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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 14, 2008

CHENIERE ENERGY, INC.

(Exact name of registrant as specified in its charter)

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

700 Milam Street
Suite 800
Houston, Texas **77002**
(Address of principal executive offices) **(Zip Code)**

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

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

Credit Agreement

On August 15, 2008 (the "Closing Date"), Cheniere Common Units Holding, LLC (the "Borrower" or "CCUH"), a Delaware limited liability company and a wholly-owned subsidiary of Cheniere Energy, Inc., a Delaware corporation (the "Company"), entered into a Credit Agreement (the "Credit Agreement") among the Borrower, the other Loan Parties (as defined therein), The Bank of New York Mellon, as administrative agent and collateral agent (the "Collateral Agent"), and the Lenders (as defined therein), pursuant to which the Lenders agreed to make term loans of $250,000,000 (the "Loans") to the Borrower, which are exchangeable into Series B Preferred Stock described below. One of the Lenders is Scorpion Capital Partners LP, an affiliate of Nuno Brandolini, one of the Company's directors. Scorpion's portion of the Loans was $8,500,000, and Scorpion did not receive any fees on the Closing Date in connection with making the Loans.

Borrowing. Under the Credit Agreement, the Borrower borrowed $250,000,000 on August 15, 2008. The Loans will mature on August 15, 2018. The $250,000,000 of total proceeds from the Loans will be used (i) to repay in full the Borrower's $99 million of existing indebtedness, including accrued interest, (ii) to pay fees and expenses incurred in connection with the Credit Agreement, (iii) to deposit $135,000,000 into a reserve account as a source of funds for payment of Cheniere Marketing, Inc.'s ("CMI") terminal use agreement obligations to Sabine Pass LNG, L.P. ("Sabine") and as additional collateral for the Loans, and (iv) to fund working capital and general corporate needs of the Company and its subsidiaries.

Repayment. The Loans will not amortize prior to the maturity date. Prior to the maturity date, the Borrower may voluntarily prepay the Loans from time to time if the following conditions are met:

- The principal amount to be repaid must be at least $50 million (or the remaining principal amount outstanding, if less);
- The weighted-average trading price per share of the Company's common stock, par value $0.003 per share (the "Common Stock"), must be greater than $12.50 for the 30 trading days preceding the prepayment date; and
- The Company must have arranged for an underwritten public offering of shares of Common Stock issuable upon conversion of the Series B Preferred Stock (described below), at a price of not less than $12.50 per share (on an as-converted basis). If such underwritten public offering cannot be concluded at the specified price, then the Borrower will not be permitted to make the prepayment.

The Credit Agreement also provides that those Lenders holding a majority of the Loans outstanding may require the Borrower to prepay all or part of the Loans for 30-day periods beginning on the third, fifth and seventh anniversaries of the Closing Date, as well as upon a change of control.

Interest Rate. The Loans bear interest at a fixed rate of 12% per annum, except during the occurrence and continuance of an event of default (as described below), during which time the rate of interest will be 14% per annum. Interest is payable on (i) the last business day of each January and July, (ii) the maturity date, (iii) the date of repayment or prepayment made in respect of any Loan and (iv) the date of exchange of any Loan into Series B Preferred Stock. Prior to August 15, 2011, at the Borrower's option, interest may be accrued. Such accrued interest will bear interest from the date of the applicable interest payment date at the same rate per annum and payable in the same manner as in the case of the original respective principal amounts of the Loans, and shall otherwise be treated as principal and will be considered a Loan, provided, that (i) the portion of the Loans which evidence permitted accrued interest are not exchangeable into shares of Series B Preferred Stock, (ii) permitted accrued interest is due and payable upon mandatory prepayment of the Loans, on the Maturity Date or upon acceleration of the payment of principal of the Loans because of an event of default and (iii) in the event of any repayment or prepayment of any Loan, accrued interest not previously capitalized on the principal amount repaid or prepaid shall be payable in full in cash on the date of such repayment or prepayment.

Collateral. Pursuant to two Guarantee and Collateral Agreements, each dated as of August 15, 2008 (the "Collateral Agreements"), the Company, the Borrower, and other subsidiaries of the Company granted a first-priority security interest to the Collateral Agent in the following assets (collectively, the "Collateral") as collateral security for the Loans: (i) the equity securities of substantially all of the Company's domestic subsidiaries (but excluding CMI, Cheniere Supply & Marketing, Inc., a Delaware corporation ("CSM"), Cheniere Subsidiary Holdings, LLC, a Delaware limited liability company ("CSH") and its subsidiaries, and Cheniere Energy Partners GP, LLC, a Delaware limited liability company ("CQP GP")), (ii) the 10,891,357 common units of Cheniere Energy Partners, L.P., a Delaware limited partnership ("CQP") held by the Borrower, (iii) rights under management services agreements pursuant to which services are provided to Sabine and CQP, (iv) non-real estate assets of the Borrower and the Company's pipeline subsidiaries, and (v) receivables owed to any grantor by any guarantor or other grantor.

Pursuant to a Security Deposit Agreement dated as of August 15, 2008 (the "Security Deposit Agreement"), Cheniere LNG Holdings, LLC, a Delaware limited liability company, granted a first-priority security interest to the Collateral Agent in a deposit account initially funded with $135,000,000 from the Loans. The Security Deposit Agreement requires that the funds in that account be sufficient to make at least three months' payments under the terminal use agreement between CMI and Sabine on an ongoing basis and will be replenished periodically with distributions made with respect to the units of CQP held by the Borrower, CSH and CQP GP. At any time following the first date that full payments under each of the three terminal use agreements to which Sabine is a party have been received for a full calendar quarter, funds in excess of the reservation fee and operating fee obligations that are reasonably estimated to become due and payable within the next three months in accordance with the CMI terminal use agreement will be released from time to time upon the satisfaction of certain conditions. Pursuant to an account control agreement dated as of August 15, 2008, Cheniere LNG Holdings, LLC also granted a first-priority security interest to the Collateral Agent in a deposit account that receives the amounts payable on the management services agreements under which services are provided to Sabine and CQP.

Guaranty. Pursuant to the Collateral Agreements, the Company and substantially all of the domestic subsidiaries of the Company (but excluding CMI, CSM, CSH and its subsidiaries, and CQP GP) have guaranteed the payment and performance of all of the Borrower's obligations under the Credit Agreement and the other loan documents related thereto.

Covenants. The Credit Agreement contains affirmative and negative covenants that are applicable to the Borrower and the other Loan Parties, which are the guarantors and the grantors of the security interests. Such covenants include, but are not limited to (subject to exceptions): limitations on the ability of the Loan Parties to make investments or dividend distributions; limitations on the ability of the Loan Parties to incur indebtedness or permit liens on their assets; limitations on the ability of the Loan Parties to engage in transactions with affiliates or merge, consolidate, sell assets, acquire subsidiaries or form joint ventures; limitations on the ability of the Loan Parties to engage in new businesses; limitations on amendments to certain material agreements, including management services agreements and the CQP partnership agreement; affirmative covenants requiring the Borrower to provide financial information, requiring each Loan Party to maintain its existence and other material rights, and governing the funding of and disbursements from the collateral account established under the Security Deposit Agreement; and other customary covenants and restrictions.

Events of Default. The Credit Agreement contains customary events of default, which are subject to customary grace periods and materiality standards, including, among others, events of default upon the occurrence of:

- any representation or warranty made in connection with the Credit Agreement being incorrect in any material respect when made or deemed made;
- nonpayment of any amounts payable under the Credit Agreement when due;
- violation of covenants contained in the Credit Agreement or the other loan documents;
- acceleration of any indebtedness of CQP, Sabine or any Loan Party in excess of $10,000,000;

- bankruptcy or insolvency of any of the Loan Parties;
- nondischarge of judgments against any of the Loan Parties in excess of $10,000,000;
- actual or asserted invalidity of any guaranty by a Loan Party of the Loans or failure of the liens created by the Collateral Agreements to remain first-priority perfected liens; and
- the failure of the Company's board of directors (the "Board") to appoint individuals designated by the Lenders as provided in the Investors' Agreement (described below).

Upon the occurrence of any such default and the lapse of any applicable grace period, the Lenders may accelerate the Loans and exercise their remedies under the Collateral Agreements, including foreclosure on the Collateral.

The descriptions of the Credit Agreement, the two Collateral Agreements and the Security Deposit Agreement set forth above are not complete and are qualified in their entirety by reference to the full text of the respective documents, copies of which are filed herewith as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively, and incorporated herein by reference.

Investors' Agreement

On August 15, 2008, the Borrower, the Company and the Lenders entered into an Investors' Agreement (the "Investors' Agreement") that provides for the exchange of up to $250,000,000 principal amount of Loans into a newly-created class of Series B Convertible Preferred Stock, par value $0.0001 per share, of the Company (the "Series B Preferred Stock), and certain rights to require the Company to register for resale the Series B Preferred Stock and the shares of the Company's Common Stock into which the Series B Preferred Stock is convertible. The Series B Preferred Stock is described more fully in Item 3.02.

Exchange Rights. Pursuant to the Investors' Agreement, up to $250,000,000 principal amount of Loans outstanding under the Credit Agreement may be exchanged for shares of Series B Preferred Stock. The exchange ratio is one share of Series B Preferred Stock for each $5,000 of outstanding borrowings, subject to adjustment. The exchange ratio will be adjusted in the event the Company makes certain distributions on its shares of Common Stock, of cash, shares, or property.

Registration Rights. The Company is required to file a registration statement to register the Series B Preferred Stock and the shares of Common Stock into which it is convertible. In addition, the holders of Series B Preferred Stock have the right to demand registration of the Series B Preferred Stock, and the shares of Common Stock into which it is convertible. The registration rights are subject to customary limitations.

Board Representations. As long as Loans are exchangeable for shares of Series B Preferred Stock under the Credit Agreement or shares of Series B Preferred Stock remain outstanding, the holders of a majority of the Loans and Series B Preferred Stock, acting together, shall have the right to nominate two individuals to the Company's Board. One nominee shall be a Class I Director and the second a Class III Director. In addition, a majority of the Lenders or the holders of a majority of the shares of Series B Preferred Stock shall be able to nominate, together with the Board, a third nominee, who shall be an independent director, as a Class II Director. If any nominee is not elected to the Board by the stockholders, the holders shall have the right to select a different nominee, and the Board is obligated to fill the vacancy with such nominee.

The description of the Investors' Agreement set forth above is not complete and is qualified in its entirety by reference to the full text of the Investors' Agreement, a copy of which is filed herewith as Exhibit 10.5 and incorporated herein by reference.

ITEM 1.02 TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT.

Termination of the Credit Suisse Loan

On May 5, 2008, CCUH entered into a Credit Agreement among the Borrower, the Loan Parties (as defined therein), 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 up to $95,000,000 (the "Bridge Loan") to CCUH, which was attached as Exhibit 10.6 to the Quarterly Report on Form 10-Q filed by the Company with the Securities and Exchange Commission (the "SEC"), on May 9, 2008.

On August 15, 2008, CCUH used a portion of the net proceeds from the Loans to repay the $95,000,000 outstanding principal and accrued interest of approximately $4.3 million on the Bridge Loan. As a result of the payment in full of the Bridge Loan, the Bridge Loan, CCUH's and the guarantor's obligations under the Bridge Loan and the liens and security interests granted in connection therewith were terminated.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

To the extent applicable, the contents of Item 1.01 above are incorporated into this Item 2.03 by this reference.

ITEM 3.02 UNREGISTERED SALES OF SECURITIES.

On August 14, 2008, the Company filed a Certificate of Designations for the Series B Preferred Stock (the "Certificate of Designations"), with the Secretary of State of the State of Delaware establishing the Series B Preferred Stock. The following are the material terms of the Series B Preferred Stock:

Amount. As of August 15, 2008, there were 50,000 shares of Series B Preferred Stock authorized and no shares of Series B Preferred Stock outstanding. The liquidation preference of the Series B Preferred Stock is $5,000 per share.

Conversion. The Series B Preferred Stock is convertible into Common Stock of the Company on a 1 for 1,000 basis. The Series B Preferred Stock is only convertible either (i) by the purchaser who acquires the Series B Preferred Stock in a public offering, as defined in the rules of the exchange on which the Common Stock is then traded or (ii) by the holder of the Series B Preferred Stock, in any other transaction that would not require stockholder approval for the initial issuance of the Series B Preferred Stock under the rules of the exchange on which the Common Stock is then traded. The Series B Preferred Stock is required to receive the same dividends or other distributions made on the Common Stock. As a result, the number of shares issuable upon conversion of the Series B Preferred Stock shall not change.

Liquidation. The Series B Preferred Stock ranks with respect to dividend rights and rights on liquidation, winding-up and dissolution of the Company evenly with the Common Stock. Upon a liquidation, each share of Series B Preferred Stock is entitled to receive the greater of its liquidation preference and the amount that would be payable on the number of shares of Common Stock into which it is then convertible, as if it had been converted immediately prior to the distribution.

Dividends. The Series B Preferred Stock is entitled to receive dividends when, as and if legally declared by the Board. If the Board declares a dividend on the Common Stock, it shall pay an equal dividend on the Series B Preferred Stock, on an as-if converted basis.

Maturity and Redemption. The Series B Preferred Stock is perpetual and is not redeemable at the option of the holder or the Company at any time.

Voting. Each share of Series B Preferred Stock is entitled to vote with Common Stock on all matters submitted to a vote of the stockholders. Each share of Series B Preferred Stock has 202.50 votes, which represents approximately 19.98% of the vote of the outstanding Common Stock as of August 15, 2008; *provided* that if the

holders become entitled to purchase additional shares of Series B Preferred Stock described below, each share of Series B Preferred Stock will have its vote reduced so that the class does not exceed 10,125,000 votes. The Series B Preferred Stock has the right to vote separately as a class on certain matters that effect the rights of the Series B Preferred Stock.

As long as the Series B Preferred Stock remains outstanding, the holders of a majority of the Series B Preferred Stock shall have the right to nominate two individuals to the Company's Board. One nominee shall be a Class I Director and the second a Class III Director. In addition, the holders of a majority of the Series B Preferred Stock shall be able to nominate, together with the Board, a third nominee, who shall be an independent director, as a Class II Director. If any nominee is not elected to the Board by the stockholders, the holders shall have the right to select a different nominee, and the Board is obligated to fill the vacancy with such nominee.

Protective Provisions. In the event the rights under the Company's rights plan become exercisable for the purchase of shares of Series A Junior Participating Preferred Stock, each share of Series B Preferred Stock will become entitled to purchase additional shares, including fractional shares, of Series B Preferred Stock in an amount and at a price that would allow the Series B Preferred Stock to acquire, upon conversion, the same additional amount of Common Stock and at the same price that would be issuable upon exercise of the rights.

The description of the Series B Preferred Stock set forth above is not complete and is qualified in its entirety by reference to the full text of the Certificate of Designations, a copy of which is filed herewith as Exhibit 3.1 and incorporated herein by reference. A form of the Series B Preferred Stock is filed herewith as Exhibit 4.1.

ITEM 3.03 MATERIAL MODIFICATIONS TO RIGHTS OF SECURITY HOLDERS.

(b) The Series B Preferred Stock does not amend the terms of the Common Stock. However, as a class, the Series B Preferred Stock is entitled to a vote equal to approximately 19.98% of the outstanding Common Stock as of August 15, 2008, and represents approximately 49.66% of the outstanding Common Stock on such date on an as-converted basis.

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

Effective upon the Closing Date, Dwight Scott was elected to the Board as a Class I director, pursuant to the Investors' Agreement. Mr. Scott is a Senior Managing Director of GSO Capital Partners LP ("GSO") and Head of GSO's Houston office. At GSO, Mr. Scott focuses on investments in the energy and power markets and is a member of GSO's Investment Committee. Before joining GSO in 2005, Mr. Scott was an Executive Vice President and Chief Financial Officer of El Paso Corporation. Prior to joining El Paso in 2000, Mr. Scott served as a managing director in the energy investment banking practice of Donaldson, Lufkin & Jenrette. Mr. Scott earned a BA from the University of North Carolina at Chapel Hill and an MBA from The University of Texas at Austin. He is currently a member of the board of directors of MCV Investors, Inc., a privately held power generation company, SandRidge Energy, Inc., a publicly traded oil and gas exploration and production company, United Engines, LLC, a privately held manufacturer of oilfield equipment, and Crestwood Midstream Partners, a privately held midstream company. Mr. Scott is also a member of the Board of Trustees of KIPP, Inc. and The Council on Alcohol and Drugs Houston.

Effective upon the Closing Date, Jason New was also elected to the Board as a Class III director, pursuant to the Investors' Agreement. Mr. New is a Senior Managing Director of GSO and Co-Head of Distressed Investing for GSO. Mr. New focuses on managing GSO's public investment portfolio with a specific emphasis on stressed and distressed companies and on sourcing direct distressed investment opportunities. Mr. New is also a member of the GSO Investment Committee. Before joining GSO in 2005, Mr. New was a senior member of Credit Suisse's distressed finance group. Mr. New joined Credit Suisse in 2000 when it acquired DLJ, where he was a member of DLJ's restructuring group. Prior to joining DLJ in 1999, he was an associate with the law firm of Sidley, Austin, Brown & Wood where he practiced law in the firm's corporate reorganization group. Mr. New received a JD from Duke University School of Law and a BA, magna cum laude, from Allegheny College.

ITEM 5.03 AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR.

On August 14, 2008, the Company filed a Certificate of Designations of Series B Preferred Stock with the Secretary of State of the State of Delaware creating the Series B Preferred Stock. A description of the Series B Preferred Stock is provided above under Item 3.02 and the Certificate of Designations is filed as Exhibit 3.1 of this Form 8-K, both of which are incorporated herein by reference.

ITEM 8.01 OTHER EVENTS.

On August 18, 2008, the Company issued a press release regarding the closing of the Loans, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

3.1	Certificate of Designations of Series B Preferred Stock of Cheniere Energy, Inc.
4.1	Form of Series B Preferred Stock Certificate of Cheniere Energy, Inc.
10.1	Credit Agreement dated August 15, 2008, by and among Cheniere Common Units Holding, LLC the other Loan Parties (as defined therein), The Bank of New York Mellon, as administrative agent and collateral agent and the Lenders (as defined therein).
10.2	Guarantee and Collateral Agreement (Crest Entities), dated August 15, 2008, made by the entities party thereto in favor of The Bank of New York Mellon, as collateral agent.
10.3	Guarantee and Collateral Agreement (Non-Crest Entities), dated August 15, 2008, by Cheniere Common Units Holding, LLC and the other entities party thereto in favor of The Bank of New York Mellon, as collateral agent.
10.4	Security Deposit Agreement, dated August 15, 2008, by and among Cheniere LNG Holdings, LLC and The Bank of New York Mellon, as collateral agent and depositary agent.
10.5	Investors' Agreement, dated August 15, 2008, by and between Cheniere Energy, Inc., Cheniere Common Units Holding, LLC and the investors named therein.
99.1	Press Release dated August 18, 2008.

SIGNATURES

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

CHENIERE ENERGY, INC.

Date: August 18, 2008

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

EXHIBIT 3.1

CERTIFICATE OF DESIGNATIONS

OF

SERIES B CONVERTIBLE PREFERRED STOCK

OF CHENIERE ENERGY, INC.

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Cheniere Energy, Inc., a Delaware corporation (the "**Corporation**"), certifies that pursuant to the authority conferred upon the Board of Directors of the Corporation (the "**Board of Directors**") by the Restated Certificate of Incorporation of the Corporation, as amended (the "**Certificate of Incorporation**"), and in accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware, as amended, the Transaction Committee of the Board of Directors, on August 14, 2008, adopted the following resolution creating a series of its preferred stock, par value $.0001 per share:

RESOLVED, that (1) the Transaction Committee of the Board of Directors, acting pursuant to authority granted by the entire Board of Directors by resolution on August 6, 2008 pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation, hereby designates 50,000 shares of the preferred stock, par value $.0001 per share, of the Corporation as "Series B Preferred Stock" (the "**Series B Preferred Stock**"), and the powers, designations, preferences and relative, participating, optional and other rights of the Series B Preferred Stock and the qualifications, limitations and restrictions thereof, be, and they hereby are, as set forth below (the "**Certificate of Designations**") and (2) in connection therewith, the officers of the Corporation be, and each of them hereby is, authorized, empowered and directed on behalf of the Corporation and in its name to execute and to file the Certificate of Designations with the Delaware Secretary of State:

Section 1. Designation and Amount. There is hereby created out of the authorized and unissued shares of preferred stock of the Corporation a series of preferred stock designated as "Series B Preferred Stock". The number of shares constituting such series shall be 50,000. The Series B Preferred Stock shall have a par value of $.0001 per share and the liquidation preference of the Series B Preferred Stock shall initially be $5,000 per share.

Section 2. Ranking. The Series B Preferred Stock will, with respect to dividend rights and rights on liquidation, winding-up and dissolution of the Corporation, rank (i) on parity with each other class or series of preferred stock established after the Effective Date by the Corporation, the terms of which expressly provide that such class or series will rank on parity with the Series B Preferred Stock as to dividend rights and rights on liquidation, winding-up and dissolution of the Corporation (collectively referred to as "**Parity Securities**"), (ii) on parity with the Corporation's common stock (the "**Common Stock**") and (iii) senior to each other class or series of capital stock outstanding or established after the Effective Date by the Corporation the

terms of which do not expressly provide that it ranks on parity with or senior to the Series B Preferred Stock as to dividend rights and rights on liquidation, winding-up and dissolution of the Corporation (collectively referred to as "**Junior Securities**"). The Corporation has the right to authorize and/or issue additional shares or classes or series of Junior Securities without the consent of the Holders so long as such Junior Securities do not have a maturity and are not redeemable either at the Corporation's option or at the option of the holders thereof at any time. The Corporation may not issue any Parity Securities, Common Stock or any class or series of capital stock senior to the Series B Preferred Stock without the consent of a majority of the Holders.

Section 3. Definitions. Unless the context or use indicates another meaning or intent, the following terms shall have the following meanings, whether used in the singular or the plural:

(a) "**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such first Person. As used in this definition, "**control**" (including the terms "**controlled by**" and "**under common control with**") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of securities, partnership interests or by contract or otherwise. Notwithstanding the foregoing, solely for purposes of this Certificate of Designations, the directors and officers of the Corporation or any of its Subsidiaries shall not, solely as a result of holding such office, be deemed Affiliates of the Investor. With respect to the Investor, the term "**Affiliate**" shall also include its general partner or investment manager or similar Person, and any other entity with the same general partner or investment manager or similar Persons. For the avoidance of doubt, no Person shall be deemed the Affiliate of any other Person merely by virtue of holding an ownership interest of 10% or more in such Person, or pursuant to any other presumption regarding "affiliate" status.

(b) "**AMEX**" means the American Stock Exchange.

(c) "**As-Converted Basis**" means with respect to any share of Series B Preferred Stock, such number of shares of Common Stock into which such share of Series B Preferred Stock would be then convertible.

(d) "**Beneficial Owner**" has the meaning given such term in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this Certificate of Designations, such Person or Group (as defined thereunder) shall be deemed to have "beneficial ownership" of all shares that any such Person or Group has the right to acquire, whether such right is exercisable immediately or only after the passage of time.

(e) "**Board of Directors**" has the meaning set forth in the preamble hereto.

(f) "**Business Day**" means any day other than a Saturday, Sunday or any other day on which banks in New York City, New York are generally required or authorized by law to be closed.

(g) "**Certificate of Designations**" has the meaning set forth in the preamble hereto.

(h) "**Certificate of Incorporation**" has the meaning set forth in the preamble hereto.

(i) **"Change of Control**" the occurrence of any of the following:

(i) any "person" or "group" files a Schedule 13D or Schedule TO, or any successor schedule, form or report under the Exchange Act, disclosing, or the Corporation otherwise becomes aware, that such person or group is or has become the "beneficial owner," directly or indirectly, of shares of the Corporation's Voting Stock (other than Preferred Stock) representing 50% or more of the total voting power or economic interests of all outstanding classes of the Corporation's Voting Stock (other than this Series B Preferred Stock) or has the power, directly or indirectly, to elect a majority of the members of the "board of directors" of the Corporation;

(ii) The Corporation consolidates with, or merges with or into, another Person or the Corporation sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of the Corporation's assets, or any Person consolidates with, or merges with or into, the Corporation, in any such event other than pursuant to a transaction in which the Persons (the "**Existing Stockholders**") that "beneficially owned," directly or indirectly, shares of the Corporation's Voting Stock immediately prior to such transaction beneficially own, directly or indirectly, shares of Voting Stock representing a majority of the total voting power of all outstanding classes of Voting Stock of the surviving or transferee person in substantially the same proportion amongst such Existing Shareholders as such ownership immediately prior to such transaction;

(iii) a majority of the members of the "board of directors" of the Corporation are not Continuing Directors; or

(iv) the Corporation's Common Stock ceases to be listed on a national securities exchange or quoted on The Nasdaq National Market or another established over-the-counter trading market in the United States.

(j) "**Closing Price**" of the Common Stock on any date of determination means the closing sale price or, if no closing sale price is reported, the last reported sale price of the shares of the Common Stock on the AMEX on such date. If the Common Stock is not traded on the AMEX on any date of determination, the Closing Price of the Common Stock on such date of determination means the closing sale price as reported in the composite transactions for the principal U.S. national or regional securities exchange on which the Common Stock is so listed or quoted, or, if no closing sale price is reported, the last reported sale price on the principal U.S. national or regional securities exchange on which the Common Stock is so listed or quoted, or if the Common Stock is not so listed or quoted on a U.S. national or regional securities exchange, the last quoted bid price for the Common Stock in the over-the-counter market as reported by Pink Sheets LLC or similar organization, or, if that bid price is not available, the market price of the Common Stock on that date as determined by a nationally recognized independent investment banking firm retained by the Corporation for this purpose.

For purposes of this Certificate of Designations, all references herein to the "Closing Price" and "last reported sale price" of the Common Stock on the AMEX shall be such closing sale price and last reported sale price as reflected on the website of the AMEX (http://www.amex.com). If the date of determination is not a Trading Day, then such determination shall be made as of the last Trading Day prior to such date.

(k) "**Common Stock**" has the meaning set forth in Section 2.

(l) "**Continuing Director**" shall mean, as of any date of determination, any member of the Corporation's Board of Directors who was a member of such board of directors on July 27, 2005, or was nominated for election or elected to such board of directors with the approval of (a) a majority of the Continuing Directors who were members of such board at the time of such nomination or election or (b) a nominating committee, a majority of which committee were Continuing Directors at the time of such nomination or election.

(m) "**Conversion Amount**" has the meaning set forth in Section 8(b).

(n) "**Corporation**" has the meaning set forth in the preamble hereto.

(o) "**Current Market Price**" means, on any date, the average of the daily Closing Price per share of the Common Stock on each of the five (5) consecutive Trading Days preceding the earlier of the day before the date in question.

(p) "**Distribution Date**" has the meaning set forth in the Rights Agreement.

(q) "**Effective Date**" means the date on which shares of the Series B Preferred Stock are first issued.

(r) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

(s) "**Exchange Property**" has the meaning set forth in Section 11(a).

(t) "**Holder**" means, as of any date, the Person in whose name shares of the Series B Preferred Stock are registered as of such date, which may be treated by the Corporation as the absolute owner of the shares of Series B Preferred Stock for the purpose of making payment and settling the related conversions and for all other purposes.

(u) "**Junior Securities**" has the meaning set forth in Section 2.

(v) "**Liquidation Preference**" means, as to the Series B Preferred Stock, $5,000 per share, plus any accrued dividends, whether or not declared.

(w) "**Liquidation Transaction**" has the meaning set forth in Section 5(a).

(x) "**Notice of Optional Conversion**" has the meaning set forth in Section 9(a).

(y) "**Optional Conversion**" has the meaning set forth in Section 8(a).

(z) "**Optional Conversion Date**" has the meaning set forth in Section 9(a)(i).

(aa) "**Parity Securities**" has the meaning set forth in Section 2.

(bb) "**Person**" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company or trust.

(cc) "**Record Date**" has the meaning set forth in Section 4(d).

(dd) "**Reorganization Event**" has the meaning set forth in Section 11(a).

(ee) "**Rights**" has the meaning set forth in the Rights Agreement.

(ff) "**Rights Agreement**" means the Rights Agreement by and between the Corporation and U.S. Stock Transfer Corp., as Rights Agent, dated as of October 14, 2004, as amended from time to time.

(gg) "**Series B Preferred Stock**" has the meaning set forth in the preamble hereto.

(hh) "**Subsidiaries**" means each corporation or other Person in which a Person (i) owns or controls, directly or indirectly, capital stock or other equity interests representing at least 50% of the outstanding voting stock or other equity interests or (ii) has the right to appoint or remove a majority of its board of directors or equivalent managing body.

(ii) "**Trading Day**" means a day on which the shares of Common Stock:

(i) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business; and

(ii) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

(jj) "**Voting Stock**" means securities of any class of capital stock of the Corporation entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors.

Section 4. Dividends.

(a) From and after the Effective Date, Holders shall be entitled to receive, out of the funds legally available therefor, dividends when, as and if declared by the Board of Directors.

(b) If the Board of Directors declares and pays or sets aside for payment any dividend or distribution in respect of any shares of Common Stock or Junior Securities, then the Board of Directors shall declare and pay to the Holders of the Series B Preferred Stock a dividend or distribution in an amount per share of Series B Preferred Stock equal to (i) the product of (A) the per share dividend declared and paid in respect of each share of Common Stock and (B) the number of shares of Common Stock into which such share of Series B Preferred Stock is then convertible or (ii) and amount equal to the product of (A) the aggregate amount paid on any Junior Securities divided by the aggregate amount initially invested to purchase the Junior Securities multiplied by (B) the aggregate Liquidation Preference of the outstanding Series B Preferred Stock and divided by (C) the number of shares of Series B Preferred Stock then outstanding.

(c) Dividends or distributions payable pursuant to Section 4(b) shall be payable on the same date and in the same manner that dividends or distributions are payable to holders of shares of Common Stock or Junior Securities, and no dividends shall be payable to holders of shares of Common Stock or Junior Securities unless the full dividends contemplated by Section 4(b) are paid at the same time in respect of the Series B Preferred Stock.

(d) Each dividend will be payable or accrue to Holders of record as they appear in the records of the Corporation at the close of business on the record date (each, a "**Record Date**"), which (i) with respect to dividends payable pursuant to Section 4(a) shall be the date set by the Board of Directors and (ii) with respect to dividends payable pursuant to Section 4(b), shall be the same day as the record date for the payment of the corresponding dividends to the holders of shares of Common Stock or Junior Securities.

(e) Dividends payable pursuant to Section 4(b) on the Series B Preferred Stock are non-cumulative. If the Board of Directors does not declare a dividend on the Common Stock or Junior Securities, the Holders of such Series B Preferred Stock will have no right to receive any dividend for such dividend period, and the Corporation will have no obligation to pay a dividend for such dividend period, whether or not dividends are declared and paid for any future dividend period with respect to the Series B Preferred Stock or any other class or series of the Corporation's preferred stock or the Common Stock.

Section 5. Liquidation.

(a) In the event the Corporation voluntarily or involuntarily liquidates, dissolves or winds up (a '**Liquidation Transaction**"), each Holder at the time shall be entitled to receive for each share of Series B Preferred Stock held by such Holder liquidating distributions in the amount of the greater of (i) the then-current Liquidation Preference per share of Series B Preferred Stock; and (ii) the amount that would be payable if the shares of Series B Preferred Stock had been converted, immediately prior to such liquidating distributions, into shares of Common Stock, in each case out of assets legally available for distribution to the Corporation's stockholders before any distribution of assets is made to the holders of any Junior Securities. After payment of the full amount of such liquidating distributions, Holders of the Series B Preferred Stock shall not be entitled to participate in any further distribution of the remaining assets of the Corporation.

(b) In the event the assets of the Corporation available for distribution to stockholders upon any Liquidation Transaction, whether voluntary or involuntary, shall be insufficient to pay in full the amounts payable with respect to all outstanding shares of the Series B Preferred Stock and corresponding amounts payable on any Parity Securities or Common Stock, Holders and the holders of such Parity Securities or Common Stock shall share ratably in any distribution of assets of the Corporation in proportion to the full respective liquidating distributions to which they would otherwise be respectively entitled.

(c) A Change of Control will not constitute a Liquidation Transaction.

Section 6. Maturity. The Series B Preferred Stock shall be perpetual unless converted in accordance with this Certificate of Designations.

Section 7. Redemptions. The Series B Preferred Stock shall not be redeemable either at the Corporation's option or at the option of Holders at any time.

Section 8. Conversion.

(a) Optional Conversion. Subject to the terms and conditions set forth in this Section 8(a), each share of Series B Preferred Stock shall be convertible, at the option of the Holder thereof (each an "**Optional Conversion**"), solely (i) by the Purchaser in connection with a transaction that meets the definition of a "public offering" or (ii) in a transaction that is otherwise exempt from any requirement for stockholder approval in each case, as defined under the rules of the exchange on which the Common Stock is then traded into shares of Common Stock at the Conversion Amount set forth in Section 8(b).

(b) Number of Shares Upon Conversion. Each share of Series B Preferred Stock shall be convertible for 1,000 shares of Common Stock (the "**Conversion Amount**").

Section 9. Conversion Procedures.

(a) Upon occurrence of an Optional Conversion with respect to shares of any Holder, such Holder shall provide notice of such conversion to the Corporation (such notice a "**Notice of Optional Conversion**"). In addition to any information required by applicable law or regulation, the Notice of Optional Conversion with respect to such Holder shall state, as appropriate:

(i) the date upon which such Optional Conversion shall be consummated (each, an "Optional Conversion Date") applicable to such Holder;

(ii) the number of shares of Common Stock to be issued upon conversion of each share of Series B Preferred Stock held of record by such Holder and subject to such Optional Conversion; and

(iii) the place or places where certificates for shares of Series B Preferred Stock held of record by such Holder are to be surrendered for issuance of certificates representing shares of Common Stock.

(b) In the event that some, but not all, of the shares of Series B Preferred Stock of such Holder are to be converted pursuant to an Optional Conversion, such Holder shall be entitled to select the shares to be surrendered pursuant this Section 9 such that, after such surrender, such Holder no longer holds shares of Series B Preferred Stock as to which the Optional Conversion shall have occurred. In the event that such Holder fails to surrender the required number of shares pursuant to this Section 9 within thirty (30) days after the delivery of the Notice of Optional Conversion, the Corporation shall, by written notice to such Holder, indicate which shares have been converted pursuant to Section 8. Effective immediately prior to the close of business on an Optional Conversion Date with respect to any share of Series B Preferred Stock so converted, dividends shall no longer be declared or accrue on any such converted share of Series B Preferred Stock and such share of Series B Preferred Stock shall cease to be outstanding, in each case, subject to the right of the Holder to receive any declared or accrued and unpaid dividends on such share to the extent provided in Section 4 and any other payments to which such Holder is otherwise entitled pursuant to Section 8, Section 11 or Section 13 hereof, as applicable.

(c) No allowance or adjustment, except pursuant to Section 10, shall be made in respect of dividends payable to holders of the Common Stock of record as of any date prior to the close of business on an Optional Conversion Date with respect to any share of Series B Preferred Stock so converted. Prior to the close of business on an Optional Conversion Date with respect to any share of Series B Preferred Stock so converted, shares of Common Stock issuable upon conversion thereof, or other securities issuable upon conversion of such share of Series B Preferred Stock, shall not be deemed outstanding for any purpose, and the Holder thereof shall have no rights with respect to the Common Stock (including voting rights, rights to respond to tender offers for the Common Stock or other securities issuable upon conversion and rights to receive any dividends or other distributions on the Common Stock or other securities issuable upon conversion) by virtue of holding such share of Series B Preferred Stock. For the avoidance of doubt, if the Corporation pays any dividend of distribution to holders of Common Stock, each Holder shall be entitled to receive such dividend distribution either as a Holder of Series B Preferred Stock in accordance with Section 4(b) or 10(a)(i), as applicable, or as a holder of Common Stock following an Optional Conversion Date.

(d) Shares of Series B Preferred Stock converted in accordance with this Certificate of Designations, or otherwise reacquired by the Corporation, will resume the status of authorized and unissued preferred stock, undesignated as to series and available for future issuance. The Corporation may from time-to-time take such appropriate action as may be necessary to reduce the authorized number of shares of Series B Preferred Stock, but in no event shall the authorized number of shares be reduced to an amount less than the number of shares then-currently issued and outstanding.

(e) The Person or Persons entitled to receive the Common Stock and/or cash, securities or other property issuable upon conversion of Series B Preferred Stock shall be treated for all purposes as the record holder(s) of such shares of Common Stock and/or securities as of the close of business on any Optional Conversion Date with respect thereto. In the event that a Holder shall not by written notice designate the name in which shares of Common Stock and/or cash, securities or other property (including payments of cash in lieu of fractional shares) to be issued or paid upon conversion of shares of Series B Preferred Stock should be registered or paid

or the manner in which such shares should be delivered, the Corporation shall be entitled to register and deliver such shares, and make such payment, in the name of the Holder and in the manner shown on the records of the Corporation or pursuant to applicable law.

(f) On an Optional Conversion Date with respect to any share of Series B Preferred Stock, certificates representing shares of Common Stock shall be issued and delivered to the Holder thereof or such Holder's designee upon presentation and surrender of the certificate evidencing the Series B Preferred Stock to the Corporation and, if required, the furnishing of appropriate endorsements and transfer documents and the payment of all transfer and similar taxes.

Section 10. Ratable Treatment with Common Stock.

(a) Except as provided in Section 12, holders of Series B Preferred Stock shall be entitled to all rights, privileges and benefits afforded to holders of Common Stock on the same terms, including, without limitation:

(i) Stock Dividends and Distributions. If the Corporation pays dividends or other distributions on the Common Stock in shares of Common Stock, then the Corporation shall pay a dividend or distribution on each share of Series B Preferred Stock consisting of a number of shares of Series B Preferred Stock equal to the number of shares of Common Stock paid on each share of Common Stock.

(ii) Subdivisions, Splits and Combination of the Common Stock. If the Corporation subdivides, splits or combines the shares of Common Stock, then the Corporation sale subdivide, split or combine the shares of Series B Preferred Stock on the same basis.

(iii) Issuance of Stock Purchase Rights. If the Corporation issues to all holders of the shares of Common Stock rights or warrants (other than rights or warrants issued pursuant to a dividend reinvestment plan or share purchase plan or other similar plans) entitling them, for a period of up to 60 days from the date of issuance of such rights or warrants, to subscribe for or purchase shares of Common Stock at less than the Current Market Price (on an As-Converted Basis) on the date fixed for the determination of stockholders entitled to receive such rights or warrants, then the Corporation shall issue to all holders of shares of Series B Preferred Stock rights or warrants entitling them, for a period of up to 60 days from the date of issuance of such rights or warrants, to subscribe for or purchase shares of Series B Preferred Stock at the same price holders of Common Stock are entitled to purchase Common Stock pursuant to the rights or warrants received by them multiplied by the Conversion Amount.

(iv) Debt or Asset Distributions. If the Corporation distributes to all holders of shares of Common Stock evidences of indebtedness, shares of capital stock, securities, cash or other assets (excluding (a) any dividend or distribution referred to in clause (i) above, (b) any rights or warrants referred to in clause (iii) above, (c) any dividend or distribution paid exclusively in cash, and (d) any dividend of shares of capital stock of any class or series, or similar equity interests, of or relating to a Subsidiary of the

Corporation or other business unit in the case of certain spin-off transactions as described below), then the Corporation shall also distribute such evidences of indebtedness, shares of capital stock, securities, cash or other assets to the holders of Series B Preferred Stock on the same basis (after adjusting for the Conversion Amount).

(v) Cash Distributions. If the Corporation makes a distribution consisting exclusively of cash to all holders of the Common Stock, excluding (a) any cash dividend on the Common Stock to the extent a corresponding cash dividend is paid on the Series B Preferred Stock pursuant to Section 4(b), (b) any cash that is distributed in a Reorganization Event or as part of a "spin-off" referred to in clause (iv) above, and (c) any dividend or distribution in connection with a Liquidation Transaction, the Corporation shall make a distribution consisting exclusively of cash to all holders of Series B Preferred Stock such that the holders of Series B Preferred Stock receive an amount of cash per share equal to the amount per share received by holders of Common Stock multiplied by the Conversion Amount.

(vi) Self Tender Offers and Exchange Offers. If the Corporation or any of its Subsidiaries commences a tender or exchange offer for the Common Stock, then the Corporation or such Subsidiary shall simultaneously commence a tender or exchange offer for the Series B Preferred Stock. The consideration per share of Series B Preferred Stock in any such offer shall be equal to the amount per share offered by holders of Common Stock multiplied by the Conversion Amount.

(b) Rights Plans.

(i) To the extent that the Corporation's Rights remain outstanding, if a Distribution Date occurs, each share of Series B Preferred Stock shall be entitled to purchase an amount of additional shares of Series B Preferred Stock equal to one share of Series B Preferred Stock divided by the Conversion Amount at a price equal to the purchase price of one share of Common Stock pursuant to the Rights.

(ii) If the Corporation amends the Rights Agreement, or if the Corporation adopts a new rights plan, the Corporation shall provide for rights for the Series B Preferred Stock on substantially the same terms as the holders of Common Stock.

Section 11. Reorganization Events.

(a) In the event of, and only if such event is not a Change of Control:

(i) any consolidation or merger of the Corporation with or into another Person, or other similar transaction, in each case pursuant to which the Common Stock will be converted into cash, securities or other property of the Corporation or another Person;

(ii) any sale, transfer, lease or conveyance to another Person of all or substantially all of the property and assets of the Corporation, in each case pursuant to which the Common Stock will be converted into cash, securities or other property of the Corporation or another Person;

(iii) any reclassification of the Common Stock including into securities other than the Common Stock;

(any such event specified in this Section 11(a), a "**Reorganization Event**"), each share of Series B Preferred Stock outstanding immediately prior to such Reorganization Event shall remain outstanding but shall become convertible into the kind of securities, cash and other property receivable in such Reorganization Event by the holder (excluding the counterparty to the Reorganization Event or an Affiliate of such counterparty) of that number of shares of Common Stock (on an As-Converted Basis) into which the share of Series B Preferred Stock would then be convertible assuming an Optional Conversion Date has occurred (such securities, cash and other property, the "**Exchange Property**").

(b) In the event that holders of the shares of Common Stock have the opportunity to elect the form of consideration to be received in such Reorganization Event, the consideration that the Holders are entitled to receive shall be deemed to be the types and amounts of consideration (on an As-Converted Basis) received by the majority of the holders of the shares of Common Stock that affirmatively make an election. The amount of Exchange Property receivable upon conversion of any Series B Preferred Stock in accordance with Section 8 shall be determined based upon the Conversion Amount.

(c) The above provisions of this Section 11 shall similarly apply to successive Reorganization Events and the provisions of Section 10 shall apply to any shares of capital stock of the Corporation (or any successor) received by the holders of the Common Stock in any such Reorganization Event.

(d) The Corporation (or any successor) shall, within 20 days of the occurrence of any Reorganization Event, provide written notice to the Holders of such occurrence of such event and of the kind and amount of the cash, securities or other property that constitutes the Exchange Property (on an As-Converted Basis). Failure to deliver such notice shall not affect the operation of this Section 11.

(e) Notwithstanding anything to the contrary in this Section 11 or otherwise in this Certificate of Designations, the Corporation shall not enter into any agreement for a transaction constituting a Change of Control unless (i) such agreement entitles the Holders to receive the securities, cash and other property that such Holders would have been entitled to receive if all shares of Series B Preferred Stock had been converted into the number of shares Common Stock that such shares of Series B Preferred Stock were then convertible into or (ii) in each case, with any Holder's consent (1) such Holder's Series B Preferred Stock remains outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, is converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, that is an entity organized and existing under the laws of the United States of America, any state thereof or the District of Columbia, and (2) such Holder's Series B Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting

powers as are not less favorable in any material respect to the Holders thereof than the rights, preferences, privileges and voting powers of the Series B Preferred Stock. For the avoidance of doubt, nothing herein shall prohibit the Corporation from entering into or consummating a transaction constituting a Change of Control; *provided*, that the Series B Preferred Stock is treated as set forth in the preceding sentence.

Section 12. Voting Rights.

(a) Holders of the Series B Preferred Stock shall be entitled to vote, on an As-Converted Basis, with holders of the Common Stock on all matters that such holders of Common Stock are entitled to vote upon; *provided* that each share of Series B Preferred Stock shall have a vote equal to 202.50 shares of Common Stock, provided, further, that if the Corporation issues additional shares of Series B Preferred Stock pursuant to Section 10(b), the vote of each share of Series B Preferred Stock shall have its vote reduced proportionately so that all of the Series B Preferred Stock have an aggregate vote of 10,125,000 shares of Common Stock on an as-converted basis.

(b) So long as any shares of Series B Preferred Stock are outstanding, the vote or consent of the Holders of a majority of the shares of Series B Preferred Stock at the time outstanding, voting as a single class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose will be necessary for effecting any of the following actions, whether or not such approval is required by Delaware law:

(i) any amendment, alteration or repeal of any provision of the Certificate of Incorporation, this Certificate of Designations, or the Corporation's bylaws (whether by merger, consolidation, business combination or otherwise) that would alter or change the voting powers, preferences or special rights of the Series B Preferred Stock so as to affect them adversely;

(ii) any amendment or alteration of the Certificate of Incorporation including any certificate of designations (whether by merger, consolidation, business combination or otherwise) to authorize or create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Corporation's capital stock ranking prior to the Series B Preferred Stock in the payment of dividends or in the distribution of assets in a Liquidation Transaction; or

(iii) the consummation of a binding share exchange or reclassification involving the Series B Preferred Stock or a merger or consolidation of the Corporation with another entity, except that Holders will have no separate right to vote under this provision or under Section 251 of the General Corporation Law of the State of Delaware or otherwise under Delaware law if (x) the Corporation shall have complied with Section 11(e), (y) the transaction shall be a Reorganization Event in which each share of Series B Preferred Stock shall become convertible into Exchange Property, or (z) in each case, (1) the Series B Preferred Stock remains outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, is converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, that is an entity organized and existing under the

laws of the United States of America, any state thereof or the District of Columbia, and (2) such Series B Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers as are not less favorable in any material respect to the Holders thereof than the rights, preferences, privileges and voting powers of the Series B Preferred Stock.

If an amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above would adversely affect one or more but not all series of preferred stock with like voting rights (including the Series B Preferred Stock for this purpose), then only the series affected and entitled to vote shall vote as a class in lieu of all such series of preferred stock.

(c) Notwithstanding the foregoing, Holders shall not have any voting rights if, at or prior to the effective time of the act with respect to which such vote would otherwise be required, all outstanding shares of Series B Preferred Stock shall have been converted into shares of Common Stock.

Section 13. Fractional Shares.

(a) No fractional shares of Common Stock will be issued as a result of any conversion of shares of Series B Preferred Stock.

(b) In lieu of any fractional share of Common Stock otherwise issuable in respect of any Optional Conversion pursuant to Section 8, the Corporation shall pay an amount in cash (computed to the nearest cent) equal to the same fraction of the aggregate Closing Price of the Common Stock issuable upon conversion of a share of Common Stock determined as of the second Trading Day immediately preceding any Optional Conversion.

(c) If more than one share of the Series B Preferred Stock is surrendered for conversion at one time by or for the same Holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of the Series B Preferred Stock so surrendered.

(d) Except as provided in Section 10(b), no fractional shares of Series B Preferred Stock may be issued.

Section 14. Reservation of Capital Stock.

(a) The Corporation shall at all times reserve and keep available out of its authorized and unissued Common Stock or shares of Common Stock acquired by the Corporation, solely for issuance upon the conversion of all outstanding shares of Series B Preferred Stock as provided in this Certificate of Designations, free from any preemptive or other similar rights, such number of shares of Common Stock as shall from time to time be issuable upon the conversion of all the shares of Series B Preferred Stock then outstanding. For purposes of this Section 14(a), the number of shares of Common Stock that shall be deliverable upon the conversion of all outstanding shares of Series B Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single Holder.

(b) Notwithstanding the foregoing, the Corporation shall be entitled to deliver upon conversion of shares of Series B Preferred Stock, as herein provided, shares of Common Stock acquired by the Corporation (in lieu of the issuance of authorized and unissued shares of Common Stock), so long as any such acquired shares are free and clear of all liens, charges, security interests or encumbrances (other than liens, charges, security interests and other encumbrances created by the Holders).

(c) All shares of Common Stock delivered upon conversion of the Series B Preferred Stock shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests and other encumbrances (other than liens, charges, security interests and other encumbrances created by the Holders).

(d) Prior to the delivery of any securities that the Corporation shall be obligated to deliver upon conversion of the Series B Preferred Stock, the Corporation shall comply with all federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

(e) The Corporation hereby covenants and agrees that, if at any time the Common Stock shall be listed on the AMEX or any other national securities exchange or automated quotation system, the Corporation will, if permitted by the rules of such exchange or automated quotation system, list and keep listed, so long as the Common Stock shall be so listed on such exchange or automated quotation system, all the Common Stock issuable upon conversion of the Series B Preferred Stock; *provided, however*, that if the rules of such exchange or automated quotation system permit the Corporation to defer the listing of such Common Stock until the first conversion of Series B Preferred Stock into Common Stock in accordance with the provisions hereof, the Corporation covenants to list such Common Stock issuable upon conversion of the Series B Preferred Stock in accordance with the requirements of such exchange or automated quotation system at such time.

Section 15. Repurchases of Junior Securities or Common Stock. For as long as the Series B Preferred Stock remains outstanding, the Corporation shall not redeem, purchase or acquire any of its Junior Securities of Common Stock, other than (i) redemptions, purchases or other acquisitions of Junior Securities in connection with any benefit plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors or consultants or in connection with a dividend reinvestment or stockholder stock purchase plan and (ii) conversions into or exchanges for other Junior Securities of Common Stock and cash solely in lieu of fractional shares of the Junior Securities of Common Stock.

Section 16. Replacement Certificates.

(a) The Corporation shall replace any mutilated certificate representing any Series B Preferred Stock at the Holder's expense upon surrender of that certificate to the Corporation. The Corporation shall replace certificates representing any Series B Preferred Stock that become destroyed, stolen or lost at the Holder's expense upon delivery to the Corporation of satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be required by the Corporation.

(b) The Corporation shall not be required to issue any certificates representing the Series B Preferred Stock on or after an Optional Conversion Date, with respect to any share of Series B Preferred Stock subject to an Optional Conversion. In place of the delivery of a replacement certificate following an Optional Conversion Date, the Corporation, upon delivery of the evidence and indemnity described in clause (a) above, shall deliver the shares of Common Stock pursuant to the terms of the Series B Preferred Stock formerly evidenced by the certificate.

Section 17. Directors. For as long as the Series B Preferred Stock remains outstanding, a majority of the Holders of the Series B Preferred Stock (i) shall have the right to nominate two individuals to the Corporation's Board of Directors, one of which shall be a Class I Director and one of which shall be a Class III Director and (ii) together with the Corporation's Board of Directors shall have the ability to jointly nominate a third director, who shall be a Class II Director, and who shall be an independent director within the meaning of federal securities rules and the rules of any exchange on which the Common Stock is then admitted for trading. If any such nominee is not elected to the Board of Directors, then subject to applicable law, the Board of Directors shall fill such newly created vacancy on the Board of Directors in the class subject to election with a different nominee of a majority of the Holders.

Section 18. Miscellaneous.

(a) All notices referred to herein shall be in writing, and, unless otherwise specified herein, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three Business Days after the mailing thereof if sent by registered or certified mail (unless first-class mail shall be specifically permitted for such notice under the terms of this Certificate of Designations) with postage prepaid, addressed: (i) if to the Corporation, to: Cheniere Energy, Inc., 700 Milam Street, Suite 800, Houston, Texas 77002, Attention: Corporate Secretary, or (ii) if to any Holder, to such Holder at the address of such Holder as listed in the stock record books of the Corporation, or (iii) to such other address as the Corporation or any such Holder, as the case may be, shall have designated by notice similarly given.

(b) The Corporation shall pay any and all stock transfer and documentary stamp taxes that may be payable in respect of any issuance, delivery or registration of shares of Series B Preferred Stock or shares of Common Stock or other securities issued on account of Series B Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax due that is only payable because of the issuance, delivery or registration of shares of Series B Preferred Stock or Common Stock or other securities in a name other than that in which the shares of Series B Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any Person other than a payment to the registered Holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

SECOND This Certificate of Designations does not provide for an exchange, reclassification or cancellation of any issued shares.

THIRD The date of adoption of this Certificate of Designations was August 14, 2008.

FOURTH This Certificate of Designations was duly adopted by the Transaction Committee of the Board of Directors of the Corporation pursuant to authority granted by the Board of Directors.

FIFTH No stockholder action was required.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designations to be signed by Don A. Turkleson, Senior Vice President and Chief Financial Officer as of the 14th day of August, 2008.

CHENIERE ENERGY, INC.

/s/ Don A. Turkleson

By: Don A. Turkleson
Title: Senior Vice President

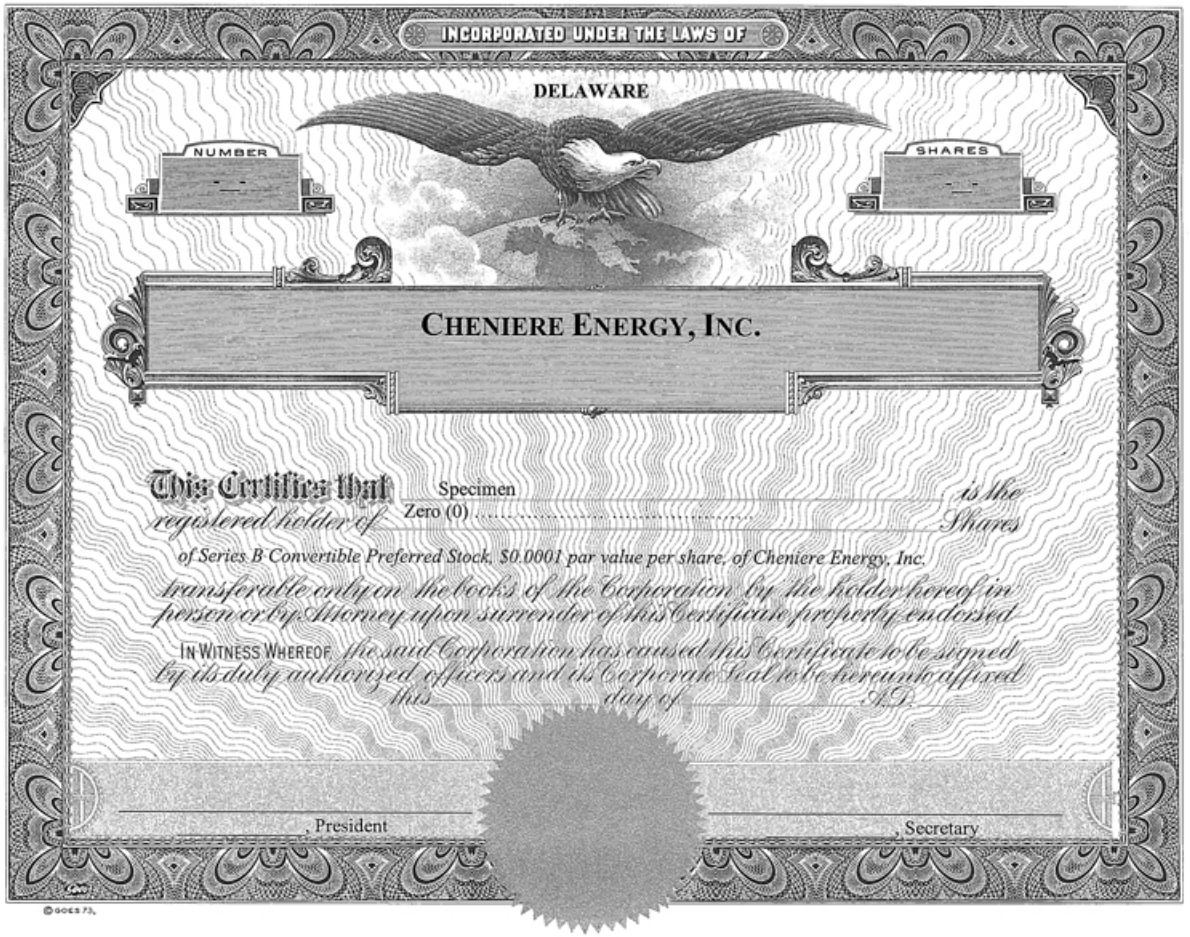
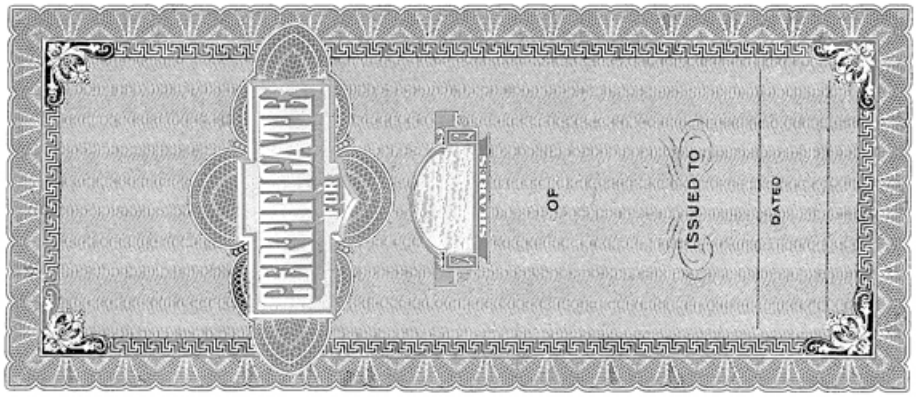

INCORPORATED UNDER THE LAWS OF
DELAWARE
NUMBER
SHARES
CHENIERE ENERGY, INC.
This Certifies that Specimen
Zero (0)
is the registered holder of Shares
of Series B Convertible Preferred Stock, $0.0001 par value per share, of Cheniere Energy, Inc.
transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.
IN WITNESS WHEREOF, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this day of A.D.
President
Secretary

EXHIBIT 4.1

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF UNLESS (i) SUCH DISPOSITION IS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN EXEMPTION THEREFROM AND (ii) SUCH DISPOSITION IS PURSUANT TO REGISTRATION UNDER ANY APPLICABLE STATE SECURITIES LAW OR EXEMPTION THEREFROM.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO VOTING AND OTHER RESTRICTIONS SET FORTH IN AN INVESTORS' AGREEMENT, DATED AS OF AUGUST __, 2008, COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE ISSUER.



For Value Received, ____ *hereby sell, assign and transfer unto* _____

_____ *Shares represented by the within Certificate, and do hereby irrevocably constitute and appoint*

_____ *Attorney to transfer the said Shares on the books of the within named Corporation with full power of substitution in the premises.*

Dated _____ ____

In presence of

_____ _____

NOTICE: THE SIGNATURE OF THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

EXHIBIT 10.1

EXECUTION COPY

$250,000,000.00
CREDIT AGREEMENT

dated as of August 15, 2008

among

CHENIERE COMMON UNITS HOLDING, LLC
as Borrower

THE LOAN PARTIES SIGNATORY HERETO,

THE LENDERS PARTY HERETO

and

THE BANK OF NEW YORK MELLON,
as Administrative Agent and Collateral Agent

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

This CREDIT AGREEMENT is dated as of August 15, 2008 (this "Agreement"), among CHENIERE COMMON UNITS HOLDING, LLC, a Delaware limited liability company (the "Borrower"), the LOAN PARTIES (as defined herein), the LENDERS from time to time party hereto and THE BANK OF NEW YORK MELLON, as administrative agent (in such capacity and together with its successors, the "Administrative Agent") and as collateral agent (in such capacity and together with its successors, the "Collateral Agent").

The parties hereto agree as follows:

ARTICLE I.

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"Administrative Agent" shall have the meaning assigned to such term in the preamble.

"Administrative Questionnaire" shall mean an Administrative Questionnaire in the form as may be supplied from time to time by the Administrative Agent.

"Affiliate" shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified.

"Agents" shall have the meaning assigned to such term in Article VIII.

"Agreement" shall have the meaning assigned to such term in the preamble.

"AMEX" shall mean the American Stock Exchange.

"Applicable Rate" shall mean, for any day with respect to any Loan, 12% per annum.

"Approved Fund" shall mean any person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Asset Sale" shall mean the sale, lease, license, sub-lease, sublicense, sale and leaseback, assignment, conveyance, transfer, issuance or other disposition (by way of merger or otherwise) by any Loan Party other than as a result of a casualty or condemnation.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Lender and an Eligible Assignee (with the consent of any person whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form ofExhibit A or such other form as shall be approved by the Administrative Agent.

"Beneficial Owner" shall have the meaning given such term in Rules 13d-3 and 13d-5 under the Exchange Act.

"Benefit Plan" shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Tax Code or Section 302 of ERISA, and in respect of which any Loan Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" shall have the meaning assigned to such term in the preamble.

"Borrowing" shall mean Loans made pursuant to Section 2.02.

"Business Day" shall mean any day other than a Saturday, Sunday or day on which commercial banks in New York City are authorized or required by law to close.

"Capital Lease Obligations" of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP, and the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"CCTP" shall mean Cheniere Creole Trail Pipeline, L.P., a Delaware limited partnership.

"CCTP Pipeline" shall mean that certain approximately 94 mile pipeline owned by CCTP which connects to the Sabine Pass Terminal.

"CEI" shall mean Cheniere Energy, Inc., a Delaware corporation.

"CEI Indenture" means that certain indenture, dated as of July 27, 2005, between Cheniere Energy, Inc., as issuer, and The Bank of New York, as Trustee, for the issuance of up to $325,000,000 aggregate principal amount of 2.25% Convertible Senior Notes due 2012.

"CEI Threshold" shall mean $150,000,000, of which no more than $50,000,000 may be utilized for the purposes of issuing Guarantees in respect of obligations not constituting Indebtedness of the Marketing Entities.

"Change of Control" means, (x) with respect to any Loan Party (other than CEI and Cheniere Southern Trail Pipeline), CQP, CQP GP or Sabine, occurrence of any of the following: (i) the direct or indirect Disposition, in one transaction or a series of related transactions, of all or substantially all of the properties or assets of such entity to any "person" (as that term is used in Section 13(d) of the Exchange Act) other than another Loan Party; (ii) the adoption of a plan relating to the liquidation or dissolution of any such Person, other than any such liquidation or dissolution that results following or in connection with the transfer of all or substantially all of

the assets of such entity to a Loan Party; (iii) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any "person" (as defined above) other than a Loan Party, becomes the Beneficial Owner, directly or indirectly, of Equity Interests representing more than 50% on a fully diluted basis of the voting power and/or economic interests of any Loan Party (other than CEI and Cheniere Southern Trail Pipeline) or CQP GP, other than any such transaction that results following or in connection with the transfer of all or substantially all of the assets of such entity to a Loan Party, measured on a fully diluted basis in voting power or the economic interests rather than number of shares or (iv) CEI shall cease to hold directly or indirectly 100% of the Equity Interests of any Loan Party; provided, that any of the transactions permitted pursuant to Section 6.05(a) or 6.05(d) shall not be a "Change of Control";

(y) and with respect to CEI shall mean:

(i) any "person" or "group" files a Schedule 13D or Schedule TO, or any successor schedule, form or report under the Exchange Act, disclosing, or CEI otherwise becomes aware, that such person or group is or has become the "beneficial owner," directly or indirectly, of shares of CEI's Voting Stock (other than Preferred Stock) representing 50% or more of the total voting power or economic interests of all outstanding classes of CEI's Voting Stock (other than Preferred Stock) or has the power, directly or indirectly, to elect a majority of the members of the "board of directors" of CEI;

(ii) CEI consolidates with, or merges with or into, another Person or CEI sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of the Borrower's assets, or any Person consolidates with, or merges with or into, CEI, in any such event other than pursuant to a transaction in which the Persons (the "Existing Shareholders") that "beneficially owned," directly or indirectly, shares of CEI's Voting Stock immediately prior to such transaction beneficially own, directly or indirectly, shares of Voting Stock representing a majority of the total voting power and economic interests of all outstanding classes of Voting Stock of the surviving or transferee person in substantially the same proportion amongst such Existing Shareholders as such ownership immediately prior to such transaction;

(iii) a majority of the members of the "board of directors" of CEI are not Continuing Directors; or

(iv) CQP or CEI's Common Stock ceases to be listed on a national securities exchange or quoted on an established over-the-counter trading market in the United States.

"Charges" shall have the meaning assigned to such term in Section 9.09.

"Cheniere Corpus Christi Pipeline" shall mean Cheniere Corpus Christi Pipeline, L.P., a Delaware limited partnership.

"Cheniere LNG Terminals" shall mean Cheniere LNG Terminals, Inc., a Delaware corporation.

"Cheniere LNG O&M Services" shall mean Cheniere LNG O&M Services, LLC, a Delaware limited liability company.

"Cheniere Pipeline Company" shall mean Cheniere Pipeline Company, a Delaware corporation.

"Cheniere Southern Trail Pipeline" shall mean Cheniere Southern Trail Pipeline, L.P., a Delaware limited partnership.

"Cheniere Southern Trail GP" shall mean Cheniere Southern Trail GP, Inc., a Delaware corporation.

"Chevron TUA" shall mean the Terminal Use Agreement dated as of November 8, 2004 between Chevron U.S.A. Inc. and Sabine.

"Closing Date" shall mean the date on which the initial Loan is made hereunder.

"CMI" shall mean Cheniere Marketing, Inc., a Delaware corporation.

"CMI TUA" means that certain Amended and Restated LNG Terminal Use Agreement between CMI and Sabine dated November 9, 2006, as amended by Amendment of LNG Terminal Use Agreement dated January 25, 2007.

"Collateral" shall mean all property and assets of a Grantor, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"Collateral Agent" shall have the meaning assigned to such term in the preamble.

"Commitment" shall mean, with respect to each Lender, the commitment, if any, of such Lender to make Loans hereunder. The amount of each Lender's Commitment is set forth on Appendix B or in the applicable Assignment and Acceptance, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Commitments on the Closing Date is $250,000,000.

"Commitment Letter" shall mean the Commitment Letter dated August 4, 2008 from GSO to CEI.

"Common Stock" shall mean any stock of any class of CEI which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of CEI and which is not subject to redemption by CEI. Shares issuable on conversion of the Preferred Stock shall include only shares of the class designated as Common Stock of CEI, par value $0.003 per share, at the date of this Agreement or shares of any class or classes resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding-up of CEI and which are not subject to redemption by CEI; provided, however, that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

"Consolidated Net Income" shall mean, with respect to any specified Person for any period, the aggregate of the Net Income of such person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; *provided* that

(1) the Net Income (but not loss) of any Person not treated as a corporation for U.S. federal income tax purposes will be deemed to be the amount of distributions paid in cash to the specified Person or a Subsidiary of the Person;

(2) the cumulative effect of a change in accounting principles will be excluded;

(3) any non-cash mark-to-market adjustments to assets or liabilities resulting in unrealized gains or losses in respect of Interest Rate and Currency Hedges (including those resulting from the application of SFAS 133) shall be excluded;

(4) any net after-tax income (loss) from disposed or discontinued operations and any net after-tax gains or losses on disposal of disposed or discontinued operations shall be excluded; and

(5) any net after-tax gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or the sale or other disposition of any Equity Interest of any Person other than in the ordinary course of business, as determined in good faith by CEI, shall be excluded.

"Continuing Director" shall mean, as of any date of determination, any member of CEI's board of directors who was a member of such board of directors on July 27, 2005, or was nominated for election or elected to such board of directors with the approval of (a) a majority of the Continuing Directors who were members of such board of directors at the time of such nomination or election or (b) a nominating committee, a majority of which committee were Continuing Directors at the time of such nomination or election.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meanings correlative thereto.

"CP GP" shall mean Cheniere Pipeline GP Interests, LLC, a Delaware limited liability company.

"CQP" shall mean Cheniere Energy Partners, L.P., a Delaware limited partnership.

"CQP GP" shall mean Cheniere Energy Partners GP, LLC, a Delaware limited liability company.

"CQP Partnership Agreement" shall mean the First Amended and Restated Agreement of Limited Partnership of Cheniere Energy Partners' L.P. dated as of March , 2007 as amended and in effect from time to time.

"Credit Agreement Guarantor" shall mean each person identified on Schedule 1 as a Guarantor.

"Credit Agreement Guaranty" shall mean each guaranty to be executed and delivered by a Credit Agreement Guarantor on or prior to the Closing Date.

"Credit Event" shall have the meaning assigned to such term in Section 4.01.

"Crest" shall mean Crest Investment Company, a Texas corporation.

"Crest Obligations" shall mean all obligations in favor of Crest under the Crest Settlement Agreement.

"Crest Settlement Agreement" shall mean that certain Settlement and Purchase Agreement, dated as of June 14, 2001, among CEI, CXY Corporation, Crest, Crest Energy, L.L.C. and Freeport LNG Terminal, LLC.

"CSH" shall mean Cheniere Subsidiary Holdings, LLC, a Delaware limited liability company.

"CSH Credit Agreement" shall mean that certain credit agreement, dated as of May 31, 2007, as among CSH, as Borrower, Perry Principals Investments, LLC, as joint lead arranger and joint borrower, the several lenders from time to time party thereto, and the Bank of New York, as administrative agent.

"Daily VWAP" of the Common Stock means, for any VWAP Trading Day, the per share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page HOLX.Q <equity> AQR (or any equivalent successor page) in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on such VWAP Trading Day, or if such volume-weighted average price is unavailable, the market value of one share of Common Stock on such VWAP Trading Day using a volume-weighted method as determined by a nationally recognized independent investment banking firm retained for this purpose by the Borrower.

"Default" shall mean any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would constitute an Event of Default.

"Delayed Draw Borrowing Date" shall mean the date of the Borrowing of the Delayed Draw Loan.

"Delayed Draw Loan" shall mean the term loan made by the Lenders to the Borrower pursuant to Section 2.01(ii). Except where expressly stated to the contrary or where the context otherwise requires, the Delayed Draw Loan shall be a Loan for all purposes of this Agreement.

"Depositary Agreement" shall mean the Security Deposit Agreement dated as of August 15, 2008, between Holdings and the Collateral Agent.

"Disposition" with respect to any property, shall mean any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings

"Dollars" or "$" shall mean lawful money of the United States of America.

"Eligible Assignee" shall mean (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; and (d) any other person approved by the Required Lenders (other than a natural person or the Borrower or any of its Affiliates).

"Environmental Laws" shall mean all former, current and future Federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives, orders (including consent orders), and agreements in each case, relating to protection of the environment, natural resources, human health and safety or the presence, Release of, threatened Release, or exposure to, Hazardous Materials, or the generation, manufacture, processing, distribution, use, treatment, storage, transport, recycling or handling of, or the arrangement for such activities with respect to, Hazardous Materials.

"Environmental Liability" shall mean all liabilities, obligations, damages, losses, claims, actions, suits, judgments, orders, fines, penalties, fees, expenses and costs (including administrative oversight costs, natural resource damages and remediation costs), whether contingent or otherwise, arising out of or relating to (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Permit" shall mean any Permit under Environmental Law.

"Equity Interests" shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any person, or any obligations convertible into or exchangeable for, or giving any person a right, option or warrant to acquire, such equity interests or such convertible or exchangeable obligations.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974 and any regulations issued pursuant thereto, as amended from time to time.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that, together with any Loan Party, is treated as a single employer under Section 414(b) or (c) of the Tax Code, or solely for purposes of Section 302 of ERISA and Section 412 of the Tax Code, is treated as a single employer under Section 414 of the Tax Code.

"ERISA Event" shall mean (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Benefit Plan (other than an event for which the 30-day notice period is waived); (b) the failure by a Benefit Plan to satisfy the minimum funding standard under Section 412 of the Tax Code or Section 302 of ERISA, whether or not waived; (c) the filing pursuant to Section 412(c) of the Tax Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Benefit Plan; (d) the incurrence by any Loan Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Benefit Plan or the withdrawal or partial withdrawal of any Loan Party or any of its ERISA Affiliates from any Benefit Plan or Multiemployer Plan; (e) the receipt by any Loan Party or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to the intention to terminate any Benefit Plan or Plans or to appoint a trustee to administer any Benefit Plan; (f) the adoption of any amendment to a Benefit Plan that would require the provision of security pursuant to Section 401(a)(29) of the Tax Code or Section 307 of ERISA; (g) the receipt by any Loan Party or any of its ERISA Affiliates of any notice, or the receipt by any Multiemployer Plan from any Loan Party or any of its ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (h) the occurrence of a "prohibited transaction" with respect to which any Loan Party or any of the Subsidiaries is a "disqualified person" (within the meaning of Section 4975 of the Tax Code) or with respect to which the Borrower or any other Loan Party could otherwise be liable; or (i) any other event or condition with respect to a Benefit Plan or Multiemployer Plan that could result in liability of the Borrower or any other Loan Party.

"Event of Default" shall have the meaning assigned to such term in Article VII.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Exchange Date" shall have the meaning assigned to such term in Section 2.13.

"Exchange Notice" shall have the meaning assigned to such term in Section 2.13.

"Exchange Rate" shall have the meaning assigned to such term in the Investors' Agreement.

"Exchangeable Portion" shall mean the outstanding principal amount of the Loans less any portion thereof that is attributable to Permitted Accrued Interest.

"Existing Credit Agreement" shall mean that certain $95,000,000 Credit Agreement, dated as of May 5, 2008, among Cheniere Common Units Holdings, LLC, as the Borrower, the Lenders party thereto, and Credit Suisse, Cayman Islands Branch, as Administrative Agent, Collateral Agent, and a Lender.

"Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such day is not a Business Day, for the Business Day preceding such day, provided that if such rate is not so published for any day that is a Business

Day, the Federal Funds Effective Rate for such day shall be the average of the quotations for the day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Fees" shall have the meaning assigned to such term in Section 2.04(a).

"Financial Officer" of any person shall mean the chief financial officer, the principal accounting officer, the senior vice president strategic planning and finance, or the treasurer of such person.

"FIRPTA Certificate" shall mean a certificate of CEI confirming that CEI is not, and has not been for the five year period preceding the date of the certificate, a United States Real Property Holding Corporation as defined in Section 897 of the Tax Code.

"Foreign Lender" shall mean any Lender that is not a "United States person" as defined in Section 7701(a)(30) of the Tax Code.

"GAAP" shall mean generally accepted accounting principles in the United States.

"GCP" shall mean Grand Cheniere Pipeline, LLC, a Delaware limited liability company.

"Global Intercompany Note" shall mean the Subordinated Intercompany Note dated as of August 15, 2008 and in the form of Exhibit F.

"Governmental Authority" shall mean the government of the United States of America or any other nation, any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Granting Lender" shall have the meaning assigned to such term in Section 9.04(i).

"Grantor" shall mean the persons identified on Schedule 1 as Grantors.

"GSO" shall mean GSO Capital Partners LP.

"Guarantee" of or by any person (the "guarantor") shall mean any obligation, contingent or otherwise, of (a) the guarantor or (b) another person (including any bank under a letter of credit) pursuant to which the guarantor has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation, contingent or otherwise, of the guarantor, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or

liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, (iv) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation or (v) to otherwise assure or hold harmless the owner of such Indebtedness or other obligation against loss in respect thereof; provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" shall mean any petroleum (including crude oil or fraction thereof) or petroleum products or byproducts, any natural gas, liquefied natural gas, or natural gas liquids or fractions, any oily bilge water, black water or gray water from marine vessels, or any pollutant, contaminant, chemical, compound, constituent, or hazardous, toxic or other substances, materials or wastes defined or regulated as such by, or pursuant to, any Environmental Law, or any substance that requires removal, remediation or reporting under any Environmental Law, including asbestos, or asbestos containing material, radon or other radioactive material, polychlorinated biphenyls and urea formaldehyde insulation.

"Holdco 1" means Cheniere Midstream Holdings, Inc., a Delaware corporation.

"Holdings" means Cheniere LNG Holdings, LLC, a Delaware limited liability company, and the direct parent of the Borrower.

"HSR Act" shall have the meaning assigned to such term in Section 2.13(a).

"Indebtedness" of any person shall mean, without duplication, (a) all obligations of such person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such person under conditional sale or other title retention agreements relating to property or assets acquired by such person, (d) all obligations of such person in respect of the deferred purchase price of property or services (other than current trade accounts payable incurred in the ordinary course of business), (e) all obligations of such person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Equity Interests in such person, (f) all Indebtedness secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such person of Indebtedness of others, (h) all Capital Lease Obligations of such person, (i) all obligations, contingent or otherwise, of such person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such person in respect of bankers' acceptances and bank guaranties. The Indebtedness of any person shall include the Indebtedness of any other person (including any partnership in which such person is a general partner) to the extent such person is liable therefor as a result of such person's ownership interest in, or other relationship with, such other person, except to the extent the terms of such Indebtedness provide that such person is not liable therefor.

"Indemnitee" shall have the meaning assigned to such term in Section 9.05(b).

"Information" shall have the meaning assigned to such term in Section 9.16.

"Intellectual Property" shall mean all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intercompany Note" shall mean each promissory note dated prior to the date of this Agreement made by any Subsidiary of CEI to any Loan Party evidencing Indebtedness owed to such Loan Party by such Subsidiary.

"Interest Payment Date" shall mean, as to any Loan, (a) the last Business Day of each January and July to occur while such Loan is outstanding, (b) the Maturity Date, and (c) the date of repayment or prepayment made in respect thereof and (d) the date of exchange of such Loan pursuant to Section 2.13 (other than, in the case of clause (d), Permitted Accrued Interest in respect of Loans exchanged other than pursuant to Section 2.08, which shall be an Interest Payment Date).

"Interest Payment Commencement Date" shall mean August 15, 2011.

"Investments" shall have the meaning assigned to such term in Section 6.04.

"Investors' Agreement" shall mean the Investors Agreement, dated as of August 15, 2008, by and among CEI, the Borrower and each of the Investors listed on the signature pages thereto.

"Lenders" shall mean (a) each Person listed on the signature pages hereto as a Lender (other than any such person that has ceased to be a party hereto pursuant to an Assignment and Acceptance) and (b) any person that has become a party hereto pursuant to an Assignment and Acceptance; provided, however, that to the extent a Lender exchanges any Loans pursuant to Section 2.13, it shall no longer be a Lender to the extent of any Loan so exchanged.

"Lien" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien (statutory or otherwise), pledge, hypothecation, encumbrance, collateral assignment, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"LNG Entities Guarantee and Collateral Agreement" shall mean the Guarantee and Collateral Agreement in the form ofExhibit D to be executed and delivered by each Loan Party that is an LNG Entity on or prior to the Closing Date, together with each supplement or joinder thereto executed and delivered pursuant to Section 5.09.

"LNG Entity" shall mean each Loan Party set forth on Schedule 1B to this Agreement that is subject to the Crest Obligations.

"Loan Documents" shall mean this Agreement, any promissory note executed and delivered in connection herewith, the Security Documents, and the Credit Agreement Guaranties.

"Loan Party" shall mean each Credit Agreement Guarantor and Grantor, other than CQP GP and the Marketing Entities.

"Loans" shall mean the term loans made by the Lenders to the Borrower pursuant to Article II.

"Management Services Agreement" shall mean, each of the following agreements: (i) Operation and Maintenance Agreement dated February 25, 2005 between Sabine and Cheniere LNG O&M Services, whose interest was assigned to CQP GP, (ii) Management and Administrative Services Letter Agreement dated March 26, 2007 between CQP and Cheniere LNG Terminals, (iii) Management Services Agreement, dated February 25, 2005, between Sabine GP, whose interest has been assigned to Cheniere LNG Terminals, and Sabine and (iv) Services and Secondment Agreement dated March 26, 2007 between Cheniere LNG O&M Services, LLC and Cheniere Energy Partners GP, LLC.

"Management Services Agreement Consent" shall mean each Management Services Agreement Consent and Agreement among the parties to a Management Services Agreement and the Collateral Agent.

"Margin Stock" shall have the meaning assigned to such term in Regulation U.

"Marketing Entities" shall mean Cheniere Supply & Marketing, Inc. and CMI and any of their respective Subsidiaries.

"Material Adverse Effect" shall mean a material adverse condition or material adverse change in or materially adversely affecting (a) the business, assets, liabilities, operations, prospects or condition (financial or otherwise), or properties of CEI and its consolidated Subsidiaries, taken as a whole or (b) the validity or enforceability of any of the Loan Documents or the rights and remedies of the Administrative Agent, the Collateral Agent, Lenders or the Secured Parties thereunder.

"Maturity Date" shall mean the earlier of the tenth anniversary of the Closing Date and the date on which all Loans shall become due and payable in full hereunder, whether by acceleration or otherwise.

"Maximum Rate" shall have the meaning assigned to such term in Section 9.09.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Income" means, with respect to any specified person, the net income (loss) of such Person, determined in accordance with GAAP.

"Non-LNG Entities Guarantee and Collateral Agreement" shall mean the Guarantee and Collateral Agreement in the form of Exhibit E to be executed and delivered by each Loan Party that is a Non-LNG Entity on or prior to the Closing Date, together with each supplement or joinder thereto executed and delivered pursuant to Section 5.09.

"Non-LNG Entity" shall mean each Loan Party set forth on Schedule 1C hereof that is not subject to the Crest Obligations.

"Obligations" shall mean all obligations defined as "Obligations" in the Security Documents.

"Officer's Certificate" shall mean a certificate from a Responsible Officer, in form and substance reasonably satisfactory to the Administrative Agent.

"Operation Fee" shall have the meaning assigned to such term in the CMI TUA.

"Ordinary Course Operations" shall mean (i) making payments with respect to the CSH Credit Agreement and related documents, (ii) making payments with respect to the CEI Indenture and the notes issued pursuant thereto, (iii) making payments in respect of the Crest Obligations to the extent not paid by CQP or its Subsidiaries in an amount not to exceed $10,950,000 per Production Year as defined in the Crest Settlement Agreement, (iv) organizational maintenance cost and expenses of Loan Parties and Marketing Entities, including personnel and other overhead costs, (v) funding the operations of the Marketing Entities, (vi) funding oil and gas exploration and development and operations expenditures, (vii) funding capital calls with respect to Cheniere FLNG, L.P., (viii) funding Frontera Pipeline, LLC and its Subsidiaries and (ix) funding other expenses reasonably related to the operations of the Loan Parties and their Subsidiaries and the organizational maintenance cost and expenses of Subsidiaries of CEI that are not Loan Parties or Marketing Entities.

"Organizational Documents" shall mean (i) with respect to any corporation, its articles or memorandum of association certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (iii) with respect to any general partnership, its partnership agreement, as amended, and (iv) with respect to any limited liability company, its articles of organization, as amended, and its operating agreement, as amended.

"Other Taxes" shall mean any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (including interest, fines, penalties and additions to tax) arising from any payment made under any Loan Document or from the execution, delivery, registration or enforcement of, or otherwise with respect to, any Loan Document.

"Paying Agent" shall have the meaning assigned to such term in Article VIII.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Perfection Certificate" shall mean the Pre-Closing UCC Diligence Certificate substantially in the form of Exhibit B or any other form approved by the Required Lenders.

"Permits" shall mean any and all franchises, licenses, leases, permits, approvals, notifications, certifications, registrations, authorizations, exemptions, qualifications, and approvals granted by or filed with a Governmental Authority.

"Permitted Accrued Interest" shall have the meaning assigned to such term in Section 2.05(b).

"Permitted Capital Projects" shall mean construction of capital projects related solely to a pipeline project owned or developed by a Pipeline Entity, including project development expenditures but not including research and development expenses.

"Permitted Indebtedness" shall have the meaning assigned to such term in Section 6.01.

"Permitted Investments" means any one or more of the following:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above; and

(e) investments in "money market funds" within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above.

"Permitted Lien" shall have the meaning assigned to such term in Section 6.02.

"Permitted Pipeline Indebtedness" shall mean (1) Indebtedness or Liens incurred by a Pipeline Entity for construction of Permitted Capital Projects by such Pipeline Entity which Indebtedness matures after the Loans, provided that such Indebtedness or Liens have recourse only to such Pipeline Entity and/or its properties; (2) any Indebtedness incurred between (A) a

Pipeline Entity and (B) any direct or indirect parent of such Pipeline Entity; provided such direct or indirect parent agrees to subordinate such Indebtedness to claims of the Lenders under the Loan Documents; and (3) Indebtedness of a Pipeline Entity and/or secured by the properties of a Pipeline Entity the proceeds of which are used to pay Permitted Accrued Interest or deposited into a collateral account pledged to secure the Loans which proceeds may be disbursed from such collateral account with the consent of the Required Lenders upon request of the Pipeline Entity which incurred or whose assets secure the Indebtedness.

"Person" shall mean any natural person, corporation, trust, business trust, joint venture, joint stock company, association, company, limited liability company, partnership, Governmental Authority or other entity.

"Pipeline Entity" shall mean each of GCP, CP GP, CCTP, Cheniere Southern Trail GP, Inc., Cheniere Southern Trail Pipeline L.P., and Cheniere Corpus Christi Pipeline.

"Pledged Securities" shall mean the "Pledged Securities" as defined in the Security Documents.

"Preferred Stock" shall mean the Series B Preferred Stock of CEI.

"Put Notice" shall have the meaning set forth in Section 2.09(a).

"Real Property" shall mean, collectively, all right, title and interest (including any leasehold estate) in and to any and all parcels of or interests in real property owned in fee by, leased from time to time, by or held by or in favor of any Loan Party, together with, in each case, all easements, hereditaments and appurtenances relating thereto, and all improvements and appurtenant fixtures incidental to the ownership, lease, or holding thereof.

"Register" shall have the meaning assigned to such term in Section 9.04(d).

"Regulation T" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Related Fund" shall mean, with respect to any Lender that is a fund that invests in bank loans, any other fund that invests in bank loans and is advised or managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Related Parties" shall mean, with respect to any specified person, such person's Affiliates and the respective directors, officers, trustees, employees, agents and advisors of such person and such person's Affiliates.

"Release" shall mean any release, spill, seepage, emission, leaking, pumping, injection, pouring, emptying, deposit, disposal, discharge, dispersal, dumping, escaping, leaching, or migration into, onto or through the environment or within or upon any building, structure, facility or fixture.

"Required Lenders" shall mean, at any time, Lenders having Loans representing at least a majority of the sum of all Loans outstanding at such time.

"Requirement of Law" shall mean as to any person, the governing documents of such person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such person or any of its Real Property or personal property or to which such person or any of its property of any nature is subject.

"Reservation Fee" shall have the meaning assigned to such term in the CMI TUA.

"Responsible Officer" of any person shall mean any chief operating officer, chief executive officer, other executive officer or Financial Officer of such person and any other officer or similar official thereof responsible for the administration of the obligations of such person in respect of this Agreement.

"Restricted Payment" means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of any Loan Party (or any direct or indirect parent thereof) now or hereafter outstanding, except a dividend payable solely in shares of that class of stock to the holders of that class; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of any Loan Party (or any direct or indirect parent thereof) now or hereafter outstanding; (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of any Loan Party (or any direct or indirect parent thereof) now or hereafter outstanding; and (iv) any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in substance or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Indebtedness owed to an Affiliate of the Borrower other than a Loan Party.

"S&P" shall mean Standard & Poor's Ratings Group, a division of The McGraw-Hill Corporation.

"Sabine" shall mean Sabine Pass LNG, L.P., a Delaware limited partnership.

"Sabine GP" shall mean Sabine Pass LNG-GP, Inc.

"Sabine Indenture" shall mean the Indenture dated as of November 9, 2006 among Sabine, the Guarantors (as defined herein) and The Bank of New York, as trustee, as amended from time to time.

"Sabine Notes" shall mean Sabine's senior secured notes issued on November 9, 2006 pursuant to the Sabine Indenture in an aggregate principal amount of $2,032,000,000, consisting of $550,000,000 of 7.25% Senior Secured Notes due 2013 and $1,482,000,000 of 7.50% Senior Secured Notes due 2016 and any "Additional Notes" issued pursuant to and as defined in the Sabine Indenture.

"Scheduled Trading Day" means a day that is scheduled to be a Trading Day on the principal United States national or regional securities exchange or market on which the Common Stock is listed or admitted for trading or, if the Common Stock is not listed or admitted for trading on any exchange or market, a Business Day.

"SEC" shall mean the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"SEC Documents" shall mean all reports, schedules, forms and other documents (including exhibits and all information incorporated by reference therein) required to be filed by CEI with the SEC since January 1, 2008, pursuant to the Securities Act or the Exchange Act.

"Secured Parties" shall have the meaning assigned to such term in the Security Documents.

"Securities Act" shall mean the Securities Act of 1933, as amended from time to time.

"Security Agreement" shall mean each of the LNG Entities Guarantee and Collateral Agreement and the Non-LNG Entities Guarantee and Collateral Agreement.

"Security Documents" shall mean the Security Agreements, the Depositary Agreement, each of the other pledges, consents and other instruments and documents executed and delivered pursuant to any of the foregoing, and each of the other agreements, documents or instruments that creates or purports to create a Lien in favor of the Collateral Agent.

"SPC" shall have the meaning assigned to such term in Section 9.04(i).

"Subordinated Indebtedness" means any Indebtedness that is subordinated to the payment of the obligations under the Credit Agreement.

"Subsidiary" shall mean, with respect to any person (herein referred to as the "parent"), any corporation, partnership, limited liability company, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, controlled or held, directly or indirectly, or (b) that is, at the time any determination is made, otherwise Controlled, directly or indirectly, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Tax Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges, liabilities, withholdings, assessments or fees of any nature including interest, penalties and additions thereto imposed by any Governmental Authority or other taxing authority.

"Total TUA" shall mean the Terminal Use Agreement dated as of September 2, 2004 between Total LNG USA, Inc. and Sabine; as amended by the Amendment of LNG Terminal Use Agreement, dated as of January 24, 2005.

"Trading Day" means a day during which (i) trading in the Common Stock generally occurs and (ii) there is no VWAP Market Disruption Event.

"Transactions" shall mean, collectively, (a) the execution, delivery and performance by each of the Loan Parties of the Loan Documents to which it is a party, (b) the borrowings hereunder and the use of proceeds thereof, (c) the granting of Liens by each of the Grantors pursuant to the Security Documents to which it is a party, (d) the execution, delivery and performance of the Credit Agreement Guaranties, (e) the repayment in full and termination of the Existing Credit Agreement, and the termination of the Liens and security interests granted in connection therewith, (f) the deposit of $135,000,000 in the aggregate into the TUA Reserve Account, and (g) any other transactions related to or entered into in connection with any of the foregoing.

"TUA" shall mean each of the CMI TUA the Chevron TUA and the Total TUA.

"TUA Reserve Account" shall mean the account of such name maintained by Holdings with the Collateral Agent in accordance with the Depositary Agreement.

"UCC" shall mean the Uniform Commercial Code.

"Units" shall mean the common limited partnership units of CQP held by the Borrower.

"Voting Stock" shall mean securities of any class of Equity Interests of CEI entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) directly or indirectly to vote in the election of members of CEI's board of directors.

"VWAP Market Disruption Event" means (i) a failure by the principal U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted to trading to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m. on any Scheduled Trading Day for the Common Stock for an aggregate one half-hour period of any suspension or limitation imposed on trading, by reason of movements in price exceeding limits imposed by the stock exchange or otherwise, in the Common Stock or in any options contracts or futures contracts relating to the Common Stock.

"VWAP Trading Day" means a day during which (i) trading in the Common Stock generally occurs during the regular trading session on the principal U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted for trading and (ii) there is no VWAP Market Disruption Event. If the Common Stock is not so listed or traded, then VWAP Trading Day means a Business Day

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Terms Generally. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including", and words of similar import, shall not be limiting and shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall." The words "asset" and "property" shall be construed as having the same meaning and effect and to refer to any and all rights and interests in tangible and intangible assets and properties of any kind whatsoever, whether real, personal or mixed, including cash, securities, Equity Interests, accounts and contract rights. The words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision of this Agreement unless the context shall otherwise require. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, (a) any definition of, or reference to, any Loan Document or any other agreement, instrument or document in this Agreement shall mean such Loan Document or other agreement, instrument or document as amended, restated, supplemented or otherwise modified from time to time (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein) and (b) all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided, however, that if the Borrower notifies the Administrative Agent that the Borrower wishes to amend provision hereof to eliminate the effect of any change in GAAP occurring after the date of this Agreement on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend any provision hereof for such purpose), then the Borrower's compliance with such provision shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such provision is amended in a manner satisfactory to the Borrower and the Required Lenders.

ARTICLE II.

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions hereof (including, without limitation, Article IV) and relying upon the representations and warranties set forth herein, (i) each of the Lenders other than GSO COF Facility LLC agrees, severally and not jointly, to make a Loan to the Borrower on the Closing Date in a principal amount equal to such Lender's Commitment and (ii) GSO COF Facility LLC agrees to make one or more Delayed Draw Loan to the Borrower in an aggregate principal amount equal to $76,650,000 on or after the Closing Date but no later than August 22, 2008. Amounts paid or prepaid in respect of Loans may not be reborrowed.

SECTION 2.02. Loans. (a) Each Loan shall be made on the Closing Date, provided that the Loan or Loans from GSO COF Facility LLC shall be made on or after the Closing Date but no later than August 22, 2008; provided, however, that the failure of any Lender to make any Loan required to be made by it shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender).

(b) Each Lender shall make the Loan to be made by it hereunder on the proposed date therefor by wire transfer of immediately available funds to such account in New York City as the Administrative Agent may designate not later than 12:00 Noon, New York City time, and the Administrative Agent shall promptly credit the amounts so received to an account in the name of the Borrower designated by the Borrower.

SECTION 2.03. Repayment of Loans; Evidence of Debt

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the principal amount of each Loan of such Lender made to the Borrower as provided in Section 2.07

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from the Loan made by such Lender to the Borrower from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain the Register in accordance with Section 9.04 in which it will record (i) the amount of each Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of the sum received by the Administrative Agent hereunder from or on behalf of the Borrower in respect of interest and principal (and any other amounts) and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations therein recorded; provided, however, that (i) the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Loans made to the Borrower in accordance with the terms of this Agreement and (ii) if there is any conflict between such accounts and the Register, the Register shall govern.

(e) Any Lender may request that the Loans made by it hereunder be evidenced by a promissory note. In such event, the Borrower shall execute and deliver to such Lender a promissory note payable to such Lender and its permitted assigns and in a form and substance reasonably acceptable to the Administrative Agent. Notwithstanding any other provision of this Agreement, in the event any Lender shall request and receive such a promissory note, the interests represented by such note shall at all times (including after any assignment of all or part of such interests pursuant to Section 9.04) be represented by one or more promissory notes payable to the payee named therein or its permitted assigns.

SECTION 2.04. Fees; Payments to Administrative Agent. (a) The Borrower agrees to pay to the Administrative Agent or the Lenders, as the case may be, for their respective accounts, the fees in the amounts and at the times from time to time agreed to separately in writing by the Borrower (or any Affiliate) and the Administrative Agent (the "Fees").

(b) Any and all amounts paid to the Administrative Agent for the benefit of the Lenders hereunder or under any Loan Document shall be deemed paid by the Borrower to the Lenders on the date such amounts are paid to the Administrative Agent in accordance with Section 2.13 and otherwise pursuant to this Agreement or such Loan Document, and the Borrower shall not be liable to any Lender for such amounts paid to the Administrative Agent, but not forwarded by the Administrative Agent to such Lender pursuant to this Agreement.

(c) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Lenders. Once paid, none of the Fees shall be refundable under any circumstances.

SECTION 2.05. Interest on Loans. (a) Subject to the provisions of Section 2.06, the Loans shall bear interest (computed on the basis of a year of 365 days (or 366 days in a leap year)) at a rate per annum equal to the Applicable Rate.

(b) Interest on each Loan shall be payable in arrears on the Interest Payment Dates, except as otherwise provided in this Agreement, in an amount equal to the interest accrued and unpaid since the previous Interest Payment Date. Prior to the Interest Payment Commencement Date, at Borrower's option, interest may be accrued (such interest, together with interest on such interest, "Permitted Accrued Interest"). Permitted Accrued Interest shall bear interest from the date of the applicable Interest Payment Date at the same rate per annum and payable in the same manner as in the case of the original respective principal amounts of the Loans, and shall otherwise be treated as principal hereunder and shall be considered a Loan, provided, that (i) the portion of the Loans which evidence Permitted Accrued Interest are not exchangeable into Preferred Shares, (ii) Permitted Accrued Interest is due and payable as provided in Section 2.08, as provided in Section 2.09, on the Maturity Date and upon acceleration of the payment of principal of the Loans pursuant to Article VII and (iii) in the event of any repayment or prepayment of any Loan, accrued interest not previously capitalized on the principal amount repaid or prepaid shall be payable in full in cash on the date of such repayment or prepayment.

SECTION 2.06. Default Interest. Upon the occurrence and during the continuance of an Event of Default, the Borrower shall on demand from time to time pay interest in cash, to the extent permitted by law, on such defaulted amount to but excluding the date of actual payment (after as well as before judgment) at the rate otherwise applicable to Loans hereunder pursuant to Section 2.05 plus 2.00% per annum.

SECTION 2.07. Repayment of Loans. All Loans (including Loans constituting Permitted Accrued Interest) then outstanding shall be due and payable in full in cash on the Maturity Date, together with accrued and unpaid interest and Fees on the principal amount to be paid to but excluding the date of payment. All repayments pursuant to this Section 2.07 shall be subject to Section 2.11, but shall otherwise be without premium or penalty.

SECTION 2.08. Voluntary Prepayments. (a) Upon 45 days prior written notice to the Lenders, Borrower may prepay at least $50,000,000 of the principal amount of the Loans without premium or penalty at any time if the Daily VWAP for the Common Stock has been greater than $12.50 (the "Required Conversion Price") per share for the thirty (30) Trading Day period immediately preceding such prepayment date. All prepayments under this Section 2.08 shall be accompanied by accrued and unpaid interest (including Permitted Accrued Interest) and Fees on the principal amount to be prepaid to but excluding the date of payment. All prepayments pursuant to this Section 2.08 shall be subject to Section 2.11. In order to exercise any such election to prepay all or a portion of the Loans, the Borrower shall, at the time it gives notice of prepayment, arrange for one or more investment banking firms of national reputation to underwrite the sale of the Common Stock issuable upon conversion of all shares of Preferred Stock that are issuable upon exchange of the Loans pursuant to an underwriting agreement on customary terms for similar offerings of securities. In the event the underwriter(s) are unable to arrange for the sale of such Common Stock at a price at least equal to the Required Conversion Price, the Borrower's notice of prepayment shall be deemed to have been withdrawn. The Required Lenders at their sole discretion, and without regard to whether the underwriter is able to obtain the Required Conversion Price, may notify the Borrower within five (5) days of notice of prepayment of their election not to proceed with an offering of Common Stock and of their election to exchange and retain Preferred Stock. At the time the Borrower gives any notice of prepayment, it will deliver the information and take the actions required pursuant to Section 5.15; provided that no prepayment shall be made prior to the termination of the required waiting period under the HSR Act.

SECTION 2.09. Mandatory Prepayments. (a) For thirty (30) days following the third, fifth and seventh year anniversary of the Closing date, the Required Lenders shall have the right to require that the Borrower repay all or any part of the Loans at a purchase price in cash equal to 100% of the outstanding principal amount of such Loans (excluding Permitted Accrued Interest) plus accrued and unpaid interest, if any, to the date of purchase. The Required Lenders electing to have the Loans repaid under this paragraph (a) will be required to give notice (**"Put Notice"**) in writing to the Borrower, with a copy to the Administrative Agent, at the address specified in Section 9.01 at least ninety (90) days prior to the requested repayment date.

(b) Upon a Change of Control, the Required Lenders shall have the right to require that the Borrower repay all or any part of the Loans at 100% of the outstanding principal amount of the Loans (including Permitted Accrued Interest) plus accrued and unpaid interest, if any, to the date of repayment. The Required Lenders, if they elect to have the Loans repaid under this paragraph (b), will be required to give notice in writing to the Borrower, with a copy to the Administrative Agent, at the address specified in Section 9.01 at least ten (10) days prior to the requested repayment date.

(c) On a repayment date under paragraph (b) above, the Borrower shall repay the Loans to be repaid to the Lenders entitled thereto upon, in the case of Loans evidenced by promissory notes, surrender of such promissory notes. All prepayments pursuant to this Section 2.09 shall be subject to Section 2.11.

SECTION 2.10. Pro Rata Treatment. Each payment or prepayment of principal, and each payment of interest on the Loans shall, other than as specifically provided in this Section 2, be allocated pro rata among the Lenders in accordance with their respective principal amounts of their outstanding Loans.

SECTION 2.11. Sharing of Setoffs. Each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower or any other Loan Party, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Loan or Loans as a result of which the unpaid principal portion of its Loans shall be proportionately less than the unpaid principal portion of the Loans of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the Loans of such other Lender, so that the aggregate unpaid principal amount of the Loans and participations in Loans held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all Loans then outstanding as the principal amount of its Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; provided, however, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.12 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Lender holding a participation in a Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Lender by reason thereof as fully as if such Lender had made a Loan directly to the Borrower in the amount of such participation.

SECTION 2.12. Payments. (a) The Borrower shall make each payment (including principal of or interest on the Loans or any Fees or other amounts) hereunder and under any other Loan Document not later than 12:00 (noon), New York City time, on the date when due in immediately available Dollars, without setoff, defense or counterclaim. For purposes of computing interest, funds received by the Administrative Agent after that time on such due date shall be deemed to have been paid by the Borrower on the next succeeding Business Day, in the Administrative Agent's sole discretion. Each such payment shall be made to the Administrative Agent at its offices at Irving, Texas. All payments hereunder and under each other Loan Document shall be made in Dollars.

(b) Except as otherwise expressly provided herein, whenever any payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder or under any other Loan Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest, if applicable.

SECTION 2.13. Exchange of Loans. (a) Subject to the further provisions of the Investors' Agreement (including the obligations of the Borrower and CEI pursuant to Section 5.1.1 of the Investors' Agreement), a Lender may exchange the Exchangeable Portion of its Loan in whole or in part into Preferred Stock at any time prior to 5:00 p.m., New York City time, on the Business

Day immediately preceding the Maturity Date, at the Exchange Rate in effect on the date the Exchange Notice is delivered;provided that, the amount of the Exchangeable Portion of the Loan to be exchanged shall be equal to or greater than $10,000,000 in principal amount (or the entire amount of such Lender's Exchangeable Portion of the Loans, if less than $10,000,000) and shall be in an amount that is an integral multiple of $1,000,000 (or the entire remaining amount of such Lender's Exchangeable Portion of the Loan).

(b) Subject to the proviso of Section 5.1.1 to the Investors' Agreement, the Exchangeable Portion of Loans delivered for exchange will be deemed to have been exchanged immediately prior to 5:00 p.m. on the Exchange Date. A Lender is not entitled to any rights with regard to Series B Preferred Stock until such Lender has exchanged in accordance with Section 5.2.1 of the Investors' Agreement (or is deemed to have exchanged) and shall be entitled to rights with regard to Series B Preferred Stock only to the extent such Exchangeable Portion of Loans have been exchanged (or deemed to have exchanged) into Series B Preferred Stock pursuant to Article 5 of the Investors' Agreement.

(c) The right of exchange attaching to the Exchangeable Portion of any Loan may be exercised (i) if such Loan is not represented by a promissory note, by book-entry transfer by the Administrative Agent, or (ii) if such Loan is represented by a promissory note, by delivery of such promissory note at the specified office of the Administrative Agent, accompanied, in either case, by: (1) a duly signed and completed Exchange Notice, in the form as set forth as Exhibit G (an "**Exchange Notice**"), which Exchange Notice shall specify the Exchangeable Portion of such Loan to be exchanged; (2) if any promissory note has been lost, stolen, destroyed or mutilated, a notice to CEI and the Administrative Agent regarding the loss, theft, destruction or mutilation of the promissory note together with reasonable indemnity for Borrower and CEI; (3) appropriate endorsements and transfer documents if required by CEI; and (4) payment of any Other Tax due, in accordance with Section 5.4 of the Investors' Agreement, that would be payable because of the issue, delivery or registration of the Series B Preferred Stock in the name of a person other than the Lender of such Loan. Subject to the proviso to the first paragraph of Section 5.1.1 of the Investors' Agreement, the date on which the Lender satisfies all of the requirements in the immediately preceding sentence is the "**Exchange Date**." Notwithstanding any other provision of this Agreement, the Borrower shall not redeem or prepay any (or any portion thereof) with respect to which an Exchange Notice has been delivered to the Administrative Agent. CEI shall deliver to the Lender a certificate for the number of whole shares of Preferred Stock issuable upon the conversion (and cash in lieu of any fractional shares pursuant to Section 5.3 of the Investors' Agreement) on the applicable date specified inSection 5.13 of the Investors' Agreement for such delivery.

(d) Upon exchange of a Loan, such person shall no longer be a Lender to the extent of such exchanged Loan. No adjustment will be made to the Exchange Rate for accrued and unpaid interest on an exchanged Loan except as provided herein or in the Investors' Agreement.

(e) Upon surrender of a Loan evidenced by a promissory note that is exchanged in part, the Borrower shall execute and deliver to the Lender a new note evidencing the Loan equal in principal amount to the unexchanged portion of the Loan promissory note surrendered.

SECTION 2.14. Mandatory Principal Payments. On each Interest Payment Date occurring after the fifth anniversary of the Closing Date (each, an "AHYDO Determination Date"), Borrower shall prepay in cash each Loan then outstanding by a principal amount equal to the "Mandatory Principal Payment Amount" for such Loan and such AHYDO Determination Date (each such payment, a "Mandatory Principal Payment") plus any accrued and unpaid interest thereon. The "Mandatory Principal Payment Amount" for any Loan on any AHYDO Determination Date means the amount for a portion of a Loan required to be paid on such AHYDO Determination Date to prevent such Loan from being treated as an "applicable high yield discount obligation" within the meaning of Section 163(i)(1) of the Tax Code. No partial payment of the Loans prior to an AHYDO Determination Date pursuant to any other provision of this Agreement will alter the Borrower's obligation to make the Mandatory Principal Payment with respect to Loans that remain outstanding on an AHYDO Determination Date. Any prepayment under this Section 2.14 shall first reduce principal attributable to any Permitted Accrued Interest on the applicable Loan before reducing any Exchangeable Portion of such Loan.

ARTICLE III.

Representations and Warranties

Each Loan Party represents and warrants to the Administrative Agent, the Collateral Agent and each of the Lenders (unless such representation or warranty indicates that it is made only by a specific Loan Party or group of Loan Parties, in which case such representation or warranty shall apply only to such Loan Party or Loan Parties, as the case may be), that, except as set forth in the SEC Documents filed prior to the date hereof:

SECTION 3.01. Organization; Powers. Such Loan Party is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its organization or formation, (b) has all corporate, limited liability company or partnership, as the case may be, power and authority, and the legal right, to own and operate its property and assets, to lease the property it operates as lessee and to carry on its business as now conducted and as proposed to be conducted, (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where any failure to have such qualification would not reasonably be expected to have a Material Adverse Effect and (d) has the corporate, limited liability company or partnership, as the case may be, power and authority, and the legal right, to execute, deliver and perform its obligations under this Agreement, each of the other Loan Documents and each other agreement or instrument contemplated hereby or thereby to which it is or will be a party.

SECTION 3.02. Authorization; No Conflicts. The Transactions: (a) to the extent required from such Loan Party, have been duly authorized by all requisite corporate, partnership or limited liability company and, if required, stockholder, partner or member action of such Loan Party and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of such Loan Party, (B) any order of any Governmental Authority or arbitrator or (C) any provision of any indenture, agreement or other instrument to which such Loan Party is a party or by which it or any of its property is or may be bound, (ii) be in conflict with, result in a breach of or constitute

(alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such indenture, agreement or other instrument or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by such Loan Party (other than Liens created under the Security Documents).

SECTION 3.03. Enforceability. This Agreement has been duly executed and delivered by such Loan Party and constitutes, and each other Loan Document when executed and delivered by such Loan Party party thereto will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04. Governmental Approvals. No action, consent or approval of, registration or filing with, Permit from, notice to, or any other action by, any Governmental Authority is or will be required in connection with the Transactions as they relate to such Loan Party, except for (a) the filing of UCC financing statements, (b) filings required by applicable federal and state securities laws, (c) such as have been made or obtained and are in full force and effect and (d) for such other actions, consents, approvals, registrations, filings, and notifications, which if not obtained or made would not reasonably be expected to cause a Material Adverse Effect.

SECTION 3.05. Financial Statements. The Borrower has heretofore furnished to the Lenders the audited consolidated balance sheets and statements of income, stockholder's equity and cash flows of CEI as of and for the fiscal years ended December 31, 2006 and December 31, 2007, and the unaudited consolidated balance sheets and statements of income, stockholder's equity and cash flows as of and for the fiscal quarters ended March 31, 2008 and June 30, 2008. CEI represents that (a) such financial statements present fairly in all material respects the financial condition and results of operations and cash flows of CEI and its consolidated Subsidiaries as of such date and for such period in accordance with GAAP (subject in the case of unaudited financials to normal year-end adjustments and the absence of footnotes), and (b) that such balance sheet and the notes thereto disclose all material liabilities, direct or contingent, of CEI and its consolidated Subsidiaries as of the date thereof required to be disclosed thereon by GAAP.

SECTION 3.06. No Material Adverse Change. No event, change or condition has occurred since December 31, 2007 that has caused, or would reasonably be expected to cause, a Material Adverse Effect.

SECTION 3.07. Title to Collateral. Each of the Grantors represents and warrants that it has good title to all of the Collateral pledged by it, free and clear of all Liens (other than Permitted Liens).

SECTION 3.08. Equity Interests. Each Grantor represents and warrants that any Equity Interests constituting Collateral in which it grants a Lien pursuant to a Security Document are fully paid and nonassessable and are owned by it free and clear of all Liens (other than Liens created under the Security Documents or Permitted Liens).

SECTION 3.09. Subsidiaries. CEI represents and warrants that Schedule 3.09 sets forth a list of all of its direct and indirect Subsidiaries, including each such Subsidiary's exact legal name (as reflected in such person's certificate or articles of incorporation or other constitutive documents) and jurisdiction of incorporation or formation and the percentage ownership interest of each Loan Party (direct or indirect) therein.

SECTION 3.10. Litigation; Compliance with Laws. There are no actions, suits or proceedings at law or in equity or by or before any arbitrator or Governmental Authority now pending or, to the knowledge of such Loan Party, threatened against or affecting such Loan Party or any of its business, property or rights (i) that involve any Loan Document or the Transactions or (ii) that, if adversely determined, would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. Each Loan Party is in compliance with all Requirements of Law, orders, writs, injunctions and orders, except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.11. Agreements. None of the Loan Parties is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound where such default, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

SECTION 3.12. Federal Reserve Regulations. (a) Such Loan Party is not engaged principally, or as one of its important activities, in the business of purchasing or carrying Margin Stock or extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, by such Loan Party for the purpose of purchasing, carrying or trading in any securities under such circumstances as to involve any of the Loan Parties in a violation of Regulation X or to involve any broker or dealer in a violation of Regulation T. None of the transactions contemplated by this Agreement will violate or result in the violation of any of the provisions of the Regulations of the Board, including Regulation T, U or X.

SECTION 3.13. Investment Company Act. Such Loan Party is not an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

SECTION 3.14. Use of Proceeds. (a) The Borrower will use the proceeds of the Loan funded on the Closing Date (i) to repay in full all obligations outstanding under the Existing Credit Agreement, (ii) to pay fees and expenses in connection with the Transaction and (iii) to deposit the remaining proceeds of such Loan in the TUA Reserve Account.

(b) The Borrower will use the proceeds of the Delayed Draw Loan (i) to deposit the proceeds of such Loan in the TUA Reserve Account up to an aggregate balance, when combined with the amounts deposited pursuant to Section 4.02(d), of $135,000,000, (ii) to pay fees and expenses in connection with such Delayed Draw Loan and (iii) to fund working capital and for general corporate needs of Borrower and CEI with the remaining proceeds of such Loan.

SECTION 3.15. Tax Returns. Each Loan Party has timely filed or timely caused to be filed all Federal, state, local and foreign Tax returns or materials required to have been filed by it and all such Tax returns are correct and complete in all material respects. Each Loan Party has timely paid or timely caused to be paid all Taxes due and payable by it and all assessments received by it, except Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party shall have set aside on its books adequate reserves in accordance with GAAP. Each Loan Party has made adequate provision in accordance with GAAP for all Taxes not yet due and payable. No Tax Lien has been filed, and to the knowledge of such Loan Party, no claim is being asserted, with respect to any Tax imposed on any Loan Party. Such Loan Party (a) does not intend to treat the Loans or any of the transactions contemplated by any Loan Document as being a "reportable transaction" (within the meaning of Treasury Regulation Section 1.6011-4) or (b) is not aware of any facts or events that would result in such treatment.

SECTION 3.16. No Material Misstatements. The Loan Parties have disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which a Loan Party, CQP or any of CQP's Subsidiaries is subject, and all other matters known to any of them that individually or in the aggregate, in each such case would reasonably be expected to result in a Material Adverse Effect. No information, report, financial statement, exhibit or schedule furnished by such Loan Party to the Lenders in connection with the transactions contemplated by the Loan Documents or in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading; provided that to the extent any such information, report, financial statement, exhibit or schedule was based upon or constitutes a forecast or projection, such Loan Party represents only that it acted in good faith and utilized assumptions believed by it to be reasonable in the preparation of such information, report, financial statement, exhibit or schedule.

SECTION 3.17. Terminal Use Agreements. Each TUA provided to the Lenders is the current form of TUA, which agreements have not been amended (or further amended) from the versions delivered to the Lenders.

SECTION 3.18. Employee Benefit Plans. Such Loan Party and each of its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Tax Code and the regulations and published interpretations thereunder. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, would reasonably be expected to result in material liability of such Loan Party or any of its ERISA Affiliates. The present value of all benefit liabilities under each Benefit Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the last annual valuation date applicable thereto, exceed by more than $5,000,000 the fair market value of the assets of such Benefit Plan, and the present value of all benefit liabilities of all underfunded Benefit Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the last annual valuation dates applicable thereto, exceed by more than $5,000,000 the fair market value of the assets of all such underfunded Benefit Plans.

SECTION 3.19. Environmental Matters. Except as set forth in Schedule 3.17 and except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, such Loan Party:

(i) has not failed to comply with any Environmental Law or to take, in a timely manner, all actions necessary to obtain, maintain, renew and comply with any Environmental Permit, or to comply with any environmental mitigation requirement or environmental condition of any other Permit, and all such Environmental Permits are in full force and effect and not subject to any administrative or judicial appeal;

(ii) has not become a party to any governmental, administrative or judicial proceeding and possesses no knowledge of any such proceeding that has been threatened under Environmental Law;

(iii) has not received notice of or become subject to, and is not aware of any facts or circumstances that would reasonably be expected to form the basis for, any Environmental Liability other than those which have been fully and finally resolved and for which no obligations remain outstanding;

(iv) does not possess knowledge that any Real Property owned by it (A) is subject to any Lien or restriction on ownership, occupancy, use or transferability imposed pursuant to Environmental Law or (B) contains or previously contained Hazardous Materials of a form or type or in a quantity or location that would reasonably be expected to result in any Environmental Liability;

(v) does not possess knowledge that there has been a Release or threat of Release of, Hazardous Materials at or from any Real Property owned by it (or from any facilities or other properties formerly owned, leased or operated by it) in violation of, or in amounts or in a manner that would reasonably be expected to give rise to liability under, any Environmental Law;

(vi) has not generated, treated, stored, transported, or Released Hazardous Materials at or from the Real Property owned by it (or from any facilities or other properties formerly owned, leased or operated by it) in violation of, or in a manner or to a location that would reasonably be expected to give rise to liability under, any Environmental Law;

(vii) is not aware of any facts, circumstances, conditions or occurrences in respect of any of the facilities and properties owned, leased or operated that could (A) form the basis of any action, suit, claim or other judicial or administrative proceeding relating to an Environmental Liability on the part of such Loan Party or (B) interfere with or prevent continued compliance with Environmental Laws by such Loan Party; or

(viii) has not pursuant to any order, decree, judgment or agreement by which it is bound assumed the Environmental Liability for any person other than a Loan Party.

SECTION 3.20. Security Documents. Each of the Security Documents to which such Loan Party is a party is effective to create in favor of the Collateral Agent, for the ratable benefit

of the Secured Parties, a legal, valid, binding and enforceable security interest in the Collateral described therein and the proceeds thereof and, upon the earlier of (i) delivery of the Collateral to the Collateral Agent and (ii) filing of financing statements and other required documentation in appropriate form in the offices specified on Schedule 3.20, such security interest shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Secured Parties in such Collateral and proceeds thereof, as security for the Obligations, in each case prior and superior to the rights of any other person (other than Permitted Liens and the Liens securing the Crest Obligations).

SECTION 3.21. Labor Matters. As of the Closing Date, there are no strikes or lockouts pending against any Loan Party, or Sabine or, to the knowledge of such Loan Party, threatened. None of the Loan Parties nor, to the knowledge of the Loan Parties, Sabine, is bound by any collective bargaining agreement.

SECTION 3.22. Solvency. Immediately after the consummation of the Transactions to occur on the Closing Date and immediately following the making of the Loans and after giving effect to the application of the proceeds of the Loans: (a) the value of the assets of each of the Loan Parties listed on Schedule 3.22, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of each such Loan Party will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) each such Loan Party expects to be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) no such Loan Party will have unreasonably small capital resources with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted following the Closing Date.

SECTION 3.23. Single Purpose Entity; Separateness. The Borrower represents as follows:

(i) It solely conducts the business contemplated to be conducted by it pursuant to the Loan Documents, and is a party to, and is bound by, solely the Loan Documents to which it is a party, and no other contract, except for banking agreements, process agent agreements and similar agreements not otherwise prohibited under this Agreement which are incidental to conducting its business as permitted hereunder and under their respective Organizational Documents.

(ii) It maintains separate bank accounts and separate books of account from the other Loan Parties and all other persons.

(iii) It conducts its business and operations separate and apart from that of any other person (including the owners of its Equity Interests and their Affiliates) and solely in its own name in a manner not misleading to other persons as to its identity, and not identify itself as a division of any other entity, and generally holds itself out as a separate entity, conducts its dealings with third parties (including the owners of its Equity Interests and their Affiliates) on an arm's length, fair and reasonable basis, and observes all procedures and organizational formalities under applicable law, or pursuant to the terms of its Organizational Documents.

(iv) It maintains its assets in a manner that is not costly or difficult to segregate, ascertain or otherwise identify as separate from those of any other person.

SECTION 3.24. CCTP Pipeline. CCTP represents as of the Closing Date, the CCTP Pipeline is mechanically complete and capable of transporting natural gas throughout its entire length.

SECTION 3.25. Construction Budget. CEI represents that the Construction Budget for Sabine delivered to the Lenders under a letter dated August 13, 2008 from the Senior Vice President Strategic Planning and Finance of CEI is the most recent construction budget prepared for the Sabine regasification facility and represents CEI's current best estimate of all costs, fees, taxes and expenses to complete the construction, commissioning cool down and startup of the Sabine regasification facility and related equipment.

SECTION 3.26. Intellectual Property. Except to the extent the same would not reasonably be expected to have a Material Adverse Effect: each Loan Party owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted; no material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does any Loan Party know of any valid basis for any such claim; and the use of Intellectual Property by each Loan Party does not infringe on the rights of any Person in any material respect.

SECTION 3.27. Dividends and Distributions. As of the Closing Date, CEI has no knowledge after due inquiry of any circumstance or event that is reasonably expected to restrict or prevent CQP from making distributions on its Units within 45 days of December 31, 2008.

SECTION 3.28. Management Services Agreements. Each Management Services Agreement provided to the Lenders is the current form of Management Services Agreement, which agreements have not been amended (or further amended) from the versions delivered to the Lenders. None of the parties to any of the Management Services Agreements is a party to any netting or other arrangement that would permit such party to set off amounts owing from any payor under any Management Services Agreement of amounts owed to such payor by the counterparty or any of its Affiliates under any other agreement or arrangement.

ARTICLE IV.

Conditions of Lending

The obligations of the Lenders to make Loans hereunder are subject to the satisfaction (or waiver in accordance with Section 9.08) of the following conditions:

SECTION 4.01. All Credit Events. On the date of each Borrowing (each such event being a "Credit Event"):

(a) The representations and warranties set forth in each Loan Document shall be true and correct in all material respects on and as of the date of such Credit Event with the same

effect as though made on and as of such date, except (x) to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects on and as of such earlier date and (y) to the extent any such representation and warranty is qualified as to "materiality" or "Material Adverse Effect," in which case such representations and warranties shall be true and correct in all respects.

(b) The Borrower and each other Loan Party shall be in compliance with all the terms and provisions set forth in each Loan Document (entered into on or prior to such Borrowing) on its part to be observed or performed, and, at the time of and immediately after such Borrowing, no Event of Default or Default shall have occurred and be continuing.

(c) The Administrative Agent shall have received a certificate from a Financial Officer of the Borrower certifying that the Borrower, after giving effect to the Transactions, meets the solvency criteria set out in Section 3.22.

SECTION 4.02. First Credit Event. On the Closing Date:

(a) Each of the Lenders, simultaneously with the making of the Loan, shall have received evidence reasonably satisfactory to it that all loans outstanding under the Existing Credit Agreement and all accrued and unpaid interest, fees and other amounts owing thereunder shall have been paid in full, all commitments to extend credit thereunder shall have terminated, and all Liens securing obligations thereunder shall have been released.

(b) All fees payable to Cheniere LNG O&M Services, CQP GP and Cheniere LNG Terminals under the Management Services Agreements shall have been pledged to the Collateral Agent, pursuant the Security Documents.

(c) Each of the Management Services Agreement Consents shall have been executed and delivered.

(d) Simultaneously with the making of the Loan, the TUA Reserve Account shall be funded in an amount not less than $70,504,050.06.

(e) The Administrative Agent and the financial institution with which the TUA Reserve Account is established shall have entered into a deposit control agreement (or similar agreement) with respect to the TUA Reserve Account, in form and substance satisfactory to the Lenders and the Administrative Agent.

(f) The representations and warranties set forth in each Loan Document shall be true and correct in all material respects on and as of the Closing Date, except (x) to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects on and as of such earlier date and (y) to the extent any such representation and warranty is qualified as to "materiality" or "Material Adverse Effect", in which case such representations and warranties shall be true and correct in all respects.

(g) The Borrower and each other Loan Party shall be in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed, and, at the time of and immediately after giving effect to the Loans, no Event of Default or Default shall have occurred and be continuing.

(h) All material governmental and third party consents and approvals required with respect to the Transactions (other than any filing or approval if any needed under the HSR Act) shall have been obtained, all applicable appeal periods shall have expired and there shall be no litigation, governmental, administrative or judicial action, actual or threatened, that would reasonably be expected to restrain, prevent or impose materially burdensome conditions on the Transactions.

(i) The Lenders shall have received, on behalf of themselves and the Administrative Agent, a favorable written opinion of Andrews Kurth LLP, counsel to the Borrower, covering such matters relating to the Loan Documents and the Transactions as the Lenders shall reasonably request, in form and substance satisfactory to the Lenders and in the form of Exhibit C.

(j) The Lenders shall have received (i) a copy of the certificate or articles of incorporation or other formation documents, including all amendments thereto, of each Loan Party, certified as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing of each Loan Party as of a recent date, from such Secretary of State; (ii) a certificate of the Secretary or Assistant Secretary of each Loan Party dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the by-laws, limited partnership agreement or operating agreement, as the case may be, of such Loan Party as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below (such by-laws, limited partnership agreement or operating agreement to be in form and substance reasonably satisfactory to the Lenders), (B) that attached thereto is a true and complete copy of resolutions duly adopted by the board of directors or managers, as the case may be, of each of the Loan Parties authorizing the execution, delivery and performance of the Loan Documents to which such person is a party and, in the case of the Borrower, the borrowings hereunder, and the granting of the Liens contemplated to be granted under the Security Documents to which it is a party, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the certificate or articles of incorporation or other formation documents of such Loan Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (i) above and (D) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party; (iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to (ii) above; and (iv) such other documents as the Administrative Agent or the Lenders may reasonably request.

(k) The Lenders (and the Administrative Agent solely for purposes of clause (i) hereof) shall have received (i) this Agreement and each of the other Loan Documents, each executed and delivered by a duly authorized officer of the Loan Parties party thereto, and (ii) if requested by any Lender pursuant to Section 2.04, a promissory note or notes conforming to the requirements of such Section and executed and delivered by a duly authorized officer of the Borrower.

(l) The Collateral Agent shall have been granted on the Closing Date perfected Liens on the Collateral (subject only to Permitted Liens, including the Liens securing the Crest Obligations) and shall have received such other documents as the Collateral Agent shall reasonably request and which are customarily delivered in connection with security interests in assets of the type subject to the Lien purported to be created by the Security Documents. The Pledged Securities, and the Global Intercompany Note shall have been duly and validly pledged to the Collateral Agent, for the ratable benefit of the Secured Parties, under the applicable Security Documents, and certificates representing such Pledged Securities, and the Global Intercompany Note accompanied by instruments of transfer and stock powers endorsed in blank, shall be in the actual possession of the Collateral Agent.

(m) All costs, fees, expenses (including reasonable legal fees and expenses and the Fees) and other compensation payable to the Administrative Agent or the Lenders on or prior to the Closing Date shall have been paid to the extent due, so long as the same shall have been invoiced prior to the Closing Date.

(n) The Collateral Agent shall have received a duly executed Perfection Certificate dated on or immediately prior to the Closing Date. The Collateral Agent shall have received the results of a recent Lien and judgment search in each relevant jurisdiction with respect to the Loan Parties, and such search shall reveal no Liens on the Collateral except for Permitted Liens and Liens to be discharged on or prior to the Closing Date pursuant to documentation reasonably satisfactory to the Lenders.

(o) After giving effect to the Transactions, none of the Loan Parties shall have any outstanding Indebtedness, other than the Loans hereunder and the Indebtedness permitted under Section 6.01.

(p) The Lenders shall have received the financial statements described in Section 3.05.

(q) The Lenders shall have received a certificate from a Financial Officer of each of the Loan Parties listed on Schedule 3.22 certifying that such Loan Party, after giving effect to the Transactions, meets the solvency criteria set out in Section 3.22.

(r) All material governmental and third party consents and approvals with respect to the Transactions shall have been obtained, all applicable appeal periods shall have expired and there shall be no litigation, governmental, administrative or judicial action, active or threatened, that could reasonably be expected to restrain, prevent or impose materially burdensome conditions on the Transactions.

(s) The Lenders shall have received, prior to the Closing Date, all documentation and other information requested by the Lenders and required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act.

(t) (i) The board of directors of CEI shall have been increased by two members (being D. Dwight Scott and Jason New) and each of such members shall have been designated by the Lenders and (ii) the board of directors of CQP GP shall have been increased by one member (being James Bennett) and such member shall have been designated by the Lenders.

(u) AMEX shall have provided written confirmation that approval of the shareholders of CEI is not required for the Transactions.

(v) Evidence satisfactory to the Lenders that each of the Intercompany Notes between the Loan Parties in existence prior to the Closing Date have, on or before the Closing Date, been terminated and replaced by the Global Intercompany Note.

(w) Each Lender shall be satisfied, in its discretion, with the results of its legal due diligence with respect to the Loan Parties and the Transactions.

(x) Administrative Agent and JPMorgan Chase Bank, N.A. shall have entered into an account control agreement with respect to the account of Holdings into which all receipts from the payors under the Management Services Agreements are deposited.

(y) The Lenders shall have received all fees due and payable to the Lenders on the Closing Date with respect to the initial Loan made on the Closing Date under the terms of the Commitment Letter.

(z) Administrative Agent and the Lenders shall have received such other documents, information or agreements regarding the Loan Parties as Administrative Agent and/or the Lenders may reasonably request.

SECTION 4.03. Delayed Draw Loan. (a) On the Delayed Draw Borrowing Date, the Lenders shall have received all fees due and payable to the Lenders on the Delayed Draw Borrowing Date and with respect to the Delayed Draw Loan under the terms of the Commitment Letter

(b) Simultaneously with the making of the Delayed Draw Loan, the TUA Reserve Account shall be funded in an amount sufficient to cause the aggregate amount on deposit in the TUA Reserve Account to be not less than $135,000,000.

ARTICLE V.

Affirmative Covenants

Each of the Loan Parties covenants and agrees with each Lender (unless such covenant indicates that it is made only by a specific Loan Party or group of Loan Parties, in which case such covenant shall apply only to such Loan Party or Loan Parties, as the case may be) that so long as this Agreement shall remain in effect and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full, such Loan Party will:

SECTION 5.01. Existence; Businesses and Properties. (a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence.

(b) Do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, and authorizations and Intellectual Property material to the conduct of its business; comply in all material respects with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted; comply with the terms of, and enforce its rights under, each material lease of Real Property and each other material agreement so as to not permit any material uncured default on its part to exist thereunder; and at all times maintain and preserve all property material to the conduct of such business and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

(c) As to the Borrower only, do or cause to be done to (i) maintain entity records and books of account separate from those of any other entity which is an Affiliate of the Borrower, (ii) not commingle its funds or assets with those of any other entity which is an Affiliate of the Borrower, and (iii) provide that its board of directors or other analogous governing body will hold all appropriate meetings or undertake actions by written consent to authorize and approve the Borrower's actions, and any such meetings will be separate from those of other entities.

SECTION 5.02. Obligations and Taxes. Other than in respect of amounts being contested in good faith by appropriate proceedings and for which reserves required by GAAP have been established, pay when due all Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof.

SECTION 5.03. Financial Statements, Reports, etc. (a) CEI shall furnish to the Administrative Agent (who will furnish such information to the Lenders) within 90 days after the end of each fiscal year, the consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of CEI and its consolidated Subsidiaries as of the close of such fiscal year and the results of its operations and the operations of such Subsidiaries during such year, together with comparative figures for the immediately preceding fiscal year, all audited by independent certified public accountants of nationally recognized standing reasonably acceptable to the Administrative Agent and accompanied by an opinion of such accountants to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of CEI and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied; provided that the foregoing information shall be deemed to have been furnished to the Administrative Agent when filed by CEI in electronic format with the SEC and made available on EDGAR;

(b) CEI shall furnish to the Administrative Agent (who will furnish such information to the Lenders) within 45 days after the end of each fiscal quarter, the consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial

condition of CEI and its consolidated Subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of such Subsidiaries during such fiscal quarter and the then elapsed portion of the fiscal year, and comparative figures for the same periods in the immediately preceding fiscal year, certified by a Financial Officer of CEI as fairly presenting in all material respects the financial condition and results of operations of CEI and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes; provided that the foregoing information shall be deemed to have been furnished to the Administrative Agent when filed by CEI in electronic format with the SEC and made available on EDGAR;

(c) CEI shall furnish to the Administrative Agent (who will furnish such information to the Lenders), together with each delivery of financial statements of CEI pursuant to Section 5.01(a) and (b), a certificate of a Financial Officer of CEI indicating that no default or Event of Default has occurred and is continuing or if any such Default or Event of Default has occurred and is continuing, the details thereof and the action the Loan Parties are taking in respect thereof;

(d) CEI shall furnish to the Administrative Agent (who will furnish such information to the Lenders) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of CEI or any of its Subsidiaries, or compliance with the terms of any Loan Document, as the Administrative Agent or any Lender may reasonably request;

(e) CEI shall notify the Administrative Agent in advance of taking any action that it reasonably believes or reasonably concludes would result in CEI no longer being legally able to deliver a FIRPTA Certificate after taking such action; and

(f) CEI shall promptly furnish to any Lender upon its written request, as long CEI is legally able to do so, a FIRPTA Certificate and all supporting calculations.

SECTION 5.04. Litigation and Other Notices. Furnish to the Administrative Agent (who will furnish such information to the Lenders):

(a) prompt written notice of any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) prompt written notice of the filing or commencement of, or any threat or notice of intention of any person or class to file or commence, any action (including a class action), suit or proceeding, whether at law or in equity or by or before any arbitrator or Governmental Authority, against any Loan Party or any of its Subsidiaries that would reasonably be expected to result in a Material Adverse Effect;

(c) prompt written notice of the occurrence of any ERISA Event described in clause (b) of the definition thereof or any other ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in liability of any Loan Party or any of its Subsidiaries, either individually or in an aggregate amount exceeding $5,000,000;

(d) any notice delivered by or on behalf of (x) Sabine to the holders of the Sabine Notes or (y) the borrower under the CSH Credit Agreement;

(e) any notice of any default or event of default under any agreement in respect of Indebtedness (other than the Loan Documents) of any Loan Party, CQP or Sabine in excess of $10,000,000;

(f) any notice of any default or termination received by Sabine of which any Loan Party has knowledge under any TUA, other Material Project Document or Phase 2-Stage 1 EPC Arrangement (as such terms are defined in the Sabine Indenture);

(g) prompt written notice of any development that has resulted in, or would reasonably be expected to result in, a Material Adverse Effect; and

(h) prompt written notice of the entering into any agreement that would constitute or give rise to a Change of Control.

SECTION 5.05. Information Regarding Collateral. Furnish to each of the Administrative Agent and the Collateral Agent prompt written notice of any change (i) in its legal name, (ii) in the location of any its chief executive office, its principal place of business, any office in which it maintains books or records relating to the Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) in its identity or legal existence or (iv) in its Federal Taxpayer Identification Number. Each Loan Party agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise and all other actions have been taken that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. Each Loan Party also agrees promptly to notify each of the Administrative Agent and the Collateral Agent if any material portion of the Collateral owned by it is damaged, destroyed, abandoned or otherwise compromised.

SECTION 5.06. Maintaining Records; Access to Properties and Inspections. Keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all requirements of law are made of all dealings and transactions in relation to its business and activities. Each of the Loan Parties will permit any representatives designated by the Administrative Agent or any Lender to visit and inspect its financial records and the properties at reasonable times, but no more than twice annually, or, if an Event of Default has occurred and is continuing, as often as reasonably requested and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent or any Lender to discuss its affairs, finances and condition with its officers and independent accountants all at such reasonable times as may be requested; it being understood, for the avoidance of doubt, that disclosure of any information that a Loan Party reasonably considers to be a trade secret or similar confidential information is subject to the provisions of Section 9.16.

SECTION 5.07. Use of Proceeds. The Borrower will use the proceeds of the Loans (a) to repay in full all obligations outstanding under the Existing Credit Agreement, (b) to pay fees and expenses in connection with the Transaction, (c) to deposit $135,000,000 in the TUA Reserve Account and (d) the remaining proceeds of the Loans to fund working capital and general corporate needs of Borrower and CEI.

SECTION 5.08. Additional Collateral/Subsidiaries etc. With respect to any Collateral created, developed, or acquired by it after the Closing Date as to which the Collateral Agent does not have a first priority perfected security interest for the benefit of the Secured Parties (subject only to Permitted Liens and the Liens securing the Crest Obligations), promptly (and, in any event, within 10 days following the date of such acquisition) (i) execute and deliver to the Administrative Agent and the Collateral Agent such amendments to the Security Documents as the Collateral Agent or the Required Lenders reasonably deem necessary or advisable to grant to the Collateral Agent, for the benefit of the Secured Parties, a security interest in such Collateral and (ii) take all actions necessary or advisable to grant to, or continue on behalf of, the Collateral Agent, for the benefit of the Secured Parties, a perfected first priority security interest in such Collateral (subject only to Permitted Liens), including the filing of UCC financing statements in such jurisdictions as may be required by the Security Documents or by law or as may be reasonably requested by the Required Lenders, the Administrative Agent or the Collateral Agent.

SECTION 5.09. Further Assurances. From time to time duly authorize, execute and deliver, or cause to be duly authorized, executed and delivered, such additional instruments, certificates, financing statements, agreements or documents, and take all such actions (including filing UCC and other financing statements), as the Administrative Agent or the Collateral Agent may reasonably request or as may be necessary, for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of more fully perfecting or renewing the rights of the Administrative Agent, the Collateral Agent and the Secured Parties with respect to the Collateral (or with respect to any addition thereto or replacements or proceeds or products thereof or with respect to any other property or assets hereafter acquired by any of the Loan Parties which may reasonably be deemed to be part of the Collateral) pursuant hereto or thereto. Upon the exercise by the Administrative Agent, the Collateral Agent or any Lender of any power, right, privilege or remedy pursuant to this Agreement or the other Loan Documents which requires any consent, approval, recording, qualification or authorization of any Governmental Authority, each Loan Party will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Administrative Agent, the Collateral Agent or such Lender may be required to obtain from it for such governmental consent, approval, recording, qualification or authorization.

SECTION 5.10. Single Purpose Entity; Separateness. (a) The Borrower shall solely conduct the business contemplated to be conducted by it pursuant to the Loan Documents, shall have no outstanding Indebtedness or other liabilities (other than the Permitted Indebtedness), and shall be a party to, and be bound by, solely the Loan Documents to which it is a party, and no other contract, except for banking agreements, process agent agreements, similar agreements, and other agreements not otherwise prohibited under this Agreement which are incidental to conducting its business as permitted hereunder and under its Organizational Documents.

(b) The Borrower shall have no Subsidiaries.

(c) The Borrower shall maintain separate bank accounts and separate books of account from the other Loan Parties and all other Persons.

(d) The Borrower shall conduct its business and operations separate and apart from that of any other person (including the owners of its Equity Interests and their Affiliates) and solely in its own name in a manner not misleading to other persons as to its identity, and not identify itself as a division of any other entity, and shall generally hold itself out as a separate entity, correct any known misunderstanding regarding its separate identity, conduct its dealings with third parties (including the owners of its Equity Interests and their Affiliates) on an arm's length, fair and reasonable basis, and observe all procedures and organizational formalities under applicable law, or pursuant to the terms of its Organizational Documents.

(e) The Borrower shall not commingle or pool its funds or other assets with those of any other person and shall maintain its assets in a manner that is not costly or difficult to segregate, ascertain or otherwise identify as separate from those of any other person.

(f) The Borrower shall not pay, guarantee, become obligated for, hold out its credit as being available to satisfy, or pledge its assets to secure the obligations or liabilities of any other person (other than the pledge of the Borrower's assets pursuant to a Security Document to which it is a party).

SECTION 5.11. Use of Funds in the TUA Reserve Account. (a) Borrower shall remit into the TUA Reserve Account all distributions it receives with respect to the Units, and Holdings shall cause CSH and CQP GP to remit into the TUA Reserve Account all distributions received by them from CQP. The TUA Reserve Account shall be operated in accordance with the terms of the Depositary Agreement. The TUA Reserve Account will be eliminated in its entirety, and all funds will be made available to CEI only upon the payment of the Loans or exchange of the Loans into Equity Interests pursuant to Section 2.13, in each case such that all Loans (including all Permitted Accrued Interest and accrued interest) are repaid.

(b) Not less than 30 days prior to the end of each calendar quarter, there shall be on deposit in the TUA Reserve Account an amount not less than the Reservation Fee and Operation Fee required to be paid by CMI to Sabine under the CMI TUA for the three months following the end of such calendar quarter.

(c) Immediately upon receipt by any Loan Party of amounts released from the CQP Distribution Reserve Account as contemplated by Section 6.17, such Loan Party shall deposit such amounts in the TUA Reserve Account.

(d) Upon receipt of the Put Notice, the Loan Parties shall not release any funds from the TUA Reserve Account other than in accordance with the terms of the Depositary Agreement.

SECTION 5.12. Deposits of Payments under Management Services Agreements. CEI shall cause all payments made by the payor under each Management Services Agreement to be deposited in an account in the name of Holdings, such account to be subject to a first priority (subject to Permitted Liens in respect of the Crest Obligations and the Permitted Liens specified in Section 6.02(a)(xi) only) security interest in favor of the Collateral Agent.

SECTION 5.13. Insurance. Each Loan Party will maintain or cause to be maintained, with financially sound and reputable insurers, such public liability insurance, third party property damage insurance, business interruption insurance and casualty insurance with respect to

liabilities, losses or damage in respect of the assets, properties and businesses of such Loan Party as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons.

SECTION 5.14. Compliance with Laws. Each Loan Party will comply, and shall cause each of its Subsidiaries to comply, with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority (including all Environmental Laws), noncompliance with which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.15. HSR Compliance. At any time that any Lender gives notice that it intends to exchange its Loans (to the extent that such notification may be required for the exchange by such Lender) or at any time that the Borrower exercises its rights under Section 2.08, (i) CEI shall make any required filings under the HSR Act, (ii) the Borrower shall use its commercially reasonable efforts to supply each Lender with such information and shall take other commercially reasonable actions as required in order to enable such Lender to make any required filings under the HSR Act and (iii) the Borrower and CEI shall use their commercially reasonable efforts to comply with any formal or informal requests for additional information from the United States Department of Justice and the Federal Trade Commission in connection with such exchange.

SECTION 5.16. Permitted Capital Projects. The Borrower shall cause any Permitted Capital Projects with respect to the Pipeline Entities to be pledged as Collateral for the Obligations, subject in the case of priority only to any lien on a Permitted Capital Project required to secure the Permitted Pipeline Indebtedness.

SECTION 5.17. Taxes. The Borrower shall pay any Other Taxes relating to the execution, delivery or registration of this Agreement or any notes issued hereunder.

SECTION 5.18. Certain Post-Closing Matters. (a) CEI shall, within thirty (30) days after the Closing Date, increase its board of directors by one member, provided that such member shall (i) be acceptable to both the board of directors of CEI and the Required Lenders and (ii) not be an employee of, or other Affiliate of, either the Borrower or any of the Lenders.

(b) Borrower shall use its commercially reasonable efforts to liquidate each of Cheniere International Investments, B.V., J&S Cheniere S.A., Cheniere Maritime Services, LLC and Cheniere LNG International S.à.r.L. as promptly as practical and shall not incur any expenses with respect to such entities that are not related to the winding up of and liquidation of such entities.

(c) Within five (5) Business Days following the Closing Date, the Borrower shall cause CCTP to deliver evidence from the appropriate authority in the State of Louisiana that CCTP is qualified to do business in the State of Louisiana.

(d) Promptly and in any event within thirty (30) days after the Closing Date, the Borrower shall cause each Grantor under the Security Documents to cause the Organizational Documents applicable to each interest in any domestic partnership or limited liability company included in the Collateral to be amended to include the following provision (or such other provision acceptable to the Lenders):

"[The Company] hereby irrevocably elects that all [membership/partnership] interests in [the Company] shall be securities governed by Article 8 of the Uniform Commercial Code as in effect in the state of its jurisdiction of formation and, to the extent permitted by applicable law, each other applicable jurisdiction. This provision shall not be amended, and any purported amendment to this provision, shall be null and void unless the Required Lenders under that certain Guarantee and Collateral Agreement dated August 15, 2008 have consented to such amendment or such Guarantee and Collateral Agreement shall have been terminated in accordance with its terms."

(e) Promptly and in any event within thirty (30) days after the Closing Date, (A) the Borrower shall cause each Grantor to cause each issuer of Pledged Securities that is a partnership or limited liability company to issue one or more certificates (each a "Stock Certificate") evidencing the partnership interests or membership interests, as the case may be, in such Pledged Securities and cause each such Stock Certificate to include the following legend (or such other legend acceptable to the Lenders):

"This certificate evidences an interest in [insert name of issuer] and shall be a security governed by Article 8 of the Uniform Commercial Code as in effect in the state of its formation and, to the extent permitted by applicable law, Article 8 of the Uniform Commercial Code of each other applicable jurisdiction."

and (B) the Borrower shall cause each Grantor to deliver such Stock Certificates to the Collateral Agent, duly indorsed in a manner reasonably satisfactory to the Collateral Agent, to be held as Collateral pursuant to the applicable Security Documents.

ARTICLE VI.

Negative Covenants

Each of the Loan Parties covenants and agrees with each Lender (unless such covenant indicates that it is made only by a specific Loan Party or group of Loan Parties, in which case such covenant shall apply only to such Loan Party or Loan Parties, as the case may be) that so long as this Agreement shall remain in effect and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full, such Loan Party will abide by the following negative covenants.

SECTION 6.01. Indebtedness. (i) None of the Loan Parties shall incur, create, assume or permit to exist any Indebtedness, except the following ("Permitted Indebtedness"):

(a) Indebtedness created hereunder and under the other Loan Documents;

(b) Indebtedness under performance bonds or with respect to workers' compensation claims, in each case incurred in the ordinary course of business;

(c) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is promptly covered by such Loan Party or its Subsidiary;

(d) Indebtedness existing as of the Closing Date, as set forth onSchedule 6.01;

(e) the Crest Obligations;

(f) Indebtedness of such Loan Party owing to any other Loan Party other than CEI or Holdings, provided that such Indebtedness is (i) evidenced by the Global Intercompany Note, (ii) subordinated to the first priority security interest under the applicable Security Agreement, and (iii) unsecured and subordinated to the Obligations, pursuant to the terms of the Global Intercompany Note;

(g) guarantees by such Loan Party of Indebtedness of any other Loan Party, provided that no Loan Party shall guarantee the Indebtedness of CEI or Holdings;

(h) Guarantees by CEI for (X) Indebtedness of the Marketing Entities incurred to finance or hedge the purchase, sale, shipping, storage, processing, pipeline transportation, and trucking of LNG, natural gas, natural gas liquids, or liquid petroleum gases and (Y) other ordinary course commercial obligations of the Marketing Entities that do not constitute Indebtedness; provided, that such Guarantees pursuant to this Section 6.01(h) shall not guarantee an amount in excess of the CEI Threshold;

(i) Permitted Pipeline Indebtedness;

(j) Indebtedness incurred to finance the acquisition, construction, repair or improvement of any fixed or capital assets, including Capital Lease Obligations, and Indebtedness assumed in connection with the acquisition, construction, repair or improvement of any such assets, and in each case, including renewals, extensions, refinancings and replacements therefor; provided, however, that (i) recourse is only to the assets financed with such Indebtedness, or if such Indebtedness is incurred to expand, repair or improve an asset, recourse may include the entire asset as so expanded, repaired or improved which may include recourse to the owner of the assets if such assets constitute not less than 90% of the total assets of such Person, and (ii) a commitment for the full amount of the Indebtedness required for any such construction, repair or improvement shall have been obtained before any Indebtedness permitted by this paragraph shall be incurred;

(k) Indebtedness of any Person that becomes a Subsidiary of a Loan Party after the date hereof; including renewals, extensions, and refinancings thereof, provided that (i) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary and (ii) none of CEI or any of its other Subsidiaries nor any of their assets have any liability for the repayment thereof;

(l) other unsecured Indebtedness of CEI not otherwise permitted above in an aggregate principal amount not exceeding $10,000,000 at any time outstanding; and

(m) Indebtedness incurred to refinance obligations permitted under 6.01(d), provided that (i) the maturity date of any such refinanced Indebtedness is not prior to the Maturity Date, (ii) such refinanced Indebtedness shall not exceed in principal amount the Indebtedness being refinanced and (iii) such Indebtedness shall not be incurred, created or assumed if any Event of Default has occurred and is continuing or would result therefrom.

(ii) None of CEI or its Subsidiaries (other than CQP and its Subsidiaries) shall request any guarantees by CQP or its Subsidiaries of the Indebtedness of CEI or its Subsidiaries.

(iii) For the avoidance of doubt, nothing in this Agreement shall prohibit the granting of unsecured Guarantees by CEI for obligations other than Indebtedness.

SECTION 6.02. Liens.

(a) None of the Loan Parties shall create, incur, assume or permit to exist any Lien on any property or assets now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except the following (each, a "Permitted Lien"):

(i) any Lien created under the Loan Documents;

(ii) [RESERVED];

(iii) Liens securing Permitted Indebtedness, provided that no Loan Party shall create Liens securing any other Loan Party's Indebtedness other than as provided in Sections 6.01(a), 6.01(b), 6.01(d) (to the extent such Liens exist on the date of this Agreement), 6.01(e), 6.01(i) (to the extent provided in the definition of Permitted Pipeline Indebtedness) and 6.01(m) (to the extent of the security which secured the original Indebtedness);

(iv) any Lien existing on any property or asset prior to the acquisition thereof by such Loan Party or its Subsidiary or existing on any property or asset of any Person that is merged or consolidated with or into the Loan Party or any its Subsidiary or becomes a Subsidiary after the date hereof prior to the time such Person is so merged or consolidated or becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property, assets, or the merged entity's Equity Interests (to the extent the Lenders do not have a Lien on the existing property or assets of any Loan Party or any of its other Subsidiaries) and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals, refinancings and replacements thereof that do not increase the outstanding principal amount thereof;

(v) judgment Liens securing judgments not constituting an Event of Default underArticle VII;

(vi) Liens on cash deposits and other funds maintained with a depositary institution, in each case arising in the ordinary course of business by virtue of any statutory or common law provision relating to banker's liens; provided that (i) the applicable deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by any of the Loan Parties, as the case may be, in excess of those set forth in regulations promulgated by the Board and (ii) the applicable deposit account is not intended by the applicable Loan Parties, as the case may be, to provide collateral or security to the applicable depositary institution or any other person;

(vii) statutory landlord's liens, operators', vendors', carriers', warehousemen's, repairmen's, mechanics', suppliers', workers', materialmen's, construction or other like Liens arising by operation of law in the ordinary course of business or incident to the development, operation and maintenance of such Loan Party's or its Subsidiaries' properties and operations each of which is in respect of obligations that are not delinquent or which are being contested in good faith by appropriate action and for which reserves required by GAAP have been maintained;

(viii) Liens incurred on the assets of such Loan Party or its Subsidiaries in the ordinary course of business to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of its assets on account thereof, in each case, excluding any Liens on assets of CEI in connection with any Guarantees by CEI otherwise permitted hereunder;

(ix) contractual Liens which arise in the ordinary course of the business of such Loan Party or its Subsidiaries pursuant to agreements which are usual and customary in the oil and gas exploration, production and pipeline business (exclusive of obligations for the payment of borrowed money or other Indebtedness) and are for claims which are not delinquent or which are being contested in good faith by appropriate action and for which reserves required by GAAP have been maintained, provided that any such Lien referred to in this clause shall not materially impair the use of the property covered by such Lien for the purposes for which such property is held or materially impair the value of such property subject thereto and, in each case, excluding any Liens on assets of CEI in connection with any Guarantees by CEI otherwise permitted hereunder;

(x) easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations in any property of such Loan Party or its Subsidiaries for the purpose of roads, pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil, coal or other minerals or timber, and other like purposes, or for the joint or common use of real estate, rights of way, facilities and equipment, that do not secure any monetary obligations and which in the aggregate do not materially impair the use of such property for the purposes of which such property is held or materially impair the value of such property subject thereto; or

(xi) Liens for Taxes and other statutory Liens that are not delinquent or that are being contested in good faith by appropriate proceedings and for which reserves required by GAAP have been maintained; and

(xii) any Liens existing on the Closing Date, as set forth onSchedule 6.02.

(b) No Loan Party shall create, incur, assume or permit to exist any Liens on the Pledged Securities owned by them other than Liens granted pursuant to the Security Documents.

(c) No Loan Party shall create, incur, assume or suffer to exist any Lien on CQP GP other than pursuant to the Loan Documents.

SECTION 6.03. Sale and Lease-Back Transactions. No Loan Party shall enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal or mixed, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

SECTION 6.04. Investments, Loans and Advances. Borrower shall not purchase, hold or acquire any Equity Interests, evidence of Indebtedness or other securities of, make or permit to exist any loans or advances or capital contributions to, or make or permit to exist any investment or any other interest in, any other person (all of the foregoing, "Investments"), except (i) Permitted Investments, (ii) the Units, and (iii) the Global Intercompany Note.

No Loan Party other than the Borrower shall, directly or indirectly, make or own any Investment in any Person, except:

(a) Investments in Cash and Cash Equivalents;

(b) Equity Investments owned as of the Closing Date and Investments made after the Closing Date in any Loan Party subject, (X) in the case of CEI, to the limitations set forth in Section 6.04(d) and (Y) in the case of Holdings, to Holdings making or owning Investments under paragraphs (i), (iii) and (iv) of the definition of Ordinary Course Operations only;

(c) Investments (i) in any Securities received in satisfaction or partial satisfaction thereof from financially troubled account debtors and (ii) deposits, prepayments and other credits to suppliers made in the ordinary course of business consistent with the past practices of the Loan Parties; and

(d) Investments, the proceeds of which fund Ordinary Course Operations, subject (X) in the case of paragraph (v) of the definition of Ordinary Course Operations, to a maximum aggregate amount of the CEI Threshold at any time outstanding and (Y) in the case of each of paragraphs (vi), (vii), (viii) and (ix) of the definition of Ordinary Course Operations, to a maximum aggregate amount of $10,000,000 per fiscal year; provided that, in each case, any such Investment which is Indebtedness between Subsidiaries of CEI is evidenced by an intercompany note and such intercompany note is pledged to the Collateral Agent as security for the Obligations and is subjected to the Lien under the applicable Security Agreement; and provided further that, notwithstanding the foregoing provisions of this Section 6.04(d), a Loan Party may transfer Equity Interests of a Subsidiary to CEI or another Loan Party (other than to Holdings).

(e) Indebtedness of CQP owed to Cheniere Energy Shared Services, Inc. in an amount not to exceed $12,0000,000 plus accrued interest at any time outstanding. Such Indebtedness shall be repaid and cease to be outstanding on or before December 31, 2010.

Cheniere LNG Services, Inc. and Cheniere Energy Shared Services, Inc. may permit to exist on the Closing Date payables from J & S Cheniere, S. A. In connection with the liquidation and dissolution of J & S Cheniere S.A., Cheniere LNG Services, Inc. and Cheniere Energy Shared Services, Inc. may write off such receivables at any time.

SECTION 6.05. Mergers, Consolidations, Sales of Assets and Acquisitions; Issuance of Equity.

(a) No Loan Party other than CEI shall merge into or consolidate with any other person, or permit any other person to merge into or consolidate with it, or liquidate or dissolve, or sell, transfer, lease, license, abandon, cancel, permit to lapse, assign, convey, transfer or otherwise dispose of (in one transaction or in a series of transactions) any assets (whether now owned or hereafter acquired) of such Loan Party, or purchase, lease or otherwise acquire (in one transaction or a series of transactions) all or any substantial part of the assets of any other person, or issue or sell any Equity Interest in such Loan Party other than to another Loan Party (provided that the Borrower shall not be permitted to take any such action with any Person).

(b) CEI shall not consolidate with or merge into any other Person (in a transaction in which CEI is not the surviving Person) or convey, transfer or lease all or substantially all of CEI's properties and assets to any successor Person, unless:

(i) either:

A. the resulting, surviving or transferee Person is CEI, or

B. the resulting, surviving or transferee Person is organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form reasonably satisfactory to the Required Lenders, all of the obligations of CEI under the Loan Documents;

C. CEI has delivered to the Lenders an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease comply with this section and that all conditions precedent herein provided for relating to such transaction have been complied with.

(c) Upon any consolidation of CEI with, or merger of CEI into, any other Person or any conveyance, transfer or lease of all or substantially all of the properties and assets of CEI in accordance with Section 6.05(b), the successor Person formed by such consolidation or into which CEI is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, CEI under this Credit Agreement and the other Loan Documents with the same effect as if such successor Person had been named as CEI herein.

(d) No Loan Party shall engage in any Asset Sales other than (i) the sale of the interests in or assets of Cheniere FLNG, L.P. and its Subsidiaries (provided the proceeds of such sales are used to prepay the obligations under the CSH Credit Agreement (or if such obligations are no longer outstanding, other Indebtedness of the Loan Parties)), (ii) disposals of obsolete, worn out or surplus property, (iii) sales of inventory, oil, gas, and LNG, (iv) Asset Sales between Loan Parties other than CEI and Holdings, (v) the issuance of Equity Interests which evidence Investments permitted by Sections 6.04(b) or 6.04(d) and (vi) Asset Sales in addition to those described above (other than any disposal of interests in CQP GP, the GP Interests in CQP, Units, or any of the subordinated units of CQP) which, when aggregated with all other Asset Sales other than those described above, are less than $10,000,000 per fiscal year in the aggregate.

SECTION 6.06. Transactions with Affiliates. (a) No Loan Party shall engage in any transaction with any Affiliate unless such transaction is (i) otherwise permitted under this Agreement, (ii) a transaction in which the Loan Party and such Affiliate is currently engaged, (iii) required by law or (iv) on terms no less favorable in all material respects to the Loan Party than it would obtain in a comparable arm's length transaction with a person which is not an Affiliate, or, if no comparable arm's length transaction with a person that is not an Affiliate is available, then on terms that are determined by the board of directors (or similar governing body) of the Loan Party to be fair in light of all factors considered by such board of directors (or similar governing body) pertinent to the Loan Party.

SECTION 6.07. Business of the Borrower. The Borrower shall not (i) engage in any business activity, except those business activities (A) engaged in on the date of this Agreement and (B) related to performing its obligations under, or as contemplated by, the Loan Documents or (ii) take any action or conduct its affairs in a manner, which is likely to result in the separate existence of the Borrower from any Affiliate of the Borrower being ignored by any court of competent jurisdiction.

SECTION 6.08. No Subsidiaries or Joint Ventures. The Borrower shall not create, form, acquire or permit to exist any direct or indirect Subsidiary or enter into any partnership (other than CQP) or joint venture, or own any Equity Interests of any Person.

SECTION 6.09. Amendments or Waivers of Organizational Documents; Intercompany Loans and Management Services Agreements. Without the prior consent of the Required Lenders (i) the Borrower shall not agree to any amendment, restatement, supplement or other modification to, or waiver of, any of its Organizational Documents or the Global Intercompany Note in a manner adverse to the Secured Parties (ii) Holdings shall not permit CQP GP to amend the CQP Partnership Agreement and (iii) no Loan Party which is a party to a Management Services Agreement will agree to any amendment to a Management Services Agreement to which it is a party.

SECTION 6.10. Restricted Payments. No Loan Party shall, directly or indirectly, declare, order, pay, make or set apart, or agree to declare, order, pay, make or set apart, any sum for a Restricted Payment except as follows:

(a) At any time following the third anniversary of the Closing Date (but not prior to such date), provided no Default or Event of Default has occurred and is continuing, CEI may make Restricted Payments in an aggregate amount not to exceed 50% of its Consolidated Net Income;

(b) [RESERVED];

(c) so long as no Default or Event of Default exists at the time of the respective Restricted Payment or would exist immediately after giving effect thereto, CEI may redeem or repurchase Equity Interests of the Borrower from officers, employees and directors of CEI or its Subsidiaries (or their estates) after the death, disability, retirement or termination of employment or service as a director of any such Person, or otherwise in accordance with any stock option plan or any employee and/or director stock ownership plan that has been approved by the board of directors of CEI;

(d) Restricted Payments to any other Loan Party, other than CEI or Holdings (other than any Restricted Payment to Holdings by way of a distribution or dividend of common units, which shall be permitted hereunder);

(e) Restricted Payments from the TUA Reserve Account to CMI, to the extent permitted under the Depositary Agreement;

(f) Restricted Payments from any Loan Party to the Marketing Entities, provided that a Marketing Entity has made a substantially simultaneous cash equity contribution to one or more of the Loan Parties in an amount equal to such Restricted Payment; and

(g) Restricted Payments from any of the Loan Parties to CEI to fund Ordinary Course Operations, subject (X) in the case of paragraph (v) of the definition of Ordinary Course Operations, to the amount of such Restricted Payments during the term of this Agreement (net of equity contributions made by CEI to the other Loan Parties (other than Holdings)) not exceeding the CEI Threshold amount at any time, and (Y) in the case of each of paragraphs (vi), (vii), (viii) and (ix) of the definition thereof, to a maximum aggregate amount of $10,000,000 per annum; provided that, notwithstanding the foregoing provisions of this Section 6.10(g), a Loan Party may transfer Equity Interests of a Subsidiary to CEI or another Loan Party (other than to Holdings).

SECTION 6.11. Fiscal Year. Change its fiscal year end to a date other than December 31.

SECTION 6.12. CMI TUA. CEI will not permit CQP GP to amend the CMI TUA (x) in any manner that would enable Total or Chevron to reduce its monthly operating fee or reservation fee or (y) in any manner that would cause Sabine's fixed charge coverage ratio under its Indenture to be less than 2.0x.

SECTION 6.13. Total/Chevron TUAs. CEI will not permit CQP GP to amend the Total TUA or Chevron TUA to decrease the tenor, reduce the monthly reservation fee or operating fee, amend the force majeure provisions, the taxes and regulatory costs sharing provisions, or the agreement termination provisions in a manner adverse to the Borrower, or reduce the aggregate amount of any guarantee in respect of such termination use agreement.

SECTION 6.14. Management Services Agreements. CEI will not permit any Loan Party or CQP GP to take any action that would cause a reduction in the payments under, reduce the tenor of or make any other material change to any of the Management Services Agreements.

SECTION 6.15. Subsidiaries. None of the Loan Parties that owns any other Loan Party shall create any direct or indirect intermediate Subsidiary between such Loan Party and such Subsidiary Loan Party.

SECTION 6.16. Modification of Other Indebtedness. (a) No Loan Party shall agree, or shall permit its Subsidiaries to agree, to any amendment, modification or supplement to the CHS Credit Agreement, the Sabine Notes or the CEI Indenture the effect of which is to:

(i) increase the rate of interest thereon or maximum principal amount thereof, other than through payment-in-kind of interest provided, that such payment-in-kind interest shall bear the same interest rate and have the same or longer maturity as the underlying obligations;

(ii) change the dates upon which payments of principal or interest thereon are due, other than to extend such dates;

(iii) change or add any event of default or any covenant with respect thereto (other than a waiver of any event of default or any such change that makes any such covenant or event of default less restrictive);

(iv) change any redemption, prepayment or defeasance provisions thereof; or

(v) change or amend any other term thereof if such change or amendment (together will all other amendments or changes made, would increase the obligations of the obligor thereunder or confer additional rights on holders thereof (or a trustee or other representative on their behalf) in a manner materially adverse to the Lenders.

For the avoidance of doubt, nothing in this Agreement shall prohibit the issuance of Additional Notes (as defined in the Sabine Indenture) or other Indebtedness of Sabine permitted by the Sabine Indenture.

(b) No Loan Party shall, or shall permit its Subsidiaries to, voluntarily prepay any amounts outstanding under the CHS Credit Agreement, the Sabine Notes or the CEI Indenture prior to their respective maturity dates, other than pursuant to a refinancing pursuant to Section 6.01(m).

SECTION 6.17. Distribution Reserve. Holdings shall not take any action to prevent, and shall take such actions as required by it to cause, all funds remaining in the CQP Distribution Reserve Account to be distributed to the TUA Reserve Account as promptly as permitted.

ARTICLE VII.

Events of Default

In case of the happening of any of the following events ("Events of Default"):

(a) any representation or warranty made or deemed made in any Loan Document, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished;

(b) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(c) default shall be made in the payment of any interest on any Loan or any Fee or any other amount (other than an amount referred to in (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three (3) Business Days;

(d) default shall be made in the due observance or performance by any Loan Party of any covenant, condition or agreement contained in Section 2.13 Section 5.01(a), Section 5.03, Section 5.07, Section 5.11 or in Article VI;

(e) default shall be made in the due observance or performance by any Loan Party of any covenant, condition or agreement contained in any Loan Document (other than those specified in clauses (b), (c) or (d) above) and such default shall continue unremedied for a period of 30 days;

(f) CQP, Sabine or any Loan Party shall default in the observance or performance of any agreement or condition relating to any Indebtedness (including any Guarantee of Indebtedness) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist (other than (x) any disposition of assets giving rise to a repayment or prepayment obligation on Indebtedness secured by such assets and (y) the issuance of Equity Interests or Indebtedness giving rise to a repayment obligation with respect to the proceeds of such issuance, provided in each case such payment is timely made), the effect of which default or other event or condition is to cause such Indebtedness to become due prior to its stated maturity or (in the case of any Guarantee of Indebtedness) to become due or payable in respect of any such accelerated Indebtedness; provided, that a default, event or condition described in this clause (f) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in this clause (f) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $10,000,000;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any Loan Party , or of a substantial part of the property or assets of such Loan Party under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or for a substantial part of the property or assets of such Loan Party or (iii) the winding-up or liquidation of any Loan Party; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) any Loan Party shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or for a substantial part of the property or assets of such Loan Party, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

(i) one or more judgments for the payment of money in an aggregate amount in excess of $10,000,000 or other judgments that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect shall be rendered against any Loan Party or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of such Loan Party to enforce any such judgment;

(j) an ERISA Event described in clause (b) of the definition thereof shall have occurred or any other ERISA Event shall have occurred that, when taken together with all other such ERISA Events, could reasonably be expected to result in liability of any Loan Party and its ERISA Affiliates in an aggregate amount exceeding $10,000,000;

(k) any Credit Agreement Guaranty for any reason shall cease to be in full force and effect (other than in accordance with its terms), or any Credit Agreement Guarantor shall deny that it has any further liability under its Credit Agreement Guaranty (other than as a result of the discharge of the Credit Agreement Guarantor in accordance with the terms of the Loan Documents);

(l) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by the Grantor not to be, a valid, perfected and, with respect to the Secured Parties, first priority Lien on any Collateral (subject only to Permitted Liens and Liens securing the Crest Obligations) covered thereby, except to the extent that any such loss of perfection or priority results from the failure of the Collateral Agent (i) to maintain possession of certificates representing Equity Interests pledged under a Security Agreement or (ii) to file or continue any financing statement with respect to the Collateral;

(m) Holdings shall fail to appoint within ten (10) days following the designation by the Required Lenders one board member designated by them to the board of directors of CQP GP;

(n) the members of the board of directors of CEI shall fail to appoint (i) two individuals designated by the Required Lenders to CEI's board of directors as Class I Directors within ten (10) days following the designation by the Required Lenders or (ii) one individual chosen jointly by the Required Lenders and CEI's board of directors within thirty (30) days following his nomination by them; or

(o) the Borrower shall fail to repay on the date required pursuant to Section 2.09 the entire principal amount of and accrued interest (including Permitted Accrued Interest) on the Loans,

then, and in every such event (other than an event with respect to the Borrower described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event either or both of the following actions may be taken: the Administrative Agent at the request of the Required Lenders shall, declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, and the Administrative Agent and the Collateral Agent shall have the right to take all or any actions and exercise any remedies available to them under the Credit Agreement Guaranties or to a secured party under the Security Documents or applicable law or in equity; and in any event with respect to the Borrower described in paragraph (g) or (h) above, the principal of the Loans then outstanding, together with accrued interest thereon (including without limitation the Permitted Accrued Interest) and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, and the Administrative Agent and the Collateral Agent shall have the right to take all or any actions and exercise any remedies available to them under the Credit Agreement Guaranties or to a secured party under the Security Documents or applicable law or in equity.

ARTICLE VIII.

The Agents

Each of the Lenders hereby irrevocably appoints each of the Administrative Agent and the Collateral Agent (for purposes of this Article VIII, the Administrative Agent and the Collateral Agent are referred to collectively as the "Agents") its agent and authorizes the Agents to take such actions on its behalf, including the execution of the other Loan Documents, and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Agents are hereby expressly authorized by the Lenders to execute any and all documents (including releases and the Security Documents) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents.

Each person serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an

Agent, and such person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Loan Party or any of their respective Affiliates as if it were not an Agent hereunder.

No Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing and, without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other Loan Documents with reference to the Administrative Agent or the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term us used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties, (b) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be required under the circumstances as provided in Section 9.08), and (c) except as expressly set forth in the Loan Documents, no Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to any of the Loan Parties or any of their respective Affiliates that is communicated to or obtained by the person serving as an Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be required under the circumstances as provided in Section 9.08), or with respect to any action requested to be taken pursuant to Section 6.09 of the LNG Entities Guarantee and Collateral Agreement or with respect to any action requested to be taken pursuant to Section 3.6 of the Depositary Agreement, or by reason of a Crest Remedy Instruction (as defined in the Depositary Agreement), or in the absence of its own gross negligence or willful misconduct as determined by the non-appealable judgment of a court of competent jurisdiction. No Agent shall be deemed to have knowledge of any Default unless and until written notice thereof (which notice shall state the following: "This is a Notice of Default under that certain $250,000,000 Credit Agreement, dated as of August 15, 2008, among Cheniere Common Units Holding, LLC, a Delaware limited liability company, the Loan Parties from time to time party thereto, the Lenders time to time party thereto and The Bank of New York Mellon") is given to such Agent by the Borrower or a Lender, and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral or (vi) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent. Notwithstanding anything to the contrary in this Agreement, each Lender, by delivering its signature page to this Agreement, or an Assignment and Acceptance, and funding its Loans on the Closing Date or its Delayed Draw Loans on or prior to the Maturity Date, as the case may be, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other

document required to be approved by any Agent, Required Lenders or Lenders, as applicable on the Closing Date or as of the date of funding of such Delayed Draw Loans, and the Administrative Agent shall be entitled to rely on such confirmation. Other than with respect to the rights and powers delegated to the Collateral Agent that do not require the exercise of discretion on its behalf, the Collateral Agent acknowledges and agrees that any action taken by the Collateral Agent under the Loan Documents shall be made at the direction of the Required Lenders or, as the case may be, each of the Lenders as may be required pursuant to Section 9.08. The Lenders shall not assert and hereby waive, any claims against any Agent, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, the Loan Documents or any agreement or instrument contemplated hereby or thereby, the Transactions or any Loan or the use of the proceeds thereof. No Agent shall be liable to any Lender for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent and the Collateral Agent under Section 9.05(a) and (b), each Lender severally agrees to pay to the Administrative Agent and Collateral Agent, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnitied loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent and the Collateral Agent. For purposes hereof, a Lender's pro rata share shall be determined based upon its share of the outstanding Loans at the time.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory and indemnification provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, each Agent may resign at any time by notifying the Lenders and the Borrower, and the Requisite Lenders at any time may require the Administrative Agent and/or the Collateral Agent to resign upon written notice thereto. Upon any such resignation, or such notice of

requirement to resign, the Required Lenders shall have the right, with the consent (not to be unreasonably withheld or delayed) of the Borrower, to appoint a successor; provided that during the existence and continuance of an Event of Default no such consent of the Borrower shall be required. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 60 days after the retiring Agent gives notice of its resignation, then the resignation shall nonetheless be effective. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent. Upon the earlier to occur of the appointment of a successor Agent and such 60 day period, the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After an Agent's resignation hereunder, the provisions of this Article and Section 9.05 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while acting as Agent. In addition, notwithstanding the effectiveness of a resignation by the Administrative Agent hereunder, (a) the retiring Administrative Agent may, in its sole discretion, continue to provide the services of the Administrative Agent solely with respect to administering, collecting and delivering any payments of principal, interest, fees, premium or other amounts in respect of the Loans and maintaining the books and records relating thereto (such Administrative Agent acting in such capacity, the "Paying Agent"), (b) the term "Administrative Agent" when used in connection with any such functions shall be deemed to mean such retiring Administrative Agent in its capacity as the Paying Agent and (c) such retiring Administrative Agent shall, in its capacity as the Paying Agent, continue to be vested with and enjoy all of the rights and benefits of an Administrative Agent hereunder.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify the Administrative Agent of a change in circumstance which rendered the exemption from, or reduction in, withholding tax ineffective or for any other reason, such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including any penalties or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred.

The exculpatory and indemnification provisions in favor of either Agent contained in this Agreement shall be deemed to be incorporated into all other Loan Documents and shall be in addition to all such exculpatory or indemnification provisions contained therein. In the event of any conflict between such provisions in such other Loan Documents and the provisions contained herein, the provisions contained herein shall control.

Each of the parties hereto hereby (i) acknowledges that The Bank of New York Mellon is being asked to act in multiple capacities as Administrative Agent, Collateral Agent and as a Depositary Agent and (ii) waives any conflict of interest, now contemplated or arising hereafter, in connection therewith and agrees not to assert against The Bank of New York Mellon any claims, causes of action, damages or liabilities of whatever kind or nature relating thereto.

ARTICLE IX.

Miscellaneous

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) of this Section 9.01), notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

(i) if to the Borrower to Cheniere Common Units Holding, LLC, 700 Milam Street, Suite 800, Houston, Texas 77002, Attention: Graham McArthur, Treasurer, Facsimile No.: (713) 375-6290, Telephone No.: (713) 375-5290;

(ii) if to the Administrative Agent or the Collateral Agent, to The Bank of New York Mellon, 600 East Las Colinas Blvd, Suite 1300, Irving Texas 75039, Attention: Bob Hingston/Risk Management, Facsimile No.: (972) 401-8555, Telephone No.: (972) 401-8500; and

(iii) if to a Lender, to it at its address (or fax number) set forth in Appendix A to this Agreement or the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto or set forth in its Administrative Questionnaire;

provided that, upon receipt of prior consent from the Administrative Agent, any notice delivered by the Borrower pursuant toArticle II may be delivered via email (to be promptly confirmed by written or fax notice).

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received or (ii) sent by fax shall be deemed to have been given when sent and when receipt has been confirmed by telephone; provided that if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient. Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in such paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower (on behalf of the Loan Parties) may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. All such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, return e-mail or other written acknowledgment); provided that if not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Any party hereto may change its address or fax number for notices and other communications hereunder by notice to the other parties hereto in accordance with the provisions hereof.

SECTION 9.02. Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other documents delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any such other party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid. The provisions of Section 2.11 and Section 9.05 and Article VIII shall survive and remain operative and in full force and effect regardless of the expiration or termination of this Agreement (or any provisions hereof), the consummation of the Transactions, the repayment of any Loan, the invalidity or unenforceability of any provision of this Agreement or any other Loan Document or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender.

SECTION 9.03. Binding Effect. This Agreement and each other Loan Document shall become effective when it shall have been executed by each of the parties hereto and thereto and when the Administrative Agent shall have received counterparts hereof and thereof which, when taken together, bear the signatures of each of the other parties hereto and thereto.

SECTION 9.04. Successors and Assigns. (a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the

Borrower, the other Loan Parties, the Administrative Agent, the Collateral Agent or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign at any time (i) to any person meeting the criteria of clauses (a), (b) and (c) of the definition of "Eligible Assignee" upon the giving of notice to Borrower and Administrative Agent and (ii) to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of the Loans at the time owing to it); provided, however, that solely with respect to clause (ii) hereof (A) the Administrative Agent must give its prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed) and the Borrower shall be provided a notice thereof (failure to deliver such notice shall not invalidate such assignment), (B) the amount of the Loan (and the Exchangeable Portion, if any) of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $10,000,000 (or, if less, the entire remaining amount of such Lender's Loans) and shall be in an amount that is an integral multiple of $1,000,000 (or the entire remaining amount of such Lender's Loans); provided that such amounts shall be aggregated in respect of each Lender and its Affiliates or Approved Funds (with simultaneous assignments to or by two or more Related Funds shall be treated as one assignment), (C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system acceptable to the Administrative Agent (or, if previously agreed with the Administrative Agent, manually), and shall pay to the Administrative Agent a processing and recordation fee of $3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent) and (D) the Eligible Assignee, if it shall not be a Lender immediately prior to the assignment, shall deliver to the Administrative Agent an Administrative Questionnaire and all applicable Tax forms. Upon acceptance and recording pursuant to paragraph (e) of this Section 9.04, from and after the effective date specified in each Assignment and Acceptance, (1) the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (2) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Section 2.11 and Section 9.05, as well as to any Fees or other amounts accrued for its account and not yet paid).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the Eligible Assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that the outstanding balances of its Loans, in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Assignment and Acceptance; (ii) except as set forth in (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or

any other instrument or document furnished pursuant hereto, or the financial condition of the Borrower or any other Loan Party or the performance or observance by the Borrower or any other Loan Party of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such Eligible Assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such Eligible Assignee confirms that it has received a copy of this Agreement, together with copies of the financial information referred to in Section 3.05 or delivered pursuant to Section 5.03 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such Eligible Assignee will independently and without reliance upon the Administrative Agent, the Collateral Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such Eligible Assignee appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such Eligible Assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in Irving, Texas (i) a copy of each Assignment and Acceptance delivered to it and (ii) a register (the "Register") for the recordation of the names and addresses of each Lender, and the Commitment of, and principal amount (and Exchangeable Portion) of the Loans owing to, each Lender pursuant to the terms hereof from time to time. The entries in the Register shall be conclusive and the Borrower, the Administrative Agent, the Collateral Agent and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Collateral Agent and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an Eligible Assignee, an Administrative Questionnaire completed in respect of the Eligible Assignee (unless the Eligible Assignee shall already be a Lender hereunder), all applicable Tax forms and the written consent of the Administrative Agent to such assignment, the Administrative Agent shall promptly (i) accept such Assignment and Acceptance and (ii) record the information contained therein in the Register. No assignment shall be effective unless it has been recorded in the Register as provided in this paragraph (e).

(f) Each Lender may without the consent of the Borrower or the Administrative Agent sell participations to one or more banks or other entities in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such

Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to the Loans and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable hereunder or the amount of principal of or the rate at which interest is payable on the Loans, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans, increasing or extending the Commitments or releasing a Credit Agreement Guarantor or all or any substantial part of the Collateral).

(g) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to thisSection 9.04, disclose to the Eligible Assignee or participant or proposed Eligible Assignee or participant any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure of information designated by the Borrower as confidential, each such Eligible Assignee or participant or proposed Eligible Assignee or participant shall execute an agreement whereby such Eligible Assignee or participant shall agree (subject to customary exceptions) to preserve the confidentiality of such confidential information on terms no less restrictive than those applicable to the Lenders pursuant to Section 9.16.

(h) Any Lender may at any time assign all or any portion of its rights under this Agreement to secure extensions of credit to such Lender or in support of obligations owed by such Lender; provided that no such assignment shall release a Lender from any of its obligations hereunder or substitute any such Eligible Assignee for such Lender as a party hereto.

(i) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to make any Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 9.04, any SPC may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or

maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

(j) The Borrower shall not assign or delegate any of its rights or duties hereunder without the prior written consent of the Administrative Agent and each Lender, and any attempted assignment without such consent shall be null and void.

SECTION 9.05. Expenses; Indemnity. (a) The Borrower agrees to pay all out-of-pocket costs and expenses incurred by GSO and the Administrative Agent and the Collateral Agent in connection with the closing and the preparation and in the case of the Administrative Agent and the Collateral Agent, administration of this Agreement and the other Loan Documents or in connection with any assignments (for so long as GSO and its Affiliates constitutes the Required Lenders), amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be consummated) or incurred by the Administrative Agent, the Collateral Agent or any Lender in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents or in connection with the Loans made hereunder, including in each case the reasonable fees, disbursements and other charges of counsel for the Administrative Agent and the Collateral Agent and Lenders, and, in connection with any such enforcement or protection, the fees, disbursements and other charges of any counsel for the Administrative Agent, Collateral Agent or any Lender.

(b) The Borrower agrees to indemnify the Administrative Agent, the Collateral Agent, each Lender and each Related Party of any of the foregoing persons (each such person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related costs and expenses, including reasonable counsel fees, disbursements and other charges, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution, delivery, enforcement or administration of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions, (ii) the use of the proceeds of the Loans, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto, or (iv) any actual or alleged presence or Release of Hazardous Materials at or from any property owned or operated by any of the Loan Parties, or any Environmental Liability related in any way to any of the Loan Parties (all of the foregoing, collectively, the "Indemnified Liabilities"); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related costs and expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from the gross negligence or willful misconduct of such Indemnitee (and, upon any such determination, any indemnification payments with respect to such losses, claims, damages, liabilities or related costs and expenses previously received by such Indemnitee shall be subject to reimbursement by such Indemnitee).

(c) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in

connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions or any Loan or the use of the proceeds thereof. No Indemnitee shall be liable to any Loan Party or any of its Subsidiaries for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement. No Indemnitee shall be liable (whether direct or indirect, in contract, tort or otherwise) to any Loan Party or any of its Subsidiaries (other than the Lenders' contractual liability for material breach in bad faith under this Agreement to make a Loan on the Closing Date) except to the extent such liability is found in a non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee, any Affiliate of such Indemnitee or any officer, director, employee, advisor, representative or agent of such Indemnitee or any such Affiliate.

(d) The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the Transactions, the repayment of any of the Loans, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender. All amounts due under this Section 9.05 shall be payable on written demand therefor.

SECTION 9.06. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and its Affiliates is hereby authorized at any time and from time to time, subject to consent of the Administrative Agent, not to be unreasonably withheld, except to the extent prohibited by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender and its Affiliates to or for the credit or the account of the Borrower against any of and all the obligations of Borrower now or hereafter existing under this Agreement and other Loan Documents held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured. The rights of each Lender under this Section 9.06 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.07. Applicable Law. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF.

SECTION 9.08. Waivers; Amendment. (a) No failure or delay of the Administrative Agent, the Collateral Agent or any Lender in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Collateral Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower or any

other Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders; provided, however, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of, or date for the payment of any interest or principal on, any Loan, or waive or excuse any such payment or any part thereof, or decrease the rate of interest on any Loan, without the prior written consent of each Lender affected thereby, or (ii) increase or extend the Commitment of any Lender, or decrease or extend the date for payment of any Fees payable to such Lender, without the prior written consent of such Lender, or (iii) amend or modify the pro rata requirements of Section 2.12, the mandatory prepayment provisions of Section 2.10, the provisions of Section 9.04(j), the provisions of this Section or the definition of the term "Required Lenders," without the prior written consent of each Lender, or (iv) modify the protections afforded to an SPC pursuant to the provisions of Section 9.04(i) without the written consent of such SPC, or (v) release all or any substantial part of the Collateral without the prior written consent of each Lender or (vi) release any Credit Agreement Guarantor, without the prior written consent of each Lender; provided, further, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Collateral Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent or the Collateral Agent, as applicable. Notwithstanding the foregoing, any change in the definition of "Change of Control" that affects any Loan Party other than CEI shall only require the consent of the Required Lenders.

SECTION 9.09. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan or participation in accordance with applicable law, the rate of interest payable in respect of such Loan or participation hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan or participation but were not payable as a result of the operation of this Section 9.09 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or participations or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.10. Entire Agreement. This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any person (other than the parties

hereto and thereto, their respective successors and assigns permitted hereunder and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent and the Lenders) any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

SECTION 9.11. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11.

SECTION 9.12. Severability. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.13. Counterparts. This Agreement and each other Loan Document may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 9.03. Delivery of an executed signature page to this Agreement and each other Loan Document by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement or such other Loan Document, as the case may be.

SECTION 9.14. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.15. Jurisdiction; Consent to Service of Process. (a) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard

and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against any Loan Party or its properties in the courts of any jurisdiction.

(a) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(b) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.16. Confidentiality. Each of the Administrative Agent, the Collateral Agent and the Lenders agrees to maintain the confidentiality of, and to not use (other than in connection with the Transactions) the Information, except that Information may be disclosed (a) to its and its Affiliates' officers, directors, employees, trustees and agents, including accountants, legal counsel and other advisors (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority or regulatory authority or quasi-regulatory authority (such as the National Association of Insurance Commissioners or the Board), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) in connection with the exercise of any remedies hereunder or under the other Loan Documents or any suit, action or proceeding relating to the enforcement of its rights hereunder or thereunder, (e) subject to an agreement containing provisions substantially the same as those of this Section 9.16, to (i) any actual or prospective Eligible Assignee of or participant in any of its rights or obligations under this Agreement and the other Loan Documents or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties or any of their respective obligations, (f) with the consent of the Borrower, (g) to the extent such Information becomes publicly available other than as a result of a breach of this Section 9.16, or (h) to any ratings agency when required by it. For the purposes of this Section, "Information" shall mean all information received from any Loan Party and related to any Loan Party or its business, other than any such information that was available to the Administrative Agent, the Collateral Agent or any Lender on a nonconfidential basis prior to its disclosure by such Loan Party; provided that, in the case of Information received from any Loan Party after the date hereof, such information is clearly identified at the time of delivery as confidential. Any person required to maintain the confidentiality of Information as provided in this Section 9.16 shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person would accord its own confidential information. Notwithstanding any other express or implied agreement, arrangement

or understanding to the contrary, each of the parties hereto agrees that each other party hereto (and each of its employees, representatives or agents) are permitted to disclose to any persons, without limitation, the tax treatment and tax structure of the Loans and the other transactions contemplated by the Loan Documents and all materials of any kind (including opinions and tax analyses) that are provided to the Loan Parties, the Lenders or any Agent related to such tax treatment and tax aspects. To the extent not inconsistent with the immediately preceding sentence, this authorization does not extend to disclosure of any other information or any other term or detail not related to the tax treatment or tax aspects of the Loans or the transactions contemplated by the Loan Documents.

SECTION 9.17. USA PATRIOT Act Notice. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the USA PATRIOT Act.

SECTION 9.18. No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Loan Parties. The Loan Parties agree that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and the Borrower, its stockholders or its affiliates. The Loan Parties acknowledge and agree that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and the Loan Parties, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of the Loan Parties, its management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of the Loan Parties with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its affiliates has advised or is currently advising the Loan Parties on other matters) or any other obligation to the Loan Parties except the obligations expressly set forth in the Loan Documents and (iv) the Loan Parties have consulted their own legal and financial advisors to the extent they deemed appropriate. The Loan Parties further acknowledge and agree that they are responsible for making their own independent judgment with respect to such transactions and the process leading thereto. The Loan Parties agree that they will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Loan Parties, in connection with such transaction or the process leading thereto.

SECTION 9.19. Payments Set Aside. To the extent that any payment by or on behalf of the any Loan Party is made to any Agent or any Lender, or any Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any bankruptcy or insolvency law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full

force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by any Agent (to the extent not promptly paid by the Loan Parties), plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

SECTION 9.20. Tax Legend. **FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE TAX CODE, THE LOANS ARE BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT. YOU MAY CONTACT THE CHIEF FINANCIAL OFFICER OF CHENIERE COMMON UNITS HOLDING, LLC, AT 700 MILAM STREET, HOUSTON TEXAS 77002 OR 713-375-5000, WHO WILL PROVIDE YOU WITH THE ISSUE PRICE, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT, THE ISSUE DATE AND THE YIELD TO MATURITY OF THE LOANS.**

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

CHENIERE COMMON UNITS HOLDING, LLC, as Borrower

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE ENERGY, INC., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE MIDSTREAM HOLDINGS, INC., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG SERVICES, INC., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE PIPELINE COMPANY, as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE PIPELINE GP INTERESTS, LLC, as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

GRAND CHENIERE PIPELINE, LLC, as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE SOUTHERN TRAIL GP, INC., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG, INC., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG TERMINALS, INC., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG HOLDINGS, LLC, as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE ENERGY SHARED SERVICES, INC., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE CREOLE TRAIL PIPELINE, L.P., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE CORPUS CHRISTI PIPELINE, L.P., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG O&M SERVICES, LLC, as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE ENERGY OPERATING CO., INC., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

SABINE PASS TUG SERVICES, LLC, as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE SOUTHERN TRAIL PIPELINE, L.P., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

BLACKSTONE DISTRESSED SECURITIES FUND L.P., as a Lender
By: Blackstone Distressed Securities Advisors L.P., its Investment Manager

By: /s/ George Fan
Name: George Fan
Title: Authorized Signatory

GSO SPECIAL SITUATIONS FUND LP, as a Lender
By: GSO Capital Partners, LP, its investment advisor

By: /s/ George Fan
Name: George Fan
Title: Chief Legal Officer

GSO COF FACILITY LLC, as a Lender
By: GSO Capital Partners LP as Portfolio Manager

By: /s/ George Fan
Name: George Fan
Title: Chief Legal Officer

GSO ORIGINATION FUNDING PARTNERS LP, as a Lender
By: GSO Capital Partners, LP, its investment advisor

By: /s/ George Fan
Name: George Fan
Title: Chief Legal Officer

SCORPION CAPITAL PARTNERS, LP, as a Lender
By: Scorpion GP, LLC

By: /s/ Nuno Brandolini
Name: Nuno Brandolini
Title: Manager

THE BANK OF NEW YORK MELLON, as Administrative Agent and Collateral Agent

By: /s/ Robert D. Hingston
Name: Robert D. Hingston
Title: Vice President

EXHIBIT 10.2

EXECUTION COPY

GUARANTEE AND COLLATERAL AGREEMENT
(CREST ENTITIES)

made by

EACH AFFILIATE OF THE BORROWER LISTED AS A GUARANTOR ON THE SIGNATURE PAGES HERETO,

and

EACH AFFILIATE OF THE BORROWER LISTED AS A GRANTOR ON THE SIGNATURE PAGES HERETO

in favor of

THE BANK OF NEW YORK MELLON, as Collateral Agent

dated as of August 15, 2008

TABLE OF CONTENTS

GUARANTEE AND COLLATERAL AGREEMENT dated as of August 15, 2008, made by each affiliate of CHENIERE COMMON UNITS HOLDING, LLC, a Delaware limited liability company (the "Borrower") listed as a Guarantor on the signature pages hereto (together with any other entity that may become a party hereto as a guarantor as provided herein, the "Guarantors") and each affiliate of the Borrower listed as a grantor on the signature pages hereto (together with any other entity that may become a party hereto as a grantor as provided herein, the "Grantors"; together with the Guarantors, the "Loan Parties" and each a "Loan Party") in favor of THE BANK OF NEW YORK MELLON ("BNY"), as collateral agent (in such capacity and together with its successors, the "Collateral Agent") for the financial institutions or entities (the "Lenders") from time to time parties to that certain Credit Agreement, dated as of August [ ], 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the affiliates of Borrower signatory thereto the Lenders, and BNY, as administrative agent (in such capacity and together with its successors, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower is a member of an affiliated group of companies that includes each of the other Loan Parties;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower to make valuable transfers to one or more of the other Loan Parties in connection with the operation of their respective businesses;

WHEREAS, the Borrower and the Loan Parties are engaged in related businesses, and each Loan Party has determined that it will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement and that such extensions of credit are necessary or convenient to the conduct, promotion or attainment of the business of the Borrower and its affiliated group of companies; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement that the Loan Parties shall have executed and delivered this Agreement to the Collateral Agent for the ratable benefit of the Secured Parties (as hereinafter defined);

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Loan Party hereby agrees with the Collateral Agent, for the ratable benefit of the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.01 Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in the New York UCC (and if defined in more than one Article of the New York UCC, such terms shall have the meanings given in Article 9 thereof): Accounts, Account Debtor, As-Extracted Collateral, Certificated Security, Chattel Paper, Commodity Account, Commodity Contract, Commodity Intermediary, Documents, Deposit Account, Electronic Chattel Paper, Equipment, Farm Products, Financial Asset, Fixtures, Goods, Instruments, Inventory, Money, Payment Intangibles, Securities Account, Securities Intermediary, Security, Security Entitlement, Supporting Obligations, Tangible Chattel Paper and Uncertificated Security.

(b) The following terms shall have the following meanings:

"Administrative Agent" shall have the meaning assigned to such term in the preamble.

"Agreement" shall mean this Guarantee and Collateral Agreement, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"Borrower" shall have the meaning assigned to such term in the preamble.

"Borrower Obligations" shall mean the collective reference to the unpaid principal of the Loans, interest accruing on the Loans (including Permitted Accrued Interest and interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Loan Parties to the Collateral Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with the Credit Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, reasonable out-of-pocket fees, indemnities, costs, reasonable out-of-pocket expenses (including all reasonable fees, charges and disbursements of counsel to the Collateral Agent or to any Lender that are required to be paid by any Loan Party in accordance with the Credit Agreement or any other Loan Document in accordance with the Credit Agreement) or otherwise. Notwithstanding the foregoing, "Borrower Obligations" shall not include any liability of the Borrower or any other Loan Party for the obligations of CEI under this Agreement.

"Closing Date" shall mean the date hereof.

"Collateral" shall have the meaning assigned to such term in Section 3.

"Collateral Account" shall mean any collateral account established by the Collateral Agent as provided in Section 6.01 or 6.04.

"Collateral Account Funds" shall mean, collectively, the following: all funds (including all trust monies), investments (including all Permitted Investments) credited to, or purchased with funds from, any Collateral Account and all certificates and instruments from time to time representing or evidencing such investments; all notes, certificates of deposit, checks and other instruments from time to time hereafter delivered to or otherwise possessed by the Collateral Agent for or on behalf of any Grantor in substitution for, or in addition to, any or all of the Collateral; and all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the items constituting Collateral.

"Collateral Agent" shall have the meaning assigned to such term in the preamble.

"Contracts" shall mean all contracts and agreements between any Grantor and any other person (in each case, whether written or oral, or third party or intercompany) as the same may be amended, extended, restated, supplemented, replaced or otherwise modified from time to time including (i) all rights of any Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of any Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (iii) all rights of any Grantor to damages arising thereunder and (iv) all rights of any Grantor to terminate and to perform and compel performance of, such contracts and to exercise all remedies thereunder.

"Credit Agreement" shall have the meaning assigned to such term in the preamble.

"Crest" Crest Investment Company, a Texas corporation.

"Crest Obligations" all obligations of the Loan Parties in favor of Crest under the Crest Settlement Documents.

"Crest Remedy Instruction" any instruction by Crest to the Administrative Agent in writing to exercise remedies under the Security Documents as a result of a Grantor's failure to make a specified payment due and payable and unpaid in accordance with the express terms of the Crest Obligations after written demand by Crest. Any such Crest Remedy Instruction delivered to the Administrative Agent must state that it is a "Crest Remedy Instruction" as defined in this Agreement or otherwise clearly indicate to the satisfaction of the Administrative Agent that it is to be treated as a Crest Remedy Instruction.

"Crest Settlement Documents" (a) the Crest Settlement Agreement, (b) one or more agreements for the assumption and adoption by a Loan Party of certain obligations under the Crest Settlement Agreement, (c) that certain Indemnification Agreement, dated May 9, 2005, executed by CEI in favor of its subsidiaries and relating to the Crest Settlement Agreement and (d) any and all other agreements and documents heretofore or hereafter entered into by any subsidiary of CEI pursuant to Section 1.07 of the Crest Settlement Agreement.

"Crest Settlement Agreement" that certain Settlement and Purchase Agreement, dated as of June 14, 2001, by and among CEI, Cheniere FLNG, L.P., Crest, Crest Energy, L.L.C., and Freeport LNG Terminal, LLC.

"dollars" or "$" shall mean lawful money of the United States of America.

"Excluded Assets" shall mean any lease, license, contract, property right or agreement to which any Grantor is a party or any of its rights or interests thereunder if the grant of a security interest therein shall constitute or result in a breach, termination or default under any such lease, license, contract, property right or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or any other applicable law or principles of equity); provided, however, that such security interest shall attach immediately to any portion of such lease, license, contract, property rights or agreement that does not result in any of the consequences specified above.

"Global Intercompany Note" shall mean the Subordinated Intercompany Note dated as of August 15, 2008, in the form of Exhibit F to the Credit Agreement.

"Grantors" shall have the meaning assigned to such term in the preamble.

"Guarantor Obligations" shall mean with respect to any Grantor or Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including Section 2) or any other Loan Document to which such Grantor or Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, reasonable out-of-pocket fees, indemnities, costs and expenses (including all reasonable fees and disbursements of counsel to any Secured Party that are required to be paid by such Grantor or Guarantor pursuant to the terms of this Agreement or any other Loan Document in accordance with the Credit Agreement) or otherwise. Notwithstanding the foregoing, "Guarantor Obligations" shall not include any liability of any Guarantor (other than CEI) for the obligations of CEI under this Agreement.

"Guarantors" shall have the meaning assigned to such term in the preamble.

"Intercompany Loan Party" shall mean any Grantor whose name appears under the heading "Intercompany Loan Party" on Schedule 1 hereto (as such schedule may be amended or supplemented from time to time).

"Investment Property" shall mean the collective reference to (i) all "investment property" as such term is defined in Section 9-102(a)(49) of the New York UCC including all Certificated Securities and Uncertificated Securities, all Security Entitlements, all Securities Accounts, all Commodity Contracts and all Commodity Accounts, (ii) security entitlements, in the case of any United States Treasury book-entry securities, as defined in 31 C.F.R. section 357.2, or, in the case of any United States federal agency book-entry securities, as defined in the corresponding United States federal regulations governing such book-entry securities, and (iii) whether or not otherwise constituting "investment property," all Pledged Notes, all Pledged Equity Interests, all Pledged Security Entitlements and all Pledged Commodity Contracts.

"Issuers" shall mean the collective reference to each issuer of a Pledged Security.

"Lenders" shall have the meaning assigned to such term in the preamble.

"New York UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations" shall mean (i) in the case of the Borrower, the Borrower Obligations, (ii) in the case of each Grantor or Guarantor, its Guarantor Obligations. For avoidance of doubt, the Obligations shall not include the Crest Obligations.

"Payment in Full of the Obligations" shall have the meaning assigned to such term in Section 2.01(e).

"person" shall mean any natural person, institution, sole proprietorship, unincorporated organization, public benefit corporation, corporation, trust, business trust, joint venture, joint stock company, association, company, limited liability company, partnership, Governmental Authority or other entity.

"Perfection Certificate" shall mean the Pre-Closing UCC Diligence Certificate, dated as of the date hereof, executed by each of the Loan Parties.

"Pledged Collateral" shall mean the collective reference to the Pledged Securities and the Pledged Security Entitlements.

"Pledged Debt Securities" shall mean with respect to any Grantor, all such Grantor's rights, title and interest in the debt securities listed on Schedule 4.07(b), together with any other certificates, options, rights or security entitlements of any nature whatsoever in respect of the debt securities of any person that may be issued or granted to, or held by such Grantor while this Agreement is in effect.

"Pledged Equity Interests" shall mean all Pledged Stock, Pledged LLC Interests, and Pledged Partnership Interests, and Pledged Alternative Equity Interests.

"Pledged LLC Interests" shall mean with respect to any Grantor, all such Grantor's rights, title and interest in the limited liability companies listed on Schedule 4.07(a) hereto under the heading "Pledged LLC Interests" and the certificates, if any, representing such limited liability company interests and any interest of such Grantor on the books and records of such limited liability company and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Notes" shall mean with respect to any Grantor, all such Grantor's rights, title and interest in the promissory notes listed on Schedule 4.07(b).

"Pledged Partnership Interests" shall mean with respect to any Grantor, all such Grantor's rights, title and interest in the general partnership, limited partnership, limited liability partnership or other partnership interests listed on Schedule 4.07(a) hereto under the heading "Pledged Partnership Interests" and the certificates, if any, representing such partnership interests and any interest of such Grantor on the books and records of such partnership and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property

or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Securities" shall mean the collective reference to the Pledged Debt Securities, the Pledged Notes and the Pledged Equity Interests.

"Pledged Security Entitlements" shall mean all Security Entitlements with respect to the Financial Assets listed on Schedule 4.07(c).

"Pledged Stock" shall mean with respect to any Grantor, all such Grantor's rights, title and interest in the shares of capital stock now owned or hereafter acquired by any Grantor in the entities listed on Schedule 4.07(a) hereto under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares and any other warrant, right or option to acquire any of the foregoing.

"Pledgor" shall mean any Grantor whose name appears under the heading "Pledgor" on Schedule 1 hereto (as such schedule may be amended or supplemented from time to time).

"Proceeds" shall mean all "proceeds" as such term is defined in Section 9-102(a)(64) of the New York UCC and, in any event, shall include all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

"Receivable" shall mean all Accounts and any other right to payment for goods or other property sold, leased, licensed or otherwise disposed of or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper or classified as a Payment Intangible and whether or not it has been earned by performance. References herein to Receivables shall include any Supporting Obligation or collateral securing such Receivable.

"Secured Parties" shall mean, collectively, the Administrative Agent, the Collateral Agent and the Lenders (together with their respective successors and assigns).

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Specified Personal Property" shall have the meaning assigned to such term in Section 3(a).

1.02 Other Definitional Provisions. (a) The words "hereof," "herein," "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to the specific provisions of this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to the property or assets such Grantor has granted as Collateral or the relevant part thereof.

(d) The expressions "payment in full," "paid in full" and any other similar terms or phrases when used herein or in any other document with respect to the Borrower Obligations or the Guarantor Obligations shall mean the unconditional, final and irrevocable payment in full, in immediately available funds, of all of the Borrower Obligations or the Guarantor Obligations, as the case may be, in each case, unless otherwise specified, other than indemnification and other contingent obligations not then due and payable.

(e) The words "include," "includes" and "including," and words of similar import, shall not be limiting and shall be deemed to be followed by the phrase "without limitation."

(f) All references to the Lenders herein shall, where appropriate, include any Lender, the Administrative Agent and the Collateral Agent.

SECTION 2. GUARANTEE

2.01 Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Collateral Agent, for the ratable benefit of the Secured Parties and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

(b) If and to the extent required in order for the Obligations of any Guarantor to be enforceable under applicable federal, state and other laws relating to the insolvency of debtors, the maximum liability of such Guarantor hereunder shall be limited to the greatest amount which can be guaranteed by such Guarantor without rendering such Guarantor insolvent on the date hereof under such laws, after giving effect to any rights of contribution, reimbursement and subrogation arising under Section 2.02. Each Guarantor acknowledges and agrees that, to the extent not prohibited by applicable law, (i) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right under such laws to reduce, or request any judicial relief that has the effect of reducing, the amount of its liability under this Agreement, (ii) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right to enforce the limitation set forth in this Section 2.01(b) or to reduce, or request judicial relief reducing, the amount of its liability under this Agreement, and (iii) the limitation set forth in this Section 2.01(b) may be enforced only to the extent required under such laws in order for the obligations of such Guarantor under this Agreement to be enforceable under such laws and only by or for the benefit of a creditor, representative of creditors or bankruptcy trustee of such Guarantor or other person entitled, under such laws, to enforce the provisions thereof.

(c) Each Guarantor agrees that the Borrower Obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of such Guarantor under Section 2.01(b) without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of any Secured Party hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until Payment in Full of the Obligations (as hereinafter defined).

(e) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other person or received or collected by any Secured Party from the Borrower, any of the Guarantors, any other guarantor or any other person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to the maximum liability of such Guarantor hereunder until the Borrower Obligations (other than reimbursement and indemnity obligations for which no claim or demand for payment has been made) are paid in full and the Commitments shall have been terminated or shall have expired (the occurrence of each of the foregoing, the "Payment in Full of the Obligations").

2.02 Rights of Reimbursement, Contribution and Subrogation. In case any payment is made on account of the Obligations by any Loan Party or is received or collected on account of the Obligations from any Loan Party or its property:

(a) If such payment is made by the Borrower or from its property, then, if and to the extent such payment is made on account of Obligations arising from or relating to a Loan or other extension of credit made to the Borrower, the Borrower shall not be entitled (i) to demand or enforce reimbursement or contribution in respect of such payment from any other Loan Party or (ii) to be subrogated to any claim, interest, right or remedy of any Secured Party against any other person, including any other Loan Party or its property.

(b) If such payment is made by a Loan Party or from its property, such Loan Party shall be entitled, subject to and upon Payment in Full of the Obligations, (i) to demand and enforce reimbursement for the full amount of such payment from the Borrower and (ii) to demand and enforce contribution in respect of such payment from each other Loan Party that has not paid its fair share of such payment, as necessary to ensure that (after giving effect to any enforcement of reimbursement rights provided hereby) each Loan Party pays its fair share of the unreimbursed portion of such payment. For this purpose, the fair share of each Loan Party as to any unreimbursed payment shall be determined based on an equitable apportionment of such unreimbursed payment among all Loan Parties based on the relative value of their assets and any other equitable considerations deemed appropriate by a court of competent jurisdiction.

(c) If and whenever any right of reimbursement or contribution becomes enforceable by any Loan Party against any other Loan Party under this Section 2.02, such Loan Party shall be entitled, subject to and upon Payment in Full of the Obligations, to be subrogated (equally and ratably with all other Loan Parties entitled to reimbursement or contribution from any other Loan Party as set forth in this Section 2.02) to any security interest that may then be held by the Collateral Agent upon any Collateral granted to it in this Agreement. Such right of subrogation shall be enforceable solely against the Loan Parties, and not against the Secured Parties, and neither the Collateral Agent nor any other Secured Party shall have any duty whatsoever to warrant, ensure or protect any such right of subrogation or to obtain, perfect, maintain, hold, enforce or retain any Collateral for any purpose related to any such right of subrogation. If subrogation is demanded by any Loan Party, then (after Payment in Full of the Obligations) the Collateral Agent shall deliver to the Loan Parties making such demand, or to a representative of such Loan Parties or of the Loan Parties generally, an instrument satisfactory to the Collateral Agent transferring, on a quitclaim basis without any recourse, representation, warranty or obligation whatsoever, whatever security interest the Collateral Agent then may hold in whatever Collateral may then exist that was not previously released or disposed of by the Collateral Agent.

(d) All rights and claims arising under this Section 2.02 or based upon or relating to any other right of reimbursement, indemnification, contribution or subrogation that may at any time arise or exist in favor of any Loan Party as to any payment on account of the Obligations made by it or received or collected from its property shall be fully subordinated in all respects to the prior payment in full of all of the Obligations. Until Payment in Full of the Obligations, no Loan Party shall demand or receive any collateral security, payment or distribution whatsoever (whether in cash, property or securities or otherwise) on account of any such right or claim. If any such payment or distribution is made or becomes available to any Loan Party in any bankruptcy case or receivership, insolvency or liquidation proceeding, such payment or distribution shall be delivered by the person making such payment or distribution directly to the Collateral Agent, for application to the payment of the Obligations pursuant to Section 6.05. If any such payment or distribution is received by any Loan Party, it shall be held by such Loan Party in trust, as trustee of an express trust for the benefit of the Secured Parties, and shall forthwith be transferred and delivered by such Loan Party to the Collateral Agent, in the exact form received and, if necessary, duly endorsed.

(e) The obligations of the Loan Parties under the Loan Documents, including their liability for the Obligations and the enforceability of any and all security interests granted thereby, are not contingent upon the validity, legality, enforceability, collectibility or sufficiency of any right of reimbursement, contribution or subrogation arising under this Section 2.02. The invalidity, insufficiency, unenforceability or uncollectibility of any such right shall not in any respect diminish, affect or impair any such obligation or any other claim, interest, right or remedy at any time held by any Secured Party against any Loan Party or its property. The Secured Parties make no representations or warranties in respect of any such right and shall have no duty to assure, protect, enforce or ensure any such right or otherwise relating to any such right.

(f) Each Loan Party reserves any and all other rights of reimbursement, contribution or subrogation at any time available to it as against any other Loan Party, but (i) the

exercise and enforcement of such rights shall be subject to Section 2.02(d) and (ii) neither the Collateral Agent nor any other Secured Party shall ever have any duty or liability whatsoever in respect of any such right, except as provided in Section 2.02(c).

2.03 Amendments, etc. with respect to the Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by any Secured Party may be rescinded by such Secured Party and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, increased, extended, amended, modified, accelerated, compromised, waived, surrendered or released by any Secured Party, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the parties thereto may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by any Secured Party for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. No Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

2.04 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by any Secured Party upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 may be construed as a continuing, absolute and unconditional guarantee of payment and performance without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance hereunder) which may at any time be available to or be asserted by the Borrower or any other person against any Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations, or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, any Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may

have against the Borrower, any other Guarantor or any other person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by any Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of any Secured Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.05 Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by any Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.06 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Collateral Agent promptly upon demand by the Administrative Agent without set-off or counterclaim in Dollars in immediately available funds at the office of the Collateral Agent as specified in the Credit Agreement.

SECTION 3. GRANT OF SECURITY INTEREST; CONTINUING LIABILITY UNDER COLLATERAL

(a) Each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in the Collateral (as defined below) of such Grantor, wherever located and now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Guarantor Obligations. With respect to any Grantor, the term "Collateral" shall mean all of the Specified Personal Property of such Grantor (as defined below), excluding, however, the Excluded Collateral (as defined below). With respect to any Grantor, the term "Specified Personal Property" shall mean as follows:

(i) in the case of each Grantor that is a Pledgor, the Pledged Equity Interests set forth opposite such Pledgor's name on Schedule 4.07(a) hereto (as such schedule may be amended or supplemented from time to time) and all rights and privileges of such Pledgor with respect to the foregoing and all proceeds of the foregoing;

(ii) in the case of each Grantor that is an Intercompany Loan Party, the Global Intercompany Note and all rights and privileges of such Intercompany Loan Party with respect to the foregoing and all proceeds of the foregoing;

(iii) in the case of Cheniere LNG O&M Services, LLC, Cheniere LNG Terminals, Inc., Cheniere Energy Partners GP, LLC and any other Grantor who is now or at any time hereafter becomes a party to a Management Services Agreement, such Grantor's right, title, interest and privileges (including, for avoidance of doubt, the right to payment of fees payable) in, to and under any such Management Services Agreement to which such Grantor is or becomes a party and all Receivables of such Intercompany Loan Party with respect to the foregoing and all proceeds of the foregoing;

(iv) in the case of Cheniere LNG Holdings, LLC, such Grantor's right, title, interest and privileges in, to and under (i) that certain Blocked Account Control Agreement ("Lending Control"), dated as of August [__], 2008, by and among Cheniere LNG Holdings, LLC, the Collateral Agent and JPMorgan Chase Bank, N.A., as depositary and (ii) the TUA Reserve Account, and all and all proceeds of the foregoing;

(v) all books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and other electronic storage media and related data processing software and similar items that at any time pertain to or evidence or contain information relating to any of the foregoing or are otherwise necessary or helpful in the collection thereof or realization thereupon; and

(vi) all products, accessions, rents and profits of any and all of the foregoing.

(b) The term "Excluded Collateral" shall mean with respect to any Grantor in any property that is, at such time, (A) an Excluded Asset or (B) the outstanding capital stock, limited liability interests, partnership interests or other equity interests of a Foreign Subsidiary (as hereinafter defined) in excess of 65% of the voting power of all classes of capital stock, limited liability interests, partnership interests or other equity interests of such Foreign Subsidiary entitled to vote.

(c) For purposes of this Section 3(a), "Foreign Subsidiary" shall mean, with respect to any Grantor, any corporation, partnership, limited liability company or other business entity (i) which is organized under the laws of a jurisdiction other than a state of the United States or the District of Columbia and (ii) which an aggregate of more than 50% of the outstanding classes of capital stock entitled to vote is, at the time, owned by such Grantor.

(d) Each Grantor hereby grants to the Collateral Agent, for the benefit of Crest, a security interest in all of the Collateral of such Grantor, wherever located and now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the Crest Obligations.

(e) The Lien on the Collateral for the benefit of the Secured Parties is expressly subordinated and junior in priority to the Lien on the Collateral for the benefit of Crest (i) regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances and (ii) notwithstanding any provision of the Uniform Commercial Code or any applicable law.

(f) Notwithstanding anything herein to the contrary, (i) each Grantor shall remain liable for all obligations under and in respect of the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Collateral Agent or any other Secured Party, (ii) each Grantor shall remain liable under and each of the agreements included in the Collateral, including any Receivables, any Contracts and any Contracts relating to Pledged Partnership Interests or Pledged LLC Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Agent nor any other Secured Party shall have any obligation or liability under any such Contracts by reason of or arising out of this Agreement or any other document related hereto or any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or any obligation to take any action to collect or enforce any rights under any Contract included in the Collateral, including any Contract relating to any Receivables or any Contracts relating to Pledged Partnership Interests or Pledged LLC Interests and (iii) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the Contracts included in the Collateral, including any agreements relating to any Receivables or any Contracts relating to Pledged Partnership Interests or Pledged LLC Interests.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Guarantor and/or each Grantor (if and to the extent applicable to such Guarantor and/or such Grantor with respect to any grant of security interests in the Collateral pursuant to Section 3(a) hereof) hereby represents and warrants to the Secured Parties on the date each Loan is made that:

4.01 Representations in Credit Agreement. In the case of each Loan Party, the representations and warranties set forth in Article III of the Credit Agreement as they relate to such Loan Party or to the Loan Documents to which such Loan Party is a party, each of which is hereby incorporated herein by reference, are true and correct, in all material respects, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, and the Secured Parties shall be entitled to rely on each of them as if they were fully set forth herein, provided that each reference in each such representation and warranty to the Borrower's knowledge shall, for the purposes of this Section 4.01, be deemed to be a reference to such Loan Party's knowledge.

4.02 Title; No Other Liens. Such Grantor owns each item of the Collateral free and clear of any and all Liens or claims, including Liens arising as a result of such Grantor becoming bound (as a result of merger or otherwise) as grantor under a security agreement entered into by another person, except for Permitted Liens. No financing statement, mortgage or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Collateral Agent, for the ratable benefit of the Secured Parties and for the benefit of Crest, pursuant to this Agreement or with respect to Permitted Liens.

4.03 Perfected Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 4.03 and payment of all filing fees, will constitute valid fully perfected security interests in all of the Collateral in favor of the Collateral Agent, for the ratable benefit of the Secured Parties and for the benefit of Crest as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof, except as may be required under the laws of any jurisdiction outside of the United States in order to perfect the Collateral Agent's Lien in the Collateral created under the laws of such jurisdiction and (b) are prior to all other Liens on the Collateral, except for Permitted Liens and the liens created hereunder in favor of Crest. Without limiting the foregoing, each Grantor (to the extent applicable to such Grantor) has taken all actions necessary or desirable, including those specified in Section 5.02 to (i) establish the Collateral Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the New York UCC) over any portion of the Investment Property constituting Certificated Securities, Uncertificated Securities, Securities Accounts, Securities Entitlements or Commodity Accounts (each as defined in the New York UCC), (ii) establish the Collateral Agent's "control" (within the meaning of Section 9-104 of the New York UCC) over all Deposit Accounts, (iii) establish the Collateral Agent's control (within the meaning of Section 9-105 of the New York UCC) over all Electronic Chattel Paper and (v) establish the Collateral Agent's "control" (within the meaning of Section 16 of the Uniform Electronic Transaction Act as in effect in the applicable jurisdiction "UETA") over all "transferable records" (as defined in UETA).

4.04 Name; Jurisdiction of Organization, etc. On the date hereof, such Loan Party's exact legal name (as indicated on the public record of such Loan Party's jurisdiction of formation or organization), jurisdiction of organization, organizational identification number, if any, and the location of such Loan Party's chief executive office or sole place of business are specified in the Perfection Certificate. Each Loan Party is organized solely under the law of the jurisdiction so specified and has not filed any certificates of domestication, transfer or continuance in any other jurisdiction. The jurisdiction of each such Loan Party's organization of formation is required to maintain a public record showing the Loan Party to have been organized or formed. Except as set forth in the Perfection Certificate, no such Loan Party has changed its name, jurisdiction of organization, chief executive office or sole place of business or its corporate structure in any way (e.g., by merger, consolidation, change in corporate form or otherwise) within the past five years.

4.05 Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.06 Investment Property. (a) Schedule 4.07(a) hereto sets forth the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest owned by each Grantor in the Pledged Equity Interests. Each Grantor listed as the holder of any Pledged Debt Securities or Pledged Notes set forth on Schedule 4.07(b) represents and warrants that such Pledged Debt Securities and Pledged Notes have been duly authorized, authenticated or issued, and delivered and are the legal, valid and binding obligation of the issuers thereof enforceable in accordance

with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, and is not in default and constitutes all of the issued and outstanding inter-company indebtedness evidenced by an instrument or certificated security of the respective issuers thereof owing by a Loan Party to such Grantor. Each Grantor listed Schedule 4.07(c) is the sole entitlement holder of each of the "Securities Accounts," "Commodities Accounts," and "Deposit Accounts" respectively, identified therein as being held by such Grantor and has not consented to or is otherwise aware of any person having "control" (within the meanings of Sections 8-106, 9-106 and 9-104 of the New York UCC) over, or any other interest in, any such Securities Account, Commodity Account or Deposit Account, in each case in which such Grantor has an interest, or any securities, commodities or other property credited thereto.

(b) The shares of Pledged Equity Interests pledged by such Grantor hereunder constitute all of the issued and outstanding shares of all classes of Equity Interests in each Issuer owned by such Grantor.

(c) All the shares of the Pledged Equity Interests have been duly and validly issued and are fully paid and nonassessable.

(d) The terms of any uncertificated Pledged LLC Interests and Pledged Partnership Interests do not provide that they are securities governed by Article 8 of the Uniform Commercial Code in effect from time to time in the "issuer's jurisdiction" of each Issuer thereof (as such term is defined in the Uniform Commercial Code in effect in such jurisdiction). There shall be no certificated Pledged LLC Interests or Pledged Partnership Interests which provide that they are securities governed by Article 8 of the Uniform Commercial Code in effect from time to time in the "issuer's jurisdiction" of each Issuer thereof, unless all certificates relating thereto (i) have been delivered to the Collateral Agent pursuant to the terms hereof and (ii) expressly provide that they are securities governed by Article 8 of the New York UCC or such certificated Pledged LLC Interests or Pledged Partnership Interests are of a type dealt in or traded on securities exchanges or in securities markets and would be securities under Section 8-103 of the New York UCC.

(e) Such Grantor is the record and beneficial owner of, and has good and defeasible title to, the Investment Property and Deposit Accounts pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other person, except Permitted Liens, and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests.

4.07 Receivables. (a) None of the obligors on any Receivables that are included in the Collateral is a Governmental Authority.

(b) Each Receivable in excess of $1,000,000 that is included in the Collateral (i) to such Grantor's knowledge, is and will be the legal, valid and binding obligation of the Account Debtor in respect thereof, representing an unsatisfied obligation of such Account Debtor, (ii) to such Grantor's knowledge, is and will be enforceable in accordance with its terms,

subject to the applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, (iii) is not and will not be subject to any setoffs, defenses, taxes, counterclaims (except with respect to setoffs in accordance with the Credit Agreement, Permitted Liens and refunds, returns and allowances in the ordinary course of business with respect to damaged merchandise) and (iv) is and will be in compliance with all applicable material laws and regulations.

4.08 [Reserved]

4.09 [Reserved]

4.10 [Reserved]

4.11 Management Services Agreements.

(a) Schedule 4.12(a) sets forth each of the Management Services Agreements in which such Grantor has any right, title or interest.

(b) The Management Services Agreements is in full force and effect and constitutes a valid and legally enforceable obligation of the Grantor party thereto and (to the best of such Grantor's knowledge) each other party thereto, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(c) The right, title and interest of such Grantor in, to and under the Management Service Agreements are not subject to any existing defenses, rights of recoupment or claims.

(d) Neither such Grantor nor (to the best of such Grantor's knowledge) any of the other parties to the Management Services Agreements is in default in the performance or observance of any of the terms thereof.

(e) Intentionally Omitted.

(f) Such Grantor has delivered to the Collateral Agent a complete and correct copy of the Management Services Agreement, including all amendments, supplements and other modifications thereto.

(g) None of the parties to the Management Services Agreement is a Governmental Authority.

4.12 Perfection Certificate. The Perfection Certificate delivered to the Collateral Agent is true, complete and correct in all material respects as of the date hereof.

SECTION 5. COVENANTS

Each Guarantor and/or each Grantor hereby covenants and agrees (if and to the extent applicable to such Guarantor and/or such Grantor with respect to any grant of security interests in the Collateral pursuant to Section 3 hereof) that, from and after the date of this Agreement until the Payment in Full of the Obligations:

5.01 Covenants in Credit Agreement. Such Loan Party shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Loan Party.

5.02 Delivery and Control of Instruments, Chattel Paper, Negotiable Documents, Investment Property and Deposit Accounts (a) If any of the Collateral having a fair market value in excess of $2,500,000 in the aggregate is or shall become evidenced or represented by any Instrument, Certificated Security, Negotiable Document or Tangible Chattel Paper, then such Instrument (other than checks received in the ordinary course of business), Certificated Security, Negotiable Documents or Tangible Chattel Paper shall be immediately delivered to the Collateral Agent, duly endorsed in a manner reasonably satisfactory to the Collateral Agent, to be held as Collateral pursuant to this Agreement, and all of such property owned by any Grantor as of the Closing Date shall be delivered on the Closing Date. Any Collateral not otherwise required to be delivered to the Collateral Agent in accordance with this Subsection (a) shall be delivered to the Collateral Agent, at the request of the Collateral Agent, after an Event of Default has occurred and be continuing.

(b) If any of the Collateral is or shall become "Electronic Chattel Paper" such Grantor shall ensure that (i) a single authoritative copy exists which is unique, identifiable, unalterable (except as provided in clauses (iii), (iv) and (v) of this paragraph), (ii) such authoritative copy identifies the Collateral Agent as the assignee and is communicated to and maintained by the Collateral Agent or its designee, (iii) copies or revisions that add or change the assignee of the authoritative copy can only be made with the participation of the Collateral Agent, (iv) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy and not the authoritative copy and (v) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

(c) If any Collateral is or shall become evidenced or represented by an Uncertificated Security, such Grantor shall take commercially reasonable efforts to cause the Issuer thereof either (i) to register the Collateral Agent as the registered owner of such Uncertificated Security, upon original issue or registration of transfer or (ii) to agree in writing with such Grantor and the Collateral Agent that such Issuer will comply with instructions with respect to such Uncertificated Security originated by the Collateral Agent without further consent of such Grantor, such agreement to be in a form reasonably satisfactory to the Collateral Agent.

(d) In addition to and not in lieu of the foregoing, if any Issuer of any Investment Property included in the Collateral organized under the law of, or has its chief executive office in, a jurisdiction outside of the United States, each Grantor shall take such additional actions, including causing the issuer to register the pledge on its books and records, as

may be necessary or advisable or as may be reasonably requested by the Collateral Agent, under the laws of such jurisdiction to insure the validity, perfection and priority of the security interest of the Collateral Agent.

5.03 [Reserved]

5.04 [Reserved]

5.05 [Reserved]

5.06 Maintenance of Perfected Security Interest; Further Documentation. (a) Such Grantor shall maintain each of the security interests created by this Agreement as a perfected security interest having at least the priority described in Section 4.03 and shall defend such security interest against the claims and demands of all persons whomsoever, subject to the provisions of Section 8.15.

(b) Such Grantor shall furnish to the Secured Parties from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the assets and property of such Grantor as the Collateral Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of such Grantor, such Grantor shall promptly and duly authorize, execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Collateral Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and in the case of Investment Property, Deposit Accounts and any other relevant Collateral, taking any actions necessary to enable the Collateral Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto, including without limitation, executing and delivering and causing the relevant depositary bank or securities intermediary to execute and deliver a Control Agreement in form and substance reasonably acceptable to the Collateral Agent.

5.07 Changes in Locations, Name, Jurisdiction of Incorporation, etc. Such Loan Party shall not:

(i) change its legal name or jurisdiction of organization from that referred to in Section 4.04 without having given at least thirty (30) days prior written notice thereof to the Collateral Agent;

(ii) change its identity or structure to such an extent that any financing statement filed by the Collateral Agent in connection with this Agreement would become misleading, except upon 30 days' prior written notice after such change (or such later time as agreed to by the Collateral Agent; or

(iii) change its address to such an extent that any financing statement filed by the Collateral Agent in connection with this Agreement would become seriously misleading, except upon 30 days' prior written notice after such change (or such later time as agreed to by the Collateral Agent).

All notices to be delivered under this Section 5.06 shall be delivered to the Collateral Agent, together with duly authorized and, where required, executed copies of all additional financing statements and other documents reasonably requested by the Collateral Agent to maintain the validity, perfection and priority of the security interests provided for herein.

5.08 Notices. Such Grantor shall advise the Collateral Agent promptly, in reasonable detail, of:

(a) any Lien (other than any Permitted Lien) on any of the Collateral; and

(b) of the occurrence of any other event which could reasonably be expected to have a Material Adverse Effect on the aggregate value of the Collateral or on the security interests created hereby.

5.09 Investment Property. (a) If such Grantor shall become entitled to receive or shall receive any stock or other ownership certificate (including any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Equity Interests of any Issuer of the Pledged Equity Interests, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of or other ownership interests in the Pledged Securities, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Secured Parties, hold the same in trust for the Secured Parties and deliver the same forthwith to the Collateral Agent in the exact form received, duly endorsed by such Grantor to the Collateral Agent, if required, together with an undated stock power or similar instrument of transfer covering such certificate duly executed in blank by such Grantor and with, if the Collateral Agent so requests, signature guaranteed, to be held by the Collateral Agent, subject to the terms hereof, as additional collateral security for the Crest Obligations and the Obligations. If an Event of Default has occurred and is continuing, any sums paid upon or in respect of the Pledged Securities upon the liquidation or dissolution of any Issuer shall be paid over to the Collateral Agent to be held by it hereunder as additional collateral security for the Crest Obligations and the Obligations, and in case any distribution of capital shall be made on or in respect of the Pledged Securities or any property shall be distributed upon or with respect to the Pledged Securities pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Collateral Agent, be delivered to the Collateral Agent to be held by it hereunder as additional collateral security for the Crest Obligations and the Obligations. If an Event of Default has occurred and is continuing, if any sums of money or property so paid or distributed in respect of the Pledged Securities shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Collateral Agent, hold such money or property in trust for the Secured Parties, segregated from other funds of such Grantor, as additional collateral security for the Crest Obligations and the Obligations.

(b) Without the prior written consent of the Collateral Agent, such Grantor shall not (i) vote to enable, or take any other action to permit, any Issuer to issue any stock, partnership interests, limited liability company interests or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock, partnership interests, limited liability company interests or other equity securities of any nature of any Issuer (except, in each case, pursuant to a transaction expressly permitted by the Credit Agreement), (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any of the Investment Property included in the Collateral or Proceeds thereof or any interest therein (except, in each case, pursuant to a transaction expressly permitted by the Credit Agreement), (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any person with respect to, any of the Investment Property included in the Collateral or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or any Lien expressly permitted thereon pursuant to Section 6.02 of the Credit Agreement, (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Collateral Agent to sell, assign or transfer any of the Investment Property included in the Collateral or Proceeds thereof or any interest therein or (v) without the prior written consent of the Collateral Agent, cause or permit any Issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the New York UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as securities for purposes of the New York UCC; provided, however, notwithstanding the foregoing, if any issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the provisions in this clause (v), such Grantor shall promptly notify the Collateral Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Agent's "control" thereof.

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it shall be bound by the terms of this Agreement relating to the Pledged Securities issued by it and shall comply with such terms insofar as such terms are applicable to it, (ii) it shall notify the Collateral Agent promptly in writing of the occurrence of any of the events described in Section 5.08(a) with respect to the Pledged Securities issued by it and (iii) the terms of Sections 6.03(c) and 6.07 shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 6.03(c) or 6.07 with respect to the Pledged Securities issued by it. In addition, each Grantor which is either an Issuer or an owner of any Pledged Security hereby consents to the grant by each other Grantor of the security interest hereunder in favor of the Collateral Agent and to the transfer of any Pledged Security to the Collateral Agent or its nominee following an Event of Default and to the substitution of the Collateral Agent or its nominee as a partner, member or shareholder of the Issuer of the related Pledged Security.

5.10 Receivables. (a) Other than in a manner consistent with its past practice, such Grantor shall not (i) grant any extension of the time of payment of any Receivable which is part of the Collateral, (ii) compromise or settle any such Receivable for less than the full amount thereof, (iii) release, wholly or partially, any person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any such Receivable or (v) amend, supplement or modify any Receivable in any manner that could adversely affect the value thereof.

(b) Such Grantor shall deliver to the Collateral Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables that are included in the Collateral.

(c) Each Grantor shall perform and comply in all material respects with all of its obligations with respect to the Receivables that are included in the Collateral.

5.11 [Reserved]

5.12 Management Services Agreements. (a) Such Grantor shall perform and comply in all material respects with all its obligations under the Management Services Agreements to which it is a party.

(b) Such Grantor shall not amend, modify, terminate, waive or fail to enforce any provision of any Management Services Agreement that is included in the Collateral in any manner which could reasonably be expected to materially adversely affect the value of the Collateral or otherwise have a Material Adverse Effect.

(c) Such Grantor shall notify the Collateral Agent in the event it fails to exercise promptly and diligently each and every material right which it may have under each Management Services Agreement that is included in the Collateral.

(d) Such Grantor shall comply with the terms of the Management Services Agreement Consent.

(e) In the event of a default under a Management Services Agreement, the applicable Grantor shall deliver to the Collateral Agent a notice of such default stating whether such default can be cured and any measures that are being taken to cure such default.

(f) Such Grantor shall deliver to the Collateral Agent a copy of each material demand, notice or document received by it relating in any way to any Management Services Agreements and shall also deliver to the Collateral Agent a copy of all new Management Services Agreements entered into after the date hereof.

(g) After the date hereof, such Grantor shall not permit to become effective in any Management Services Agreement, a provision that would prohibit the creation or perfection of, or exercise of remedies in connection with, a Lien on such Management Services Agreement in favor of the Collateral Agent for the ratable benefit of the Secured Parties and for the benefit of Crest unless such Grantor believes, in its reasonable judgment, that such prohibition is usual and customary in transactions of such type.

SECTION 6. REMEDIAL PROVISIONS

6.01 Certain Matters Relating to Receivables. (a) If directed by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables that are included in the Collateral, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the

exact form received, duly endorsed by such Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of Crest and the Secured Parties only as provided in Section 6.05, and (ii) until so turned over, shall be held by such Grantor in trust for Crest and the Secured Parties, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables that are included in the Collateral shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) If an Event of Default has occurred and is continuing, at the Collateral Agent's request, each Grantor shall deliver to the Collateral Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to Receivables, that are included in the Collateral, including all original orders, invoices and shipping receipts.

6.02 Communications with Obligors; Grantors Remain Liable. (a) The Collateral Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables that are included in the Collateral and parties to the Contracts that are included in the Collateral to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any such Receivables or Contracts.

(b) The Collateral Agent may at any time notify, or require any Grantor to so notify, the Account Debtor or counterparty on any Receivable or Contract that is included in the Collateral of the security interest of the Collateral Agent therein. In addition, after the occurrence and during the continuance of an Event of Default, the Collateral Agent may upon written notice to the applicable Grantor, notify, or require any Grantor to notify, the Account Debtor or counterparty to make all payments under such Receivables and/or Contracts directly to the Collateral Agent;

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables and Contracts included in the Collateral to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto) or Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.03 Pledged Securities. (a) Unless an Event of Default shall have occurred and be continuing and the Collateral Agent shall have given notice to the applicable Grantor of the Collateral Agent's intent to exercise its corresponding rights pursuant to Section 6.03(b),

each Grantor shall be permitted upon three (3) Business Days' notice to the Collateral Agent to receive all cash dividends paid in respect of the Pledged Equity Interests and all payments made in respect of the Pledged Notes, in each case paid in the normal course of business of the applicable Issuer and consistent with past practice, to the extent permitted in the Credit Agreement, and to exercise all voting and corporate rights with respect to the Pledged Securities; provided, however, that (i) the Proceeds of such cash dividends and payments shall be applied in accordance with the Credit Agreement, this Agreement or any other Loan Document and (ii) no vote shall be cast or corporate or other ownership right exercised or other action taken which, in the Collateral Agent's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing: (i) all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Collateral Agent who shall thereupon upon notice to such Grantor have the sole right, but shall be under no obligation, to exercise or refrain from exercising such voting and other consensual rights and (ii) the Collateral Agent shall have the right, without notice to any Grantor, to transfer all or any portion of the Investment Property to its name or the name of its nominee or agent. In addition, the Collateral Agent shall have the right at any time, without notice to any Grantor, to exchange any certificates or instruments representing any Investment Property for certificates or instruments of smaller or larger denominations. If an Event of Default has occurred and is continuing, in order to permit the Collateral Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Collateral Agent all proxies, dividend payment orders and other instruments as the Collateral Agent may from time to time reasonably request and each Grantor acknowledges that the Collateral Agent may utilize the power of attorney set forth herein.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Pledged Securities pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Collateral Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) upon any such instruction following the occurrence and during the continuance of an Event of Default, pay any dividends or other payments with respect to the Investment Property, including Pledged Securities, directly to the Collateral Agent.

6.04 Proceeds to be Turned Over To Collateral Agent In addition to the rights of the Secured Parties specified in Section 6.01 with respect to payments of Receivables, if an Event of Default shall occur and be continuing, at the request of the Collateral Agent, all Proceeds of the Collateral received by any Grantor consisting of cash, cash equivalents, checks and other near-cash items shall be held by such Grantor in trust for the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly endorsed by such Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral

Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Grantor in trust for the Secured Parties) shall continue to be held as collateral security for all the Crest Obligations and the Obligations and shall not constitute payment thereof until applied as provided in Section 6.05.

6.05 Application of Proceeds. At such intervals as may be agreed upon by the Borrower and the Collateral Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Collateral Agent's election, the Collateral Agent may apply all or any part of the net Proceeds (after deducting fees and expenses as provided in Section 6.06) constituting Collateral realized through the exercise by the Collateral Agent of its remedies hereunder, whether or not held in any Collateral Account, and any proceeds of the guarantee set forth in Section 2, in payment of the Crest Obligations and the Obligations in the following order:

First, if the Collateral Agent shall have received a Crest Remedy Instruction, to pay the amount due as specified in such Crest Remedy Instruction;

Second, to pay incurred and unpaid interest, and reasonable fees and expenses of the Secured Parties under the Loan Documents;

Third, to the Collateral Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations pro rata among the Secured Parties according to the amounts of the Obligations then due and owing and remaining unpaid to the Secured Parties;

Fourth, to the Collateral Agent, for application by it towards prepayment of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then held by the Secured Parties; and

Fifth, any balance of such Proceeds remaining after the Obligations and the Crest Obligations shall have been paid in full and the Commitments shall have terminated shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

6.06 Code and Other Remedies. (a) If an Event of Default shall occur and be continuing, the Collateral Agent, on behalf of the Secured Parties, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC (whether or not the New York UCC applies to the affected Collateral) or its rights under any other applicable law or in equity. Without limiting the generality of the foregoing, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, license, assign, give option or options to purchase, or otherwise dispose

of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Each Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made may constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Collateral Agent may sell the Collateral without giving any warranties as to the Collateral. The Collateral Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely effect the commercial reasonableness of any sale of the Collateral. Each Grantor agrees that it would not be commercially unreasonable for the Collateral Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. Each Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. Each Grantor further agrees, at the Collateral Agent's reasonable request, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Collateral Agent shall have the right to enter onto the property where any Collateral is located and take possession thereof with or without judicial process.

(b) The Collateral Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.06, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including Section 9-615(a) of the New York UCC, need the Collateral Agent account for the surplus, if any, to any Grantor. If the Collateral Agent sells any of the Collateral upon credit, the Grantor will be credited only with payments actually made by the purchaser and received by the Collateral Agent and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, the Collateral Agent may resell the Collateral and the Grantor shall be credited with proceeds of the sale. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against any Secured Party arising out of the exercise by them of any rights hereunder.

(c) The Collateral Agent shall have no obligation to marshal any of the Collateral.

6.07 Registration Rights. (a) If the Collateral Agent shall determine to exercise its right to sell any or all of the Pledged Equity Interests or the Pledged Debt Securities pursuant to Section 6.06, and if in the opinion of the Collateral Agent it is necessary or advisable to have the Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor shall cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of the Collateral Agent, necessary or advisable to register the Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use commercially reasonable efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Collateral Agent, are reasonably necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the SEC applicable thereto. Each Grantor agrees to use commercially reasonable efforts to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Collateral Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Grantor recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Pledged Equity Interests or the Pledged Debt Securities, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Collateral Agent shall be under no obligation to delay a sale of any of the Pledged Equity Interests or the Pledged Debt Securities for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its commercially reasonable efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Equity Interests or the Pledged Debt Securities pursuant to this Section 6.07 valid and binding and in compliance with any and all other applicable Requirements of Law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.07 will cause irreparable injury to the Secured Parties, that the Secured Parties have no

adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 6.07 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing under the Credit Agreement or a defense of payment.

6.08 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by any Secured Party to collect such deficiency.

6.09 Remedies Available to Crest. If Crest shall have delivered a Crest Remedy Instruction to the Collateral Agent and the amount of the payment default with respect to which the Crest Remedy Instruction was given shall not have been paid within five (5) Business Days of receipt of the Crest Remedy Instruction by the Collateral Agent, the Collateral Agent for the benefit of Crest shall have all of the rights and remedies with respect to the Collateral of a secured party under the New York UCC; *provided*, that such rights of the Collateral Agent for the benefit of Crest shall be limited solely to the amount of such payment default. Immediately upon receipt of a Crest Remedy Instruction, the Collateral Agent shall notify the Lenders, CEI and the Grantors of its receipt of such Crest Remedy Instruction and provide each of them with a copy.

SECTION 7. THE COLLATERAL AGENT

7.01 Collateral Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, such appointment being coupled with an interest for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following with respect to the Collateral in which such Grantor has granted a security interest pursuant to Section 3 hereof:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or Contract that is included in the Collateral or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Receivable or Contract or with respect to any other Collateral whenever payable;

(ii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iii) execute, in connection with any sale provided for in Section 6.07 or 6.08, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(iv) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate, and (7) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.01(a) to the contrary notwithstanding, the Collateral Agent agrees that, except as provided in Section 7.01(b), it will not exercise any rights under the power of attorney provided for in this Section 7.01(a) unless an Event of Default shall have occurred and be continuing.

(b) If an Event of Default has occurred and is continuing, if any Grantor fails to perform or comply with any of its agreements contained herein, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement; provided, however, that, except to the extent such Grantor is party to a Management Services Agreement Consent, the Collateral Agent shall not exercise this power without first making demand on the Grantor and the Grantor failing to immediately comply therewith.

(c) The expenses of the Collateral Agent incurred in connection with actions undertaken as provided in this Section 7.01 shall be payable by such Grantor to the Collateral Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

7.02 Duty of Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent, nor any other Secured Party nor any of their respective officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Secured Parties hereunder are solely to protect the interests of the Secured Parties in the Collateral and shall not impose any duty upon any Secured Party to exercise any such powers. The Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be responsible to any Grantor or any other Loan Party for any act or failure to act hereunder, except to the extent that any such act or failure to act is found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from their own gross negligence or willful misconduct in breach of a duty owed to such Grantor or any other Loan Party.

7.03 Filing of Financing Statements. Each Grantor acknowledges that pursuant to Section 9-509(b) of the New York UCC and any other applicable law, each Grantor authorizes the Collateral Agent to file or record financing or continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Collateral, without the signature of such Grantor, in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect or maintain the perfection of the security interests of the Collateral Agent under this Agreement. Each Grantor agrees that such financing statements may describe the collateral in the same manner as described in the Security documents whether now owned or hereafter existing or acquired or such other description as the Collateral Agent, in its sole judgment, determines is necessary or advisable.

7.04 Authority of Collateral Agent. Each Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantors, the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority. Notwithstanding the foregoing, the Collateral Agent acknowledges and agrees that any action taken by the Collateral Agent hereunder shall be made at the direction of the Required Lenders.

7.05 Appointment of Co-Collateral Agents. At any time or from time to time, in order to comply with any applicable requirement of law, the Collateral Agent may appoint another bank or trust company or one of more other persons, either to act as co-agent or agents on behalf of the Secured Parties with such power and authority as may be necessary for the effectual operation of the provisions hereof and which may be specified in the instrument of appointment (which may, in the discretion of the Collateral Agent, include provisions for indemnification and similar protections of such co-agent or separate agent).

SECTION 8. MISCELLANEOUS

8.01 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each affected Loan Party and the Collateral Agent, subject to any consents required under Section 9.08(b) of the Credit Agreement; provided that any provision of this Agreement imposing obligations on any Loan Party may be waived by the Collateral Agent in a written instrument executed by the Collateral Agent.

8.02 Notices. All notices, requests and demands to or upon the Collateral Agent or any Loan Party hereunder shall be effected in the manner provided for in Section 9.01 of the Credit Agreement.

8.03 No Waiver by Course of Conduct; Cumulative Remedies. No Secured Party shall by any act (except by a written instrument pursuant to Section 9.01(b)), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.04 Enforcement Expenses; Indemnification. (a) The parties hereto agree that the Collateral Agent and the other Secured Parties shall be entitled to reimbursement of their expenses incurred hereunder as provided in Section 9.05 of the Credit Agreement.

(b) Each Loan Party agrees to pay, and to hold the Collateral Agent and each other Secured Party harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement, except Other Taxes covered in Section 2A.04 of the Credit Agreement.

(c) Each Loan Party agrees to pay, and to hold the Collateral Agent and each other Secured Party harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to Section 9.05 of the Credit Agreement.

(d) The exculpatory and indemnification provisions in favor of the Collateral Agent and the Secured Parties contained in the Credit Agreement shall be deemed to be incorporated into this Agreement and shall be in addition to all such exculpatory or indemnification provisions contained herein and shall bind any person seeking performance by the Collateral Agent. In the event of any conflict between such provisions in the Credit Agreement and the provisions contained herein, the provisions contained in the Credit Agreement shall control.

(e) Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall have no fiduciary relationship with any person related to this Agreement or the duties to be performed hereunder, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against Collateral Agent.

(f) Neither the Collateral Agent nor any of its respective officers, directors, employees, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such person under or in connection with this Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any person for any recitals, statements, representations or warranties made by ay person contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Collateral Agent under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or for any failure of any party hereto to perform its obligations hereunder or (iii) liable for any special, exemplary, punitive or consequential damages. The Collateral Agent shall not be under any obligation to any person to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of any Guarantor or Grantor.

(g) The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believe by it, in its reasonable judgment, to be genuine and correct and to have been signed, sent or made by the proper person or persons and upon advice and statements of legal counsel (including counsel to the Lenders, Guarantors, Grantors or Crest), independent accountants and other experts selected by the Collateral Agent. The Collateral Agent shall be fully justified in failing or

refusing to take any action under this Agreement unless it shall first receive such advice or concurrence of the Required Lenders and Crest as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders and Crest against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Collateral Agent shall in all cases be fully protected in acting, or refraining from acting, under the Agreement and the other Loan Documents in accordance with a request of the Required Lenders or from Crest, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

(h) The agreements in this Section shall survive repayment of the Crest Obligations and the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

8.05 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent, and any attempted assignment without such consent shall be null and void.

8.06 Set-Off. Each Loan Party hereby irrevocably authorizes each Secured Party at any time and from time to time, while an Event of Default shall have occurred and be continuing, with notice to such Loan Party or any other Loan Party, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Secured Party to or for the credit or the account of such Loan Party, or any part thereof in such amounts as such Secured Party may elect, against and on account of the obligations and liabilities of such Loan Party to such Secured Party hereunder and claims of every nature and description of such Secured Party against such Loan Party, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as such Secured Party may elect, whether or not any Secured Party has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. Each Secured Party shall notify such Loan Party promptly of any such set-off and the application made by such Secured Party of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Secured Party under this Section are in addition to other rights and remedies (including other rights of set-off) which such Secured Party may have.

8.07 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile and electronic PDF delivery), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.08 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.09 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10 Integration. This Agreement and the other Loan Documents represent the agreement of the Loan Parties, the Collateral Agent and the other Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Secured Party relative to the subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

8.11 APPLICABLE LAW. **THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

8.12 Submission to Jurisdiction; Waivers. Each Loan Party hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Loan Party at its address and in the manner specified in Section 9.01 of the Credit Agreement or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.13 Acknowledgments. Each Loan Party hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) no Secured Party has any fiduciary relationship with or duty to any Loan Party arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Loan Parties, on the one hand, and the Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Loan Party and the Secured Parties.

8.14 [Reserved]

8.15 Releases. (a) At such time as the Payment in Full of the Obligations, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Collateral Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Collateral Agent shall deliver to such Grantor any Collateral held by the Collateral Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Collateral Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of the Borrower, a Guarantor shall be released from its obligations hereunder in the event that all the Equity Interests in such Guarantor shall be sold or otherwise disposed of in a transaction permitted by the Credit Agreement; provided that the Borrower shall have delivered to the Collateral Agent, at least ten Business Days prior to the date of the proposed release, a written request for such release identifying the relevant Guarantor and the terms of the relevant sale or other disposition in reasonable detail, including the price thereof and any expenses incurred in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

(c) Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement originally filed in connection herewith without the prior written consent of the Collateral Agent, subject to such Grantor's rights under Section 9-509(d)(2) of the New York UCC.

8.16 WAIVER OF JURY TRIAL. EACH LOAN PARTY AND THE COLLATERAL AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

8.17 Reinstatement. This Guarantee and Collateral Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Loan Party for liquidation or reorganization, should any Loan Party become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any such Loan Party's assets, and shall continue to be effective or be reinstated, as the case be, if at any time payments and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

8.18 Multiple Capacities. Each of the parties hereto hereby (i) acknowledges that The Bank of New York Mellon is being asked to act in multiple capacities as Administrative Agent, Collateral Agent and as Depository Agent and (ii) waives any conflict of interest, now contemplated or arising hereafter, in connection therewith and agrees not to assert against The Bank of New York Mellon any claims, causes of action, damages or liabilities of whatever kind or nature relating thereto.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

CHENIERE ENERGY, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE ENERGY SHARED SERVICES, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG & O&M SERVICES, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG TERMINALS, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG HOLDINGS, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE ENERGY PARTNERS GP, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

GUARANTORS:

CHENIERE ENERGY, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE ENERGY SHARED SERVICES, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG & O&M SERVICES, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG TERMINALS, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG HOLDINGS, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE MARKETING, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

COLLATERAL AGENT:

THE BANK OF NEW YORK MELLON,
as Collateral Agent

By: /s/ Robert D. Hingston
Name: ROBERT D. HINGSTON
Title: VICE PRESIDENT

EXHIBIT 10.3

EXECUTION COPY

GUARANTEE AND COLLATERAL AGREEMENT
(NON-CREST ENTITIES)

made by

CHENIERE COMMON UNITS HOLDING, LLC
as Borrower,

EACH AFFILIATE OF THE BORROWER LISTED AS A
GUARANTOR ON THE SIGNATURE PAGES HERETO,

and

EACH AFFILIATE OF THE BORROWER LISTED AS A
GRANTOR ON THE SIGNATURE PAGES HERETO

in favor of

THE BANK OF NEW YORK MELLON, as Collateral Agent

dated as of August 15, 2008

TABLE OF CONTENTS

Schedules:

GUARANTEE AND COLLATERAL AGREEMENT dated as of August 15, 2008, made by CHENIERE COMMON UNITS HOLDING, LLC, a Delaware limited liability company (the "Borrower"), each affiliate of the Borrower listed as a Guarantor on the signature pages hereto (together with any other entity that may become a party hereto as a guarantor as provided herein, the "Guarantors") and each affiliate of the Borrower listed as a grantor on the signature pages hereto (together with any other entity that may become a party hereto as a grantor as provided herein, the "Grantors"; together with the Guarantors, the "Loan Parties" and each a "Loan Party") in favor of THE BANK OF NEW YORK MELLON ("BNY"), as collateral agent (in such capacity and together with its successors, the "Collateral Agent") for the financial institutions or entities (the "Lenders") from time to time parties to that certain Credit Agreement, dated as of August [__], 2008 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among each affiliate of CHENIERE COMMON UNITS HOLDING, LLC, a Delaware limited liability company (the "Borrower"), the affiliates of Borrower signatory thereto, the Lenders and BNY, as administrative agent (in such capacity and together with its successors, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower is a member of an affiliated group of companies that includes each of the Loan Parties;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower to make valuable transfers to one or more of the Loan Parties in connection with the operation of their respective businesses;

WHEREAS, the Borrower and the Loan Parties are engaged in related businesses, and each Loan Party has determined that it will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement and that such extensions of credit are necessary or convenient to the conduct, promotion or attainment of the business of the Borrower and its affiliated group of companies; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement that the Loan Parties shall have executed and delivered this Agreement to the Collateral Agent for the ratable benefit of the Secured Parties (as hereinafter defined);

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Loan Party hereby agrees with the Collateral Agent, for the ratable benefit of the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.01 Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in the New York UCC (and if defined in more than one Article of the New York UCC, such terms shall have the meanings given in Article 9 thereof): Accounts, Account Debtor, As-Extracted Collateral, Certificated Security, Chattel Paper, Commercial Tort Claim, Commodity Account, Commodity Contract, Commodity Intermediary, Documents, Deposit Account, Electronic Chattel Paper, Equipment, Farm Products, Financial Asset, Fixtures, General Intangibles, Goods, Instruments, Inventory, Letter of Credit, Letter of Credit Rights, Money, Payment Intangibles, Securities Account, Securities Intermediary, Security, Security Entitlement, Supporting Obligations, Tangible Chattel Paper and Uncertificated Security.

(b) The following terms shall have the following meanings:

"Administrative Agent" shall have the meaning assigned to such term in the preamble.

"After-Acquired Intellectual Property" shall have the meaning assigned to such term in Section 5.10(k).

"Agreement" shall mean this Guarantee and Collateral Agreement, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"All Assets Grantors" shall mean the Borrower and the Pipeline Owners.

"Borrower" shall have the meaning assigned to such term in the preamble.

"Borrower Obligations" shall mean the collective reference to the unpaid principal of the Loans, interest accruing on the Loans (including Permitted Accrued Interest and interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Loan Parties to the Collateral Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with the Credit Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, reasonable out-of-pocket fees, indemnities, costs, reasonable out-of-pocket expenses (including all reasonable fees, charges and disbursements of counsel to the Collateral Agent or to any Lender that are required to be paid by any Loan Party in accordance with the Credit Agreement or any other Loan Document in accordance with the Credit Agreement) or otherwise. Notwithstanding the foregoing, "Borrower Obligations" shall not include any liability of the Borrower or any other Loan Party for the obligations of CEI under this Agreement.

"Closing Date" shall mean the date hereof.

"Collateral" shall have the meaning assigned to such term in Section 3.

"Collateral Account" shall mean any collateral account established by the Collateral Agent as provided in Section 6.01 or 6.04.

"Collateral Account Funds" shall mean, collectively, the following: all funds (including all trust monies), investments (including all Permitted Investments) credited to, or purchased with funds from, any Collateral Account and all certificates and instruments from time to time representing or evidencing such investments; all notes, certificates of deposit, checks and other instruments from time to time hereafter delivered to or otherwise possessed by the Collateral Agent for or on behalf of any Grantor in substitution for, or in addition to, any or all of the Collateral; and all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the items constituting Collateral.

"Collateral Agent" shall have the meaning assigned to such term in the preamble.

"Common Units" shall have the meaning assigned to such term in Section 6.07(a).

"Contracts" shall mean all contracts and agreements between any All Assets Grantor and any other person (in each case, whether written or oral, or third party or intercompany) as the same may be amended, extended, restated, supplemented, replaced or otherwise modified from time to time including (i) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of any Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (iii) all rights of such Grantor to damages arising thereunder and (iv) all rights of any Grantor to terminate and to perform and compel performance of, such contracts and to exercise all remedies thereunder.

"Copyright Licenses" shall mean any and all agreements, license, or covenants, whether written or oral, naming any All Assets Grantor as licensor or licensee, granting any right in, to or under any Copyright or otherwise providing for a covenant not to sue, including the grant of rights to reproduce, distribute, perform, publicly display, and make derivative works of any work protected by copyright.

"Copyrights" shall mean (i) all copyrights arising under the laws of the United States, any other country, or union of countries, or any political subdivision of any of the foregoing, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith and rights corresponding thereto throughout the world, including all registrations, recordings and applications in the United States Copyright Office, (ii) the right to, and to obtain, all extensions and renewals thereof, (iii) the right to sue or otherwise recover for any and all past, present, and future infringements and other violations thereof, (iv) all Proceeds of the foregoing, including license, royalties, income, payments, claims, damages, and proceeds of suit now and hereafter due and/or payable with respect thereto (including payments under all Copyright Licenses entered into in connection therewith), and (vi) all other rights of any kind whatsoever of any All Assets Grantor accruing thereunder or pertaining thereto throughout the world.

"Credit Agreement" shall have the meaning assigned to such term in the preamble.

"dollars" or "$" shall mean lawful money of the United States of America.

"Excluded Assets" shall mean:

(i) any lease, license, contract, property right or agreement to which any Grantor is a party or any of its rights or interests thereunder if the grant of a security interest therein shall constitute or result in a breach, termination or default under any such lease, license, contract, property right or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC of any relevant jurisdiction or any other applicable law or principles of equity); provided, however, that such security interest shall attach immediately to any portion of such lease, license, contract, property rights or agreement that does not result in any of the consequences specified above;

(ii) in the case of any Pledgor (other than the All Assets Grantors), all of its Personal Property, except for the Pledged Equity Interests and all rights and privileges of such Pledgor with respect to the foregoing and all proceeds of the foregoing;

(iii) in the case of any Intercompany Loan Party (other than the All Assets Grantors), all of its Personal Property except for the Global Intercompany Note and all rights and privileges of such Intercompany Loan Party with respect to the foregoing and all proceeds of the foregoing;

(iv) in the case of Cheniere LNG Holdings, LLC, all of its Personal Property except for such Grantor's right, title, interest and privileges in, to and under (a) the Pledged Equity Interests, (b) the TUA Account and (c) that certain Blocked Account Control Agreement ("Lending Control"), dated as of August 15, 2008, by and among Cheniere LNG Holdings, LLC, the Collateral Agent and JPMorgan Chase Bank, N.A., as depositary and all and all proceeds of the foregoing; and

(v) in the case of the Pipeline Owners any surplus pipe owned by such Grantor and stored at 5200 Curtis Lane, New Iberia, LA, 70560.

"General Intangibles" shall mean all "general intangibles" as such term is defined in Article 9 of the New York UCC and, in any event, including with respect to any All Assets Grantor, all rights of such Grantor to receive any tax refunds and all contracts, agreements, instruments and indentures and all licenses, permits, concessions, franchises and authorizations issued by Governmental Authorities in any form, and portions thereof, to which such Grantor is a party or under which such Grantor has any right, title or interest or to which such Grantor or any property of such Grantor is subject, as the same may from time to time be amended, supplemented, replaced or otherwise modified, including (i) all rights of such Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of such Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (iii) all rights of such Grantor to damages arising thereunder and (iv) all rights of such Grantor to terminate and to perform and compel performance and to exercise all remedies thereunder.

"Global Intercompany Note" shall mean the Subordinated Intercompany Note, dated as of August 15, 2008, in the form of Exhibit F to the Credit Agreement.

"Grantors" shall have the meaning assigned to such term in the preamble.

"Guarantor Obligations" shall mean with respect to any Grantor or Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement (including Section 2) or any other Loan Document to which such Grantor or Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, reasonable out-of-pocket fees, indemnities, costs and expenses (including all reasonable fees and disbursements of counsel to any Secured Party that are required to be paid by such Grantor or Guarantor pursuant to the terms of this Agreement or any other Loan Document in accordance with the Credit Agreement) or otherwise. Notwithstanding the foregoing, "Guarantor Obligations" shall not include any liability of any Guarantor (other than CEI) for the obligations of CEI under this Agreement.

"Guarantors" shall have the meaning assigned to such term in the preamble.

"Insurance" shall mean (i) all property and casualty insurance policies covering any or all of the Collateral (regardless of whether the Collateral Agent is the loss payee thereof) and (ii) any key man life insurance policies.

"Intellectual Property" shall mean the collective reference to all rights, priorities and privileges relating to any intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets and the Trade Secret Licenses, together with URLs, domain names, content of websites and databases, and all rights to sue at law or in equity or otherwise recover for any and all past, present and future infringement, misappropriation, dilution or other violation or impairment of rights therein, including the right to receive all Proceeds and damages therefrom, including license fees, royalties, income, payments, claims, damages, and proceeds of suit now and hereafter due and/or payable with respect thereto, and all other rights of any kind whatsoever of any Grantor accruing thereunder or pertaining thereto throughout the world.

"Intellectual Property Collateral" shall mean that portion of the Collateral that constitutes Intellectual Property.

"Intercompany Loan Party" shall mean any Grantor whose name appears under the heading "Intercompany Loan Party" on Schedule 1 hereto (as such schedule may be amended or supplemented from time to time).

"Investment Property" shall mean the collective reference to (i) all "investment property" as such term is defined in Section 9-102(a)(49) of the New York UCC including all Certificated Securities and Uncertificated Securities, all Security Entitlements, all Securities Accounts, all Commodity Contracts and all Commodity Accounts, (ii) security entitlements, in the case of any United States Treasury book-entry securities, as defined in 31 C.F.R. section 357.2, or, in the case of any United States federal agency book-entry securities, as defined in the corresponding United States federal regulations governing such book-entry securities, and (iii) whether or not otherwise constituting "investment property," all Pledged Notes, all Pledged Equity Interests, all Pledged Security Entitlements and all Pledged Commodity Contracts.

"Issuers" shall mean the collective reference to each issuer of a Pledged Security.

"Lenders" shall have the meaning assigned to such term in the preamble.

"Licensed Intellectual Property" shall have the meaning assigned to such term in Section 4.09(a).

"Material Contract" shall mean each contract pursuant to which any All Assets Grantor licenses Material Intellectual Property together with any agreement, contract or license or other arrangement (other than an agreement, contract or arrangement representing indebtedness for borrowed money) to which any Grantor is a party that is material to the Grantors and their subsidiaries, taken as a whole, and for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

"Material Intellectual Property" shall have the meaning assigned to such term in Section 4.09(b).

"New York UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations" shall mean (i) in the case of the Borrower, the Borrower Obligations, (ii) in the case of each Grantor or Guarantor, its Guarantor Obligations.

"Owned Intellectual Property" shall have the meaning assigned to such term in Section 4.09(a).

"Patent License" shall mean any and all agreements, licenses and covenants, whether written or oral, providing for the grant by or to any All Assets Grantor of any right in, or under any Patent, or otherwise providing for a covenant not to sue.

"Patents" shall mean all (i) all patents, certificates of invention, inventions (whether or not reduced to practice), or similar industrial property rights of the United States, any other country, union of countries or any political subdivision of any of the foregoing, all reissues and extensions thereof, (ii) all applications for patents of the United States or any other country or union of countries or any political subdivision of any of the foregoing and all divisions, continuations and continuations-in-part thereof, (iii) all rights to, and to obtain, any reissues or extensions of the foregoing, (iv) all inventions and improvements described therein, (v) the right to sue or otherwise recover for any and all past, present, and future infringements and other violations thereof, (vi) all Proceeds of the foregoing, including license fees, royalties, income, payments, claims, damages and proceeds of suit now and hereafter due and/or payable with respect thereto (including payments under all Patent Licenses entered into in connection therewith), and (vii) all other rights of any kind whatsoever of any All Assets Grantor accruing thereunder or pertaining thereto throughout the world.

"Payment in Full of the Obligations" shall have the meaning assigned to such term in Section 2.01(e).

"Perfection Certificate" shall mean the Pre-Closing UCC Diligence Certificate, dated as of the date hereof, executed by each of the Loan Parties.

"person" shall mean any natural person, institution, sole proprietorship, unincorporated organization, public benefit corporation, corporation, trust, business trust, joint venture, joint stock company, association, company, limited liability company, partnership, Governmental Authority or other entity.

"Personal Property" shall have the meaning assigned to such term in Section 3(a).

"Pipeline Owners" shall mean Cheniere Creole Trail Pipeline, L.P. and Cheniere Corpus Christi Pipeline, L.P.

"Pledged Alternative Equity Interests" shall mean all interests of any All assets Grantor in participation or other interests in any equity or profits of any business entity and the certificates, if any, representing such interests and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such interests and any other warrant, right or option to acquire any of the foregoing; provided, however, that Pledged Alternative Equity Interests shall not include any Pledged Stock, Pledged Partnership Interests or Pledged LLC Interests.

"Pledged Collateral" shall mean the collective reference to the Pledged Securities and the Pledged Security Entitlements.

"Pledged Debt Securities" shall mean all debt securities now owned or hereafter acquired by any All Assets Grantor, including the debt securities listed on Schedule 4.07(b), together with any other certificates, options, rights or security entitlements of any nature whatsoever in respect of the debt securities of any person that may be issued or granted to, or held by, any All Assets Grantor while this Agreement is in effect.

"Pledged Equity Interests" shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests, and Pledged Alternative Equity Interests.

"Pledged LLC Interests" shall mean with respect to any Grantor, all such Grantor's rights, title and interest in the limited liability companies listed on Schedule 4.07(a) hereto under the heading "Pledged LLC Interests" and the certificates, if any, representing such limited liability company interests and any interest of such Grantor on the books and records of such limited liability company and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Notes" shall mean (i) with respect to any All Assets Grantor, all promissory notes now owned or hereafter acquired by any Grantor, including those listed on Schedule 4.07(b) and (ii) with respect to any Intercompany Loan Party, the Global Intercompany Note.

"Pledged Partnership Interests" shall mean with respect to any Grantor, all such Grantor's rights, title and interest in the limited partnership, limited liability partnership or other partnership interests listed on Schedule 4.07(a) hereto under the heading "Pledged Partnership Interests and the certificates, if any, representing such partnership interests and any interest of such Grantor on the books and records of such partnership and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Securities" shall mean the collective reference to the Pledged Debt Securities, the Pledged Notes and the Pledged Equity Interests.

"Pledged Security Entitlements" shall mean all Security Entitlements with respect to the Financial Assets listed on Schedule 4.07(c) and all other Security Entitlements of any All Assets Grantor.

"Pledged Stock" shall mean with respect to any Grantor, all such Grantor's rights, title and interest in the entities listed on Schedule 4.07(a) hereto under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares and any other warrant, right or option to acquire any of the foregoing.

"Pledgor" shall mean any Grantor whose name appears under the heading "Pledgor" on Schedule 1 hereto (as such schedule may be amended or supplemented from time to time).

"Proceeds" shall mean all "proceeds" as such term is defined in Section 9-102(a)(64) of the New York UCC and, in any event, shall include all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

"Receivable" shall mean all Accounts and any other right to payment for goods or other property sold, leased, licensed or otherwise disposed of or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper or classified as a Payment Intangible and whether or not it has been earned by performance. References herein to Receivables shall include any Supporting Obligation or collateral securing such Receivable.

"Secured Parties" shall mean, collectively, the Administrative Agent, the Collateral Agent and the Lenders (together with their respective successors and assigns).

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Trademark License" shall mean any and all agreements, licenses and covenants, whether written or oral, providing for the grant by or to any All Assets Grantor of any right in, to or under any Trademark or otherwise providing for a covenant not to sue or permitting co-existence.

"Trademarks" shall mean (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, trade styles, service marks, logos, designs and other source or business identifiers, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country, union of countries, or any political subdivision of any of the foregoing, or otherwise, and all common-law rights related thereto, (ii) the right to, and to obtain, all renewals thereof, (iii) the goodwill of the business connected with the use of and symbolized by the foregoing, (iv) general intangibles of a like nature, (v) the right to sue or otherwise recover for any and all past, present and future infringements, dilutions and other violations of any of the foregoing or for any injury to the goodwill associated with the use thereof, (vi) all Proceeds of the foregoing, including license fees, royalties, income, payments, claims, damages and proceeds of suit now and hereafter due and/or payable with respect thereto (including payments under all Trademark Licenses entered into in connection therewith), and (vii) all other rights of any kind whatsoever of any All Assets Grantor accruing thereunder or pertaining thereto throughout the world.

"Trade Secret License" shall mean any and all agreements, whether written or oral, providing for the grant by or to any All Assets Grantor of any right in, to or under any Trade Secret.

"Trade Secrets" shall mean all trade secrets and all other confidential or proprietary information and know-how (all of the foregoing being collectively called a "Trade Secret"), whether or not the foregoing has been reduced to a writing or other tangible form, including all documents and things embodying, incorporating or describing the foregoing, including (i) the right to sue or otherwise recover for any and all past, present and future misappropriations or other violations thereof, (ii) all Proceeds of the foregoing, including license fees, royalties, income, payments, claims, damages and proceeds of suit now and hereafter due and/or payable with respect thereto (including payments under all Trade Secret Licenses entered into in connection therewith), and (iii) all other rights of any kind whatsoever of any Grantor accruing thereunder or pertaining thereto throughout the world.

1.02 Other Definitional Provisions. (a) The words "hereof," "herein," "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to the specific provisions of this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to the property or assets such Grantor has granted as Collateral or the relevant part thereof.

(d) The expressions "payment in full," "paid in full" and any other similar terms or phrases when used herein or in any other document with respect to the Borrower Obligations or the Guarantor Obligations shall mean the unconditional, final and irrevocable payment in full, in immediately available funds, of all of the Borrower Obligations or the Guarantor Obligations, as the case may be, in each case, unless otherwise specified, other than indemnification and other contingent obligations not then due and payable.

(e) The words "include," "includes" and "including," and words of similar import, shall not be limiting and shall be deemed to be followed by the phrase "without limitation."

(f) All references to the Lenders herein shall, where appropriate, include any Lender, the Administrative Agent and the Collateral Agent.

SECTION 2. GUARANTEE

2.01 Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Collateral Agent, for the ratable benefit of the Secured Parties and their respective successors, endorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

(b) If and to the extent required in order for the Obligations of any Guarantor to be enforceable under applicable federal, state and other laws relating to the insolvency of debtors, the maximum liability of such Guarantor hereunder shall be limited to the greatest amount which can be guaranteed by such Guarantor without rendering such Guarantor insolvent on the date hereof under such laws, after giving effect to any rights of contribution, reimbursement and subrogation arising under Section 2.02. Each Guarantor acknowledges and agrees that, to the extent not prohibited by applicable law, (i) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right under such laws to reduce, or request any judicial relief that has the effect of reducing, the amount of its liability under this Agreement, (ii) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right to enforce the limitation set forth in this Section 2.01(b) or to reduce, or request judicial relief reducing, the amount of its liability under this Agreement, and (iii) the limitation set forth in this Section 2.01(b) may be enforced only to the extent required under such laws in order for the obligations of such Guarantor under this Agreement to be enforceable under such laws and only by or for the benefit of a creditor, representative of creditors or bankruptcy trustee of such Guarantor or other person entitled, under such laws, to enforce the provisions thereof.

(c) Each Guarantor agrees that the Borrower Obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of such Guarantor under Section 2.01(b) without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of any Secured Party hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until Payment in Full of the Obligations (as hereinafter defined).

(e) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other person or received or collected by any Secured Party from the Borrower, any of the Guarantors, any other guarantor or any other person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to the maximum liability of such Guarantor hereunder until the Borrower Obligations (other than reimbursement and indemnity obligations for which no claim or demand for payment has been made) are paid in full and the Commitments shall have been terminated or shall have expired (the occurrence of each of the foregoing, the "Payment in Full of the Obligations").

2.02 Rights of Reimbursement, Contribution and Subrogation. In case any payment is made on account of the Obligations by any Loan Party or is received or collected on account of the Obligations from any Loan Party or its property:

(a) If such payment is made by the Borrower or from its property, then, if and to the extent such payment is made on account of Obligations arising from or relating to a Loan or other extension of credit made to the Borrower, the Borrower shall not be entitled (i) to demand or enforce reimbursement or contribution in respect of such payment from any other Loan Party or (ii) to be subrogated to any claim, interest, right or remedy of any Secured Party against any other person, including any other Loan Party or its property.

(b) If such payment is made by a Loan Party or from its property, such Loan Party shall be entitled, subject to and upon Payment in Full of the Obligations, (i) to demand and enforce reimbursement for the full amount of such payment from the Borrower and (ii) to demand and enforce contribution in respect of such payment from each other Loan Party that has not paid its fair share of such payment, as necessary to ensure that (after giving effect to any enforcement of reimbursement rights provided hereby) each Loan Party pays its fair share of the unreimbursed portion of such payment. For this purpose, the fair share of each Loan Party as to any unreimbursed payment shall be determined based on an equitable apportionment of such unreimbursed payment among all Loan Parties based on the relative value of their assets and any other equitable considerations deemed appropriate by a court of competent jurisdiction.

(c) If and whenever any right of reimbursement or contribution becomes enforceable by any Loan Party against any other Loan Party under this Section 2.02, such Loan Party shall be entitled, subject to and upon Payment in Full of the Obligations, to be subrogated

(equally and ratably with all other Loan Parties entitled to reimbursement or contribution from any other Loan Party as set forth in this Section 2.02) to any security interest that may then be held by the Collateral Agent upon any Collateral granted to it in this Agreement. Such right of subrogation shall be enforceable solely against the Loan Parties, and not against the Secured Parties, and neither the Collateral Agent nor any other Secured Party shall have any duty whatsoever to warrant, ensure or protect any such right of subrogation or to obtain, perfect, maintain, hold, enforce or retain any Collateral for any purpose related to any such right of subrogation. If subrogation is demanded by any Loan Party, then (after Payment in Full of the Obligations) the Collateral Agent shall deliver to the Loan Parties making such demand, or to a representative of such Loan Parties or of the Loan Parties generally, an instrument satisfactory to the Collateral Agent transferring, on a quitclaim basis without any recourse, representation, warranty or obligation whatsoever, whatever security interest the Collateral Agent then may hold in whatever Collateral may then exist that was not previously released or disposed of by the Collateral Agent.

(d) All rights and claims arising under this Section 2.02 or based upon or relating to any other right of reimbursement, indemnification, contribution or subrogation that may at any time arise or exist in favor of any Loan Party as to any payment on account of the Obligations made by it or received or collected from its property shall be fully subordinated in all respects to the prior payment in full of all of the Obligations. Until Payment in Full of the Obligations, no Loan Party shall demand or receive any collateral security, payment or distribution whatsoever (whether in cash, property or securities or otherwise) on account of any such right or claim. If any such payment or distribution is made or becomes available to any Loan Party in any bankruptcy case or receivership, insolvency or liquidation proceeding, such payment or distribution shall be delivered by the person making such payment or distribution directly to the Collateral Agent, for application to the payment of the Obligations. If any such payment or distribution is received by any Loan Party, it shall be held by such Loan Party in trust, as trustee of an express trust for the benefit of the Secured Parties, and shall forthwith be transferred and delivered by such Loan Party to the Collateral Agent, in the exact form received and, if necessary, duly endorsed.

(e) The obligations of the Loan Parties under the Loan Documents, including their liability for the Obligations and the enforceability of any and all security interests granted thereby, are not contingent upon the validity, legality, enforceability, collectibility or sufficiency of any right of reimbursement, contribution or subrogation arising under this Section 2.02. The invalidity, insufficiency, unenforceability or uncollectibility of any such right shall not in any respect diminish, affect or impair any such obligation or any other claim, interest, right or remedy at any time held by any Secured Party against any Loan Party or its property. The Secured Parties make no representations or warranties in respect of any such right and shall have no duty to assure, protect, enforce or ensure any such right or otherwise relating to any such right.

(f) Each Loan Party reserves any and all other rights of reimbursement, contribution or subrogation at any time available to it as against any other Loan Party, but (i) the exercise and enforcement of such rights shall be subject to Section 2.02(d) and (ii) neither the Collateral Agent nor any other Secured Party shall ever have any duty or liability whatsoever in respect of any such right, except as provided in Section 2.02(c).

2.03 Amendments, etc. with respect to the Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by any Secured Party may be rescinded by such Secured Party and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, increased, extended, amended, modified, accelerated, compromised, waived, surrendered or released by any Secured Party, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the parties thereto may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by any Secured Party for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. No Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

2.04 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by any Secured Party upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 may be construed as a continuing, absolute and unconditional guarantee of payment and performance without regard to (a) the validity or enforceability of the Credit Agreement or any other Loan Document, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance hereunder) which may at any time be available to or be asserted by the Borrower or any other person against any Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Borrower Obligations, or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, any Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by any Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor or any other person

or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of any Secured Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.05 Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by any Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.06 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Collateral Agent promptly upon demand by the Administrative Agent without set-off or counterclaim in Dollars in immediately available funds at the office of the Collateral Agent as specified in the Credit Agreement.

SECTION 3. GRANT OF SECURITY INTEREST; CONTINUING LIABILITY UNDER COLLATERAL

(a) Each Grantor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in the Collateral (as defined below) of such Grantor, wherever located and now owned or at any time hereafter acquired or developed by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Borrower Obligations or Grantor Obligations. With respect to any Grantor, the term "Collateral" shall mean all of the Personal Property of such Grantor (as defined below), excluding, however, the Excluded Collateral (as defined below). With respect to any Grantor, the term "Personal Property" shall mean as follows:

(i) all Accounts;

(ii) all As-Extracted Collateral;

(iii) all Chattel Paper;

(iv) all Commercial Tort Claims from time to time specifically described on Schedule 4.11;

(v) all Contracts;

(vi) all Deposit Accounts;

(vii) all Documents;

(viii) all Equipment;

(ix) all Fixtures

(x) all General Intangibles;

(xi) all Goods

(xii) all Instruments;

(xiii) all Insurance;

(xiv) all Intellectual Property;

(xv) all Inventory;

(xvi) all Investment Property;

(xvii) all Letter of Credit Rights;

(xviii) all Money;

(xix) all Securities Accounts;

(xx) all books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and other electronic storage media and related data processing software and similar items that at any time pertain to or evidence or contain information relating to any of the foregoing or are otherwise necessary or helpful in the collection thereof or realization thereupon; and

(xxi) to the extent not otherwise included, all other property, whether tangible or intangible, of the Grantor and all Proceeds, products, accessions, rents and profits of any and all of the foregoing and all collateral security, Supporting Obligations and guarantees given by any person with respect to any of the foregoing;

The term "Excluded Collateral" shall mean, with respect to any Grantor, any property that is, at such time, (A) an Excluded Asset, (B) the outstanding capital stock, limited liability interests, partnership interests or other equity interests of a Foreign Subsidiary (as hereinafter defined) in excess of 65% of the voting power of all classes of capital stock, limited liability interests, partnership interests or other equity interests of such Foreign Subsidiary entitled to vote, or (C) any application filed in the U.S. Patent and Trademark Office pursuant to Section 1(b) of the Lanham Act to register a trademark or service mark based on a Grantor's "intent to use" such trademark or service mark, prior to the filing of a "Statement of Use" or Amendment to Allege Use under Section 1(c) or Section 1(d) of the Lanham Act with respect thereto, solely to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration that issues from such intent-to-use trademark or service mark application under applicable federal law.

For purposes of this Section 3(a), "Foreign Subsidiary" shall mean, with respect to any Grantor, any corporation, partnership, limited liability company or other business entity (i) which is organized under the laws of a jurisdiction other than a state of the United States or the District of Columbia and (ii) which an aggregate of more than 50% of the outstanding classes of capital stock entitled to vote is, at the time, owned by such Grantor.

(b) Notwithstanding anything herein to the contrary, (i) each Grantor shall remain liable for all obligations under and in respect of the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Collateral Agent or any other Secured Party, (ii) each Grantor shall remain liable under and each of the agreements included in the Collateral, including any Receivables, any Contracts and any Contracts relating to Pledged Partnership Interests or Pledged LLC Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Agent nor any other Secured Party shall have any obligation or liability under any of such Contracts by reason of or arising out of this Agreement or any other document related hereto or any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or any obligation to take any action to collect or enforce any rights under any Contract included in the Collateral, including any Contract relating to any Receivables or any Contracts relating to Pledged Partnership Interests or Pledged LLC Interests and (iii) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the Contracts included in the Collateral, including any agreements relating to any Receivables or any Contracts relating to Pledged Partnership Interests or Pledged LLC Interests.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, each Guarantor and/or each Grantor (if and to the extent applicable to such Guarantor and/or such Grantor with respect to any grant of security interests in the Collateral pursuant to Section 3(a) hereof) hereby represents and warrants to the Secured Parties on the date each Loan is made that:

4.01 Representations in Credit Agreement. In the case of each Loan Party, the representations and warranties set forth in Article III of the Credit Agreement as they relate to such Loan Party or to the Loan Documents to which such Loan Party is a party, each of which is hereby incorporated herein by reference, are true and correct, in all material respects, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, and the Secured Parties shall be entitled to rely on each of them as if they were fully set forth herein, provided that each reference in each such representation and warranty to the Borrower's knowledge shall, for the purposes of this Section 4.01, be deemed to be a reference to such Loan Party's knowledge.

4.02 Title; No Other Liens. Such Grantor owns each item of the Collateral free and clear of any and all Liens or claims, including Liens arising as a result of such Grantor becoming bound (as a result of merger or otherwise) as grantor under a security agreement entered into by another person, except for Permitted Liens. No financing statement, mortgage or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, pursuant to this Agreement or with respect to Permitted Liens.

4.03 Perfected Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 4.03 and payment of all filing fees, will constitute valid fully perfected security interests in all of the Collateral in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof, except for the taking of any actions required to perfect security interests in connection with After-Acquired Intellectual Property and as may be required under the laws of any jurisdiction outside of the United States in order to perfect the Collateral Agent's Lien in the Collateral created under the laws of such jurisdiction and (b) are prior to all other Liens on the Collateral, except for Permitted Liens. Without limiting the foregoing, each Grantor (to the extent applicable to such Grantor) has taken all actions necessary or desirable, including those specified in Section 5.02 to (i) establish the Collateral Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the New York UCC) over any portion of the Investment Property constituting Certificated Securities, Uncertificated Securities, Securities Accounts, Securities Entitlements or Commodity Accounts (each as defined in the New York UCC), (ii) establish the Collateral Agent's "control" (within the meaning of Section 9-104 of the New York UCC) over all Deposit Accounts, (iii) establish the Collateral Agent's "control" (within the meaning of Section 9-107 of the New York UCC) over all Letter of Credit Rights, (iv) establish the Collateral Agent's "control" (within the meaning of Section 9-105 of the New York UCC) over all Electronic Chattel Paper and (v) establish the Collateral Agent's "control" (within the meaning of Section 16 of the Uniform Electronic Transaction Act as in effect in the applicable jurisdiction "UETA") over all "transferable records" (as defined in UETA).

4.04 Name; Jurisdiction of Organization, etc. On the date hereof, such Loan Party's exact legal name (as indicated on the public record of such Loan Party's jurisdiction of formation or organization), jurisdiction of organization, organizational identification number, if any, and the location of such Loan Party's chief executive office or sole place of business are specified in the Perfection Certificate. Each Loan Party is organized solely under the law of the jurisdiction so specified and has not filed any certificates of domestication, transfer or continuance in any other jurisdiction. The jurisdiction of each such Loan Party's organization of formation is required to maintain a public record showing the Loan Party to have been organized or formed. Except as set forth in the Perfection Certificate, no such Loan Party has changed its name, jurisdiction of organization, chief executive office or sole place of business or its corporate structure in any way (e.g., by merger, consolidation, change in corporate form or otherwise) within the past five years.

4.05 Inventory and Equipment. (a) Within the five years preceding execution of this agreement, such Grantor has not changed the location of a material portion of its Equipment and Inventory that is included in the Collateral except as set forth in the Perfection Certificate.

(b) None of the Inventory or Equipment that is included in the Collateral is in the possession of an issuer of a negotiable document (as defined in Section 7-104 of the New York UCC) therefor or is otherwise in the possession of any bailee or warehouseman.

4.06 Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.07 Investment Property. (a) Schedule 4.07(a) hereto sets forth the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest owned by each Grantor in the Pledged Equity Interests. Each Grantor listed as the holder of any Pledged Debt Securities or "Pledged Notes set forth on Schedule 4.07(b) represents and warrants that such Pledged Debt Securities and Pledged Notes have been duly authorized, authenticated or issued, and delivered and are the legal, valid and binding obligation of the issuers thereof enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, and is not in default and constitutes all of the issued and outstanding inter-company indebtedness evidenced by an instrument or certificated security of the respective issuers thereof owing by a Loan Party to such Grantor. Each Grantor listed on Schedule 4.07(c) is the sole entitlement holder of each of the "Securities Accounts," "Commodities Accounts," and "Deposit Accounts" respectively, identified therein as being held by such Grantor, and has not consented to or is otherwise aware of any person having "control" (within the meanings of Sections 8-106, 9-106 and 9-104 of the New York UCC) over, or any other interest in, any such Securities Account, Commodity Account or Deposit Account, in each case in which such Grantor has an interest, or any securities, commodities or other property credited thereto.

(b) The shares of Pledged Equity Interests pledged by such Grantor hereunder constitute all of the issued and outstanding shares of all classes of Equity Interests in each Issuer owned by such Grantor.

(c) All the shares of the Pledged Equity Interests have been duly and validly issued and are fully paid and nonassessable.

(d) The terms of any uncertificated Pledged LLC Interests and Pledged Partnership Interests do not provide that they are securities governed by Article 8 of the Uniform Commercial Code in effect from time to time in the "issuer's jurisdiction" of each Issuer thereof (as such term is defined in the Uniform Commercial Code in effect in such jurisdiction). There shall be no certificated Pledged LLC Interests or Pledged Partnership Interests which provide that they are securities governed by Article 8 of the Uniform Commercial Code in effect from time to time in the "issuer's jurisdiction" of each Issuer thereof, unless all certificates relating thereto (i) have been delivered to the Collateral Agent pursuant to the terms hereof and (ii) expressly provide that they are securities governed by Article 8 of the New York UCC or such certificated Pledged LLC Interests or Pledged Partnership Interests are of a type dealt in or traded on securities exchanges or in securities markets and would be securities under Section 8-103 of the New York UCC.

(e) Such Grantor is the record and beneficial owner of, and has good and defeasible title to, the Investment Property and Deposit Accounts pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other person, except Permitted Liens, and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests.

4.08 Receivables. (a) None of the obligors on any Receivables that are included in the Collateral is a Governmental Authority.

(b) Each Receivable in excess of $1,000,000 that is included in the Collateral (i) to such Grantor's knowledge, is and will be the legal, valid and binding obligation of the Account Debtor in respect thereof, representing an unsatisfied obligation of such Account Debtor, (ii) to such Grantor's knowledge, is and will be enforceable in accordance with its terms, subject to the applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, (iii) is not and will not be subject to any setoffs, defenses, taxes, counterclaims (except with respect to setoffs in accordance with the Credit Agreement, Permitted Liens and refunds, returns and allowances in the ordinary course of business with respect to damaged merchandise) and (iv) is and will be in compliance with all applicable material laws and regulations.

4.09 Intellectual Property. No Grantor owns any Intellectual Property which is registered with a Governmental Authority or is the subject of an application for registration or any material unregistered Intellectual Property, in each case which is owned by such Grantor in its own name on the date hereof.

4.10 Letters of Credit and Letter of Credit Rights. Each of the All Assets Grantors represents that it is not a beneficiary or assignee under any Letter of Credit. In the event that any Letters of Credit are included in the Collateral that are by their terms transferable, each such Grantor will use commercially reasonable efforts to cause all issuers and nominated persons under Letters of Credit in which such Grantor is the beneficiary or assignee to consent to the assignment of such Letter of Credit to the Collateral Agent and has agreed that upon the occurrence of an Event of Default it shall cause all payments thereunder to be made to the Collateral Account.

4.11 Commercial Tort Claims. No All Assets Grantor has any Commercial Tort Claims individually or in the aggregate in excess of $1,000,000, except as specifically described on Schedule 4.11.

4.12 Contracts.

(a) Schedule 4.12(a) sets forth all of the Material Contracts in which each All Assets Grantor has any right or interest and sets forth each of the Management Services Agreements.

(b) Each Material Contract and each Management Services Agreement is in full force and effect and constitutes a valid and legally enforceable obligation of the Grantor party thereto and (to the best of such Grantor's knowledge) each other party thereto, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

(c) The right, title and interest of such Grantor in, to and under the Material Contracts and/or the Management Services Agreements are not subject to any existing defenses, rights of recoupment or claims.

(d) Neither such Grantor nor (to the best of such Grantor's knowledge) any of the other parties to the Material Contracts or and the Management Services Agreements, as applicable, is in default in the performance or observance of any of the terms thereof.

(e) Intentionally Omitted.

(f) Such Grantor has delivered to the Collateral Agent a complete and correct copy of each Material Contract or the Management Services Agreement as applicable, including all amendments, supplements and other modifications thereto.

(g) None of the parties to any Material Contract or Management Services Agreement is a Governmental Authority.

4.13 Perfection Certificate. The Perfection Certificate delivered to the Collateral Agent is true, complete and correct in all material respects as of the date hereof.

SECTION 5. COVENANTS

Each Guarantor and/or each Grantor hereby covenants and agrees (if and to the extent applicable to such Guarantor and/or such Grantor with respect to any grant of security interests in the Collateral pursuant to Section 3 hereof) that, from and after the date of this Agreement until the Payment in Full of the Obligations:

5.01 Covenants in Credit Agreement. Such Loan Party shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Loan Party.

5.02 Delivery and Control of Instruments, Chattel Paper, Negotiable Documents, Investment Property and Deposit Accounts (a) If any of the Collateral having a fair market value in excess of $2,500,000 in the aggregate is or shall become evidenced or represented by any Instrument, Certificated Security, Negotiable Document or Tangible Chattel Paper, then such Instrument (other than checks received in the ordinary course of business), Certificated Security, Negotiable Documents or Tangible Chattel Paper shall be immediately delivered to the Collateral Agent, duly endorsed in a manner reasonably satisfactory to the Collateral Agent, to be held as Collateral pursuant to this Agreement, and all of such property

owned by any Grantor as of the Closing Date shall be delivered on the Closing Date. Any Collateral not otherwise required to be delivered to the Collateral Agent in accordance with this Subsection (a) shall be delivered to the Collateral Agent, at the request of the Collateral Agent, after an Event of Default has occurred and be continuing.

(b) If any of the Collateral is or shall become "Electronic Chattel Paper" such Grantor shall ensure that (i) a single authoritative copy exists which is unique, identifiable, unalterable (except as provided in clauses (iii), (iv) and (v) of this paragraph), (ii) such authoritative copy identifies the Collateral Agent as the assignee and is communicated to and maintained by the Collateral Agent or its designee, (iii) copies or revisions that add or change the assignee of the authoritative copy can only be made with the participation of the Collateral Agent, (iv) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy and not the authoritative copy and (v) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

(c) If any Collateral is or shall become evidenced or represented by an Uncertificated Security, such Grantor shall take commercially reasonable efforts to cause the Issuer thereof either (i) to register the Collateral Agent as the registered owner of such Uncertificated Security, upon original issue or registration of transfer or (ii) to agree in writing with such Grantor and the Collateral Agent that such Issuer will comply with instructions with respect to such Uncertificated Security originated by the Collateral Agent without further consent of such Grantor, such agreement to be in a form reasonably satisfactory to the Collateral Agent.

(d) In addition to and not in lieu of the foregoing, if any Issuer of any Investment Property included in the Collateral organized under the law of, or has its chief executive office in, a jurisdiction outside of the United States, each Grantor shall take such additional actions, including causing the issuer to register the pledge on its books and records, as may be necessary or advisable or as may be reasonably requested by the Collateral Agent, under the laws of such jurisdiction to insure the validity, perfection and priority of the security interest of the Collateral Agent.

(e) In the case of any transferable Letters of Credit Rights included in the Collateral in excess of $500,000 individually or in the aggregate, each Grantor shall use commercially reasonable efforts to obtain the consent of any issuer thereof to the transfer of such Letter of Credit Rights to the Collateral Agent. In the case of any other Letter of Credit Rights in excess of $500,000 individually or in the aggregate each Grantor shall use commercially reasonable efforts to obtain the consent of the issuer thereof and any nominated person thereon to the assignment of the proceeds of the related Letter of Credit in accordance with Section 5-114(c) of the New York UCC.

5.03 [Reserved]

5.04 [Reserved]

5.05 Maintenance of Perfected Security Interest; Further Documentation (a) Such Grantor shall maintain each of the security interests created by this Agreement as a perfected security interest having at least the priority described in Section 4.03 and shall defend such security interest against the claims and demands of all persons whomsoever, subject to the provisions of Section 8.15.

(b) Such Grantor shall furnish to the Secured Parties from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the assets and property of such Grantor as the Collateral Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of such Grantor, such Grantor shall promptly and duly authorize, execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Collateral Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and in the case of Investment Property, Deposit Accounts and any other relevant Collateral, taking any actions necessary to enable the Collateral Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto, including without limitation, executing and delivering and causing the relevant depositary bank or securities intermediary to execute and deliver a Control Agreement in form and substance reasonably acceptable to the Collateral Agent.

5.06 Changes in Locations, Name, Jurisdiction of Incorporation, etc. Such Loan Party shall not:

(i) change its legal name or jurisdiction of organization from that referred to in Section 4.04 without having given at least thirty (30) days prior notice thereof to the Collateral Agent;

(ii) change its identity or structure to such an extent that any financing statement filed by the Collateral Agent in connection with this Agreement would become misleading, except upon 30 days' prior written notice after such change (or such later time as agreed to by the Collateral Agent; or

(iii) change its address to such an extent that any financing statement filed by the Collateral Agent in connection with this Agreement would become seriously misleading, except upon 30 days' prior written notice after such change (or such later time as agreed to by the Collateral Agent).

All notices to be delivered under this Section 5.06 shall be delivered to the Collateral Agent, together with duly authorized and, where required, executed copies of all additional financing statements and other documents reasonably requested by the Collateral Agent to maintain the validity, perfection and priority of the security interests provided for herein.

5.07 Notices. Such Grantor shall advise the Collateral Agent promptly, in reasonable detail, of:

(a) any Lien (other than any Permitted Lien) on any of the Collateral; and

(b) of the occurrence of any other event which could reasonably be expected to have a Material Adverse Effect on the aggregate value of the Collateral or on the security interests created hereby.

5.08 Investment Property. (a) If such Grantor shall become entitled to receive or shall receive any stock or other ownership certificate (including any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Equity Interests of any Issuer of the Pledged Equity Interests, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of or other ownership interests in the Pledged Securities, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Secured Parties, hold the same in trust for the Secured Parties and deliver the same forthwith to the Collateral Agent in the exact form received, duly endorsed by such Grantor to the Collateral Agent, if required, together with an undated stock power or similar instrument of transfer covering such certificate duly executed in blank by such Grantor and with, if the Collateral Agent so requests, signature guaranteed, to be held by the Collateral Agent, subject to the terms hereof, as additional collateral security for the Obligations. If an Event of Default has occurred and is continuing, any sums paid upon or in respect of the Pledged Securities upon the liquidation or dissolution of any Issuer shall be paid over to the Collateral Agent to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Pledged Securities or any property shall be distributed upon or with respect to the Pledged Securities pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Collateral Agent, be delivered to the Collateral Agent to be held by it hereunder as additional collateral security for the Obligations. If an Event of Default has occurred and is continuing, if any sums of money or property so paid or distributed in respect of the Pledged Securities shall be received by such Grantor, such Grantor shall, until such money or property is paid or delivered to the Collateral Agent, hold such money or property in trust for the Secured Parties, segregated from other funds of such Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Collateral Agent, such Grantor shall not (i) vote to enable, or take any other action to permit, any Issuer to issue any stock, partnership interests, limited liability company interests or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock, partnership interests, limited liability company interests or other equity securities of any nature of any Issuer (except, in each case, pursuant to a transaction expressly permitted by the Credit Agreement), (ii) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any of the Investment Property included in the Collateral or Proceeds thereof or any interest therein (except, in each case, pursuant to a transaction expressly permitted by the Credit Agreement), (iii) create, incur or permit to exist any Lien or option in favor of, or any claim of any person with respect to, any of the Investment Property included in the Collateral or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or any Lien expressly permitted thereon pursuant to Section 6.02 of the Credit Agreement, (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Collateral Agent to sell, assign or transfer any of the Investment Property included in the Collateral or Proceeds thereof or any interest therein or (v) without the prior written

consent of the Collateral Agent, cause or permit any Issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the New York UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as securities for purposes of the New York UCC; provided, however, notwithstanding the foregoing, if any issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the provisions in this clause (v), such Grantor shall promptly notify the Collateral Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Agent's "control" thereof.

(c) In the case of each Grantor which is an Issuer, such Issuer agrees that (i) it shall be bound by the terms of this Agreement relating to the Pledged Securities issued by it and shall comply with such terms insofar as such terms are applicable to it, (ii) it shall notify the Collateral Agent promptly in writing of the occurrence of any of the events described in Section 5.08(a) with respect to the Pledged Securities issued by it and (iii) the terms of Sections 6.03(c) and 6.07 shall apply to it, mutatis mutandis, with respect to all actions that may be required of it pursuant to Section 6.03(c) or 6.07 with respect to the Pledged Securities issued by it. In addition, each Grantor which is either an Issuer or an owner of any Pledged Security hereby consents to the grant by each other Grantor of the security interest hereunder in favor of the Collateral Agent and to the transfer of any Pledged Security to the Collateral Agent or its nominee following an Event of Default and to the substitution of the Collateral Agent or its nominee as a partner, member or shareholder of the Issuer of the related Pledged Security.

5.09 Receivables. (a) Other than in a manner consistent with its past practice, such Grantor shall not (i) grant any extension of the time of payment of any Receivable which is part of the Collateral, (ii) compromise or settle any such Receivable for less than the full amount thereof, (iii) release, wholly or partially, any person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any such Receivable or (v) amend, supplement or modify any Receivable in any manner that could adversely affect the value thereof.

(b) Such Grantor shall deliver to the Collateral Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables that are included in the Collateral.

(c) Each Grantor shall perform and comply in all material respects with all of its obligations with respect to the Receivables that are included in the Collateral.

5.10 Intellectual Property. (a) Promptly upon any All Assets Grantor's acquisition or creation of any copyrightable work, invention, trademark or other similar property that is material to the business of the Grantor, including any Intellectual Property which it uses in its business, but does not own (the "Licensed Intellectual Property"), apply for registration thereof with the United states Copyright Office, the United States Patent and Trademark Office and any other appropriate office. Whenever the Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property that is material to the business of the Grantor with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or

agency in any other country or any political subdivision thereof, the Grantor shall report such filing to the Collateral Agent within five Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Collateral Agent, the Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Collateral Agent may request to evidence the Secured Parties' security interest in any Copyright, Patent, Trademark or other Intellectual Property of the Grantor and the goodwill and general intangibles of the Grantor relating thereto or represented thereby.

(b) Each All Assets Grantor agrees that, should it obtain an ownership interest in any item of intellectual property (the "After-Acquired Intellectual Property"), (i) any such After-Acquired Intellectual Property, and in the case of trademarks, the goodwill of the business connected therewith or symbolized thereby, shall automatically become part of the Collateral, (ii) it shall give prompt (and, in any event within five Business Days after the last day of the fiscal quarter in which the Grantor acquires such ownership interest) written notice thereof to the Collateral Agent in accordance herewith, and (iii) it shall provide the Collateral Agent promptly (and, in any event within five Business Days after the last day of the fiscal quarter in which the Grantor acquires such ownership interest) with a schedule setting forth all such After-Acquired Intellectual Property and take such steps as may be necessary or desirable to enable the Collateral Agent to obtain a first priority perfected security interest therein (subject only to Permitted Liens).

(c) Such Grantor (either itself or through licensees) shall not do any act, or omit to do any act, whereby any Owned Intellectual Property or Licensed Intellectual Property, which is material to the conduct of such Grantor's business as currently conducted (collectively, the "Material Intellectual Property") may lapse or become abandoned, forfeited, abandoned or dedicated to the public, invalid unenforceable or otherwise impaired in any way or which would affect the validity, grant or enforceability of the security interest granted herein, except as permitted under Section 5.10(i).

(d) Such Grantor shall not knowingly do any act or permit any act or knowingly omit to do any act that infringes, misappropriates, dilutes or violates the Intellectual Property rights of any other person in each cause that could reasonably expected to have a Material Adverse Effect on the business of such Grantor.

(e) Such Grantor shall, and shall take reasonable steps to require its licensees, to use Material Intellectual Property with proper statutory notice of registration and all other notices and legends required by applicable requirements of law, consistent with industry practices.

(f) Such Grantor shall notify the Collateral Agent promptly if it knows, that any application or registration relating to any Material Intellectual Property may become forfeited, abandoned or dedicated to the public, or of any adverse determination or development in any proceeding (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country except for non-final office actions issued in the course of prosecution of applications for registration) regarding such Grantor's ownership, registration or use of, or the validity or enforceability of, any Material Intellectual Property or such Grantor's right to register the same or to own and maintain the same, except to the extent that Grantor is abandoning such Intellectual Property as permitted under Section 5.10.

(g) Such Grantor shall take all reasonable and necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to pursue and prosecute each application (and to obtain the relevant registration) and to maintain each registration of Material Intellectual Property, including the payment of required fees and taxes, the filing of responses to office actions issued by the United States Patent and Trademark Office and the United States Copyright Office, the filing of applications for renewal or extension, the filing of affidavits of use and affidavits of incontestability, the filing of divisional, continuation, continuation-in-part, reissue, and renewal applications or extensions, the payment of maintenance fees, and, where commercially reasonable, the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings.

(h) Such Grantor shall take all steps reasonably necessary to protect the secrecy of all Trade Secrets that are included in the Material Intellectual Property, including advising employees of the confidentiality of company proprietary information, entering into confidentiality agreements with employees and consultants, and labeling and restricting access to secret information and documents, consistent with past practice.

(i) In the event that any Material Intellectual Property is infringed, misappropriated, diluted or otherwise violated by a third party, such Grantor shall promptly notify the Collateral Agent after it learns thereof and shall promptly take such actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property and attempt to recover damages for such infringement, misappropriation, dilution or other violation and protect its rights in such Intellectual Property, including through the initiation of a suit seeking injunctive relief and/or to recover damages.

(j) Such Grantor (either itself or through licensees) shall not, without the prior written consent of the Collateral Agent, discontinue use of or otherwise abandon any of its Material Intellectual Property, or abandon any application or any right to file an application for letters patent, trademark, or copyright, unless such Grantor shall have previously determined in its reasonable business judgment that such use or the pursuit or maintenance of such Intellectual Property is no longer desirable in the conduct of such Grantor's business and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

(k) Such Grantor agrees that, should it obtain an ownership interest in any item of Intellectual Property which is not, as of the Closing Date, a part of the Intellectual Property Collateral (the "After-Acquired Intellectual Property"), (i) the provisions of Section 3 shall automatically apply thereto and (ii) any such After-Acquired Intellectual Property, and in the case of Trademarks, the goodwill of the business connected therewith or symbolized thereby, shall automatically become part of the Intellectual Property Collateral.

5.11 Contracts. (a) Each All Assets Grantor shall perform and comply in all material respects with all its obligations under the Material Contracts that are included in the Collateral.

(b) Such Grantor shall not amend, modify, terminate, waive or fail to enforce any provision of any Material Contract that is included in the Collateral in any manner which could reasonably be expected to materially adversely affect the value of the Collateral or otherwise have a Material Adverse Effect.

(c) Such Grantor shall notify the Collateral Agent in the event it fails to exercise promptly and diligently each and every material right which it may have under each Material Contract that is included in the Collateral.

(d) In the event of a default under any Material Contract that is included in the Collateral, the applicable Grantor shall deliver to the Collateral Agent a notice of such default stating whether such default can be cured and any measures that are being taken to cure such default.

(e) Such Grantor shall deliver to the Collateral Agent a copy of each material demand, notice or document received by it relating in any way to any Material Contract and shall also deliver to the Collateral Agent a copy of all new Material Contracts entered into after the date hereof.

(f) After the date hereof, such Grantor shall not permit to become effective in any Material Contract that is included in the Collateral, a provision that would prohibit the creation or perfection of, or exercise of remedies in connection with, a Lien on such Material Contract in favor of the Collateral Agent for the ratable benefit of the Secured Parties unless such Grantor believes, in its reasonable judgment, that such prohibition is usual and customary in transactions of such type.

5.12 Commercial Tort Claims. Each All Assets Grantor shall advise the Collateral Agent promptly of any Commercial Tort Claim held by such Grantor individually or in the aggregate in excess of $100,000 and shall promptly execute a supplement to this Agreement in form and substance reasonably satisfactory to the Collateral Agent to grant a security interest in such Commercial Tort Claim to the Collateral Agent for the ratable benefit of the Secured Parties.

SECTION 6. REMEDIAL PROVISIONS

6.01 Certain Matters Relating to Receivables. (a) If directed by the Collateral Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables that are included in the Collateral, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly endorsed by such Grantor to the Collateral Agent if required, in a Collateral Account maintained under the sole dominion and control of the Collateral Agent, subject to withdrawal by the Collateral Agent for the account of the Secured Parties only as provided in Section 6.05, and (ii) until so turned over, shall be held by such Grantor in trust for the Secured Parties, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables that are included in the Collateral shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) If an Event of Default has occurred and is continuing, at the Collateral Agent's request, each Grantor shall deliver to the Collateral Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to Receivables that are included in the Collateral, including all original orders, invoices and shipping receipts.

6.02 Communications with Obligors; Grantors Remain Liable (a) The Collateral Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables that are included in the Collateral and parties to the Contracts that are included in the Collateral to verify with them to the Collateral Agent's satisfaction the existence, amount and terms of any such Receivables or Contracts.

(b) The Collateral Agent may at any time notify, or require any Grantor to so notify, the Account Debtor or counterparty on any Receivable or Contract that is included in the Collateral of the security interest of the Collateral Agent therein. In addition, after the occurrence and during the continuance of an Event of Default, the Collateral Agent may upon written notice to the applicable Grantor, notify, or require any Grantor to notify, the Account Debtor or counterparty to make all payments under such Receivables and/or Contracts directly to the Collateral Agent;

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables and Contracts included in the Collateral to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto) or Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.03 Pledged Securities. (a) Unless an Event of Default shall have occurred and be continuing and the Collateral Agent shall have given notice to the applicable Grantor of the Collateral Agent's intent to exercise its corresponding rights pursuant to Section 6.03(b), each Grantor shall be permitted upon three (3) Business Days' notice to the Collateral Agent to receive all cash dividends paid in respect of the Pledged Equity Interests and all payments made in respect of the Pledged Notes, in each case paid in the normal course of business of the applicable Issuer and consistent with past practice, to the extent permitted in the Credit Agreement, and to exercise all voting and corporate rights with respect to the Pledged Securities; provided, however, that (i) the Proceeds of such cash dividends and payments shall be applied in

accordance with the Credit Agreement, this Agreement or any other Loan Document and (ii) no vote shall be cast or corporate or other ownership right exercised or other action taken which, in the Collateral Agent's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing: (i) all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Collateral Agent who shall thereupon upon notice to such Grantor have the sole right, but shall be under no obligation, to exercise or refrain from exercising such voting and other consensual rights and (ii) the Collateral Agent shall have the right, without notice to any Grantor, to transfer all or any portion of the Investment Property to its name or the name of its nominee or agent. In addition, the Collateral Agent shall have the right at any time, without notice to any Grantor, to exchange any certificates or instruments representing any Investment Property for certificates or instruments of smaller or larger denominations. If an Event of Default has occurred and is continuing, in order to permit the Collateral Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Collateral Agent all proxies, dividend payment orders and other instruments as the Collateral Agent may from time to time reasonably request and each Grantor acknowledges that the Collateral Agent may utilize the power of attorney set forth herein.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Pledged Securities pledged by such Grantor hereunder to (i) comply with any instruction received by it from the Collateral Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) upon any such instruction following the occurrence and during the continuance of an Event of Default, pay any dividends or other payments with respect to the Investment Property, including Pledged Securities, directly to the Collateral Agent.

6.04 Proceeds to be Turned Over To Collateral Agent. In addition to the rights of the Secured Parties specified in Section 6.01 with respect to payments of Receivables, if an Event of Default shall occur and be continuing, at the request of the Collateral Agent, all Proceeds of the Collateral received by any Grantor consisting of cash, cash equivalents, checks and other near-cash items shall be held by such Grantor in trust for the Secured Parties, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Collateral Agent in the exact form received by such Grantor (duly endorsed by such Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Collateral Agent in a Collateral Account (or by such Grantor in trust for the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.05.

6.05 Application of Proceeds. At such intervals as may be agreed upon by the Borrower and the Collateral Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Collateral Agent's election, the Collateral Agent may apply all or any part of the net Proceeds (after deducting fees and expenses as provided in Section 6.06) constituting Collateral realized through the exercise by the Collateral Agent of its remedies hereunder, whether or not held in any Collateral Account, and any proceeds of the guarantee set forth in Section 2, in payment of the Obligations in the following order:

First, to the Collateral Agent, to pay accrued and unpaid interest and reasonable fees and expenses of the Secured Parties under the Loan Documents;

Second, to the Collateral Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations pro rata among the Secured Parties according to the amounts of the Obligations then due and owing and remaining unpaid to the Secured Parties;

Third, to the Collateral Agent, for application by it towards prepayment of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then held by the Secured Parties; and

Fourth, any balance of such Proceeds remaining after the Payment in Full of the Obligations shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

6.06 Code and Other Remedies. (a) If an Event of Default shall occur and be continuing, the Collateral Agent, on behalf of the Secured Parties, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC (whether or not the New York UCC applies to the affected Collateral) or its rights under any other applicable law or in equity. Without limiting the generality of the foregoing, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, license, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Each Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or

statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made may constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Collateral Agent may sell the Collateral without giving any warranties as to the Collateral. The Collateral Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely effect the commercial reasonableness of any sale of the Collateral. Each Grantor agrees that it would not be commercially unreasonable for the Collateral Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. Each Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. Each Grantor further agrees, at the Collateral Agent's reasonable request, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Collateral Agent shall have the right to enter onto the property where any Collateral is located and take possession thereof with or without judicial process.

(b) The Collateral Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.06, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations and only after such application and after the payment by the Collateral Agent of any other amount required by any provision of law, including Section 9-615(a) of the New York UCC, need the Collateral Agent account for the surplus, if any, to any Grantor. If the Collateral Agent sells any of the Collateral upon credit, the Grantor will be credited only with payments actually made by the purchaser and received by the Collateral Agent and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, the Collateral Agent may resell the Collateral and the Grantor shall be credited with proceeds of the sale. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against any Secured Party arising out of the exercise by them of any rights hereunder.

(c) In the event of any disposition of any of the Trademarks, the goodwill of the business connected with and symbolized by any Trademarks subject to such Disposition shall be included, and with respect to any Intellectual Property Collateral, the applicable Grantor shall supply the Collateral Agent or its designee with such Grantor's know-how and expertise, and with records, documents and things embodying the same, relating to the manufacture, distribution, advertising and sale of products or the provision of services relating to such Intellectual Property Collateral subject to such disposition, and such Grantor's customer lists pertaining thereto, subject to appropriate confidentiality undertakings on the part of any person receiving such proprietary information.

(d) The Collateral Agent shall have no obligation to marshal any of the Collateral.

6.07 Registration Rights. (a) If the Collateral Agent shall determine to exercise its right to sell any or all of the Common Units of CQP held by the Borrower (the "Common Units") pursuant to Section 6.06, and if in the opinion of the Collateral Agent it is necessary or advisable to have the Common Units, or that portion thereof to be sold, registered under the provisions of the Securities Act, the relevant Grantor shall cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of the Collateral Agent, necessary or advisable to register the Common Units, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use commercially reasonable efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Common Units, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Collateral Agent, are reasonably necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the SEC applicable thereto. Each Grantor agrees to use commercially reasonable efforts to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Collateral Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) Each Grantor recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Pledged Equity Interests or the Pledged Debt Securities, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Collateral Agent shall be under no obligation to delay a sale of any of the Pledged Equity Interests or the Pledged Debt Securities for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) Each Grantor agrees to use its commercially reasonable efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Equity Interests or the Pledged Debt Securities pursuant to this Section 6.07 valid and binding and in compliance with any and all other applicable Requirements of Law. Each Grantor further agrees that a breach of any of the covenants contained in this Section 6.07 will cause irreparable injury to the Secured Parties, that the Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every

covenant contained in this Section 6.07 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing under the Credit Agreement or a defense of payment.

6.08 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by any Secured Party to collect such deficiency.

6.09 Grant of Intellectual Property License. For the purpose of enabling the Collateral Agent, during the continuance of an Event of Default, to exercise rights and remedies under this Section 6 at such time as the Collateral Agent is lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Collateral Agent, to the extent assignable, an irrevocable, non-exclusive, royalty-free license to use, assign, license or sublicense any or all of the Intellectual Property now owned or hereafter created, or acquired by such Grantor, wherever the same may be located. Such license shall include access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

SECTION 7. THE COLLATERAL AGENT

7.01 Collateral Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, such appointment being coupled with an interest for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Collateral Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following with respect to the Collateral in which such Grantor has granted a security interest pursuant to Section 3 hereof:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or Contract that is included in the Collateral or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Receivable or Contract or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Secured Parties' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 6.07 or 6.08, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate; (7) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Collateral Agent shall in its sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.01(a) to the contrary notwithstanding, the Collateral Agent agrees that, except as provided in Section 7.01(b), it will not exercise any rights under the power of attorney provided for in this Section 7.01(a) unless an Event of Default shall have occurred and be continuing.

(b) If an Event of Default has occurred and is continuing, if any Grantor fails to perform or comply with any of its agreements contained herein, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement; provided, however, that, except to the extent such Grantor is party to a Management Services Agreement Consent, the Collateral Agent shall not exercise this power without first making demand on the Grantor and the Grantor failing to immediately comply therewith.

(c) The expenses of the Collateral Agent incurred in connection with actions undertaken as provided in this Section 7.01 shall be payable by such Grantor to the Collateral Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

7.02 Duty of Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent, nor any other Secured Party nor any of their respective officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Secured Parties hereunder are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon any Secured Party to exercise any such powers. The Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be responsible to any Grantor or any other Loan Party for any act or failure to act hereunder, except to the extent that any such act or failure to act is found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from their own gross negligence or willful misconduct in breach of a duty owed to such Grantor or any other Loan Party.

7.03 Filing of Financing Statements. Each Grantor acknowledges that pursuant to Section 9-509(b) of the New York UCC and any other applicable law, each Grantor authorizes the Collateral Agent to file or record financing or continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Collateral, without the signature of such Grantor, in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect or maintain the perfection of the security interests of the Collateral Agent under this Agreement. Each Grantor agrees that such financing statements may describe the collateral in the same manner as described in the Security documents or, in the case of the All Assets Grantors, as "all assets" or "all personal property," whether now owned or hereafter existing or acquired or such other description as the Collateral Agent, in its sole judgment, determines is necessary or advisable.

7.04 Authority of Collateral Agent. Each Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any

option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantors, the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority. Notwithstanding the foregoing, the Collateral Agent acknowledges and agrees that any action taken by the Collateral Agent hereunder shall be made at the direction of the Required Lenders.

7.05 Appointment of Co-Collateral Agents. At any time or from time to time, in order to comply with any applicable requirement of law, the Collateral Agent may appoint another bank or trust company or one of more other persons, either to act as co-agent or agents on behalf of the Secured Parties with such power and authority as may be necessary for the effectual operation of the provisions hereof and which may be specified in the instrument of appointment (which may, in the discretion of the Collateral Agent, include provisions for indemnification and similar protections of such co-agent or separate agent).

SECTION8. MISCELLANEOUS

8.01 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by each affected Loan Party and the Collateral Agent, subject to any consents required under Section 9.08(b) of the Credit Agreement; provided that any provision of this Agreement imposing obligations on any Loan Party may be waived by the Collateral Agent in a written instrument executed by the Collateral Agent.

8.02 Notices. All notices, requests and demands to or upon the Collateral Agent or any Loan Party hereunder shall be effected in the manner provided for in Section 9.01 of the Credit Agreement.

8.03 No Waiver by Course of Conduct; Cumulative Remedies. No Secured Party shall by any act (except by a written instrument pursuant to Section 9.01(b)), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.04 Enforcement Expenses; Indemnification. (a) The parties hereto agree that the Collateral Agent and the other Secured Parties shall be entitled to reimbursement of their expenses incurred hereunder as provided in Section 9.05 of the Credit Agreement.

(b) Each Loan Party agrees to pay, and to hold the Collateral Agent and each other Secured Party harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement, except Other Taxes covered in Section 2A.04 of the Credit Agreement.

(c) Each Loan Party agrees to pay, and to hold the Collateral Agent and each other Secured Party harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to Section 9.05 of the Credit Agreement.

(d) The exculpatory and indemnification provisions in favor of the Collateral Agent and the Secured Parties contained in the Credit Agreement shall be deemed to be incorporated into this Agreement and shall be in addition to all such exculpatory or indemnification provisions contained herein and shall bind any person seeking performance by the Collateral Agent. In the event of any conflict between such provisions in the Credit Agreement and the provisions contained herein, the provisions contained in the Credit Agreement shall control.

(e) Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall have no fiduciary relationship with any person related to this Agreement or the duties to be performed hereunder, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against Collateral Agent.

(f) Neither the Collateral Agent nor any of its respective officers, directors, employees, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such person under or in connection with this Agreement (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any person for any recitals, statements, representations or warranties made by ay person contained in this Agreement or in any certificate, report, statement or other document referred to or provided for in, or received by the Collateral Agent under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or for any failure of any party hereto to perform its obligations hereunder or (iii) liable for any special, exemplary, punitive or consequential damages. The Collateral Agent shall not be under any obligation to any person to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of any Guarantor or Grantor.

(g) The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter,

telecopy, telex or teletype message, statement, order or other document or conversation believe by it, in its reasonable judgment, to be genuine and correct and to have been signed, sent or made by the proper person or persons and upon advice and statements of legal counsel (including counsel to the Lenders, Guarantors or Grantors), independent accountants and other experts selected by the Collateral Agent. The Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Collateral Agent shall in all cases be fully protected in acting, or refraining from acting, under the Agreement and the other Loan Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

(h) The agreements in this Section shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

8.05 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent, and any attempted assignment without such consent shall be null and void.

8.06 Set-Off. Each Loan Party hereby irrevocably authorizes each Secured Party at any time and from time to time, while an Event of Default shall have occurred and be continuing, with notice to such Loan Party or any other Loan Party, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Secured Party to or for the credit or the account of such Loan Party, or any part thereof in such amounts as such Secured Party may elect, against and on account of the obligations and liabilities of such Loan Party to such Secured Party hereunder and claims of every nature and description of such Secured Party against such Loan Party, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as such Secured Party may elect, whether or not any Secured Party has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. Each Secured Party shall notify such Loan Party promptly of any such set-off and the application made by such Secured Party of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Secured Party under this Section are in addition to other rights and remedies (including other rights of set-off) which such Secured Party may have.

8.07 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile and electronic PDF delivery), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.08 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.09 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10 Integration. This Agreement and the other Loan Documents represent the agreement of the Loan Parties, the Collateral Agent and the other Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Secured Party relative to the subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

8.11 APPLICABLE LAW. **THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

8.12 Submission to Jurisdiction; Waivers. Each Loan Party hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Loan Party at its address and in the manner specified in Section 9.01 of the Credit Agreement or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.13 Acknowledgments. Each Loan Party hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) no Secured Party has any fiduciary relationship with or duty to any Loan Party arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Loan Parties, on the one hand, and the Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Loan Party and the Secured Parties.

8.14 Releases. (a) At such time as the Payment in Full of the Obligations, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Collateral Agent and each Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Collateral Agent shall deliver to such Grantor any Collateral held by the Collateral Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Collateral Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of the Borrower, a Guarantor shall be released from its obligations hereunder in the event that all the Equity Interests in such Guarantor shall be sold or otherwise disposed of in a transaction permitted by the Credit Agreement; provided that the Borrower shall have delivered to the Collateral Agent, at least ten Business Days prior to the date of the proposed release, a written request for such release identifying the relevant Guarantor and the terms of the relevant sale or other disposition in reasonable detail, including the price thereof and any expenses incurred in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

(c) Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement originally filed in connection herewith without the prior written consent of the Collateral Agent, subject to such Grantor's rights under Section 9-509(d)(2) of the New York UCC.

8.15 WAIVER OF JURY TRIAL. EACH LOAN PARTY AND THE COLLATERAL AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

8.16 Reinstatement. This Guarantee and Collateral Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Loan Party for liquidation or reorganization, should any Loan Party become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any such Loan Party's assets, and shall continue to be effective or be reinstated, as the case be, if at any time payments and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

8.17 Multiple Capacities. Each of the parties hereto hereby (i) acknowledges that The Bank of New York Mellon is being asked to act in multiple capacities as Administrative Agent, Collateral Agent and as a Depository Agent and (ii) waives any conflict of interest, now contemplated or arising hereafter, in connection therewith and agrees not to assert against The Bank of New York Mellon any claims, causes of action, damages or liabilities of whatever kind or nature relating thereto.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

GRANTORS:

CHENIERE COMMON UNITS HOLDING, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE MIDSTREAM HOLDINGS, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE PIPELINE COMPANY

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE PIPELINE GP INTERESTS, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE SOUTHERN TRAIL GP, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

GRAND CHENIERE PIPELINE, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE CREOLE TRAIL PIPELINE, L.P.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE CORPUS CHRISTI PIPELINE, L.P.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE SUPPLY & MARKETING, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG SERVICES, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

GUARANTORS:

CHENIERE MIDSTREAM HOLDINGS, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE ENERGY OPERATING CO., INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE PIPELINE COMPANY

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

SABINE PASS TUG SERVICES, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE PIPELINE GP INTERESTS, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE SOUTHERN TRAIL GP, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

GRAND CHENIERE PIPELINE, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE SOUTHERN TRAIL PIPELINE, L.P.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE CREOLE TRAIL PIPELINE, L.P.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE CORPUS CHRISTI PIPELINE, L.P.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG SERVICES, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

COLLATERAL AGENT:

THE BANK OF NEW YORK MELLON,
as Collateral Agent

By: /s/ Robert D. Hingston
Name: ROBERT D. HINGSTON
Title: VICE PRESIDENT

EXHIBIT 10.4

Execution Version

SECURITY DEPOSIT AGREEMENT

dated as of August 15, 2008

by and among

CHENIERE LNG HOLDINGS, LLC,
as Holdings

THE BANK OF NEW YORK MELLON,
in its capacity as Collateral Agent

and

THE BANK OF NEW YORK MELLON,
in its capacity as Depositary Agent

Table of Contents

This SECURITY DEPOSIT AGREEMENT, dated as of August 15, 2008 (this "***Agreement***"), is entered into by and among CHENIERE LNG HOLDINGS, LLC, a Delaware limited liability company ("***Holdings***"), THE BANK OF NEW YORK MELLON, a New York banking corporation as Collateral Agent (in such capacity and together with its successors in such capacity, the "***Collateral Agent***"), and THE BANK OF NEW YORK MELLON, a New York banking corporation, in its capacity as Agent, bank and securities intermediary for the Secured Parties (in such capacity, the "***Depositary Agent***").

RECITALS

A. Cheniere Common Units Holding, LLC, a Delaware limited liability company (the "***Company***"), has entered into that certain Credit Agreement, dated on or about the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), with certain other Loan Parties party thereto, The Bank of New York Mellon, in its capacity as the Administrative Agent, the Collateral Agent and certain Lenders from time to time party thereto, pursuant to which the Lenders shall make Loans to the Company on the Closing Date and such Loans shall be convertible into Preferred Stock in accordance with the Credit Agreement.

B. As security for the Loans, the Company has assigned and granted a security interest in, pursuant to certain security documents entered into between the Company and the Collateral Agent, all of its right, title and interest in, to and under, certain present and future property of the Company to the Collateral Agent for the benefit of the Secured Parties.

C. It is a requirement under the Credit Agreement and a condition precedent to the making of the Loans to the Company that Holdings shall have executed and delivered this Agreement.

D. The Collateral Agent and Holdings desire to appoint the Depositary Agent as the depositary to hold and administer money deposited in or credited to the Account established pursuant to this Agreement and funded with, among other things, distributions received by the Company and certain Affiliates of the Company.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Holdings hereby agrees with the Collateral Agent and the Depositary Agent (each for the benefit of the Secured Parties) as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Defined Terms. The following capitalized terms shall have the following respective meanings; *provided* that capitalized terms used herein but not defined in this Section 1.1 shall have the meanings ascribed to them in the Credit Agreement (a copy of which has been provided to the Depositary Agent) or, if not defined therein, Section 1.3:

"***Account Collateral***" has the meaning set forth in Section 2.3(a).

"Account" has the meaning set forth in Section 2.2.

"Bankruptcy Law" means Title 11, U.S. Code, or any similar federal or state law for the relief of debtors.

"***Collateral Agent***" has the meaning set forth in the Preamble.

"***Company***" has the meaning set forth in the Recitals.

"***Depositary Agent***" has the meaning set forth in the Preamble.

"***Discharge Date***" means the date following the making of the Loans on which no Loans, Permitted Accrued Interest or other accrued interest is outstanding.

"***Financial Assets***" has the meaning set forth in Section 2.4.

"***Financial Officer's Certificate***" means a certificate of the Financial Officer delivered by Holdings in the form of Appendix A attached hereto.

"***Indemnified Person***" means the Depositary Agent, and its officers, directors, agents, Affiliates and employees.

"***Moody's***" means Moody's Investors Service, Inc.

"***Permitted Investments***" means:

(a) United States dollars;

(b) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (*provided* that the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than one year from the date of acquisition;

(c) marketable general obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition thereof, having a credit rating of "A" or better from either S&P or Moody's;

(d) certificates of deposit, demand deposit accounts and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any domestic commercial bank having capital and surplus in excess of $500,000,000 and a Thomson Bank Watch Rating of "A" or better;

(e) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (b), (c) and (d) above entered into with any financial institution meeting the qualifications specified in clause (d) above;

(f) commercial paper or tax exempt obligations having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within three months after the date of acquisition; and

(g) money market funds at least 95% of the assets of which constitute Permitted Investments of the kinds described in clauses (a) through (f) of this definition or a money market fund or a qualified investment fund (including any such fund for which the Collateral Agent or any Affiliate thereof acts as an advisor or a manager) given one of the two highest long-term ratings available from S&P or Moody's.

"***Property***" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

"***Release Amount***" has the meaning set forth in Section 3.1(b)(i).

"***S&P***" means Standard & Poor's Ratings Group.

"***Trigger Event Date***" has the meaning set forth in Section 3.5(a).

"***Withdrawal Certificate***" means a Withdrawal Certificate delivered by Holdings substantially in the form of Appendix B attached hereto.

Section 1.2 Interpretation. The rules of interpretation set forth in Section 1.02 of the Credit Agreement shall apply to, and are hereby incorporated by reference in, this Agreement.

Section 1.3 Uniform Commercial Code Definitions. All terms defined in the UCC shall have the respective meanings given to those terms in the UCC, except where the context otherwise requires.

ARTICLE II

APPOINTMENT OF DEPOSITARY AGENT; ESTABLISHMENT OF THE ACCOUNT

Section 2.1 Acceptance of Appointment of Depositary Agent.

(a) The Depositary Agent hereby agrees to act as depositary agent, as "securities intermediary" (within the meaning of Section 8-102(14) of the UCC) with respect to the Account and the Financial Assets credited thereto, and as "bank" (within the meaning of Section 9-102(a) of the UCC) with respect to the Account and credit balances not constituting Financial Assets credited thereto and to accept all cash, payments, other amounts and Permitted Investments to be delivered to or held by the Depositary Agent pursuant to the terms of this Agreement. The Depository Agent is a "securities intermediary" (within the meaning of Section 8-102(14) of the UCC) and also is a "bank" (within the meaning of Section 9-102(a) of the UCC). The Depositary Agent shall hold and safeguard the Account during the term of this Agreement in accordance with the provisions of this Agreement.

(b) Holdings shall not have any rights to withdraw or transfer funds from the Account, as third party beneficiary or otherwise, except as permitted by this Agreement and to direct the investment of monies held in the Account as permitted by Section 3.2.

Section 2.2 Establishment of the Account. The Depositary Agent hereby establishes an account entitled "TUA Reserve Account" (the "***Account***") in the name of Holdings and in the form of trust accounts, which shall be maintained at all times until the termination of this Agreement. For administrative purposes, additional sub-accounts within the Account may be established and created by the Depositary Agent from time to time in accordance with this Agreement as separate trust accounts.

All amounts from time to time held in the Account shall be disbursed in accordance with the terms hereof, shall constitute the property of Holdings and shall be (a) subject to the Lien of the Collateral Agent pursuant to the LNG Entities Guarantee and Collateral Agreement (for the benefit of the Secured Parties and Crest) and (b) held in the sole custody and "control" (within the meaning of Section 8-106(d) of the UCC) of the Collateral Agent for the purposes and on the terms set forth in this Agreement and all such amounts shall constitute a part of the Collateral and shall not constitute payment of any Obligations or any other obligation of Holdings.

Section 2.3 Security Interests.

(a) As collateral security for the prompt and complete payment and performance when due of the Obligations, Holdings has pledged, assigned, hypothecated and transferred to the Collateral Agent (for the benefit of the Secured Parties) and has granted to the Collateral Agent (for the benefit of the Secured Parties) a Lien on all of Holdings' rights, titles and interests in, to and under (i) the Account and (ii) all cash, instruments, investment property, securities, "security entitlements" (as defined in Section 8-102(a)(17) of the UCC) and other Financial Assets at any time on deposit in any Account, including all income, earnings and distributions thereon and all proceeds, products and accessions of and to any and all of the foregoing, including whatever is received or receivable upon any collection, exchange, sale or other disposition of any of the foregoing and any property into which any of the foregoing is converted, whether cash or non-cash proceeds, and any and all other amounts paid or payable under or in connection with any of the foregoing (collectively, the "***Account Collateral***");

(b) Pursuant to the LNG Entities Guarantee and Collateral Agreement, Holdings has pledged, assigned, hypothecated and transferred to Crest and has granted to Crest a Lien on all of Holdings' rights, titles and interests in, to and under the Account Collateral.

(c) The Lien on the Collateral for the benefit of the Secured Parties is expressly subordinated and junior in priority to the Lien on the Collateral for the benefit of Crest (i) regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances and (ii) notwithstanding any provision of the UCC or any applicable law.

(d) The Depositary Agent is the agent of the Collateral Agent (for the benefit of the Secured Parties) for the purpose of receiving payments contemplated hereunder and for the purpose of perfecting the Lien of the Collateral Agent (for the benefit of the Secured Parties) in and to the Account and the other Account Collateral; *provided* that the Depositary Agent shall not be responsible to take any action to perfect or maintain the perfection of such Lien except through the performance of its express obligations hereunder or upon the written direction of the Collateral Agent (for the benefit of the Secured Parties) complying with this Agreement. This Agreement constitutes a "security agreement" as defined in Article 9 of the UCC.

Section 2.4 Account Maintained as UCC "Securities Account". The Depositary Agent hereby agrees and confirms that it has established the Account as set forth and defined in this Agreement. The Depositary Agent agrees that (a) the Account established by the Depositary Agent is and will be maintained as a "securities account" (within the meaning of Section 8-501 of the UCC) and all property credited to the Account, and all rights of Holdings arising out of the Account, shall be treated as "financial assets" within the meaning of Section 8-102(a)(9) of the UCC); (b) Holdings has been designated as the "entitlement holder" (within the meaning of Section 8-102(a)(7) of the UCC) in respect of the "financial assets" (within the meaning of Section 8-102(a)(9) of the UCC, the "***Financial Assets***") credited to the Account that are "securities accounts"; (c) all Financial Assets in registered form or payable to or to the order of and credited to the Account shall be registered in the name of, payable to or to the order of, or specially endorsed to, the Depositary Agent or in blank, or credited to another securities account maintained in the name of the Depositary Agent; and (d) in no case shall any Financial Asset credited to the Account be registered in the name of, payable to or to the order of, or endorsed to, Holdings except to the extent the foregoing have been subsequently endorsed by Holdings to the Depositary Agent or in blank. Each item of Property (including a security, security entitlement, investment property, instrument or obligation, share, participation, interest or other property whatsoever) credited to any Account shall to the fullest extent permitted by law be treated as a Financial Asset. Until the Discharge Date, the Collateral Agent for the benefit of the Secured Parties, and for the benefit of Crest for the purpose of perfecting the security interest of Crest in the Account, shall have "control" (within the meaning of Section 8-106(d)(2) or Section 9-104(a) (as applicable) of the UCC) of the Account and Holdings' "security entitlements" (within the meaning of Section 8-102(a)(17) of the UCC) with respect to the Financial Assets credited to the Account. All property delivered to the Depositary Agent pursuant to this Agreement will be promptly credited to the Account. Holdings hereby irrevocably directs, and the Depositary Agent (in its capacity as securities intermediary) hereby agrees, that the Depositary Agent shall comply with all instructions and orders (including entitlement orders within the meaning of Section 8-102(a)(8) of the UCC) regarding the Account and any Financial Asset therein originated by the Collateral Agent without the further consent of Holdings or any other Person. In the case of a conflict between any instruction or order originated by the Collateral Agent and any instruction or order originated by Holdings or any other Person other than a court of competent jurisdiction, the instruction or order originated by the Collateral Agent shall prevail. The Depositary Agent shall not change the name or account number of any Account without the prior written consent of the Collateral Agent and at least five Business Days' prior notice to Holdings, and shall not change the entitlement holder.

To the extent that the Account is not considered a "securities account" (within the meaning of Section 8-501(a) of the UCC), the Account shall be deemed to be and maintained as

a “deposit account” (as defined in Section 9-102(a)(29) of the UCC) to the extent a security interest can be granted and perfected under the UCC in the Account as a deposit account, which Holdings shall maintain with the Depositary Agent acting not as a securities intermediary but as a “bank” (within the meaning of Section 9-102(a)(8) of the UCC). The Depositary Agent shall not have title to the funds on deposit in the Account, and shall credit the Account with all receipts of interest, dividends and other income received on the Property held in the Account. The Depositary Agent shall administer and manage the Account in compliance with all the terms applicable to the Account pursuant to this Agreement, and shall be subject to and comply with all the obligations that the Depositary Agent owes to the Collateral Agent with respect to the Account, including all subordination obligations, pursuant to the terms of this Agreement. The Depositary Agent hereby agrees to comply with any and all instructions (within the meaning of Section 9-104(a)(2) of the UCC) originated by the Collateral Agent for the benefit of the Secured Parties directing disposition of funds and all other Property in the Account without any further consent of Holdings or any other Person.

Section 2.5 Jurisdiction of Depositary Agent. Holdings, the Collateral Agent and the Depositary Agent agree that, for purposes of the UCC, notwithstanding anything to the contrary contained in any other agreement relating to the establishment and operation of the Account, the jurisdiction of the Depositary Agent (in its capacity as the securities intermediary and bank) is the State of New York and the laws of the State of New York govern the establishment and operation of the Account.

Section 2.6 Degree of Care; Liens. The Depositary Agent shall exercise the same degree of care in administering the funds held in the Account and the investments purchased with such funds in accordance with the terms of this Agreement as the Depositary Agent exercises in the ordinary course of its day-to-day business in administering other funds and investments for its own account and as required by any Requirement of Law. The Depositary Agent is not party to and shall not execute and deliver, or otherwise become bound by, any agreement under which the Depositary Agent agrees with any Person other than the Collateral Agent to comply with entitlement orders or instructions originated by such Person relating to the Account or the security entitlements that are the subject of this Agreement. The Depositary Agent shall not grant any Lien on any Financial Asset, other than any Lien granted to the Collateral Agent hereunder.

Section 2.7 Subordination of Lien; Waiver of Set-Off. In the event that the Depositary Agent has or subsequently obtains by agreement, operation of law or otherwise a Lien in any Account or in any Account Collateral, the Depositary Agent agrees that such Lien shall be subordinate to the Lien of the Collateral Agent. The financial assets standing to the credit of the Account and any other Account Collateral will not be subject to deduction, set-off, banker’s lien, or any other right in favor of any Person other than the Collateral Agent (except to the extent of fees, charges and expenses incurred in connection with the purchase or sale of Permitted Investments, fees, expenses and indemnities payable to the Depositary hereunder, and returned items and chargebacks either for uncollected checks or other items of payment and transfers previously credited to the Account, and Holdings and the Collateral Agent hereby authorize the Depositary Agent to debit the Account for such amounts).

Section 2.8 No Other Agreements. None of the Depositary Agent, the Collateral Agent and Holdings have entered or will enter into any agreement with respect to any Account or any Account Collateral, other than this Agreement and the other Loan Documents.

Section 2.9 Notice of Adverse Claims. If any Person asserts any Lien (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Account or in any other Account Collateral, the officer of the Depositary Agent responsible for overseeing the Account Collateral, upon obtaining actual knowledge thereof, will promptly notify the Collateral Agent and Holdings thereof.

Section 2.10 Rights and Powers of the Collateral Agent. The rights and powers granted to the Collateral Agent by the Secured Parties have been granted in order to, among other things, perfect their Lien in the Account and the other Account Collateral and to otherwise act as their agent with respect to the matters contemplated hereby.

Section 2.11 Termination. This Agreement shall remain in full force and effect until the Discharge Date.

ARTICLE III

THE ACCOUNT

Section 3.1 The TUA Reserve Account.

(a) Deposits into the TUA Reserve Account. Holdings shall deposit, or cause to be deposited, into the Account each of the following upon receipt thereof, and the Depositary Agent shall deposit any such amounts received directly by it into the Account upon receipt thereof:

(i) proceeds from the borrowing of the Loans in an aggregate amount equal to $135,000,000, which amount shall be deposited directly from the proceeds disbursed to the Company;

(ii) all distributions received by the Company with respect to the common limited partnership units of CQP held by the Company;

(iii) all distributions received by CSH and CQP GP with respect to their respective ownership interests in CQP; and

(iv) all amounts remaining in the Distribution Reserve Account (as defined in the CQP Partnership Agreement) released to Holdings as permitted under the CQP Partnership Agreement.

(b) Disbursements from the TUA Reserve Account.

(i) To the extent that no Event of Default has occurred and is continuing, Holdings may request disbursements from the Account to pay the Reservation Fee and Operating Fee (each as defined under the CMI TUA) obligations of CMI arising under the CMI TUA by submitting a duly completed and executed Withdrawal Certificate to the

Depositary Agent and the Collateral Agent on a quarterly basis on the date that is no less than five (5) days or more than ten (10) days prior to the end of each calendar quarter commencing with the calendar quarter ending September 30, 2008. Each such Withdrawal Certificate shall include the amount of the proposed withdrawal (the "***Release Amount***") and a Financial Officer's Certificate certifying that (A) no Event of Default under the Credit Agreement has occurred and is continuing, (B) the requested funds are to be used to fund the Reservation Fee and Operating Fee obligations that are reasonably estimated to become due and payable within the next three (3) months in accordance with the CMI TUA, (C) Section 4.08 of the Sabine Indenture does not prohibit the making of distributions by Sabine, (D) such Financial Officer has no knowledge of any circumstance or event that could reasonably be expected to cause Sabine not to be able to make distributions to CQP in an amount that CQP requires to meet the following clause (E), pay distributions to public common unitholders and pay its other operating expenses, (E) such Financial Officer has no knowledge of any circumstance or event that could reasonably be expected to cause (1) CQP not to make distributions on common units held by the Company, the subordinated units and general partnership units within 45 days of the applicable calendar quarter-end in an amount at least equal to the Release Amount and (2) such distributions not to be remitted to the TUA Reserve Account pursuant to Section 3.1(a), (F) such Financial Officer has no knowledge of any circumstance or event that could reasonably be expected to prevent the release of the amounts in the CQP Distribution Reserve Account to Holdings on or before the date on which common unit distributions are made in respect of the calendar quarter ending June 30, 2009 in accordance with the CQP Partnership Agreement and (G) if the Required Lenders have delivered a notice of mandatory prepayment pursuant to Section 2.09 of the Credit Agreement, CEI has the financial resources available to pay the principal amount of and accrued interest (including Permitted Accrued Interest) on the Loans on or prior to the date required pursuant to such notice (*provided* that, with respect to the calendar quarter period ending September 30, 2008, such Financial Officer's Certificate shall certify as to the statements in clauses (D) and (E) for distributions in respect of the calendar quarter ending December 31, 2008). Upon receipt before 12:00 Noon (New York City time) on any Business Day by the Depositary Agent, the Depositary Agent shall make the withdrawals, transfers and payments as specified in the applicable Withdrawal Certificate as soon as reasonably practicable, and in any event within five (5) Business Days following receipt of such Withdrawal Certificate. Disbursements from the Account under this clause (i) shall be used solely to pay the Reservation Fee and Operating Fee obligations of CMI arising under the CMI TUA.

(ii) At any time following the first date that full payments under each of the TUAs have been received for a full calendar quarter and provided that no Event of Default has occurred and is continuing, upon delivery of a duly completed and executed Withdrawal Certificate and Financial Officer's Certificate certifying that (A) no Event of Default has occurred and is continuing, (B) Section 4.08 of the Sabine Indenture does not prohibit the making of distributions by Sabine, (C) such Financial Officer has no knowledge of any circumstance or event that could reasonably be expected to cause Sabine not to be able to make a distribution during the calendar quarter immediately following the delivery of such certificate and (D) such Financial Officer has no knowledge of any circumstance or event that could reasonably be expected to cause CQP not to make a distribution during such following calendar quarter at least equal to the 42.5 cents per share on all common, subordinated and general partner units outstanding, funds in the Account in excess of the amount required to make the next three monthly payments under the CMI TUA may be disbursed from the Account to pay distributions to Holdings or another Loan Party.

Section 3.2 Investment of the Account.

(a) Amounts deposited in the Account under this Agreement shall, upon the delivery of investment authorizations and directions satisfactory to the Depository Agent, at Holdings' written request and direction, be invested by the Depositary Agent in Permitted Investments, in each case as specifically directed by Holdings that will mature in such amounts and not later than such times as may be necessary to provide monies when needed to make payments from such monies as provided in this Agreement. Except as otherwise provided herein, net interest or gain received, if any, from such investments shall be deposited into the Account. Any loss shall be charged to the Account. The Depositary Agent shall have no responsibility or liability for any loss which may result from any investment made pursuant to this Agreement, or for any loss resulting from the sale of such investment.

(b) Absent written instructions from Holdings, the Depositary Agent shall invest the amounts held in the Account under this Agreement in Permitted Investments described in clause (b) of such definition. In the event that at any time amounts are funded into an Account after 11:00 am New York City time on any Business Day, the Depositary Agent shall have no obligation to invest or reinvest such amounts on the date on which such amounts are funded. Instructions with respect to the investment of amounts received into an Account after 11:00 am New York City time shall be deemed to apply for the following Business Day.

(c) If and when cash is required for the making of any transfer, disbursement or withdrawal in accordance with this Agreement, Holdings shall instruct the Depositary Agent to sell or liquidate into cash Permitted Investments (without regard to maturity) as and to the extent necessary in order to make such transfers, disbursements or withdrawals required pursuant to this Agreement. The Depositary Agent shall comply with any instruction from Holdings with respect to the liquidation of such Permitted Investments. In the event any such investments are so redeemed prior to the maturity thereof, neither the Depositary Agent nor the Collateral Agent shall be liable for any loss, penalties, fees or expenses relating thereto.

(d) For purposes of determining responsibility for any income tax payable on account of any income or gain on any Permitted Investment hereunder, such income or gain shall be for the account of Holdings. Holdings shall provide the Depositary Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Depositary Agent may request.

Section 3.3 Disposition of the Account Upon Discharge Date. If the Depositary Agent shall have received a certificate from the Collateral Agent stating that the Discharge Date shall have occurred, all amounts remaining in the Account shall be remitted to Holdings or as otherwise directed in writing by Holdings.

Section 3.4 Account Balance Statements. The Depositary Agent shall, on a monthly basis within 15 days after the end of each month and at such other times as the Collateral Agent or Holdings may from time to time reasonably request, provide to the Collateral Agent and

Holdings, fund balance statements in respect of the Account and amounts held in the Account. Such balance statement shall also include deposits, withdrawals and transfers from and to any Account and the net investment income or gain received and collected in the Account. The Depositary Agent shall maintain records of all receipts, disbursements, and investments of funds with respect to the Account until the third anniversary of the Discharge Date. Within 90 days after the end of each year, the Depositary Agent shall furnish to the Collateral Agent, with a copy to Holdings, a report setting forth in reasonable detail the account balance, receipts, disbursements, transfers, investment transactions and accruals for the Account during such year. The Depositary Agent shall promptly notify the Collateral Agent (with a copy to Holdings) of its receipt and the amount of any funds received from any Person that is, or is required hereunder to be, deposited into any Account. The Depositary Agent shall upon request give notice to the Collateral Agent and Holdings of the location of the Account.

Section 3.5 Trigger Event Date.

(a) On and after any date on which the Depositary Agent receives written notice from the Collateral Agent that (i) a payment default on the Loans or under any other Loan Document has occurred and is continuing, or (ii) an Event of Default has occurred and is continuing and the maturity of the Loans has been accelerated (the date of receipt of such notice (the "***Trigger Event Date***"), notwithstanding anything to the contrary contained herein (including this Article III), the Depositary Agent shall thereafter accept all notices and instructions required or permitted to be given to the Depositary Agent pursuant to the terms of this Agreement only from the Collateral Agent and not from Holdings or any other Person and the Depositary Agent shall not withdraw, transfer, pay or otherwise distribute any monies in the Account except pursuant to such notices and instructions from the Collateral Agent unless the Depositary Agent shall have received notice from the Collateral Agent that such payment default has been waived, cured or no longer exists or that the acceleration of the maturity of the Loans has been rescinded, as the case may be, in which event the terms of this Section 3.5 shall thereafter be inapplicable to such payment default or acceleration, as the case may be; *provided* that no amounts may be transferred by Holdings from the Account if any Withdrawal Certificate does not contain a statement that no Event of Default has occurred and is continuing.

(b) Notwithstanding the occurrence of the Trigger Event Date, Holdings shall continue to remit all amounts received in accordance with Section 3.1(a) to the Account.

(c) Within three Business Days of a Trigger Event Date, the Depositary Agent shall render an accounting of all monies in the Account as of such Trigger Event Date to the Collateral Agent.

(d) All of the Collateral Agent's rights and remedies with respect to the Account and the other Account Collateral shall be subject to the terms of the LNG Entities Guarantee and Collateral Agreement. Accordingly, from and after a Trigger Event Date, the Collateral Agent shall have the right to control the Account, use the Account Collateral to repay the Obligations and the Crest Obligations and sell, dispose or realize on the Account Collateral, in each case in accordance with the Loan Documents.

(e) From and after a Trigger Event Date, and notwithstanding anything herein to the contrary (but without limiting the rights or remedies of Crest under the Crest Settlement Agreement or the Secured Parties under the Loan Documents and in each case subject to the terms of the LNG Entities Guarantee and Collateral Agreement), the Collateral Agent (or the Depositary Agent at the Collateral Agent's direction) shall be permitted to (i) liquidate and make Permitted Investments, (ii) direct the disposition of the funds in the Account, (iii) pay the obligations of CMI arising under the CMI TUA then due and payable and (iv) pay interest and principal in accordance with the priorities established by Section 6.05 of the LNG Entities Guarantee and Collateral Agreement and the Credit Agreement.

ARTICLE IV

DEPOSITARY AGENT

Section 4.1 Appointment of Depositary Agent, Powers and Immunities. Holdings and the Collateral Agent, on behalf of the Secured Parties, hereby each appoint the Depositary Agent to act as its agent hereunder, with such powers as are expressly delegated to the Depositary Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto. The Depositary Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement and no implied duties or covenants shall be read against the Depositary Agent. Without limiting the generality of the foregoing, the Depositary Agent shall take all actions as the Collateral Agent shall direct it to perform in accordance with the express provisions of this Agreement. The Depositary Agent's duties hereunder are administrative only and it may, but shall not be required under any circumstances to, exercise discretion in the performance of its duties hereunder. Notwithstanding anything to the contrary contained herein, the Depositary Agent shall not be required to take any action which is contrary to this Agreement or any law or rule of any Governmental Authority. Neither the Depositary Agent nor any of its Affiliates shall be responsible to the Secured Parties for any recitals, statements, representations or warranties made by Holdings contained in this Agreement or any other Loan Document or in any certificate or other document referred to or provided for in, or received by any Secured Party under this Agreement or any other Loan Document for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other document referred to or provided for herein or therein or for any failure by Holdings to perform its obligations hereunder or thereunder. The Depositary Agent shall not be required to ascertain or inquire as to the performance by Holdings or any other Person of any of its obligations under this Agreement or any other document or agreement contemplated hereby or thereby. The Depositary Agent shall not be (a) required to initiate or conduct any litigation or collection proceeding hereunder or under any other Loan Document or (b) responsible for any action taken or omitted to be taken by it hereunder (except for its own gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review) or in connection with any other Loan Document. Except as otherwise provided under this Agreement, the Depositary Agent shall take action under this Agreement only as it shall be directed in writing. Whenever in the administration of this Agreement the Depositary Agent shall deem it necessary or desirable that a factual matter be proved or established in connection with the Depositary Agent taking, suffering or omitting to take any action hereunder, such matter (unless other evidence in respect thereof is herein specifically prescribed) may be deemed to be conclusively proved or established by a Financial Officer's

Certificate of Holdings or a certificate of an officer of the Collateral Agent, if appropriate. The Depositary Agent shall have the right at any time to seek instructions concerning the administration of this Agreement from the Collateral Agent, Holdings or any court of competent jurisdiction. The Depositary Agent shall have no obligation to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. The Depositary Agent shall not be liable for any error of judgment, unless it shall be conclusively determined by a court of competent jurisdiction that the Depositary Agent was grossly negligent or acting with willful misconduct in ascertaining the pertinent facts. The Depositary Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any misconduct or negligence on the part of, or for the supervision of, any agent, attorney, custodian or nominee so appointed. Neither the Depositary Agent nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Agreement or in connection therewith except to the extent caused by the Depositary Agent's gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review. The Depositary Agent shall not be deemed to have knowledge of an Event of Default unless the Depositary Agent shall have received written notice thereof. The rights, privileges, protections and benefits given to the Depositary Agent, including, without limitation, its rights to be indemnified, are extended to, and shall be enforceable by, the Depositary Agent in each of its capacities hereunder, and to each agent, custodian and other Persons employed by the Collateral Agent in accordance herewith to act hereunder.

Section 4.2 Reliance by Depositary Agent. The Depositary Agent shall be entitled to conclusively rely upon and shall not be bound to make any investigation into the facts or matters stated in any certificate of Holdings or the Collateral Agent, or any other notice or other document (including any electronic transmission, cable, telegram or telecopy) believed by it to be genuine and to have been signed or sent by or on behalf of the proper Person or Persons, and upon advice and statement of legal counsel, independent accountants and other experts selected by the Depositary Agent and shall have no liability for its actions taken thereupon, unless due to the Depositary Agent's willful misconduct or gross negligence, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review. Without limiting the foregoing, (i) the Depositary Agent shall be required to make payments to the Collateral Agent only as set forth herein and (ii) shall in all cases be fully protected in acting Withdrawal Certificate. The Depositary Agent shall be fully justified in failing or refusing to take any action under this Agreement (a) if such action would, in the reasonable opinion of the Depositary Agent, be contrary to any applicable law or rule of any Governmental Authority or the terms of this Agreement, (b) if such action is not specifically provided for in this Agreement and it shall not have received any such advice or concurrence of the Collateral Agent as it deems appropriate or (c) if, in connection with the taking of any such action that would constitute an exercise of remedies under this Agreement (whether such action is or is intended to be an action of the Depositary Agent or the Collateral Agent), it shall not first be indemnified to its satisfaction by the Secured Parties (other than the Collateral Agent (in its individual capacity) or any other agent or trustee under any of the Loan Documents (in their respective individual capacities)) against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Depositary Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Collateral Agent or one or more other Secured Parties, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Secured Parties.

Section 4.3 Court Orders. The Depositary Agent is hereby authorized, in its exclusive discretion, to obey and comply with all writs, orders, judgments or decrees issued by any court or administrative agency affecting any money, documents or things held by the Depositary Agent. The Depositary Agent shall not be liable to any of the parties hereto or any of the Secured Parties or their successors, heirs or personal representatives by reason of the Depositary Agent's compliance with such writs, orders, judgments or decrees, notwithstanding such writ, order, judgment or decree is later reversed, modified, set aside or vacated.

Section 4.4 Resignation or Removal. Subject to the appointment and acceptance of a successor Depositary Agent as provided below, the Depositary Agent may resign at any time by giving 30 days' written notice thereof to the Collateral Agent and Holdings; *provided* that in the event the Depositary Agent is also the Collateral Agent, it must also at the same time resign as the Collateral Agent. The Depositary Agent may be removed at any time with or without cause by the Collateral Agent. So long as no Event of Default shall have then occurred and be continuing, Holdings shall have the right to remove the Depositary Agent for cause upon 60 days' notice to the Depositary Agent and the Collateral Agent. In the event that the Depositary Agent shall decline to take any action without first receiving adequate indemnity from Holdings or the Secured Parties and, having received an indemnity, shall continue to decline to take such action, Holdings and the Collateral Agent shall be deemed to have sufficient cause to remove the Depositary Agent. Notwithstanding anything to the contrary, the resignation or removal of the Depositary Agent shall be effective upon the earlier of: (a) 60 days after the notice or resignation or removal or (b) the date that (i) a successor Depositary Agent is appointed in accordance with this Section 4.4, (ii) the resigning or removed Depositary Agent has transferred to its successor all of its rights and obligations in its capacity as the Depositary Agent under this Agreement and the other Loan Documents, and (iii) the successor Depositary Agent has executed and delivered an agreement to be bound by the terms hereof and perform all duties required of the Depositary Agent hereunder. Within 30 days of receipt of a written notice of any resignation or removal of the Depositary Agent, so long as no Event of Default shall have then occurred and be continuing, Holdings shall appoint a successor Depositary Agent reasonably acceptable to the Collateral Agent; *provided* that, if the Collateral Agent does not confirm such acceptance or reject such appointee in writing within 30 days following selection of such successor by Holdings, then it shall be deemed to have given acceptance thereof and such successor shall be deemed appointed as the Depositary Agent hereunder. If no successor Depositary Agent shall have been appointed by Holdings and shall have accepted such appointment within 30 days after the retiring Depositary Agent's giving of notice of resignation or the removal of the retiring Depositary Agent or if an Event of Default shall have then occurred and be continuing, then the Collateral Agent or the Secured Parties shall appoint a successor Depositary Agent, which shall be a bank or trust company which has an office in New York, New York and that has a combined capital surplus of at least $500,000,000 or at least $100,000,000 and is a wholly owned subsidiary of a bank or trust company that has a combined capital surplus of at least $500,000,000. Upon the acceptance of any appointment as Depositary Agent hereunder by the successor Depositary Agent, (a) such successor Depositary Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Depositary Agent, and the retiring Depositary Agent shall be discharged from its duties and obligations hereunder

and (b) the retiring Depositary Agent shall promptly transfer all monies and Permitted Investments within its possession or control to the possession or control of the successor Depositary Agent and shall execute and deliver such notices, instructions and assignments as may be necessary or desirable to transfer the rights of the Depositary Agent with respect to the monies and Permitted Investments to the successor Depositary Agent. After the retiring Depositary Agent's resignation or removal hereunder as Depositary Agent, the provisions of this Article IV and of Article V shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Depositary Agent. Any corporation into which the Depositary Agent may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Depositary Agent shall be a party, or any corporation succeeding to the business of the Depositary Agent shall be the successor of the Depositary Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

ARTICLE V

EXPENSES; INDEMNIFICATION; FEES

Section 5.1 Compensation and Expenses. Holdings agrees to pay to the Depositary Agent (a) the Depositary Agent's fees in accordance with a fee schedule provided by the Depositary Agent to Holdings prior to the date hereof and (b) the amount of any and all of the Depositary Agent's reasonable and documented out-of-pocket expenses, including the reasonable and documented fees and expenses of its counsel (and any local counsel) and of any accountants, experts or agents, which the Depositary Agent may incur in connection with (i) the administration of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Account Collateral or (iii) the exercise or enforcement (whether through negotiations, legal proceedings or otherwise) of any of the rights of the Depositary Agent under this Agreement.

Section 5.2 Indemnification.

(a) Holdings, whether or not any of the transactions contemplated hereby shall be consummated, hereby assumes liability for and agrees to defend, indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities and related costs and expenses, including reasonable counsel fees, disbursements and other charges (any of the foregoing, a "***Claim***"), which may be imposed on, incurred by or asserted against an Indemnified Person in any way relating to or arising or alleged to arise out of: (i) the execution, delivery, enforcement or administration of this Agreement (including the performance by the Depositary Agent of its duties, rights and obligations hereunder) or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions; and (ii) any breach by Holdings of any of its representations or warranties under the Loan Documents or failure by Holdings to perform or observe any covenant or agreement to be performed by it under any of the Loan Documents; *provided* that the foregoing indemnities in clauses (i) and (ii) shall not, as to any Indemnified Person, apply to Claims to the extent they arise out of or result from

(x) the gross negligence or willful misconduct of such Indemnified Person as determined in a final, non-appealable judgment by a court of competent jurisdiction, (y) any breach of any obligation or representation or warranty of such Indemnified Person under any Loan Document, or (z) any taxes (other than taxes incurred by such Indemnified Person as a result of its receipt of an amount payable under this Section 5.2(a)) owed by the Indemnified Person in its individual capacity.

(b) To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in clause (a) may be unenforceable in whole or in part because they are violative of any law or public policy, Holdings shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all indemnified liabilities incurred pursuant to clause (a) by any Indemnified Person. To the extent that Holdings fails to pay any amount required to be paid by it to the any Indemnified Person, each Secured Party (other than the Collateral Agent (in its individual capacity) or any other agent or trustee under any of the Loan Documents (in their respective individual capacities)) agrees to pay to such Indemnified Person, such Secured Party's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that such amount, was incurred by or asserted against the Indemnified Person. For purposes hereof, a Secured Party's pro rata share shall be determined based upon its share of the outstanding Loans at such time.

(c) The agreements in this Section 5.2 shall survive termination of this Agreement.

Section 5.3 Prompt Payment. All amounts due under this Article V shall be payable by Holdings within ten days after receipt of written demand therefor.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Amendments; Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by Holdings herefrom shall in any event be effective unless the same shall be in writing and signed by each of the parties hereto and is otherwise in accordance with the terms of the Credit Agreement. Any such amendment, waiver or consent shall be effective only in the specific instance and for the specified purpose for which given.

Section 6.2 Addresses for Notices. All notices, requests and other communications provided for hereunder shall be in writing and, except as otherwise required by the provisions of this Agreement, shall be sufficiently given and shall be deemed given when personally delivered or, if mailed by registered or certified mail, postage prepaid, or sent by overnight delivery or telecopy, upon receipt by the addressee, in each case addressed to the parties as follows (or such other address as shall be designated by such party in a written notice to each other party):

Company: Cheniere LNG Holdings, LLC
700 Milam, Suite 800
Houston, TX 77002
Attention: Graham McArthur
Fax: (713) 375-6000
email: graham.mcarthur@cheniere.com

Collateral Agent: The Bank of New York Mellon
as Collateral Agent
600 East Las Colinas Blvd. Suite 1300
Irving, TX 75039
Attention Bob Hingston/Risk Management
Fax: (972) 401-8555

Depositary Agent: The Bank of New York Mellon
as Depositary Agent
101 Barclay Street 8W
New York, NY 10286
Attention: Corporate Trust Administration
Fax: (212) 815-5707

Section 6.3 Governing Law; Jurisdiction.

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK EXCLUDING CHOICE OF LAW PRINCIPLES OF SUCH LAWS (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT AND ANY ACTION FOR ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HERETO HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND APPELLATE COURTS FROM ANY THEREOF. HOLDINGS HEREBY IRREVOCABLY DESIGNATES, APPOINTS AND EMPOWERS CORPORATION SERVICE COMPANY AS ITS DESIGNEE, APPOINTEE AND AGENT TO RECEIVE, ACCEPT AND ACKNOWLEDGE FOR AND ON ITS BEHALF, AND IN RESPECT OF ITS PROPERTY, SERVICE OF ANY AND ALL LEGAL PROCESS, SUMMONS, NOTICES AND DOCUMENTS WHICH MAY BE SERVED IN ANY ACTION OR PROCEEDING IN THE STATE OF NEW YORK. IF FOR ANY REASON SUCH DESIGNEE, APPOINTEE AND AGENT SHALL CEASE TO BE AVAILABLE TO ACT AS SUCH, HOLDINGS AGREES TO DESIGNATE A NEW DESIGNEE, APPOINTEE AND AGENT IN NEW YORK CITY ON THE TERMS AND FOR THE PURPOSES OF THIS PROVISION SATISFACTORY TO THE COLLATERAL AGENT. HOLDINGS IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO HOLDINGS AT ITS ADDRESS REFERRED TO IN SECTION 6.2. EACH OF

THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY DO SO UNDER APPLICABLE LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BROUGHT IN THE COURTS REFERRED TO ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED IN ANY OTHER JURISDICTION.

(c) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT OF TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY MATTER ARISING HEREUNDER.

Section 6.4 Headings. Section and Article headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

Section 6.5 Limited Third Party Beneficiaries. This Agreement and the rights and benefits hereof shall inure to the benefit of each of the parties hereto and its respective successors and assigns and shall inure to the benefit of Crest and the Secured Parties.

Section 6.6 No Waiver. No failure on the part of the Depositary Agent, the Collateral Agent or any of the Secured Parties or any of their nominees or representatives to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Depositary Agent, the Collateral Agent or any of the Secured Parties or any of their nominees or representatives of any right, power or remedy hereunder preclude any other or future exercise thereof or the exercise of any other right, power or remedy, nor shall any waiver of any single Event of Default or other breach or default be deemed a waiver of any other Event of Default or other breach or default theretofore or thereafter occurring.

Section 6.7 Severability. If any provision of this Agreement or the application thereof shall be invalid or unenforceable to any extent, (a) the remainder of this Agreement and the application of such remaining provisions shall not be affected thereby and (b) each such remaining provision shall be enforced to the greatest extent permitted by law.

Section 6.8 Successors and Assigns. All covenants, agreements, representations and warranties in this Agreement by each party hereto shall bind and, to the extent permitted hereby, shall inure to the benefit of and be enforceable by their respective successors and assigns and the Secured Parties, whether so expressed or not.

Section 6.9 Execution in Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall

constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

Section 6.10 Regarding the Collateral Agent. The Collateral Agent shall be afforded all of the rights, powers, protections, immunities and indemnities set forth in the Credit Agreement and the LNG Entities Guarantee and Collateral Agreement as if the same were specifically set forth herein.

Section 6.11 Intercreditor Provisions. In the event of any conflict between the provisions set forth in this Agreement and those set forth in the Credit Agreement, the provisions of the Credit Agreement shall supersede and control the terms and provisions of this Agreement.

Section 6.12 Force Majeure. In no event shall the Collateral Agent or the Depositary Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of god, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Collateral Agent or the Depositary Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 6.13 Consequential Damages. Anything in this Agreement to the contrary notwithstanding, in no event shall any of the parties hereto be liable under or in connection with this Agreement for indirect, special, incidental, punitive or consequential losses or damages of any kind whatsoever, including but not limited to lost profits, whether or not foreseeable, even if such party has been advised of the possibility thereof and regardless of the form of action in which such damages are sought.

Section 6.14 Patriot Act. Holdings hereby acknowledges that the Depositary Agent is subject to federal laws, including the Customer Identification Program (CIP) requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which Holdings must obtain, verify and record information that allows the Depositary Agent to identify Holdings. Accordingly, prior to opening an Account hereunder, the Depositary Agent will ask Holdings to provide certain information including, but not limited to, Holdings' name, physical address, tax identification number and other information that will help the Depositary Agent to identify and verify Holdings' identity such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. Holdings agrees that the Depositary Agent cannot open an Account hereunder unless and until Holdings verifies Holdings' identity in accordance with its CIP.

Section 6.15 Multiple Capacities. Each of the parties hereto hereby (i) acknowledges that The Bank of New York Mellon is acting under this Agreement in multiple capacities as the Collateral Agent and the Depository Agent and (ii) waives any conflict of interest, now

contemplated or arising hereafter, in connection therewith and agrees not to assert against The Bank of New York Mellon any claims, causes of action, damages or liabilities of whatever kind or nature relating thereto.

[*Signature page follows.***]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CHENIERE LNG HOLDINGS, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

THE BANK OF NEW YORK MELLON, not individually but solely in its capacity as Collateral Agent

By: /s/ Robert D. Hingston
Name: Robert D. Hingston
Title: Vice President

THE BANK OF NEW YORK MELLON, not individually but solely in its capacity as Depositary Agent

By: /s/ Robert D. Hingston
Name: Robert D. Hingston
Title: Vice President

EXHIBIT 10.5

Execution Copy

INVESTORS' AGREEMENT

among

CHENIERE ENERGY, INC.,

CHENIERE COMMON UNITS HOLDING, LLC,

GSO SPECIAL SITUATIONS FUND LP,

GSO ORIGINATION FUNDING PARTNERS LP,

BLACKSTONE DISTRESSED SECURITIES FUND L.P.,

GSO COF FACILITY LLC,

and

SCORPION CAPITAL PARTNERS LP

Dated as of August 15, 2008

TABLE OF CONTENTS

INVESTORS' AGREEMENT

Investors' Agreement, dated as of August 15, 2008 (this "**Agreement**"), by and among Cheniere Energy, Inc., a Delaware corporation (including successors, the "**Company**"), Cheniere Common Units Holding, LLC, a Delaware limited liability company (the "**Borrower**") and GSO Special Situations Fund LP, GSO Origination Funding Partners LP, Blackstone Distressed Securities Fund L.P., GSO COF Facility LLC, and Scorpion Capital Partners LP (each, an "**Investor**").

W I T N E S S E T H:

Whereas, the Company and the Investor entered into that certain Credit Agreement, dated as of August 15, 2008 among Cheniere Common Units Holding, LLC, as Borrower, the Loan Parties signatory thereto, including the Company, the Lenders party thereto and The Bank of New York Mellon, as Administrative Agent and Collateral Agent (as amended from time to time, the "**Credit Agreement**");

Whereas, the Exchangeable Portion of Loans under the Credit Agreement is exchangeable into shares of Series B Preferred Stock as provided in this Agreement;

Whereas, the Exchangeable Portion of Loans under the Credit Agreement may be exchanged for shares of Series B Preferred Stock at any time; and

Whereas, the parties believe that it is in the best interests of the Company and its stockholders to set forth their agreements on certain matters regarding exchange of the Exchangeable Portion of Loans and certain rights of the Series B Preferred Stock.

Now, **Therefore**, in consideration of the mutual covenants and obligations set forth in this Agreement, and intending to be legally bound, the parties agree as follows:

1 Definitions

1.1 Definitions of Certain Terms

For purposes of this Agreement, the following terms have the indicated meanings:

"**Affiliate**" has the meaning set forth in the Credit Agreement.

"**Agreement**" is defined in the preamble to this Agreement.

"**AMEX**" has the meaning set forth in the Credit Agreement.

"**Applicable Exchange Rate**" shall mean the Exchange Rate in effect at any given time.

"**As-Converted Basis**" shall mean, with respect to (i) any Loan, the number of shares of Common Stock into which such Loan would be then exchangeable into assuming that the exchange into Series B Preferred Stock had occurred and that shares of Series B Preferred Stock received in exchange for Loans are contemporaneously converted into shares of

Common Stock, and (ii) any share of Series B Preferred Stock, the number of shares of Common Stock into which such share of Series B Preferred Stock would be then exchangeable.

"**Board**" means the board of directors of the Company.

"**Borrower**" is defined in the preamble to this Agreement.

"**Borrowings**" has the meaning set forth in the Credit Agreement.

"**Business Day**" has the meaning set forth in the Credit Agreement.

"**Bylaws**" means the Amended and Restated Bylaws of the Company, as amended from time-to-time, or similar governing document (or any similar governing document of any successor).

"**Capital Stock**" means any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) equity of the Company, any Common Stock or any preferred stock of the Company, but excluding any debt securities convertible into such equity.

"**Certificate of Incorporation**" means the Restated Certificate of Incorporation, as amended, of the Company, as amended from time-to-time (or any similar governing document of any successor).

"**Class I Director**" has the meaning set forth in the Certificate of Incorporation.

"**Class II Director**" has the meaning set forth in the Certificate of Incorporation.

"**Class III Director**" has the meaning set forth in the Certificate of Incorporation.

"**Closing Date**" has the meaning set forth in the Credit Agreement.

"**Common Stock**" has the meaning set forth in the Credit Agreement.

"**Company**" is defined in the preamble to this Agreement.

"**Control**" has the meaning set forth in the Credit Agreement.

"**Credit Agreement**" is defined in the preamble to this Agreement.

"Current Market Price" shall mean, on any date, the average of the Daily VWAP per share of the Common Stock on each of the five (5) consecutive Trading Days preceding the earlier of the day before the date in question and the day before the Ex-Date with respect to the issuance or distribution giving rise to an adjustment to the Exchange Rate pursuant to Section 5.6.1.3.

"**Daily VWAP**" of the Common Stock means, for any VWAP Trading Day, the per share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on

Bloomberg page HOLX.Q <equity> AQR (or any equivalent successor page) in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on such VWAP Trading Day, or if such volume-weighted average price is unavailable, the market value of one share of Common Stock on such VWAP Trading Day using a volume-weighted method as determined by a nationally recognized independent investment banking firm retained for this purpose by the Company.

"**Demand Registration**" is defined in Section 4.2.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations promulgated thereunder, in each case as in effect from time to time.

"**Exchange Date**" is defined in Section 5.2.1.

"**Exchange Notice**" is defined in Section 5.2.1.

"**Exchange Rate**" shall mean initially, one share of Preferred Stock per $5,000 principal amount of the Exchangeable Portion of Loans, subject to adjustment as set forth herein. For the avoidance doubt, any increase or decrease to the Exchange Rate provided for in this Agreement shall be made to the number of shares provided in the immediately preceding sentence.

"**Exchangeable Portion**" shall mean the outstanding principal amount of the Loans less any portion thereof that is attributable to Permitted Accrued Interest.

"**Ex-Date**" shall mean, when used with respect to any issuance or distribution, the earlier of (i) the first date on which the Common Stock or other securities trade without the right to receive the issuance or distribution giving rise to an adjustment to the Exchange Rate pursuant to Section 5.6.1.1 or (ii) the effective date of the issuance or distribution giving rise to an adjustment to the Exchange Rate pursuant to Section 5.6.1.1.

"**Governmental Authority**" has the meaning set forth in the Credit Agreement.

"**Holder**" means any Person holding Registrable Securities related to the Credit Agreement.

"**Holders' Counsel**" is defined in Section 4.9.2.

"**HSR Act**" is defined in Section 5.1.1

"**Independent Directors**" mean those members of the Board who are not Investor Nominees.

"**Initiating Holders**" is defined in Section 4.2.

"**Investor**" is defined in the preamble to this Agreement.

"**Investor Nominees**" is defined in Section 2.1.1.

"**Joinder**" means a joinder agreement in the form attached as Exhibit A.

"**Lender**" has the meaning set forth in the Credit Agreement.

"**Liquidation Transaction**" shall mean a transaction, event, or occurrence in which the Company voluntarily or involuntarily liquidates, dissolves or winds up.

"**Loans**" has the meaning set forth in the Credit Agreement.

"**Maturity Date**" has the meaning set forth in the Credit Agreement.

"**Non-Management Independent Directors**" mean those Independent Directors who are not officers or employees of the Company or any of its Subsidiaries or any of their Affiliates.

"**Notice**" is defined in Section 6.1.1.

"**Officer's Certificate**" has the meaning set forth in the Credit Agreement.

"**Other Taxes**" has the meaning set forth in the Credit Agreement.

"**Permitted Accrued Interest**" has the meaning set forth in the Credit Agreement.

"**Person**" has the meaning set forth in the Credit Agreement.

"**Piggyback Registration**" is defined in Section 4.7.1.

"**Register**" has the meaning set forth in the Credit Agreement.

"**Registration Request**" is defined in Section 4.2.

"**Registrable Securities**" means (i) any and all Series B Preferred Stock, including Series B Preferred Stock issued or issuable pursuant to the conversion, exercise or exchange of loans or other securities, or by successive exercises or exchanges, rights, options or warrants, beneficially owned by the Holders, whether owned on the date hereof or acquired hereafter, and (ii) any and all shares of Common Stock issued or issuable pursuant to the conversion, exercise or exchange of Series B Preferred Stock; *provided* that, the Common Stock shall cease to be Registrable Securities when a registration statement covering such Common Stock has been declared effective under the Securities Act by the SEC and such Common Stock has been disposed of pursuant to such effective registration statement; *provided*, *further*, that the Series B Preferred Stock shall continue to be Registrable Securities until they are sold in a transaction that permits their subsequent conversion into Common Stock without further need of registration.

"**Registration Expenses**" is defined in Section 4.9.1.

"**Registration Statement**" means the prospectus and other documents filed with the SEC to effect a registration under the Securities Act.

"**Required Conversion Price**" has the meaning set forth in the Credit Agreement.

"**Scheduled Trading Day**" means a day that is scheduled to be a Trading Day on the principal United States national or regional securities exchange or market on which the Common Stock is listed or admitted for trading or, if the Common Stock is not listed or admitted for trading on any exchange or market, a Business Day.

"**SEC**" means the United States Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"**Securities Act**" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations promulgated thereunder, in each case as in effect from time to time.

"**Series B Preferred Stock**" means shares of Series B Convertible Preferred Stock, par value $.0001 per share, of the Company.

"**Settlement Notice Period**" is defined in Section 5.13.

"**Short-Form Registration Statement**" is defined in Section 4.1.

"**Subsidiary**" or "**Subsidiaries**" has the meaning set forth in the Credit Agreement.

"**Tax**" has the meaning set forth in the Credit Agreement.

"**Trading Day**" means a day during which (i) trading in the Common Stock generally occurs and (ii) there is no VWAP Market Disruption Event.

"**Transfer**" means any transfer, sale, assignment, donation, option, pledge, lien, hypothecation or other disposition or encumbrance, whether directly or indirectly, by operation of law or otherwise, or any agreement to do any of the foregoing.

"**Voting Stock**" has the meaning set forth in the Credit Agreement.

"**VWAP Market Disruption Event**" means (i) a failure by the principal U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted to trading to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m. on any Scheduled Trading Day for the Common Stock for an aggregate one half-hour period of any suspension or limitation imposed on trading, by reason of movements in price exceeding limits imposed by the stock exchange or otherwise, in the Common Stock or in any options contracts or futures contracts relating to the Common Stock.

"**VWAP Trading Day**" means a day during which (i) trading in the Common Stock generally occurs during the regular trading session on the principal U.S. national or

regional securities exchange or market on which the Common Stock is listed or admitted for trading and (ii) there is no VWAP Market Disruption Event. If the Common Stock is not so listed or traded, then VWAP Trading Day means a Business Day.

1.2 Headings; Table of Contents

Headings and table of contents should be ignored in construing this Agreement.

1.3 Singular, Plural, Gender

In this Agreement, unless the context otherwise requires, references to one gender include all genders and references to the singular include the plural and vice versa.

1.4 Interpretation

In this Agreement, unless the context otherwise requires, any reference to "including" or "in particular" shall be illustrative only and without limitation. For purposes of this Agreement, any action to be taken by the holders of a majority of the Registrable Securities, shall, if no Registrable Securities are outstanding shall be taken by the Lenders holding a majority in principal amount of the Exchangeable Portion of the Loans, and if both the Exchangeable Portion and Registrable Securities are outstanding, by a majority of in principal amount of Lenders and in liquidation preference of Registrable Securities, acting together.

2 Corporate Governance

2.1 Investor Representatives

2.1.1 At Closing, the members of the Board shall elect (i) two individuals to the Board, one of which shall be Class I Director and one of which shall be a Class III Director chosen by the holders of a majority of the Registrable Securities and (ii) within 30 days of Closing, the holders of a majority of the Registrable Securities together with the Board shall have the ability to jointly nominate a third director, who shall be a Class II Director, and who shall be a Non-Management Independent Director (collectively, the "**Investor Nominees**").

2.1.2 The Company shall cause the nomination of each Investor Nominee (to the extent that such Investor Nominee would be up for election at such time) in connection with any subsequent proxy statement or information statement pursuant to which the Company intends to solicit stockholders with respect to the election of directors and to have the Board recommend in connection with such subsequent proxy statement or information statement that the stockholders of the Company vote for the election of each Investor Nominee up for election at such time. If any such Investor Nominee is not elected to the Board at any stockholder meeting with respect to the election of such Investor Nominee, then subject to applicable law, the Board shall fill such newly created vacancy on the

Board in the class subject to election with a nominee of the holders of a majority of the Registrable Securities and shall cause the nomination of such nominee (at such time that such nominee would be up for election) in connection with any proxy statement or information statement pursuant to which the Company intends to solicit stockholders with respect to the election of directors and to have the Board recommend in connection with such subsequent proxy statement or information statement that the stockholders of the Company vote for the election of such nominee.

2.1.3 The election and appointment of each Investor Nominee shall be subject to all legal requirements regarding service as a director of the Company and to the approval of the nominating and corporate governance committee of the Board which approval will not be unreasonably withheld or delayed except for the individuals initially appointed pursuant to Section 2.1.1(i).

2.1.4 If prior to the end of the term of any member of the Board that is an Investor Nominee, a vacancy in the office of such director shall occur by reason of death, resignation, removal or disability, or for any other cause, such vacancy shall be filled by a majority of the Holders with another Investor Nominee, and a majority of the Holders shall have the right to replace any Investor Nominee, at any time, with or without cause.

2.2 Cheniere Energy Partners GP, LLC

For so long as any Registrable Securities remain outstanding, the holders of a majority of the outstanding Registrable Securities shall have the right to cause the Company to elect one nominee to the Board of Managers of Cheniere Energy Partners GP, LLC.

2.3 Amendments

Neither the Certificate of Incorporation nor the Bylaws shall be amended in a manner inconsistent with the terms of this Agreement without the consent of Holders that beneficially own a majority of the voting power of the Series B Preferred Stock beneficially owned by all Holders at such time.

3 Legends; Securities Law Compliance

3.1 Each certificate representing Capital Stock that is restricted stock as defined in Rule 144 under the Securities Act shall bear the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF UNLESS (i) SUCH DISPOSITION IS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN EXEMPTION THEREFROM AND (ii) SUCH DISPOSITION IS PURSUANT TO REGISTRATION UNDER ANY APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION THEREFROM."

3.2 Each certificate representing Capital Stock that is subject to this Agreement shall bear the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO VOTING AND OTHER RESTRICTIONS SET FORTH IN AN INVESTORS' AGREEMENT, DATED AS OF AUGUST 15, 2008, COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE ISSUER."

3.3 Certificates representing Capital Stock shall bear any other legends required by applicable state law. When any Capital Stock has been registered under the Securities Act, and such Capital Stock has been sold pursuant to such registration or pursuant to Rule 144 under the Securities Act or is eligible to be sold pursuant to such Rule without volume limitations or other restrictions, the holder of such Capital Stock shall be entitled to exchange the certificate representing such Capital Stock for a certificate not bearing the legend required by Section 3.1. If any Capital Stock ceases to be subject to this Agreement, the holder of such Capital Stock shall be entitled to exchange the certificate representing such Capital Stock for a certificate not bearing the legend required by Section 3.2.

3.4 Each Person who acquires Loans or any shares of Series B Preferred Stock shall (a) if acquired in a private transaction be required to execute the Joinder or (b) if acquired in a public transaction be deemed to have executed the Joinder.

4 Registration Rights

4.1 Shelf Registration

The Company will use its commercially reasonable efforts to qualify for registration on and to, file, a registration statement on Form S-3 or any comparable or successor form or forms or any similar short-form registration ("**Short-Form Registration Statement**"), and such Short-Form Registration Statement will be a "shelf" registration statement providing for the registration, and the sale on a continuous or delayed basis, of the Registrable Securities pursuant to Rule 415 under the Securities Act from and after the Closing. Upon filing a Short-Form Registration Statement, the Company will, if applicable, use its commercially reasonable efforts to (i) cause such Short-Form Registration Statement to be declared effective, and (ii) keep such Short-Form Registration Statement effective with the SEC at all times. Any Short-Form Registration Statement shall be re-filed upon its expiration, and the Company shall cooperate in any shelf take-down by amending or supplementing the prospectus statement related to such Short-Form Registration Statement as may be reasonably requested by a Holder or as otherwise required; *provided* that, no Holder may be permitted to sell under such "shelf" registration statement during such times as the trading window is not open for Company's Board in accordance with the Company's policies.

4.2 Demand Registration

If the Company has not filed, and caused to be effective and maintained the effectiveness of a "shelf" registration statement pursuant to Section 4.1, Holders of Registrable Securities (the "**Initiating Holders**") may request in writing that the Company effect the registration of all or any part of the Registrable Securities held by the Initiating Holders (a "**Registration Request**"). Promptly after its receipt of any Registration Request but no later than ten (10) days after receipt of such Registration Request, the Company will give written notice of such request to the other Holders, and will use its commercially reasonable efforts to register, in accordance with the provisions of this Agreement, all Registrable Securities that have been requested to be registered in the Registration Request or by the other Holders by written notice to the Company given within fifteen (15) Business Days after the date the Company has given such notice of the Registration Request. Any registration requested by the Initiating Holders pursuant to this Section 4.2 is referred to in this Agreement as a "**Demand Registration**."

4.3 Receipts

If, in connection with the initial registration pursuant to Section 4.1 or 4.2, the Investors desire to have the Series B Preferred Stock registered as depositary receipts, the Company shall, at its expense, establish such a program, and the receipts shall be registered together with the Registrable Securities. If the Investors elect this option, all Series B Preferred Stock will be so registered.

4.4 Restrictions on Registrations and Take-downs

If the filing, initial effectiveness or continued use of a Registration Statement would require the Company to make a public disclosure of material non-public information, which disclosure in the good faith judgment of the Board (i) would be required to be made in any Registration Statement so that such Registration Statement would not be materially misleading, (ii) would not be required to be made at such time but for the filing, effectiveness or continued use of such Registration Statement, and (iii) could (A) reasonably be expected to adversely affect the Company or its business if made at such time, or (B) reasonably be excepted to interfere with the Company's ability to effect a planned or proposed acquisition, disposition, financing, reorganization, recapitalization or similar transaction or (C) otherwise require premature disclosure of material information that the Company has a *bona fide* business purpose for preserving as confidential, then the Company may, upon giving prompt written notice of such determination of the Board to the participants in such registration (each of whom hereby agrees to maintain the confidentiality of all information disclosed to such participants, *provided* that, the Company shall not be required to disclose the nature of the delay or other confidential information), delay the filing or initial effectiveness of, or suspend use of, such Registration Statement; *provided* that, the Company shall not be permitted to do so (x) for more than sixty (60) days for a given occurrence of such a circumstance, (y) more than two (2) times during any twelve-month period or (z) in connection with any registration effected pursuant to Section 2.08 of the Credit Agreement. In the event the Company exercises its rights under the preceding sentence, the Holders agree to suspend,

promptly upon their receipt of the notice referred to above, their use of any prospectus or prospectus supplement relating to such registration in connection with any sale or offer to sell Registrable Securities. The Company will pay all Registration Expenses incurred in connection with any such aborted registration or prospectus or prospectus supplement.

4.5 Selection of Underwriters

If any Holders intend that any Registrable Securities covered by any registration pursuant to Section 4.1 or 4.2 shall be distributed by means of an underwritten offering, such Holders will so advise the Company, and the Company will include such information in the notice sent by the Company to all of the Holders. In such event, the lead underwriter to administer the offering will be promptly chosen by the Company, subject to the prior written consent of the Holders selling a majority of the securities to be sold in such offering, such consent not to be unreasonably withheld or delayed. If the Company is unable to select an underwriter, the Holders may select an underwriter, subject to the prior written consent of the Company, not to be unreasonably withheld or delayed. If neither the Company nor the Holders are able to select an underwriter, the proposed underwriting shall not proceed and the Company will not be in breach of this Agreement. No Affiliate of GSO Capital Partners, LP shall be selected as an underwriter by either the Company or the Holders. If the offering is underwritten, the right of any Holder to registration pursuant to this Section 4 will be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting, and the Company and each such Holder will promptly enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. If any Holder disapproves of the terms of the underwriting, such Holder may promptly elect to withdraw therefrom by written notice to the Company, the managing underwriter and the Holders.

4.6 Priority on Demand Registrations

4.6.1 The Company will not include in any Demand Registration by means of an underwritten offering pursuant to this Section 4 any securities that are not Registrable Securities without the prior written consent of the Initiating Holders. If the managing underwriters advise the Company that in their reasonable opinion the number of Registrable Securities (and, if permitted hereunder, other securities requested to be included in such offering) exceeds the number of securities that can be sold in such offering without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), the Company will include in such offering only such number of securities that in the reasonable opinion of such managing underwriters can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (i) first, Registrable Securities of the Initiating Holders, *pro rata* (if applicable), based on the number of Registrable Securities owned by each such Person, (ii) second, Registrable Securities of any other Holder who has delivered written requests for registration

pursuant to Section 4.2, *pro rata* on the basis of the aggregate number of Registrable Securities owned by each such Person, and (iii) third, any other securities of the Company that have been requested to be so included, subject to the terms of this Agreement.

4.7 Piggyback Registrations

4.7.1 Whenever the Company proposes to register any of its Common Stock in connection with a public offering of such securities solely for cash, other than a registration pursuant to Section 4.2 or on Form S-4 or Form S-8 (or any successor form), and the registration form to be filed may be used for the registration or qualification for distribution of Registrable Securities by the Company, the Company will give prompt written notice to the Holders of its intention to effect such a registration (but in no event less than ten (10) days prior to the anticipated filing date) and, subject to Section 4.7.3, will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) days after the date of the Company's notice (a "**Piggyback Registration**"). Any such Holder that has made such a written request may withdraw its Registrable Securities from such Piggyback Registration by giving prompt written notice to the Company and the managing underwriter, if any, on or before the fifth (5th) Business Day prior to the planned effective date of such Piggyback Registration. The Company may terminate or withdraw any registration under this Section 4.7.1 prior to the effectiveness of such registration, whether or not the Holders have elected to include Registrable Securities in such registration.

4.7.2 If the registration referred to in Section 4.7.1 is proposed to be underwritten, the Company will so advise the Holders as a part of the written notice given pursuant to Section 4.7.1. In such event, the right of the Holders to registration pursuant to this Section 4.7 will be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting, and each such Person will (together with the Company and the other Persons distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. If any participating Holder disapproves of the terms of the underwriting, such Person may promptly elect to withdraw therefrom by written notice to the Company and the managing underwriter.

4.7.3 If a Piggyback Registration relates to an underwritten offering, and the managing underwriters advise the Company that in their reasonable opinion the number of securities requested to be included in such registration exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on

the per share offering price), the Company will include in such registration or prospectus only such number of securities that in the reasonable opinion of such underwriters can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (i) first, the securities the Company proposes to sell, (ii) second, the Registrable Securities of the Holders who have requested registration of Registrable Securities pursuant to Section 4.7.1, *pro rata* on the basis of the aggregate number of such securities or shares owned by each such Holder, and (iii) third, any other securities of the Company that have been requested to be so included.

4.8 Registration Procedures

Subject to Section 4.4, whenever any Registrable Securities are to be registered pursuant toSection 4.1 or Section 4.2 of this Agreement, the Company will use its commercially reasonable efforts to effect the registration and sale of such Registrable Securities as soon as reasonably practicable in accordance with the intended method of disposition thereof and pursuant thereto. The Company shall:

4.8.1 Prepare and file, within ninety (90) days of Closing, with respect to a registration pursuant toSection 4.1, and within (90) days of the receipt of the request, with respect to a registration pursuant to Section 4.2, with the SEC a Registration Statement with respect to such Registrable Securities, make all required filings with the Financial Industry Regulatory Authority and thereafter use its commercially reasonable efforts to cause such Registration Statement to become effective as soon as reasonably practicable and to remain effective as provided herein; *provided* that, before filing a Registration Statement or any amendments or supplements thereto, the Company will, at the Company's expense, furnish or otherwise make available to the Holders' Counsel copies of all such documents proposed to be filed and such other documents reasonably requested by such counsel, which documents will be subject to the review and reasonable comment of such counsel at the Company's expense, including any comment letter from the SEC with respect to such filing or the documents incorporated by reference therein, and if requested by such counsel, provide such counsel reasonable opportunity to participate in the preparation of such Registration Statement and such other opportunities to conduct a reasonable investigation within the meaning of the Securities Act, including reasonable access to the Company's financial books and records, officers, accountants and other advisors;

4.8.2 Prepare and file with the SEC such amendments and supplements to such Registration Statement as may be necessary to keep such Registration Statement effective for a period of either (i) not less than if such Registration Statement relates to an underwritten offering, such period as, based upon the opinion of counsel for the underwriters, a prospectus is

required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer or such shorter period as will terminate when all of the securities covered by such Registration Statement have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such Registration Statement (but in any event not before the expiration of any longer period required under the Securities Act) or (ii) continuously in the case of shelf registration statements and any shelf registration statement shall be re-filed upon its expiration (or in each case, such shorter period ending on the date that the securities covered by such shelf registration statement cease to constitute Registrable Securities), and cause the related prospectus to be supplemented by any prospectus supplement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of the securities covered by such Registration Statement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) under the Securities Act;

4.8.3 Furnish to each participating Holder, and each managing underwriter, if any, such number of copies, without charge, of such Registration Statement, each amendment and supplement thereto, including each preliminary prospectus, final prospectus, any other prospectus (including any prospectus filed under Rule 424, Rule 430A or Rule 430B of the Securities Act and any "issuer free writing prospectus" as such term is defined under Rule 433 promulgated under the Securities Act), all exhibits and other documents filed therewith and such other documents as such Holder or such managing underwriter may reasonably request including in order to facilitate the disposition of the Registrable Securities owned by such Holder, and upon request a copy of any and all transmittal letters or other correspondence to or received from, the SEC or any other Governmental Authority relating to such offer;

4.8.4 Use commercially reasonable efforts to register or qualify (or exempt from registration or qualification) such Registrable Securities, and keep such registration or qualification (or exemption therefrom) effective, under such other securities or blue sky laws of such United States jurisdictions as any participating Holder reasonably requests and do any and all other acts and things that may be reasonably necessary or reasonably advisable to enable such Holder to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Holder (*provided* that, the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection, (ii) subject itself to taxation in any such jurisdiction, or (iii) consent to general service of process in any such jurisdiction);

4.8.5 Notify each participating Holder, the Holders' Counsel and the managing underwriter(s), if any, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or

upon the discovery of the happening of any event that makes any statement made in the Registration Statement or related prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in such Registration Statement, prospectus or documents and, as soon as reasonably practicable (but subject to the delay provisions of Section 4.4), prepare and furnish to such Holder a reasonable number of copies of a supplement or amendment to such prospectus so that, in the case of the Registration Statement, it will not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, not misleading, and that in the case of any prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statement therein, in light of the circumstances in which they were made, not misleading;

4.8.6 Notify each participating Holder, the Holders' Counsel and the managing underwriter(s), if any, (i) when such Registration Statement or the prospectus or any prospectus supplement or post-effective amendment has been filed and, with respect to such Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the SEC for amendments or supplements to such Registration Statement or to amend or to supplement such prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or the initiation of any proceedings for such purpose, to the extent that it is aware of such proceedings, (iv) if at any time the representations and warranties of the Company contained in any underwriting agreement contemplated by Section 4.8.11 below cease to be true and correct in any material respect, and (v) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose;

4.8.7 Upon the occurrence of an event contemplated in Section 4.8.5 or in Section 4.8.6(ii), 4.8.6(iii), 4.8.6(iv) or 4.8.6(v) (but subject to the delay provisions of Section 4.4), prepare a supplement or amendment to the Registration Statement or supplement to the related prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that such prospectus as thereafter delivered to the participating Holders will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

4.8.8 Use commercially reasonable efforts to cause all such Registrable Securities to be listed on each securities exchange on which Common

Stock issued by the Company is then listed or, if no similar securities issued by the Company are then listed on any securities exchange, use its commercially reasonable efforts to cause all such Registrable Securities to be listed on the AMEX or the NASDAQ stock market, as determined by the Company;

4.8.9 Provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such Registration Statement;

4.8.10 Enter into such customary agreements (including underwriting agreements and, lock-up agreements in customary form (excluding any lock-up of Registrable Securities), and including provisions with respect to indemnification and contribution in customary form) and take all such other customary actions as the participating Holders or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including, making members of management and executives of the Company available to participate in "road show," similar sales events and other marketing activities;

4.8.11 In connection with any underwritten offering, make such representations and warranties to the participating Holders and the managing underwriter(s), if any, with respect to the business of the Company and the Company's Subsidiaries, and the Registration Statement, prospectus, and documents incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by the issuer in underwritten offerings, and, if true, make customary confirmations of the same if and when requested;

4.8.12 If requested by any participating Holder, or the managing underwriter(s), if any, promptly include in a prospectus supplement or amendment such information as the Holder or managing underwriter(s), if any, may reasonably request in order to permit the intended method of distribution of such securities and make all required filings of such prospectus supplement or such amendment as soon as reasonably practicable after the Company has received such request;

4.8.13 In the case of certificated Registrable Securities, cooperate with the participating Holders and the managing underwriter(s), if any, to facilitate the timely preparation and delivery of certificates (not bearing any legends) representing Registrable Securities to be sold after receiving written representations from each Holder that that the Registrable Securities represented by the certificates so delivered by such Holder will be transferred in accordance with the Registration Statement, and enable such Registrable Securities to be in such denominations and registered in such names as the Holders or managing underwriters, if any, may request at least two business days prior to any sale of such Registrable Securities;

4.8.14 Make available for inspection by any participating Holders and the Holders' Counsel, any underwriter participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other agent retained by any such Holder or underwriter, to the extent reasonably requested and solely for conducting customary due diligence, all financial and other records, pertinent corporate documents and documents relating to the business of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such Holder, underwriter, attorney, accountant or agent in connection with such Registration Statement, *provided* that, it shall be a condition to such inspection and receipt of such information that the inspecting person (i) enter into a confidentiality agreement in form and substance reasonably satisfactory to the Company and (ii) agree to minimize the disruption to the Company's business in connection with the foregoing;

4.8.15 Otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC and any applicable national securities exchange;

4.8.16 Timely provide to its security holders earning statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

4.8.17 In the event of the issuance of any stop order suspending the effectiveness of a Registration Statement, or of any order suspending or preventing the use of any related prospectus or ceasing trading of any securities included in such Registration Statement for sale in any jurisdiction, use every commercially reasonable effort to promptly obtain the withdrawal of such order;

4.8.18 In connection with any underwritten offering, obtain one or more comfort letters, addressed to the underwriters, if any, dated the effective date of such Registration Statement and the date of the closing under the underwriting agreement for such offering, signed by the Company's independent registered public accountants (and if necessary, any other independent registered public accountants of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) in customary form and covering such matters of the type customarily covered by comfort letters as such underwriters shall reasonably request;

4.8.19 In connection with any underwritten offering, provide legal opinions of the Company's counsel, addressed to the underwriters, if any, dated the date of the closing under the underwriting agreement, with respect to the Registration Statement, each amendment and supplement thereto (including the preliminary prospectus) and such other documents relating thereto as the underwriter shall reasonably request in customary form and covering such matters of the type customarily covered by legal opinions of such nature; and

4.8.20 Obtain any required regulatory approval necessary for the Holders to sell their Registrable Securities in an offering, other than regulatory approvals required solely as a result of the nature of the Holder.

As a condition to registering Registrable Securities, the Company may require each Holder as to which any registration is being effected to furnish the Company with such information regarding such Person and pertinent to the disclosure requirements relating to the registration and the distribution of such securities as the Company may from time to time reasonably request in writing.

4.9 Registration Expenses

4.9.1 Except as otherwise provided in this Agreement, all expenses incidental to the Company's performance of or compliance with this Agreement, including all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, word processing, duplicating and printing expenses, messenger, telephone and delivery expenses, expenses incurred in connection with any road show, and fees and disbursements of counsel for the Company and all independent certified public accountants and other persons retained by the Company (all such expenses, "**Registration Expenses**"), will be borne by the Company. The Company will, in any event, pay its internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit or quarterly review, the expenses of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which they are required to be listed hereunder. The Holders of the securities so registered shall pay all underwriting discounts, selling commissions and transfer taxes applicable to the sale of Registrable Securities hereunder and any other Registration Expenses required by law to be paid by a selling holder *pro rata* on the basis of the amount of proceeds from the sale of their shares so registered and sold.

4.9.2 In connection with any registration, the Company will reimburse the Holders participating in such registration for their reasonable and customary expenses (other than underwriters' discounts and commissions), including the reasonable fees and disbursements of one counsel ("**Holders' Counsel**").

4.10 Participation in Underwritten Registrations

4.10.1 No Holder may participate in any registration hereunder that is underwritten unless such Holder (i) agrees to sell its Registrable Securities on the basis provided in the underwriting arrangements in customary form

entered into pursuant to this Agreement (including pursuant to the terms of any over-allotment or "green shoe" option requested by the managing underwriter(s), *provided* that, no such Holder will be required to sell more than the number of Registrable Securities that such Holder has requested the Company to include in any registration), (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements, *provided* that, such Holder shall not be required to make any representations or warranties other than those related to title and ownership of shares and as to the accuracy and completeness of statements made in a Registration Statement, prospectus, offering circular, or other document in reliance upon and in conformity with written information furnished to the Company or the managing underwriter(s) by such Holder, and (iii) cooperates with the Company's reasonable requests in connection with such registration or qualification (it being understood that the Company's failure to perform its obligations hereunder, which failure is caused by such Holder's failure to cooperate with such reasonable requests, will not constitute a breach by the Company of this Agreement). Notwithstanding the foregoing, the liability of any Holder participating in such an underwritten registration shall be limited to an amount equal to the amount of gross proceeds attributable to the sale of such Holder's Registrable Securities.

4.10.2 Each Holder that is participating in any registration hereunder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4.4, 4.8.5 and 4.8.6, such Holder will forthwith discontinue the disposition of its Registrable Securities pursuant to the Registration Statement until such Holder receives copies of a supplemented or amended prospectus as contemplated by such Section 4.8.5, 4.8.6 and 4.8.7.

4.11 Rule 144

The Company will use its reasonable best efforts to timely file all reports and other documents required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of a Holder, make publicly available such information as necessary to permit sales pursuant to Rule 144 or Regulation S under the Securities Act), and it will take such further action as any Holder may reasonably request, to the extent required from time to time to enable such Holder to sell shares of Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 or Regulation S under the Securities Act, as such rules may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the reasonable request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such information requirements, and, if not, the specifics thereof.

4.12 [Reserved]

4.13 Additional Interest

Subject to the delay provisions of Section 4.4, in the event the Company fails to file a Registration Statement within ninety (90) days of Closing, in the case of a registration pursuant to Section 4.1 or within ninety (90) days of the receipt of the request pursuant to Section 4.2 or the Registration Statement is not declared or deemed effective within 180 days of the filing with the SEC, the Company will pay to the Holders on the next applicable interest payment date an amount equivalent to 2% per annum on the outstanding Borrowings and Permitted Accrued Interest owed under the Credit Agreement plus the amounts that would have been outstanding under the Credit Agreement if such Exchangeable Portion of the Loan had not been exchanged for Registrable Securities for each day that filing or effectiveness is late.

5 Exchange Rights

5.1 Exchange Privilege

5.1.1 A Lender may exchange the Exchangeable Portion of its Loan as provided in Section 2.13(a) of the Credit Agreement*provided* that with respect to any exchange of the Exchangeable Portion of Loans into Series B Preferred Stock that would be subject to the expiration or termination of the waiting period under the Hart-Scott-Rodino Act of 1974, as amended (the "**HSR Act**"), no such exchange shall be considered effective until the expiration or termination of such waiting period and/or the approval of the United States Department of Justice or the Federal Trade Commission under the HSR Act; *provided*, that the Company agrees to promptly prepare and file any notification that may be required under the HSR Act and to cooperate in all respects in the pursuit of any actions that might be required in connection with such notification and any inquiry or request for information related to it.

5.1.2 Subject to the proviso of Section 5.1.1, the Exchangeable Portion of Loans delivered for exchange will be deemed to have been exchanged immediately prior to 5:00 p.m. on the Exchange Date. A Lender is not entitled to any rights with regard to Series B Preferred Stock until such Lender has exchanged in accordance with Section 5.2.1 (or is deemed to have exchanged) and shall be entitled to rights with regard to Series B Preferred Stock only to the extent such Exchangeable Portion of Loans have been exchanged (or deemed to have exchanged) into Series B Preferred Stock pursuant to this Article 5.

5.2 Exchange Procedure

5.2.1 The right of exchange attaching to the Exchangeable Portion of any Loan may be exercised as provided in the Credit Agreement. Notwithstanding any other provision of the Credit Agreement or this Agreement, the

Borrower shall not redeem or prepay any Loan (or any portion thereof) with respect to which a Exchange Notice has been delivered to the Administrative Agent. The Company shall deliver to the Lender a certificate for the number of whole shares of Preferred Stock issuable upon exchange (and cash in lieu of any fractional shares pursuant to Section 5.3) on the applicable date specified in Section 5.13 for such delivery.

5.2.2 The person in whose name the Exchangeable Portion of the Loan is registered with the Administrative Agent in the Register shall be deemed to be a stockholder of record on the Exchange Date; provided, however, that if the stock transfer books of the Company are closed when the Exchangeable Portion of any Loan is surrendered for exchange, such surrender and exchange shall be deemed to have occurred at the close of business on the next succeeding day on which such stock transfer books are open; provided further, however, that such exchange shall be at the Exchange Rate in effect on the date on which such Exchangeable Portion of the Loan was delivered as if the stock transfer books of the Company had not been closed. Upon exchange of a Loan, such person shall no longer be a Lender to the extent of such exchanged Loan. No adjustment to the Exchange Rate will be made for accrued and unpaid interest on an exchanged Loan except as provided in the Credit Agreement or this Agreement.

5.3 Fractional Shares

The Company will not issue fractional shares of Series B Preferred Stock upon exchange of the Loans and instead will deliver cash in an amount equal to the value of such fraction computed on the basis of the Daily VWAP on the Trading Day immediately before the Exchange Date.

5.4 Taxes on Exchange

If a Lender exchanges a Loan (or any portion thereof), the Borrower shall pay any Other Taxes relating to the issuance, delivery or registration of shares of Series B Preferred Stock upon such exchange; *provided* that the Borrower shall not pay any such Other Taxes due that were only payable because of the issuance, delivery or registration of the shares in a name other than such Lender's name.

5.5 Reservation of Stock

5.5.1 The Company shall, prior to the Closing Date, and from time to time as may be necessary, reserve at all times and keep available, free from preemptive rights, out of its authorized but unissued Series B Preferred Stock, a sufficient number of shares of Series B Preferred Stock that would be deliverable upon exchange of all of the Exchangeable Portions of the Loans.

5.5.2 All shares of Series B Preferred Stock that may be issued upon exchange of the Loans shall be newly issued shares or shares held in the treasury of the Company, shall be duly authorized, validly issued, fully paid and nonassessable and shall be free of any preemptive rights and free of any lien or adverse claim.

5.5.3 The Company shall comply with all applicable securities laws regulating the offer and delivery of any Series B Preferred Stock upon exchange of the Loans and shall, to the extent already listed, list or cause to have quoted such shares of Series B Preferred Stock on each national and regional securities exchange or such other market on which the Series B Preferred Stock is then listed or quoted; *provided* that, if the rules of such automated quotation system or exchange permit the Company to defer the listing of such Series B Preferred Stock until the first exchange of the Exchangeable Portion of Loans into Series B Preferred Stock in accordance with the provisions of this Agreement, the Company covenants to list such Series B Preferred Stock issuable upon exchange of the Exchangeable Portion of the Loans in accordance with the requirements of such automated quotation system or exchange at such time.

5.6 Adjustment of Exchange Rate

5.6.1 The Exchange Rate shall be adjusted from time to time by the Company as follows:

5.6.1.1 Stock Dividends and Distributions. If the Company pays dividends or other distributions on the Common Stock in shares of Common Stock, then the Exchange Rate in effect immediately prior to the Ex-Date for such dividend or distribution will be multiplied by the following fraction:

$$\frac{OS_1}{OS_0}$$

OS_0 = the number of shares of Common Stock outstanding immediately prior to the Ex-Date for such dividend or distribution.

OS_1 = the sum of the number of shares of Common Stock outstanding immediately prior to the Ex-Date for such dividend or distribution plus the total number of shares of Common Stock constituting such dividend or distribution.

5.6.1.2 Subdivisions, Splits and Combination of Common Stock. If the Company subdivides, splits or combines the shares of Common Stock, then the Exchange Rate in effect immediately prior to the Ex-Date of such share subdivision, split or combination will be multiplied by the following fraction:

$$\frac{OS_1}{OS_0}$$

OS_1 = the number of shares of Common Stock outstanding immediately prior to the Ex-Date of such share subdivision, split or combination.

OS_0 = the number of shares of Common Stock outstanding immediately after the close of business on the effective date of such share subdivision, split or combination.

5.6.1.3 Issuance of Stock Purchase Rights. If the Company issues rights or warrants (other than rights or warrants issued pursuant to a dividend reinvestment plan or share purchase plan or other similar plans) entitling holders of such rights or warrants to subscribe for or purchase shares of Common Stock at less than the Current Market Price (on an As-Converted Basis) on the date fixed for the determination of stockholders entitled to receive such rights or warrants, then the Exchange Rate in effect immediately prior to the Ex-Date for such distribution will be multiplied by the following fraction:

$$\frac{OS_0 + X}{OS_0 + Y}$$

OS_0 = the number of shares of Common Stock outstanding immediately prior to the Ex-Date for such distribution.

X = the total number of shares of Common Stock issuable pursuant to such rights or warrants.

Y = the number of shares of Common Stock equal to the aggregate price payable to exercise such rights or warrants divided by the average of the Daily VWAP of Common Stock over the 10 consecutive VWAP Trading Day period ending on the VWAP Trading Day immediately preceding the Ex-Date for such distribution.

The Company shall not issue any such rights or warrants in respect of shares of the Common Stock acquired by the Company. To the extent that such rights or warrants are not exercised prior to their expiration or shares of Common Stock are otherwise not delivered pursuant to such rights or warrants upon the exercise of such rights or warrants, the Exchange Rate shall be readjusted to such Exchange Rate that would then be in effect had the adjustment made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of shares of Common Stock actually delivered. In determining the aggregate offering price payable for such shares of Common Stock, there shall be taken into account any consideration received for such rights or warrants and the value of such consideration (if other than cash, to be determined by the Board.

5.6.1.4 Debt or Asset Distributions. If the Company distributes to all holders of shares of Common Stock evidences of indebtedness, shares of capital stock, securities, cash or other assets (excluding (a) any dividend or distribution referred to in Section 5.6.1.1, (b) any rights or warrants referred to in Section 5.6.1.3, (c) any dividend or distribution paid exclusively in cash, and (d) any dividend of shares of capital stock of any class or series, or similar equity interests, of or relating to a Subsidiary of the Company or other business unit in the case of certain spin-off transactions as described below), then the Exchange Rate in effect immediately prior to the Ex-Date for such distribution will be multiplied by the following fraction:

$$\frac{SP_0}{SP_0 - FMV}$$

SP_0 = the average of the Daily VWAP of Common Stock over the ten (10) consecutive VWAP Trading Day period ending on the VWAP Trading Day immediately preceding the Ex-Date for such distribution.

FMV = the fair market value as determined by the Board of the portion of the distribution applicable to a share of Common Stock on such date.

In a "spin-off," where the Company makes a distribution to all holders of shares of Common Stock consisting of capital stock of any class or series, or similar equity interests of, or relating to, a Subsidiary of the Company or other business unit, the Exchange Rate will be adjusted on the fifteenth Trading Day after the effective date of the distribution by multiplying such Exchange Rate in effect immediately prior to such fifteenth Trading Day by the following fraction:

$$\frac{MP_0 + MP_S}{MP_0}$$

MP_0 = the average of the Daily VWAP of Common Stock over the first 10 consecutive VWAP Trading Day period immediately following the Ex-Date of such distribution.

MP_s = the average of the Daily VWAP of the capital stock or equity interests representing the portion of the distribution applicable to one share of Common Stock over the first ten VWAP Trading Days following the Ex-Date of such distribution, or, if not traded on a national or regional securities exchange or over-the-counter market, the fair market value of the capital stock or equity interests representing the portion of the distribution applicable to one share of Common Stock on the Ex-Date as determined by the Board.

5.6.1.5 Cash Distributions. If the Company makes a distribution consisting exclusively of cash to all holders of the Common Stock, excluding (a) any cash that is distributed pursuant to

Section 5.10 or as part of a "spin-off" referred to in Section 5.6.1.4, and (b) any dividend or distribution in connection with a Liquidation Transaction, then in each event, the Exchange Rate in effect immediately prior to the Ex-Date for such distribution will be multiplied by the following fraction:

$$\frac{SP_0}{SP_0 - DIV}$$

SP_0 = the average of the Daily VWAP of Common Stock for the 10 consecutive VWAP Trading Day period immediately preceding the Ex-Date for such distribution.

DIV = the amount per share of Common Stock of the dividend or distribution.

5.6.1.6 Self Tender Offers and Exchange Offers. If the Company or any of its Subsidiaries successfully completes a tender or exchange offer for the Common Stock where the cash and the value of any other consideration included in the payment per share of the Common Stock exceeds the Daily VWAP for the Common Stock on the Trading Day immediately succeeding the expiration of the tender or exchange offer, then the Exchange Rate in effect at the close of business on such immediately succeeding Trading Day will be multiplied by the following fraction:

$$\frac{AC + (SP_0 \times OS_1)}{OS_0 \times SP_0}$$

SP_0 = the Daily VWAP for the Common Stock on the Trading Day immediately succeeding the expiration of the tender or exchange offer.

OS_0 = the number of shares of Common Stock outstanding immediately prior to the expiration of the tender or exchange offer, including any shares validly tendered and not withdrawn.

OS_1= the number of shares of Common Stock outstanding immediately after the expiration of the tender or exchange offer and after taking into account the shares purchased pursuant thereto.

AC = the aggregate cash and fair market value of the other consideration payable in the tender or exchange offer, as determined by the Board.

5.6.1.7 Rights Plans. To the extent that the Company has a rights plan in effect with respect to the Common Stock, upon exchange of any Loans, Lenders will receive, in addition to the shares of Series B Preferred Stock, the rights under the rights plan, unless, prior thereto, the rights have separated from the shares of Common Stock, in which case the Exchange Rate will be adjusted at the

time of separation as if the Company had made a distribution of rights as described in Section 5.6.1.4 above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

5.6.2 The Company may, with the consent of all Lenders, make such decreases in the Exchange Rate, in addition to any other decreases required by this Article 5, if the Board deems it advisable to avoid or diminish any income tax to Lenders resulting from any dividend or distribution of shares of Series B Preferred Stock (or issuance of rights or warrants to acquire shares of Series B Preferred Stock) or from any event treated as such for income tax purposes or for any other reason.

5.6.3 All adjustments to the Exchange Rate shall be calculated to the nearest 1/1000. No adjustment in the Exchange Rate shall be required if such adjustment would be less than 1.00%; provided that any adjustments which by reason of this Section 5.6.3 are not required to be made shall be carried forward and taken into account in any subsequent adjustment; provided, further, that any adjustment carried forward shall be taken into account at the time of exchange.

5.6.4 Notwithstanding anything contained herein, the Applicable Exchange Rate shall not be adjusted:

5.6.4.1 Upon the issuance of any shares of Series B Preferred Stock or Common Stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the Closing Date and not amended thereafter;

5.6.4.2 For a change in the par value or no par value of Series B Preferred Stock; or

5.6.4.3 For accrued and unpaid dividends on the Series B Preferred Stock as long as there are no accrued and unpaid dividends on Common Stock.

5.6.5 If any Lender disagrees with any determination of value or fair market value made by the Board pursuant to this Section 5.6, such determination shall instead be made by a firm of independent certified public accountants, an investment banking firm or appraisal firm (which firm shall own no securities of, and shall not be an Affiliate of any Lender or the Company) of recognized national standing retained by the Borrower, that has not been retained by the Company or any of its Affiliates in the last twelve months, and reasonably acceptable to such Lender. Any such determination of value or fair market value by such firm of independent certified public accountants, investment banking firm or appraisal firm shall be binding. In the event the firm recommends a change greater than

ten (10) percent from that made by the Board, the Borrower shall pay the fees and out-of-pocket disbursements of such firm in connection with such valuation. The Borrower shall instruct such firm to complete the valuation as promptly as practicable.

5.7 [Reserved]

5.8 Other Adjustments

Subject to applicable stock exchange rules and listing standards, the Company shall be entitled to increase the Exchange Rate, in addition to the events requiring an increase in the Exchange Rate pursuant to Section 5.6.1, as it in its discretion shall determine to be advisable in order to avoid or diminish any Tax to stockholders in connection with any stock dividends, subdivisions of shares, distributions of rights to purchase stock or securities or distributions of securities convertible into or exchangeable for stock hereafter made by the Company to its stockholders.

5.9 Notice of Adjustment

Whenever the Exchange Rate is adjusted, the Company shall promptly mail to Lenders a notice of the adjustment in accordance with Section 6.1, and an Officer's Certificate briefly stating the facts requiring the adjustment and the manner of computing it.

5.10 Notice of Certain Transactions

In the event that:

(a) The Company takes any action which would require an adjustment in the Exchange Rate;

(b) The Company consolidates or merges with, or transfers all or substantially all of its property and assets to, another corporation and stockholders of the Company must approve the transaction; or

(c) there is a dissolution or liquidation of the Company,

The Company shall mail to Lenders in accordance with Section 6.1 a notice stating the proposed record or effective date, as the case may be. The Company shall mail the notice at least ten days before such date. Failure to mail such notice or any defect therein shall not affect the validity of any transaction referred to in this Section 5.10.

5.11 Effect of Reclassification, Consolidation, Merger or Sale on Conversion Privilege

If (1) there shall occur (a) any reclassification of the Series B Preferred Stock (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination); (b) a statutory share exchange, consolidation, merger or combination involving the Company other than a merger in

which the Company is the continuing corporation and which does not result in any reclassification of, or change (other than in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination) in, outstanding shares of the Series B Preferred Stock; or (c) a sale or conveyance as an entirety or substantially as an entirety of the property and assets of the Company, directly or indirectly, to another person; and (2) pursuant to such reclassification, statutory share exchange, consolidation, merger, combination, sale or conveyance, holders of outstanding shares of Series B Preferred Stock would be entitled to receive stock, other securities, other property, assets or cash for such shares of Series B Preferred Stock, then the Company, or such successor or surviving, purchasing or transferee person, as the case may be, shall, as a condition precedent to such reclassification, statutory share exchange, consolidation, merger, combination, sale or conveyance, execute and deliver to the Lenders an amendment to this Agreement providing that, at and after the effective time of such reclassification, statutory share exchange, consolidation, merger, combination, sale or conveyance, each Loan then outstanding shall have the right to exchange the Exchangeable Portion of such Loan into the kind and amount of shares of stock and other securities and property (including cash) receivable upon such reclassification, statutory share exchange, consolidation, merger, combination, sale or conveyance by a holder of the number of shares of Series B Preferred Stock deliverable upon exchange of the Exchangeable Portion of such Loan immediately prior to such reclassification, statutory share exchange, consolidation, merger, combination, sale or conveyance, assuming that such Lender would not have exercised any rights of election that such Lender would have had as a holder of Series B Preferred Stock to select a particular type of consideration. Such amendment shall provide for adjustments of the Exchange Rate which shall be as nearly equivalent as may be practicable to the adjustments of the Exchange Rate provided for in this Section 5.11. If, in the case of any such reclassification, statutory share exchange, consolidation, merger, combination, sale or conveyance, the stock or other securities and property (including cash) receivable thereupon by a holder of Series B Preferred Stock include shares of stock or other securities and property of a Person other than the successor or surviving, purchasing or transferee person, as the case may be, in such reclassification, statutory share exchange, consolidation, merger, combination, sale or conveyance, then such amendment shall also be executed by such other person and shall contain such additional provisions to protect the interests of the Lenders as the Board shall reasonably consider necessary by reason of the foregoing. The provisions of this Section 5.11 shall similarly apply to successive reclassifications, statutory share exchanges, consolidations, mergers, combinations, sales and conveyances. The foregoing, however, shall not in any way affect the right a Lender may otherwise have pursuant to Section 5.5.1 receive rights and warrants in accordance therewith.

In the event the Company shall execute an amendment pursuant to this Section 5.11, the Company shall promptly deliver to the Lenders an Officer's Certificate briefly stating the reasons therefor, the kind or amount of shares of stock or other securities or property (including cash) receivable by Lenders upon the conversion of the Exchangeable Portion of their Loans after any such reclassification, statutory share exchange, consolidation, merger, combination, sale or conveyance, any adjustment to be made with respect thereto and that all conditions precedent have been satisfied.

5.12 [Reserved]

5.13 Notice

The Company shall notify the Lenders of the method the Company chooses to satisfy its exchange obligation as follows: (i) if the Company has called the Loans for prepayment in accordance with the terms of the Credit Agreement in the Company's notice of prepayment; (ii) no later than 11 Trading Days immediately preceding the Maturity Date, in respect of Loans to be exchanged during the period beginning 10 Trading Days immediately preceding the Maturity Date and ending one Trading Day immediately preceding the Maturity Date; and (iii) no later than two Trading Days immediately following the Exchange Date in all other cases (such period, the "**Settlement Notice Period**"). The Company shall treat all Lenders exchanging on the same Trading Day in the same manner. The Company shall not have any exchange obligation to satisfy its conversion obligations arising on different Trading Days in the same manner. No retraction can be made and a Lender's Exchange Notice shall be irrevocable other than as set forth in this Section 5.13, other than due to the inability of the underwriter described in Section 2.08 of the Credit Agreement to sell the Common Stock at or above the Required Conversion Price.

6 Miscellaneous

6.1 Notices

6.1.1 Any notice or other communication in connection with this Agreement (each, a "**Notice**") shall be:

(a) in writing in English;

(b) delivered by hand, fax, registered post or by courier using an internationally recognized courier company.

6.1.2 Notices to the Company shall be sent to at the following address, or such other person or address as the Company may notify to the Investor from time to time:

Cheniere Energy, Inc.
700 Milam Street, Suite 800
Houston, Texas 77002
Tel: 713.375.5290
Fax: 713.375.6290
Attention: Graham McArthur, Treasurer

with a copy to:

Andrews Kurth LLP
600 Travis, Suite 4200
Houston, Texas 77002
Tel: 713.220.4200
Fax: 713.220.4285
Attention: Geoffrey K. Walker

6.1.3 Notices to an Investor shall be sent to the following address, or such other person or address as such Investor may notify to the Company from time to time:

GSO Special Situations Fund LP
280 Park Avenue, 11th Floor
New York, NY 10017
Tel: 212.503.2117
Fax: 212.503.6961
Attention: Chris Sullivan

with a copy to:

Jonathan R. Rod
Latham & Watkins LLP
885 Third Avenue
New York, NY 10022-4834
Tel: 212.906.1363
Fax: 212.751.4864
Attention: Jonathan R. Rod

GSO Origination Funding Partners LP
280 Park Avenue, 11th Floor
New York, NY 10017
Tel: 212.503.2117
Fax: 212.503.6961
Attention: Chris Sullivan

with a copy to:

Jonathan R. Rod
Latham & Watkins LLP
885 Third Avenue
New York, NY 10022-4834
Tel: 212.906.1363
Fax: 212.751.4864
Attention: Jonathan R. Rod

Blackstone Distressed Securities Fund L.P.
280 Park Avenue, 11th Floor
New York, NY 10017
Tel: 212.503.2065
Attention: Jennifer Box

with a copy to:

Jonathan R. Rod
Latham & Watkins LLP
885 Third Avenue
New York, NY 10022-4834
Tel: 212.906.1363
Fax: 212.751.4864
Attention: Jonathan R. Rod

GSO COF Facility LLC
c/o GSO Capital Partners LP
280 Park Avenue, 11th Floor
New York, NY 10017
Tel: 212.503.2184
Fax: 212.503.6930
Attention: George Fan, Chief Legal Officer/Chief Compliance Officer

with a copy to:

Jonathan R. Rod
Latham & Watkins LLP
885 Third Avenue
New York, NY 10022-4834
Tel: 212.906.1363
Fax: 212.751.4864
Attention: Jonathan R. Rod

Scorpion Capital Partners LP
245 Fifth Avenue, 25th Floor
New York, NY 10016
Tel: 212.213.8916
Fax: 212.213.9607
Attention: Kevin McCarthy

with a copy to:

Jonathan R. Rod
Latham & Watkins LLP
885 Third Avenue
New York, NY 10022-4834
Tel: 212.906.1363
Fax: 212.751.4864
Attention: Jonathan R. Rod

Notices to a Holder shall be sent to the address indicated on the Joinder Agreement.

6.1.4 Notices shall be effective upon receipt and shall be deemed to have been received:

6.1.4.1 at the time of delivery, if delivered by hand, registered post or courier; and

6.1.4.2 at the expiration of two hours after completion of the transmission, if sent by facsimile, *provided* that, if a Notice would become effective under the above provisions after 5.30 p.m. on any Business Day, then it shall be deemed instead to become effective at 9:30 a.m. on the next Business Day. References in this Agreement to time are to local time at the location of the addressee as set out in the Notice.

Subject to the foregoing provisions of this Section 6.1, in proving service of a Notice, it shall be sufficient to prove that the envelope containing such Notice was properly addressed and delivered by hand, registered post or courier to the relevant address pursuant to the above provisions or that the facsimile transmission report (call back verification) states that the communication was properly sent.

6.2 Termination

This Agreement shall be effective as of the date hereof and shall terminate with respect to any Holder with respect to all provisions (other than Section 4 or Section 6), unless otherwise provided herein, on the date on which no Exchangeable Portion of Loans remain outstanding under the Credit Agreement and no Series B Preferred Stock remains outstanding. The provisions of Section 4 shall terminate earlier, if on or before such date, there ceases to be any Registrable Securities outstanding.

6.3 Governing Law

This Agreement and the rights and obligations of the parties hereunder and the Persons subject hereto shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to conflicts of laws rules that would require or permit the application of the laws of another jurisdiction.

6.4 Submission to Jurisdiction

EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF DELAWARE AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF DELAWARE SOLELY IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT AND IN RESPECT OF THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT AND IN RESPECT OF THE TRANSACTIONS CONTEMPLATED HEREBY, OR WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING, SHALL BE HEARD AND DETERMINED IN SUCH A DELAWARE STATE OR FEDERAL COURT, AND THAT SUCH JURISDICTION OF SUCH COURTS WITH RESPECT THERETO SHALL BE EXCLUSIVE, EXCEPT SOLELY TO THE EXTENT THAT ALL SUCH COURTS SHALL LAWFULLY DECLINE TO EXERCISE SUCH JURISDICTION. EACH PARTY HEREBY WAIVES, AND AGREES NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING FOR THE INTERPRETATION OR ENFORCEMENT HEREOF OR IN RESPECT OF ANY SUCH TRANSACTION, THAT IT IS NOT SUBJECT TO SUCH JURISDICTION. EACH PARTY HEREBY WAIVES, AND AGREES NOT TO ASSERT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING FOR THE INTERPRETATION OR ENFORCEMENT HEREOF OR IN RESPECT OF ANY SUCH TRANSACTION, THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN SUCH COURTS OR THAT THE VENUE THEREOF MAY NOT BE APPROPRIATE OR THAT THIS AGREEMENT MAY NOT BE ENFORCED IN OR BY SUCH COURTS. EACH PARTY CONSENTS TO AND GRANTS ANY SUCH COURT JURISDICTION OVER THE PERSON OF SUCH PARTIES IN CONNECTION WITH, AND OVER THE SUBJECT MATTER OF, ANY SUCH DISPUTE AND AGREES, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING IN THE MANNER PROVIDED IN SECTION 6.1 OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW, SHALL BE VALID AND SUFFICIENT SERVICE THEREOF.

6.5 Waiver of Jury Trial

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A

TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH SUCH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.5.

6.6 Severability

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable in any jurisdiction, such holding shall not affect the validity or enforceability of the remainder of this Agreement in such jurisdiction or the validity or enforceability of this Agreement, including such provision, in any other jurisdiction, and such provision shall be revised or modified to the minimum degree necessary to render it valid and enforceable.

6.7 Entire Agreement

This Agreement, together with the Credit Agreement and related documents, constitute the entire agreement and understanding of the parties hereto with respect to the matters referred to herein and supersede all prior agreements, understandings or representations, written or oral, and all contemporaneous oral agreements, understandings or representations, in each case among the parties with respect to such matters.

6.8 Amendment and Waiver

No amendment, alteration or modification of this Agreement or waiver of any provision of this Agreement shall be effective against the Company or any Holder unless such amendment, alteration, modification or waiver is approved in writing by the Company and the Holders that beneficially own a majority of the voting Registrable Securities beneficially owned by all Holders at such time. The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver of such provision and shall not affect the right of such party thereafter to enforce each provision of this Agreement in accordance with its terms. The Company shall give notice of any amendment or termination hereof to the Holders (other than the Investor) of which it is aware, *provided* that, such amendment or termination shall be binding on such Holders whether or not such notice is provided or received.

6.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto. No party shall assign any or all of its rights or obligations under this Agreement without the consent of the other parties.

6.10 No Third-Party Beneficiaries

Nothing in this Agreement is intended to or shall confer any rights or benefits upon any Person other than the parties hereto.

6.11 Counterparts

This Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which shall be an original and all of which taken together shall constitute one and the same agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

In Witness Whereof, the parties have executed this Agreement as of the date first above written.

CHENIERE ENERGY, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE COMMON UNITS HOLDING, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

GSO SPECIAL SITUATIONS FUND LP
By: GSO Capital Partners, LP, its investment advisor

By: /s/ George Fan
Name:
Title:

GSO ORIGINATION FUNDING PARTNERS LP
By: GSO Capital Partners, LP, its investment advisor

By: /s/ George Fan
Name:
Title:

BLACKSTONE DISTRESSED SECURITIES FUND L.P.
By: Blackstone Distressed Securities Advisors L.P., its Investment Manager

By: /s/ George Fan
Name:
Title:

GSO COF FACILITY LLC
By: GSO Capital Partners LP, as Portfolio Manager

By: /s/ George Fan
Name:
Title:

SCORPION CAPITAL PARTNERS LP
By: Scorpion GP, LLC

By: /s/ Nuno Brandolini
Name: Nuno Brandolini
Title: Manager

Exhibit 99.1

CHENIERE ENERGY, INC. NEWS RELEASE

Cheniere Closes $250MM from GSO Capital Partners

Houston, August 18, 2008 – Cheniere Energy, Inc. (AMEX: LNG) announced today that funds led by GSO Capital Partners LP and its affiliates have closed a $250 million senior secured convertible loan agreement with Cheniere Common Units Holding LLC, a subsidiary of Cheniere Energy, Inc. Proceeds will be used to repay the $95 million bridge loan obtained in May 2008, fund a reserve account for payments under Cheniere Marketing, Inc.'s Terminal Use Agreement with the Sabine Pass LNG receiving terminal, and for general corporate purposes.

"We believe that this capital investment, combined with our recent restructuring and significant reduction of annual expenses, will provide us with sufficient liquidity to operate our business for a minimum of three years, whether or not we are successful in our plan of securing cargoes or additional third party long-term terminal use agreements," said Charif Souki, Chairman, CEO and President. "Through our strategic options process, we have identified GSO as the ideal partner to provide the Company with additional liquidity and operating flexibility. GSO is a long-term investor committed to our Company's success and we look forward to returning our focus to our business plan of maximizing the value of the 2.0 Bcf/d of regasification capacity held at the Sabine Pass terminal."

"Cheniere owns and operates world-class assets in both the Sabine Pass Terminal and Creole Trail Pipeline, and our investment is designed to provide the Company with needed time to realize the value of those assets for its shareholders," said Dwight Scott, Managing Director at GSO. "Charif has built an excellent team with the operational, marketing and financial skills needed for success in the international LNG markets, and we are excited to have the opportunity to work with them in the years ahead."

The ten year $250 million senior secured convertible loans bear an annual interest rate of 12%, which will accrue for the first three years. The loans have optional put rights in the third quarter of 2011, 2013 and 2015 with an ultimate maturity in August 2018. The loans are secured by Cheniere's rights and fees payable under management services agreements with the Sabine Pass terminal and its owner, Cheniere Energy Partners, L.P. (AMEX: CQP), by Cheniere's common units in CQP, by the equity and non-real property assets of Cheniere's pipeline entities, by the equity of various other subsidiaries and certain other assets and subsidiary guarantees.

The principal amount of $250 million can be exchanged in whole or in part, at any time, for a newly-created series of preferred stock, with aggregate voting rights limited to 19.99% of the total voting rights of the common and preferred stock. The preferred stock is exchangeable into 50 million shares of common stock at a conversion price of $5.00 per share pursuant to a broadly syndicated offering. In connection with this transaction, Cheniere Energy, Inc. has increased the number of its directors from nine to twelve and has added two directors designated by GSO. An additional independent director approved by the Cheniere Board and GSO will be added within 30 days. Additionally, the general partner of Cheniere Energy Partners, L.P. has increased its number of directors, adding an additional director designated by GSO.

D. Dwight Scott and Jason New, both Senior Managing Directors at GSO, will join the Cheniere Board. James Bennett, a Managing Director at GSO, will join the Board of the general partner of Cheniere Energy Partners, L.P.

About Cheniere Energy, Inc.

Cheniere Energy, Inc. is developing a network of three LNG receiving terminals and related natural gas pipelines along the Gulf Coast of the United States. Cheniere is pursuing related business opportunities both upstream and downstream of the terminals. Cheniere is also the founder and holds a 30% limited partner interest in a fourth LNG receiving terminal. Additional information about Cheniere Energy, Inc. may be found on its web site at www.cheniere.com.

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

About GSO Capital Partners

GSO Capital Partners LP is a leading credit-oriented alternative asset manager with approximately $25 billion of assets under management. GSO manages senior debt funds, hedge funds and mezzanine funds focused on the leveraged finance marketplace. GSO was acquired by The Blackstone Group L.P. in March 2008, following which Blackstone's debt investment businesses were combined with GSO's operations. Further information is available at www.blackstone.com/maam/gso.

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

Investors:
Christina Cavarretta
713-375-5104

Media:
Diane Haggard
713-375-5259

SOURCE: Cheniere Energy, Inc.