost savings program in connection with the downsizing of our natural gas marketing business activities and wrapping up of significant construction activities for both the Sabine Pass LNG receiving terminal and Creole Trail Pipeline.

LNG Receiving Terminal and Pipeline Development Expenses

Our LNG receiving terminal and pipeline development expenses include primarily professional costs associated with front-end engineering and design work, obtaining orders from the FERC authorizing construction of our facilities and other required permitting for our LNG receiving terminals and natural gas pipelines.

LNG receiving terminal and pipeline development expenses decreased $8.0 million in the second quarter of 2008 compared to the second quarter of 2007. The primary cause of the decrease was a $2.9 million decrease in salaries, $0.9 million decrease in non-cash compensation and a $4.2 million decrease in travel and other business development expenditures that were not incurred in the second quarter of 2008 compared to the second quarter of 2007.

Interest Expense, net

Interest expense, net of amounts capitalized, decreased $4.5 million in the second quarter of 2008 compared to the second quarter of 2007. The decrease was caused primarily by the increase in capitalized interest as a result of an increase in advances under long-term contracts and property, plant and equipment.

Six Months Ended June 30, 2008 vs. Six Months Ended June 30, 2007

Overall Operations

Our consolidated net loss for the first six months of 2008 reflected a net loss of $182.2 million, or $3.87 per share (basic and diluted), compared to a net loss of $75.7 million, or $1.38 per share (basic and diluted), for the first six months of 2007. The increase in the loss was primarily due to restructuring charges, losses on derivatives, a loss from equity method investments and decreased interest income, which was partially offset by decreased LNG receiving terminal and pipeline development expenses and decreased interest expense. In addition, a significant portion of our loss was attributable to the recognition of non-cash, share-based payments accounted for under SFAS No. 123R, *Share-Based Payments*, which requires all non-cash, share-based compensation be recognized in the financial statements based on fair value at the date of grant. As a result of our issuance of non-cash, share-based payments to employees, we recorded $15.9 million of non-cash compensation expense in the first six months ended June 30, 2008 compared to $19.3 million of non-cash compensation expense in the first six months ended June 30, 2007. Not including the impact of the restructuring charges and this non-cash expense in the six months ended June 30, 2008, our net loss would have been $87.7 million, or $1.86 net loss per common share—basic and diluted.

Restructuring Charges

During the six months ended June 30, 2008, we incurred $78.6 million of restructuring charges resulting from our cost savings program in connection with the downsizing of our natural gas marketing business activities, wrapping up of significant construction activities for both the Sabine Pass LNG receiving terminal and Creole Trail Pipeline and seeking alternative arrangements for our time charter interests in two LNG vessels (see Note 3— "Restructuring Charges" of our Notes to Consolidated Financial Statements).

Derivative Loss

During the six months ended June 30, 2008, we recognized $12.4 million of derivative losses primarily as a result of entering into several natural gas swaps to hedge the exposure to variability in expected future cash flows related to the commissioning and cool down cargos purchased.

Loss from Equity Method Investments

During the first six months ended June 30, 2008, we recognized $4.8 million of suspended losses from our equity method investment in Freeport LNG. In the first six months of 2008, we received and paid cash call notices of $4.8 million from Freeport LNG requesting that we provide further financial support due to higher than expected commissioning and performance testing costs.

Interest Income

Interest income decreased $31.3 million in the six months ended June 30, 2008 compared to the six months ended June 30, 2007, because of the lower average invested cash balances resulting from the use of cash to pay construction costs and interest payments and lower interest rates.

LNG Receiving Terminal and Pipeline Development Expenses

Our LNG receiving terminal and pipeline development expenses include primarily professional costs associated with front-end engineering and design work, obtaining orders from the FERC authorizing construction of our facilities and other required permitting for our LNG receiving terminals and natural gas pipelines.

LNG receiving terminal and pipeline development expenses decreased $7.0 million in the first six months of 2008 compared to the first six months of 2007. The primary cause of the decrease was a $2.4 million decrease in salaries and a $4.6 million decrease in travel and other business development expenditures that were not incurred in the six months ended June 30, 2008 compared to the six months ended June 30, 2007.

Interest Expense, net

Interest expense, net of amounts capitalized, decreased $11.1 million in the fist six months of 2008 compared to the first six months of 2007. The decrease was caused primarily by the increase in capitalized interest as a result of an increase in advances under long-term contracts and property, plant and equipment.

Off-Balance Sheet Arrangements

As of June 30, 2008, we had no off-balance sheet debt or other such unrecorded obligations, and we have not guaranteed the debt of any other party.

OTHER MATTERS

Critical Accounting Estimates and Policies

The selection and application of accounting policies is an important process that has developed as our business activities have evolved and as the accounting rules have developed. Accounting rules generally do not involve a selection among alternatives but involve an implementation and interpretation of existing rules, and the use of judgment, to the specific set of circumstances existing in our business. We make every effort to comply properly with all applicable rules on or before their adoption, and we believe that the proper implementation and consistent application of the accounting rules are critical. However, not all situations are specifically addressed in the accounting literature. In these cases, we must use our best judgment to adopt a policy for accounting for these situations. We accomplish this by analogizing to similar situations and the accounting guidance governing them.

Accounting for LNG Activities

Generally, we begin capitalizing the costs of our LNG receiving terminals and related pipelines once the individual project meets the following criteria: (i) regulatory approval has been received, (ii) financing for the project is available and (iii) management has committed to commence construction. Prior to meeting these criteria, most of the costs associated with a project are expensed as incurred. These costs primarily include professional fees associated with front-end engineering and design work, costs of securing necessary regulatory approvals, and other preliminary investigation and development activities related to our LNG receiving terminals and related pipelines.

Generally, costs that are capitalized prior to a project meeting the criteria otherwise necessary for capitalization include: land costs, costs of lease options and the costs of certain permits, which are capitalized as intangible LNG assets. The costs of lease options are amortized over the life of the lease once it is obtained. If no lease is obtained, the costs are expensed. Site rental costs and related amortization of capitalized options have been capitalized during the construction period through the end of 2005. Beginning in 2006, such costs have been expensed as required by the FASB Staff Position No. 13-1.

During the construction periods of our LNG receiving terminals, we capitalize interest and other related debt costs in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 34, *Capitalization of Interest Cost*, as amended by SFAS No. 58, *Capitalization of Interest Cost in Financial Statements That Include Investments Accounted for by the Equity Method (an Amendment of FASB Statement No. 34)*. Upon commencement of operations, capitalized interest, as a component of the total cost, will be amortized over the estimated useful life of the asset.

In connection with the construction of the Sabine Pass LNG receiving terminal, we require LNG to perform certain commissioning activities, as follows:

- Cool down—A minimum amount of LNG will be used to cool down the LNG receiving terminal. Cool down represents the amount of LNG required to cool the LNG receiving terminal to its normal operating temperature.

- LNG heel—A certain amount of LNG will be used to establish a level of LNG inventory in each LNG storage tank and in the LNG receiving terminals piping in order for the LNG receiving terminal to function properly.
- Equipment commissioning—The remaining amount of the LNG will be used to commission the equipment in the LNG receiving terminal to ensure that it performs at designed specifications. Equipment commissioning will result in natural gas being sold.

LNG purchased for commissioning activities is recorded at cost and classified as a non-current asset on our Consolidated Balance Sheets as LNG held for commissioning. As the LNG held for commissioning is used to cool down the LNG receiving terminal and establish LNG heel in the LNG receiving terminal, we capitalize the portion used. The LNG used in the commissioning process is capitalized net of amounts received from the sale of natural gas.

Regulated Operations

Our natural gas pipeline business is subject to the jurisdiction of the FERC in accordance with the Natural Gas Act of 1938 and the Natural Gas Policy Act of 1978, and we have determined that certain of our pipeline systems to be constructed have met the criteria set forth in SFAS No. 71. Accordingly, we have applied the provisions of SFAS No. 71 to the affected pipeline subsidiaries beginning in the second quarter of 2006.

Our application of SFAS No. 71 is based on the current regulatory environment, our current projected tariff rates, and our ability to collect those rates. Future regulatory developments and rate cases could impact this accounting. Although discounting of our maximum tariff rates may occur, we believe that the standards required by SFAS No. 71 for its application are met and the use of regulatory accounting under SFAS No. 71 best reflects the results of future operations in the economic environment in which we will operate. Regulatory accounting requires us to record assets and liabilities that result from the rate-making process that would not be recorded under GAAP for non-regulated entities. We will continue to evaluate the application of regulatory accounting principles based on on-going changes in the regulatory and economic environment. Items that may influence our assessment are:

- inability to recover cost increases due to rate caps and rate case moratoriums;
- inability to recover capitalized costs, including an adequate return on those costs through the rate-making process and the FERC proceedings;
- excess capacity;
- increased competition and discounting in the markets we serve; and
- impacts of ongoing regulatory initiatives in the natural gas industry.

Natural gas pipeline costs include amounts capitalized as an Allowance for Funds Used During Construction (“AFUDC”). The rates used in the calculation of AFUDC are determined in accordance with guidelines established by the FERC. AFUDC represents the cost of debt and equity funds used to finance our natural gas pipeline additions during construction. AFUDC is capitalized as a part of the cost of our natural gas pipelines. Under regulatory rate practices, we generally are permitted to recover AFUDC, and a fair return thereon, through our rate base after our natural gas pipelines are placed in service.

Revenue Recognition

LNG receiving terminal capacity reservation fees are recognized as revenue over the term of the respective TUAs. Advance capacity reservation fees are deferred initially.

Cash Flow Hedges

As defined in SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, cash flow hedge transactions hedge the exposure to variability in expected future cash flows (i.e., in our case, the variability of floating interest rate exposure). In the case of cash flow hedges, the hedged item (the underlying risk) is generally unrecognized (i.e., not recorded on the balance sheet prior to settlement), and any changes in the fair value, therefore, will not be recorded within earnings. Conceptually, if a cash flow hedge is effective, this means that a variable, such as a movement in interest rates, has been effectively fixed so that any fluctuations will have no net result on either cash flows or earnings. Therefore, if the changes in fair value of the hedged item are not recorded in earnings, then the changes in fair value of the hedging instrument (the derivative) must also be excluded from the income statement or else a one-sided net impact on earnings will be reported, despite the fact that the establishment of the effective hedge results in no net economic impact. To prevent such a scenario from occurring, SFAS No. 133 requires that the fair value of a derivative instrument designated as a cash flow hedge be recorded as an asset or liability on the balance sheet, but with the offset reported as part of other comprehensive income, to the extent that the hedge is effective. We assess, both at the inception of each hedge and on an on-going basis, whether derivatives that are used in our hedging transactions are highly effective in offsetting changes in cash flows of the hedged items. On an on-going basis, we monitor the actual dollar offset of the hedges' market values compared to hypothetical cash flow hedges. Any ineffective portion will be reflected in earnings. Ineffectiveness is the amount of gains or losses from derivative instruments that are not offset by corresponding and opposite gains or losses on the expected future transaction.

Goodwill and Other Intangible Assets

Goodwill and other intangible assets are accounted for in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets.* We perform an annual impairment review in the fourth quarter of each year, although we may perform an impairment review more frequently whenever events or circumstances indicate that the carrying value may not be recoverable.

Share-Based Compensation Expense

Effective January 1, 2006, we adopted the fair value recognition provisions of SFAS No. 123R using the modified prospective transition method. Under this method, we recognize compensation expense for all share-based payments granted after January 1, 2006 and prior to, but not yet vested as of, January 1, 2006, in accordance with SFAS No. 123R using the Black-Scholes option valuation model. Under the fair value recognition provisions of SFAS No. 123R, we recognize stock-based compensation net of an estimated forfeiture rate and only recognize compensation cost for those shares expected to vest on a straight-line basis over the requisite service period of the award.

Determining the appropriate fair value model and calculating the fair value of share-based payment awards require the input of highly subjective assumptions, including the expected life of the share-based payment awards and stock price volatility. We believe that implied volatility, calculated based on traded options of our common stock, combined with historical volatility is an appropriate indicator of expected volatility and future stock price trends. Therefore, expected volatility for the quarter ended June 30, 2008 was based on a combination of implied and historical volatilities. The assumptions used in calculating the fair value of share-based payment awards represent our best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and we use different assumptions, our stock-based compensation expense could be materially different in the future. In addition, we are required to estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. If our actual forfeiture rate is materially different from our estimate, the stock-based compensation expense could be significantly different from what we have recorded in the current period. See Note 19—"Share-Based Compensation" of our Notes to Consolidated Financial Statements for a further discussion on share-based compensation.

New Accounting Pronouncements

On January 1, 2008, we adopted SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities—including an amendment of FASB Statement No. 115 ("SFAS No. 159"). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis (the fair value option) with changes in fair value reported in earnings. Cheniere already records derivative contracts at fair value in accordance with SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended ("SFAS No. 133"). The adoption of SFAS No. 159 had no impact on our Consolidated Financial Statements as management did not elect the fair value option for any financial instruments or other assets and liabilities.

On January 1, 2008, we adopted SFAS No. 157,*Fair Value Measurements* ("SFAS No. 157") as it relates to financial assets and financial liabilities. In February 2008, the FASB issued FSP No. FAS 157-2, *Effective Date of FASB Statement No. 157*, which delayed the effective date of SFAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis, until January 1, 2009 for calendar year-end entities. The adoption of SFAS No. 157 did not have a material impact on our Consolidated Financial Statements.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133 ("SFAS No. 161"). SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activities, including (i) how and why an entity uses derivative instruments, (ii) how derivative instruments and related hedged items are accounted for under SFAS No. 133, and (iii) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. This standard becomes effective for us on January 1, 2009. Earlier adoption of SFAS No. 161 and, separately, comparative disclosures for earlier periods at initial adoption are encouraged. As SFAS No. 161 only requires enhanced disclosures, this standard will have no impact on our Consolidated Financial Statements.

In April 2008, the FASB issued FASB Staff Position ("FSP") SFAS No. 142-3, Determination of the Useful Life of Intangible Assets. This FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, Goodwill and Other Intangible Assets. The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141R, and other GAAP. This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. We are currently evaluating the impact of SFAS FSP 142-3 but do not expect the adoption of this pronouncement will have a material impact on our Consolidated Financial Statements.

In May 2008, the FASB issued SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles. SFAS 162 identifies the sources of accounting principles and the framework for selecting principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. This statement will be effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board's amendments to AU section 411, The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles. We are currently evaluating the impact of SFAS No. 162 but do not expect the adoption of this pronouncement will have a material impact on our Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Prices

We produce and sell natural gas, crude oil and condensate. As a result, our financial results can be affected as these commodity prices fluctuate widely in response to changing market forces. We have not entered into any derivative transactions related to our oil and gas producing activities.

Cash Investments

We have cash investments that we manage based on internal investment guidelines that emphasize liquidity and preservation of capital. Such cash investments are stated at historical cost, which approximates fair market value on our Consolidated Balance Sheets.

Cheniere Marketing and Sabine Pass LNG Derivative Commodity Price Risk

Our derivative positions as of June 30, 2008 primarily consist of NYMEX natural gas swaps entered into to hedge the exposure to variability in expected future cash flows related to commissioning and cool down cargoes purchased in the second quarter of 2008 that are being sold as part of the testing phase of the commissioning process. We entered into a total of 4,495,000 MMBtu of August 2008 NYMEX natural gas swaps with counterparties for which they will receive fixed prices of $11.87 to $13.41 per MMBtu. At June 30, 2008, the value of the derivatives was a liability of $7.8 million.

Item 4. Disclosure Controls and Procedures

We maintain a set of disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports filed by us under the Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. As of the end of the period covered by this report, we evaluated, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures are effective.

During the most recent fiscal quarter, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We may in the future be involved as a party to various legal proceedings which are incidental to the ordinary course of business. We regularly analyze current information and, as necessary, provide accruals for probable liabilities on the eventual disposition of these matters. In the opinion of management and legal counsel, as of June 30, 2008, there were no known threatened or pending legal matters that could reasonably be expected to have a material adverse impact on our consolidated results of operations, financial position or cash flows.

Item 4. Submission of Matters to a Vote of Security Holders

We held an annual meeting of our stockholders on June 13, 2008. The following individuals were elected to the Board of Directors: Charif Souki, Walter L. Williams and Keith F. Carney. In addition to the election of directors, the following matters were submitted to a vote and approved by stockholders: the ratification of the appointment of Ernst & Young LLP as independent accountants for the fiscal year ending December 31, 2008, and an amendment to our 2003 Stock Incentive Plan to provide as follows:

- no one participant shall be granted awards under the 2003 Stock Incentive Plan during any calendar year covering or relating to more than 1,000,000 shares of common stock;
- the maximum amount of cash that may be paid under an award to any one participant during a calendar year cannot exceed $10,000,000 in the aggregate;
- expands the list of permissible business criteria pursuant to which Performance Awards may be granted under the 2003 Plan to include the following: earnings before taxes and depreciation; stock price measures (including growth measures and total stockholder return); and price per share of common stock; and
- certain other technical amendments to the provisions of, and definitions used in, the 2003 Stock Incentive Plan.

There were 48,544,882 shares of common stock outstanding and eligible to vote as of the record date of April 14, 2008. The following table summarizes the results of the voting:

ITEM 1: ELECTION OF DIRECTORS

Director	Number of Votes For	Number of Votes Withheld
Charif Souki	31,715,493	990,274
Walter L. Williams	31,744,418	961,349
Keith F. Carney	31,136,594	1,569,173

ITEM 2: APPROVAL OF AMENDMENT NO. 3 TO THE CHENIERE ENERGY, INC. AMENDED AND RESTATED 2003 STOCK INCENTIVE PLAN

Number of Votes For	Percent of Votes	Number of Votes Against	Percent of Votes	Number of Votes Abstained	Percent of Votes	Non-Votes
21,211,115	94.22%	1,243,995	5.53%	56,588	0.25%	10,194,029

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ITEM 3: RATIFICATION OF THE AUDIT COMMITTEE'S APPOINTMENT OF ERNST & YOUNG LLP

Number of Votes For	Percent of Votes	Number of Votes Against	Percent of Votes	Number of Votes Abstained	Percent of Votes
32,430,259	99.16%	171,519	0.52%	103,989	0.32%

Item 6. Exhibits

(a) Each of the following exhibits is filed herewith:

10.1	Change Orders 35, 36, 37, 38 and 39 to Construction Agreement, dated January 10, 2007, between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company.
10.2	Change Orders 13, 14, 15 and 16 to Construction Agreement, dated January 5, 2007, between Cheniere Creole Trail Pipeline, L.P. and Sunland Construction, Inc.
10.3	Change Orders 9, 10, 11, and 12 to Construction Agreement, dated March 12, 2007, between Cheniere Creole Trail Pipeline, L.P. and Sunland Construction, Inc.
10.4	Change Order 17 to Construction Agreement, dated February 1, 2006, between Cheniere Sabine Pass Pipeline Company and Willbros Engineers, Inc.
10.5	Change Orders 8 through 55 to Construction Agreement, dated August 24, 2007, between Cheniere Sabine Pass Pipeline, L.P. and Willbros RPI, Inc.
10.6	Change Orders 57 and 58 to Lump Sum Turnkey Engineering, Procurement and Construction Agreement, dated December 18, 2004, between Sabine Pass LNG, L.P. and Bechtel Corporation.
10.7	LNG Lease Agreement, dated June 24, 2008, between Cheniere Marketing, Inc. and Sabine Pass LNG, L.P.
31.1	Certification by Chief Executive Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act
31.2	Certification by Chief Financial Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act
32.1	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

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

CHENIERE ENERGY, INC.

/s/ JERRY D. SMITH

Vice President and Chief Accounting Officer
(on behalf of the registrant and
as principal accounting officer)

Date: August 11, 2008

EXHIBIT 10.1

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: **CCT 3A-035**

DATE OF CHANGE ORDER: **04-23-08**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: Various Miscellaneous Additional Items

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.1-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Cheniere will compensate Sheehan Pipe Line Co. for various miscellaneous additional items on the Segment 3A pipeline project.

Please reference attachment #1 for miscellaneous additional items used.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$	65,605,739.22
Net change by previously authorized Change Orders	$	17,233,602.21
The Estimated Contract Price prior to this Change Order was	$	82,839,341.43
The Estimated Contract Price will be increased by this Change Order in the amount of	$	178,263.00
The new Estimated Contract Price including this Change Order will be	$	83,017,604.43

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: N/A

The Guaranteed Mechanical Completion Date will be unchanged.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is January 31, 2008.

The Guaranteed Substantial Completion Date will be unchanged.

The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is February 29, 2008.

The Guaranteed Final Completion Date will be unchanged.

The Guaranteed Final Completion Date as of the date of this Change Order therefore is March 31, 2008.

Adjustment to other Changed Criteria: N/A

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Creole Trail Pipeline, L.P.		Sheehan Pipe Line Construction Company
Owner		Contractor
/s/ T. R. Hutton	R. Keith Teague	/s/ Robert A. Riess, Sr.
Signature		Signature
T. R. Hutton	R. Keith Teague	Robert A. Riess, Sr.
Name		Name
Director	President	President & COO
Title		Title
4/28/08	4/28/08	April 30, 2008
Date of Signing		Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: **CCT 3A-036**

DATE OF CHANGE ORDER: **05-22-2008**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: Final Settlement of All Outstanding Issues

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.1-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Cheniere will compensate Sheehan Pipe Line Co. as follows:

This Change Order represents a full settlement of all claims, damages, losses, costs and expenses, except those items specifically excluded below, that Contractor has, may have, or may have in the future against Owner for any event, circumstance or any other act or omission occurring at any time up through the date of this Change Order, including but not limited to all claims, damages, losses, costs and expenses arising from or related to Contractor's claims (including, without limitation, requested change orders) referred to, raised or which could have been raised in any of the following letter and attachments, copies of which are attached:

(i) Letter from Mr. Tarry Hutton of Cheniere to Mr. Rob Riess of Sheehan, dated May 16, 2008
(ii) Sheehan extra work requests nos. 1467-F-EW-19 through 1467-F-EW-44

(Collectively the above letter together with all extra work requests, the "Letter and Attachments").

Further, this Change Order represents a full settlement of all claims, damages, losses, costs and expenses that Contractor has, may have, or may have in the future against Owner related to the brine line crossings (1467-F-EW-24) and item C9 of the Pricing Schedule in Attachment J of the Construction Agreement. It is also a full settlement of all work necessary to facilitate the crossing of Creek E46 and foreign pipelines just upstream of MLV 1-5 at approximately MP 11.7

However, this Change Order does not represent a settlement of items B12.1 through B12.7, C1 through C8, & C10 through C16, and M. These unit prices are fixed by the Pricing Schedule in Attachment J of the Construction Agreement. These items are billed in direct relation to the quantity installed in the field.

The settlement amount was reached through verbal negotiations which took place May 14, 2008.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$	65,605,739.22
Net change by previously authorized Change Orders	$	17,411,865.21
The Estimated Contract Price prior to this Change Order was	$	83,017,604.43
The Estimated Contract Price will be increased by this Change Order in the amount of	$	5,000,000.00
The new Estimated Contract Price including this Change Order will be	$	88,017,604.43

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Guaranteed Mechanical Completion Date will be increased by 110 days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is May 20, 2008.

The Guaranteed Substantial Completion Date will be increased by 110 days.
The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is June 18, 2008.

The Guaranteed Final Completion Date will be increased by 110 days.
The Guaranteed Final Completion Date as of the date of this Change Order therefore is July 19, 2008.

Other impacts to liability or obligation of Sheehan or Cheniere under the Agreement:

In consideration of the execution of this Change Order, Cheniere Creole Trail Pipeline Company agrees to waive any claims related to Guarantee of Timely Completion under Article 13.1 of the Agreement.

Sheehan hereby waives and releases Cheniere, as Owner, from and against any and all claims, damages, losses, costs and expenses that Contractor has, may have, or may have in the future against Owner for any event, circumstance or any other act or omission occurring at any time up through the date of this Change Order, including but not limited to all claims, damages, losses, costs and expenses related to Contractor's change order requests referred to, raised, or which could have been raised in any of the above Letter and Attachments, except for claims related to those items specifically excluded above.

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Creole Trail Pipeline, L.P.	Sheehan Pipe Line Construction Company
Owner	Contractor
/s/ R. Keith Teague	/s/ Kent F. Schobe
Signature	Signature
R. Keith Teague	Kent F. Schobe
Name	Name
President	Vice President of Engineering
Title	Title
6/13/08	June 11, 2008
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: CCT 3A-037

DATE OF CHANGE ORDER: 06-05-2008

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: Additional Horizontal Directional Drill Footage

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.1-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Cheniere will compensate Sheehan Pipe Line Co. for additional horizontal directional drill (HDD) footage.

Through mutual agreement between Cheniere and Sheehan, additional HDD footage was necessary to complete various crossings.

Please reference attachment #1 for previous estimate and actual footages.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$	65,605,739.22
Net change by previously authorized Change Orders	$	22,411,865.21
The Estimated Contract Price prior to this Change Order was	$	88,017,604.43
The Estimated Contract Price will be increased by this Change Order in the amount of	$	44,587.50
The new Estimated Contract Price including this Change Order will be	$	88,062,191.93

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: N/A

The Guaranteed Mechanical Completion Date will be unchanged.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is May 20, 2008.

The Guaranteed Substantial Completion Date will be unchanged.

The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is June 18, 2008.

The Guaranteed Final Completion Date will be unchanged.

The Guaranteed Final Completion Date as of the date of this Change Order therefore is July 19, 2008.

Cheniere Creole Trail Pipeline, L.P.	Sheehan Pipe Line Construction Company
Owner	Contractor
/s/ R. Keith Teague	/s/ Robert A. Riess, Sr.
Signature	Signature
R. Keith Teague	Robert A. Riess, Sr.
Name	Name
President	President & COO
Title	Title
6/11/08	June 13, 2008
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM
(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: **CCT 3A-038**

DATE OF CHANGE ORDER: **06-07-2008**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: Additional Miscellaneous Items

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.1-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Cheniere will compensate Sheehan Pipe Line Co. for additional miscellaneous items used on the Segment 3A Project.

Please reference attachment #1 for miscellaneous additional items quantity and amounts.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$	65,605,739.22
Net change by previously authorized Change Orders	$	22,456,452.71
The Estimated Contract Price prior to this Change Order was	$	88,062,191.93
The Estimated Contract Price will be increased by this Change Order in the amount of	$	87,967.00
The new Estimated Contract Price including this Change Order will be	$	88,150,158.93

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: N/A

The Guaranteed Mechanical Completion Date will be unchanged.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is May 20, 2008.

The Guaranteed Substantial Completion Date will be unchanged.
The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is June 18, 2008.

The Guaranteed Final Completion Date will be unchanged.
The Guaranteed Final Completion Date as of the date of this Change Order therefore is July 19, 2008.

Cheniere Creole Trail Pipeline, L.P.	Sheehan Pipe Line Construction Company
Owner	Contractor
/s/ R. Keith Teague	/s/ Robert A. Riess, Sr.
Signature	Signature
R. Keith Teague	Robert A. Riess, Sr.
Name	Name
President	President & COO
Title	Title
6/11/08	June 13, 2008
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: **CCT 3A-039**

DATE OF CHANGE ORDER: **07-25-2008**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: Final Change Order

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.1-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Cheniere will reduce the contract price according to the final billing of $85,266,117.17. This Change Order represents a final settlement of items B12.1 through B12.7, C1 through C8, & C10 through C16, and all other outstanding issues. These unit prices were fixed by the Pricing Schedule in Attachment J of the Construction Agreement. These items were billed in direct relation to the quantity installed in the field.

This Change Order represents a full settlement of all claims, damages, losses, costs and expenses that Contractor has, may have, or may have in the future against the Owner.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$	65,605,739.22
Net change by previously authorized Change Orders	$	22,544,419.71
The Estimated Contract Price prior to this Change Order was	$	88,150,158.93
The Estimated Contract Price will be increased by this Change Order in the amount of	$	-2,884,041.76
The new Estimated Contract Price including this Change Order will be	$	85,266,117.17

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: N/A

The Guaranteed Mechanical Completion Date will be unchanged.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is May 20, 2008.

The Guaranteed Substantial Completion Date will be unchanged.

The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is June 18, 2008.

The Guaranteed Final Completion Date will be unchanged.

The Guaranteed Final Completion Date as of the date of this Change Order therefore is July 19, 2008.

Cheniere Creole Trail Pipeline, L.P.	Sheehan Pipe Line Construction Company
Owner	Contractor
/s/ R. Keith Teague	/s/ Robert A. Riess, Sr.
Signature	Signature
R. Keith Teague	Robert A. Riess, Sr.
Name	Name
President	President & COO
Title	Title
7/30/08	August 1, 2008
Date of Signing	Date of Signing

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: CO 2-013

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: 5/07/08

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Additional cost for providing equipment, material, and labor for site work at the MLV 2-1 site in the north marsh including rocking and fencing around the valve station site per the attached estimate of May 6, 2008.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Order (#CO 2-001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, and 012)	$ 6,981,487.72
The Estimated Contract Price prior to this Change Order was	$ 77,059,682.72
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 35,662.50
The new Estimated Contract Price including this Change Order will be	$ 77,095,345.22

Adjustment to dates in Project Schedule
The following dates are modified (*list all dates modified; insert N/A if no dates modified):*
The Required Mechanical Completion Date will be unchanged by __________ (__) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15, 2008
(attach additional documentation if necessary) No Attachment

The Required Substantial Completion Date will be unchanged by __________ (__) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) No Attachment

The Required Final Completion Date will be unchanged by __________ (__) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) No Attachment

Adjustment to other Changed Criteria (insert N/A if no changes or impact; *attach additional documentation if necessary)* N/A

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previous issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
President	Project Manager
Title	**Title**
5-29-2008	5-27-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: CO 2-014

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: 5/19/08

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
For the negotiated global settlement agreed to on 5/15/08 and outlined in items 1 through 7 of the 5/15/08 spreadsheet attached. The items include:

ITEMS 1 THROUGH 7	
Delayed Start – dredging	**$188,000.00**
Delayed Start – Pipeline Machinery	**$ 8,995.83**
Delayed Start – Add'l Equipment	**$214,053.33**
South Lake Screw Anchors	**$128,698.00**
Targa Screw Anchors	**$143,353.74**
Add'l Submar Mats	**$ 21,378.00**
Chemical Injection in Calc. R. HDD	**$ 35,000.00**
	$739,478.90

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Order (#CO 2-001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, and 013)	$ 7,017,150.22
The Estimated Contract Price prior to this Change Order was	$ 77,095,345.22
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 739,478.90
The new Estimated Contract Price including this Change Order will be	$ 77,834,824.12

Adjustment to dates in Project Schedule
The following dates are modified (*list all dates modified; insert N/A if no dates modified):*
The Required Mechanical Completion Date will be unchanged by __________ (__) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15, 2008
(attach additional documentation if necessary) No Attachment

The Required Substantial Completion Date will be unchanged by __________ (__) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) No Attachment

The Required Final Completion Date will be unchanged by __________ (__) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) No Attachment

Adjustment to other Changed Criteria (insert N/A if no changes or impact; *attach additional documentation if necessary)* N/A

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previous issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
President	Project Manager
Title	**Title**
5-29-2008	5-27-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: **CO 2-015**

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: **5/19/08**

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

For the north marsh timber mats damaged by Sheehan at the MLV 2-1 valve site work area per item 9 of the attached 5/15/08 recap and attached 4/24/08 Tanner invoice.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Order (#CO 2-001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 013, and 014)	$ 7,756,629.12
The Estimated Contract Price prior to this Change Order was	$ 77,834,824.12
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 60,580.00
The new Estimated Contract Price including this Change Order will be	$ 77,895,404.12

Adjustment to dates in Project Schedule

The following dates are modified (*list all dates modified; insert N/A if no dates modified):*

The Required Mechanical Completion Date will be unchanged by __________ (__) Days

The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15, 2008

(attach additional documentation if necessary) No Attachment

The Required Substantial Completion Date will be unchanged by __________ (__) Days

The Required Substantial Completion Date as of the date of this Change Order therefore is

(attach additional documentation if necessary) No Attachment

The Required Final Completion Date will be unchanged by __________ (__) Days

The Required Final Completion Date as of the date of this Change Order therefore is

(attach additional documentation if necessary) No Attachment

Adjustment to other Changed Criteria (insert N/A if no changes or impact; *attach additional documentation if necessary)* N/A

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previous issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
President	Project Manager
Title	**Title**
5-29-2008	5-27-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: CO 2-016

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: 6/18/08

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

For modifications to seven (7) Main Line Valve assemblies, per the attached signed time tickets and table dated 6/18/08, to be charged as follows:

• **MLV 1-3 at MP 18.1**	**Charge to Segment 1**	
• **MLV 1-1 at Johnsons Bayou**	“ ”	**$ 72,003.83**
• **MLV 1-2 at MP 8.0**	“ ”	
• **MLV 2-1 in the north marsh**	**Charge to Segment 2**	**$2, 856.65**
• **MLV 5 on Segment 3A**	**Charge to Segment 3A**	
• **MLV 6 on Segment 3A**	“ ”	**$ 32,775.30**

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Order (#CO 2-001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 013, 014, and 015)	$ 7,817,209.12
The Estimated Contract Price prior to this Change Order was	$ 77,895,404.12
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 107,635.79
The new Estimated Contract Price including this Change Order will be	$ 78,003,039.91

Adjustment to dates in Project Schedule

The following dates are modified (*list all dates modified; insert N/A if no dates modified):*
The Required Mechanical Completion Date will be unchanged by __________ (__) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 2008
(attach additional documentation if necessary) No Attachment

The Required Substantial Completion Date will be unchanged by __________ (__) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) No Attachment

The Required Final Completion Date will be unchanged by __________ (__) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) No Attachment

Adjustment to other Changed Criteria (insert N/A if no changes or impact; *attach additional documentation if necessary)* N/A

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previous issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
President	Project Manager
Title	**Title**
6/20/2008	6-19-08
Date of Signing	**Date of Signing**

EXHIBIT 10.3

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 1 Project, Preferred Route Single Line Option

CHANGE ORDER NUMBER: CO 1-009

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: 4/30/08

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: March 12, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

To provide materials, equipment, and labor to install 750 sand bags over exposed 42" pipe in Oyster Lake per the attached sketch dated 4/28/08 and the attached cost estimate of 4/29/08.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 43,617,209
Net change by previously authorized Change Order (#CO1-001, CO1-002, CO1-003, CO1-004, CO1-005, CO1-006, CO1-007, and CO1-008)	$ 11,795,612.00
The Estimated Contract Price prior to this Change Order was	$ 55,412,821.00
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 69,839.93
The new Estimated Contract Price including this Change Order will be	$ 55,482,660.93

Adjustment to dates in Project Schedule

The following dates are modified (*list all dates modified; insert N/A if no dates modified):*

The Required Mechanical Completion Date will be unchanged by ______________ Days

The Required Mechanical Completion Date as of the date of this Change Order therefore is April 15, 2008

(attach additional documentation if necessary) No Attachment

The Required Substantial Completion Date will be unchanged by ______________ Days

The Required Substantial Completion Date as of the date of this Change Order therefore is May 1, 2008

(attach additional documentation if necessary) No Attachment

The Required Final Completion Date will be unchanged by ______________ Days

The Required Final Completion Date as of the date of this Change Order therefore is June 15, 2008

(attach additional documentation if necessary) No Attachment

Adjustment to other Changed Criteria (insert N/A if no changes or impact; *attach additional documentation if necessary)* ________

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previous issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy P. Matsurin
Name	**Name**
R. Keith Teague	Project Manager
Title	**Title**
President, 5/5/08	5-2-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM
(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 1 Project, Preferred Route Single Line Option

CHANGE ORDER NUMBER: **CO 1-010**

DATE OF CHANGE ORDER: **5/07/08**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: March 12, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Additional cost to provide materials, equipment, and labor for site work at the Targa Tee near the Williams Plant including rocking and fencing around the valve station per the attached estimate of May 6, 2008.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$	43,617,209
Net change by previously authorized Change Order (#CO1-001, CO1-002, CO1-003, CO1-004, CO1-005, CO1-006, CO1-007, CO1-008, and CO11-009)	$	11,865,451.93
The Estimated Contract Price prior to this Change Order was	$	55,482,660.93
The Estimated Contract Price will be increased by this Change Order in the amount of	$	21,845.00
The new Estimated Contract Price including this Change Order will be	$	55,504,505.93

Adjustment to dates in Project Schedule
The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Required Mechanical Completion Date will be unchanged by ______________ Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is April 15, 2008
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ______________ Days
The Required Substantial Completion Date as of the date of this Change Order therefore is May 1, 2008
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ______________ Days
The Required Final Completion Date as of the date of this Change Order therefore is June 15, 2008
(attach additional documentation if necessary) *No Attachment*

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*________

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previous issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	Contractor
/s/ Allan T. Bartz	/s/ Randy Maturin
Name	Name
Director EPC	Project Manager
Title	Title
5/28/08	5-22-08
Date of Signing	Date of Signing

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 1 Project, Preferred Route Single Line Option

CHANGE ORDER NUMBER: CO 1-011

DATE OF CHANGE ORDER: 5/19/08

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: March 12, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Negotiated global settlement for items 1 through 5 agreed to at the 5/15/08 meeting as outlined in the 5/16/08 spreadsheet attached. The five items include:

Stick Crew Refloat Problems	**$**	**0.00**
Automatic Crew Refloat Problems	**$**	**346,560.00**
Stick Crew Shutdown at Williams	**$**	**292,176.00**
Additional cost for board road	**$**	**32,701.89**
Install Flowable Fill at JB road	**$**	**14,995.12**
	$	**686,433.01**

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$	43,617,209
Net change by previously authorized Change Order (#CO1-001, CO1-002, CO1-003, CO1-004, CO1-005, CO1-006, CO1-007, CO1-008, CO1-009, and CO1-010)	$	11,887,296.93
The Estimated Contract Price prior to this Change Order was	$	55,504,505.93
The Estimated Contract Price will be increased by this Change Order in the amount of	$	686,433.01
The new Estimated Contract Price including this Change Order will be	$	56,190,938.94

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Required Mechanical Completion Date will be unchanged by ____________ Days

The Required Mechanical Completion Date as of the date of this Change Order therefore is April 15, 2008

(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ____________ Days

The Required Substantial Completion Date as of the date of this Change Order therefore is May 1, 2008

(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ____________ Days

The Required Final Completion Date as of the date of this Change Order therefore is June 15, 2008

(attach additional documentation if necessary) *No Attachment*

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previous issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	Contractor
/s/ R. Keith Teague	/s/ Randy Maturin
Name	Name
President	Project Manager
Title	Title
5-29-2008	5-22-08
Date of Signing	Date of Signing

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 1 Project, Preferred Route Single Line Option

CHANGE ORDER NUMBER: CO 1-012

DATE OF CHANGE ORDER: 5/23/08

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: March 12, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Credit of $200,000 for the reduction in material and labor for the rocking and fencing of the MLV 1-3 valve site at MP 18.1 due to the new design.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$	43,617,209
Net change by previously authorized Change Order (#CO1-001, CO1-002, CO1-003, CO1-004, CO1-005, CO1-006, CO1-007, CO1-008, CO1-009, CO1-010, and CO1-011)	$	12,573,729.94
The Estimated Contract Price prior to this Change Order was	$	56,190,938.94
The Estimated Contract Price will be decreased by this Change Order in the amount of	$	-200,000.00
The new Estimated Contract Price including this Change Order will be	$	55,990,938.94

Adjustment to dates in Project Schedule

The following dates are modified (*list all dates modified; insert N/A if no dates modified):*

The Required Mechanical Completion Date will be unchanged by ____________ Days

The Required Mechanical Completion Date as of the date of this Change Order therefore is April 15, 2008

(attach additional documentation if necessary) No Attachment

The Required Substantial Completion Date will be unchanged by ____________ Days

The Required Substantial Completion Date as of the date of this Change Order therefore is May 1, 2008

(attach additional documentation if necessary) No Attachment

The Required Final Completion Date will be unchanged by ____________ Days

The Required Final Completion Date as of the date of this Change Order therefore is June 15, 2008

(attach additional documentation if necessary) No Attachment

Adjustment to other Changed Criteria (insert N/A if no changes or impact; *attach additional documentation if necessary)* ________

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previous issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	Contractor
/s/ R. Keith Teague	/s/ Randy Maturin
Name	Name
President	Project Manager
Title	Title
5/29/08	5/26/08
Date of Signing	Date of Signing

CHANGE ORDER FORM

PROJECT NAME: 42-inch Sabine Pass Pipeline Project

COMPANY: Cheniere Sabine Pass Pipeline Company

CONTRACTOR: Willbros Engineers, Inc.

CHANGE ORDER NUMBER: CO-017

DATE OF CHANGE ORDER: May 12, 2008

DATE OF AGREEMENT: February 1, 2006

The Agreement between the Parties listed above is changed as follows: (attach additional documentation if necessary)

This change order is for accounting purposes to move the charges associated with an electrical cable relocation at Duck Blind road from CO-010 to CO-017. At Cheniere's direction, Willbros made payments directly to Jeff Davis Electric Coop in the amounts shown on the attached Willbros invoices. Jeff Davis services and the amounts paid were outside Willbros' construction scope of work covered by CO-010. Originally, Jeff Davis invoices were handled as a provisional amount associated with engineering in CO-010.

Adjustment to price under the Agreement:

The original Guaranteed Maximum Price was	$67,670,200
Net change by previously authorized Change Orders #1 - 16	$ 2,510,650
The Guaranteed Maximum Price prior to the Change Order was	$70,180,850
The Guaranteed Maximum Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 100,827
The new Guaranteed Maximum Price including this Change Order will be	$70,281,677

Adjustment to dates:

The Preparation and Material Receipt Commencement Date will be (increased) (decreased) (unchanged) by 0 calendar days and as a result of this Change Order is now:	January 1, 2007
The Construction Commencement Date will be (increased) (decreased) (unchanged) by 0 calendar days and as a result of this Change Order is now:	April 1, 2007
The Scheduled Mechanical Completion Date will be (increased) (decreased) (unchanged) by 0 calendar days and as a result of this Change Order is now:	March 20, 2008

Other impacts to liability or obligation of Willbros or Cheniere under the Agreement: None

Upon execution of this Change Order by Cheniere and Willbros, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Cheniere's Authorized Representative and Willbros' Authorized Representative.

CHENIERE SABINE PASS PIPELINE COMPANY

Name /s/ R. Keith Teague
Cheniere's Authorized Representative

Title President

Date of Signing 5/22/08

WILLBROS ENGINEERS, INC.

Name /s/ Curtis E. Simkin
Willbros' Authorized Representative
Curtis E. Simkin
Title President

Date of Signing 6/9/08

EXHIBIT 10.5

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 008

DATE OF CHANGE ORDER REQUEST: April 14, 2008.

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Willbros Construction change order for work associated with the 16" Bridgeline Interconnect piping. This change order includes charge from January 3rd thru February 22nd. Work is complete.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,016,271.08
The Contract Price prior to this Change Order was	$ 8,073,271.08
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of **(Estimated)**	**$ 56,139.00**
The new Contract Price including this Change Order will be	$ 8,129,410.08

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by zeo (0) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is February 19, 2008.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by zero (0) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is March 6, 2008.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by zero (0) Days.
The Target Final Completion Date as of the date of this Change Order therefore is May 5, 2008.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ R. Keith Teague
Owner
R. Keith Teague
Name
President
Title
5/2/08
Date of Signing

Contractor
/s/ Douglas W. Fletcher
Name

Title — Date of Signing

Willbros Engineering — Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 009

DATE OF CHANGE ORDER: April 7, 2008.

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Willbros Construction change order for work associated with the 16" Off-set for NPGL to Kinder Morgan Station construction. Includes charge from January 17th thru March 16th. Work is completed.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,072,410.08
The Contract Price prior to this Change Order was	$ 8,129,410.08
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of **(Estimated)**	**$ 63,185.94**
The new Contract Price including this Change Order will be	$ 8,192,596.02

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased) (decreased) (unchanged) by zero (0) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is February 19, 2008.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by zero (0) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is March 6, 2008.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased) (decreased) (unchanged) by zero (0) Days.
The Target Final Completion Date as of the date of this Change Order therefore is May 5, 2008.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ R. Keith Teague
Owner
R. Keith Teague
Name
President
Title
5/2/08
Date of Signing

/s/ Douglas W. Fletcher
Contractor
Willbros Construction
Name
VP-Facilities
Title Date of Signing
4/28/08
Willbros Engineering Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 010

DATE OF CHANGE ORDER : April 15, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Add ladder to east end of walkway on Bridgeline Platform meter skid. Cheniere requested to have two means of access and egress.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,135,596.02
The Contract Price prior to this Change Order was	$ 8,192,596.02
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 4,816.68
The new Contract Price including this Change Order will be	$ 8,197,412.70

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	/s/ Douglas W. Fletcher
Owner	Contractor
/s/ Allan T. Bartz	Willbros Construction
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	4/28/08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM
(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 011

DATE OF CHANGE ORDER: April 15, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Hand rail modification to allow 16" inlet and outlet piping clearance for bolt-up to Brdigeline skid. Also includes handrail modification to allow piping clearance for 30" inlet and 24" outlet to Southwest Lateral skid, and 16" inlet and outlet piping to NGPL.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,140,412.70
The Contract Price prior to this Change Order was	$ 8,197,412.70
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,584.90
The new Contract Price including this Change Order will be	$ 8,198,997.60

Adjustment to dates in Project Schedule
The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	/s/ Douglas W. Fletcher
Owner	Contractor
/s/ Allan T. Bartz	Willbros Construction
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	4/28/08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 012

DATE OF CHANGE ORDER: April 15, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Per WEI, Willbros grinded out welds and relocated RTU building on Bridgeline platform to accommodate for cable enclosure box.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,141,997.60
The Contract Price prior to this Change Order was	$ 8,198,997.60
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,163.45
The new Contract Price including this Change Order will be	$ 8,200,161.05

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	/s/ Douglas W. Fletcher
Owner	Contractor
/s/ Allan T. Bartz	Willbros Construction
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	4-28-08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 013

DATE OF CHANGE ORDER: April 15, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Change 42"x12" tee with a 42"x16" with 16"x12" eccentric reducer on drawing #SP-18-M-000-P-915.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,143,161.05
The Contract Price prior to this Change Order was	$ 8,200,161.05
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,530.10
The new Contract Price including this Change Order will be	$ 8,201,691.15

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*.
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	/s/ Douglas W. Fletcher
Owner	Contractor
/s/ Allan T. Bartz	Willbros Construction
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	4-28-08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 014

DATE OF CHANGE ORDER: April 15, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Additional work per drawing #SP-18-M-0005-P-912 Rev. 1&2. Includes (2) additional 24” welds for (1) 24” x 11’-3” spool piece, as well as the difference between a 24” and 30” weld for the change out of a 90 degree ell from 24” to 30”.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,144,691.05
The Contract Price prior to this Change Order was	$ 8,201,691.05
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 10,229.50
The new Contract Price including this Change Order will be	$ 8,211,920.65

Adjustment to dates in Project Schedule
The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties’ duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	/s/ Douglas W. Fletcher
Owner	Contractor
/s/ Allan T. Bartz	Willbros Construction
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	4/28/08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 015

DATE OF CHANGE ORDER: April 15, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Sandblast and FBE coat underground pipe and fittings due to client providing bare pipe and fittings. Coated (3) 16” ell’s, (2) 16” 45’s, (1) 12” ell, (3) 24” 45’s, (1) 42” tee, (1) 42” cap, (1) 12” eccentric reducer, (1) 42”x16” reducing tee, and (1) 16”x12” concentric reducer.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,154,920.65
The Contract Price prior to this Change Order was	$ 8,211,920.65
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 4,194.20
The new Contract Price including this Change Order will be	$ 8,216,114.85

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties’ duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	/s/ Douglas W. Fletcher
Owner	Contractor
/s/ Allan T. Bartz	Willbros Construction
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	4-28-08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 016

DATE OF CHANGE ORDER: April 15, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Fabricate and install 2" bypass for gas operated actuator on 42" ball valve not shown on prints. M&R piping phase. Includes Buffalo Gap E&I CCR# 21 & 28.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,159,114.85
The Contract Price prior to this Change Order was	$ 8,216,114.85
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 21,559.21
The new Contract Price including this Change Order will be	$ 8,237,674.06

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*.
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	/s/ Douglas W. Fletcher
Owner	Contractor
/s/ Allan T. Bartz	Willbros Construction
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	4-28-08
Date of Signing	Date of Signing

Schedule D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline – Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 017

DATE OF CHANGE ORDER: April 15, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Bridgeline meter skid modification work completed on T&M basis

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#______)	$ 1,180,674.06
The Contract Price prior to this Change Order was	$ 8,237,674.06
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 11,260.32
The new Contract Price including this Change Order will be	$ 8,248,934.38

Adjustment to dates in Project Schedule
The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by__________ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is__________ , 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by__________ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is__________, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by__________ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is__________ , 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.
Owner

/s/ Allan T. Bartz
Name

Director EPC
Title

5/2/08
Date of Signing

Willbros Construction
Contractor

/s/ Douglas W. Fletcher
Name

VP - Facilities
Title

4-28-08
Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 018

DATE OF CHANGE ORDER: April 15, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Addition of new switch rack foundation for disconnect at power pole location. Had to excavate, pour 8cy of concrete and backfill.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,191,934.38
The Contract Price prior to this Change Order was	$ 8,248,934.38
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 7,004.82
The new Contract Price including this Change Order will be	$ 8,255,939.20

Adjustment to dates in Project Schedule
The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	4-28-08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM
(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 019

DATE OF CHANGE ORDER: April 15, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Rain event that occurred on January 31, 2008. Project was shut down for 2 hours due to heavy rain.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,198,939.20
The Contract Price prior to this Change Order was	$ 8,255,939.20
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 10,638.00
The new Contract Price including this Change Order will be	$ 8,266,577.20

Adjustment to dates in Project Schedule
The following dates are modified *(list all dates modified; insert N/A if no dates modified)*.
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is ____________, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is ____________, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by ________ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is ____________, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	/s/ Douglas W. Fletcher
Owner	Contractor
/s/ Allan T. Bartz	Willbros Construction
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	4-28-08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 020

DATE OF CHANGE ORDER: April 15, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Rain event that occurred on January 16, 2008. Project was shut down for 4 hours due to rains.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,209,577.20
The Contract Price prior to this Change Order was	$ 8,266,577.20
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 27,280.00
The new Contract Price including this Change Order will be	$ 8,293,857.20

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by________ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is____________, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ R. Keith Teague	Willbros Construction
Owner	Contractor
R. Keith Teague	/s/ Douglas W. Fletcher
Name	Name
President	VP-Facilities
Title	Title
5/2/08	4-28-08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 021

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Run conduit for chromatograph test plug on bridgeline. Bid was directed and approved by Robert Stephenson on March 11, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#26

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,236,857.20
The Contract Price prior to this Change Order was	$ 8,293,857.20
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,823.90
The new Contract Price including this Change Order will be	$ 8,295,681.10

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 022

DATE OF CHANGE ORDER : 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Run conduit for remote ultrasonic meter on southwest lateral. Bid was directed and approved by Robert Stephenson on March 11, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#25

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,238,681.10
The Contract Price prior to this Change Order was	$ 8,295,681.10
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 2,041.25
The new Contract Price including this Change Order will be	$ 8,297,722.35

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 023

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Run sample tubing and heat trace on bridgeline and electrical work. Bid was directed and approved by Robert Stephenson on March 11, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#23

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,240,722.35
The Contract Price prior to this Change Order was	$ 8,297,722.35
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,989.50
The new Contract Price including this Change Order will be	$ 8,299,711.85

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER PROPOSAL FORM
(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 024

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Purchased converters and cable for southwest lateral panels as directed within email dated March 4, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#20

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,242,711.85
The Contract Price prior to this Change Order was	$ 8,299,711.85
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of **(Estimated)**	$ 3,483.35
The new Contract Price including this Change Order will be	$ 8,303,195.20

Adjustment to dates in Project Schedule
The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased) (decreased)(unchanged) by ____TBD____ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP. Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 025

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Install 12v DC to 24v DC transmitter and rewiring, termination of converters, purchase of 4 more converters, and install cat 5 cable. Bid was directed and approved by Robert Stephenson on March 11, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#22

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,246,195.20
The Contract Price prior to this Change Order was	$ 8,303,195.20
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 5,469.40
The new Contract Price including this Change Order will be	$ 8,308,664.60

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 026

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

For the mounting of two Becker controllers for flow control valves #784 and #785. Needed to add terminal strips to back of the Transco RTU rack and to add cable between the controllers and the RTU rack and terminate as directed within email dated February 28, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#19

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,251,664.60
The Contract Price prior to this Change Order was	$ 8,308,664.60
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,276.50
The new Contract Price including this Change Order will be	$ 8,309,941.10

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified).*

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.
Owner
/s/ Allan T. Bartz
Name
Director EPC
5/2/08

Willbros Construction
Contractor
/s/ Douglas W. Fletcher
Name

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 027

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

For the addition of automitters on each of the four QB Johnson heaters (one on bridgeline and three on southwest lateral) as directed within email dated February 28, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#18

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,252,941.10
The Contract Price prior to this Change Order was	$ 8,309,941.10
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 7,902.80
The new Contract Price including this Change Order will be	$ 8,317,843.90

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM
(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 028

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

For the installation of 19" rack in the KM control building and complete all terminations. Change order was directed and approved by Al Bartz on February 25, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#17

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,260,843.90
The Contract Price prior to this Change Order was	$ 8,317,843.90
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 29,900.00
The new Contract Price including this Change Order will be	$ 8,347,743.90

Adjustment to dates in Project Schedule
The following dates are modified *(list all dates modified; insert N/A if no dates modified)*.
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	

ATTACHMENT SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 029

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

For the purchase and installation of lugs for batteries. The hardware that came with the batteries did not work so additional lugs were purchased that would work as directed within email dated February 28, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#16

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,290,743.90
The Contract Price prior to this Change Order was	$ 8,347,743.90
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 215.05
The new Contract Price including this Change Order will be	$ 8,347,958.95

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 030

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Purchased and installed the contacts for starters for the run status on each of the heater blower motors as directed within email dated February 28, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#15

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,290,958.95
The Contract Price prior to this Change Order was	$ 8,347,958.95
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,351.25
The new Contract Price including this Change Order will be	$ 8,349,310.20

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title 5/2/05	Title

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or .2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 031

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Ran conduit and pulled wire to the inlet valve in the yard per Cheniere's request as directed within email dated February 28, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#14

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,292,310.20
The Contract Price prior to this Change Order was	$ 8,349,310.20
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 4,992.15
The new Contract Price including this Change Order will be	$ 8,354,302.35

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*.

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title 5/2/05	

ATTACHMENT D

FORM OF CHANGE ORDER

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 032

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Addition to bid letter for 3rd meter for rectifier (cathodic protection). For the purchase and installation of wire for power to the rectifier as directed within email dated March 4, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#13

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,297,302.35
The Contract Price prior to this Change Order was	$ 8,354,302.35
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,239.70
The new Contract Price including this Change Order will be	$ 8,355,542.05

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline, L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP- Facilities
Title 5/2/08	Title

SCHEDULE D-1

CHANGE ORDER FORM
(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 033

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Lighting contactor: lighting panel was not built to drawing #SP-18-M-001-G-512. The photo-cell will not work without lighting contactor. Work was done as directed within the email dated February 28, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#12

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,298,542.05
The Contract Price prior to this Change Order was	$ 8,355,542.05
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 2,262.05
The new Contract Price including this Change Order will be	$ 8,357,804.10

Adjustment to dates in Project Schedule
The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.
Owner
/s/ Allan T. Bartz
Name
Director EPC
Title
5/2/08

Willbros Construction
Contractor
/s/ Douglas W. Fletcher
Name
VP-Facilities
Title

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 034

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Wire price difference. On southwest lateral platform the load for the QB Johnson heater was increased per the new revision drawing #SP-18-M-001-G-521. Price difference between the original 1000' of #2 THHN and the #250 THHN is significant due to price of copper. Work was done as directed within the email dated February 28, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#11

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,300,804.10
The Contract Price prior to this Change Order was	$ 8,357,804.10
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 3,655.85
The new Contract Price including this Change Order will be	$ 8,361,459.95

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM
(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 035

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Cable and convertors approved by the programmer that were not on the drawings. Bid was directed and approved by James Frisbie on February 5, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#10

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,304,459.95
The Contract Price prior to this Change Order was	$ 8,361,459.95
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 3,934.15
The new Contract Price including this Change Order will be	$ 8,365,394.10

Adjustment to dates in Project Schedule
The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 036

DATE OF CHANGE ORDER : 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Purchase of generator for programmer as directed within email dated March 4, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#9

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,308,394.10
The Contract Price prior to this Change Order was	$ 8,365,394.10
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 410.55
The new Contract Price including this Change Order will be	$ 8,365,804.65

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 037

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

For the purchase of an ignition cable for the heater that was to be provided by Vendor but was not (NAPA part # 734803). Purchase was okayed by Monica Williams on January 22, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#8

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,308,804.65
The Contract Price prior to this Change Order was	$ 8,365,804.65
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,316.75
The new Contract Price including this Change Order will be	$ 8,367,121.40

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas T. Fletcher
Name	Name
Director EPC	VP - Facilities
Title	Title
5/2/08	

ATTACHMENT D SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 038

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Purchase of disconnects for engineering department as directed in email dated January 17, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#7

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,310,121.40
The Contract Price prior to this Change Order was	$ 8,367,121.40
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 21,547.55
The new Contract Price including this Change Order will be	$ 8,388,668.95

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*.

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.
Owner
/s/ Allan T. Bartz
Name
Director EPC
Title
5/2/08

Willbros Construction
Contractor
/s/ Douglas W. Fletcher
Name
VP - Facilities
Title

ATTACHMENT D SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 039

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Change in breaker sizes (70A to 30A) and change in overload sizes for the starters to match the motors as directed in email dated January 17, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#6

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,331,668.95
The Contract Price prior to this Change Order was	$ 8,388,668.95
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 10,124.60
The new Contract Price including this Change Order will be	$ 8,398,793.55

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*.

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.
Owner
/s/ Allan T. Bartz
Name
Director EPC
Title
5/2/08

Willbros Construction
Contractor
/s/ Douglas W. Fletcher
Name
VP-Facilities
Title

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 040

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Back-up power and terminations. Ref# 51523-08-O-0174. Work was done as directed within email dated January 4, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#5

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,341,793.55
The Contract Price prior to this Change Order was	$ 8,398,793.55
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 23,146.05
The new Contract Price including this Change Order will be	$ 8,421,939.60

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP - Facilities
Title	Title
5/2/08	

ATTACHMENT D SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 041

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Addition to bid letter for 3rd meter for rectifier (cathodic protection). This includes the #4 wire from the pipe flanges on both platforms to the rectifiers. Bid was directed and approved by Al Bartz on January 18, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#4

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,364,939.60
The Contract Price prior to this Change Order was	$ 8,421,939.60
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 9,917.60
The new Contract Price including this Change Order will be	$ 8,431,857.20

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s./ Douglas W. Fletcher
Name	Name
Director EPC	VP - Facilities
Title	Title
5/2/08	

ATTACHMENT D SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 042

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

RTU building bridgeline/ make raceway larger. Raceway in RTU building too small. Made the raceway larger with gutters and nipples to the wall and removed conduit that was already installed as directed in email dated January 17, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#1

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,374,857.20
The Contract Price prior to this Change Order was	$ 8,431,857.20
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,811.25
The new Contract Price including this Change Order will be	$ 8,433,668.45

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP - Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 043

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Run sample tubing and heat trace on southwest lateral, per Transco. Request for line to be run from gas chromatograph to the 4” and first 16” line as directed in letter dated March 20, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#24

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,376,668.45
The Contract Price prior to this Change Order was	$ 8,433,668.45
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 3,176.30
The new Contract Price including this Change Order will be	$ 8,436,844.75

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties’ duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP - Facilities
Title	Title
5/2/08	

ATTACHMENT D SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 044

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Labor to update all changes and corrections to electrical drawings for bridgeline, southwest lateral, and Kinder Morgan platforms as directed in letter dated March 21, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#29

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,379,844.75
The Contract Price prior to this Change Order was	$ 8,436,844.75
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,725.00
The new Contract Price including this Change Order will be	$ 8,438,569.75

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	/s/ Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 045

DATE OF CHANGE ORDER: 04/07/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Purchase solenoid for Transco for southwest lateral. The solenoid valve is part of the heat trace that will be used to open and close the 4" and 16" meter lines depending on where the sample is taken. Purchased as directed in letter dated March 21, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#30

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,381,569.75
The Contract Price prior to this Change Order was	$ 8,438,569.75
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 1,354.70
The new Contract Price including this Change Order will be	$ 8,439,924.45

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	
5/2/08	

ATTACHMENT SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 046

DATE OF CHANGE ORDER: 04/07/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

For the purchase of four valves needed in the replacement of 5- 1/2" 6000lb valves that were needed for the 2- 42" mainline valves as directed in letter dated March 25, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#31

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,382,924.45
The Contract Price prior to this Change Order was	$ 8,439,924.45
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 862.50
The new Contract Price including this Change Order will be	$ 8,440,786.95

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP - Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 047

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Fiber route change due to misunderstanding about what type of material was being used. Cable trays were going to be used but it was decided that conduit would be used instead. Work was done as directed within email dated January 4, 2008.

Ref: Buffalo Gap Instrument & Electrical CCR#2

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,383,786.95
The Contract Price prior to this Change Order was	$ 8,440,786.95
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 5,405.00
The new Contract Price including this Change Order will be	$ 8,446,191.95

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP - Facilities
Title	Title
5/2/08	

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 048

DATE OF CHANGE ORDER: 04/01/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

QB Johnson/ heater work. Reference # 07237-WCF-WRI-T-00685 CHENIERE JOHNSON BAYOU RFI-015

Ref: Buffalo Gap Instrument & Electrical CCR#3

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,389,191.95
The Contract Price prior to this Change Order was	$ 8,446,191.95
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 7,820.00
The new Contract Price including this Change Order will be	$ 8,454,011.95

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*.

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP - Facilities
Title	Title
5/2/08	4/28/08

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 049

DATE OF CHANGE ORDER: 04/28/2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

BGI&E CCR #27 for the purchase of six relays that were needed to provide override protection for Cheniere's Pipeline on each regulating skids (Bridgeline, Transco, and NGPL).

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,397,011.95
The Contract Price prior to this Change Order was	$ 8,454,011.95
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 345.00
The new Contract Price including this Change Order will be	$ 8,454,356.95

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*.

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Douglas W. Fletcher
Name	Name
Director EPC	VP-Facilities
Title	Title
5/2/08	4-28-08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 050

DATE OF CHANGE ORDER: May 05, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Delay claim settlement and Extension of Time as per Al Bartz email dated May 5, 2008. Includes $350K for delay claim, $222,203 275 ton crane extension due to heaters arriving late, and $76,798 for the cranes labor and fuel cost.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 1,426,505.05
The Contract Price prior to this Change Order was	$ 8,483,505.05
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 649,001.00
The new Contract Price including this Change Order will be	$ 9,132,506.05

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	
Owner	Contractor
/s/ Allan T. Bartz	/s/ Bob Last
Name	Name
President	Mgr. of Projects
Title	Title
5/6/08	5/5/08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 051

DATE OF CHANGE ORDER: May 05, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Modify and install additional Bridgeline and Southwest Lateral pipe supports not shown on drawings.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 2,075,506.05
The Contract Price prior to this Change Order was	$ 9,132,506.05
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 23,337.70
The new Contract Price including this Change Order will be	$ 9,155,843.75

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.
Owner
/s/ Allan T. Bartz
Name
Director EPC
Title
5/12/08
Date of Signing

/s/ Kenny Reid
Contractor

Name

Title

Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 052

DATE OF CHANGE ORDER: May 05, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Purchase and install 54.6 tons of white limestone for walkways and valve access areas.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 2,098,843.75
The Contract Price prior to this Change Order was	$ 9,155,843.75
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 5,810.40
The new Contract Price including this Change Order will be	$ 9,161,654.15

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	/s/ Kenny Reid
Owner	Contractor
/s/ Allen T. Bartz	Kenny Reid
Name	Name
Director EPC	
Title	Title
5/12/08	
Date of Signing	Date of Signing

ATTACH SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 053

DATE OF CHANGE ORDER: May 05, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Built (6) spools for SWL heaters per Chad Bell (shown on drawings as Vendor furnished). Willbros was later informed to install orifice flanges on all spools and build (2) spools for Bridgeline. Total of (15) 2” sch.80 welds, and (8) 2” cuts.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 2,104,654.14
The Contract Price prior to this Change Order was	$ 9,161,654.14
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 6,992.15
The new Contract Price including this Change Order will be	$ 9,168,646.29

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*.

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties’ duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	/s/ Bob Last
Owner	Contractor
/s/ Allan T. Bartz	Willbros Construction
Name	Name
Director EPC	Manager of Projects
Title	Title
5/14/08	5-13-2008
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 054

DATE OF CHANGE ORDER: May 13, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*

Made modification to 16" NGPL feed line due to pre cast supports being in wrong location. Flanges were hitting top of support. Modified (2) spool pieces to re-locate flanges. Work directed by Chad Bell.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 2,111,646.29
The Contract Price prior to this Change Order was	$ 9,168,646.29
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 6,124.40
The new Contract Price including this Change Order will be	$ 9,174,770.69

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:

The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by TBD (__) Days.

The Target Final Completion Date as of the date of this Change Order therefore is TBD, 20__.

(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ Allan T. Bartz	/s/ Bob Last
Name	Name
Director EPC	Manager of Projects
Title	Title
5/14/08	5-13-2008
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Sabine Pass Pipeline - Johnson Bayou Measurement Facilities

CHANGE ORDER NUMBER: 055

DATE OF CHANGE ORDER: May 13, 2008

OWNER: Cheniere Sabine Pass Pipeline, L.P.

CONTRACTOR: Willbros RPI, Inc.

DATE OF AGREEMENT: August 24, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Touch painting on skids due to shipping damages, and painting of cadium stud bolts as per Chad Bell.

Adjustment to Contract Price

The original Contract Price was	$ 7,057,000.00
Net change by previously authorized Change Orders (#________)	$ 2,117,770.69
The Contract Price prior to this Change Order was	$ 9,174,770.69
The Contract Price will be (increased) (decreased) (unchanged) by this Change Order in the amount of	$ 25,840.98
The new Contract Price including this Change Order will be	$ 9,200,611.67

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*:
The Target Bridgeline Mechanical Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Target Bridgeline Mechanical Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

The Guaranteed Mechanical Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

The Target Final Completion Date will be (increased)(decreased)(unchanged) by ____TBD____ (__) Days.
The Target Final Completion Date as of the date of this Change Order therefore is ____TBD____, 20__.
(attach additional documentation if necessary)

Adjustment to other Changed Criteria *(insert N/A if no changes or impact; attach additional documentation if necessary)*

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Cheniere Sabine Pass Pipeline L.P.	Willbros Construction
Owner	Contractor
/s/ R. Keith Teague	/s/ Bob Last
Name	Name
President	Manager of Projects
Title	Title
5-13-08	5-13-2008
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

PROJECT NAME: Sabine Pass LNG Receiving, Storage and Regasification Terminal

OWNER: Sabine Pass LNG, L.P.

CONTRACTOR: Bechtel Corporation

DATE OF AGREEMENT: December 18, 2004

CHANGE ORDER NUMBER: SP/BE-057
DATE OF CHANGE ORDER: May 1, 2008
LNG Tank Subcontractor - Tank 3 RFCD Bonus

The Agreement between the Parties listed above is changed as follows:

A. Payment Authorization for the following bonuses:

1. A Tank 3 RFCD Bonus of $1,200,000 is earned pursuant to Change Order SP/BE-037 Section (2), and the Contract Price is increased by a lump sum bonus payment of $1,200,000 as Tank 3 was Ready for Cool Down (RFCD) on April 27, 2008.

2. A Tank 3 RFCD Bonus of $1,022,041 is earned pursuant to Change Order SP/BE-052 Section C, and the Contract Price is increased by a lump sum bonus payment of $1,022,041 as System 1 and Tank 3 were Ready for Cool Down (RFCD) on April 27, 2008.

The above bonus amounts totaling $2,222,041 will be promptly paid in-full to Contractor's LNG Tank Subcontractor, and represents a full and final payment of LNG Tank Subcontractor's Tank 3 RFCD Bonus.

Change Order SP/BE-057 TOTAL: $ 2,222,041

Adjustment to Contract Price

The original Contract Price was	$	646,936,000
Net change by previously authorized Change Orders (#SP/BE-002 to 028, 031, 033 thru 035; 037 thru 056)	$	180,220,405
The Contract Price prior to this Change Order was	$	827,156,405
The Contract Price will be increased by this Change Order in the amount of	$	2,222,041
The new Contract Price including this Change Order will be	$	829,378,446

Adjustment to dates in Project Schedule
The following dates are modified:

The Target Bonus Date will be unchanged.
The Target Bonus Date as of the date of this Change Order therefore is 50 days following commencement of Cool Down.

The Guaranteed Substantial Completion Date will be unchanged December 20, 2008.
The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is 1,355 days following NTP.

Adjustment to other Changed Criteria: Not Applicable
Adjustment to Payment Schedule: No Change
Adjustment to Minimum Acceptance Criteria: No Change
Adjustment to Performance Guarantees: No Change
Adjustment to Design Basis: No Change.

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: No Change

This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change as described in this Change Order upon the Changed Criteria and shall be deemed to compensate Contractor fully for such change.

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ Charif Souki
* Charif Souki
Chairman
5/22/08
Date of Signing

/s/ R. Keith Teague
*Keith Teague
Sr. Vice President
5/22/08
Date of Signing

/s/ Ed Lehotsky
*Ed Lehotsky
Owner Representative
5/20/2008
Date of Signing

/s/ Carl A. Strock
Contractor
Carl A. Strock
Name
Project Director
Title
5/30/08
Date of Signing

* Required Owner signature – Mr. Teague may sign on behalf of Mr. Souki during Mr. Souki's absence.

SCHEDULE D-1

CHANGE ORDER

PROJECT NAME: Sabine Pass LNG Receiving, Storage and Regasification Terminal

CHANGE ORDER NUMBER: **SP/BE-058**

DATE OF CHANGE ORDER: June 10, 2008

Revised Performance Tests

OWNER: Sabine Pass LNG, L.P.

CONTRACTOR: Bechtel Corporation

DATE OF AGREEMENT: December 18, 2004

The Agreement between the Parties listed above is changed as follows:

Owner and Contractor agree to implement the following changes in connection with completion of the Facility. To the extent the changes set forth herein conflict with any of the terms and conditions set forth in the Agreement, the changes herein shall be controlling.

I. DEFINITIONS

The defined terms for "Target Completion" and "Target Bonus Date" set forth in Section 1.1 of the Agreement are hereby deleted in their entirety and replaced with the following definitions:

"***Target Completion***" means that all of the following have occurred with respect to the Facility: (i) Cool Down has been completed for System 1 and System 2; (ii) Contractor has completed all procurement, fabrication, assembly, erection, installation and precommissioning checks of all of the vaporizers for the Facility to ensure that all such vaporizers and each component thereof was sufficiently fabricated, assembled, erected and installed so as to be capable of being operated safely within the requirements contained in this Agreement, and thirteen vaporizers have been operated to their rated capacity; (iii) Contractor has completed all procurement, fabrication, assembly, erection, installation and pre-commissioning checks and tests of System 1 and System 2 to ensure that these Systems and each component thereof was sufficiently fabricated, assembled, erected and installed so as to be capable of being operated safely within the requirements contained in this Agreement; and (iv) Contractor has successfully completed the Target Completion Test as defined in Attachment S.

"***Target Bonus Date***" means July 18, 2008.

II. PERFORMANCE TESTING

In order to modify the time lengths required for the Performance Tests as well as make other conforming revisions, Attachments S and T are hereby deleted in their entirety and replaced with the forms of Attachment S and Attachment T attached hereto.

In addition to the above revisions to the Performance Tests, Owner may, in its sole and unfettered discretion, accept the Target Completion Test or any other Performance Test as being achieved, notwithstanding that one or more acceptance criteria or Guaranteed Condition stated in this Change Order has not been met. The details of such "modified" acceptance shall be noted on the Substantial Completion Certificate.

III. PROJECT SCHEDULE

Within Attachment E (as revised pursuant to Change Order 053), delete the line item stating

> "Target Bonus Date: Fifty (50) days following commencement of Cool Down of System 1. For clarification, commencement of Cool Down refers to the first introduction of LNG into the unloading arms."

and insert, in lieu thereof, the following:

> "Target Bonus Date: July 18, 2008

Adjustment to Contract Price

The original Contract Price was	$	646,936,000
Net change by previously authorized Change Orders (#SP/BE-002 to 028, 031, 033 thru 035; 037 thru 057)	$	182,442,446
The Contract Price prior to this Change Order was	$	829,378,446
The Contract Price will be increased by this Change Order in the amount of	$	0.00
The new Contract Price including this Change Order will be	$	829,378,446

Adjustment to dates in Project Schedule
The following dates are modified:

The Target Bonus Date is July 18, 2008.

The Guaranteed Substantial Completion Date will be unchanged (December 20, 2008).

The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is 1,355 days following NTP.

Adjustment to other Changed Criteria: No Change
Adjustment to Payment Schedule: No Change

Adjustment to Minimum Acceptance Criteria: As modified by this Change Order
Adjustment to Performance Guarantees: As modified by this Change Order
Adjustment to Design Basis: No Change.
Other adjustments to liability or obligation of Contractor or Owner under the Agreement: As modified by this Change Order.

This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change as described in this Change Order upon the Changed Criteria and shall be deemed to compensate Contractor fully for such change.

[Signature page follows.]

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ Charis Souki
* Charif Souki
Chairman
6/26/08
Date of Signing

/s/ R. Keith Teague
* Keith Teague
Senior Vice President
6/26/08
Date of Signing

/s/ Ed Lehotsky
* Ed Lehotsky
Owner Representative
June 24, 2008
Date of Signing

/s/ Carl A. Strock
Contractor
Carl A. Strock
Name
Project Director
Title
June 26, 2008
Date of Signing

* Required Owner signature – Mr. Teague may sign on behalf of Mr. Souki during Mr. Souki's absence.

EXHIBIT 10.7

LNG LEASE AGREEMENT

This **LNG LEASE AGREEMENT** (the "**Agreement**") is entered into this 24th day of June, 2008 ("**Effective Date**") by Cheniere Marketing, Inc., a Delaware corporation with its principle offices located at 700 Milam Street, Suite 500, Houston, Texas ("**LESSOR**"), and Sabine Pass LNG, L.P., a Delaware partnership with its principle offices located at 700 Milam Street, Suite 800, Houston, Texas ("**LESSEE**"). LESSOR or LESSEE may be referred to herein individually as a "**Party**", and together as the "**Parties**".

WHEREAS, LESSOR is engaged in the business of procuring cargoes of liquefied natural gas ("**LNG**") from multiple international suppliers for delivery to LNG regasification terminals;

WHEREAS, LESSEE owns and operates that certain LNG regasification terminal located on the Sabine Neches Waterway in Cameron Parish, Louisiana (the "**Terminal**");

WHEREAS, the Parties have entered into that certain Amended and Restated LNG Terminal Use Agreement, dated November 9, 2006, as amended (the "**TUA**.") pursuant to which LESSEE provides certain terminal services ("**Services**") to LESSOR, permitting LESSOR to deliver LNG to the Terminal and to receive regasified LNG for redelivery as natural gas;

WHEREAS, LESSEE from time to time desires to lease LNG for certain purposes required for the testing, commissioning, and efficient operation of the Terminal, and LESSOR desires to lease such LNG to LESSEE.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LESSOR and LESSEE agree as follows:

1. Lease of LNG. Pursuant to the terms of this Agreement, LESSEE may request, and LESSOR shall provide, LNG for use at the Terminal for the purposes set forth in Paragraph 2 ("**Lease LNG**"). Requests for Lease LNG shall be made to LESSOR pursuant to Paragraph 3 of this Agreement. Payment for the use of Lease LNG shall be made pursuant to Paragraph 14 of this Agreement.

2. Permitted Uses of Lease LNG. LESSEE shall be permitted to use Lease LNG for the purposes of Terminal piping, tank, and equipment cool down and commissioning, performance testing of process equipment and ancillary support systems, and long-term thermal stabilization of the Terminal. LESSEE shall be permitted to cause Lease LNG to be regasified in its process equipment, and to allow it to be regasified naturally as a result of the cooldown and thermal stabilization process. LESSEE shall also be permitted to consume a portion of Lease LNG as process fuel. All remaining Lease LNG shall be returned to LESSOR in the form of regasified LNG and shall be redelivered to LESSOR by LESSEE at any point of interconnection between the Terminal and an interstate natural gas transmission pipeline (the "**Delivery Point**"), as may be specified from time to time by LESSOR. In the event that any Lease LNG is lost by LESSEE, the provisions of Paragraph 12 shall apply.

3. Requests for Cargoes. LESSEE shall have the right from time to time to request that LESSOR provide cargoes of LNG for use by LESSEE pursuant to the terms of this Agreement. LESSOR shall obtain market quotations for the acquisition and delivery of LNG cargoes along with information relating to delivery dates, quantity, and quality. LESSEE shall choose the LNG cargo(es) LESSEE desires to lease from LESSOR, and shall execute a Lease Confirmation in substantially the form set forth in Exhibit A.

4. Acquisition of Cargoes. Upon receipt by LESSOR of a duly executed Lease Confirmation by LESSEE, LESSOR shall use commercially reasonable efforts to purchase and cause such LNG cargo to be delivered to the Terminal. Once purchased and scheduled for delivery by LESSOR, LNG acquired pursuant to this Paragraph 4 shall become "Lease LNG". Upon the delivery of such Lease LNG to the Terminal, LESSEE shall have the custody and use of the Lease LNG pursuant to Paragraph 2 of this agreement. Unless otherwise stated herein, title to such Lease LNG shall at all times remain with LESSOR. LESSOR hereby grants to LESSEE a first-priority purchase-money security interest in and to the Lease LNG, which shall be automatically removed and extinguished, without further action of the Parties, with respect to any of the Lease LNG at the time that the resulting regasified LNG is redelivered to LESSOR as part of the Redelivery Quantity.

5. Acquired Cargoes. The cargoes specified in Exhibit B have been previously requested by LESSEE, acquired by LESSOR, and have been leased by LESSEE pursuant to the terms of this Agreement.

6. Lease Payment. LESSEE shall pay LESSOR nine decimal eight U.S. cents ($0.098) per MMBtu delivered quantity of LNG in each LNG cargo, as measured at the receiving flange of the Terminal ("**Lease Fee**") and shall assume full price risk of the purchase and sale of Lease LNG, and to the extent requested by LESSOR, shall finance activities hereunder according to Paragraph 8, as full compensation for the lease services provided hereunder. All payments arising hereunder shall be made according to the provisions of Paragraph 14.

7. Receipt of LNG cargoes. Notwithstanding any provision of the TUA, LESSEE agrees to provide, at its sole cost and expense, any and all Terminal Services that may be required for the unloading, storage, and regasification of any full or partial LNG cargo containing Lease LNG. The unloading, storage, regasification, and redelivery of the Lease LNG shall not be deemed to be services performed under the TUA, and the quantity of services available to LESSOR under the TUA shall not be adversely impacted by the existence of any Lease LNG, including the utilization of storage capacity for Lease LNG. The Parties hereto agree that in order to simplify the receipt of Lease LNG hereunder, the processes and procedures contemplated for delivery and receipt of LNG under the TUA shall apply to any LNG cargo containing Lease LNG as if such LNG cargo were being delivered to the Terminal for the account of LESSOR under the TUA. LESSOR will use commercially reasonable efforts to cause the LNG vessel owner delivering Lease LNG to the Terminal to execute the Port Liability Agreement specified in the TUA prior to the loading of the LNG.

8. Cargo Financing and Price Risk Management Activities. Upon request of LESSOR, LESSEE agrees to fund the LNG cargo acquisition activities described in Paragraph 4 above and the price risk management activities described in Paragraph 9 at no cost to

LESSOR. Such funding shall include, without limitation: the cost of purchasing and securing credit support for the purchasing of Lease LNG, including shipping and other transportation and delivery charges; the financing and funding of settlements and of any initial, variation, or maintenance margin, that may be required for the financial hedging of Lease LNG or the physical sale of regasified Lease LNG; and the costs associated with securing downstream services for the transportation and storage of regasified Lease LNG prior to final sale.

9. Hedging of Price Risk. Upon request of, and at the final discretion of, LESSEE, LESSOR agrees to design strategies and to enter into commercially reasonable price risk hedges using financial derivatives, physical sales agreements, pipeline transportation, and other agreements usual and customary in the natural gas marketing business to mitigate the price risk of Lease LNG which are available to and at the disposal of LESSOR. LESSOR agrees to review its price risk mitigation plans with LESSEE periodically, but in any case prior to entering into, material transactions for the mitigation of price risk hereunder, as such plans may be modified from time to time. LESSOR shall use brokerage agreements, transportation contracts, physical and financial master agreements, and other enabling agreements in its portfolio in the execution of price risk management strategies hereunder.

10. Inventory Policy. The Parties agree that for the purposes of tracking the quantity of Lease LNG hereunder, and for allocating the proceeds of price risk management strategies, LESSOR shall utilize its “Entegrate” position management system, and shall track inventory additions and sales using a “first-in, first-out” inventory policy, on the basis of the date of delivery of each cargo containing Lease LNG. At all times during the term of this Agreement, LESSEE shall be entitled to examine reports produced by the “Entegrate” system, but in all cases the “Entegrate” system shall be the system of record for all transactions undertaken hereunder.

11. Regasification of Lease LNG. Pursuant to the permitted uses of Lease LNG set forth in Paragraph 2, LESSEE shall have the right from time to time to specify that LESSOR receive quantities of regasified Lease LNG from LESSEE. In order to establish the quantity of Lease LNG to be delivered to LESSOR (“**Redelivery Quantity**”) for each day of an ICE Next Day Period, LESSEE shall nominate to LESSOR, by no later than the Nomination Deadline, the Redelivery Quantity which LESSEE desires to deliver to LESSOR for each day of the ICE Next Day Period. The quantity of regasified Lease LNG set forth in LESSEE’s nomination given by the Nomination Deadline for an ICE Next Day Period shall be the Redelivery Quantity for each Day of the ICE Next Day Period. By no later than the first day of each month during the ICE Next Day Period, LESSEE shall give LESSOR an estimate of the Redelivery Quantity that LESSEE expects to make available for delivery hereunder during each day of the month. Each such estimate will be updated throughout the month as LESSEE has better information and if the Redelivery Quantity is expected to change materially from the prior estimate. For the purposes of this paragraph, the term: “ICE” means Intercontinental Exchange, Inc.; “ICE Trading Platform” means the electronic trading platform owned or operated by ICE on which participants may trade natural gas; “ICE Next Day Period” means a Day or group of consecutive bays on which natural gas can be bought and sold, and delivered, under transactions entered into by participants on the related Next Day Trading Day utilizing the ICE Trading Platform, as

such Day or group of Days are established by ICE from time to time; "Next Day Trading Day" means the day on which ICE permits participants, utilizing the ICE Trading Platform, to actually enter into transactions involving the sale of natural gas for delivery during an ICE Next Day Period; and "Nomination Deadline" shall mean 7:30 am., Central Time in Houston, Texas, on the Next Day Trading Day pertaining to the applicable ICE Next Day Period.

12. Loss of Lease LNG. In the event that Lease LNG is irretrievably lost and cannot be redelivered to LESSOR, or is consumed at the Terminal as process fuel, LESSEE shall be obligated to bear the cost of such lost Lease LNG. In the event of a loss of Lease LNG, LESSEE shall notify LESSOR and shall compensate LESSOR for all reasonable and documented costs of such lost Lease LNG. To the event that all or a portion of the costs of such lost Lease LNG was financed by LESSEE, LESSOR's repayment obligation shall automatically be reduced by an amount equal to the cost of the lost Lease LNG including its proportionate share of any shipping costs, taxes, and port charges incurred or paid by LESSOR with respect thereto. Title to all lost Lease LNG shall pass from LESSOR to LESSEE at the time that a loss is determined.

13. Proceeds from the Sale of Regasified Lease LNG. Upon the redelivery of regasified Lease LNG hereunder by LESSEE to LESSOR, LESSOR shall sell such Redelivery Quantity and remit the proceeds from such sales as provided herein. LESSOR shall pay LESSEE an amount equal to: (i) the actual sales proceeds received by LESSOR in reselling the Redelivery Quantity (including proceeds derived from the sale of liquids), determined by LESSOR in good faith; minus (ii) all third party costs incurred by LESSOR in respect to the receipt, delivery, and resale of the Redelivery Quantity to LESSOR's resale customers including, without limitation, costs of conditioning and costs of transportation of the Redelivery Quantity including fuel and shrinkage ("**Net Proceeds**"). The remittance of the Net Proceeds by LESSOR to LESSEE, in conjunction with the final cumulative net proceeds of any price risk hedges, shall constitute full repayment of any and all funding amounts advanced by LESSEE to LESSOR pursuant to Paragraph 8. Any volumetric charges will be converted to a dollar basis in accordance with standard industry practice LESSEE shall reimburse LESSOR for any amounts that LESSOR is required to pay its resale customers, or any incremental costs incurred by LESSOR in keeping its resale customers whole, in either case arising as a result of LESSEE delivering to LESSOR on any day less than the Redelivery Quantity for any reason including any Event of Force Majeure that may occur upstream of the Delivery Point. Any such amounts owed by LESSEE hereunder shall be credited against the Net Proceeds or paid to LESSOR within ten (10) days of a receipt of an invoice therefor. LESSOR shall use commercially reasonable efforts to include force majeure terms in its resale contracts similar to those herein.

14. Payments. Payment of the Lease Fee shall be made by LESSEE to LESSOR within ten (10) days following the receipt of each invoice prepared in reasonable detail by LESSOR, which invoice shall include the inspector's report setting forth the quantity of LNG unloaded from each cargo containing Lease LNG at the Terminal along with such cargo's compositional analysis. LESSEE shall remit the funding for the purchase and delivery of Lease LNG no later than one (1) business day prior to such payment becoming due for the account of LESSOR, or within a reasonable time period to establish credit support in the

form of a letter of credit. LESSOR shall remit payment to LESSEE of the Net Proceeds from sales of the Redelivery Quantity no later than one (1) business day following the receipt of payment from counterparties to whom sales of such Redelivery Quantity were made. LESSEE shall reimburse LESSOR to the extent of settlements and all initial, variation, and maintenance margin and other credit assurances required to be paid for the establishment and maintenance of hedges, physical transportation, storage or sales, and LESSOR shall reimburse LESSEE to the extent of settlements and all initial, variation, and maintenance margin and other credit assurances returned or paid by counterparties for established hedges, both within one (1) business day of such payments becoming due from, or paid to, LESSOR. The threshold for payments due hereunder shall be $1,000,000 due to either Party.

15. Notices and Other Matters. Any demand, statement, or notice required or permitted under this Agreement shall be in writing and delivered in person or by courier service or by any electronic means of transmitting written communications which provides written confirmation of complete transmission, and addressed to the individual or department identified below, subject to either party changing its notice and contact information by prior written notice to the other party. Payments shall be sent by wire transfer or ACH to the designated account, or any different account set forth in an invoice, or if no account is specified, by check to the specified address for payment.

LESSOR:

General	Payments
Cheniere Marketing, Inc. 700 Milam St., Suite 800 Houston, TX 77002 Attn: Contract Administration	Bank: JPMorgan Chase, Houston, TX ABA: 021000021 Account No.: 716483896 For credit to Cheniere Marketing, Inc.

LESSEE:

Sabine Pass LNG, L.P.
700 Milam St., Suite 800
Houston, TX 77002
Attn: President

16. Event of Force Majeure. Non-performance of any obligation hereunder, other than the obligation to pay amounts due hereunder or an indemnity obligation, shall be excused if prevented, in whole or part, by an occurrence of an Event of Force Majeure, but only for so long as performance is prevented by such Event of Force Majeure. The Party claiming excuse shall promptly advise the other Party of such Event of Force Majeure with full particulars and shall seek to remedy the occurrence with all reasonable dispatch by taking all measures that are commercially reasonable under the circumstances. The term "Event of Force Majeure" shall mean any event beyond the reasonable control of the Party claiming excuse including, without limitation, any event or occurrence involving an act of God; strikes, lockouts, or other industrial disturbances; wars; insurrections, riots, or other civil

disturbances; landslides; lightning; earthquakes; fires; storms; hurricanes or threats of hurricanes; floods; governmental restraints or orders; failure, interruption, or curtailment of transportation or shipping; breakdown or damage to the equipment, machinery, or facilities at the Terminal or with respect to pipelines, ships, or tugs, delays or interruptions caused by pilots or Governmental Authorities having jurisdiction over the Terminal or the associated harbor, and any other event or occurrence beyond the reasonable control of the Party and not caused by the negligence of the Party. Notwithstanding anything herein to the contrary, the settlement of strikes, lockouts, or other industrial disputes shall be entirely within the discretion of the Party experiencing such situations, and nothing herein shall require such Party to settle industrial disputes by yielding to demands made on it when it considers such action inadvisable.

17. Notice of Event of Force Majeure. The Party whose performance is prevented by an Event of Force Majeure must provide notice to the other Party. Initial notice may be given orally; however, written notice with reasonably full particulars of the Event of Force Majeure is required as soon as reasonably possible. Upon providing written notice of the Event of Force Majeure to the other Party, the affected Party will be relieved of its obligation, from the onset of the Event of Force Majeure, to make or accept delivery of the Redelivery Quantity or Lease LNG, as applicable, to the extent affected by and for the duration of the Event of Force Majeure, and neither Party shall be deemed to have failed in such obligations to the other during such Event of Force Majeure.

18. Governing Law. This Agreement shall be governed by, enforced, and construed in accordance with the laws of the State of Texas excluding any conflicts of law principles thereof. The Parties hereby irrevocably waive their right to a jury trial to the fullest extent permitted by law.

19. Setoff. Neither Party shall have the right to setoff any amounts due from or owed to it hereunder against any amounts due from or owed to it hereunder or under other contracts between the Parties.

20. Entire Agreement and Amendments. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof. No promises, agreements, or warranties not specifically set forth in this Agreement will be deemed to be a part hereof, nor will any alteration, amendment, or modification hereof be effective unless confirmed in writing.

21. No Third Party. Beneficiaries Nothing in this Agreement shall be otherwise construed to create any duty to, or standard of care with reference to, or any liability to, any person other than a Party to this Agreement; provided, however, any indemnitee under this Agreement shall be a third party beneficiary solely with respect to the applicable indemnification.

22. Counterpart Execution. This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed an original Agreement for all purposes; provided that no Party shall be bound to this Agreement unless and until both Parties have executed a counterpart. Any documents to be provided by a Party to the other Party hereunder may sent by fax, PDF, or other electronic means capable of being received by the intended recipient, and each shall be considered to be an original of the document.

23. Term and Termination. This Agreement shall become effective on the Effective Date and, unless terminated earlier pursuant to the other provisions hereof, shall remain in full force and effect until May 1, 2018 ("**Term**"). Either Party may terminate this Agreement during the Term upon ten (10) days prior written notice; provide, however that this Agreement will not terminate until any outstanding obligations remaining under this Agreement have been satisfactorily fulfilled by the Parties hereto.

24. Consequential Damages. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY PUNITIVE, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES ARISING FROM ITS PERFORMANCE OR FAILURE TO PERFORM HEREUNDER.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in multiple originals.

LESSEE
SABINE PASS LNG, L.P.

By: /s/ R. Keith Teague

Name: R. Keith Teague

Title: President

LESSOR
CHENIERE MARKETING, INC.

By: /s/ David Thames

Name: David Thames

Title: President

EXHIBIT “A”
FORM OF LEASE CONFIRMATION

This LEASE CONFIRMATION sets forth the relevant facts concerning the lease of LNG pursuant to the terms of the certain LNG LEASE AGREEMENT entered into on 24 June, 2008 by and between LESSEE and LESSOR. Capitalized terms used but not defined herein shall have the definition set forth therein.

1. Projected delivery date:
2. LNG vessel (if known):
3. Source country of origin:
4. Seller:
5. Projected quantity (MMBtu):
6. Projected HHV (Btu/scf):

LESSEE agrees to lease the LNG described above upon delivery at the Terminal pursuant to the terms of the Agreement.

LESSEE
SABINE PASS LNG, L.P.

By: ____________________________

Name: ____________________________

Title: ____________________________

Acknowledged and accepted:

LESSOR
CHENIERE MARKETING, INC.

By: ____________________________

Name: ____________________________

Title: ____________________________

EXHIBIT “B”
LNG CARGOES PURCHASED ON BEHALF OF LESSEE
BY LESSOR TO BE MADE SUBJECT TO THE AGREEMENT

1. The LNG Cargo acquired from Ras Laffan Liquefied Natural Gas Company Limited (II), loaded in Ras Laffan, Qatar aboard the “Al Gharaffa” and scheduled for delivery at the terminal on June 22, 2008.

2. The LNG Cargo acquired from Total Gas & Power Limited, loaded in Bonny Island, Nigeria aboard the “Trinity Arrow” and scheduled for delivery at the Terminal on June 24, 2008.

EXHIBIT 31.1

CERTIFICATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO
RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT

I, Charif Souki, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cheniere Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Charif Souki
Charif Souki
Chief Executive Officer & Chairman of the Board

Date: August 11, 2008

EXHIBIT 31.2

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT

I, Don A. Turkleson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cheniere Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Don A. Turkleson

Don A. Turkleson
Senior Vice President & Chief Financial Officer

Date: August 11, 2008

Exhibit 32.1

CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Cheniere Energy, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charif Souki, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charif Souki
Charif Souki
Chief Executive Officer & Chairman of the Board

Date: August 11, 2008

Exhibit 32.2

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Cheniere Energy, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Don A. Turkleson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Don A. Turkleson
Don A. Turkleson
Senior Vice President & Chief Financial Officer

Date: August 11, 2008