

**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): June 30, 2009

CHENIERE ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1-16383
(Commission File Number)

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

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

77002
(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 14d-2(b) 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Charif Souki's U.K. Assignment Letter. On June 30, 2009, the independent directors of the Board of Directors of Cheniere Energy, Inc. (the "Company") approved a U.K. Assignment Letter on behalf of the Company and Cheniere Supply & Marketing, Inc. ("Cheniere Supply & Marketing"), a wholly-owned subsidiary of the Company, for Charif Souki. Mr. Souki serves as Chairman, Chief Executive Officer and President of the Company and will retain such positions with the Company. Pursuant to the U.K. Assignment Letter, a portion of Mr. Souki's time will be spent in London commencing July 1, 2009. The assignment is expected to last one year but may be extended for additional twelve-month periods not to exceed a total of three years. The assignment is anticipated to enhance Mr. Souki's ability to conduct domestic and international operations on behalf of the Company and Cheniere Supply & Marketing more efficiently from a time and cost perspective. During the assignment, Mr. Souki will spend a portion of his time traveling internationally in order to assist Cheniere Supply & Marketing in pursuing long-term arrangements to secure LNG supply. Mr. Souki will be paid on a dual payroll basis whereby he will be paid in both the U.S. and the U.K. The amount of Mr. Souki's existing annual base salary anticipated to be allocated to his assignment in the U.K. is \$216,000 and will be converted to British Pounds Sterling paid on a monthly basis through the Company's U.K. payroll. During the assignment, Mr. Souki will receive an annual allowance for temporary living arrangements in the U.K. in the amount of £122,000 (the "U.K. Allowance"). The U.K. Allowance will be paid in twelve equal monthly installments and will not be included in his base salary for purposes of determining annual bonus awards. If the assignment is extended, the amount of the U.K. Allowance will be reviewed annually by the Compensation Committee to determine if adjustments need to be made based on inflation. The Company will be responsible for direct payment of a finder's fee for living arrangements in the U.K. up to a maximum of £10,000 and all fees, including reasonable legal fees, for preparation and obtainment of the proper work clearances in the U.K. Mr. Souki will be responsible for the payment of his individual tax liabilities in both the U.S. and the U.K. and for filing all necessary tax returns. The foregoing description of Mr. Souki's U.K. Assignment Letter is qualified in its entirety by the actual letter, a copy of which is attached hereto as Exhibit 10.1 and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits (filed herewith)

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|--|
| 10.1 | Charif Souki's U.K. Assignment Letter effective July 1, 2009 |

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: July 2, 2009

By: /s/ Meg A. Gentle

Name: Meg A. Gentle

Title: Senior Vice President and Chief Financial Officer



Cheniere Energy, Inc.
700 Milam Street, Suite 800
Houston, Texas 77002
phone: 713.375.5000
fax: 713.375.6000

Mr. Charif Souki
Chairman, Chief Executive Officer and President

RE: U.K. Assignment

Dear Mr. Souki:

Cheniere Energy, Inc. (the "Company") has determined it is necessary for you to spend a portion of your time working internationally from the London office. The purpose of your assignment in the U.K. is to assist Cheniere Supply & Marketing, Inc. in pursuing long-term arrangements to secure LNG supply. This letter agreement confirms the mutual understanding of the terms and conditions applying to your U.K. assignment so that you may operate efficiently from both London and the U.S.

Your assignment is subject to medical clearances, proper immigration and/or work clearances, your acceptance of the terms and conditions outlined in this letter agreement and the approval of the Compensation Committee of the Board of Directors of the Company (the "Compensation Committee"), a majority of the independent directors of the Board of Directors of the Company (the "Independent Directors"), or the full Board of Directors of the Company if recommended by either the Compensation Committee or the Independent Directors (collectively, the "Board"). You have been employed by the Company since July 2003. You and the Company agree that the effective date of your U.K. assignment will commence on July 1, 2009, subject to the terms and conditions set out in this letter agreement. Your point of origin has been designated as Houston, Texas. Your assignment is expected to last one year commencing on July 1, 2009, and ending twelve months after the commencement date. The Company may extend your assignment for additional twelve month periods not to exceed a total of three years. Any extension of your assignment and this letter agreement is subject to Board approval. Upon the completion of your assignment, you will return to working full-time for the Company from the U.S.

For the duration of your assignment, you will be employed on a dual payroll basis. You will be paid on a dual payroll basis by the Company and Cheniere Supply & Marketing, Inc. – U.K. Branch, as described below. You will continue to report to the Board of Directors of the Company.

PLACE OF WORK

You will be working primarily in the Company's Houston, Texas and London, England offices as well as traveling worldwide.

/s/ CS

Charif Souki

COMPENSATION

Your 2009 annual base salary has been established by the Compensation Committee. In light of your U.K. assignment, your annual base salary will be paid on a dual payroll basis split between the Company's U.S. and U.K. payrolls. The amount of your base salary allocated to your U.K. assignment, \$216,000, will be converted to British Pounds Sterling and paid on a monthly basis, subject to any Company-wide changes to the Company's U.K. payroll process. Your base salary will be reviewed annually by the Compensation Committee.

U.K. EXPENSE ALLOWANCE

The Company will provide you with a non-pensionable, taxable allowance in the amount of £122,000 per annum for the duration of your U.K. assignment. The allowance is intended to cover temporary living arrangements in the U.K. The allowance will be paid in 12 equal monthly installments in British Pounds Sterling and will not be added to your annual base salary for purposes of determining annual bonus awards. Any changes/increases to the amount of the allowance will be subject to Board approval.

COMPANY PAYMENTS

The Company will be responsible for direct payment of the following costs related to your U.K. assignment:

- Apartment locator fee payable in British Pounds Sterling of up to a maximum of £10,000; and
- All fees, including reasonable legal fees, for preparation and obtainment of the proper immigration and/or work clearances in the U.K.

TAXATION

The Company expects that you will fully comply with all U.S. Federal, State and host country tax rules. You will be responsible for paying all taxes arising from payment under this letter agreement in both the U.K. and the U.S and for filing all necessary tax returns.

GENERAL

This letter agreement specifies the terms applicable to your U.K. assignment. The Company reserves the right to modify the terms and conditions of your U.K. assignment. The actual duration of your assignment shall be subject to the needs of the Company and the approval of the Board and nothing contained herein shall be construed as an employment contract with the Company for any fixed term. If this letter agreement and your U.K. assignment are extended beyond June 30, 2012, a new letter agreement will be required.

You agree that this letter agreement and the rights and obligations of the parties shall

/s/ CS

Charif Souki

be governed by and construed in accordance with the laws of the State of Texas without giving effect to the choice of law provisions thereof. In the event of any claim, dispute or suit arising out of or in connection with this letter agreement, you and the Company irrevocably agree to submit to the exclusive personal jurisdiction and venue of the federal and state courts in Harris County, Houston, Texas.

Please signify your understanding of, and agreement with, the terms of this letter agreement by initialing each page and signing below.

Yours very truly,

CHENIERE ENERGY, INC.

/s/ Ann Raden

By: Ann Raden
Vice President — Human Resources & Administration

June 30, 2009

(Date)

CHENIERE SUPPLY & MARKETING, INC.

/s/ Ann Raden

By: Ann Raden
Vice President

June 30, 2009

(Date)

AGREED:

/s/ Charif Souki

By: Charif Souki
Chairman, Chief Executive Officer & President

July 1, 2009

(Date)