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

FORM 10-Q

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

For the quarterly period ended June 30, 2017

OR

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

For the transition period from_____to_____

CHENIERE ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-16383**	**95-4352386**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

700 Milam Street, Suite 1900 **Houston, Texas**		**77002**
(Address of principal executive offices)		(Zip code)

(713) 375-5000

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of August 3, 2017, the issuer had 237,827,615 shares of Common Stock outstanding.

CHENIERE ENERGY, INC.

TABLE OF CONTENTS

DEFINITIONS

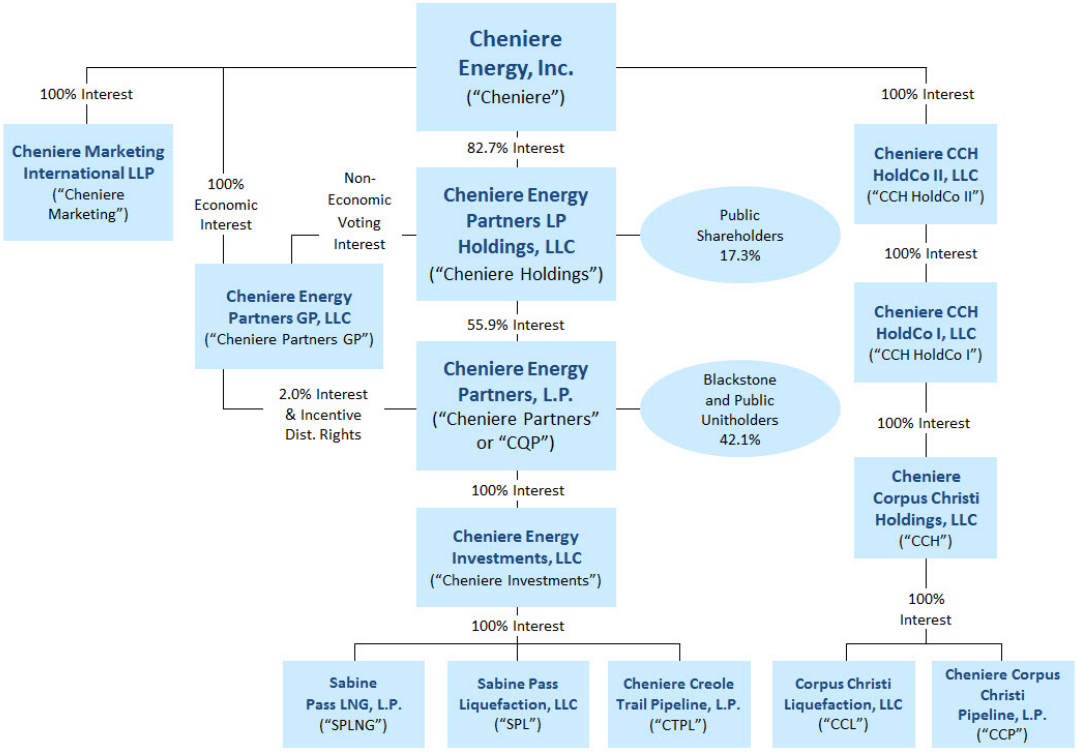
As used in this quarterly report, the terms listed below have the following meanings:

Common Industry and Other Terms

Bcf	billion cubic feet
Bcf/d	billion cubic feet per day
Bcf/yr	billion cubic feet per year
Bcfe	billion cubic feet equivalent
DOE	U.S. Department of Energy
EPC	engineering, procurement and construction
FERC	Federal Energy Regulatory Commission
FTA countries	countries with which the United States has a free trade agreement providing for national treatment for trade in natural gas
GAAP	generally accepted accounting principles in the United States
Henry Hub	the final settlement price (in USD per MMBtu) for the New York Mercantile Exchange's Henry Hub natural gas futures contract for the month in which a relevant cargo's delivery window is scheduled to begin
LIBOR	London Interbank Offered Rate
LNG	liquefied natural gas, a product of natural gas that, through a refrigeration process, has been cooled to a liquid state, which occupies a volume that is approximately 1/600th of its gaseous state
MMBtu	million British thermal units, an energy unit
mtpa	million tonnes per annum
non-FTA countries	countries with which the United States does not have a free trade agreement providing for national treatment for trade in natural gas and with which trade is permitted
SEC	Securities and Exchange Commission
SPA	LNG sale and purchase agreement
TBtu	trillion British thermal units, an energy unit
Train	an industrial facility comprised of a series of refrigerant compressor loops used to cool natural gas into LNG
TUA	terminal use agreement

Abbreviated Organizational Structure

The following diagram depicts our abbreviated organizational structure as of June 30, 2017, including our ownership of certain subsidiaries, and the references to these entities used in this quarterly report:



Unless the context requires otherwise, references to "Cheniere," the "Company," "we," "us" and "our" refer to Cheniere Energy, Inc. (NYSE American: LNG) and its consolidated subsidiaries, including our publicly traded subsidiaries, Cheniere Partners (NYSE American: CQP) and Cheniere Holdings (NYSE American: CQH).

Unless the context requires otherwise, references to the "CCH Group" refer to CCH HoldCo II, CCH HoldCo I, CCH, CCL and CCP, collectively. References to the "CCL Stage III entities" refer to Corpus Christi Liquefaction Stage III, LLC and Cheniere Corpus Christi Pipeline Stage III, LLC.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

CHENIERE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	June 30, 2017	December 31, 2016
	(unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	$ 796	$ 876
Restricted cash	1,032	860
Accounts and other receivables	283	218
Accounts receivable—related party	1	—
Inventory	150	160
Derivative assets	20	24
Other current assets	86	100
Total current assets	2,368	2,238
Non-current restricted cash	716	91
Property, plant and equipment, net	22,904	20,635
Debt issuance costs, net	197	277
Non-current derivative assets	43	83
Goodwill	77	77
Other non-current assets, net	295	302
Total assets	$ 26,600	$ 23,703
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 62	$ 49
Accrued liabilities	674	637
Current debt	—	247
Deferred revenue	65	73
Derivative liabilities	39	71
Total current liabilities	840	1,077
Long-term debt, net	24,654	21,688
Non-current deferred revenue	3	5
Non-current derivative liabilities	54	45
Other non-current liabilities	45	49
Commitments and contingencies (see Note 15)		
Stockholders' equity		
Preferred stock, $0.0001 par value, 5.0 million shares authorized, none issued	—	—
Common stock, $0.003 par value		
Authorized: 480.0 million shares at June 30, 2017 and December 31, 2016		
Issued: 250.1 million shares at June 30, 2017 and December 31, 2016		
Outstanding: 237.8 million shares and 238.0 million shares at June 30, 2017 and December 31, 2016, respectively	1	1
Treasury stock: 12.3 million shares and 12.2 million shares at June 30, 2017 and December 31, 2016, respectively, at cost	(377)	(374)
Additional paid-in-capital	3,228	3,211
Accumulated deficit	(4,465)	(4,234)
Total stockholders' deficit	(1,613)	(1,396)
Non-controlling interest	2,617	2,235
Total equity	1,004	839
Total liabilities and equity	$ 26,600	$ 23,703

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

CHENIERE ENERGY, INC. AND SUBSIDIARIES

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues				
LNG revenues	$ 1,171	$ 110	$ 2,314	$ 113
Regasification revenues	65	65	130	130
Other revenues	4	2	7	3
Other—related party	1	—	1	—
Total revenues	1,241	177	2,452	246
Operating costs and expenses				
Cost of sales (excluding depreciation and amortization expense shown separately below)	692	85	1,316	100
Operating and maintenance expense	117	46	195	82
Development expense	1	1	4	3
Selling, general and administrative expense	61	72	115	138
Depreciation and amortization expense	90	33	160	57
Restructuring expense	—	16	6	23
Impairment expense	—	—	—	10
Other	6	—	6	—
Total operating costs and expenses	967	253	1,802	413
Income (loss) from operations	274	(76)	650	(167)
Other income (expense)				
Interest expense, net of capitalized interest	(188)	(106)	(353)	(182)
Loss on early extinguishment of debt	(33)	(56)	(75)	(57)
Derivative loss, net	(36)	(91)	(35)	(272)
Other income (expense)	5	(7)	7	(6)
Total other expense	(252)	(260)	(456)	(517)
Income (loss) before income taxes and non-controlling interest	22	(336)	194	(684)
Income tax benefit (provision)	(1)	1	(1)	—
Net income (loss)	21	(335)	193	(684)
Less: net income (loss) attributable to non-controlling interest	306	(37)	424	(65)
Net loss attributable to common stockholders	$ (285)	$ (298)	$ (231)	$ (619)
Net loss per share attributable to common stockholders—basic and diluted	$ (1.23)	$ (1.31)	$ (0.99)	$ (2.71)
Weighted average number of common shares outstanding—basic and diluted	232.5	228.3	232.4	228.2

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

CHENIERE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in millions)
(unaudited)

	Total Stockholders' Equity							
	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Non-controlling Interest	Total Equity
	Shares	Par Value Amount	Shares	Amount				
Balance at December 31, 2016	238.0	$ 1	12.2	$ (374)	$ 3,211	$ (4,234)	$ 2,235	$ 839
Issuance of stock to acquire additional interest in Cheniere Holdings	—	—	—	—	2	—	(2)	—
Issuances of restricted stock	0.1	—	—	—	—	—	—	—
Forfeitures of restricted stock	(0.2)	—	—	—	—	—	—	—
Share-based compensation	—	—	—	—	15	—	—	15
Shares repurchased related to share-based compensation	(0.1)	—	0.1	(3)	—	—	—	(3)
Net income attributable to non-controlling interest	—	—	—	—	—	—	424	424
Distributions to non-controlling interest	—	—	—	—	—	—	(40)	(40)
Net loss	—	—	—	—	—	(231)	—	(231)
Balance at June 30, 2017	237.8	$ 1	12.3	$ (377)	$ 3,228	$ (4,465)	$ 2,617	$ 1,004

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

CHENIERE ENERGY, INC. AND SUBSIDIARIES

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

	Six Months Ended June 30,	
	2017	2016
Cash flows from operating activities		
Net income (loss)	$ 193	$ (684)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	160	57
Share-based compensation expense	46	52
Non-cash interest expense	38	39
Amortization of debt issuance costs, deferred commitment fees, premium and discount	35	30
Loss on early extinguishment of debt	75	57
Total losses on derivatives, net	79	296
Net cash used for settlement of derivative instruments	(55)	(17)
Impairment expense	—	10
Other	3	9
Changes in operating assets and liabilities:		
Accounts and other receivables	(63)	(68)
Accounts receivable—related party	(1)	—
Inventory	17	(34)
Accounts payable and accrued liabilities	45	(17)
Deferred revenue	(10)	(2)
Other, net	(26)	(23)
Net cash provided by (used in) operating activities	536	(295)
Cash flows from investing activities		
Property, plant and equipment, net	(2,338)	(2,277)
Investment in equity method investment	(41)	—
Other	22	(22)
Net cash used in investing activities	(2,357)	(2,299)
Cash flows from financing activities		
Proceeds from issuances of debt	4,811	5,698
Repayments of debt	(2,163)	(2,893)
Debt issuance and deferred financing costs	(67)	(97)
Distributions and dividends to non-controlling interest	(40)	(40)
Payments related to tax withholdings for share-based compensation	(3)	(4)
Net cash provided by financing activities	2,538	2,664
Net increase in cash, cash equivalents and restricted cash	717	70
Cash, cash equivalents and restricted cash—beginning of period	1,827	1,736
Cash, cash equivalents and restricted cash—end of period	$ 2,544	$ 1,806

Balances per Consolidated Balance Sheet:

	June 30, 2017
Cash and cash equivalents	$ 796
Restricted cash	1,032
Non-current restricted cash	716
Total cash, cash equivalents and restricted cash	$ 2,544

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

NOTE 1—NATURE OF OPERATIONS AND BASIS OF PRESENTATION

We are currently developing and constructing two natural gas liquefaction and export facilities. The Sabine Pass LNG terminal is located in Cameron Parish, Louisiana, on the Sabine-Neches Waterway less than four miles from the Gulf Coast. Cheniere Partners is developing, constructing and operating natural gas liquefaction facilities (the "SPL Project") at the Sabine Pass LNG terminal adjacent to the existing regasification facilities through a wholly owned subsidiary, SPL. Cheniere Partners plans to construct up to six Trains, which are in various stages of development, construction and operations. Trains 1 through 3 are operational, Train 4 is undergoing commissioning, Train 5 is under construction and Train 6 is being commercialized and has all necessary regulatory approvals in place. In the second quarter of 2016, we started production at the SPL Project and began recognizing LNG revenues, which include fees that are received pursuant to our long-term SPAs and our integrated LNG marketing activities and other related revenues.

The Sabine Pass LNG terminal has operational regasification facilities owned by Cheniere Partners' wholly owned subsidiary, SPLNG, and a 94-mile pipeline that interconnects the Sabine Pass LNG terminal with a number of large interstate pipelines owned by Cheniere Partners' wholly owned subsidiary, CTPL. Regasification revenues include LNG regasification capacity reservation fees that are received from our two long-term TUA customers. We also recognize tug services fees, which were historically included in regasification revenues but are now included within other revenues on our Consolidated Statements of Operations, that are received by Sabine Pass Tug Services, LLC, a wholly owned subsidiary of SPLNG.

We are developing and constructing a second natural gas liquefaction and export facility at the Corpus Christi LNG terminal, which is on nearly 2,000 acres of land that we own or control near Corpus Christi, Texas, and a pipeline facility (collectively, the "CCL Project") through wholly owned subsidiaries CCL and CCP, respectively. The CCL Project is being developed in two stages for up to three Trains. Trains 1 and 2 are currently under construction, and Train 3 is being commercialized and has all necessary regulatory approvals in place.

The CCL Stage III entities, our wholly owned subsidiaries, are also developing two additional Trains and one LNG storage tank at the Corpus Christi LNG terminal adjacent to the CCL Project, along with a second natural gas pipeline. We are also in various stages of developing other projects which, among other things, will require acceptable commercial and financing arrangements before we make a final investment decision ("FID").

Basis of Presentation

The accompanying unaudited Consolidated Financial Statements of Cheniere have been prepared in accordance with GAAP for interim financial information and with Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Consolidated Financial Statements and accompanying notes included in our annual report on Form 10-K for the year ended December 31, 2016. In our opinion, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation, have been included. Certain reclassifications have been made to conform prior period information to the current presentation. The reclassifications had no effect on our overall consolidated financial position, results of operations or cash flows.

Results of operations for the three and six months ended June 30, 2017 are not necessarily indicative of the results of operations that will be realized for the year ending December 31, 2017.

During the first quarter of 2017, we finalized organizational changes to simplify our corporate structure, improve our operational efficiencies and implement a strategy for sustainable, long-term stockholder value creation through financially disciplined development, construction, operation and investment. As a result of these efforts, we revised the way we manage our business, which resulted in a change to our reportable segments. We previously had two reportable segments: LNG terminal segment and LNG and natural gas marketing segment. We have now determined that we operate as a single operating and reportable segment. Our chief operating decision maker makes resource allocation decisions and assesses performance based on financial information presented on a consolidated basis in the delivery of an integrated source of LNG to our customers.

NOTE 2—RESTRICTED CASH

Restricted cash consists of funds that are contractually restricted as to usage or withdrawal and have been presented separately from cash and cash equivalents on our Consolidated Balance Sheets. As of June 30, 2017 and December 31, 2016, restricted cash consisted of the following (in millions):

	June 30, 2017	December 31, 2016
Current restricted cash		
SPL Project	$ 579	$ 358
CQP and cash held by guarantor subsidiaries	286	247
CCL Project	103	197
Cash held by our subsidiaries restricted to Cheniere	64	58
Total current restricted cash	$ 1,032	$ 860
Non-current restricted cash		
SPL Project	$ 698	$ —
CCL Project	—	73
Other	18	18
Total non-current restricted cash	$ 716	$ 91

NOTE 3—ACCOUNTS AND OTHER RECEIVABLES

As of June 30, 2017 and December 31, 2016, accounts and other receivables consisted of the following (in millions):

	June 30, 2017	December 31, 2016
Trade receivables		
SPL	$ 123	$ 88
Cheniere Marketing	138	121
Other accounts receivable	22	9
Total accounts and other receivables	$ 283	$ 218

Pursuant to the accounts agreement entered into with the collateral trustee for the benefit of SPL's debt holders, SPL is required to deposit all cash received into reserve accounts controlled by the collateral trustee. The usage or withdrawal of such cash is restricted to the payment of liabilities related to the SPL Project and other restricted payments.

NOTE 4—INVENTORY

As of June 30, 2017 and December 31, 2016, inventory consisted of the following (in millions):

	June 30, 2017	December 31, 2016
Natural gas	$ 17	$ 15
LNG	37	50
LNG in-transit	49	58
Materials and other	47	37
Total inventory	$ 150	$ 160

NOTE 5—PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consists of LNG terminal costs and fixed assets and other, as follows (in millions):

	June 30, 2017	December 31, 2016
LNG terminal costs		
LNG terminal	$ 10,436	$ 7,978
LNG terminal construction-in-process	12,926	12,995
LNG site and related costs	81	41
Accumulated depreciation	(702)	(555)
Total LNG terminal costs, net	22,741	20,459
Fixed assets and other		
Computer and office equipment	13	13
Furniture and fixtures	17	17
Computer software	88	85
Leasehold improvements	40	43
Land	59	61
Other	23	22
Accumulated depreciation	(77)	(65)
Total fixed assets and other, net	163	176
Property, plant and equipment, net	$ 22,904	$ 20,635

Depreciation expense was $89 million and $32 million in the three months ended June 30, 2017 and 2016, respectively, and $159 million and $56 million in the six months ended June 30, 2017 and 2016, respectively. During the three and six months ended June 30, 2017, we recognized a $5 million loss on sale of assets, which is included in other operating costs and expenses on our Consolidated Statements of Operations.

We realized offsets to LNG terminal costs of $39 million and $132 million in the three months ended June 30, 2017 and 2016, respectively, and $170 million and $146 million in the six months ended June 30, 2017 and 2016, respectively, that were related to the sale of commissioning cargoes because these amounts were earned or loaded prior to the start of commercial operations of the respective Train of the SPL Project, during the testing phase for its construction.

NOTE 6—DERIVATIVE INSTRUMENTS

We have entered into the following derivative instruments that are reported at fair value:

- interest rate swaps to hedge the exposure to volatility in a portion of the floating-rate interest payments under certain credit facilities ("Interest Rate Derivatives");
- commodity derivatives consisting of natural gas supply contracts for the commissioning and operation of the SPL Project and the CCL Project ("Physical Liquefaction Supply Derivatives") and associated economic hedges (collectively, the "Liquefaction Supply Derivatives");
- financial derivatives to hedge the exposure to the commodity markets in which we have contractual arrangements to purchase or sell physical LNG ("LNG Trading Derivatives"); and
- foreign currency exchange ("FX") contracts to hedge exposure to currency risk associated with operations in countries outside of the United States ("FX Derivatives").

None of our derivative instruments are designated as cash flow hedging instruments, and changes in fair value are recorded within our Consolidated Statements of Operations to the extent not utilized for the commissioning process.

The following table (in millions) shows the fair value of our derivative instruments that are required to be measured at fair value on a recurring basis as of June 30, 2017 and December 31, 2016, which are classified as derivative assets, non-current derivative assets, derivative liabilities or non-current derivative liabilities in our Consolidated Balance Sheets.

	Fair Value Measurements as of							
	June 30, 2017				December 31, 2016			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
SPL Interest Rate Derivatives liability	$ —	$ —	$ —	$ —	$ —	$ (6)	$ —	$ (6)
CQP Interest Rate Derivatives asset	—	13	—	13	—	13	—	13
CCH Interest Rate Derivatives liability	—	(85)	—	(85)	—	(86)	—	(86)
Liquefaction Supply Derivatives asset (liability)	2	—	40	42	(4)	(2)	79	73
LNG Trading Derivatives asset (liability)	1	(1)	—	—	2	(5)	—	(3)
FX Derivatives asset	—	—	—	—	—	—	—	—

There have been no changes to our evaluation of and accounting for our derivative positions during the six months ended June 30, 2017. See Note 7—Derivative Instruments of our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2016 for additional information.

We value our Interest Rate Derivatives using valuations based on the initial trade prices. Using an income-based approach, subsequent valuations are based on observable inputs to the valuation model including interest rate curves, risk adjusted discount rates, credit spreads and other relevant data. The estimated fair values of our economic hedges related to the LNG Trading Derivatives are the amounts at which the instruments could be exchanged currently between willing parties. We value these derivatives using observable commodity price curves and other relevant data. We estimate the fair values of our FX Derivatives with a market approach using observable FX rates and other relevant data.

The fair values of our Physical Liquefaction Supply Derivatives are predominantly driven by market commodity basis prices and our assessment of the associated conditions precedent, including evaluating whether the respective markets are available as pipeline infrastructure is developed. Upon the satisfaction of conditions precedent, including completion and placement into service of relevant pipeline infrastructure to accommodate marketable physical gas flow, we recognize a gain or loss based on the fair value of the respective natural gas supply contracts as of the reporting date.

The fair value of substantially all of our Physical Liquefaction Supply Derivatives is developed through the use of internal models which are impacted by inputs that are unobservable in the marketplace. As a result, the fair value of our Physical Liquefaction Supply Derivatives is designated as Level 3 within the valuation hierarchy. The curves used to generate the fair value of our Physical Liquefaction Supply Derivatives are based on basis adjustments applied to forward curves for a liquid trading point. In addition, there may be observable liquid market basis information in the near term, but terms of a Physical Liquefaction Supply Derivatives contract may exceed the period for which such information is available, resulting in a Level 3 classification. In these instances, the fair value of the contract incorporates extrapolation assumptions made in the determination of the market basis price for future delivery periods in which applicable commodity basis prices were either not observable or lacked corroborative market data. Internal fair value models include conditions precedent to the respective long-term natural gas supply contracts. As of June 30, 2017 and December 31, 2016, some of our Physical Liquefaction Supply Derivatives existed within markets for which the pipeline infrastructure is under development to accommodate marketable physical gas flow.

The following table includes quantitative information for the unobservable inputs for our Level 3Physical Liquefaction Supply Derivatives as of June 30, 2017:

	Net Fair Value Asset (in millions)	Valuation Technique	Significant Unobservable Input	Significant Unobservable Inputs Range
Physical Liquefaction Supply Derivatives	$40	Income Approach	Basis Spread	$(0.338) - $0.080

The following table (in millions) shows the changes in the fair value of our Level 3Physical Liquefaction Supply Derivatives during the three and six months ended June 30, 2017 and 2016:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Balance, beginning of period	$ 41	$ 30	$ 79	$ 32
Realized and mark-to-market losses:				
Included in cost of sales (1)	(1)	(8)	(40)	(10)
Purchases and settlements:				
Purchases	2	—	5	—
Settlements (1)	(2)	—	(4)	—
Balance, end of period	$ 40	$ 22	$ 40	$ 22
Change in unrealized gains relating to instruments still held at end of period	$ (1)	$ (8)	$ (40)	$ (9)

(1) Does not include the decrease in fair value of $1 million related to the realized gains capitalized during thesix months ended June 30, 2016.

Derivative assets and liabilities arising from our derivative contracts with the same counterparty are reported on a net basis, as all counterparty derivative contracts provide for net settlement. The use of derivative instruments exposes us to counterparty credit risk, or the risk that a counterparty will be unable to meet its commitments in instances when our derivative instruments are in an asset position. Our derivative instruments are subject to contractual provisions which provide for the unconditional right of set-off for all derivative assets and liabilities with a given counterparty in the event of default.

Interest Rate Derivatives

SPL had entered into interest rate swaps("SPL Interest Rate Derivatives") to protect against volatility of future cash flows and hedge a portion of the variable interest payments on the credit facilities it entered into in June 2015 (the "2015 SPL Credit Facilities"). In March 2017, SPL settled the SPL Interest Rate Derivatives and recognized a derivative loss of $7 million in conjunction with the termination of approximately $1.6 billion of commitments under the 2015 SPL Credit Facilities, as discussed in Note 10—Debt.

CCH has entered into interest rate swaps("CCH Interest Rate Derivatives") to protect against volatility of future cash flows and hedge a portion of the variable interest payments on its credit facility (the "2015 CCH Credit Facility"). In May 2017, CCH settled a portion of the CCH Interest Rate Derivatives and recognized a derivative loss of $13 million in conjunction with the termination of approximately $1.4 billion of commitments under the 2015 CCH Credit Facility, as discussed in Note 10—Debt.

During the six months ended June 30, 2017, there were no changes to the terms of the interest rate swaps("CQP Interest Rate Derivatives") entered into by CQP to hedge a portion of the variable interest payments on the credit facilities it entered into in February 2016 (the "2016 CQP Credit Facilities"). See Note 7—Derivative Instruments of our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2016 for additional information.

As of June 30, 2017, we had the following Interest Rate Derivatives outstanding:

	Initial Notional Amount	Maximum Notional Amount	Effective Date	Maturity Date	Weighted Average Fixed Interest Rate Paid	Variable Interest Rate Received
CQP Interest Rate Derivatives	$225 million	$1.3 billion	March 22, 2016	February 29, 2020	1.19%	One-month LIBOR
CCH Interest Rate Derivatives	$29 million	$4.9 billion	May 20, 2015	May 31, 2022	2.29%	One-month LIBOR

The following table (in millions) shows the fair value and location of our Interest Rate Derivatives on our Consolidated Balance Sheets:

	June 30, 2017				December 31, 2016			
	SPL Interest Rate Derivatives	CQP Interest Rate Derivatives	CCH Interest Rate Derivatives	Total	SPL Interest Rate Derivatives	CQP Interest Rate Derivatives	CCH Interest Rate Derivatives	Total
Balance Sheet Location								
Derivative assets	$ —	$ 2	$ —	$ 2	$ —	$ —	$ —	$ —
Non-current derivative assets	—	11	—	11	—	16	—	16
Total derivative assets	—	13	—	13	—	16	—	16
Derivative liabilities	—	—	(32)	(32)	(4)	(3)	(43)	(50)
Non-current derivative liabilities	—	—	(53)	(53)	(2)	—	(43)	(45)
Total derivative liabilities	—	—	(85)	(85)	(6)	(3)	(86)	(95)
Derivative asset (liability), net	$ —	$ 13	$ (85)	$ (72)	$ (6)	$ 13	$ (86)	$ (79)

The following table (in millions) shows the changes in the fair value and settlements of our Interest Rate Derivatives recorded in derivative loss, net on our Consolidated Statements of Operations during the three and six months ended June 30, 2017 and 2016:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
SPL Interest Rate Derivatives loss	$ —	$ (5)	$ (2)	$ (16)
CQP Interest Rate Derivatives loss	(3)	(10)	(1)	(20)
CCH Interest Rate Derivatives loss	(33)	(76)	(32)	(236)

Commodity Derivatives

The following table (in millions) shows the fair value and location of our Liquefaction Supply Derivatives and LNG Trading Derivatives (collectively, "Commodity Derivatives") on our Consolidated Balance Sheets:

	June 30, 2017			December 31, 2016		
	Liquefaction Supply Derivatives	LNG Trading Derivatives (1)	Total	Liquefaction Supply Derivatives (2)	LNG Trading Derivatives (1)	Total
Balance Sheet Location						
Derivative assets	$ 13	$ 5	$ 18	$ 13	$ 7	$ 20
Non-current derivative assets	32	—	32	67	—	67
Total derivative assets	45	5	50	80	7	87
Derivative liabilities	(2)	(5)	(7)	(7)	(10)	(17)
Non-current derivative liabilities	(1)	—	(1)	—	—	—
Total derivative liabilities	(3)	(5)	(8)	(7)	(10)	(17)
Derivative asset (liability), net	$ 42	$ —	$ 42	$ 73	$ (3)	$ 70
Notional amount (in TBtu) (3)	1,704	(3)		1,117	—	

(1) Does not include collateral of $13 million and $10 million deposited for such contracts, which are included in other current assets in our Consolidated Balance Sheets as of June 30, 2017 and December 31, 2016, respectively.

(2) Does not include collateral of $6 million deposited for such contracts, which is included in other current assets in our Consolidated Balance Sheet as of December 31, 2016.

(3) SPL had secured up to approximately 2,220 TBtu and 1,994 TBtu and CCL has secured up to approximately 280 TBtu and zero TBtu of natural gas feedstock through natural gas supply contracts as of June 30, 2017 and December 31, 2016, respectively.

The following table (in millions) shows the changes in the fair value, settlements and location of our Commodity Derivatives recorded on our Consolidated Statements of Operations during the three and six months ended June 30, 2017 and 2016:

	Statement of Operations Location (1)	Three Months Ended June 30,		Six Months Ended June 30,	
		2017	2016	2017	2016
LNG Trading Derivatives gain (loss)	LNG revenues	$ 2	$ (17)	$ (4)	$ (12)
Liquefaction Supply Derivatives loss (2)	Cost of sales	1	8	40	12

(1) Fair value fluctuations associated with commodity derivative activities are classified and presented consistently with the item economically hedged and the nature and intent of the derivative instrument.

(2) Does not include the realized value associated with derivative instruments that settle through physical delivery.

FX Derivatives

The following table (in millions) shows the fair value and location of our FX Derivatives on our Consolidated Balance Sheets:

		Fair Value Measurements as of	
	Balance Sheet Location	June 30, 2017	December 31, 2016
FX Derivatives	Derivative assets	$ —	$ 4
FX Derivatives	Derivative liabilities	—	(4)

The total notional amount of our FX Derivatives was $4 million and $11 million as of June 30, 2017 and December 31, 2016, respectively.

The following table (in millions) shows the changes in the fair value of our FX Derivatives recorded on our Consolidated Statements of Operations during the three and six months ended June 30, 2017 and 2016:

		Three Months Ended June 30,		Six Months Ended June 30,	
	Statement of Operations Location	2017	2016	2017	2016
FX Derivatives gain	LNG revenues	$ —	$ 2	$ —	$ —

Balance Sheet Presentation

Our derivative instruments are presented on a net basis on our Consolidated Balance Sheets as described above. The following table (in millions) shows the fair value of our derivatives outstanding on a gross and net basis:

Offsetting Derivative Assets (Liabilities)	Gross Amounts Recognized	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets
As of June 30, 2017			
CQP Interest Rate Derivatives	$ 13	$ —	$ 13
CCH Interest Rate Derivatives	(86)	1	(85)
Liquefaction Supply Derivatives	49	(4)	45
Liquefaction Supply Derivatives	(4)	1	(3)
LNG Trading Derivatives	7	(2)	5
LNG Trading Derivatives	(6)	1	(5)
As of December 31, 2016			
SPL Interest Rate Derivatives	$ (6)	$ —	$ (6)
CQP Interest Rate Derivatives	16	—	16
CQP Interest Rate Derivatives	(3)	—	(3)
CCH Interest Rate Derivatives	(95)	9	(86)
Liquefaction Supply Derivatives	82	(2)	80
Liquefaction Supply Derivatives	(11)	4	(7)
LNG Trading Derivatives	21	(15)	6
LNG Trading Derivatives	(17)	8	(9)
FX Derivatives	5	(1)	4
FX Derivatives	(4)	—	(4)

NOTE 7—OTHER NON-CURRENT ASSETS

As of June 30, 2017 and December 31, 2016, other non-current assets consisted of the following (in millions):

	June 30, 2017	December 31, 2016
Advances made under EPC and non-EPC contracts	$ 19	$ 69
Advances made to municipalities for water system enhancements	99	99
Advances and other asset conveyances to third parties to support LNG terminals	49	53
Tax-related payments and receivables	36	31
Equity method investments	65	10
Cost method investments	5	5
Other	22	35
Total other non-current assets, net	$ 295	$ 302

Equity Method Investments

As of December 31, 2016, our equity method investments consisted of interests in privately-held companies. During the six months ended June 30, 2017, we acquired an equity interest in Midship Holdings, LLC (“Midship Holdings”), which manages the business and affairs of Midship Pipeline Company, LLC (“Midship Pipeline”). Midship Pipeline is pursuing the development, construction, operation and maintenance of an approximately 230-mile natural gas pipeline project (the “Midship Project”) that connects new production in the Anadarko Basin to Gulf Coast markets. Midship Holdings entered into agreements with investment funds managed by EIG Global Energy Partners (“EIG”) under which EIG-managed funds committed to make an investment of

up to $500 million (the "EIG Investment") in the Midship Project, subject to the terms and conditions contained in the applicable agreements. The EIG Investment, when combined with equity contributed by us, is intended to ensure the Midship Project has the equity funding expected to be required to develop and construct the project. Midship Holdings requires acceptable financing arrangements and regulatory and other approvals before construction of the proposed Midship Project commences.

We have determined that Midship Holdings is a variable interest entity ("VIE") because it is thinly capitalized at formation such that the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support. We do not consolidate Midship Holdings because we do not have power to direct the activities that most significantly impact its economic performance. We continually monitor both consolidated and unconsolidated VIEs to determine if any events have occurred that could cause a change in our identification of a VIE or determination of the primary beneficiary to a VIE. We account for our investment in Midship Holdings under the equity method as we have the ability to exercise significant influence over the operating and financial policies of Midship Holdings through our non-controlling voting rights on its board of managers. Our investment in Midship Holdings at June 30, 2017 was $55 million. Obligations to make additional investments in Midship Holdings are not significant and we have not provided financial support to Midship Holdings beyond amounts contractually required.

Cheniere LNG O&M Services, LLC ("O&M Services"), our wholly owned subsidiary, provides the development, construction, operation and maintenance services associated with the Midship Project pursuant to agreements in which O&M Services receives an agreed upon fee and reimbursement of costs incurred. O&M Services recorded $1 million of income in other—related party during each of the three and six months ended June 30, 2017 and $1 million of accounts receivable—related party as of June 30, 2017 for services provided to Midship Pipeline under these agreements. CCL has entered into transportation precedent agreements with Midship Pipeline to secure firm pipeline transportation capacity for a period of 10 years following commencement of the Midship Project.

Cost Method Investments

Our cost method investments consist of interests in privately-held companies without a readily determinable fair value. The Company's cost method investments are assessed for impairment quarterly. We determined that it is not practicable to estimate the fair value of these investments on a regular basis and do not reassess the fair value of cost method investments if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment. We did not identify events or changes in circumstances that may have a significant adverse effect on the fair value of these investments during the three and six months ended June 30, 2017.

NOTE 8—NON-CONTROLLING INTEREST

As of June 30, 2017 and December 31, 2016, we owned 82.7% and 82.6%, respectively, of Cheniere Holdings as well as the director voting share, with the remaining non-controlling interest held by the public. As of June 30, 2017 and December 31, 2016, Cheniere Holdings owned a 55.9% limited partner interest in Cheniere Partners in the form of 12.0 million common units, 45.3 million Class B units and 135.4 million subordinated units, with the remaining non-controlling interest held by Blackstone CQP Holdco LP ("Blackstone CQP Holdco") and the public. We also own 100% of the general partner interest and the incentive distribution rights in Cheniere Partners. Both Cheniere Holdings and Cheniere Partners are accounted for as variable interest entities. For further information regarding variable interest entities, refer to our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2016.

NOTE 9—ACCRUED LIABILITIES

As of June 30, 2017 and December 31, 2016, accrued liabilities consisted of the following (in millions):

	June 30, 2017	December 31, 2016
Interest costs and related debt fees	$ 207	$ 273
Compensation and benefits	80	56
LNG terminals and related pipeline costs	346	284
Other accrued liabilities	41	24
Total accrued liabilities	$ 674	$ 637

NOTE 10—DEBT

As of June 30, 2017 and December 31, 2016, our debt consisted of the following (in millions):

	June 30, 2017	December 31, 2016
Long-term debt:		
SPL		
5.625% Senior Secured Notes due 2021 ("2021 SPL Senior Notes"), net of unamortized premium of $6 and $7	$ 2,006	$ 2,007
6.25% Senior Secured Notes due 2022 ("2022 SPL Senior Notes")	1,000	1,000
5.625% Senior Secured Notes due 2023 ("2023 SPL Senior Notes"), net of unamortized premium of $5 and $6	1,505	1,506
5.75% Senior Secured Notes due 2024 ("2024 SPL Senior Notes")	2,000	2,000
5.625% Senior Secured Notes due 2025 ("2025 SPL Senior Notes")	2,000	2,000
5.875% Senior Secured Notes due 2026 ("2026 SPL Senior Notes")	1,500	1,500
5.00% Senior Secured Notes due 2027 ("2027 SPL Senior Notes")	1,500	1,500
4.200% Senior Secured Notes due 2028 ("2028 SPL Senior Notes"), net of unamortized discount of $1 and zero	1,349	—
5.00% Senior Secured Notes due 2037 ("2037 SPL Senior Notes")	800	—
2015 SPL Credit Facilities	—	314
Cheniere Partners		
2016 CQP Credit Facilities	2,560	2,560
CCH		
7.000% Senior Secured Notes due 2024 ("2024 CCH Senior Notes")	1,250	1,250
5.875% Senior Secured Notes due 2025 ("2025 CCH Senior Notes")	1,500	1,500
5.125% Senior Secured Notes due 2027 ("2027 CCH Senior Notes")	1,500	—
2015 CCH Credit Facility	1,942	2,381
CCH HoldCo II		
11.0% Convertible Senior Notes due 2025 ("2025 CCH HoldCo II Convertible Senior Notes")	1,236	1,171
Cheniere		
4.875% Convertible Unsecured Notes due 2021 ("2021 Cheniere Convertible Unsecured Notes"), net of unamortized discount of $134 and $146	999	960
4.25% Convertible Senior Notes due 2045 ("2045 Cheniere Convertible Senior Notes"), net of unamortized discount of $316 and $317	309	308
$750 million Cheniere Revolving Credit Facility ("Cheniere Revolving Credit Facility")	—	—
Unamortized debt issuance costs	(302)	(269)
Total long-term debt, net	24,654	21,688
Current debt:		
$1.2 billion SPL Working Capital Facility ("SPL Working Capital Facility")	—	224
$350 million CCH Working Capital Facility ("CCH Working Capital Facility")	—	—
Cheniere Marketing trade finance facilities	—	23
Total current debt	—	247
Total debt, net	$ 24,654	$ 21,935

2017 Debt Issuances and Redemptions

SPL Senior Notes

In February 2017, SPL issued an aggregate principal amount of$800 million of the 2037 SPL Senior Notes on a private placement basis in reliance on the exemption from registration provided for under Section 4(a)(2) of the Securities Act of 1933, as amended. In March 2017, SPL issued an aggregate principal amount of $1.35 billion, before discount, of the 2028 SPL Senior Notes. Net proceeds of the offerings of the 2037 SPL Senior Notes and the 2028 SPL Senior Notes were $789 million and $1.33

billion, respectively, after deducting the initial purchasers' commissions (for the 2028 SPL Senior Notes) and estimated fees and expenses. The net proceeds of the 2037 SPL Senior Notes, after provisioning for incremental interest required during construction, were used to repay the then outstanding borrowings of $369 million under the 2015 SPL Credit Facilities and, along with the net proceeds of the 2028 SPL Senior Notes, the remainder is being used to pay a portion of the capital costs in connection with the construction of Trains 1 through 5 of the SPL Project in lieu of the terminated portion of the commitments under the 2015 SPL Credit Facilities.

In connection with the issuance of the 2037 SPL Senior Notes and the 2028 SPL Senior Notes, SPL terminated the remaining available balance of $1.6 billion under the 2015 SPL Credit Facilities, resulting in a write-off of debt issuance costs associated with the 2015 SPL Credit Facilities of $42 million during the six months ended June 30, 2017.

The 2037 SPL Senior Notes and the 2028 SPL Senior Notes accrue interest at fixed rates of 5.00% and 4.200%, respectively, and interest is payable semi-annually in arrears. The terms of the 2037 SPL Senior Notes are governed by an indenture which contains customary terms and events of default and certain covenants that, among other things, limit SPL's ability and the ability of SPL's restricted subsidiaries to incur additional indebtedness or issue preferred stock, make certain investments or pay dividends or distributions on capital stock or subordinated indebtedness or purchase, redeem or retire capital stock, sell or transfer assets, including capital stock of SPL's restricted subsidiaries, restrict dividends or other payments by restricted subsidiaries, incur liens, enter into transactions with affiliates, dissolve, liquidate, consolidate, merge, sell or lease all or substantially all of SPL's assets and enter into certain LNG sales contracts. The 2028 SPL Senior Notes are governed by the same common indenture as the senior notes of SPL other than the 2037 SPL Senior Notes, which also contains customary terms and events of default, covenants and redemption terms.

At any time prior to six months before the respective dates of maturity of the 2037 SPL Senior Notes and the 2028 SPL Senior Notes, SPL may redeem all or part of such notes at a redemption price equal to the "optional redemption" price for the 2037 SPL Senior Notes or the "make-whole" price for the 2028 SPL Senior Notes, as set forth in the respective indentures governing the notes, plus accrued and unpaid interest, if any, to the date of redemption. SPL may also, at any time within six months of the respective maturity dates for the 2037 SPL Senior Notes and the 2028 SPL Senior Notes, redeem all or part of such notes at a redemption price equal to 100% of the principal amount of such notes to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption.

2027 CCH Senior Notes

In May 2017, CCH issued an aggregate principal amount of $1.5 billion of the 2027 CCH Senior Notes, which are jointly and severally guaranteed by its subsidiaries, CCL, CCP and Corpus Christi Pipeline GP, LLC ("CCP GP", and collectively with CCL and CCP, the "CCH Guarantors"). Net proceeds of the offering of approximately $1.4 billion, after deducting commissions, fees and expenses and provisioning for incremental interest required under the 2027 CCH Senior Notes during construction, were used to prepay a portion of the outstanding borrowings under the 2015 CCH Credit Facility, resulting in a write-off of debt issuance costs associated with the 2015 CCH Credit Facility of $33 million during both the three and six months ended June 30, 2017. Borrowings under the 2027 CCH Senior Notes accrue interest at a fixed rate of 5.125%, and interest on the 2027 CCH Senior Notes is payable semi-annually in arrears. The 2027 CCH Senior Notes are governed by the same common indenture as the other senior notes of CCH (the "CCH Indenture"), which contains customary terms and events of default, covenants and redemption terms.

At any time prior to January 1, 2027, CCH may redeem all or a part of the 2027 CCH Senior Notes at a redemption price equal to the "make-whole" price set forth in the CCH Indenture, plus accrued and unpaid interest, if any, to the date of redemption. CCH also may at any time on or after January 1, 2027 through the maturity date of June 30, 2027, redeem the 2027 CCH Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2027 CCH Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption.

In connection with the closing of the sale of the 2027 CCH Senior Notes, CCH and the CCH Guarantors entered into a registration rights agreement (the "CCH Registration Rights Agreement"). Under the terms of the CCH Registration Rights Agreement, CCH and the CCH Guarantors have agreed, and any future guarantors of the 2027 CCH Senior Notes will agree, to use commercially reasonable efforts to file with the SEC and cause to become effective a registration statement relating to an offer to exchange any and all of the 2027 CCH Senior Notes for a like aggregate principal amount of debt securities of CCH with terms identical in all material respects to the 2027 CCH Senior Notes sought to be exchanged (other than with respect to restrictions on

transfer or to any increase in annual interest rate), within 360 days after May 19, 2017. Under specified circumstances, CCH and the CCH Guarantors have also agreed, and any future guarantors of the 2027 CCH Senior Notes will also agree, to use commercially reasonable efforts to cause to become effective a shelf registration statement relating to resales of the 2027 CCH Senior Notes. CCH will be obligated to pay additional interest on the 2027 CCH Senior Notes if it fails to comply with its obligation to register the 2027 CCH Senior Notes within the specified time period.

Cheniere Revolving Credit Facility

In March 2017, we entered into the Cheniere Revolving Credit Facility that may be used to fund, through loans and letters of credit, equity capital contributions to CCH HoldCo II and its subsidiaries for the development of the CCL Project and, provided that certain conditions are met, for general corporate purposes. No advances or letters of credit under the Cheniere Revolving Credit Facility are available until either (1) Cheniere's unrestricted cash and cash equivalents are less than $500 million or (2) Train 4 of the SPL Project has achieved substantial completion. We incurred $16 million of debt issuance costs related to the Cheniere Revolving Credit Facility during the six months ended June 30, 2017.

Loans under the Cheniere Revolving Credit Facility accrue interest at a variable rate per annum equal to LIBOR or the base rate (equal to the highest of (1) the prime rate, (2) the federal funds rate plus 0.50% and (3) one month LIBOR plus 1.00%), plus the applicable margin. The applicable margin for LIBOR loans is 3.25% per annum, and the applicable margin for base rate loans is 2.25% per annum. Interest on LIBOR loans is due and payable at the end of each LIBOR period, and interest on base rate loans is due and payable at the end of each calendar quarter. We will also pay (1) a commitment fee on the average daily amount of undrawn commitments at an annual rate of 0.75%, payable quarterly in arrears, and (2) a letter of credit fee at an annual rate equal to the applicable margin for LIBOR loans on the undrawn portion of all letters of credit issued under the Cheniere Revolving Credit Facility. Draws on any letters of credit will accrue interest at an annual rate equal to the base rate plus 2.0%.

The Cheniere Revolving Credit Facility matures on March 2, 2021 and contains representations, warranties and affirmative and negative covenants customary for companies like Cheniere with lenders of the type participating in the Cheniere Revolving Credit Facility that limit our ability to make restricted payments, including distributions, unless certain conditions are satisfied, as well as limitations on indebtedness, guarantees, hedging, liens, investments and affiliate transactions. Under the terms of the Cheniere Revolving Credit Facility, we are required to ensure that the sum of our unrestricted cash and the amount of undrawn commitments under the Cheniere Revolving Credit Facility is at least equal to the lesser of (1) 20% of the commitments under the Cheniere Revolving Credit Facility and (2) $100 million.

The Cheniere Revolving Credit Facility is secured by a first priority security interest (subject to permitted liens and other customary exceptions) in substantially all of our assets, including our interests in our direct subsidiaries (excluding CCH HoldCo II).

Credit Facilities

Below is a summary (in millions) of our credit facilities outstanding as of June 30, 2017:

	SPL Working Capital Facility	2016 CQP Credit Facilities	2015 CCH Credit Facility	CCH Working Capital Facility	Cheniere Revolving Credit Facility
Original facility size	$ 1,200	$ 2,800	$ 8,404	$ 350	$ 750
Outstanding balance	—	2,560	1,942	—	—
Commitments prepaid or terminated	—	—	3,832	—	—
Letters of credit issued	366	50	—	82	—
Available commitment	$ 834	$ 190	$ 2,630	$ 268	$ 750
Interest rate	LIBOR plus 1.75% or base rate plus 0.75%	LIBOR plus 2.25% or base rate plus 1.25% (1)	LIBOR plus 2.25% or base rate plus 1.25% (2)	LIBOR plus 1.50% - 2.00% or base rate plus 0.50% - 1.00%	LIBOR plus 3.25% or base rate plus 2.25%
Maturity date	December 31, 2020, with various terms for underlying loans	February 25, 2020, with principals due quarterly commencing on February 19, 2019	Earlier of May 13, 2022 or second anniversary of CCL Trains 1 and 2 completion date	December 14, 2021, with various terms for underlying loans	March 2, 2021

(1) There is a 0.50% step-up for both LIBOR and base rate loans beginning on February 25, 2019.

(2) There is a 0.25% step-up for both LIBOR and base rate loans following completion of Trains 1 and 2 of the CCL Project.

Convertible Notes

Below is a summary (in millions) of our convertible notes outstanding as of June 30, 2017:

	2021 Cheniere Convertible Unsecured Notes	2025 CCH HoldCo II Convertible Senior Notes	2045 Cheniere Convertible Senior Notes
Aggregate original principal	$ 1,000	$ 1,000	$ 625
Debt component, net of discount	$ 999	$ 1,236	$ 309
Equity component	$ 205	$ —	$ 194
Interest payment method	Paid-in-kind	Paid-in-kind (1)	Cash
Conversion by us (2)	—	(3)	(4)
Conversion by holders (2)	(5)	(6)	(7)
Conversion basis	Cash and/or stock	Stock	Cash and/or stock
Conversion value in excess of principal	$ —	$ —	$ —
Maturity date	May 28, 2021	March 1, 2025	March 15, 2045
Contractual interest rate	4.875%	11.0%	4.25%
Effective interest rate	8.3%	11.9%	9.4%
Remaining debt discount and debt issuance costs amortization period (8)	3.9 years	3.3 years	27.7 years

(1) Prior to the substantial completion of Train 2 of the CCL Project, interest will be paid entirely in kind. Following this date, the interest generally must be paid in cash; however, a portion of the interest may be paid in kind under certain specified circumstances.

(2) Conversion is subject to various limitations and conditions.

(3) Convertible on or after the later of March 1, 2020 and the substantial completion of Train 2 of the CCL Project, provided that our market capitalization is not less than $10.0 billion ("Eligible Conversion Date"). The conversion price is the lower of (1) a 10% discount to the average of the daily volume-weighted average price ("VWAP") of our common stock for the 90 trading day period prior to the date notice is provided, and (2) a 10% discount to the closing price of our common stock on the trading day preceding the date notice is provided.

(4) Redeemable at any time after March 15, 2020 at a redemption price payable in cash equal to the accreted amount of the 2045 Cheniere Convertible Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to such redemption date.

(5) Initially convertible at $93.64 (subject to adjustment upon the occurrence of certain specified events), provided that the closing price of our common stock is greater than or equal to the conversion price on the conversion date.

(6) Convertible on or after the six-month anniversary of the Eligible Conversion Date, provided that our total market capitalization is not less than $10.0 billion, at a price equal to the average of the daily VWAP of our common stock for the 90 trading day period prior to the date on which notice of conversion is provided.

(7) Prior to December 15, 2044, convertible only under certain circumstances as specified in the indenture; thereafter, holders may convert their notes regardless of these circumstances. The conversion rate will initially equal 7.2265 shares of our common stock per $1,000 principal amount of the 2045 Cheniere Convertible Senior Notes, which corresponds to an initial conversion price of approximately $138.38 per share of our common stock (subject to adjustment upon the occurrence of certain specified events).

(8) We amortize any debt discount and debt issuance costs using the effective interest over the period through contractual maturity except for the 2025 CCH HoldCo II Convertible Senior Notes, which are amortized through the date they are first convertible by holders into our common stock.

Interest Expense

Total interest expense, including interest expense related to our convertible notes, consisted of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Interest cost on convertible notes:				
Interest per contractual rate	$ 54	$ 50	$ 107	$ 99
Amortization of debt discount	7	9	14	18
Amortization of debt issuance costs	2	1	3	2
Total interest cost related to convertible notes	63	60	124	119
Interest cost on debt excluding convertible notes	314	256	607	490
Total interest cost	377	316	731	609
Capitalized interest	(189)	(210)	(378)	(427)
Total interest expense, net	$ 188	$ 106	$ 353	$ 182

Fair Value Disclosures

The following table (in millions) shows the carrying amount and estimated fair value of our debt:

	June 30, 2017		December 31, 2016	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Senior notes, net of premium or discount (1)	$ 17,110	$ 18,558	$ 14,263	$ 15,210
2037 SPL Senior Notes (2)	800	860	—	—
Credit facilities (3)	4,502	4,502	5,502	5,502
2021 Cheniere Convertible Unsecured Notes, net of discount (2)	999	1,064	960	983
2025 CCH HoldCo II Convertible Senior Notes (2)	1,236	1,468	1,171	1,328
2045 Cheniere Convertible Senior Notes, net of discount (4)	309	441	308	375

(1) Includes 2021 SPL Senior Notes, 2022 SPL Senior Notes, 2023 SPL Senior Notes, 2024 SPL Senior Notes, 2025 SPL Senior Notes, 2026 SPL Senior Notes, 2027 SPL Senior Notes, 2028 SPL Senior Notes, 2024 CCH Senior Notes, 2025 CCH Senior Notes and 2027 CCH Senior Notes. The Level 2 estimated fair value was based on quotes obtained from broker-dealers or market makers of these senior notes and other similar instruments.

(2) The Level 3 estimated fair value was calculated based on inputs that are observable in the market or that could be derived from, or corroborated with, observable market data, including our stock price and interest rates based on debt issued by parties with comparable credit ratings to us and inputs that are not observable in the market.

(3) Includes 2015 SPL Credit Facilities, SPL Working Capital Facility, 2016 CQP Credit Facilities, 2015 CCH Credit Facility, CCH Working Capital Facility, Cheniere Revolving Credit Facility and Cheniere Marketing trade finance facilities. The Level 3 estimated fair value approximates the principal amount because the interest rates are variable and reflective of market rates and the debt may be repaid, in full or in part, at any time without penalty.

(4) The Level 1 estimated fair value was based on unadjusted quoted prices in active markets for identical liabilities that we had the ability to access at the measurement date.

NOTE 11—RESTRUCTURING EXPENSE

During 2015 and 2016, we initiated and implemented certain organizational changes to simplify our corporate structure, improve our operational efficiencies and implement a strategy for sustainable, long-term stockholder value creation through financially disciplined development, construction, operation and investment. These organizational initiatives were completed as of the first quarter of 2017. As a result of these efforts, we recorded $6 million during the six months ended June 30, 2017 and $16 million and $23 million during the three and six months ended June 30, 2016, respectively, of restructuring charges and other costs associated with restructuring and operational efficiency initiatives for which the majority of these charges required cash expenditure. Included in these amounts were $3 million for share-based compensation during the six months ended June 30, 2017 and $16 million and $22 million for share-based compensation during the three and six months ended June 30, 2016, respectively.

All charges were recorded within the line item entitled "restructuring expense" on our Consolidated Statements of Operations and substantially all related to severance and other employee-related costs. As of December 31, 2016, we had $6 million of accrued restructuring charges and other costs that were recorded as part of accrued liabilities on our Consolidated Balance Sheets.

NOTE 12—INCOME TAXES

Due to our cumulative loss position and historical net operating losses("NOLs"), we have recorded a full valuation allowance against our U.S. deferred tax assets at June 30, 2017 and December 31, 2016. Accordingly, the Company has not recorded a provision for federal or state income taxes during the three and six months ended June 30, 2017 and 2016. Any provision recorded in the accompanying Consolidated Financial Statements is for foreign income taxes.

We experienced ownership changes as defined by Internal Revenue Code("IRC") Section 382 in 2008, 2010 and 2012. An analysis of the annual limitation on the utilization of our NOLs was performed in accordance with IRC Section 382. It was determined that IRC Section 382 will not limit the use of our NOLs over the carryover period. We will continue to monitor trading activity in our shares that may cause an additional ownership change, which may ultimately affect our ability to fully utilize our existing NOL carryforwards.

NOTE 13—SHARE-BASED COMPENSATION

We have granted stock, restricted stock, restricted stock units, performance stock units, phantom units and options to purchase common stock to employees, outside directors and a consultant under the Amended and Restated 2003 Stock Incentive Plan, as amended, 2011 Incentive Plan, as amended (the "2011 Plan"), the 2015 Long-Term Cash Incentive Plan and the 2015 Employee Inducement Incentive Plan.

In January 2017, the issuance of awards with respect to 7.8 million shares of common stock available for issuance under the 2011 Plan was approved at a special meeting of our shareholders. In February 2017, our Board of Directors approved the award of 0.9 million restricted stock units and 0.2 million target performance stock units under the 2011 Plan to certain employees as part of the Long-Term Incentive program implemented in 2017. Restricted stock unit awards vest ratably over a three-year service period on each of the first, second and third anniversaries of the grant date, subject to forfeiture upon termination except in certain events and acceleration upon certain events including death or disability. Performance stock units provide for three-year cliff vesting with payouts based on the Company's cumulative distributable cash flow per share from January 1, 2018 through December 31, 2019 compared to a pre-established performance target. The number of shares that may be earned at the end of the vesting period ranges from 50 to 200 percent of the target award amount if the threshold performance is met. Both restricted stock units and performance stock units will be settled in Cheniere common stock and are classified as equity awards.

Total share-based compensation consisted of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Share-based compensation:				
Equity awards	$ 10	$ 17	$ 15	$ 30
Liability awards	17	24	44	28
Total share-based compensation	27	41	59	58
Capitalized share-based compensation	(5)	(5)	(13)	(6)
Total share-based compensation expense	$ 22	$ 36	$ 46	$ 52

For further discussion of our equity incentive plans, see Note 15—Share-Based Compensation of our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2016.

NOTE 14—NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS

Basic net loss per share attributable to common stockholders("EPS") excludes dilution and is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during the period. Diluted EPS reflects potential dilution and is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during the period increased by the number of additional common shares that would have been outstanding if the potential common shares had been issued. The dilutive effect of stock options and unvested stock is

calculated using the treasury-stock method and the dilutive effect of convertible securities is calculated using the if-converted method.

The following table (in millions, except per share data) reconciles basic and diluted weighted average common shares outstanding for the three and six months ended June 30, 2017 and 2016:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Weighted average common shares outstanding:				
Basic	232.5	228.3	232.4	228.2
Dilutive unvested stock	—	—	—	—
Diluted	232.5	228.3	232.4	228.2
Basic and diluted net loss per share attributable to common stockholders	$ (1.23)	$ (1.31)	$ (0.99)	$ (2.71)

Potentially dilutive securities that were not included in the diluted net loss per share computations because their effect would have been anti-dilutive were as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Stock options and unvested stock (1)	1.3	1.9	1.3	1.9
Convertible notes (2)	16.6	16.0	16.6	16.0
Total potentially dilutive common shares	17.9	17.9	17.9	17.9

(1) Does not include 5.1 million shares for each of the three and six months ended June 30, 2017 and 5.4 million shares for each of the three and six months ended June 30, 2016 of unvested stock because the performance conditions had not yet been satisfied as of June 30, 2017 and 2016.

(2) Includes number of shares in aggregate issuable upon conversion of the 2021 Cheniere Convertible Unsecured Notes and the 2045 Cheniere Convertible Senior Notes. There were no shares included in the computation of diluted net loss per share for the 2025 CCH HoldCo II Convertible Senior Notes because substantive non-market-based contingencies underlying the eligible conversion date have not been met as of June 30, 2017.

NOTE 15—COMMITMENTS AND CONTINGENCIES

We have various contractual obligations which are recorded as liabilities in our Consolidated Financial Statements. Other items, such as certain purchase commitments and other executed contracts which do not meet the definition of a liability as of June 30, 2017, are not recognized as liabilities.

Obligations under Certain Guarantee Contracts

Cheniere and certain of its subsidiaries enter into guarantee arrangements in the normal course of business to facilitate transactions with third parties. These arrangements include financial guarantees, letters of credit and debt guarantees. As of June 30, 2017 and December 31, 2016, there were no liabilities recognized under these guarantee arrangements.

Legal Proceedings

We may in the future be involved as a party to various legal proceedings, which are incidental to the ordinary course of business. We regularly analyze current information and, as necessary, provide accruals for probable liabilities on the eventual disposition of these matters.

Parallax Litigation

In 2015, our wholly owned subsidiary, Cheniere LNG Terminals, LLC (“CLNGT”), entered into discussions with Parallax Enterprises, LLC (“Parallax Enterprises”) regarding the potential joint development of two liquefaction plants in Louisiana (the

"Potential Liquefaction Transactions"). While the parties negotiated regarding the Potential Liquefaction Transactions, CLNGT loaned Parallax Enterprises approximately $46 million, as reflected in a secured note dated April 23, 2015, as amended on June 30, 2015, September 30, 2015 and November 4, 2015 (the "Secured Note"). The Secured Note was secured by all assets of Parallax Enterprises and its subsidiary entities. On June 30, 2015, Parallax Enterprises' parent entity, Parallax Energy LLC ("Parallax Energy"), executed a Pledge and Guarantee Agreement further securing repayment of the Secured Note by providing a parent guaranty and a pledge of all of the equity of Parallax Enterprises in satisfaction of the Secured Note (the "Pledge Agreement"). CLNGT and Parallax Enterprises never executed a definitive agreement to pursue the Potential Liquefaction Transactions. The Secured Note matured on December 11, 2015, and Parallax Enterprises failed to make payment. On February 3, 2016, CLNGT filed an action against Parallax Energy, Parallax Enterprises, and certain of Parallax Enterprises' subsidiary entities, styled Cause No. 4:16-cv-00286, Cheniere LNG Terminals, LLC v. Parallax Energy LLC, et al., in the United States District Court for the Southern District of Texas (the "Texas Federal Suit"). CLNGT asserted claims in the Texas Federal Suit for (1) recovery of all amounts due under the Secured Note and (2) declaratory relief establishing that CLNGT is entitled to enforce its rights under the Secured Note and Pledge Agreement in accordance with each instrument's terms and that CLNGT has no obligations of any sort to Parallax Enterprises concerning the Potential Liquefaction Transactions. On March 11, 2016, Parallax Enterprises and the other defendants in the Texas Federal Suit moved to dismiss the suit for lack of subject matter jurisdiction. On August 2, 2016, the court denied the defendants' motion to dismiss without prejudice and permitted the parties to pursue jurisdictional discovery.

On March 11, 2016, Parallax Enterprises filed a suit against us and CLNGT styled Civil Action No. 62-810, Parallax Enterprises LLP v. Cheniere Energy, Inc. and Cheniere LNG Terminals, LLC, in the 25th Judicial District Court of Plaquemines Parish, Louisiana (the "Louisiana Suit"), wherein Parallax Enterprises asserted claims for breach of contract, fraudulent inducement, negligent misrepresentation, detrimental reliance, unjust enrichment and violation of the Louisiana Unfair Trade Practices Act. Parallax Enterprises predicated its claims in the Louisiana Suit on an allegation that we and CLNGT breached a purported agreement to jointly develop the Potential Liquefaction Transactions. Parallax Enterprises sought $400 million in alleged economic damages and rescission of the Secured Note. On April 15, 2016, we and CLNGT removed the Louisiana Suit to the United States District Court for the Eastern District of Louisiana, which subsequently transferred the Louisiana Suit to the United States District Court for the Southern District of Texas, where it was assigned Civil Action No. 4:16-cv-01628 and transferred to the same judge presiding over the Texas Federal Suit for coordinated handling. On August 22, 2016, Parallax Enterprises voluntarily dismissed all claims asserted against CLNGT and us in the Louisiana Suit without prejudice to refiling.

On July 27, 2017, the Parallax entities named as defendants in the Texas Federal Suit reurged their motion to dismiss and simultaneously filed counterclaims against CLNGT and third party claims against us for breach of contract, breach of fiduciary duty, promissory estoppel, quantum meruit, and fraudulent inducement of the Secured Note and Pledge Agreement, based on substantially the same factual allegations Parallax Enterprises made in the Louisiana Suit. These Parallax entities also simultaneously filed an action styled Cause No. 2017-49685, Parallax Enterprises, LLC, et al. v. Cheniere Energy, Inc., et al., in the 61st District Court of Harris County, Texas (the "Texas State Suit"), which asserts the same claims these entities asserted in the Texas Federal Suit. On July 31, 2017, CLNGT withdrew its opposition to the dismissal of the Texas Federal Suit without prejudice on jurisdictional grounds. We and CLNGT simultaneously filed an answer and counterclaims in the Texas State Suit, asserting the same claims CLNGT had previously asserted in the Texas Federal Suit. Additionally, CLNGT filed third party claims against Parallax principals Martin Houston, Christopher Bowen Daniels, Howard Candelet, and Mark Evans, as well as Tellurian Investments, Inc. and Driftwood LNG, LLC, including claims for tortious interference with CLNGT's collateral rights under the Secured Note and Pledge Agreement.

We do not expect that the resolution of this litigation will have a material adverse impact on our financial results.

NOTE 16—CUSTOMER CONCENTRATION

The following table shows customers with revenues of 10% or greater of total revenues and customers with accounts receivable balances of 10% or greater of total accounts receivable:

	Percentage of Total Revenues				Percentage of Accounts Receivable	
	Three Months Ended June 30,		Six Months Ended June 30,		June 30,	December 31,
	2017	2016	2017	2016	2017	2016
Customer A	24%	46%	28%	33%	18%	34%
Customer B	12%	—%	13%	—%	17%	21%
Customer C	18%	—%	19%	—%	16%	—%
Customer D	*	—%	*	—%	15%	28%
Customer E	*	22%	*	16%	—%	—%
Customer F	—%	—%	—%	—%	—%	12%

* Less than 10%

NOTE 17—SUPPLEMENTAL CASH FLOW INFORMATION

The following table (in millions) provides supplemental disclosure of cash flow information:

	Six Months Ended June 30,	
	2017	2016
Cash paid during the period for interest, net of amounts capitalized	$ 264	$ 59
Contribution of assets to equity method investment	14	—

The balance in property, plant and equipment, net funded with accounts payable and accrued liabilities was $364 million and $472 million as of June 30, 2017 and 2016, respectively.

NOTE 18—RECENT ACCOUNTING STANDARDS

The following table provides a brief description of recent accounting standards that had not been adopted by the Company as of June 30, 2017:

Standard	Description	Expected Date of Adoption	Effect on our Consolidated Financial Statements or Other Significant Matters
ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and subsequent amendments thereto	This standard provides a single, comprehensive revenue recognition model which replaces and supersedes most existing revenue recognition guidance and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard requires that the costs to obtain and fulfill contracts with customers should be recognized as assets and amortized to match the pattern of transfer of goods or services to the customer if expected to be recoverable. The standard also requires enhanced disclosures. This guidance may be adopted either retrospectively to each prior reporting period presented subject to allowable practical expedients ("full retrospective approach") or as a cumulative-effect adjustment as of the date of adoption ("modified retrospective approach").	January 1, 2018	We continue to evaluate the effect of this standard on our Consolidated Financial Statements. Preliminarily, we plan to adopt this standard using the full retrospective approach and we do not currently anticipate that the adoption will have a material impact upon our revenues. The Financial Accounting Standards Board has issued and may issue in the future amendments and interpretive guidance which may cause our evaluation to change. Furthermore, we routinely enter into new contracts and we cannot predict with certainty whether the accounting for any future contract under the new standard would result in a significant change from existing guidance. Because this assessment is preliminary and the accounting for revenue recognition is subject to significant judgment, this conclusion could change as we finalize our assessment. We have not yet determined the impact that recognizing fulfillment costs as assets will have on our Consolidated Financial Statements.
ASU 2016-02, *Leases (Topic 842)*	This standard requires a lessee to recognize leases on its balance sheet by recording a lease liability representing the obligation to make future lease payments and a right-of-use asset representing the right to use the underlying asset for the lease term. A lessee is permitted to make an election not to recognize lease assets and liabilities for leases with a term of 12 months or less. The standard also modifies the definition of a lease and requires expanded disclosures. This guidance may be early adopted, and must be adopted using a modified retrospective approach with certain available practical expedients.	January 1, 2019	We continue to evaluate the effect of this standard on our Consolidated Financial Statements. Preliminarily, we anticipate a material impact from the requirement to recognize all leases upon our Consolidated Balance Sheets. Because this assessment is preliminary and the accounting for leases is subject to significant judgment, this conclusion could change as we finalize our assessment. We have not yet determined the impact of the adoption of this standard upon our results of operations or cash flows, whether we will elect to early adopt this standard or which, if any, practical expedients we will elect upon transition.
ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*	This standard requires the immediate recognition of the tax consequences of intercompany asset transfers other than inventory. This guidance may be early adopted, but only at the beginning of an annual period, and must be adopted using a modified retrospective approach.	January 1, 2018	We are currently evaluating the impact of the provisions of this guidance on our Consolidated Financial Statements and related disclosures.

Additionally, the following table provides a brief description of recent accounting standards that were adopted by the Company during the reporting period:

Standard	Description	Date of Adoption	Effect on our Consolidated Financial Statements or Other Significant Matters
ASU 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*	This standard requires inventory to be measured at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. This guidance may be early adopted and must be adopted prospectively.	January 1, 2017	The adoption of this guidance did not have a material impact on our Consolidated Financial Statements or related disclosures.
ASU 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*	This standard primarily requires the recognition of excess tax benefits for share-based awards in the statement of operations and the classification of excess tax benefits as an operating activity within the statement of cash flows. The guidance also allows an entity to elect to account for forfeitures when they occur. This guidance may be early adopted, but all of the guidance must be adopted in the same period.	January 1, 2017	Upon adoption of this guidance, we made a cumulative effect adjustment to accumulated deficit for all excess tax benefits not previously recognized, offset by the change in valuation allowance, and for our election to account for forfeitures as they occur. The adoption of this guidance did not have a material impact on our Consolidated Financial Statements or related disclosures.
ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*	This standard simplifies the measurement of goodwill impairment by eliminating the requirement for an entity to perform a hypothetical purchase price allocation. An entity will instead measure the impairment as the difference between the carrying amount and the fair value of the reporting unit. This guidance may be early adopted beginning January 1, 2017, and must be adopted prospectively.	January 1, 2017	The adoption of this guidance did not have a material impact on our Consolidated Financial Statements or related disclosures.
ASU 2017-09, *Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting*	This standard clarifies when changes to the terms or conditions of a share-based payment award must be accounted for as modifications. An entity will not apply modification accounting to a share-based payment award if the award's fair value, vesting conditions and classification as an equity or liability award are the same prior to and after the change. This guidance may be early adopted and must be adopted prospectively.	June 30, 2017	The adoption of this guidance did not have a material impact on our Consolidated Financial Statements or related disclosures.

NOTE 19—SUBSEQUENT EVENTS

As of June 30, 2017, Cheniere Holdings and Blackstone CQP Holdco owned 45.3 million and 100.0 million, respectively, of Cheniere Partners Class B units. On August 2, 2017, the Class B units held by Cheniere Holdings and Blackstone CQP Holdco mandatorily converted into Cheniere Partners common units in accordance with the terms of the Cheniere Partners partnership agreement. Upon conversion of the Class B units, Cheniere Holdings, Blackstone CQP Holdco and the public owned a 48.6%, 40.3% and 9.1% interest in Cheniere Partners, respectively. Cheniere Holdings' ownership is based on approximately 92.5 million converted common units, 135.4 million subordinated units and 12.0 million common units, and Blackstone CQP Holdco's ownership is based on approximately 199.0 million converted common units, but excludes any common units that may be deemed to be beneficially owned by The Blackstone Group, L.P., an affiliate of Blackstone CQP Holdco.

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

Information Regarding Forward-Looking Statements

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

- statements that we expect to commence or complete construction of our proposed LNG terminals, liquefaction facilities, pipeline facilities or other projects, or any expansions or portions thereof, by certain dates, or at all;
- statements regarding future levels of domestic and international natural gas production, supply or consumption or future levels of LNG imports into or exports from North America and other countries worldwide or purchases of natural gas, regardless of the source of such information, or the transportation or other infrastructure or demand for and prices related to natural gas, LNG or other hydrocarbon products;
- statements regarding any financing transactions or arrangements, or our ability to enter into such transactions;
- statements relating to the construction of our Trains and pipelines, including statements concerning the engagement of anyEPC contractor or other contractor and the anticipated terms and provisions of any agreement with any such EPC or other contractor, and anticipated costs related thereto;
- statements regarding any SPA or other agreement to be entered into or performed substantially in the future, including any revenues anticipated to be received and the anticipated timing thereof, and statements regarding the amounts of total LNG regasification, natural gas liquefaction or storage capacities that are, or may become, subject to contracts;
- statements regarding counterparties to our commercial contracts, construction contracts and other contracts;
- statements regarding our planned development and construction of additional Trains and pipelines, including the financing of such Trains;
- statements that our Trains, when completed, will have certain characteristics, including amounts of liquefaction capacities;
- statements regarding our business strategy, our strengths, our business and operation plans or any other plans, forecasts, projections, or objectives, including anticipated revenues, capital expenditures, maintenance and operating costs and cash flows, any or all of which are subject to change;
- statements regarding legislative, governmental, regulatory, administrative or other public body actions, approvals, requirements, permits, applications, filings, investigations, proceedings or decisions; and
- any other statements that relate to non-historical or future information.

All of these types of statements, other than statements of historical or present facts or conditions, are forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "should," "expect," "plan," "project," "intend," "anticipate," "believe," "estimate," "predict," "potential," "pursue," "target," "continue," the negative of such terms or other comparable terminology. The forward-looking statements contained in this quarterly report are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe that such estimates are reasonable, they are inherently uncertain and involve a number of risks and uncertainties beyond our control. In addition, assumptions may prove to be inaccurate. We caution that the forward-looking statements contained in this quarterly report are not guarantees of future performance and that such statements may not be realized or the forward-looking statements or events may not occur. Actual results may differ materially from those anticipated or implied in forward-looking statements as a result of a variety of factors described in this quarterly report and in the other reports and other information that we file with the SEC, including those discussed under "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2016. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these risk factors. These forward-looking statements speak only as of the date made, and other than as required by law, we undertake no obligation to update or revise any forward-looking statement or provide reasons why actual results may differ, whether as a result of new information, future events or otherwise.

Introduction

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

- Overview of Business
- Overview of Significant Events
- Liquidity and Capital Resources
- Results of Operations
- Off-Balance Sheet Arrangements
- Summary of Critical Accounting Estimates
- Recent Accounting Standards

Overview of Business

Cheniere, a Delaware corporation, is a Houston-based energy company primarily engaged in LNG-related businesses. Our vision is to be recognized as the premier global LNG company and provide a reliable, competitive and integrated source of LNG to our customers while creating a safe, productive and rewarding work environment for our employees. We own and operate the Sabine Pass LNG terminal in Louisiana through our ownership interest in and management agreements with Cheniere Partners, which is a publicly traded limited partnership that we created in 2007. We own 100% of the general partner interest in Cheniere Partners and 82.7% of Cheniere Holdings, which is a publicly traded limited liability company formed in 2013 that owned a 55.9% limited partner interest in Cheniere Partners as of June 30, 2017. Subsequent to the mandatory conversion of the Class B units on August 2, 2017, Cheniere Holdings owned a 48.6% interest in Cheniere Partners. We are currently developing and constructing two natural gas liquefaction and export facilities. The liquefaction of natural gas into LNG allows it to be shipped economically from areas of the world where natural gas is abundant and inexpensive to produce to other areas where natural gas demand and infrastructure exist to economically justify the use of LNG.

The Sabine Pass LNG terminal is located in Cameron Parish, Louisiana, on the Sabine-Neches Waterway less than four miles from the Gulf Coast. Cheniere Partners is developing, constructing and operating natural gas liquefaction facilities (the "SPL Project") at the Sabine Pass LNG terminal adjacent to the existing regasification facilities through a wholly owned subsidiary, SPL. Cheniere Partners plans to construct up to six Trains, which are in various stages of development, construction and operations. Trains 1 through 3 are operational, Train 4 is undergoing commissioning, Train 5 is under construction and Train 6 is being commercialized and has all necessary regulatory approvals in place. Each Train is expected to have a nominal production capacity, which is prior to adjusting for planned maintenance, production reliability and potential overdesign, of approximately 4.5 mtpa of LNG. The Sabine Pass LNG terminal has operational regasification facilities owned by Cheniere Partners' wholly owned subsidiary, SPLNG, that include existing infrastructure of five LNG storage tanks with capacity of approximately 16.9 Bcfe, two marine berths that can accommodate vessels with nominal capacity of up to 266,000 cubic meters and vaporizers with regasification capacity of approximately 4.0 Bcf/d. Cheniere Partners also owns a 94-mile pipeline that interconnects the Sabine Pass LNG terminal with a number of large interstate pipelines through a wholly owned subsidiary, CTPL.

We are developing and constructing a second natural gas liquefaction and export facility at the Corpus Christi LNG terminal, which is on nearly2,000 acres of land that we own or control near Corpus Christi, Texas, and a pipeline facility (collectively, the "CCL Project") through wholly owned subsidiaries CCL and CCP, respectively. The CCL Project is being developed for up to three Trains, with expected aggregate nominal production capacity, which is prior to adjusting for planned maintenance, production reliability and potential overdesign, of approximately 13.5 mtpa of LNG, three LNG storage tanks with aggregate capacity of approximately 10.1 Bcfe and two marine berths that can each accommodate vessels with nominal capacity of up to 266,000 cubic meters. The CCL Project is being developed in stages. The first stage ("Stage 1") includes Trains 1 and 2, two LNG storage tanks, one complete marine berth and a second partial berth and all of the CCL Project's necessary infrastructure facilities. The second stage ("Stage 2") includes Train 3, one LNG storage tank and the completion of the second partial berth. The CCL Project also includes a 23-mile natural gas supply pipeline that will interconnect the Corpus Christi LNG terminal with several interstate and

intrastate natural gas pipelines (the "Corpus Christi Pipeline"). Stage 1 and the Corpus Christi Pipeline are currently under construction, and Train 3 is being commercialized and has all necessary regulatory approvals in place.

The CCL Stage III entities, our wholly owned subsidiaries separate from the CCH Group, are also developing two additional Trains and one LNG storage tank at the Corpus Christi LNG terminal adjacent to the CCL Project, along with a second natural gas pipeline. We remain focused on leveraging infrastructure through the expansion of our existing sites. We are also in various stages of developing other projects, including liquefaction projects and other infrastructure projects in support of natural gas supply and LNG demand, which, among other things, will require acceptable commercial and financing arrangements before we make a final investment decision ("FID").

Overview of Significant Events

Our significant accomplishments since January 1, 2017 and through the filing date of this Form 10-Q include the following:

Strategic

- Year to date, LNG from the SPL Project has been delivered to 10 new countries. As of July 2017, LNG from the SPL Project had reached 24 of the 40 LNG importing countries around the world.
- We completed a land acquisition and acquired rights to obtain additional upland and waterfront land adjacent to the CCL Project aggregating more than 500 acres.
- We made an equity investment in Midship Pipeline Company, LLC ("Midship Pipeline") through Midship Holdings, LLC, which is constructing an approximately 230-mile interstate natural gas pipeline with expected capacity of up to 1.44 Dekatherms per day, to connect new production in the Anadarko Basin to Gulf Coast markets (the "Midship Project"). Additionally, Midship Holdings entered into agreements with investment funds managed by EIG Global Energy Partners ("EIG") under which EIG-managed funds have committed to make an investment of up to $500 million in the Midship Project, subject to the terms and conditions in the applicable agreements.

Operational

- SPL commenced production and shipment of LNG commissioning cargoes from Train 3 of the SPL Project in January 2017 and achieved substantial completion and commenced operating activities in March 2017.
- Commissioning activities for Train 4 of the SPL Project began in March 2017, and first LNG was achieved in July 2017.
- In April 2017, we reached the milestone of 100 cumulative LNG cargoes exported from the SPL Project. As of July 2017, more than 160 cumulative LNG cargoes had been exported from the SPL Project.
- In June 2017, the date of first commercial delivery was reached under the 20-year SPA with Korea Gas Corporation relating to Train 3 of the SPL Project.
- In August 2017, the date of first commercial delivery was reached under the respective 20-year SPAs with Gas Natural Fenosa LNG GOM, Limited and BG Gulf Coast LNG, LLC relating to Train 2 of the SPL Project.

Financial

- In February and March 2017, SPL issued aggregate principal amounts of $800 million of 5.00% Senior Secured Notes due 2037 (the "2037 SPL Senior Notes") and $1.35 billion, before discount, of 4.200% Senior Secured Notes due 2028 (the "2028 SPL Senior Notes"), respectively. Net proceeds of the offerings of the 2037 SPL Senior Notes and 2028 SPL Senior Notes were $789 million and $1.33 billion, respectively, after deducting the initial purchasers' commissions (for the 2028 SPL Senior Notes) and estimated fees and expenses. The net proceeds of the 2037 SPL Senior Notes, after provisioning for incremental interest required during construction, were used to repay the outstanding borrowings under the credit facilities SPL entered into in June 2015 (the "2015 SPL Credit Facilities") and, along with the net proceeds of the 2028 SPL Senior Notes, the remainder is being used to pay a portion of the capital costs in connection with the construction of Trains 1 through 5 of the SPL Project in lieu of the terminated portion of the commitments under the 2015 SPL Credit Facilities.
- In March 2017, we entered into a $750 million revolving credit agreement ("Cheniere Revolving Credit Facility") that may be used to fund the development of the CCL Project and, provided that certain conditions are met, for general corporate purposes.

- In May 2017, CCH issued an aggregate principal amount of $1.5 billion of 5.125% Senior Secured Notes due 2027 (the "2027 CCH Senior Notes"). Net proceeds of the offering of approximately $1.4 billion, after deducting commissions, fees and expenses and after provisioning for incremental interest required under the 2027 CCH Senior Notes during construction, were used to prepay a portion of the outstanding borrowings under its credit facility (the "2015 CCH Credit Facility").
- Fitch Ratings assigned SPL's senior secured debt an investment grade rating of BBB- in January 2017 and an investment-grade issuer default rating of BBB- in June 2017.
- In May 2017, Moody's Investors Service upgraded SPL's senior secured debt rating from Ba1 to Baa3, an investment-grade rating.

Liquidity and Capital Resources

Although results are consolidated for financial reporting, Cheniere, Cheniere Holdings, Cheniere Partners, SPL and the CCH Group operate with independent capital structures. We expect the cash needs for at least the next twelve months will be met for each of these independent capital structures as follows:

- SPL through project debt and borrowings and operating cash flows;
- Cheniere Partners through operating cash flows from SPLNG, SPL and CTPL and debt or equity offerings;
- Cheniere Holdings through distributions from Cheniere Partners;
- CCH Group through project debt and borrowings and equity contributions from Cheniere; and
- Cheniere through project financing, existing unrestricted cash, debt and equity offerings by us or our subsidiaries, operating cash flows, services fees from Cheniere Holdings, Cheniere Partners and our other subsidiaries and distributions from our investments in Cheniere Holdings and Cheniere Partners.

The following table (in millions) provides a summary of our liquidity position at June 30, 2017 and December 31, 2016:

	June 30, 2017	December 31, 2016
Cash and cash equivalents	$ 796	$ 876
Restricted cash designated for the following purposes:		
SPL Project	1,277	358
CQP and cash held by guarantor subsidiaries	286	247
CCL Project	103	270
Other	82	76
Available commitments under the following credit facilities:		
2015 SPL Credit Facilities	—	1,642
$1.2 billion SPL Working Capital Facility ("SPL Working Capital Facility")	834	653
$2.8 billion 2016 CQP Credit Facilities ("2016 CQP Credit Facilities")	190	195
2015 CCH Credit Facility	2,630	3,603
$350 million CCH Working Capital Facility ("CCH Working Capital Facility")	268	350
Cheniere Revolving Credit Facility	750	—

For additional information regarding our debt agreements, see Note 10—Debt of our Notes to Consolidated Financial Statements in this quarterly report and Note 12—Debt of our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2016.

Cheniere

Convertible Notes

In November 2014, we issued an aggregate principal amount of $1.0 billion of Convertible Unsecured Notes due 2021 (the "2021 Cheniere Convertible Unsecured Notes"). The 2021 Cheniere Convertible Unsecured Notes are convertible at the option of the holder into our common stock at the then applicable conversion rate, provided that the closing price of our common stock is greater than or equal to the conversion price on the date of conversion. In March 2015, we issued $625.0 million aggregate

principal amount of 4.25% Convertible Senior Notes due 2045 (the "2045 Cheniere Convertible Senior Notes"). We have the right, at our option, at any time after March 15, 2020, to redeem all or any part of the 2045 Cheniere Convertible Senior Notes at a redemption price equal to the accreted amount of the 2045 Cheniere Convertible Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to such redemption date. We have the option to satisfy the conversion obligation for the 2021 Cheniere Convertible Unsecured Notes and the 2045 Cheniere Convertible Senior Notes with cash, common stock or a combination thereof.

Cheniere Revolving Credit Facility

In March 2017, we entered into the Cheniere Revolving Credit Facility that may be used to fund, through loans and letters of credit, equity capital contributions to CCH HoldCo II and its subsidiaries for the development of the CCL Project and, provided that certain conditions are met, for general corporate purposes. No advances or letters of credit under the Cheniere Revolving Credit Facility are available until either (1) Cheniere's unrestricted cash and cash equivalents are less than $500 million or (2) Train 4 of the SPL Project has achieved substantial completion.

The Cheniere Revolving Credit Facility matures on March 2, 2021 and contains representations, warranties and affirmative and negative covenants customary for companies like Cheniere with lenders of the type participating in the Cheniere Revolving Credit Facility that limit our ability to make restricted payments, including distributions, unless certain conditions are satisfied, as well as limitations on indebtedness, guarantees, hedging, liens, investments and affiliate transactions. Under the terms of the Cheniere Revolving Credit Facility, we are required to ensure that the sum of our unrestricted cash and the amount of undrawn commitments under the Cheniere Revolving Credit Facility is at least equal to the lesser of (1) 20% of the commitments under the Cheniere Revolving Credit Facility and (2) $100 million.

The Cheniere Revolving Credit Facility is secured by a first priority security interest (subject to permitted liens and other customary exceptions) in substantially all of our assets, including our interests in our direct subsidiaries (excluding CCH HoldCo II).

Cash Receipts from Subsidiaries

As of June 30, 2017, we had an 82.7% direct ownership interest in Cheniere Holdings. We receive dividends on our Cheniere Holdings shares from the distributions that Cheniere Holdings receives from Cheniere Partners. We received $8 million and $7 million in dividends on our Cheniere Holdings common shares during the six months ended June 30, 2017 and 2016, respectively.

Our ownership interest in the Sabine Pass LNG terminal is held through Cheniere Partners. As of June 30, 2017, we owned 82.7% of Cheniere Holdings, which owned a 55.9% limited partner interest in Cheniere Partners in the form of 12.0 million common units, 45.3 million Class B units and 135.4 million subordinated units. Subsequent to the mandatory conversion of the Class B units on August 2, 2017, Cheniere Holdings owned a 48.6% interest in Cheniere Partners in the form of 104.5 million and 135.4 million subordinated units. We also own 100% of the general partner interest and the incentive distribution rights in Cheniere Partners. We receive quarterly equity distributions from Cheniere Partners related to our 2% general partner interest.

We also receive fees for providing management services to Cheniere Holdings, Cheniere Partners, SPLNG, SPL and CTPL. We received $68 million and $81 million in total service fees from Cheniere Holdings, Cheniere Partners, SPLNG, SPL and CTPL during the six months ended June 30, 2017 and 2016, respectively.

Cheniere Partners' common unit and general partner distributions are being funded from accumulated operating surplus. Neither we nor Cheniere Holdings received distributions on our subordinated units with respect to the quarters ended on or after June 30, 2010. Cheniere Partners will not make distributions on subordinated units until it generates additional cash flow from SPLNG, SPL, CTPL or other new business, which would be used to make quarterly distributions on our subordinated units before any increase in distributions to the common unitholders.

Cheniere Partners Class B Units

Cheniere Partners' Class B units were subject to conversion, mandatorily or at the option of the Class B unitholders under specified circumstances, into a number of common units based on the then-applicable conversion value of the Class B units. The Cheniere Partners Class B units were not entitled to cash distributions except in the event of a liquidation of Cheniere Partners, a merger, consolidation or other combination of Cheniere Partners with another person or the sale of all or substantially all of the assets of Cheniere Partners. On a quarterly basis beginning on the initial purchase date of the Class B units, the conversion value

of the Class B units increased at a compounded rate of 3.5% per quarter, subject to an additional upward adjustment for certain equity and debt financings. The accreted conversion ratio of the Class B units owned by Cheniere Holdings and Blackstone CQP Holdco LP ("Blackstone CQP Holdco") was 2.04 and 1.99, respectively, as of June 30, 2017.

The Class B units were issued at a discount to the market price of the Cheniere Partners common units into which they are convertible. This discount, totaling $2,130 million, represents a beneficial conversion feature. The beneficial conversion feature is similar to a dividend that will be distributed with respect to any Class B unit from its issuance date through its conversion date, resulting in an increase in Class B unitholders' equity and a decrease in common and subordinated unitholders' equity, including our equity interest in Cheniere Partners. Cheniere Partners amortizes the beneficial conversion feature through the mandatory conversion date. Deemed dividends represented by the amortization of the beneficial conversion feature allocated to the Class B units held by Blackstone CQP Holdco are included in net income (loss) attributable to non-controlling interest and result in a reduction of income available to common stockholders. The impact to net income (loss) attributable to non-controlling interest due to the amortization of the beneficial conversion feature was $294 million and $2 million during the three months ended June 30, 2017 and 2016, respectively, and $378 million and $3 million during the six months ended June 30, 2017 and 2016, respectively. The impact to net income (loss) attributable to non-controlling interest due to the amortization of the beneficial conversion feature is anticipated to be approximately $748 million for the year ending December 31, 2017 based on the ownership interest as of June 30, 2017.

On August 2, 2017, the Class B units owned by Cheniere Holdings and Blackstone CQP Holdco mandatorily converted into common units in accordance with the terms of the partnership agreement. See Note 19—Subsequent Events of our Notes to Consolidated Financial Statements for information regarding the subsequent conversion of the Class B units into common units.

Cheniere Partners

In February 2016, Cheniere Partners entered into the 2016 CQP Credit Facilities. The 2016 CQP Credit Facilities consist of: (1) a $450 million CTPL tranche term loan that was used to prepay the $400 million term loan facility (the "CTPL Term Loan") in February 2016, (2) an approximately $2.1 billion SPLNG tranche term loan that was used to repay and redeem the approximately $2.1 billion of the senior notes previously issued by SPLNG in November 2016, (3) a $125 million facility that may be used to satisfy a six-month debt service reserve requirement and (4) a $115 million revolving credit facility that may be used for general business purposes. Cheniere Partners had $2.6 billion of outstanding borrowings under the 2016 CQP Credit Facilities as of both June 30, 2017 and December 31, 2016, and Cheniere Partners had $190 million and $195 million of available commitments and $50 million and $45 million aggregate amount of issued letters of credit as of June 30, 2017 and December 31, 2016, respectively.

The 2016 CQP Credit Facilities mature on February 25, 2020, and the outstanding balance may be repaid, in whole or in part, at any time without premium or penalty, except for interest hedging and interest rate breakage costs. The 2016 CQP Credit Facilities contain conditions precedent for extensions of credit, as well as customary affirmative and negative covenants and limit Cheniere Partners' ability to make restricted payments, including distributions, to once per fiscal quarter as long as certain conditions are satisfied. Under the terms of the 2016 CQP Credit Facilities, Cheniere Partners is required to hedge not less than 50% of the variable interest rate exposure on its projected aggregate outstanding balance, maintain a minimum debt service coverage ratio of at least 1.15x at the end of each fiscal quarter beginning March 31, 2019 and have a projected debt service coverage ratio of 1.55x in order to incur additional indebtedness to refinance a portion of the existing obligations.

The 2016 CQP Credit Facilities are unconditionally guaranteed by each subsidiary of Cheniere Partners other than (1) SPL and (2) certain subsidiaries of Cheniere Partners owning other development projects, as well as certain other specified subsidiaries and members of the foregoing entities.

Sabine Pass LNG Terminal

Liquefaction Facilities

We are developing, constructing and operating the SPL Project at the Sabine Pass LNG terminal adjacent to the existing regasification facilities. We have received authorization from the FERC to site, construct and operate Trains 1 through 6. The following table summarizes the overall project status of the SPL Project as of June 30, 2017:

	SPL Trains 1 & 2	SPL Trains 3 & 4	SPL Train 5
Overall project completion percentage	100%	99.0%	69.0%
Completion percentage of:			
Engineering	100%	100%	99.9%
Procurement	100%	100%	96.6%
Subcontract work	100%	93.8%	48.5%
Construction	100%	99.0%	30.5%
Date of expected substantial completion	Train 1 Operational	Train 3 Operational	Train 5 2H 2019
	Train 2 Operational	Train 4 2H 2017	

We achieved substantial completion of Trains 1, 2 and 3 of the SPL Project and commenced operating activities in May 2016, September 2016 and March 2017, respectively, and started the commissioning of Train 4 of the SPL Project in March 2017.

The following orders have been issued by the DOE authorizing the export of domestically produced LNG by vessel from the Sabine Pass LNG terminal:

- Trains 1 through 4—FTA countries for a 30-year term, which commenced on May 15, 2016, and non-FTA countries for a 20-year term, which commenced on June 3, 2016, in an amount up to a combined total of the equivalent of 16 mtpa (approximately 803 Bcf/yr of natural gas).
- Trains 1 through 4—FTA countries for a 25-year term and non-FTA countries for a 20-year term, in an amount up to a combined total of the equivalent of approximately 203 Bcf/yr of natural gas (approximately 4 mtpa).
- Trains 5 and 6—FTA countries and non-FTA countries for a 20-year term, in an amount up to a combined total of 503.3 Bcf/yr of natural gas (approximately 10 mtpa).

In each case, the terms of these authorizations begin on the earlier of the date of first export thereunder or the date specified in the particular order, which ranges from five to 10 years from the date the order was issued. In addition, we received an order providing for a three-year makeup period with respect to each of the non-FTA orders for LNG volumes we were unable to export during any portion of the initial 20-year export period of such order.

In January 2016, the DOE issued an order authorizing SPL to export domestically produced LNG by vessel from the Sabine Pass LNG terminal to FTA countries and non-FTA countries over a two-year period commencing on January 15, 2016, in an aggregate amount up to the equivalent of 600 Bcf of natural gas (however, exports to non-FTA countries under this order, when combined with exports to non-FTA countries under the orders related to Trains 1 through 4 above, may not exceed 1,006 Bcf/yr).

A party to the proceedings requested rehearings of the orders above related to the export of 803 Bcf/yr, 203 Bcf/yr and 503.3 Bcf/yr to non-FTA countries. The DOE issued orders denying rehearing of the orders. The same party petitioned the U.S. Court of Appeals for the District of Columbia Circuit to review (1) the 203 Bcf/yr order to non-FTA countries and the order denying the request for rehearing of the same and (2) the 503.3 Bcf/yr order to non-FTA countries and the order denying the request for rehearing of the same. Both appeals are pending.

Customers

SPL has entered into six fixed price, 20-year SPAs with extension rights with third parties to make available an aggregate amount of LNG that equates to approximately 19.75 mtpa of LNG, which is approximately 88% of the expected aggregate nominal production capacity of Trains 1 through 5. The obligation to make LNG available under the SPAs commences from the date of first commercial delivery for Trains 1 through 5, as specified in each SPA. Under these SPAs, the customers will purchase LNG from SPL for a price consisting of a fixed fee per MMBtu of LNG (a portion of which is subject to annual adjustment for inflation)

plus a variable fee equal to 115% of Henry Hub per MMBtu of LNG. In certain circumstances, the customers may elect to cancel or suspend deliveries of LNG cargoes, in which case the customers would still be required to pay the fixed fee with respect to the contracted volumes that are not delivered as a result of such cancellation or suspension. The SPAs and contracted volumes to be made available under the SPAs are not tied to a specific Train; however, the term of each SPA commences upon the start of operations of a specified Train.

In aggregate, the fixed fee portion to be paid by the third-party SPA customers is approximately $2.9 billion annually for Trains 1 through 5, with the applicable fixed fees starting from the date of first commercial delivery from the applicable Train. These fixed fees equal approximately $411 million, $564 million, $650 million, $648 million and $588 million for each of Trains 1 through 5, respectively.

Any LNG produced by SPL in excess of that required for other customers is sold by our integrated marketing function, in fulfilment of various sales commitments.

Natural Gas Transportation, Storage and Supply

To ensure SPL is able to transport adequate natural gas feedstock to the Sabine Pass LNG terminal, it has entered into transportation precedent and other agreements to secure firm pipeline transportation capacity with CTPL and third-party pipeline companies. SPL has entered into firm storage services agreements with third parties to assist in managing volatility in natural gas needs for the SPL Project. SPL has also entered into enabling agreements and long-term natural gas supply contracts with third parties in order to secure natural gas feedstock for the SPL Project. As of June 30, 2017, SPL has secured up to approximately 2,220 TBtu of natural gas feedstock through long-term and short-term natural gas supply contracts.

Construction

SPL entered into lump sum turnkey contracts with Bechtel Oil, Gas and Chemicals, Inc. ("Bechtel") for the engineering, procurement and construction of Trains 1 through 5 of the SPL Project, under which Bechtel charges a lump sum for all work performed and generally bears project cost risk unless certain specified events occur, in which case Bechtel may cause SPL to enter into a change order, or SPL agrees with Bechtel to a change order.

The total contract prices of the EPC contract for Trains 1 and 2, the EPC contract for Trains 3 and 4 and the EPC contract for Train 5 of the SPL Project are approximately $4.1 billion, $3.9 billion and $3.1 billion, respectively, reflecting amounts incurred under change orders through June 30, 2017. Total expected capital costs for Trains 1 through 5 are estimated to be between $12.5 billion and $13.5 billion before financing costs and between $17.5 billion and $18.5 billion after financing costs including, in each case, estimated owner's costs and contingencies.

Final Investment Decision on Train 6

We will contemplate making an FID to commence construction of Train 6 of the SPL Project based upon, among other things, entering into an EPC contract, entering into acceptable commercial arrangements and obtaining adequate financing to construct Train 6.

Regasification Facilities

The Sabine Pass LNG terminal has operational regasification capacity of approximately 4.0 Bcf/d and aggregate LNG storage capacity of approximately 16.9 Bcfe. Approximately 2.0 Bcf/d of the regasification capacity at the Sabine Pass LNG terminal has been reserved under two long-term third-party TUAs, under which SPLNG's customers are required to pay fixed monthly fees, whether or not they use the LNG terminal. Each of Total Gas & Power North America, Inc. ("Total") and Chevron U.S.A. Inc. ("Chevron") has reserved approximately 1.0 Bcf/d of regasification capacity and is obligated to make monthly capacity payments to SPLNG aggregating approximately $125 million annually for 20 years that commenced in 2009. Total S.A. has guaranteed Total's obligations under its TUA up to $2.5 billion, subject to certain exceptions, and Chevron Corporation has guaranteed Chevron's obligations under its TUA up to 80% of the fees payable by Chevron.

The remaining approximately 2.0 Bcf/d of capacity has been reserved under a TUA by SPL. SPL is obligated to make monthly capacity payments to SPLNG aggregating approximately $250 million annually, continuing until at least 20 years after SPL delivers its first commercial cargo at the SPL Project. SPL entered into a partial TUA assignment agreement with Total,

whereby upon substantial completion of Train 3, SPL gained access to a portion of Total's capacity and other services provided under Total's TUA with SPLNG. This agreement provides SPL with additional berthing and storage capacity at the Sabine Pass LNG terminal that may be used to provide increased flexibility in managing LNG cargo loading and unloading activity, permit SPL to more flexibly manage its LNG storage capacity and accommodate the development of Trains 5 and 6. Notwithstanding any arrangements between Total and SPL, payments required to be made by Total to SPLNG will continue to be made by Total to SPLNG in accordance with its TUA. During both the three and six months ended June 30, 2017, SPL recorded $8 million as operating and maintenance expense under this partial TUA assignment agreement.

Under each of these TUAs, SPLNG is entitled to retain 2% of the LNG delivered to the Sabine Pass LNG terminal.

Capital Resources

We currently expect that SPL's capital resources requirements with respect to Trains 1 through 5 of the SPL Project will be financed through project debt and borrowings and cash flows under the SPAs. We believe that with the net proceeds of borrowings, available commitments under the SPL Working Capital Facility and cash flows from operations, we will have adequate financial resources available to complete Trains 1 through 5 of the SPL Project and to meet our currently anticipated capital, operating and debt service requirements. SPL began generating cash flows from operations from the SPL Project in May 2016, when Train 1 achieved substantial completion and initiated operating activities. Trains 2 and 3 subsequently achieved substantial completion in September 2016 and March 2017, respectively. We realized offsets to LNG terminal costs of $39 million and $132 million in the three months ended June 30, 2017 and 2016, respectively, and $170 million and $146 million in the six months ended June 30, 2017 and 2016, respectively, that were related to the sale of commissioning cargoes because these amounts were earned or loaded prior to the start of commercial operations, during the testing phase for the construction of those Trains of the SPL Project. Additionally, SPLNG generates cash flows from the TUAs, as discussed above.

The following table (in millions) provides a summary of our capital resources from borrowings and available commitments for the Sabine Pass LNG Terminal, excluding equity contributions to our subsidiaries and cash flows from operations (as described in *Sources and Uses of Cash*), at June 30, 2017 and December 31, 2016:

	June 30, 2017	December 31, 2016
Senior notes (1)	$ 13,650	$ 11,500
Credit facilities outstanding balance (2)	2,560	3,097
Letters of credit issued (3)	366	324
Available commitments under credit facilities (3)	834	2,295
Total capital resources from borrowings and available commitments (4)	$ 17,410	$ 17,216

(1) Includes SPL's 5.625% Senior Secured Notes due 2021, 6.25% Senior Secured Notes due 2022, 5.625% Senior Secured Notes due 2023, 5.75% Senior Secured Notes due 2024, 5.625% Senior Secured Notes due 2025, 5.875% Senior Secured Notes due 2026 (the "2026 SPL Senior Notes"), 5.00% Senior Secured Notes due 2027 (the "2027 SPL Senior Notes"), 2028 SPL Senior Notes and 2037 SPL Senior Notes (collectively, the "SPL Senior Notes").

(2) Includes 2015 SPL Credit Facilities, SPL Working Capital Facility and CTPL and SPLNG tranche term loans outstanding under the 2016 CQP Credit Facilities.

(3) Includes 2015 SPL Credit Facilities and SPL Working Capital Facility. Does not include the letters of credit issued or available commitments under the 2016 CQP Credit Facilities, which are not specifically for the Sabine Pass LNG Terminal.

(4) Does not include Cheniere's additional borrowings from the 2021 Cheniere Convertible Unsecured Notes and the 2045 Cheniere Convertible Senior Notes, which may be used for the Sabine Pass LNG Terminal.

For additional information regarding our debt agreements related to the Sabine Pass LNG Terminal, see Note 10—Debt of our Notes to Consolidated Financial Statements in this quarterly report and Note 12—Debt of our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2016.

Senior Secured Notes

The SPL Senior Notes are secured on a *pari passu* first-priority basis by a security interest in all of the membership interests in SPL and substantially all of SPL's assets.

At any time prior to three months before the respective dates of maturity for each series of the SPL Senior Notes (except for the 2026 SPL Senior Notes, 2027 SPL Senior Notes, 2028 SPL Senior Notes and 2037 SPL Senior Notes, in which case the time period is six months before the respective dates of maturity), SPL may redeem all or part of such series of the SPL Senior Notes at a redemption price equal to the "make-whole" price (except for the 2037 SPL Senior Notes, in which case the redemption price is equal to the "optional redemption" price) set forth in the respective indentures governing the SPL Senior Notes, plus accrued and unpaid interest, if any, to the date of redemption. SPL may also, at any time within three months of the respective maturity dates for each series of the SPL Senior Notes (except for the 2026 SPL Senior Notes, 2027 SPL Senior Notes, 2028 SPL Senior Notes and 2037 SPL Senior Notes, in which case the time period is within six months of the respective dates of maturity), redeem all or part of such series of the SPL Senior Notes at a redemption price equal to 100% of the principal amount of such series of the SPL Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption.

Both the indenture governing the 2037 SPL Senior Notes (the "2037 SPL Senior Notes Indenture") and the common indenture governing the remainder of the SPL Senior Notes (the "SPL Indenture") include restrictive covenants. SPL may incur additional indebtedness in the future, including by issuing additional notes, and such indebtedness could be at higher interest rates and have different maturity dates and more restrictive covenants than the current outstanding indebtedness of SPL, including the SPL Senior Notes and the SPL Working Capital Facility. Under the 2037 SPL Senior Notes Indenture and the SPL Indenture, SPL may not make any distributions until, among other requirements, deposits are made into debt service reserve accounts as required and a debt service coverage ratio test of 1.25:1.00 is satisfied.

2015 SPL Credit Facilities

In June 2015, SPL entered into the 2015 SPL Credit Facilities with commitments aggregating $4.6 billion to fund a portion of the costs of developing, constructing and placing into operation Trains 1 through 5 of the SPL Project. In February 2017, SPL issued the 2037 SPL Senior Notes and a portion of the net proceeds of the issuance was used to repay the then outstanding borrowings of $369 million under the 2015 SPL Credit Facilities. In March 2017, SPL issued the 2028 SPL Senior Notes and SPL terminated the remaining available balance of $1.6 billion under the 2015 SPL Credit Facilities.

SPL Working Capital Facility

In September 2015, SPL entered into the SPL Working Capital Facility, which is intended to be used for loans to SPL ("SPL Working Capital Loans"), the issuance of letters of credit on behalf of SPL, as well as for swing line loans to SPL ("SPL Swing Line Loans"), primarily for certain working capital requirements related to developing and placing into operation the SPL Project. SPL may, from time to time, request increases in the commitments under the SPL Working Capital Facility of up to $760 million and, upon the completion of the debt financing of Train 6 of the SPL Project, request an incremental increase in commitments of up to an additional $390 million. As of June 30, 2017 and December 31, 2016, SPL had $834 million and $653 million of available commitments, $366 million and $324 million aggregate amount of issued letters of credit and zero and $224 million of loans outstanding under the SPL Working Capital Facility, respectively.

The SPL Working Capital Facility matures on December 31, 2020, and the outstanding balance may be repaid, in whole or in part, at any time without premium or penalty upon three business days' notice. Loans deemed made in connection with a draw upon a letter of credit have a term of up to one year. SPL Swing Line Loans terminate upon the earliest of (1) the maturity date or earlier termination of the SPL Working Capital Facility, (2) the date 15 days after such SPL Swing Line Loan is made and (3) the first borrowing date for a SPL Working Capital Loan or SPL Swing Line Loan occurring at least three business days following the date the SPL Swing Line Loan is made. SPL is required to reduce the aggregate outstanding principal amount of all SPL Working Capital Loans to zero for a period of five consecutive business days at least once each year.

The SPL Working Capital Facility contains conditions precedent for extensions of credit, as well as customary affirmative and negative covenants. The obligations of SPL under the SPL Working Capital Facility are secured by substantially all of the assets of SPL as well as all of the membership interests in SPL on a *pari passu* basis with the SPL Senior Notes.

Corpus Christi LNG Terminal

Liquefaction Facilities

The CCL Project is being developed and constructed at the Corpus Christi LNG terminal, on nearly 2,000 acres of land that we own or control near Corpus Christi, Texas. In December 2014, we received authorization from the FERC to site, construct and operate Stages 1 and 2 of the CCL Project. The following table summarizes the overall project status of Stage 1 of the CCL Project:

		CCL Stage 1
Overall project completion percentage		67.9%
Project completion percentage of:		
Engineering		100%
Procurement		87.8%
Subcontract work		39.2%
Construction		41.0%
Expected date of substantial completion	Train 1	1H 2019
	Train 2	2H 2019

Through the CCL Stage III entities, which are separate from the CCH Group, we are developing two additional Trains and one LNG storage tank at the Corpus Christi LNG terminal adjacent to the CCL Project, along with a second natural gas pipeline, and we commenced the regulatory approval process in June 2015.

The following orders have been issued by the DOE authorizing the export of domestically produced LNG by vessel from the Corpus Christi LNG terminal:

- CCL Project—FTA countries for a 25-year term and to non-FTA countries for a 20-year term up to a combined total of the equivalent of 767 Bcf/yr (approximately 15 mtpa) of natural gas. A party to the proceeding requested a rehearing of the authorization to non-FTA countries, which was denied by the DOE in May 2016. In July 2016, the same party petitioned the U.S. Court of Appeals for the District of Columbia Circuit to review the authorization to non-FTA countries and the DOE order denying the request for rehearing of the same. The appeal is pending.
- CCL Stage III entities—FTA countries for a 20-year term in an amount equivalent to 514 Bcf/yr (approximately 10 mtpa) of natural gas. The application for authorization to export that same 514 Bcf/yr of domestically produced LNG by vessel to non-FTA countries is currently pending before the DOE.

In each case, the terms of these authorizations begin on the earlier of the date of first export thereunder or the date specified in the particular order, which ranges from 7 to 10 years from the date the order was issued.

Customers

CCL has entered into seven fixed price, 20-year SPAs with extension rights with six third parties to make available an aggregate amount of LNG that equates to approximately 7.7 mtpa of LNG, which is approximately 86% of the expected aggregate nominal production capacity of Trains 1 and 2. The obligation to make LNG available under these SPAs commences from the date of first commercial delivery for Trains 1 and 2, as specified in each SPA. In addition, CCL has entered into one fixed price, 20-year SPA with a third party for another 0.8 mtpa of LNG that commences with the date of first commercial delivery for Train 3. Under these eight SPAs, the customers will purchase LNG from CCL for a price consisting of a fixed fee of $3.50 per MMBtu of LNG (a portion of which is subject to annual adjustment for inflation) plus a variable fee equal to 115% of Henry Hub per MMBtu of LNG. In certain circumstances, the customers may elect to cancel or suspend deliveries of LNG cargoes, in which case the customers would still be required to pay the fixed fee with respect to the contracted volumes that are not delivered as a result of such cancellation or suspension. The SPAs and contracted volumes to be made available under the SPAs are not tied to a specific Train; however, the term of each SPA commences upon the start of operations of a specified Train.

In aggregate, the fixed fee portion to be paid by the third-party SPA customers is approximately $1.4 billion annually for Trains 1 and 2, and $1.5 billion if we make a positive FID with respect to Stage 2 of the CCL Project, with the applicable fixed fees starting from the date of first commercial delivery from the applicable Train. These fixed fees equal approximately $550 million, $846 million and $140 million for each of Trains 1 through 3, respectively.

Any LNG produced by CCL that is not required for other customers is sold by our integrated marketing function, in fulfilment of various sales commitments.

Natural Gas Transportation, Storage and Supply

To ensure CCL is able to transport adequate natural gas feedstock to the Corpus Christi LNG terminal, it has entered into transportation precedent agreements to secure firm pipeline transportation capacity with CCP and certain third-party pipeline companies. CCL has entered into a firm storage services agreement with a third party to assist in managing volatility in natural gas needs for the CCL Project. CCL has also entered into enabling agreements and long-term natural gas supply contracts with third parties, and will continue to enter into such agreements, in order to secure natural gas feedstock for the CCL Project. As of June 30, 2017, CCL has secured up to approximately 280 TBtu of natural gas feedstock through long-term natural gas supply contracts.

Construction

CCL entered into separate lump sum turnkey contracts with Bechtel for the engineering, procurement and construction of Stages 1 and 2 of the CCL Project under which Bechtel charges a lump sum for all work performed and generally bears project cost risk unless certain specified events occur, in which case Bechtel may cause CCL to enter into a change order, or CCL agrees with Bechtel to a change order.

The total contract price of the EPC contract for Stage 1, which does not include the Corpus Christi Pipeline, is approximately $7.8 billion, reflecting amounts incurred under change orders through June 30, 2017. Total expected capital costs for Stage 1 are estimated to be between $9.0 billion and $10.0 billion before financing costs, and between $11.0 billion and $12.0 billion after financing costs including, in each case, estimated owner's costs and contingencies. Included in these estimates are total expected capital costs for the Corpus Christi Pipeline of between $350 million and $400 million, including the estimated contingency.

Pipeline Facilities

In December 2014, the FERC issued a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act of 1938, as amended, authorizing CCP to construct and operate the Corpus Christi Pipeline. The Corpus Christi Pipeline is designed to transport 2.25 Bcf/d of natural gas feedstock required by the CCL Project from the existing regional natural gas pipeline grid. The construction of the Corpus Christi Pipeline commenced in January 2017.

Final Investment Decision on Stage 2

We will contemplate making an FID to commence construction of Stage 2 of the CCL Project based upon, among other things, entering into acceptable commercial arrangements and obtaining adequate financing to construct the facility.

Capital Resources

We expect to finance the construction costs of the CCL Project from one or more of the following: project financing, operating cash flow from CCL and CCP and equity contributions to our subsidiaries. The following table (in millions) provides a summary of our capital resources from borrowings and available commitments for the CCL Project, excluding equity contributions to our subsidiaries, at June 30, 2017 and December 31, 2016:

	June 30, 2017	December 31, 2016
Senior notes (1)	$ 4,250	$ 2,750
11% Convertible Senior Secured Notes due 2025	1,236	1,171
Credit facilities outstanding balance (2)	1,942	2,381
Letters of credit issued (2)	82	—
Available commitments under credit facilities (2)	2,898	3,953
Total capital resources from borrowings and available commitments (3)	$ 10,408	$ 10,255

(1) Includes CCH's 7.000% Senior Secured Notes due 2024 (the "2024 CCH Senior Notes"), 5.875% Senior Secured Notes due 2025 (the "2025 CCH Senior Notes") and 2027 CCH Senior Notes (collectively, the "CCH Senior Notes").

(2) Includes 2015 CCH Credit Facility and CCH Working Capital Facility.

(3) Does not include Cheniere's additional borrowings from 2021 Cheniere Convertible Unsecured Notes, 2045 Cheniere Convertible Senior Notes and Cheniere Revolving Credit Facility, which may be used for the CCL Project.

For additional information regarding our debt agreements related to the CCL Project, see Note 10—Debt of our Notes to Consolidated Financial Statements in this quarterly report and Note 12—Debt of our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2016.

2025 CCH HoldCo II Convertible Senior Notes

In May 2015, CCH HoldCo II issued $1.0 billion aggregate principal amount of 11% Convertible Senior Secured Notes due 2025 (the "2025 CCH HoldCo II Convertible Senior Notes") on a private placement basis. The 2025 CCH HoldCo II Convertible Senior Notes are convertible at the option of CCH HoldCo II or the holders, provided that various conditions are met. CCH HoldCo II is restricted from making distributions to Cheniere under agreements governing its indebtedness generally until, among other requirements, Trains 1 and 2 of the CCL Project are in commercial operation and a historical debt service coverage ratio and a projected fixed debt service coverage ratio of 1.20:1.00 are achieved.

CCH Senior Notes

In May 2017, CCH issued an aggregate principal amount of $1.5 billion of the 2027 CCH Senior Notes, in addition to the existing 2024 CCH Senior Notes and 2025 CCH Senior Notes. The CCH Senior Notes are jointly and severally guaranteed by its subsidiaries, CCL, CCP and Corpus Christi Pipeline GP, LLC ("CCP GP", and collectively with CCL and CCP, the "CCH Guarantors").

The indenture governing the CCH Senior Notes (the "CCH Indenture") contains customary terms and events of default and certain covenants that, among other things, limit CCH's ability and the ability of CCH's restricted subsidiaries to: incur additional indebtedness or issue preferred stock; make certain investments or pay dividends or distributions on membership interests or subordinated indebtedness or purchase, redeem or retire membership interests; sell or transfer assets, including membership or partnership interests of CCH's restricted subsidiaries; restrict dividends or other payments by restricted subsidiaries to CCH or any of CCH's restricted subsidiaries; incur liens; enter into transactions with affiliates; dissolve, liquidate, consolidate, merge, sell or lease all or substantially all of the properties or assets of CCH and its restricted subsidiaries taken as a whole; or permit any CCH Guarantor to dissolve, liquidate, consolidate, merge, sell or lease all or substantially all of its properties and assets.

At any time prior to six months before the respective dates of maturity for each series of the CCH Senior Notes, CCH may redeem all or part of such series of the CCH Senior Notes at a redemption price equal to the "make-whole" price set forth in the CCH Indenture, plus accrued and unpaid interest, if any, to the date of redemption. CCH also may at any time within six months of the respective dates of maturity for each series of the CCH Senior Notes, redeem all or part of such series of the CCH Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the CCH Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption.

2015 CCH Credit Facility

In May 2015, CCH entered into the 2015 CCH Credit Facility. The obligations of CCH under the 2015 CCH Credit Facility are secured by a first priority lien on substantially all of the assets of CCH and its subsidiaries and by a pledge by CCH HoldCo I of its limited liability company interests in CCH. As of June 30, 2017 and December 31, 2016, CCH had $2.6 billion and $3.6 billion of available commitments and $1.9 billion and $2.4 billion of outstanding borrowings under the 2015 CCH Credit Facility, respectively.

The principal of the loans made under the 2015 CCH Credit Facility must be repaid in quarterly installments, commencing on the earlier of (1) the first quarterly payment date occurring more than three calendar months following project completion and (2) a set date determined by reference to the date under which a certain LNG buyer linked to Train 2 of the CCL Project is entitled to terminate its SPA for failure to achieve the date of first commercial delivery for that agreement. Scheduled repayments will be based upon a 19-year tailored amortization, commencing the first full quarter after the project completion and designed to achieve a minimum projected fixed debt service coverage ratio of 1.55:1.

Under the terms of the 2015 CCH Credit Facility, CCH is required to hedge not less than 65% of the variable interest rate exposure of its senior secured debt. CCH is restricted from making distributions under agreements governing its indebtedness generally until, among other requirements, the completion of the construction of Trains 1 and 2 of the CCL Project, funding of a debt service reserve account equal to six months of debt service and achieving a historical debt service coverage ratio and fixed projected debt service coverage ratio of at least 1.25:1.00.

CCH Working Capital Facility

In December 2016, CCH entered into the $350 million CCH Working Capital Facility, which is intended to be used for loans to CCH ("CCH Working Capital Loans"), the issuance of letters of credit on behalf of CCH, as well as for swing line loans to CCH ("CCH Swing Line Loans") for certain working capital requirements related to developing and placing into operation the CCL Project. Loans under the CCH Working Capital Facility are guaranteed by the CCH Guarantors. CCH may, from time to time, request increases in the commitments under the CCH Working Capital Facility of up to the maximum allowed under the Common Terms Agreement that was entered into concurrently with the 2015 CCH Credit Facility. CCH did not have any amounts outstanding under the CCH Working Capital Facility as of both June 30, 2017 and December 31, 2016, and CCH had $82 million and zero aggregate amount of issued letters of credit as of June 30, 2017 and December 31, 2016, respectively.

The CCH Working Capital Facility matures on December 14, 2021, and CCH may prepay the CCH Working Capital Loans, CCH Swing Line Loans and loans made in connection with a draw upon any letter of credit ("CCH LC Loans") at any time without premium or penalty upon three business days' notice and may re-borrow at any time. CCH LC Loans have a term of up to one year. CCH Swing Line Loans terminate upon the earliest of (1) the maturity date or earlier termination of the CCH Working Capital Facility, (2) the date that is 15 days after such CCH Swing Line Loan is made and (3) the first borrowing date for a CCH Working Capital Loan or CCH Swing Line Loan occurring at least four business days following the date the CCH Swing Line Loan is made. CCH is required to reduce the aggregate outstanding principal amount of all CCH Working Capital Loans to zero for a period of five consecutive business days at least once each year.

The CCH Working Capital Facility contains conditions precedent for extensions of credit, as well as customary affirmative and negative covenants. The obligations of CCH under the CCH Working Capital Facility are secured by substantially all of the assets of CCH and the CCH Guarantors as well as all of the membership interests in CCH and each of the CCH Guarantors on a *pari passu* basis with the CCH Senior Notes and the 2015 CCH Credit Facility.

Marketing

We market and sell LNG produced by the SPL Project and the CCL Project that is not required for other customers through our integrated marketing function. We are developing a portfolio of long-, medium- and short-term SPAs to transport and unload commercial LNG cargoes to locations worldwide, which is primarily sourced by LNG produced by the SPL Project and the CCL Project but supplemented by volume procured from other locations worldwide, as needed. As of June 30, 2017, we have sold approximately 469 TBtu of LNG to be delivered to counterparties between 2017 and 2023, with delivery obligations conditional in certain circumstances. The cargoes have been sold either on a Free on Board basis (delivered to the counterparty at the Sabine Pass LNG terminal) or a Delivered at Terminal ("DAT") basis (delivered to the counterparty at their LNG receiving terminal). We have chartered LNG vessels to be utilized in DAT transactions. In addition, we have entered into a long-term agreement to sell LNG cargoes on a DAT basis that is conditioned upon the buyer achieving certain milestones, including reaching an FID related to certain projects and obtaining related financing.

Cheniere Marketing entered into uncommitted trade finance facilities for up to $470 million primarily to be used for the purchase and sale of LNG for ultimate resale in the course of its operations. The finance facilities are intended to be used for advances, guarantees or the issuance of letters of credit or standby letters of credit on behalf of Cheniere Marketing. As of June 30, 2017 and December 31, 2016, Cheniere Marketing had zero and $23 million in loans outstanding and $76 million and $12 million in standby letters of credit and guarantees outstanding under the finance facilities, respectively. Cheniere Marketing pays interest or fees on utilized commitments.

Corporate and Other Activities

We are required to maintain corporate and general and administrative functions to serve our business activities described above. We are also in various stages of developing other projects, including liquefaction projects and other infrastructure projects in support of natural gas supply and LNG demand, which, among other things, will require acceptable commercial and financing

arrangements before we make an FID. We are exploring the development of a midscale liquefaction project using electric drive modular Trains, with an expected aggregate nominal production capacity of approximately 9.5 mtpa of LNG. We have made an equity investment of $55 million in Midship Pipeline, which is developing a pipeline with expected capacity of up to 1.44 Dekatherms per day that will connect new gas production in the Anadarko Basin to Gulf Coast markets, including markets serving the SPL Project and the CCL Project.

Sources and Uses of Cash

The following table (in millions) summarizes the sources and uses of our cash, cash equivalents and restricted cash for the six months ended June 30, 2017 and 2016. The table presents capital expenditures on a cash basis; therefore, these amounts differ from the amounts of capital expenditures, including accruals, which are referred to elsewhere in this report. Additional discussion of these items follows the table.

	Six Months Ended June 30,	
	2017	2016
Operating cash flows	$ 536	$ (295)
Investing cash flows	(2,357)	(2,299)
Financing cash flows	2,538	2,664
Net increase in cash, cash equivalents and restricted cash	717	70
Cash, cash equivalents and restricted cash—beginning of period	1,827	1,736
Cash, cash equivalents and restricted cash—end of period	$ 2,544	$ 1,806

Operating Cash Flows

Our operating cash flows increased from outflows of $295 million during the six months ended June 30, 2016 to inflows of $536 million during the six months ended June 30, 2017. The $831 million increase in operating cash inflows in 2017 compared to 2016 was primarily related to increased cash receipts from the sale of LNG cargoes, partially offset by increased operating costs and expenses as a result of the of additional Trains that were operating at the SPL Project between the periods. During the six months ended June 30, 2017, Trains 1 and 2 were operating for six months and Train 3 was operating for three months, whereas only Train 1 was operating for one month during the comparable period in 2016.

Investing Cash Flows

Investing cash outflows during the six months ended June 30, 2017 and 2016 were $2.4 billion and $2.3 billion, respectively, and were primarily used to fund the construction costs for Trains 1 through 5 of the SPL Project and Trains 1 and 2 of the CCL Project. These costs are capitalized as construction-in-process until achievement of substantial completion. In addition to cash outflows for construction costs for the SPL Project and the CCL Project, we invested $41 million in our equity method investment Midship Holdings during the six months ended June 30, 2017. Partially offsetting these cash outflows was a $36 million receipt during the six months ended June 30, 2017 from the return of collateral payments previously paid for the CCL Project, which was offset by $14 million investments made in other unconsolidated entities and payments for infrastructure to support the CCL Project. During the six months ended June 30, 2016, we used $22 million primarily to pay municipal water districts for water system enhancements that will increase potable water supply to our export terminals and for investments made in unconsolidated entities.

Financing Cash Flows

Financing cash inflows during the six months ended June 30, 2017 were $2.5 billion, primarily as a result of:

- issuances of aggregate principal amounts of $800 million of the 2037 SPL Senior Notes and $1.35 billion of the 2028 SPL Senior Notes;
- $55 million of borrowings and a $369 million repayment made under the 2015 SPL Credit Facilities;
- $110 million of borrowings and $334 million of repayments made under the SPL Working Capital Facility;
- $973 million of borrowings under the 2015 CCH Credit Facility;
- issuance of aggregate principal amount of $1.5 billion of the 2027 CCH Senior Notes, which was used to prepay $1.4 billion of outstanding borrowings under the 2015 CCH Credit Facility;

- $24 million of borrowings and $24 million of repayments made under the CCH Working Capital Facility;
- $24 million in net repayments made under the Cheniere Marketing trade finance facilities;
- $67 million of debt issuance and deferred financing costs related to up-front fees paid upon the closing of these transactions;
- $40 million of distributions and dividends to non-controlling interest by Cheniere Partners and Cheniere Holdings; and
- $3 million paid for tax withholdings for share-based compensation.

Financing cash inflows during the six months ended June 30, 2016 were $2.7 billion, primarily as a result of:

- $450 million in borrowings under the 2016 CQP Credit Facilities, which was entered into in February to prepay the $400 million CTPL Term Loan;
- $1.3 billion of borrowings under the 2015 SPL Credit Facilities;
- issuance of an aggregate principal amount of $1.5 billion of the 2026 SPL Senior Notes in June 2016, which was used to prepay $1.3 billion of the outstanding borrowings under the 2015 SPL Credit Facilities;
- $140 million of borrowings and $155 million of repayments made under the SPL Working Capital Facility;
- $1.1 billion of borrowings under the 2015 CCH Credit Facility;
- issuance of an aggregate principal amount of $1.3 billion of the 2024 CCH Senior Notes in May 2016, which were used to prepay $1.1 billion of outstanding borrowings under the 2015 CCH Credit Facility;
- $15 million borrowings under the Cheniere Marketing trade finance facilities;
- $97 million of debt issuance costs related to up-front fees paid upon the closing of these transactions; and
- $40 million of distributions and dividends to non-controlling interest by Cheniere Partners and Cheniere Holdings.

Results of Operations

The following table summarizes the volumes of operational and commissioning LNG cargoes that were loaded from the SPL Project and recognized on our Consolidated Financial Statements during the three and six months ended June 30, 2017:

	Three Months Ended June 30, 2017		Six Months Ended June 30, 2017	
(in TBtu)	**Operational**	**Commissioning**	**Operational**	**Commissioning**
Volumes loaded during the current period	167	—	295	26
Volumes loaded during the prior period but recognized during the current period	7	8	19	—
Less: volumes loaded during the current period and in transit at the end of the period	(14)	—	(14)	—
Total volumes recognized in the current period	160	8	300	26

Our consolidated net loss attributable to common stockholders was $285 million, or $1.23 per share (basic and diluted), in the three months ended June 30, 2017, compared to a net loss attributable to common stockholders of $298 million, or $1.31 per share (basic and diluted), in the three months ended June 30, 2016. This $13 million decrease in net loss in 2017 was primarily a result of increased income from operations, decreased derivative loss, net and decreased loss on early extinguishment of debt, which were partially offset by increased allocation of net income to non-controlling interest and increased interest expense, net of amounts capitalized.

Our consolidated net loss attributable to common stockholders was $231 million, or $0.99 per share (basic and diluted), in the six months ended June 30, 2017, compared to a net loss attributable to common stockholders of $619 million, or $2.71 per share (basic and diluted), in the six months ended June 30, 2016. This $388 million decrease in net loss in 2017 was primarily a result of increased income from operations and decreased derivative loss, net, which were partially offset by increased allocation of net income to non-controlling interest, increased interest expense, net of amounts capitalized, and loss on early extinguishment of debt.

Revenues

(in millions)	Three Months Ended June 30, 2017	2016	Change	Six Months Ended June 30, 2017	2016	Change
LNG revenues	$ 1,171	$ 110	$ 1,061	$ 2,314	$ 113	$ 2,201
Regasification revenues	65	65	—	130	130	—
Other revenues	4	2	2	7	3	4
Other—related party	1	—	1	1	—	1
Total revenues	$ 1,241	$ 177	$ 1,064	$ 2,452	$ 246	$ 2,206

We began recognizing LNG revenues from the SPL Project following the substantial completion and the commencement of operating activities of Train 1 in May 2016. Trains 2 and 3 subsequently achieved substantial completion in September 2016 and March 2017, respectively. The increase in revenues for the three and six months ended June 30, 2017 from the comparable periods in 2016 was attributable to both the increased volume of LNG sold that was recognized as revenues, as well as increased revenues per MMBtu. As additional Trains become operational, we expect our LNG revenues to increase in the future.

Prior to substantial completion of a Train, amounts received from the sale of commissioning cargoes from that Train are offset against LNG terminal construction-in-process because these amounts are earned or loaded during the testing phase for the construction of that Train. We realized offsets to LNG terminal costs of $39 million corresponding to 8 TBtu of LNG and $132 million corresponding to 31 TBtu of LNG in the three months ended June 30, 2017 and 2016, respectively, and $170 million corresponding to 26 TBtu of LNG and $146 million corresponding to 35 TBtu of LNG in the six months ended June 30, 2017 and 2016, respectively, that were related to the sale of commissioning cargoes.

The following table presents the components of LNG revenues (in millions) and the corresponding LNG volumes sold (in TBtu).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
LNG revenues *(in millions)*:				
LNG from the SPL Project sold under SPL's third party long-term SPAs	$ 492	$ 82	$ 954	$ 82
LNG from the SPL Project sold by our integrated marketing function	508	3	1,137	3
LNG procured from third parties	155	40	204	40
Other revenues and derivative gains (losses)	16	(15)	19	(12)
Total LNG revenues	$ 1,171	$ 110	$ 2,314	$ 113
Volumes sold as LNG revenues *(in TBtu)*:				
LNG from the SPL Project sold under SPL's third party long-term SPAs	81	18	157	18
LNG from the SPL Project sold by our integrated marketing function	79	1	143	1
LNG procured from third parties	15	4	19	4
Total volumes sold as LNG revenues	175	23	319	23

Operating costs and expenses

(in millions)	Three Months Ended June 30, 2017	2016	Change	Six Months Ended June 30, 2017	2016	Change
Cost of sales	$ 692	$ 85	$ 607	$ 1,316	$ 100	$ 1,216
Operating and maintenance expense	117	46	71	195	82	113
Development expense	1	1	—	4	3	1
Selling, general and administrative expense	61	72	(11)	115	138	(23)
Depreciation and amortization expense	90	33	57	160	57	103
Restructuring expense	—	16	(16)	6	23	(17)
Impairment expense	—	—	—	—	10	(10)
Other	6	—	6	6	—	6
Total operating costs and expenses	$ 967	$ 253	$ 714	$ 1,802	$ 413	$ 1,389

Our total operating costs and expenses increased during the three and six months ended June 30, 2017 from the comparable periods in 2016, primarily as a result of additional Trains that were operating between the periods. During the six months ended

June 30, 2017, Trains 1 and 2 were operating for six months and Train 3 was operating for three months, whereas only Train 1 was operating for one month during the comparable period in 2016.

Cost of sales increased during the three and six months ended June 30, 2017 from the comparable periods in 2016, primarily as a result of the increase in operating Trains during 2017. Cost of sales includes costs incurred directly for the production and delivery of LNG from the SPL Project, to the extent those costs are not utilized for the commissioning process. The increase during the three and six months ended June 30, 2017 from the comparable periods in 2016 was primarily related to the increase in both the volume and pricing of natural gas feedstock. Cost of sales also includes vessel charter costs, port and canal fees, gains and losses from derivatives associated with economic hedges to secure natural gas feedstock for the SPL Project, variable transportation and storage costs and other costs to convert natural gas into LNG.

Operating and maintenance expense increased during the three and six months ended June 30, 2017 from the comparable periods in 2016, as a result of the increase in operating Trains during 2017. Operating and maintenance expense includes costs associated with operating and maintaining the SPL Project and CCL Project. The increase during the three and six months ended June 30, 2017 from the comparable periods in 2016 was primarily related to natural gas transportation and storage capacity demand charges, third-party service and maintenance contract costs and payroll and benefit costs of operations personnel. Operating and maintenance expense also includes TUA reservation charges as a result of the commencement of payments under the partial TUA assignment agreement with Total, insurance and regulatory costs and other operating costs.

Depreciation and amortization expense increased during the three and six months ended June 30, 2017 from the comparable periods in 2016 as a result of increased number of operational Trains, as the assets related to the Trains of the SPL Project began depreciating upon reaching substantial completion.

As additional Trains become operational, we expect our operating costs and expenses to generally increase in the future, although certain costs will not proportionally increase with the number of operational Trains as cost efficiencies will be realized.

Partially offsetting the increases above was a decrease in selling, general and administrative expense, which was primarily due to the implementation of certain organizational changes and a reduction in professional services fees. Organizational initiatives were completed as of March 31, 2017.

Impairment expense decreased during the six months ended June 30, 2017 compared to the six months ended June 30, 2016. The impairment expense recognized during the six months ended June 30, 2016 related to a corporate airplane that was written down to fair value based on market-based appraisals, which was ultimately sold by the end of the year. The impairment was recognized due to the potential disposition of the airplane in connection with the Company having initiated organizational changes and the associated focus for financially disciplined investment.

Other expense (income)

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	2017	2016	Change	2017	2016	Change
Interest expense, net of capitalized interest	$ 188	$ 106	$ 82	$ 353	$ 182	$ 171
Loss on early extinguishment of debt	33	56	(23)	75	57	18
Derivative loss, net	36	91	(55)	35	272	(237)
Other expense (income)	(5)	7	(12)	(7)	6	(13)
Total other expense	$ 252	$ 260	$ (8)	$ 456	$ 517	$ (61)

Interest expense, net of capitalized interest, increased in the three and six months ended June 30, 2017, as compared to the three and six months ended June 30, 2016, primarily as a result of an increase in our indebtedness outstanding (before premium, discount and unamortized debt issuance costs), from $20.2 billion as of June 30, 2016 to $25.4 billion as of June 30, 2017, and a decrease in the portion of total interest costs that could be capitalized as Trains 1 through 3 of the SPL Project completed construction. For the three and six months ended June 30, 2017, we incurred $377 million and $731 million of total interest cost, respectively, of which we capitalized $189 million and $378 million, respectively, which was directly related to the construction of the SPL Project and the CCL Project. For the three and six months ended June 30, 2016, we incurred $316 million and $609 million of total interest cost, respectively, of which we capitalized $210 million and $427 million, respectively, which was directly related to the construction of the SPL Project and the CCL Project.

Loss on early extinguishment of debt decreased during the three months ended June 30, 2017, as compared to the three months ended June 30, 2016, and increased during the six months ended June 30, 2017, as compared to the six months ended June 30, 2016. Loss on early extinguishment of debt recognized during the three and six months ended June 30, 2017 was attributable

to the write-offs of debt issuance costs of $42 million in March 2017 upon termination of the remaining available balance of $1.6 billion under the 2015 SPL Credit Facilities in connection with the issuance of the 2028 SPL Senior Notes and the write-off of $33 million in May 2017 upon the prepayment of approximately $1.4 billion of outstanding borrowings under the 2015 CCH Credit Facility in connection with the issuance of the 2027 CCH Senior Notes. Loss on early extinguishment of debt during the three and six months ended June 30, 2016 was primarily attributable to the write-offs of debt issuance costs of $29 million in May 2016 upon the prepayment of approximately $1.1 billion of outstanding borrowings under the 2015 CCH Credit Facility in connection with the issuance of the 2024 CCH Senior Notes and the write-off of $26 million in June 2016 upon the prepayment of approximately $1.3 billion of outstanding borrowings under the 2015 SPL Credit Facilities in connection with the issuance of the 2026 SPL Senior Notes.

Derivative loss, net decreased during the three and six months ended June 30, 2017 from the comparable periods in 2016, primarily due to a favorable shift in the long-term forward LIBOR curve between the periods. During the six months ended June 30, 2017, we also recognized a $7 million loss in March 2017 upon the settlement of interest rate swaps associated with approximately $1.6 billion of commitments that were terminated under the 2015 SPL Credit Facilities and a $13 million loss in May 2017 in conjunction with the termination of approximately $1.4 billion of commitments under the 2015 CCH Credit Facility.

Other

	Three Months Ended June 30,			Six Months Ended June 30,		
(in millions)	2017	2016	Change	2017	2016	Change
Income tax benefit (provision)	$ 1	$ (1)	$ 2	$ 1	$ —	$ 1
Net income (loss) attributable to non-controlling interest	306	(37)	343	424	(65)	489

Net income attributable to non-controlling interest increased during the three and six months ended June 30, 2017 from the comparable periods in 2016 primarily due to the amortization of the beneficial conversion feature on Cheniere Partners' Class B units and increase in consolidated net income recognized by Cheniere Partners in which the non-controlling interest is held. Net income attributable to non-controlling interest was increased by $292 million and $375 million for amortization of the beneficial conversion feature on Cheniere Partners' Class B units during the three and six months ended June 30, 2017, respectively. The consolidated net income recognized by Cheniere Partners increased from a net loss of $100 million and $175 million in the three and six months ended June 30, 2016, respectively, to net income of $46 million and $93 million in the three and six months ended June 30, 2017, respectively, primarily as a result of the additional Trains that were operating at the SPL Project between the periods, which was partially offset by increased interest expense, net of amounts capitalized.

Off-Balance Sheet Arrangements

We have interests in an unconsolidated variable interest entity ("VIE") as discussed in Note 7—Other Non-Current Assets of our Notes to Consolidated Financial Statements in this quarterly report, which we consider to be an off-balance sheet arrangement. We believe that this VIE does not have a current or future material effect on our consolidated financial position or operating results.

Summary of Critical Accounting Estimates

The preparation of our Consolidated Financial Statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and the accompanying notes. There have been no significant changes to our critical accounting estimates from those disclosed in our annual report on Form 10-K for the year ended December 31, 2016.

Recent Accounting Standards

For descriptions of recently issued accounting standards, see Note 18—Recent Accounting Standards of our Notes to Consolidated Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Cash Investments

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

Marketing and Trading Commodity Price Risk

We have entered into commodity derivatives consisting of natural gas supply contracts to secure natural gas feedstock for the SPL Project and the CCL Project ("Liquefaction Supply Derivatives"). We have also entered into financial derivatives to hedge the exposure to the commodity markets in which we have contractual arrangements to purchase or sell physical LNG ("LNG Trading Derivatives"). In order to test the sensitivity of the fair value of the Liquefaction Supply Derivatives and the LNG Trading Derivatives to changes in underlying commodity prices, management modeled a 10% change in the commodity price for natural gas for each delivery location and a 10% change in the commodity price for LNG, respectively, as follows (in millions):

	June 30, 2017		December 31, 2016	
	Fair Value	Change in Fair Value	Fair Value	Change in Fair Value
Liquefaction Supply Derivatives	$ 42	$ 2	$ 73	$ 6
LNG Trading Derivatives	—	1	(3)	—

See Note 6—Derivative Instruments for additional details about our derivative instruments.

Interest Rate Risk

SPL, CQP and CCH have entered into interest rate swaps to hedge the exposure to volatility in a portion of the floating-rate interest payments under the 2015 SPL Credit Facilities ("SPL Interest Rate Derivatives"), the 2016 CQP Credit Facilities ("CQP Interest Rate Derivatives") and the 2015 CCH Credit Facility ("CCH Interest Rate Derivatives" and collectively, with the SPL Interest Rate Derivatives and the CQP Interest Rate Derivatives, the "Interest Rate Derivatives"), respectively. In order to test the sensitivity of the fair value of the Interest Rate Derivatives to changes in interest rates, management modeled a 10% change in the forward 1-month LIBOR curve across the remaining terms of the Interest Rate Derivatives as follows (in millions):

	June 30, 2017		December 31, 2016	
	Fair Value	Change in Fair Value	Fair Value	Change in Fair Value
SPL Interest Rate Derivatives	$ —	$ —	$ (6)	$ 2
CQP Interest Rate Derivatives	13	5	13	6
CCH Interest Rate Derivatives	(85)	44	(86)	52

Foreign Currency Exchange Risk

We have entered into foreign currency exchange ("FX") contracts to hedge exposure to currency risk associated with operations in countries outside of the United States ("FX Derivatives"). In order to test the sensitivity of the fair value of the FX Derivatives to changes in FX rates, management modeled a 10% change in FX rate between the U.S. dollar and the applicable foreign currencies. This 10% change in FX rates would have resulted in an immaterial change in the fair value of the FX Derivatives as of both June 30, 2017 and December 31, 2016.

ITEM 4. CONTROLS AND PROCEDURES

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

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We may in the future be involved as a party to various legal proceedings, which are incidental to the ordinary course of business. We regularly analyze current information and, as necessary, provide accruals for probable liabilities on the eventual disposition of these matters.

Parallax Litigation

In 2015, Cheniere's wholly owned subsidiary, Cheniere LNG Terminals, LLC ("CLNGT"), entered into discussions with Parallax Enterprises, LLC ("Parallax Enterprises") regarding the potential joint development of two liquefaction plants in Louisiana (the "Potential Liquefaction Transactions"). While the parties negotiated regarding the Potential Liquefaction Transactions, CLNGT loaned Parallax Enterprises approximately $46 million, as reflected in a secured note dated April 23, 2015, as amended on June 30, 2015, September 30, 2015 and November 4, 2015 (the "Secured Note"). The Secured Note was secured by all assets of Parallax Enterprises and its subsidiary entities. On June 30, 2015, Parallax Enterprises' parent entity, Parallax Energy LLC ("Parallax Energy"), executed a Pledge and Guarantee Agreement further securing repayment of the Secured Note by providing a parent guaranty and a pledge of all of the equity of Parallax Enterprises in satisfaction of the Secured Note (the "Pledge Agreement"). CLNGT and Parallax Enterprises never executed a definitive agreement to pursue the Potential Liquefaction Transactions. The Secured Note matured on December 11, 2015, and Parallax Enterprises failed to make payment. On February 3, 2016, CLNGT filed an action against Parallax Energy, Parallax Enterprises, and certain of Parallax Enterprises' subsidiary entities, styled Cause No. 4:16-cv-00286, Cheniere LNG Terminals, LLC v. Parallax Energy LLC, et al., in the United States District Court for the Southern District of Texas (the "Texas Federal Suit"). CLNGT asserted claims in the Texas Federal Suit for (1) recovery of all amounts due under the Secured Note and (2) declaratory relief establishing that CLNGT is entitled to enforce its rights under the Secured Note and Pledge Agreement in accordance with each instrument's terms and that CLNGT has no obligations of any sort to Parallax Enterprises concerning the Potential Liquefaction Transactions. On March 11, 2016, Parallax Enterprises and the other defendants in the Texas Federal Suit moved to dismiss the suit for lack of subject matter jurisdiction. On August 2, 2016, the court denied the defendants' motion to dismiss without prejudice and permitted the parties to pursue jurisdictional discovery.

On March 11, 2016, Parallax Enterprises filed a suit against Cheniere and CLNGT styled Civil Action No. 62-810, Parallax Enterprises LLP v. Cheniere Energy, Inc. and Cheniere LNG Terminals, LLC, in the 25th Judicial District Court of Plaquemines Parish, Louisiana (the "Louisiana Suit"), wherein Parallax Enterprises asserted claims for breach of contract, fraudulent inducement, negligent misrepresentation, detrimental reliance, unjust enrichment and violation of the Louisiana Unfair Trade Practices Act. Parallax Enterprises predicated its claims in the Louisiana Suit on an allegation that Cheniere and CLNGT breached a purported agreement to jointly develop the Potential Liquefaction Transactions. Parallax Enterprises sought $400 million in alleged economic damages and rescission of the Secured Note. On April 15, 2016, Cheniere and CLNGT removed the Louisiana Suit to the United States District Court for the Eastern District of Louisiana, which subsequently transferred the Louisiana Suit to the United States District Court for the Southern District of Texas, where it was assigned Civil Action No. 4:16-cv-01628 and transferred to the same judge presiding over the Texas Federal Suit for coordinated handling. On August 22, 2016, Parallax Enterprises voluntarily dismissed all claims asserted against CLNGT and Cheniere in the Louisiana Suit without prejudice to refiling.

On July 27, 2017, the Parallax entities named as defendants in the Texas Federal Suit reurged their motion to dismiss and simultaneously filed counterclaims against CLNGT and third party claims against Cheniere for breach of contract, breach of fiduciary duty, promissory estoppel, quantum meruit, and fraudulent inducement of the Secured Note and Pledge Agreement, based on substantially the same factual allegations Parallax Enterprises made in the Louisiana Suit. These Parallax entities also simultaneously filed an action styled Cause No. 2017-49685, Parallax Enterprises, LLC, et al. v. Cheniere Energy, Inc., et al., in the 61st District Court of Harris County, Texas (the "Texas State Suit"), which asserts the same claims these entities asserted in the Texas Federal Suit. On July 31, 2017, CLNGT withdrew its opposition to the dismissal of the Texas Federal Suit without prejudice on jurisdictional grounds. Cheniere and CLNGT simultaneously filed an answer and counterclaims in the Texas State Suit, asserting the same claims CLNGT had previously asserted in the Texas Federal Suit. Additionally, CLNGT filed third party claims against Parallax principals Martin Houston, Christopher Bowen Daniels, Howard Candelet, and Mark Evans, as well as Tellurian Investments, Inc. and Driftwood LNG, LLC, including claims for tortious interference with CLNGT's collateral rights under the Secured Note and Pledge Agreement.

Cheniere does not expect that the resolution of this litigation will have a material adverse impact on its financial results.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in our annual report on Form 10-K for the year ended December 31, 2016.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

The following table summarizes stock repurchases for the three months ended June 30, 2017:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as a Part of Publicly Announced Plans	Maximum Number of Shares That May Yet Be Purchased Under the Plans
April 1 - 30, 2017	14,831	$47.27	—	—
May 1 - 31, 2017	19,183	$47.53	—	—
June 1 - 30, 2017	6,293	$49.26	—	—

(1) Represents shares surrendered to us by participants in our share-based compensation plans to settle the participants' personal tax liabilities that resulted from the lapsing of restrictions on shares awarded to the participants under these plans.

(2) The price paid per share was based on the closing trading price of our common stock on the dates on which we repurchased shares from the participants under our share-based compensation plans.

Sale of Unregistered Securities

On February 28, 2017, we issued 59,116 unregistered shares of our common stock to Pacific Capital Management, LLC in reliance upon the exemption from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, pursuant to a privately negotiated stock-for-stock exchange transaction in which we acquired 115,348 common shares representing limited liability company interests in Cheniere Holdings.

ITEM 5. OTHER INFORMATION

Compliance Disclosure

Pursuant to Section 13(r) of the Exchange Act, if during the quarter ended June 30, 2017, we or any of our affiliates had engaged in certain transactions with Iran or with persons or entities designated under certain executive orders, we would be required to disclose information regarding such transactions in our quarterly report on Form 10-Q as required under Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012. During the quarter ended June 30, 2017, we did not engage in any transactions with Iran or with persons or entities related to Iran.

ITEM 6. EXHIBITS

Exhibit No.	Description
4.1	Second Supplemental Indenture, dated as of May 19, 2017, among Cheniere Corpus Christi Holdings, LLC, as issuer, Corpus Christi Liquefaction, LLC, Cheniere Corpus Christi Pipeline, L.P. and Corpus Christi Pipeline GP, LLC, as guarantors, and The Bank of New York Mellon, as trustee (Incorporated by reference to Exhibit 4.1 to CCH's Current Report on Form 8-K (SEC File No. 333-215435), filed on May 19, 2017)
4.2	Form of 5.125% Senior Secured Note due 2027 (Included as Exhibit A-1 to Exhibit 4.1 above)
10.1*†	Cheniere Energy, Inc. 2011 Incentive Plan (as amended through April 13, 2017)
10.2*†	Amended and Restated Cheniere Energy, Inc. Key Executive Severance Pay Plan
10.3	Registration Rights Agreement, dated as of May 19, 2017, among Cheniere Corpus Christi Holdings, LLC and Corpus Christi Liquefaction, LLC, Cheniere Corpus Christi Pipeline, L.P. and Corpus Christi Pipeline GP, LLC, as guarantors, and RBC Capital Markets, LLC, for itself and as representative of the purchasers (Incorporated by reference to Exhibit 10.1 to CCH's Current Report on Form 8-K (SEC File No. 333-215435), filed on May 19, 2017)
10.4	Change orders to the Lump Sum Turnkey Agreement for the Engineering, Procurement and Construction of the Sabine Pass LNG Liquefaction Facility, dated as of November 11, 2011, between Sabine Pass Liquefaction, LLC and Bechtel Oil, Gas and Chemicals, Inc.: (i) the Change Order CO-00057 Process Flare Provisional Sum Closeout, dated April 4, 2017 and (ii) the Change Order CO-00058 Louisiana Sales and Use Tax Provisional Sum Closeout, dated May 4, 2017 (Incorporated by reference to Exhibit 10.40 to SPL's Registration Statement on Form S-4 (SEC File No. 333-218646), filed on June 9, 2017)
10.5	Change orders to the Lump Sum Turnkey Agreement for the Engineering, Procurement and Construction of the Sabine Pass LNG Stage 2 Liquefaction Facility, dated as of December 20, 2012, between Sabine Pass Liquefaction, LLC and Bechtel Oil, Gas and Chemicals, Inc.: (i) the Change Order CO-00035 Ingersoll Rand Vendor HAZOP Updates, dated April 4, 2017 and (ii) the Change Order CO-00036 Process Flare Provisional Sum Transfer, dated April 4, 2017 (Incorporated by reference to Exhibit 10.55 to SPL's Registration Statement on Form S-4 (SEC File No. 333-218646), filed on June 9, 2017)
10.6	Change orders to the Lump Sum Turnkey Agreement for the Engineering, Procurement and Construction of the Sabine Pass LNG Stage 3 Liquefaction Facility, dated as of May 4, 2015, between Sabine Pass Liquefaction, LLC and Bechtel Oil, Gas and Chemicals, Inc.: (i) the Change Order CO-00018 Stage 3 Process Flare Modification, dated March 10, 2017, (ii) the Change Order CO-00019 Site Drainage Design Change: Permanent Drainage Implementation, dated March 10, 2017 and (iii) the Change Order CO-00020 Soils Provisional Sum Partial True-up RECON 2, dated March 13, 2017 (Incorporated by reference to Exhibit 10.64 to SPL's Registration Statement on Form S-4 (SEC File No. 333-218646), filed on June 9, 2017)
10.7	Change orders to the Fixed Price Separated Turnkey Agreement for the Engineering, Procurement and Construction of the Corpus Christi Stage 1 Liquefaction Facility, dated as of December 6, 2013, between Corpus Christi Liquefaction, LLC and Bechtel Oil, Gas and Chemicals, Inc.: (i) the Change Order CO-00034 Condensate Tie-In, Utility Water Tie-In, and Feed Gas Tie-In Relocation, dated April 18, 2017 and (ii) the Change Order CO-00035 Nitrogen Tie-In Relocation, dated April 21, 2017 (Portions of this exhibit have been omitted and filed separately with the SEC pursuant to a request for confidential treatment.) (Incorporated by reference to Exhibit 10.1 to CCH's Quarterly Report on Form 10-Q (SEC File No. 333-215435), filed on August 7, 2017)
31.1*	Certification by Chief Executive Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act
31.2*	Certification by Chief Financial Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act
32.1**	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan or arrangement.

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, thereunto duly authorized.

CHENIERE ENERGY, INC.

Date: August 7, 2017 By: /s/ Michael J. Wortley

Michael J. Wortley

Executive Vice President and Chief Financial Officer

(on behalf of the registrant and as principal financial officer)

Date: August 7, 2017 By: /s/ Leonard Travis

Leonard Travis

Vice President and Chief Accounting Officer

(on behalf of the registrant and as principal accounting officer)

Exhibit 10.1

CHENIERE ENERGY, INC.

2011 INCENTIVE PLAN

(As amended through April 13, 2017)

Table of Contents

CHENIERE ENERGY, INC.

2011 INCENTIVE PLAN

(As amended through April 13, 2017)

1. **ESTABLISHMENT OF PLAN.** Cheniere Energy, Inc. established the "Cheniere Energy, Inc. 2011 Incentive Plan" effective as of June 16, 2011. The Plan was amended and restated by the Board on April 13, 2017, subject to the approval of the Company's shareholders. The amendments made to the Plan in 2017 shall affect only Awards granted under the Plan after the date on which the Company's shareholders approve the amended and restated Plan (the "Effective Date"). Awards granted under the Plan prior to the Effective Date shall be governed by the terms and conditions of the Plan as in effect prior to the Effective Date and the applicable Award Agreements.

2. **PURPOSES**. The purposes of the Plan are (i) to offer selected Employees, including Executive Officers, Consultants and Non-Employee Directors of the Company or its Affiliates an opportunity to participate in the growth and financial success of the Company, (ii) to provide the Company an opportunity to attract and retain the best available personnel for positions of substantial responsibility, (iii) to provide performance-related incentives to certain of such Employees and Consultants to achieve established Performance Goals, and (iv) to promote the growth and success of the Company's business by aligning the financial interests of Employees, Consultants and Non-Employee Directors with that of the stockholders of the Company. Toward these objectives, this Plan provides for the grant of performance and non- performance-based equity Awards and performance-based Cash Awards.

3. DEFINITIONS. As used herein, unless the context requires otherwise, the following terms have the meanings indicated below.

(a) *"Addendum"* means an addendum to the Plan approved by the Compensation Committee, as constituted from time to time, of the Board containing terms, conditions and limitations applicable to certain Awards to Employees and other individuals described in the addendum who, in each case, are residents of a country other than the United States to which such addendum relates. An Award to an individual under an Addendum shall be made pursuant to, and subject to the terms and conditions of, the Plan, as modified by the terms of the Addendum.

(b) "*Affiliate*" means (i) any entity in which the Company, directly or indirectly, owns 10% or more of the combined voting power, as determined by the Committee, (ii) any "parent corporation" of the Company (as defined in section 424(e) of the Code), (iii) any "subsidiary corporation" of any such parent corporation (as defined in section 424(f) of the Code) of the Company and (iv) any trades or businesses, whether or not incorporated which are members of a controlled group or are under common control (as defined in Sections 414(b) or (c) of the Code) with the Company; *provided, however*, with respect to Awards of Options and Stock Appreciation Rights that are intended to be excluded from the application of Section 409A of the Code, the term affiliate will be applied in a manner to ensure that the Common Stock covered by such Awards would be "service recipient stock" with respect to the Participants to whom the Awards are granted; and *provided further, however* , with respect to Awards of Options that are intended to be Incentive Stock Options, Affiliate means an entity described in clauses (ii) and (iii) of this Section 3(b) and any other entity as may be permitted from time to time by the Code or by the Internal Revenue Service to be an employer of Employees to whom Incentive Stock Options may be granted.

(c) "*Award*" means any right granted under the Plan (or under the Plan as modified by an Addendum), including an Option, a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right, Bonus Stock, a Cash Award, a Performance Award, a Phantom Stock Award, and an Other Stock or Performance-Based Award, whether granted singly or in combination, to a Participant pursuant to the terms, conditions and limitations that the Committees may establish in order to fulfill the objectives of the Plan. An Award may be granted under the Plan pursuant to a written Award agreement between the Company and a Participant, a written Award notice provided to the Participant of the Award, or a written program adopted by the Company or the Committee establishing Awards under the Plan. Notwithstanding any other provision of the Plan relating to Award agreements, an Award and related documents, including the Plan and any prospectus for the Plan, may be delivered to a Participant in electronic format pursuant to such policies and procedures as adopted from time to time by the Company. If an Award or related documents are delivered in an electronic format and the Participant consents to participate in the electronic Award procedures established by the Company with respect to the Plan by using his personal identification number to access the Award documents, such action by the Participant shall constitute the Participant's electronic signature and acceptance of the terms and conditions of the Award.

(d) "*Board*" means the Board of Directors of the Company.

(e) "*Bonus Stock Award*" means an Award grant under Section 9 of the Plan.

(f) "*Cash Award*" means an Award granted pursuant to Section 13 of the Plan.

(g) "*Cause*" means:

(i) in the case of a Director, the commission of an act of fraud or intentional misrepresentation or an act of embezzlement, misappropriation or conversion of assets or opportunities of the Company or any Affiliate;

(ii) in the case of a Participant whose employment with the Company or an Affiliate is subject to the terms of a written employment agreement between such Participant and the Company or Affiliate, which employment agreement includes a definition of "Cause," the term "Cause" as used in the Plan or any agreement establishing an Award shall have the meaning set forth in such employment agreement during the period that such employment agreement remains in effect;

(iii) in the case of a Participant who is eligible for benefits under a severance plan sponsored by the Company or one of its Affiliates, the term "Cause" as used in the Plan or any agreement establishing an Award shall have the meaning set forth in such severance plan during the period that the Participant remains eligible for benefits under that plan; and

(iv) in all other cases,

(A) the willful commission by the Participant of a crime or other act of misconduct that causes or is likely to cause substantial economic damage to the Company or an Affiliate or substantial injury to the business reputation of the Company or an Affiliate; or

(B) the commission by the Participant of an act of fraud in the performance of the Participant's duties on behalf of the Company or an Affiliate; or

(C) the willful and material violation by the Participant of the Company's Code of Business Conduct and Ethics Policy; or

(D) the continuing and repeated failure of the Participant to perform his or her duties to the Company or an Affiliate, including by reason of the Participant's habitual absenteeism (other than such failure resulting from the Participant's incapacity due to physical or mental illness), which, with respect to Executive Officers, has continued for a period of at least thirty (30) days following delivery of a written demand for substantial performance to the Participant by the Board which specifically identifies the manner in which the Board believes that the Participant has not performed his or her duties.

For purposes of the Plan, no act, or failure to act, on the Participant's part shall be considered "willful" unless done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant's action or omission was in the best interest of the Company or an Affiliate, as the case may be. The determination of whether Cause exists with respect to an Executive Officer shall be made by the Board (or its designee) in its sole discretion and with respect to all other Participants, the existence of Cause shall be determined by the Company's Chief Human Resources Officer or, if none, the most senior human resources officer in his or her sole discretion in consultation with the Company's General Counsel.

(h) "*Change in Control*" means the occurrence during the term hereof of any of the following events:

(i) any "person" (as defined in Section 3(a)(9) of the Exchange Act, and as modified in Section 13(d) and 14(d) of the Exchange Act) other than (A) the Company or any Affiliate, (B) any employee benefit plan of the Company or of any Affiliate, (C) an entity owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company, or (D) an underwriter temporarily holding securities pursuant to an offering of such securities, becomes the "beneficial owner" (as defined in Rule 13d-3(a) of the Exchange Act), directly or indirectly, of securities of the Company representing 50.1% or more of the shares of voting stock of the Company then outstanding;

(ii) the consummation of any merger, organization, business combination or consolidation of the Company with or into any other company, other than a merger, reorganization, business combination or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding securities which represent immediately after such merger, reorganization, business combination or consolidation more than 50% of the combined voting power of the voting securities of the Company or the surviving company or the parent of such surviving company;

(iii) the consummation of a sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition if the holders of the voting securities of the Company outstanding immediately prior thereto hold securities immediately thereafter which represent more than 50% of the combined voting power of the voting securities of the acquiror, or parent of the acquiror, of such assets, or the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company; or

(iv) individuals who, as of the Effective Date, constitute the Board (the " Incumbent Board") cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that any individual becoming a director subsequent to the Effective Date whose nomination by the Board was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an election contest or threatened

election contest with respect to the election or removal of directors or other solicitation of proxies or consents by or on behalf of a person other than the Board.

Notwithstanding the foregoing, a Change in Control shall not occur or be deemed to occur if any event set forth in subsections (i) - (iv) above, which would otherwise constitute a Change in Control, occurs as a direct result of the consummation of a transaction solely between the Company and one or more of its controlled Affiliates.

Notwithstanding the foregoing, however, in any circumstance or transaction in which compensation payable pursuant to the Plan would be subject to the income tax under the Section 409A Rules if the foregoing definition of "Change in Control" were to apply, but would not be so subject if the term "Change in Control" were defined herein to mean a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5), then "Change in Control" means, but only to the extent necessary to prevent such compensation from becoming subject to the income tax under the Section 409A Rules, a transaction or circumstance that satisfies the requirements of both (1) a Change in Control under the applicable clause (i) through (iv) above, and (2) a "change in control event" within the meaning of Treasury Regulation Section § 1.409A-3(i)(5).

(i) "*Chief Executive Officer*" means the individual serving at any relevant time as the chief executive officer of the Company.

(j) "*Code*" means the Internal Revenue Code of 1986, as amended, and any successor statute. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any Treasury regulations promulgated under such section.

(k) "*Committee*" means the Compensation Committee, as constituted from time to time, of the Board that is appointed by the Board to administer the Plan, or if no such committee is appointed (or no such committee shall be in existence at any relevant time), the term "Committee" for purposes of the Plan shall mean the Board; *provided, however*, that as necessary in each case to satisfy the requirements of Sections 162(m) of the Code and Rule 16b-3 with respect to Awards granted under the Plan, while the Common Stock is publicly traded, the Committee shall be a committee of the Board consisting solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, and/or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3. Notwithstanding the foregoing provisions, (i) the Board may delegate to a committee of one or more members of the Board who are not Outside Directors or Non-Employee Directors (the "Equity Grant Committee") the authority to grant equity-based awards, including Options, Restricted Stock Awards and Restricted Stock Unit Awards, subject to the terms of the Plan, including specifically the limitations contained in Section 6 and any additional limitations as may be contained in resolutions adopted by the Board from time to time, to selected Employees and Consultants who are not then (A) Executive Officers, (B) Non-Employee Directors or (C) persons with respect to whom the Company wishes to comply with Section 162(m) of the Code and (ii) the Board or the Compensation Committee of the Board may delegate to one or more Executive Officers of the Company (the "Option Grant Committee") the authority to grant Options, subject to the terms of the Plan, including specifically the limitations contained in Section 6 and any additional limitations as may be contained in resolutions adopted by the Board or the Compensation Committee from time to time, to Employees (other than Employees who are Executive Officers or persons with respect to whom the Company wishes to comply with Section 162(m) of the Code) and Consultants. When used in the Plan, except as provided otherwise in Section 12(a), the term "Committees" shall refer to the Committee, the Equity Grant Committee and the Option Grant Committee, each acting within the scope of its authority under the Plan with respect to the matter covered by the particular reference.

(l) *"Common Stock*" means the common stock of the Company, $0.003 par value per share or the common stock that the Company may in the future be authorized to issue.

(m) "*Company*" means Cheniere Energy, Inc., a Delaware corporation, and any successor corporation.

(n) "*Consultant*" means any person (other than an Employee or a Director, solely with respect to rendering services in such person's capacity as a Director) who is engaged by the Company or any Affiliate to render consulting or advisory services to the Company or such Affiliate and who is a "consultant or advisor" within the meaning of Rule 701 promulgated under the Securities Act or Form S-8 promulgated under the Securities Act.

(o) "*Continuous Service*" means the provision of services to the Company or an Affiliate, or any successor, as an Employee, Director or Consultant which is not interrupted or terminated. Except as otherwise provided in a particular Award agreement, service shall not be considered interrupted or terminated for this purpose in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Affiliate, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or an Affiliate, or any successor, as an Employee, Director or Consultant. An approved leave of absence shall include sick leave, military leave or any other authorized personal leave. For purposes of each Incentive Stock Option, if such leave exceeds ninety (90) days, and re-employment upon expiration of such leave is not guaranteed by statute or contract, then the Incentive Stock Option shall be treated as a Non-Qualified Stock Option on the day that is three (3) months and one (1) day following the expiration of such ninety (90)-day period.

(p) "*Covered Employee*" means the Chief Executive Officer and each other officer of the Company who is required to be treated as a "covered employee" for purposes of applying Section 162(m) of the Code to Awards, including, if applicable, by reason of formal interpretations issued by the Internal Revenue Service.

(q) "*Director*" means a member of the Board or the board of directors of an Affiliate.

(r) "*Disability*" means the "disability" of a person as defined in a then effective long-term disability plan maintained by the Company that covers such person or, if such a plan does not exist at any relevant time, the permanent and total disability of a person within the meaning of Section 22(e)(3) of the Code. For purposes of determining the time during which an Incentive Stock Option may be exercised under the terms of an Option Agreement, "Disability" means the permanent and total disability of a person within the meaning of Section 22(e)(3) of the Code. Section 22(e)(3) of the Code provides that an individual is totally and permanently disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(s) "*Employee*" means any person, including an Executive Officer or Director, who is employed by the Company or an Affiliate. The payment of compensation by the Company or an Affiliate to a Director or Consultant solely with respect to such individual rendering services in the capacity of a Director or Consultant, however, shall not be sufficient to constitute "employment" by the Company or that Affiliate.

(t) "*Executive Officer*" means a person who is an "officer" of the Company or any Affiliate within the meaning of Section 16 of the Exchange Act (whether or not the Company is subject to the requirements of the Exchange Act).

(u) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and any successor statute. Reference in the Plan to any section of the Exchange Act shall be deemed to include any amendments or successor provisions to such section and any rules and regulations relating to such section.

(v) "*Fair Market Value*" means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock has an established market by virtue of being listed or quoted on any registered stock exchange, the Fair Market Value of a share of Common Stock shall be the closing sales price for such a share of Common Stock (or the closing bid price, if applicable) on such exchange (or, if the Common Stock is listed or traded on more than one registered exchange, on the exchange with the greatest volume of trading in the Common Stock) on the day of determination (or if no such price is reported on that day, on the last market trading day prior to the day of determination), as reported in *The Wall Street Journal* or such other source as the Committee deems reliable.

(ii) In the absence of any listing or quotation of the Common Stock on any such registered exchange, the Fair Market Value shall be determined in good faith by the Committee.

(w) "*Incentive Stock Option*" means any Option that satisfies the requirements of Section 422 of the Code and is granted pursuant to Section 8 of the Plan.

(x) "*Non-Employee Director*" means a Director of the Company who either (i) is not an Employee or Officer, does not receive compensation (directly or indirectly) from the Company or an Affiliate in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K), does not possess an interest in any other transaction as to which disclosure would be required under Item 404(a) of Regulation S-K and is not engaged in a business relationship as to which disclosure would be required under Item 404(b) of Regulation S-K or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(y) "*Non-Qualified Stock Option*" means an Option granted under 8 of the Plan that is not intended to be an Incentive Stock Option.

(z) "*Option*" means an Award granted pursuant to Section 8 of the Plan to purchase a specified number of shares of Common Stock during the Option period for a specified exercise price, whether granted as an Incentive Stock Option or as a Non-Qualified Stock Option.

(aa) "*Option Agreement*" means the written agreement or notice evidencing the grant of an Option executed by the Company and the Optionee or issued by the Company and accepted by the Optionee, including any amendments thereto. Each Option Agreement shall be subject to the terms and conditions of the Plan. If an Option Agreement or related document is delivered to a Participant by electronic means, and the Participant consents to participate in the electronic Award procedures adopted by the Company by using his personal identification number to access the Award documents, such action by the Participant shall constitute the Participant's electronic signature and acceptance of the terms and conditions of the Award.

(ab) "*Optionee*" means a Participant to whom an Option has been granted under the Plan.

(ac) "*Other Stock or Performance-Based Award*" means an award granted pursuant to Section 14 the Plan that is not otherwise specifically provided for in the Plan, the value of which is based in whole or in part upon the value of a share of Common Stock.

(ad) "*Outside Director*" means a Director of the Company who either (i) is not a current employee of the Company or an "affiliated corporation" (within the meaning of the Treasury regulations promulgated under Section 162(m) of the Code), is not a former employee of the Company or an "affiliated corporation" receiving compensation for prior services (other than benefits under a tax qualified pension plan), has not been an officer of the Company or an "affiliated corporation" at any time and is not currently receiving (within the meaning of the regulations promulgated under Section 162(m) of the Code) direct or indirect remuneration from the Company or an "affiliated corporation" for services in any capacity other than as a Director, or (ii) is otherwise considered an "outside director" for purposes of Section 162(m) of the Code.

(ae) "*Participant*" means any Employee, Non-Employee Director, or Consultant to whom an Award has been granted under the Plan.

(af) "*Performance Award*" means an Award granted pursuant to Section 13 of the Plan to a Participant that is subject to the attainment of one or more Performance Goals.

(ag) "*Performance-Based Compensation*" means "performance-based compensation" as described in Section 162(m)(4)(C) of the Code.

(ah) "*Performance Goal*" means a standard established by the Committee based on one or more business criteria described in Section 13 to determine in whole or in part whether a Performance Award shall be earned.

(ai) "*Performance Period*" shall mean that period established by the Committee at the time any Performance Award is granted or, except in the case of any grant to a Covered Employee, at any time thereafter, during which any Performance Goals specified by the Committee with respect to such Award are to be measured.

(aj) "*Phantom Stock Agreement*" means the written agreement evidencing a Phantom Stock Award. Each Phantom Stock Agreement shall be subject to the terms and conditions of the Plan.

(ak) "*Phantom Stock Award*" means an Award granted pursuant to Section 11 of the Plan.

(al) "*Plan*" means this Cheniere Energy, Inc. 2011 Incentive Plan, as set forth herein and as it may be amended from time to time.

(am) "*Regulation S-K*" means Regulation S-K promulgated under the Securities Act, as it may be amended from time to time, and any successor to Regulation S-K. Reference in the Plan to any item of Regulation S-K shall be deemed to include any amendments or successor provisions to such item.

(an) "*Restricted Period*" means the period established by the Committee with respect to an Award during which the Award is subject to forfeiture or is not exercisable by the Participant and with respect to a Restricted Stock Award, the period during which the Forfeiture Restrictions as described in Section 12(a) apply to the Award.

(ao) "*Restricted Stock Agreement*" means the written agreement evidencing the grant of a Restricted Stock Award executed by the Company and the Participant or issued by the Company and accepted by the Participant, including any amendments thereto. Each Restricted Stock Agreement shall be subject to the terms and conditions of the Plan. If a Restricted Stock Agreement or related document is delivered to a Participant by electronic means, and the Participant consents to participate in the electronic Award procedures adopted by the Company by using his personal identification number to access the Award documents, such action by the Participant shall constitute the Participant's electronic signature and acceptance of the terms and conditions of the Award.

(ap) "*Restricted Stock Award*" means an Award granted under Section 12(a) of the Plan of shares of Common Stock issued to the Participant for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions and other terms and conditions, as are established by the Committee.

(aq) "*Restricted Stock Unit Agreement*" means the written agreement evidencing the grant of a Restricted Stock Unit Award executed by the Company and the Participant or issued by the Company and accepted by the Participant, including any amendments thereto. Each Restricted Stock Unit Agreement shall be subject to the terms and conditions of the Plan. If a Restricted Stock Unit Agreement or related document is delivered to a Participant by electronic means, and the Participant consents to participate in the electronic Award procedures adopted by the Company by using his personal identification number to access the Award documents, such action by the Participant shall constitute the Participant's electronic signature and acceptance of the terms and conditions of the Award.

(ar) "*Restricted Stock Unit Award*" means an Award granted under Section 12(b) of the Plan.

(as) "*Rule 16b-3*" means Rule 16b-3 promulgated under the Exchange Act, as it may be amended from time to time, and any successor to Rule 16b-3.

(at) "*Section*" means a section of the Plan unless otherwise stated or the context otherwise requires.

(au) "*Securities Act*" means the Securities Act of 1933, as amended, and any successor statute. Reference in the Plan to any section of the Securities Act shall be deemed to include any amendments or successor provisions to such section and any rules and regulations relating to such section.

(av) "*Stock Appreciation Rights*" means an Award granted under Section 10 of the Plan.

(aw) "*Stock Appreciation Rights Agreement*" means a written agreement with a Participant with respect to an Award of Stock Appreciation Rights.

(ax) "*Ten Percent Stockholder*" means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) at the time an Option is granted stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any of its Affiliates.

4. INCENTIVE AWARDS AVAILABLE UNDER THE PLAN . Awards granted under this Plan may be (a) Incentive Stock Options, (b) Non-Qualified Stock Options, (c) Restricted Stock Awards; (d) Stock Appreciation Rights; (e) Bonus Stock, (f) Cash Awards; (g) Performance Awards; (h) Phantom Stock Awards; (i) Restricted Stock Unit Awards; and (j) Other Stock or Performance-Based Awards.

5. SHARES SUBJECT TO PLAN. Subject to adjustment pursuant to Section 15(a) hereof, the aggregate number of shares of Common Stock that may be issued with respect to Awards granted under the Plan shall not exceed 35,000,000 (the "Share Pool Limit"). At all times during the term of the Plan, the Company shall allocate and keep available such number of shares of Common Stock as will be required to satisfy the requirements of outstanding Awards under the Plan. Except for shares of Common Stock issued with respect to awards that are assumed or substituted as a result of the Company's acquisition of another company (including by way of merger, combination or similar transaction), the number of shares reserved for issuance under the Plan shall be reduced by the number of shares of Common Stock issued in connection with the exercise or settlement of an Award or used to determine the amount of cash paid in connection with the exercise of Stock Appreciation Rights and the settlement of Phantom Stock Awards. Any shares of Common Stock covered by an Award (or a portion of an Award) that is forfeited or canceled or that expires shall be deemed not to have been issued for purposes of determining the maximum aggregate number of shares of Common Stock which may be issued under the Share Pool Limit and shall remain available for Awards under the Plan; *provided* that the following shall not remain available for Awards under the Plan and shall count against the Share Pool Limit: (i) any shares of Common Stock withheld in respect of taxes, (ii) any shares tendered or withheld to pay the exercise price of Options, (iii) any shares repurchased by the Company from a Participant with the proceeds from the exercise of Options and (iv) any shares reserved for issuance under a Stock Appreciation Right Award that exceed the number of shares actually issued upon exercise. The shares to be delivered under the Plan shall be made available from (a) authorized but unissued shares of Common Stock, (b) Common Stock held in the treasury of the Company, or (c) previously issued shares of Common Stock reacquired by the Company, including shares purchased on the open market, in each case as the Committee may determine from time to time in its sole discretion.

6. ELIGIBILITY. Awards other than Incentive Stock Options may be granted to Employees, Executive Officers, Directors, and Consultants. Incentive Stock Options may be granted only to Employees. The Committee in its sole discretion shall select the recipients of Awards; *provided, however* that (i) the Equity Grant Committee may select the recipients of Non-Qualified Stock Options and/or Restricted Stock Awards and/or Restricted Stock Unit Awards if (A) such recipients are not members of the Equity Grant Committee, Executive Officers, Non-Employee Directors or persons with respect to which the Company desires to comply with Section 162(m) of the Code, (B) the aggregate number of shares of Common Stock subject to such Options does not exceed 3,000,000 shares in any one calendar year (reduced by the number of shares of common Stock covered by Options granted by the Option Grant Committee for such calendar year) and the aggregate number of shares of Common Stock covered by such Restricted Stock Awards and Restricted Stock Unit Awards in the aggregate granted in any one calendar year does not exceed 600,000 shares of Common Stock and (C) the aggregate number of shares of Common Stock that may be awarded to any individual under such Options does not exceed 450,000 shares and the aggregate number of shares of Common Stock that may be awarded to any individual under such Restricted Stock Awards and Restricted Stock Unit Awards in the aggregate does not exceed 150,000 shares and (ii) the Option Grant Committee may select the recipients of Non-Qualified Stock Options (A) if such recipients are Employees (who are not members of the Option Grant Committee, Executive Officers or persons with respect to whom the Company wishes to comply with Section 162(m) of the Code) or Consultants, (B) the aggregate number of shares of Common Stock subject to such Options does not exceed 3,000,000 shares in any calendar year (reduced by the number of shares of Common Stock covered by Options granted by the Equity Grant Committee for such calendar year) and (C) the aggregate number of shares of Common Stock that may be awarded to any individual under such Options does not exceed 450,000 shares. A Participant may be granted more than one Award under the Plan, and Awards may be granted at any time or times during the term of the Plan. The grant of an Award to an Employee, Executive Officer, Director or Consultant shall not be deemed

either to entitle that individual to, or to disqualify that individual from, participation in any other grant of Awards under the Plan.

7. LIMITATION ON INDIVIDUAL AWARDS. Except for Cash Awards described in Section 13, no individual shall be granted, in any calendar year, Awards under the Plan covering or relating to an aggregate of more than 6,000,000 shares of Common Stock, of which no more than 6,000,000 shares may be granted in the form of Options or Stock Appreciation Rights. No individual shall receive payment for Cash Awards during any calendar year aggregating in excess of $25,000,000. The preceding shall be applied in a manner which will permit compensation generated under the Plan, where appropriate, to constitute Performance-Based Compensation. Additionally, no Non-Employee Director shall be granted in any calendar year Awards in respect of regular annual fees under the Plan (excluding, for the avoidance of doubt, any special or one-time awards) with an aggregate grant date fair value exceeding $495,000.

8. OPTIONS.

(a) Terms and Conditions of Options. Except with respect to grants of Non-Qualified Stock Options by the Equity Grant Committee and/or the Option Grant Committee, the Committee shall determine whether an Option shall be granted as an Incentive Stock Option or a Non-Qualified Stock Option. The Committees shall determine the provisions, terms and conditions of each Option including, but not limited to, the vesting schedule, the number of shares of Common Stock subject to the Option, the exercise price of the Option, the period during which the Option may be exercised, repurchase provisions, forfeiture provisions, methods of payment, and all other terms and conditions of the Option, subject to the following:

(i) Form of Option Grant. Each Option granted under the Plan shall be evidenced by a written Option Agreement in such form (which need not be the same for each Optionee) as the Committees from time to time approve, but which is not inconsistent with the Plan, including any provisions that may be necessary, as determined by the Committee, to assure that any Option that is intended to be an Incentive Stock Option will comply with Section 422 of the Code.

(ii) Date of Grant. The date of grant of an Option shall be the date on which the Committees make the determination to grant such Option unless a later date is specified by the Committees at the time of such determination. The Option Agreement evidencing the Option shall be delivered to the Optionee, with a copy of the Plan and other relevant Option documents, within a reasonable time after the date of grant.

(iii) Exercise Price. The exercise price of an Option shall be not less than the Fair Market Value of the shares of Common Stock on the date of grant of the Option. In addition, the exercise price of any Incentive Stock Option granted to a Ten Percent Stockholder shall not be less than 110% of the Fair Market Value of the shares of Common Stock on the date of grant of the Option. The exercise price for each Option granted under this Section 8 shall be subject to adjustment pursuant to Section 15(a).

(iv) Exercise Period. Options shall be exercisable within the time or times or upon the event or events determined by the Committees and set forth in the Option Agreement; *provided, however*, that no Option shall be exercisable later than the expiration of ten (10) years from the date of grant of the Option, and *provided* further, that no Incentive Stock Option granted to a Ten Percent Stockholder shall be exercisable after the expiration of five (5) years from the date of grant of the Option.

(v) Limitations on Incentive Stock Options. The aggregate Fair Market Value (determined as of the date of grant of an Option) of Common Stock which any Employee is first eligible to purchase during any calendar year by exercise of Incentive Stock Options granted under the Plan and by exercise of incentive stock options (within the meaning of Section 422 of the Code) granted under any other incentive stock option plan of the Company or an Affiliate shall not exceed $100,000. If the Fair Market Value of stock with respect to which all incentive stock options described in the preceding sentence held by any one Optionee are exercisable for the first time by such Optionee during any calendar year exceeds $100,000, the Options (that are intended to be Incentive Stock Options on the date of grant thereof) for the first $100,000 worth of shares of Common Stock to become exercisable in such year shall be deemed to constitute incentive stock options within the meaning of Section 422 of the Code and the Options (that are intended to be Incentive Stock Options on the date of grant thereof) for the shares of Common Stock in the amount in excess of $100,000 that become exercisable in that calendar year shall be treated as Non-Qualified Stock Options. If the Code is amended after the Effective Date to provide for a different limit than the one described in this Section 8(a)(v), such different limit shall be incorporated herein and shall apply to any Options granted after the effective date of such amendment.

(vi) Acceleration of Vesting. Any Option granted hereunder which is not otherwise vested shall vest in full (unless specifically provided to the contrary by the Committee in the document or instrument evidencing an Option granted hereunder or in an employment or other agreement or plan) upon (A) a Change in Control, but only as provided for in Section 15(c); or (B) death or Disability of the Participant. Additionally, in the event of an involuntary termination of an Employee or Consultant or removal of a Non-Employee Director without Cause (unless specifically provided to the contrary by the Committee in the document or instrument evidencing an Option granted hereunder or in an employment or other agreement or plan) and subject to the Participant's execution of a release of claims in the form provided by the Company, (x) any unvested Options that are not subject to performance-vesting conditions and that were granted at least six (6) months prior to the date of

termination shall vest in full, and (y) a pro rata portion (determined based on the number of complete months from the grant date through the date of termination *divided by* the number of months in the performance period with respect thereto) of any unvested Options that are subject to performance-vesting conditions and that were granted at least six (6) months prior to the date of termination will remain outstanding and shall vest based on the actual performance levels achieved in accordance with the terms of the award.

(b) Transferability of Options. Options granted under the Plan, and any interest therein, shall not be transferable or assignable by the Optionee, and may not be made subject to execution, attachment or similar process, otherwise than by will or by the laws of descent and distribution, and shall be exercisable during the lifetime of the Optionee only by the Optionee; *provided, however* , that the Optionee may designate persons who or which may exercise his Options following his death. Notwithstanding the preceding sentence, Non-Qualified Stock Options may be transferred to such family members, family member trusts, family limited partnerships and other family member entities as the Committee, in its sole discretion, may provide for in the Optionee's Option Agreement and approve prior to any such transfer. No such transfer will be approved by the Committee if the Common Stock issuable under such transferred Option would not be eligible to be registered on Form S-8 promulgated under the Securities Act.

(c) Manner of Exercise. Options may be exercised in such manner as approved by the Company from time to time, including by delivery to the Company of a written exercise notice or by an exercise election made by a Participant through an electronic procedure authorized by the Company (which method or procedure need not be the same for each Optionee), stating the number of shares of Common Stock being purchased, the method of payment, and such other matters as may be deemed appropriate by the Company in connection with the issuance of shares of Common Stock upon exercise of the Option, together with payment in full of the exercise price for the number of shares of Common Stock being purchased and satisfaction of the tax withholding provisions described in Section 17.

(d) Payment of Exercise Price. Payment of the aggregate exercise price for the shares of Common Stock to be purchased upon exercise of an Option may be made in cash (by check) or, if elected by the Optionee, in any of the following methods: (i) if a public market for the Common Stock exists, upon the Optionee's written request, the Company may deliver certificates for the shares of Common Stock for which the Option is being exercised to a broker for sale on behalf of the Optionee, *provided* that the Optionee has irrevocably instructed such broker to remit from the proceeds of such sale directly to the Company on the Optionee's behalf the full amount of the exercise price plus any taxes the Company is required to withhold; (ii) by surrender to the Company for cancellation of shares of Common Stock owned by the Optionee having an aggregate Fair Market Value on the date of exercise equal to (or, to avoid the cancellation of fractional shares of Common Stock, less than) the aggregate exercise price of the shares of Common Stock being purchased upon such exercise; *provided* that such surrendered shares are not subject to any pledge or other security interest and have or meet such other requirements, if any, as the Committees may determine necessary in order to avoid an accounting earnings charge in respect of the Option being exercised; (iii) by a "net exercise" method whereby the Company withholds from the delivery of shares of Common Stock subject to the Option (or the portion thereof that is being exercised) that number of whole shares having an aggregate Fair Market Value on the date of exercise equal to (or, to avoid the issuance of fractional shares of Common Stock, less than) the aggregate exercise price of the shares of Common Stock being purchased upon such exercise; or (iv) by any combination of the foregoing, including a cash payment. No shares of Common Stock may be issued until full payment of the purchase price thereof has been made.

(e) Exercise of Option Following Termination of Continuous Service .

(i) Subject to the other provisions of this Section 8(e), (A) an Optionee may exercise an Incentive Stock Option for a period of three (3) months following the date the Optionee's Continuous Service terminates and (B) an Optionee may exercise a Non-Qualified Stock Option for a period of six (6) months following the date the Optionee's Continuous Service terminates, but in each case, only to the extent the Optionee was otherwise entitled to exercise the Option on the date the Optionee's Continuous Service terminates.

(ii) If the Optionee's Continuous Service is terminated by the Company or an Affiliate for Cause, the Optionee's right to exercise the Option shall immediately terminate.

(iii) If the Optionee's Continuous Service terminates as a result of the Optionee's Disability, the Optionee may exercise the Option for a period of one (1) year following the date the Optionee's Continuous Service terminates.

(iv) In the event of the termination of the Optionee's Continuous Service as a result of the Optionee's death, the Optionee's estate, or a person who acquired the right to exercise the Option by bequest or inheritance, may exercise the Option for a period of one (1) year following the Optionee's date of death.

(v) An Option shall terminate to the extent not exercised on the last day of the specified post- termination exercise periods set forth above or the last day of the original term of the Option, whichever occurs first.

(vi) The Committees shall have discretion to determine whether the Continuous Service of an Optionee has terminated, the effective date on which such Continuous Service terminates and whether the Optionee's Continuous Service terminated

as a result of the Disability of the Optionee. The determination of whether a Participant's Continuous Service was terminated for Cause shall be determined as provided for in Section 3(g).

(f) Limitations on Exercise.

(i) The Committees may specify a reasonable minimum number of shares of Common Stock or a percentage of the shares subject to an Option that may be purchased on any exercise of an Option; *provided* that such minimum number will not prevent Optionee from exercising the full number of shares of Common Stock as to which the Option is then exercisable.

(ii) The obligation of the Company to issue any shares of Common Stock pursuant to the exercise of any Option shall be subject to the condition that such exercise and the issuance and delivery of such shares pursuant thereto comply with the Securities Act, all applicable state securities laws and the requirements of any stock exchange or market-quotation system upon which the shares of Common Stock may then be listed or quoted, as in effect on the date of exercise. The Company shall be under no obligation to register the shares of Common Stock with the Securities and Exchange Commission or to effect compliance with the registration, qualification or listing requirements of any state securities laws or stock exchange or market-quotation system, and the Company shall have no liability for any inability or failure to do so.

(iii) As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the shares of Common Stock are being purchased only for investment and without any present intention to sell or distribute such shares of Common Stock if, in the opinion of counsel for the Company, such a representation is required by any securities or other applicable laws.

(g) Modification, Extension And Renewal of Options . The Committee shall have the power to modify, cancel, extend (subject to the provisions of Section 8(a)(iv) hereof) or renew outstanding Options and to authorize the grant of new Options and/or Restricted Stock Awards in substitution therefor; *provided, however*, that (i) except as permitted by Section 15(a) of the Plan, any such action may not reprice any outstanding Option to reduce the exercise price thereof, directly or indirectly, without the approval of the stockholders of the Company and, (ii) without the written consent of any affected Optionee, (A) impair any rights under any Option previously granted to such Optionee, (B) cause the Option or the Plan to become subject to Section 409A of the Code, or (C) cause any Option to lose its status as Performance-Based Compensation. Notwithstanding anything to the contrary contained in this Section 8(g), no Option may be replaced with another Award that would have a higher intrinsic value than the value of the Option at the time of its replacement. Any outstanding Incentive Stock Option that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code.

(h) Privileges of Stock Ownership. No Optionee will have any of the rights of a stockholder with respect to any shares of Common Stock subject to an Option until such Option is properly exercised and the purchased shares are issued and delivered to the Optionee, as evidenced by an appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to such date of issuance and delivery, except as provided in the Plan.

(i) Acquisitions and Other Transactions. The Committee may, from time to time, assume outstanding options granted by another entity, whether in connection with an acquisition of such other entity or otherwise, by either (i) granting an Option under the Plan in replacement of or in substitution for the option assumed by the Company, or (ii) treating the assumed option as if it had been granted under the Plan if the terms of such assumed option could be applied to an Option granted under the Plan. Such assumption shall be permissible if the holder of the assumed option would have been eligible to be granted an Option hereunder if the other entity had applied the rules of the Plan to such grant. The Committee also may grant Options under the Plan in settlement of or substitution for outstanding options or obligations to grant future options in connection with the Company or an Affiliate acquiring another entity, an interest in another entity or an additional interest in an Affiliate, whether by merger, stock purchase, asset purchase or other form of transaction. Shares of Common Stock subject to an assumed or substituted option resulting from a merger transaction involving the Company or an Affiliate will not reduce the Share Pool Limit described in Section 5. Notwithstanding the foregoing provisions of this Section 8, in the case of an Option issued or assumed pursuant to this Section 8(i), the exercise price for the Option shall be determined in accordance with the principles of Sections 424(a) and 409A of the Code.

9. BONUS STOCK AWARDS.

(a) Bonus Stock Awards. The Committee may, from time to time and subject to the provisions of the Plan, grant a Bonus Stock Award to Employees, Consultants or Non-Employee Directors. A Bonus Stock Award is a grant of shares of Common Stock for such consideration, if any, as established by the Committee and that are not subject to forfeiture provisions.

(b) Rights as Shareholder. Shares of Common Stock awarded pursuant to a Bonus Stock Award shall be represented by a stock certificate registered in the name of and delivered to, or held in a book entry account by the Company's transfer agent established on behalf of, the Participant to whom such Bonus Stock Award is granted.

(c) Payment for Bonus Stock. The Committee shall determine the amount and form of any payment for shares of Common Stock received by a Participant pursuant to a Bonus Stock Award. In the absence of such a determination, the Participant shall not be required to make any payment for shares of Common Stock received pursuant to a Bonus Stock Award, except to the extent otherwise required by law.

10. STOCK APPRECIATION RIGHTS. The Committee may grant Stock Appreciation Rights to Employees, Consultants or Non-Employee Directors. The terms and conditions of Stock Appreciation Rights, including the vesting and exercise provisions, shall be set forth in a Stock Appreciation Rights Agreement (which need not be the same for each Participant) in such form as the Committee approves, but which is not inconsistent with the Plan. A Stock Appreciation Right may be granted (i) if unrelated to an Option, at any time or (ii) if related to an Option, either at the time of grant or at any time thereafter during the term of the Option. The exercise price of any Stock Appreciation Right shall be not less than the Fair Market Value of the Common Stock on the grant date of the Award.

(a) Payment of Stock Appreciation Rights. A Stock Appreciation Right is a right to receive, upon exercise of the right, shares of Common Stock or their cash equivalent in an amount equal to the increase, if any, in Fair Market Value of the Common Stock between the grant and exercise dates. The Committee may specifically designate in a Stock Appreciation Rights Agreement that the Award will be settled (i) only in cash, (ii) only in shares of Common Stock or (iii) in such combination of such forms and, if not so provided in the Stock Appreciation Rights Agreement, the Award will be settled in shares of Common Stock unless the Committee determines, at the time of exercise of the Award, that the Award will be settled in cash or a combination of shares of Common Stock and cash.

(b) Tandem Rights. Stock Appreciation Rights may be granted in connection with the grant of an Option, in which case (i) the Stock Appreciation Rights shall be exercisable at such time or times and only to the extent that the related Option is exercisable, (ii) exercise of Stock Appreciation Rights will result in the surrender of the right to purchase the shares under the Option as to which the Stock Appreciation Rights were exercised and (iii) the Stock Appreciation Rights will not be transferable (other than by will or the laws of descent and distribution) except to the extent the Related Option is transferable. Upon the exercise of an Option granted in connection with Stock Appreciation Rights, the Stock Appreciation Rights shall be cancelled to the extent of the number of shares of Common Stock as to which the Option is exercised or surrendered.

(c) Stock Appreciation Rights Unrelated to an Option. Stock Appreciation Rights unrelated to Options shall contain such terms and conditions as to exercisability, vesting and duration as the Committee shall determine, but in no event shall they have a term greater than ten (10) years. Each such Stock Appreciation Right that is unrelated to an Option may be exercised by the Participant for a period of six (6) months following the date the Participant's Continuous Service terminates, but only to the extent the Participant was otherwise entitled to exercise the Stock Appreciation Right on the date the Participant's Continuous Service terminates (and in no event later than the expiration date of the Award); *provided, however* , that if the Participant's Continuous Service terminates for Cause, the Optionee's right to exercise the Stock Appreciation Right shall immediately terminate.

(d) Date of Grant. The date of grant of an Award of Stock Appreciation Rights shall be the date on which the Committee makes the determination to grant such Award unless a later date is specified by the Committee at the time of such determination.

11. PHANTOM STOCK AWARDS. The Committee may, from time to time and subject to the terms of the Plan, grant Phantom Stock Awards to Employees, Consultants and Non-Employee Directors. Each Phantom Stock Award Agreement shall be in such form and contain such terms and conditions (which need not be the same for each Participant who receives a Phantom Stock Award) as the Committee shall deem appropriate, but such terms shall take into account the provisions of Section 409A of the Code applicable to the Award. The Award date of a Phantom Stock Award shall be the date on which the Committee makes the determination to grant the Award unless a later date is specified by the Committee at the time of such determination.

(a) Payment of Phantom Stock Awards. A Phantom Stock Award is a right to receive a specified number of shares of Common Stock or cash equal to the Fair Market Value of a specified number of shares of Common Stock issued or paid at the end of a Restricted Period or the last day of a specified deferral period.

(i) Award and Restrictions. Satisfaction of a Phantom Stock Award shall occur upon expiration of the deferral period or a Restricted Period specified for such Phantom Stock Award by the Committee (which may include a risk of forfeiture), if any, as the Committee may impose. Such restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, installments or otherwise, as the Committee may determine.

(ii) Award Period; Forfeiture. The Committee shall establish, at the time of grant of each Phantom Stock Award, a period over which (or the conditions with respect to which) the Award shall vest with respect to the Participant and the time at which the Award will be settled and paid. Except as otherwise determined by the Committee or as may be set forth in any Phantom Stock Award Agreement, employment or other agreement or plan pertaining to a Phantom Stock Award, upon

termination of the Participant's Continuous Service during the applicable deferral period or Restricted Period (including any applicable Performance Period) or portion thereof to which forfeiture conditions apply, all Phantom Stock Awards that are at that time subject to deferral of a Restricted Period shall be forfeited; *provided* that the Committee, subject to the provisions and limitations contained in Section 13(c) relating to Performance Awards, may provide at the time of grant of a Phantom Stock Award that restrictions or forfeiture conditions relating to Phantom Stock Awards shall be waived in whole or in part in the event of terminations of Continuous Service resulting from specified causes.

(iii) Performance Goals. To the extent the Committee determines that any Phantom Stock Award granted pursuant to this Section 11 is intended to constitute Performance-Based Compensation, the grant and settlement of the Award shall be subject to the achievement of Performance Goals determined and applied in a manner consistent with the provisions of Section 13 and the other relevant provisions of Section 13.

12. RESTRICTED STOCK AWARDS AND RESTRICTED STOCK UNIT AWARDS.

(a) Restricted Stock Awards. The Committee and the Equity Grant Committee may, from time to time and subject to the terms of the Plan, grant Restricted Stock Awards to Employees, Consultants and Non-Employee Directors. Each Restricted Stock Agreement shall be in such form and shall contain such terms and conditions as the Committee, or if applicable, the Equity Grant Committee, shall deem appropriate. The terms and conditions of such Restricted Stock Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Agreements need not be identical, but each such Restricted Stock Agreement shall be subject to the terms and conditions of this Section 12(a). Solely for purposes of this Section 12(a), the term "Committees" means the Committee and the Equity Grant Committee, each acting within the scope of its authority under the Plan with respect to Restricted Stock Awards. The Award date of a Restricted Stock Award shall be the date on which the Committees make the determination to grant the Award unless a later date is specified by the Committees at the time of such determination.

(i) Forfeiture Restrictions. Shares of Common Stock that are the subject of a Restricted Stock Award shall be subject to restrictions on disposition by the Participant and to an obligation of the Participant to forfeit and surrender the shares to the Company under certain circumstances (the "Forfeiture Restrictions"). The Forfeiture Restrictions and the Restricted Period shall be determined by the Committees in their sole discretion, and the Committees may provide that the Forfeiture Restrictions and the Restricted Period shall lapse on the passage of time, the attainment of one or more Performance Goals, established by the Committees or the occurrence of such other event or events determined to be appropriate by the Committees. The Forfeiture Restrictions applicable to a particular Restricted Stock Award (which may differ from any other such Restricted Stock Award) shall be stated in the Restricted Stock Agreement and vesting of such Restricted Stock Award shall occur upon the lapse of the Forfeiture Restrictions applicable to such Restricted Stock Award.

(ii) Rights as Stockholder. Shares of Common Stock awarded pursuant to a Restricted Stock Award shall be represented by a stock certificate registered in the name of the Participant of such Restricted Stock Award or by a book entry account with the Company's transfer agent. The Participant shall have the right to vote the shares of Common Stock subject thereto and to enjoy all other stockholder rights with respect to the shares of Common Stock subject thereto, except that, unless provided otherwise in the Restricted Stock Agreement, (i) the Participant shall not be entitled to delivery of the stock certificates evidencing the shares of Common Stock or release of transfer restrictions on shares of Common Stock held in a book entry account with the Company's transfer agent until the Forfeiture Restrictions have expired, (ii) the Company or an escrow agent shall retain custody of the stock certificates evidencing the shares of Common Stock (or such shares shall be held in a book entry account with the Company's transfer agent) until the Forfeiture Restrictions expire and (iii) the Participant may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the shares of Common Stock until the Forfeiture Restrictions expire. During the period of restriction, all dividends (whether ordinary or extraordinary and whether paid in cash, additional shares or other property) or other distributions paid upon any Restricted Stock Award will be retained by the Company for the account of the Participant. Such dividends or other distributions will revert back to the Company if for any reason the Restricted Stock Award reverts back to the Company. Upon the expiration of the Forfeiture Restrictions, all dividends or other distributions made on such Restricted Stock Award and retained by the Company will be paid, without interest, to the Participant.

(iii) Release of Common Stock. One or more stock certificates representing shares of Common Stock, free of Forfeiture Restrictions, shall be delivered to the Participant (or the transfer restrictions on shares of Common Stock held in a book entry account for the Participant will be released) promptly after, and only after, the Forfeiture Restrictions expire and Participant has satisfied all applicable federal, state and local income and employment tax withholding requirements. The Participant, by his acceptance of the Restricted Stock Award, shall irrevocably grant to the Company a power of attorney to transfer any shares so forfeited to the Company and agrees to execute any documents requested by the Company in connection with such forfeiture and transfer, and such provisions regarding transfers of forfeited shares of Common Stock shall be specifically performable by the Company in a court of equity or law.

(iv) Payment for Restricted Stock. The Committees shall determine the amount and form of any payment for shares of Common Stock received pursuant to a Restricted Stock Award; *provided* that in the absence of such a determination, the

Participant shall not be required to make any payment for shares of Common Stock received pursuant to a Restricted Stock Award, except to the extent otherwise required by law.

(v) Forfeiture of Restricted Stock. Unless otherwise provided in a Restricted Stock Agreement or in an employment or other agreement or plan, on termination of the Participant's Continuous Service during the Restricted Period, the shares of Common Stock which are still subject to the Restricted Stock Award shall be forfeited by the Participant. Upon any forfeiture, all rights of the Participant with respect to the forfeited shares of the Common Stock subject to the Restricted Stock Award shall cease and terminate, without any further obligation on the part of the Company. Notwithstanding the foregoing (but subject to the provisions and limitations contained in Sections 13(c) and 13(d) relating to Performance Awards), unless the Award specifically provides otherwise, all Restricted Stock not otherwise vested shall vest in full upon (i) a Change in Control, but only as provided for in 15(c); or (ii) death or Disability of the Participant. Additionally, in the event of an involuntary termination of an Employee or Consultant or removal of a Non-Employee Director without Cause (unless specifically provided to the contrary by the Committee in the document or instrument evidencing a Restricted Stock Award granted hereunder or in an employment or other agreement or plan) and subject to the Participant's execution of a release of claims in the form provided by the Company, (x) any unvested Restricted Stock that is not subject to performance-vesting conditions and that was granted at least six (6) months prior to the date of termination shall vest in full, and (y) a pro rata portion (determined based on the number of complete months from the grant date through the date of termination *divided by* the number of months in the performance period with respect thereto) of any unvested Restricted Stock that is subject to performance-vesting conditions and that was granted at least six (6) months prior to the date of termination will remain outstanding and shall vest based on the actual performance levels achieved in accordance with the terms of the award.

(vi) Waiver of Forfeiture Restrictions; Committee's Discretion. With respect to a Restricted Stock Award that has been granted to a Covered Employee where such Award has been designed to meet the exception for Performance-Based Compensation, the Committee may not waive the Forfeiture Restrictions applicable to such Restricted Stock Award.

(b) Restricted Stock Unit Awards. The Committee may, from time to time and subject to the terms of the Plan, grant Restricted Stock Unit Awards to Employees, Consultants and Non-Employee Directors. Each Restricted Stock Unit Award Agreement shall be in such form and contain such terms and conditions (which need not be the same for each Participant who receives a Restricted Stock Unit Award) as the Committee shall deem appropriate, but such terms shall take into account the provisions of Section 409A of the Code applicable to the Award. The Award date of a Restricted Stock Unit Award shall be the date on which the Committee makes the determination to grant the Award unless a later date is specified by the Committee at the time of such determination.

(i) Settlement of Restricted Stock Unit Awards. A Restricted Stock Unit Award is a right to receive a specified number of shares of Common Stock or cash equal to the Fair Market Value of a specified number of shares of Common Stock issued or paid at the end of a Restricted Period or the last day of a specified deferral period.

(A) Award and Restrictions. Settlement of a Restricted Stock Unit Award shall occur upon expiration of the deferral period or a Restricted Period specified for such Restricted Stock Unit Award by the Committee (which may include a risk of forfeiture), if any, as the Committee may impose. Such restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, installments or otherwise, as the Committee may determine.

(B) Award Period; Forfeiture. The Committee shall establish, at the time of grant of each Restricted Stock Unit Award, a period over which (or the conditions with respect to which) the Award shall vest with respect to the Participant and the time at which the Award will be settled and paid. Except as otherwise determined by the Committee or as may be set forth in any Restricted Stock Unit Award Agreement, employment or other agreement or plan pertaining to a Restricted Stock Unit Award, upon termination of the Participant's Continuous Service during the applicable deferral period or Restricted Period (including any applicable Performance Period) or portion thereof to which forfeiture conditions apply, all Restricted Stock Unit Awards that are at that time subject to deferral or a Restricted Period shall be forfeited; *provided* that the Committee, subject to the provisions and limitations contained in Section 13(c) relating to Performance Awards, may provide at the time of grant of a Restricted Stock Unit Award that restrictions or forfeiture conditions relating to Restricted Stock Unit Awards shall be waived in whole or in part in the event of terminations of Continuous Service resulting from specified causes. Notwithstanding the foregoing (but subject to the provisions and limitations contained in Sections 13(c) and 13(d) relating to Performance Awards), unless otherwise provided in a Restricted Stock Unit Award Agreement or in an employment or other agreement or plan, all Restricted Stock Unit Awards not otherwise vested shall vest in full upon (i) a Change in Control, but only as provided for in 15(c); or (ii) death or Disability of the Participant. Additionally, in the event of an involuntary termination of an Employee or Consultant or removal of a Non-Employee Director without Cause (unless specifically provided to the contrary by the Committee in the document or instrument evidencing a Restricted Stock Unit Award granted hereunder or in an employment or other agreement or plan) and subject to the Participant's execution of a release of claims in the form provided by the Company, (x) any unvested Restricted Stock Unit Award that is not subject to performance-vesting conditions and that was granted at least six (6) months prior to the date of termination shall vest in full, and (y) a pro rata portion (determined based on the number of complete months from the grant date through the

date of termination *divided by* the number of months in the performance period with respect thereto) of any unvested Restricted Stock Unit Award that is subject to performance-vesting conditions and that was granted at least six (6) months prior to the date of termination will remain outstanding and shall vest based on the actual performance levels achieved in accordance with the terms of the award.

(C) Performance Goals. To the extent the Committee determines that any Restricted Stock Unit Award granted pursuant to this Section 12(b) is intended to constitute Performance-Based Compensation, the grant and settlement of the Award shall be subject to the achievement of Performance Goals determined and applied in a manner consistent with the provisions of Section 13 and the other relevant provisions of Section 13.

13. CASH AWARDS AND PERFORMANCE AWARDS.

(a) Cash Awards. In addition to granting Options, Stock Appreciation Rights, Bonus Stock, Phantom Stock Awards, Restricted Stock Awards, Restricted Stock Unit Awards and Other Stock or Performance-Based Awards, the Committee shall, subject to the limitations of the Plan, have authority to grant Cash Awards. Each Cash Award shall be subject to such terms and conditions, restrictions and contingencies as the Committee shall determine. Restrictions and contingencies limiting the right to receive a cash payment pursuant to a Cash Award shall be based upon the achievement of single or multiple Performance Goals over a Performance Period established by the Committee. The determinations made by the Committee pursuant to this Section 13(a) shall be specified in the applicable Award agreement or other document or documents established by the Committee pursuant to which the Cash Award is granted.

(b) Designation as a Performance Award . The Committee shall have the right to designate any Award of Options, Stock Appreciation Rights, Phantom Stock Awards, Restricted Stock Awards, Restricted Stock Unit Awards and Other Stock or Performance- Based Awards as a Performance Award. All Cash Awards shall be designated as Performance Awards. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to increase the amounts payable under any Award subject to performance conditions except as limited under Section 13(c) in the case of a Performance Award granted to a Covered Employee. The grant and/or settlement of a Performance Award shall be subject to the terms and conditions set forth in this Section 13. The Committee may also grant performance-based Awards pursuant to Section 14 that are not intended to satisfy the provisions of this Section 13 to an eligible individual who is not at the time a Covered Employee and is not expected to be a Covered Employee at the time the compensation under the Award is to be paid.

(c) Performance Goals. The grant or vesting of a Performance Award shall be subject to the achievement of Performance Goals over a Performance Period established by the Committee based upon one or more of the business criteria described in Section 13(c)(ii) that apply to the Participant, one or more business units, divisions or subsidiaries of the Company or the applicable sector of the Company, one or more regions or product lines of the Company's business, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies.

(i) General. The Performance Goals for Performance Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee. In the case of any Award granted to a Covered Employee, Performance Goals shall be designed to be objective and shall otherwise meet the requirements of Section 162(m) of the Code, including the requirement that the level or levels of performance targeted by the Committee are such that the achievement of Performance Goals is "substantially uncertain" at the time of grant. The Committee may determine that such Performance Awards shall be granted and/or settled upon achievement of any one Performance Goal or that two or more of the Performance Goals must be achieved as a condition to the grant and/or settlement of such Performance Awards. Performance Goals may differ among Performance Awards granted to any one Participant or for Performance Awards granted to different Participants.

(ii) Business Criteria. One or more of the following business criteria shall be used by the Committee in establishing performance goals for Performance Awards granted to a Participant: (A) earnings per share; (B) revenue (including increased revenues); (C) profit measures (including gross profit, operating profit, economic profit, net profit before taxes and adjusted pre-tax profit); (D) cash flow measures (including cash flow return on capital, cash flow return on tangible capital, net cash flow, distributable cash flow and distributable cash flow per share and net cash flow before financing activities); (E) return measures (including return on equity, return on assets, return on capital, risk-adjusted return on capital, return on investors' capital and return on average equity); (F) economic value added; (G) gross margin; (H) net income measures (including income after capital costs and income before or after taxes); (I) earnings; (J) pretax earnings; (K) earnings before interest, taxes, depreciation and amortization ("EBITDA") or adjusted EBITDA; (L) earnings before taxes and depreciation ("EBTD"); (M) earnings before interest and taxes (" EBIT"); (N) pretax operating earnings after interest expense and before incentives, service fees, and extraordinary or special items; (O) operating measures (including operating income, funds from operations, cash from operations, after-tax operating income; sales volumes, production volumes and production efficiency); (P) stock price measures (including growth measures and total stockholder return); (Q) debt reduction; (R) price per share of Common Stock; (S) market share; (T) earnings per share or adjusted earnings per share (actual or growth in); (U) economic value added (or an equivalent metric); (V) market value added; (W) debt to

equity ratio; (X) expense measures (including overhead cost and general and administrative expense); (Y) changes in working capital; (Z) margins; (AA) stockholder value; (BB) proceeds from dispositions; (CC) total market value; (DD) customer satisfaction or growth; (EE) contracted LNG quantity and (FF) implementation, completion or attainment of measurable objectives with respect to financing or construction of entire projects or stages of projects. Any of the above goals determined on the absolute or relative basis or as compared to the performance of a published or special index deemed applicable by the Committee including, but not limited to, the Standard & Poor's 500 Stock Index or a group of comparable companies. The Committee may determine that certain items, events or occurrences, including unusual or nonrecurring items, changes in accounting standards or tax laws, or other adjustments shall be added to or excluded from the calculation of any of the business criteria set forth above, subject to the requirements of Section 162(m) of the Code to the extent applicable.

(iii) Performance Period; Timing for Establishing Performance Goals. Achievement of performance goals in respect of Performance Awards may be measured based on performance over a Performance Period, as specified by the Committee, or may be determined based on whether or not the performance goals are satisfied at any time prior to the expiration of a Performance Period. Performance Goals in the case of any Award granted to a Participant shall be established not later than 90 days after the beginning of any performance period applicable to such Performance Awards, or at such other date as may be required or permitted for Performance-Based Compensation. Notwithstanding the foregoing provisions, if the Committee intends for a Performance Award to be granted and administered in a manner designed to preserve the deductibility of the compensation resulting from such Award in accordance with Section 162(m) of the Code, then the Performance Goals for such particular Performance Award relative to the particular period of service to which the Performance Goals relates shall be established by the Committee in writing (i) no later than 90 days after the beginning of such period and (ii) prior to the completion of 25% of such period.

(iv) Settlement of Performance Awards; Compensation Contingent Upon Attainment of Performance Goal. In the case of a performance goal measured over a Performance Period, at or after the end of the Performance Period, the Committee shall determine the amount, if any, of Performance Awards payable to each Participant based upon achievement of the business criteria over a Performance Period. In the case of a performance goal satisfied based upon whether or not certain specified business criteria are achieved at any time during a Performance Period, at or following the satisfaction of the applicable business criteria (even if prior to the expiration of the applicable Performance Period), the Committee shall determine the amount, if any, of Performance Awards payable to each Participant upon the achievement of the applicable business criteria. The Committee may not exercise discretion to increase any such amount payable in respect of a Performance Award designed to comply with Section 162(m) of the Code. The Committee shall specify the circumstances in which such Performance Awards shall be paid or forfeited in the event of termination of Continuous Service by the Participant prior to the end of a Performance Period or settlement of Performance Awards. To the extent a Performance Award is intended to constitute Performance-Based Compensation, compensation payable under the Award must be contingent on attaining the applicable Performance Goals; *provided*; *however*, that such an Award may provide that the compensation will be paid on death, Disability or a Change in Control, although compensation actually paid on account of those events prior to the attainment of the applicable Performance Goals will not satisfy the Performance-Based Compensation requirements.

(v) Written Determinations. The Committee shall have the authority to determine whether the Performance Goals and other terms and conditions of the Award satisfied all determinations by the Committee as to the establishment of Performance Goals, the amount of any Performance Award, and the achievement of Performance Goals relating to Performance Awards shall be made in writing in the case of any Award granted to a Participant. The Committee may not delegate any responsibility relating to such Performance Awards.

(d) Status of Performance Awards under Section 162(m) of the Code. It is the intent of the Company that Performance Awards granted to persons who are designated by the Committee as likely to be Covered Employees within the meaning of Section 162(m) of the Code shall, if so designated by the Committee, constitute Performance-Based Compensation. Accordingly, the terms of this Section 13 shall be interpreted in a manner consistent with Section 162(m) of the Code. The foregoing notwithstanding, because the Committee cannot determine with certainty whether a given Participant will be a Covered Employee with respect to a fiscal year that has not yet been completed, the term Covered Employee as used herein shall mean only a person designated by the Committee, at the time of grant of a Performance Award, who is likely to be a Covered Employee with respect to that fiscal year. If any provision of the Plan as in effect on the date of adoption or any agreements relating to Performance Awards that are designated as intended to comply with Section 162(m) of the Code does not comply or is inconsistent with the requirements of Section 162(m) of the Code, such provision shall be construed or, to the extent permitted under the Code, deemed amended to the extent necessary to conform to such requirements.

(e) Waiver of Performance Goals. The Committee shall have no discretion to modify or waive the Performance Goals or conditions to the grant or vesting of a Performance Award unless such Award is not intended to qualify as qualified Performance-Based Compensation and the relevant Award Agreement provides for such discretion.

14. OTHER STOCK OR PERFORMANCE-BASED AWARDS.

The Committee is hereby authorized to grant to Employees, Consultants and Non-Employee Directors, Other Stock or Performance-Based Awards, which shall consist of a right that (i) is not an Award described in any other Section of the Plan and (ii) is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of Common Stock (including, without limitation, securities convertible into shares of Common Stock) as are deemed by the Committee to be consistent with the purposes of the Plan. Subject to the terms of the Plan, the Committee shall determine the terms and conditions of any such Other Stock or Performance-Based Award. The term of an Award granted under this Section shall in no event exceed a period of ten (10) years (or if the Award is intended to satisfy the provisions of Section 13, such shorter period provided for in Section 13). If the Committee intends that the compensation payable under any such Award be treated as Performance-Based Compensation, the Award will be subject to the provisions of Section 13.

15. ADJUSTMENT UPON CHANGES IN CAPITALIZATION AND CORPORATE EVENTS .

(a) Capital Adjustments. The number of shares of Common Stock (i) covered by each outstanding Award granted under the Plan, the exercise or purchase price of such outstanding Award, and any other terms of the Award that the Committee determines requires adjustment and (ii) available for issuance under Sections 5 and 7 shall be proportionately adjusted or an equitable substitution shall be made with respect to such shares to reflect, as determined by the Committee, any increase or decrease in the number of shares of Common Stock resulting from a stock dividend, stock split, reverse stock split, extraordinary cash dividend resulting from a nonrecurring event that is not a payment of normal corporate earnings, combination, reclassification or similar change in the capital structure of the Company without receipt of consideration, subject to any required action by the Board or the stockholders of the Company and compliance with applicable securities laws or other applicable laws; *provided, however* , that a fractional share will not be issued upon exercise of any Award, and either (i) the value of any fraction of a share of Common Stock that would have resulted will be cashed out at Fair Market Value or (ii) the number of shares of Common Stock issuable under the Award will be rounded down to the nearest whole number, as determined by the Committee. Except as the Committee determines, no issuance by the Company of shares of capital stock of any class, or securities convertible into shares of capital stock of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of shares of Common Stock subject to an Award. Notwithstanding the foregoing provisions of this Section 15, no adjustment may be made by the Committee with respect to an outstanding Award that would cause such Award and/or the Plan to become subject to Section 409A of the Code or that would cause an Award that is intended to be Performance-Based Compensation to fail to satisfy the requirements of Section 162(m) of the Code for such form of compensation.

(b) Dissolution or Liquidation. The Committee shall notify the Participant at least twenty (20) days prior to any proposed dissolution or liquidation of the Company. Unless provided otherwise in an individual Award, to the extent that an Award has not been previously exercised or settled, or the Restricted Period has not lapsed, any such Award other than a Restricted Stock Award shall expire and any such Award that is a Restricted Stock Award shall be forfeited and the shares of Common Stock subject to such Restricted Stock Award shall be returned to the Company, in each case, immediately prior to consummation of such dissolution or liquidation, and such Award shall terminate immediately prior to consummation of such dissolution or liquidation. A “dissolution or liquidation of the Company” shall not be deemed to include, or to be occasioned by, any merger or consolidation of the Company with any other corporation or other entity or any sale of all or substantially all of the assets of the Company (unless that sale is effected as part of a plan of liquidation of the Company in which the Company’s business and affairs are wound up and the corporate existence of the Company is terminated).

(c) Change in Control. Unless specifically provided otherwise with respect to Change in Control events in an individual Option Agreement, Stock Appreciation Rights Stock Agreement or in a then-effective written employment agreement between the Participant and the Company, if, during the effectiveness of the Plan, a Change in Control occurs, each Option and Stock Appreciation Right which is at the time outstanding under the Plan shall (i) automatically become fully vested and exercisable, immediately prior to the specified effective date of such Change in Control, for all of the shares of Common Stock at the time represented by such Option or Stock Appreciation Right and (ii) expire twenty (20) days after the Committee gives written notice to the Participant specifying the terms and conditions of the acceleration of the Participant’s Options or Stock Appreciation Rights, or if earlier, the date by which the Option or Stock Appreciation Right otherwise would expire. To the extent that an Optionee exercises his Option before or on the effective date of the Change in Control, the Company shall issue all Common Stock purchased by exercise of that Option (subject to Optionee’s satisfaction of the requirements of Section 17), and those shares of Common Stock shall be treated as issued and outstanding for purposes of the Change in Control. If a Participant does not exercise his Option within the twenty (20) day period described above, or if earlier, the date by which the Option or Stock Appreciation Right otherwise would expire, the Option or Stock Appreciation Right shall immediately be forfeited and the Participant shall have no further rights to exercise the Option or Stock appreciation Right. Notwithstanding the foregoing provisions, in the event of any Change in Control, all of the Company’s obligations regarding Options and Stock Appreciation Rights that were granted hereunder and that are outstanding and vested on the date of such event (taking into consideration any acceleration of vesting in connection with such transaction) may, on such terms

as may be approved by the Committee prior to such event, be (i) assumed by the surviving or continuing corporation (or substituted options of equal value may be issued by such corporation) or (ii) canceled in exchange for cash, securities of the acquiror or other property in an amount equal to the amount that would have been payable to a Participant pursuant to the Change in Control event if the Participant's vested Options and Stock Appreciation Rights had been fully exercised immediately prior to the Change in Control event; *provided*, *however,* that if the amount that would have been payable to a Participant pursuant to such transaction if such Participant's vested Options and Stock Appreciation Rights had been fully exercised immediately prior thereto would be equal to or less than the aggregate exercise price that would have been payable therefor, the Committee may, in its discretion, cancel any or all such Options for no consideration or payment of any kind.

Unless specifically provided otherwise with respect to Change in Control events in an individual Award or in a then-effective written employment agreement between the Participant and the Company, if, during the effectiveness of the Plan, a Change in Control occurs, the Restricted Period applicable to outstanding Restricted Stock Awards, Restricted Stock Unit Awards and all other outstanding Awards subject to forfeiture provisions (other than Awards consisting of Options or Stock Appreciation Rights) shall lapse and such Awards shall become fully vested and settled (subject, in each case, to satisfaction by the affected Participant of the requirements of Section 17).

16. GENERAL PROVISIONS APPLICABLE TO ALL AWARDS.

(a) General. In addition to the other terms and conditions of the Plan pursuant to which Awards may be granted, the Committee may impose on any Award or the exercise thereof, such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine, including terms requiring forfeiture of Awards in the event of termination of Continuous Service by the Participant and, to the extent permissible under Sections 162(m) and 409A of the Code, terms permitting a Participant to make elections relating to his or her Award. The Committee shall retain full power and discretion to accelerate or waive, at any time, any term or condition of an Award that is not mandatory under the Plan; *provided, however*, that the Committee shall not have any discretion to accelerate or waive any term or condition of an Award (i) that is intended to qualify as Performance-Based Compensation if such discretion would cause the Award not to so qualify or (ii) that would cause the Participant to incur additional taxes under Section 409A of the Code. Except in cases in which the Committee is authorized to require other forms of consideration under the Plan, or to the extent other forms of consideration must be paid to satisfy the requirements of the Delaware General Corporation Law, no consideration other than services may be required for the grant of any Award.

(b) Form of Award. Each Award granted under the Plan shall be evidenced by a written Award in such form (which need not be the same for each Participant) as the Committee from time to time approves, but which is not inconsistent with the Plan, including any provisions that may be necessary to assure that Awards satisfy the requirements of Section 409A of the Code to avoid the imposition of excise taxes thereunder and any Option that is intended to be an Incentive Stock Option will comply with Section 422 of the Code.

(c) Awards Criteria; Minimum Vesting. In determining the amount and value of Awards to be granted, the Committee may take into account the responsibility level, performance, potential, other Awards and such other considerations with respect to a Participant as it deems appropriate. Notwithstanding any other provision of the Plan to the contrary, all Awards under the Plan shall be subject to a minimum vesting schedule of at least 12 months following the date of grant of the Award, *provided*, *however*, that up to 5% of the shares underlying Awards granted after the Effective Date (including all Bonus Stock Awards) may be subject to vesting schedules of less than 12 months. Awards under the Plan granted to non-employee directors in respect of regular annual fees shall be deemed to satisfy the minimum vesting schedule set forth in the preceding sentence regardless of whether the Company's subsequent regular annual meeting of shareholders is at least 12 months following the date of grant of the Award.

(d) Form and Timing of Payment under Awards. Subject to the terms of the Plan and any applicable Award, payments to be made upon the exercise or settlement of an Award shall be made as soon as administratively practicable following the date on which the amount is payable. The settlement of any Award may, subject to any specific provisions or limitations set forth in the Award, be paid in the form of cash, Common Stock or a combination thereof, as determined by the Committee in connection with such settlement; *provided, however* , that no Award other than a Cash Award may be paid in cash in lieu of shares of Common Stock if the Committee determines that such action would cause the Participant to be subject to an additional tax under Section 409A of the Code.

(e) Termination of Continuous Service for Cause. In the event a Participant's Continuous Service is terminated for Cause, all outstanding Awards that have then not been settled (whether vested or unvested) shall be forfeited immediately and any shares of Restricted Stock for which the Restricted Period had not lapsed as of the Participant's termination of Continuous Service shall be transferred immediately out of the Participant's name.

(f) Transferability of Awards. Except as provided in Section 8(b) with respect to Non-Qualified Stock Options, Awards granted under the Plan, and any interest therein, shall not be transferable or assignable by the Participant, and may not be made subject to execution, attachment or similar process, otherwise than by will or by the laws of descent and distribution, and

shall be exercisable or payable during the lifetime of the Participant only by the Participant; *provided* that the Participant may designate persons who or which may exercise or receive his Awards following his death.

(g) Privileges of Stock Ownership. Except as provided in the Plan with respect to Bonus Stock Awards and as provided in Section 12(a)(ii) with respect to Restricted Stock Awards, no Participant will have any of the rights of a shareholder with respect to any shares of Common Stock subject to an Award until such Award is properly exercised or settled and the purchased or awarded shares are issued and delivered to the Participant, as evidenced by an appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to such date of issuance and delivery, except as provided otherwise in the Plan. No Award (or portion thereof) may provide for the payment of dividends or dividend equivalents before the date on which the Award (or portion thereof) vests.

(h) Performance-Based Compensation. The Committee may designate any Award as Performance-Based Compensation. Any Awards designated as Performance-Based Compensation shall be conditioned on the achievement of any one or more Performance Goals and shall be subject to the terms and conditions of Section 13. Notwithstanding any other provision of the Plan, the Committee may grant an Award that is not contingent on performance goals or an Award under Section 14 that is contingent on performance goals other than the Performance Goals and the business criteria set forth in Section 13(c), and is not subject to the other provisions of Section 13 so long as the Committee has determined that such Award is not intended to satisfy the requirements for Performance-Based Compensation under Section 162(m) of the Code.

(i) Clawback. Awards under the Plan shall be subject to the clawback or recapture policy, if any, that the Company may adopt from time to time or any clawback or recapture provisions set forth in an Award agreement to the extent provided in such policy or agreement and, in accordance with such policy or agreement, may be subject to the requirement that the Awards be repaid to the Company after they have been distributed or paid to the Participant.

(j) Section 409A.

(i) Separation from Service. Notwithstanding any provision contained in the Plan to the contrary, no amount shall be paid pursuant to the Plan that is treated being paid from a "nonqualified deferred compensation plan" as described in Section 409A(a)(1) of the Code relating to a Participant's termination of Continuous Service with the Company or an Affiliate unless such termination of Continuous Service constitutes a "separation from service" as such term is defined under Treasury Regulation Section 1.409A-1(h) and any successor provision thereto ("Separation from Service").

(ii) Deferred Payments for Certain Key Employees. Notwithstanding any other provision contained in the Plan or a related Award document to the contrary, if the Company determines that (i) at the time of the Participant's Separation from Service the Participant is a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code and (ii) any payments to be provided to the Participant under the Plan are or may become subject to the additional tax under Section 409A(a)(1)(B) of the Code or any other taxes or penalties imposed under Section 409A of the Code ("409A Taxes") if paid at the time such payments are otherwise required under the Plan or a related Award document, then such payments shall be delayed until the earlier of (A) the date that is six months after the date of the Participant's Separation from Service or (B) the Participant's death. If the amounts delayed are payable in installments, the delayed payments will be paid on the first day of the seventh month following the date of the Participant's separation from service (or earlier death). The provisions of this Section 16(i)(ii) shall only apply to the minimum extent required to avoid the Participant's incurrence of any 409A Taxes.

(iii) Section 409A Compliance; Separate Payments. The Plan is intended to be written, administered, interpreted and construed in a manner such that no payment or benefits provided under the Plan or a related Award document become subject to (A) the gross income inclusion set forth within Section 409A(a)(1)(A) of the Code or (B) the interest and additional tax set forth within Section 409A(a)(1)(B) of the Code (collectively, "Section 409A Penalties"), including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of Section 409A Penalties. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), each payment that a Participant may be eligible to receive under the Plan or a related Award document shall be treated as a separate and distinct payment and shall not collectively be treated as a single payment.

17. WITHHOLDING FOR TAXES.

Any issuance of Common Stock pursuant to the exercise of an Option or payment of any other Award under the Plan shall not be made until appropriate arrangements satisfactory to the Company have been made for the payment of any income and employment tax amounts (federal, state, local or other) that may be required to be withheld or paid by the Company with respect thereto. In addition, on the occurrence of an event with respect to an Award that requires the Company to withhold taxes, the Participant shall make arrangements satisfactory to the Company whereby such taxes may be paid. Such arrangements may, at the discretion of the Committee, include allowing the person to tender to the Company shares of Common Stock owned by the person, or to request the Company to withhold shares of Common Stock being acquired pursuant to the Award, whether through the exercise of an Option or as a distribution pursuant to the Award, together with payment of any remaining portion of such tax amounts in cash or by check payable and acceptable to the Company.

Notwithstanding the foregoing, if on the date of an event giving rise to a tax withholding obligation on the part of the Company the person is an Executive Officer or individual subject to Rule 16b-3, such person may direct that such tax withholding be effectuated by the Company withholding the necessary number of shares of Common Stock (at the tax rate required by the Code) from such Award payment or exercise.

18. MISCELLANEOUS.

(a) No Rights to Awards. No Participant or other person shall have any claim to be granted any Award, there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards and the terms and conditions of Awards need not be the same with respect to each recipient.

(b) Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with applicable federal law and the laws of the State of Delaware, without regard to any principles of conflicts of law.

(c) Other Laws. The Committee may refuse to issue or transfer any shares of Common Stock or other consideration under an Award if, acting in its sole discretion, it determines that the issuance of transfer or such shares or such other consideration might violate any applicable law.

(d) Administration. The Plan shall be administered by the Committees. The Committees shall interpret the Plan and any Awards granted pursuant to the Plan and shall prescribe such rules and regulations in connection with the operation of the Plan as it determines to be advisable for the administration of the Plan. The Committees may rescind and amend its rules and regulations from time to time. The interpretation by the Committees of any of the provisions of the Plan or any Award granted under the Plan shall be final, binding and conclusive upon the Company and all persons having an interest in any Award or any shares of Common Stock acquired pursuant to an Award. Notwithstanding the authority hereby delegated to the Committees to grant Awards to Employees, Directors and Consultants under the Plan, the Board shall have full authority, subject to the express provisions of the Plan and the requirements of Section 162(m) of the Code for Awards intended to constitute Performance-Based Compensation, to grant Awards to Employees, Directors and Consultants under the Plan, to interpret the Plan, to provide, modify and rescind rules and regulations relating to the Plan, to determine the terms and provision of Awards granted to Employees, Consultants and Directors under the Plan and to make all other determinations and perform such actions as the Board deems necessary or advisable to administer the Plan. No member of the Committees or the Board shall be liable for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award granted hereunder.

(e) Effect of Plan. Neither the adoption of the Plan nor any action of the Board or the Committees shall be deemed to give any Employee, Executive Officer, Director or Consultant any right to be granted an Award or any other rights except as may be evidenced by the Award, or any amendment thereto, duly authorized by the Committees and executed on behalf of the Company, and then only to the extent and on the terms and conditions expressly set forth therein. The existence of the Plan and the Awards granted hereunder shall not affect in any way the right of the Board, the Committee or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation or other transaction involving the Company, any issue of bonds, debentures, or shares of preferred stock ahead of or affecting the Common Stock or the rights thereof, the dissolution or liquidation of the Company or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding by or for the Company. Nothing contained in the Plan or in any Award, or in other related documents shall confer upon any Employee, Executive Officer, Director or Consultant any right with respect to such person's Continuous Service or interfere or affect in any way with the right of the Company or an Affiliate to terminate such person's Continuous Service at any time, with or without cause.

(f) No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or an Affiliate, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or an Affiliate, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Retirement Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

(g) Amendment or Termination of Plan. The Board in its discretion may, at any time or from time to time after the date of adoption of the Plan, terminate or amend the Plan in any respect, including amendment of any form of Award, exercise agreement or instrument to be executed pursuant to the Plan; *provided, however*, to the extent necessary to comply with the Code, including Sections 162(m) and 422 of the Code, other applicable laws, or the applicable requirements of any stock exchange or national market system, the Company shall obtain stockholder approval of any Plan amendment in such manner and to such a degree as required. No Award may be granted after termination of the Plan. Any amendment or termination of the Plan shall not affect Awards previously granted, and such Awards shall remain in full force and effect as if the Plan had not been amended or terminated, unless mutually agreed otherwise in a writing (including an amendment to the terms of an Award) signed by the Participant and the Company. Notwithstanding the preceding sentence, the Board

unilaterally may amend the Plan to the extent necessary or appropriate to prevent the Plan or an Award from being subject to the provisions of Section 409A of the Code; *provided* that any such amendment is permitted by Section 409A of the Code, Treasury regulations issued thereunder or other guidance issued by the Internal Revenue Service.

(h) Term of Plan. Unless sooner terminated by action of the Board, the Plan shall terminate on the earlier of (i) the tenth (10th) anniversary of the Effective Date or (ii) the date on which no shares of Common Stock subject to the Plan remain available to be granted as Awards under the Plan according to its provisions.

(i) Severability and Reformation. The Company intends all provisions of the Plan to be enforced to the fullest extent permitted by law. Accordingly, should a court of competent jurisdiction determine that the scope of any provision of the Plan is too broad to be enforced as written, the court should reform the provision to such narrower scope as it determines to be enforceable. If, however, any provision of the Plan is held to be wholly illegal, invalid, or unenforceable under present or future law, such provision shall be fully severable and severed, and the Plan shall be construed and enforced as if such illegal, invalid, or unenforceable provision were never a part hereof, and the remaining provisions of the Plan shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance.

(j) Interpretive Matters. Whenever required by the context, pronouns and any variation thereof shall be deemed to refer to the masculine, feminine, or neuter, and the singular shall include the plural, and visa versa. The term “include” or “including” does not denote or imply any limitation. The captions and headings used in the Plan are inserted for convenience and shall not be deemed a part of the Plan for construction or interpretation.

Exhibit 10.2

AMENDED AND RESTATED
CHENIERE ENERGY, INC.
KEY EXECUTIVE
SEVERANCE PAY PLAN
(EFFECTIVE AS OF MAY 19, 2017)
AND SUMMARY PLAN DESCRIPTION

SECTION 1
PURPOSE

The purpose of the Plan is to provide Severance Benefits to each Executive whose employment is terminated as a result of a Qualifying Termination and Change in Control Benefits to each Executive upon a Change in Control, as applicable. The Plan is not intended to provide Severance Benefits to any individual who is not an Executive and who does not suffer a Qualifying Termination. The Plan, as a "severance pay arrangement" as defined in Section 3(2)(B)(i) of ERISA, is intended to be and shall be administered and maintained as an unfunded welfare benefit plan under Section 3(1) of ERISA. The Plan is intended to be a "top hat" plan under ERISA. The document serves as both the formal Plan document and the summary plan description. The Plan originally became effective on January 1, 2017. This amendment and restatement of the Plan is effective May 19, 2017.

SECTION 2
DEFINITIONS

For purposes of the Plan, the following terms shall have the following meanings:

2.1 "**Affiliate**" shall mean a corporation or other entity that, directly or through one or more intermediaries, controls, is controlled by or is under common control with, the Company.

2.2 "**Annual Base Pay**" shall mean, as it relates to any Executive, such Executive's gross annual base salary as reflected in the Company's records and as in effect immediately prior to the Qualifying Termination.

2.3 "**Annual Bonus**" shall mean the amount of the Executive's annual cash bonus for the applicable calendar year.

2.4 "**Cause**" shall mean, with respect to an Executive, that such Executive experiences a Termination as a result of any of the following:

(a) the willful commission by the Executive of a crime or other act of misconduct that causes or is likely to cause substantial economic damage to the Company or an Affiliate or substantial injury to the business reputation of the Company or an Affiliate;

(b) the commission by the Executive of an act of fraud in the performance of the Executive's duties on behalf of the Company or an Affiliate;

(c) the willful and material violation by the Executive of the Company's Code of Business Conduct and Ethics Policy; or

(d) the continuing and repeated failure of the Executive to perform his or her duties to the Company or an Affiliate, including by reason of the Executive's habitual absenteeism (other than such failure resulting from the Executive's incapacity due to physical or mental illness), which failure has continued for a period of at least thirty (30) days following delivery of a written demand for substantial performance to the Executive by the Board which specifically identifies the manner in which the Board believes that the Executive has not performed his or her duties;

provided, *however*, that, notwithstanding anything to the contrary in this Plan, for purposes of determining whether "Cause" exists under this Plan, no act, or failure to act, on the part of the Executive shall be considered "willful" unless done or omitted to be done by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interest of the Company or an Affiliate, as the case may be.

The determination of whether Cause exists with respect to an Executive shall be made by the Board (or its designee) in its sole discretion.

2.5 "**Board**" shall mean the Board of Directors of the Company.

2.6 "**Change in Control**" shall mean the occurrence of any one of the following events:

(a) any "person" (as defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and as modified in Section 13(d) and 14(d) of the Exchange Act) other than (A) the Company or any Affiliate, (B) any employee benefit plan of the Company or of any Affiliate, (C) an entity owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company, or (D) an underwriter temporarily holding securities pursuant to an offering of such securities (a "**Person**"), becomes the "beneficial owner" (as defined in Rule 13d-3(a) of the Exchange Act), directly or indirectly, of securities of the Company representing 50.1% or more of the shares of voting stock of the Company then outstanding; or

(b) the consummation of any merger, organization, business combination or consolidation of the Company with or into any other company, other than a merger, reorganization, business combination or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding securities which represent immediately after such merger, reorganization, business combination or consolidation more than 50% of the combined voting power of the voting securities of the Company or the surviving company or the parent of such surviving company; or

(c) the consummation of a sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition if the holders of the voting securities of the Company outstanding immediately prior thereto hold securities immediately thereafter which represent more than 50% of the combined voting power of the

voting securities of the acquiror, or parent of the acquiror, of such assets, or the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company; or

(d) individuals who, as of the Effective Date, constitute the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that any individual becoming a director subsequent to the date of this Plan whose nomination by the Board was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an election contest or threatened election contest with respect to the election or removal of directors or other solicitation of proxies or consents by or on behalf of a person other than the Board.

Notwithstanding the foregoing, a Change in Control shall not occur or be deemed to occur if any event set forth in subsections (a) - (d) above, that would otherwise constitute a Change in Control occurs as a direct result of the consummation of a transaction solely between the Company and one or more of its controlled Affiliates.

Notwithstanding the foregoing, however, in any circumstance or transaction in which compensation payable pursuant to this Plan would be subject to the income tax under the Section 409A Rules if the foregoing definition of "Change in Control" were to apply, but would not be so subject if the term "Change in Control" were defined herein to mean a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5), then "Change in Control" means, but only to the extent necessary to prevent such compensation from becoming subject to the income tax under the Section 409A Rules, a transaction or circumstance that satisfies the requirements of both (1) a Change in Control under the applicable clause (a) through (d) above, and (2) a "change in control event" within the meaning of Treasury Regulation Section § 1.409A-3(i)(5).

2.7 "**Change in Control Benefit**" shall mean the acceleration of vesting of outstanding Incentive Awards that may become available under Section 3.2.

2.8 "**COBRA**" shall mean Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA.

2.9 "**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and administrative guidance promulgated thereunder.

2.10 "**Company**" shall mean Cheniere Energy, Inc.

2.11 "**Continued Benefits**" shall mean the continuation of subsidized health benefits to be provided in a manner as determined by the Plan Administrator in its sole discretion.

2.12 "**Effective Date**" shall mean the original effective date of this Plan, January 1, 2017.

2.13 "**Employer**" shall mean, as it relates to any Executive on any date, the Company or Related Employer that employs the Executive on such date.

2.14 "**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations and administrative guidance promulgated thereunder.

2.15 "**Executive**" shall mean an individual who is (i) a common law U.S.-based employee of the Company or of a Related Employer and (ii) an executive or vice president of the Company or of a Related Employer.

2.16 "**Executive Multiplier**" shall mean:

(a) in the case of a Qualifying Termination not during the Protection Period, (i) two (2), with respect to the Chief Executive Officer of the Company, (ii) one and one-half (1.5), with respect to any Executive (A) that reports directly to the Chief Executive Officer of the Company or (B) is otherwise a senior vice president of or an executive vice president of the Company or such other equivalent thereof (including, by way of example, the General Counsel of the Company) and also an officer of the Company, and (iii) one (1), with respect to an Executive not covered under either clause (i) or (ii) hereof; and

(b) in the case of a Qualifying Termination during the Protection Period, (i) three (3), with respect to the Chief Executive Officer of the Company, (ii) two (2), with respect to any Executive (A) that reports directly to the Chief Executive Officer or (B) is otherwise a senior vice president of or an executive vice president of the Company or such other equivalent thereof (including, by way of example, the General Counsel of the Company) and also an officer of the Company, and (iii) one and one-half (1.5), with respect to an Executive not covered under either clause (i) or (ii) hereof.

2.17 "**Good Reason**" shall mean as to any Executive,

(a) Prior to a Change in Control, the occurrence of any of the following events or conditions:

(i) a material diminution in the Executive's authority, duties, or responsibilities with the Company or the applicable Related Employer;

(ii) a reduction by the Company or the applicable Related Employer in the Executive's Annual Base Pay of more than five percent (5%) (other than a reduction that is part of reductions in Annual Base Pay for Executives generally); or

(iii) the requirement by the Company or the applicable Related Employer that the principal place of business at which the Executive performs his or her duties be permanently changed to a location more than fifty (50) miles from his or her then current principal place of business.

(b) Upon or following a Change in Control, the occurrence of any of the following events or conditions:

(i) a change in the Executive's status, title, position or responsibilities, including reporting responsibilities which represents a substantial reduction of his or her status, title, position or responsibilities as in effect immediately prior thereto;

(ii) the removal from or failure to re-elect the Executive to the office or position in which he or she last served, unless such removal or failure to re-elect is by reason of removal or failure to re-elect (I) for Cause, (II) as a result of the Executive's death or disability, or (III) voluntary resignation by or request for removal by the Executive from such office or position;

(iii) the assignment to the Executive of any duties, responsibilities, or reporting requirements which are materially adverse with his or her position with the Company or the applicable Related Employer, or any material diminishment, on a cumulative basis, of the Executive's overall duties, responsibilities, or status;

(iv) a material reduction by the Company or the applicable Related Employer in the Executive's Annual Base Pay; or

(v) the requirement by the Company or the applicable Related Employer that the principal place of business at which the Executive performs his or her duties be changed to a location more than fifty (50) miles from his or her then current principal place of business.

Notwithstanding any of the foregoing, an Executive cannot terminate his or her employment for Good Reason unless he or she has provided written notice to the Company of the existence of the circumstances alleged to constitute Good Reason within thirty (30) days of the initial existence of such circumstances and the Company has had at least thirty (30) days from the date on which such notice is provided to cure such circumstances. In the event the Company does not timely cure such circumstances and if the Executive does not terminate his or her employment for Good Reason within ninety (90) days after the first occurrence of the applicable circumstances, then the Executive will be deemed to have waived his or her right to terminate for Good Reason with respect to such circumstances.

2.18 "**Incentive Award**" shall mean (a) any equity award (other than a new hire award), equity-based award (including any such equity-based award settled in cash) (other than a new hire award), and annual award, in each case granted on or after the Effective Date and (b) any new hire award and retention award, regardless of the grant date, in all cases granted pursuant to a Company plan, arrangement or agreement.

2.19 "**Lookback Period**" shall mean the three (3) month portion of the Protection Period that precedes the Change in Control.

2.20 "**Plan**" shall mean the Cheniere Energy, Inc. Key Executive Severance Pay Plan (Effective as of January 1, 2017), as the same may be amended from time to time.

2.21 "**Plan Administrator**" shall mean the Company or such person or committee appointed thereby to administer the Plan.

2.22 "**Plan Year**" shall mean the calendar year.

2.23 "**Prorated Target Bonus Amount**" means the Executive's Target Bonus, if any, for the year in which the Qualifying Termination occurs multiplied by a fraction, the numerator of which is the number of days during such year that have elapsed prior to such Qualifying Termination and the denominator of which is 365.

2.24 "**Protection Period**" shall mean the period beginning three (3) months prior to a Change in Control and ending two (2) years after such Change in Control.

2.25 "**Qualifying Termination**" shall mean the Termination of an Executive either (a) by the Company or, if applicable, the Employer, in either case without Cause at a time when the Executive is otherwise willing and able to continue in employment or (b) by the Executive for Good Reason. In no event shall a Termination of an Executive as a result of (w) such Executive's death, (x) such Executive's disability, (y) Termination by the Company or a Related Employer of such Executive for Cause, or (z) Termination by the Executive other than for Good Reason constitute a Qualifying Termination.

2.26 "**Related Employer**" shall mean (a) an Affiliate that is a member of a controlled group of corporations (as defined in section 414(b) of the Code) that includes the Company, (b) an Affiliate (whether or not incorporated) that is in common control (as defined in section 414(c) of the Code) with the Company, or (c) an Affiliate that is a member of the same affiliated service group (as defined in section 414(m) of the Code) as the Company.

2.27 "**Release Agreement**" shall mean the agreement which an Executive must execute in order to receive Change in Control or Severance Benefits under the Plan which shall be in a form similar to that attached as Exhibit A hereto and acceptable to the Company.

2.28 "**Section 409A Rules**" shall mean Section 409A of the Code and the regulations and administrative guidance promulgated thereunder.

2.29 "**Severance Benefits**" shall mean (a) the Severance Pay, (b) the Continued Benefits, (c) the acceleration of vesting of outstanding Incentive Awards that may become available under Section 5.5, (d) the Prorated Target Bonus Amount, (e) the amount of the Executive's unpaid Annual Bonus (if any) for the year prior to the year in which the Qualifying Termination occurs to the extent earned based on actual performance achieved and (f) such outplacement services (if any) as may be provided or made available under Section 5.6.

2.30 "**Severance Pay**" shall mean, with respect to an applicable Executive, an amount equal to the product of (a) the Executive's Executive Multiplier multiplied by (b) the sum of such

Executive's (i) Annual Base Pay plus (ii) full amount of the Executive's Target Bonus for the year of the Qualifying Termination.

2.31 "**Target Bonus**" shall mean the amount of the Executive's "target" annual cash bonus for the applicable year.

2.32 "**Termination**" shall mean a "separation from service" as defined in the Section 409A Rules of an Executive with respect to the Company and its Affiliates and which separation both the Employer and Executive reasonably believe to be permanent.

2.33 "**Termination Date**" shall mean the date the applicable Executive experiences a Termination.

SECTION 3
CHANGE IN CONTROL BENEFIT

3.1 Eligibility for Change in Control Benefit

Subject to the terms and conditions of the Plan, an Executive will become entitled to the Change in Control Benefit under the Plan only if he or she remains continuously employed with the Company and the Related Employers from the date of his or her commencement of participation in the Plan through the date of a Change in Control.

3.2 Treatment of Outstanding Incentive Awards

(a) Subject to the terms of the Plan and, except as otherwise provided in this Section 3.2, notwithstanding the terms of any Company plan or award agreement thereunder or other agreement or arrangement to the contrary, with respect to each Executive eligible for the Change in Control Benefit, such Executive shall be entitled to:

(i) all of the Executive's outstanding unvested time-based Incentive Awards will automatically vest in full as of the date of the Change in Control,

(ii) the Executive's outstanding unvested performance-based Incentive Awards that vest based on total shareholder return ("**TSR**") will vest as of the date of the Change in Control based on actual TSR as of the date of the Change in Control, and

(iii) the Executive's outstanding unvested performance-based Incentive Awards that vest as of the date of the Change in Control based on performance metrics other than TSR will vest at the target level for such Incentive Awards.

(b) Notwithstanding anything in this Section 3.2 to the contrary, (i) to the extent an applicable Incentive Award agreement, plan or similar agreement governing an Executive's outstanding Incentive Awards provides for more favorable treatment of such awards, the terms of such Incentive Award agreement, plan or similar agreement shall control with respect thereto, and (ii) this Section 3.2 shall not apply to outstanding Incentive Awards that (A) are equity or

equity-based, (B) have been granted to the Chief Executive Officer of the Company and (C) are outstanding and unvested as of the Effective Date.

3.3 Requirement for Release Agreement

No Change in Control Benefit will be provided to an Executive unless that Executive, in the sole determination of the Plan Administrator, has properly executed and delivered to the Company a Release Agreement and such Release Agreement has become irrevocable as provided therein within fifty-five (55) days following the date of the Change in Control. To be "properly executed," such Release Agreement must (among other requirements the Plan Administrator may establish) be executed on or after the date of the Change in Control.

3.4 Settlement of Vested Incentive Awards

Subject to the terms and conditions of the Plan, an Executive's outstanding Incentive Awards vesting pursuant to Section 3.2 shall be settled as soon as administratively practicable following the expiration of the period during which the Executive may revoke the Release Agreement pursuant to the terms of the Release Agreement, but in all events no later than the end of the sixtieth (60th) day following the date of the Change in Control; *provided*, *however*, that if such sixty (60)-day period begins in one taxable year and ends in a subsequent taxable year, the outstanding Incentive Awards vesting pursuant to Section 3.2 will in all events be settled in such subsequent taxable year. Notwithstanding the immediately preceding sentence, if any outstanding Incentive Award the vesting of which accelerates pursuant to Section 3.2 is required to comply with the Section 409A Rules or is subject to Section 83 of the Code, the settlement date thereof shall be such date as required by the applicable Incentive Award agreement or plan.

SECTION 4
ENTITLEMENT TO SEVERANCE BENEFITS

4.1 Eligibility for Severance Benefits

Subject to the terms and conditions of the Plan, an Executive will become entitled to Severance Benefits under the Plan only if he or she experiences a Qualifying Termination. An Executive shall not be entitled to Severance Benefits if he or she does not experience a Qualifying Termination.

4.2 Death of an Executive

If an Executive whose employment terminates in a Qualifying Termination dies after his or her Termination Date but before the Executive receives the Severance Benefits to which he or she is entitled, the Severance Benefits will be paid to the Executive's surviving spouse as then reflected in the Company's records or, if the Executive does not have a surviving spouse so reflected in the Company's records, to the Executive's estate. In the event the Release Agreement with respect to a deceased Executive has not become final by such Executive's date of death, then the Executive's surviving spouse or estate, as applicable, must timely execute, deliver and not revoke the Release Agreement.

4.3 Requirement for Release Agreement

No Severance Benefits will be paid to any Executive unless that Executive, in the sole determination of the Plan Administrator, has properly executed and delivered to the Company a Release Agreement and such Release Agreement has become irrevocable as provided therein within fifty-five (55) days following the date of the Qualifying Termination. To be "properly executed," such Release Agreement must (among other requirements the Plan Administrator may establish) be executed on or after the Executive's Termination Date.

SECTION 5
SEVERANCE BENEFITS

5.1 Form and Time of Payment of Severance Pay

Subject to the terms and conditions of the Plan, Severance Pay shall be paid in a lump sum in cash. Severance Pay shall be paid as soon as administratively practicable following the expiration of the period during which the Executive may revoke the Release Agreement pursuant to the terms of the Release Agreement, but in all events no later than the sixtieth (60th) day following the date of the Qualifying Termination (such sixty (60)-day period, the "**Severance Pay Period**"); *provided*, *however*, that if the Severance Pay Period begins in one taxable year and ends in a subsequent taxable year, the Severance Pay will in all events be paid in such subsequent taxable year. The Severance Pay payable to any Executive shall be solely the obligation of the Employer by whom the Executive was employed on his or her Termination Date.

5.2 Reduction of Severance Pay to Avoid Duplication

(a) If an Executive is a party to an employment, severance, termination, change of control, salary continuation or other similar agreement with the Company or any Affiliate, or is a participant in any other severance plan, practice or policy of the Company or any Affiliate, the Severance Pay to which the Executive may be entitled under this Plan shall be reduced (but not below zero) by the amount of severance, termination, change of control, salary continuation or other similar pay to which he or she may be entitled under such other agreement, plan, practice or policy (provided that any such reduction shall not take into account the value of any acceleration of vesting of such Executive's outstanding awards under Company equity plans); *provided*, *that* the reduction set forth in this sentence shall not apply as to any such other agreement, plan, practice or policy which contains a reduction provision substantially similar to this sentence, so long as the Plan Administrator establishes to its satisfaction that the reduction provision of such other agreement, plan, practice or policy shall be applied. The Severance Pay to which an Executive is otherwise entitled shall be further reduced (but not below zero) by any payments and benefits to which the Executive may be entitled under any federal, state or local plant-closing (or similar or analogous) law (including, but not limited to, entitlement to pay and continued employee benefits (or the cash value of either of the foregoing) pursuant to the Worker Adjustment and Retraining Notification Act, as amended).

(b) To the extent permitted by applicable law, including applicable restrictions on offsets under the Section 409A Rules, the Severance Pay to which any Executive is entitled

may, in the sole discretion of the Plan Administrator, be reduced by the amount of any indebtedness of the Executive to the Company or any of its Affiliates, and the amount of any such reduction shall be applied as a repayment or forgiveness of such indebtedness to such extent.

5.3 Prorated Target Bonus Amount

(a) Subject to the terms and conditions of the Plan, with respect to each Executive whose Termination entitles him or her to Severance Pay, such Executive shall receive his or her Prorated Target Bonus Amount.

(b) Subject to the terms and conditions of the Plan, an Executive's Prorated Target Bonus Amount shall be paid in a lump sum in cash as soon as administratively practicable following the expiration of the period during which the Executive may revoke the Release Agreement pursuant to the terms of the Release Agreement, but in all events no later than the end of the Severance Pay Period; *provided*, *however*, that if the Severance Pay Period begins in one taxable year and ends in a subsequent taxable year, the Prorated Target Bonus will in all events be paid in such subsequent taxable year. The Prorated Target Bonus payable to any Executive shall be solely the obligation of the Employer by whom the Executive was employed on his or her Termination Date.

5.4 Continued Benefits

Subject to the terms and conditions of the Plan, with respect to each Executive whose Termination entitles him or her to Severance Pay, such Executive shall receive, subject to timely election pursuant to COBRA and remaining eligible therefor, if applicable, Continued Benefits equal to (a) with respect to the Chief Executive Officer of the Company and (i) any Executive that directly reports to the Chief Executive Officer or (ii) is otherwise a senior vice president of or an executive vice president of the Company or such other equivalent thereof (including, by way of example, the General Counsel of the Company) and also an officer of the Company or an Affiliate, twenty-four (24) months of Continued Benefits and (b) with respect to all other Executives, twelve (12) months of Continued Benefits. In the event an Executive ceases to be eligible to continue coverage under the Company's group health plans pursuant to COBRA other than as a result of failure to make a timely election therefor or of obtaining new employment that makes available employer-provided health benefits, the Company shall pay to such Executive, on a monthly basis for the remainder of the period that the Continued Benefits would have remained in effect had such COBRA eligibility not ceased, a monthly amount equal to the amount of the health care premiums the Company was paying or causing to be waived on behalf of Executive immediately prior to such loss of eligibility. In the event an Executive ceases, following his or her Termination, to be eligible for the Continued Benefits pursuant to the first sentence of this Section 5.4, such Executive shall promptly inform the Company in writing of such ineligibility. Notwithstanding any of the foregoing, the Company may modify the Continued Benefits provided by this Section 5.4 to the extent reasonably necessary to avoid the imposition of any excise taxes or other penalties on the Company or any of its Affiliates for failure to comply with the requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and/or the Health Care and Education Reconciliation Act of 2010, as amended.

5.5 Treatment of Outstanding Incentive Awards

(a) Subject to the terms and conditions of the Plan, with respect to each Executive whose Termination entitles him or her to Severance Pay, such Executive shall be entitled to acceleration of vesting of:

(i) in the event of a Qualifying Termination of an Executive not during the Protection Period,

(A) with respect to the Executive's outstanding unvested time-based Incentive Awards, (I) subject to Section 5.5(a)(iii), such Incentive Awards that were granted within the six (6) month period immediately preceding the Qualifying Termination will be automatically forfeited for no consideration, and (II) subject to subclause (I) hereof, all of the Executive's outstanding unvested time-based Incentive Awards will automatically vest, and

(B) with respect to the Executive's outstanding unvested performance-based Incentive Awards, (I) subject to Section 5.5(a)(iii), such Incentive Awards that were granted within the six (6) month period immediately preceding the Qualifying Termination will be automatically forfeited for no consideration, and (II) subject to subclause (I) hereof, (1) each of the Executive's outstanding unvested performance-based Incentive Awards shall remain outstanding with respect to the portion of such Incentive Award multiplied by a fraction, the numerator of which is the number of complete months since the grant of such Incentive Award and the denominator of which is the number of months in the performance period with respect thereto, and (2) the portion of such performance-based Incentive Awards that remains outstanding following applicability of subclause (1) shall vest, if at all, upon completion of the applicable performance period based on actual performance levels achieved; and

(ii) in the event of a Qualifying Termination of an Executive during the Protection Period,

(A) all of the Executive's outstanding unvested time-based Incentive Awards will automatically vest in full,

(B) the Executive's outstanding unvested performance-based Incentive Awards that vest based on TSR will vest based on actual TSR as of the date of the Change in Control, and

(C) the Executive's outstanding unvested performance-based Incentive Awards that vest based on performance metrics other than TSR will vest at the target level for such Incentive Awards.

(iii) Notwithstanding anything in this Section 5.5, the applicable provisions of the Executive's Incentive Award agreements or the relevant plan governing such Incentive Awards to the contrary, if a Qualifying Termination occurs prior to a Change in Control, (A) no Incentive Awards that are unvested as of the Qualifying Termination (after taking into account vesting acceleration pursuant to Section 5.5(a)(i)) shall lapse or be forfeited solely on

account of such Qualifying Termination; *provided*, *however*, if the Change in Control has not occurred within the 3-month period immediately following the Qualifying Termination thus resulting in such Qualifying Termination occurring outside the Protection Period, all such unvested Incentive Awards shall automatically lapse and be forfeited for no consideration at the end of such 3-month period and (B) with respect to performance-based Incentive Awards, if the applicable performance period ends after the Qualifying Termination but prior to a Change in Control and such Change in Control occurs within the 3-month period immediately following the Qualifying Termination, the Executive shall be entitled, with respect to such Incentive Award, to the greater of the amount resulting from the application of Section 5.5(a)(i)(B) and Section 5.5(a)(ii)(B) or (C), as applicable.

(b) Subject to the terms and conditions of the Plan, an Executive's outstanding Incentive Awards vesting pursuant to Section 5.5(a) shall be settled as soon as administratively practicable following the expiration of the period during which the Executive may revoke the Release Agreement pursuant to the terms of the Release Agreement, but in all events no later than the end of the Severance Pay Period; *provided*, *however*, that if the Severance Pay Period begins in one taxable year and ends in a subsequent taxable year, the outstanding Incentive Awards vesting pursuant to Section 5.5(a) will in all events be settled in such subsequent taxable year. Notwithstanding the immediately preceding sentence, if any outstanding Incentive Awards the vesting of which accelerates pursuant to Section 5.5(a) is required to comply with the Section 409A Rules or is subject to Section 83 of the Code, the settlement date thereof shall be such date as required by the applicable Incentive Award agreement or plan.

(c) Notwithstanding Section 5.5(a), (i) to the extent an applicable Incentive Award agreement, plan or similar agreement governing an Executive's outstanding Incentive Awards provides for more favorable treatment of such awards, the terms of such Incentive Award agreement, plan or similar agreement shall control with respect thereto, and (ii) this Section 5.5 shall not apply to outstanding Incentive Awards that (A) are equity or equity-based, (B) have been granted to the Chief Executive Officer of the Company and (C) are outstanding and unvested as of the Effective Date.

5.6 Outplacement Services

Subject to the terms and conditions of the Plan, with respect to each Executive whose Qualifying Termination entitles him or her to Severance Benefits, the Plan Administrator may, in its sole and absolute discretion, provide such Executive with outplacement services (or pay the costs associated with obtaining such outplacement services). The Plan Administrator shall determine, in its sole and absolute discretion, the period during which the Executive will be eligible to receive such outplacement services (if any) and the type, degree and length of such services, and in no event shall the Plan Administrator's decision to provide outplacement services entitle or require any other Executive to such services.

5.7 Qualifying Termination followed by Change in Control During the Lookback Period

Subject to the terms and conditions of the Plan, with respect to each Executive whose Termination entitles him or her to Severance Pay, if an Executive experiences a Qualifying Termination prior to a Change in Control, but a Change in Control subsequently occurs that results in the aforementioned Qualifying Termination having occurred during the Lookback Period, then any Severance Benefits not otherwise payable to the Executive as a result of a Qualifying Termination absent a Change in Control shall be payable as soon as administratively practicable following the date of the Change in Control, but in all events no later than the end of than the sixtieth (60th) day following the date of the Change in Control; *provided*, *however*, that if such sixty (60)-day period begins in one taxable year and ends in a subsequent taxable year, the applicable Severance Benefits payable pursuant to this Section 5.7 will in all events be paid in such subsequent taxable year.

5.8 Repayment of Severance Pay in the Event of Rehire

In the event an Executive is rehired by the Company or an Affiliate thereof within twelve (12) months following such Executive's Qualifying Termination, the Executive shall promptly repay to the Company an amount equal to the after-tax amount of the Severance Pay multiplied by a fraction, the numerator of which is the number of days since the date of the Qualifying Termination that remain in such twelve (12) month period and the denominator of which is 365.

SECTION 6
ADMINISTRATION, AMENDMENT AND TERMINATION

6.1 Administration

(a) The Plan Administrator shall be administrator and "Named Fiduciary" (within the meaning of Section 402(a) of ERISA) of the Plan and shall have full authority to control and manage the operation and administration of the Plan, and to take all such action in respect of the Plan as it deems necessary or appropriate. By way of clarification and not limitation of the foregoing, the Plan Administrator will have the authority, in its sole and absolute discretion, to: (i) adopt, amend, and rescind administrative and interpretive rules and regulations related to the Plan, (ii) delegate its duties under the Plan to such persons, agents and committees as it may appoint from time to time, (iii) interpret the Plan's provisions and construe its terms, (iv) determine eligibility for benefits under the Plan, including determining which Executive Multiplier shall apply to each Executive, (v) determine the entitlement to and the amount of benefits payable to any person pursuant to the Plan, (vi) determine any reduction to severance pursuant to Section 5.2 of this Plan, (vii) engage accountants, legal counsel and such other personnel as it deems necessary or advisable to assist it in the performance of its duties under the Plan and (viii) make all other determinations, perform all other acts and exercise all other powers and authority necessary or advisable for administering the Plan, including the delegation of those ministerial acts and responsibilities as the Plan Administrator deems appropriate. The Plan Administrator shall have complete discretion and authority with respect to the Plan and its

application. The Plan Administrator may correct any defect, supply any omission, or reconcile any inconsistency in the Plan in any manner and to the extent it deems necessary or desirable to carry the Plan into effect, and the Plan Administrator will be the sole and final judge of that necessity or desirability. The determinations of the Plan Administrator on the matters referred to in this Section 6.1(a) will be final, conclusive and binding upon all persons claiming any interest in or under the Plan. Any determination made by the Plan Administrator shall be given deference in the event it is subject to judicial review and shall be overturned by a court of law only if it is arbitrary and capricious.

(b) The Plan Administrator may amend the Plan retroactively to cure any ambiguity in the language of the Plan. This Section 6.1(b) may not be invoked by any person to require the Plan to be interpreted in a manner which is inconsistent with its interpretation by the Plan Administrator. All actions and all determinations made by the Plan Administrator shall be final and binding upon all persons claiming any interest in or under the Plan.

6.2 Amendment and Termination

(a) Subject to Section 6.2(b), the Company reserves the right to amend, terminate, suspend or otherwise modify all or any part of the Plan at any time, and from time to time, without the consent of or notice to any person.

(b) Neither the termination of the Plan nor any amendment or modification to the Plan by the Company or the Plan Administrator (if such authority is so delegated by the Company) may reduce the Severance Benefits which may be payable or provided under the Plan to any Executive whose Termination Date is on or prior to the effective date of such termination, amendment, modification or supplement.

(c) Notwithstanding the foregoing, no termination or amendment that adversely affects the rights or benefits hereunder of any Executive shall be applicable to such Executive if made within the 12-month period immediately preceding a Change in Control or the 24-month period beginning on the date of such Change in Control.

SECTION 7
GENERAL PROVISIONS

7.1 Unfunded Obligation

Severance Benefits under the Plan shall be an unfunded obligation of the Employer of such Executive and shall be payable only from such Employer's general assets.

7.2 Withholding

The Company or the Employer, as applicable, shall have the authority to withhold or cause to be withheld applicable taxes from payments made under this Plan with respect to payments made and benefits provided hereunder, to the extent determined applicable by the Company or Employer.

7.3 No Guarantee of Tax Consequences

Neither the Company nor any Affiliate represents or guarantees that any particular federal, state, local, income, estate, payroll, personal property or other tax consequences will (or will not) occur with respect to Executives as a result of participation in this Plan and/or the receipt of Severance Benefits hereunder. Neither the Company nor any Affiliate assumes any liability or responsibility for the tax consequences hereunder to any Executive (or to any person, entity, trust or estate claiming through or on behalf of any Executive). Each Executive is solely responsible for obtaining appropriate advice regarding all questions of federal, state, local, income, estate, payroll, personal property and other tax consequences arising from participation in this Plan and the receipt of compensation or benefits hereunder.

7.4 Section 409A Rules

(a) This Plan and the Severance Benefits provided hereunder are intended to comply with the Section 409A Rules or an exemption thereunder and shall be construed and administered in accordance therewith. For purposes of the Section 409A Rules, each installment payment provided under this Plan shall be treated as a separate payment.

(b) Notwithstanding any other provision of this Plan, if any payment or benefit provided to an Executive in connection with his or her Termination is determined to constitute "nonqualified deferred compensation" within the meaning of the Section 409A Rules and the Executive is determined to be a "specified employee" as defined in the Section 409A Rules, then such payment or benefit shall not be paid until the first payroll date to occur following the six-month anniversary of the Termination Date (the "**Specified Employee Payment Date**"). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date shall be paid, without interest, to the Executive in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

(c) Any gross-up payment payable pursuant to this Plan shall be paid no later than the end of the applicable Executive's taxable year next following the taxable year in which the Executive remits the related taxes.

(d) To the extent required by the Section 409A Rules, each reimbursement or in-kind benefit provided under this Plan shall be provided in accordance with the following:

(i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year;

(ii) any reimbursement of an eligible expense shall be paid to the Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and

(iii) any right to reimbursements or in-kind benefits under this Plan shall not be subject to liquidation or exchange for another benefit.

7.5 Section 280G

(a) Notwithstanding any other provision of this Plan or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its Affiliates to an Executive or for an Executive's benefit pursuant to the terms of this Plan or otherwise ("**Covered Payments**") constitute parachute payments ("**Parachute Payments**") within the meaning of Section 280G of the Code and would, but for this Section 7.5 be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "**Excise Tax**"), then prior to making the Covered Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the Covered Payments after payment of the Excise Tax to (ii) the Net Benefit to the Executive if the Covered Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the Covered Payments be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax (that amount, the "**Reduced Amount**"). "**Net Benefit**" shall mean the present value of the Covered Payments net of all federal, state, local, foreign income, employment and excise taxes.

(b) Any such reduction shall be made in accordance with the Section 409A Rules and the following: (i) the Covered Payments that do not constitute nonqualified deferred compensation subject to the Section 409A Rules shall be reduced first; and (ii) all other Covered Payments shall then be reduced as follows: (A) cash payments shall be reduced before non-cash payments; and (B) payments to be made on a later payment date shall be reduced before payments to be made on an earlier payment date.

(c) Any determination required under this Section 7.5, including whether any payments or benefits are parachute payments, shall be made by the Company in its sole discretion. The Executive shall provide the Company with such information and documents as the Company may reasonably request in order to make a determination under this Section 7.5. The Company's determination shall be final and binding on the Executive.

7.6 Applicable Law

The Plan and all rights hereunder shall be governed and construed in accordance with applicable federal law and, to the extent not preempted by federal law, with the laws of the State of Texas, wherein venue shall lie for any dispute arising hereunder.

7.7 Severability

If a court of competent jurisdiction holds any provision of the Plan invalid or unenforceable, the Plan shall be construed or enforced as if such provision had not been included herein, and the remaining provisions of the Plan shall continue to be fully effective.

7.8 Employment at Will

Each Executive shall be an employee-at-will of the Executive's Employer. No provision of the Plan shall be construed to constitute a contract of employment or impose on the Company or any Affiliate any obligation to (a) retain any Executive, (b) make any payments upon Termination (except as otherwise provided herein), (c) change the status of any Executive's employment or (d) change any employment policies of any Employer.

7.9 Clawback

Any amounts payable under this Plan are subject to any policy (whether in existence as of the Effective Date or later adopted) established by the Company providing for clawback or recovery of amounts that were paid to Executives. The Company will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

7.10 Section Headings

Section headings in this Plan are included for convenience of reference only and shall not be considered part of this Plan for any other purpose.

7.11 Non-exclusivity of the Plan

The adoption of the Plan by the Company will not be construed as creating any limitations on the power of the Company or of any Affiliate to adopt such other incentive arrangements as it may deem desirable. No employee, beneficiary or other person will have any claim against the Company or any Affiliate as a result of any such action. Any action with respect to the Plan taken by the Plan Administrator, the Company, any Affiliate or any designee of any of the foregoing shall be conclusive upon all employees of the Company and of any Affiliate and beneficiaries entitled to benefits under the Plan.

7.12 Claims Procedures

(a) Initial Claims. In order to file a claim to receive benefits under the Plan, the Executive or his authorized representative must submit a written claim for benefits to the Plan within 60 days after the Executive's Termination. An Executive must complete the following claims procedure process before filing suit in court. Claims should be addressed and sent to the following (unless otherwise designated by the Plan Administrator):

Cheniere Energy, Inc.
700 Milam, Suite 1900
Houston, TX 77002
Phone Number: 713-375-5000

If the Executive's claim is denied, in whole or in part, the Executive will be furnished with written notice of the denial within 90 days after the Plan Administrator's receipt of the Executive's written

claim, unless special circumstances require an extension of time for processing the claim, in which case a period not to exceed 180 days will apply. If such an extension of time is required, written notice of the extension will be furnished to the Executive before the termination of the initial 90 day period and will describe the special circumstances requiring the extension, and the date on which a decision is expected to be rendered. Written notice of the denial of the Executive's claim will contain the following information:

(i) the specific reason or reasons for the denial of the Executive's claim;

(ii) references to the specific Plan provisions on which the denial of the Executive's claim was based;

(iii) a description of any additional information or material required by the Plan Administrator to reconsider the Executive's claim (to the extent applicable) and an explanation of why such material or information is necessary; and

(iv) a description of the Plan's review procedure and time limits applicable to such procedures, including a statement of the Executive's right to bring a civil action under Section 502(a) of ERISA following a benefit claim denial on review.

(b) Appeal of Denied Claims. If the Executive's claim is denied and he wishes to submit a request for a review of the denied claim, the Executive or his authorized representative must follow the procedures described below:

(i) Upon receipt of the denied claim, the Executive (or his authorized representative) may file a request for review of the claim in writing with the Plan Administrator. This request for review must be filed no later than 60 days after the Executive has received written notification of the denial.

(ii) The Executive has the right to submit in writing to the Plan Administrator any comments, documents, records or other information relating to his claim for benefits.

(iii) The Executive has the right to be provided with, upon request and free of charge, reasonable access to and copies of all pertinent documents, records and other information that is relevant to his claim for benefits.

(iv) The review of the denied claim will take into account all comments, documents, records and other information that the Executive submitted relating to his claim, without regard to whether such information was submitted or considered in the initial denial of his claim.

7.13 Plan Administrator's Response to Appeal

The Plan Administrator will provide the Executive with written notice of its decision within 60 days after the Plan Administrator's receipt of the Executive's written claim for

review, unless special circumstances require an extension of time for processing the claim, in which case a period not to exceed 120 days will apply. If such an extension of time is required, written notice of the extension will be furnished to the Executive before the termination of the initial 60 day period and will describe the special circumstances requiring the extension, and the date on which a decision is expected to be rendered. The Plan Administrator's decision on the Executive's claim for review will be communicated to the Executive in writing and will clearly provide:

(a) the specific reason or reasons for the denial of the Executive's claim;

(b) reference to the specific Plan provisions on which the denial of the Executive's claim is based;

(c) a statement that the Executive is entitled to receive, upon request and free of charge, reasonable access to, and copies of, the Plan and all documents, records and other information relevant to his claim for benefits; and

(d) a statement describing the Executive's right to bring an action under Section 502(a) of ERISA.

7.14 Your Rights under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your Employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. However, no legal action may be commenced or maintained against the Plan prior to your exhaustion of the Plan's claims procedures described in this Summary Plan Description.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 1-866-444-3272.

7.15 Other Important Plan Information

Name and Address of Plan Sponsor/Plan Administrator

Cheniere Energy, Inc.
700 Milam, Suite 1900
Houston, TX 77002
Phone Number: 713-375-5000

Employer Identification Number (EIN) of Plan Sponsor and Plan Number

EIN: 95-4352386
Plan Number: 505

Type of Welfare Plan

Severance benefit plan

Type of Administration of Plan

Sponsor administration

Person Designated as Agent for Service of Legal Process

Corporate Secretary
Cheniere Energy, Inc.
700 Milam, Suite 1900
Houston, TX 77002

Ending Date for Plan's Fiscal Year

December 31

Future of The Plan

Except as otherwise set forth herein, the Company has reserved the right to amend, modify or terminate all or any part of the Plan at any time, and from time to time, without the consent of or notice to any Executive. Except as otherwise set forth herein, the Company may also adopt one or more written supplements to this Plan that enlarge or diminish the rights of one or more Executives under the Plan without consent of or notice to any Executive.

EXHIBIT A

CHENIERE ENERGY, INC. KEY EXECUTIVE SEVERANCE PAY PLAN
RELEASE AGREEMENT

1. This Release Agreement (the "Release Agreement") is being entered into by _____ (the "Employee") and **Cheniere Energy, Inc**. (the "Company") pursuant to the Cheniere Energy, Inc. Key Executive Severance Pay Plan, as amended from time to time (the "Plan") in order to further the mutually desired terms and conditions set forth herein. The term "Company" shall include Cheniere Energy, Inc., its present and former parents, trusts, plans, direct or indirect subsidiaries, affiliates and related companies or entities, regardless of its or their form of business organization. Capitalized terms used but not defined herein shall have the definitions set forth in the Plan.

2. For and in consideration for the Employee's timely execution of this Release Agreement, and provided that the Employee does not revoke the General Release and/or ADEA Release contained in Sections 3 and 5 herein, the Company agrees to the following:

   (a) Benefits. The Company shall provide to the Employee either the Change in Control Benefits or the Severance Benefits, as applicable, as set forth in the Plan.

   (b) The Change in Control Benefits, if applicable, represent the exclusive amounts to be paid to the Employee by the Company in connection with or arising out of the Change in Control. No further amounts shall be paid to the Employee for any items, including, but not limited to, attorneys' fees.

   (c) The Severance Benefits, if applicable, represent the exclusive amounts to be paid to the Employee by the Company in connection with or arising out of the Employee's employment with the Company and the Employee's Termination of employment with the Company which occurred on _____. No further amounts shall be paid to the Employee for any items, including, but not limited to, attorneys' fees.

3. **General Release.** The Employee, on behalf of the Employee, the Employee's heirs, beneficiaries, personal representatives and assigns, hereby releases, acquits and forever discharges the Company, its present and former owners, officers, employees, shareholders, directors, partners, attorneys, agents and assignees, and all other persons, firms, partnerships, or corporations in control of, under the direction of, or in any way presently or formerly associated with the Company (each, a "Released Party" and collectively the "Released Parties"), of, from and against all claims, charges, complaints, liabilities, obligations, promises, agreements, contracts, damages, actions, causes of action, suits, accrued benefits or other liabilities of any kind or character, in law or in equity, whether known or unknown, foreseen or unforeseen, vested or contingent, matured or unmatured, suspected or unsuspected, that may now or hereafter at any time be made or brought against any Released Party, arising from or in any way connected with or related to the Employee's employment with the Company and/or the Employee's Termination of employment with

the Company, including, but not limited to, allegations of wrongful termination, discrimination, retaliation, breach of contract, anticipatory breach, fraud, conspiracy, promissory estoppel, retaliatory discharge, constructive discharge, discharge in violation of any law, statute, regulation or ordinance providing whistleblower protection, discharge in violation of public policy, intentional infliction of emotional distress, negligent infliction of emotional distress, defamation, harassment, sexual harassment, invasion of privacy, any action in tort or contract, any violation of any federal, state, or local law, including, but not limited to, any violation of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e *et seq*., the Civil Rights Act of 1866, 42 U.S.C. § 1981, the Equal Pay Act, 29 U.S.C. § 206, the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq*., the Americans with Disabilities Act, 29 U.S.C. § 621, *et seq*., the Family and Medical Leave Act, 29 U.S.C. § 2601 *et seq*., the Fair Credit Reporting Act, 15 U.S.C. § 1681, *et seq*., the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101-2109, the Texas Commission on Human Rights Act, Tex. Lab. Code § 21.001, *et. seq*., the Texas Workers' Compensation Act, Tex. Lab. Code §§ 451.001 - 451.003, the Texas Payday Act, Tex. Lab. Code § 61.011, *et seq*., or any other employment or civil rights act, and any and all claims for severance pay, vacation pay, paid time off or benefits under any compensation, cash award, bonus, stock grant, equity grants or awards, or employee benefit plan, program, policy, contract, agreement, but excluding any claim for unemployment compensation, any claim for workers' compensation benefits; and any benefits which the Employee is entitled to receive under any Company plan that is a qualified plan under IRC §401(a) or is a group health plan subject to COBRA. If execution of this Release Agreement is in connection with Termination of the Employee's employment with the Company, COBRA continuation coverage is available to participants and their beneficiaries who participated in the Company's group health plan as of the date of such Termination, to the extent the participant properly elects and pays for such COBRA continuation coverage. Excluded from the General Release in this Section 3 are claims arising under the Age Discrimination in Employment Act ("ADEA"), which are released pursuant to paragraph 5, and those claims which cannot be waived by law.

4. The Employee agrees not to commence any legal proceeding or lawsuit against any Released Party arising out of or based upon the Employee's employment with the Company or the Termination of the Employee's employment with the Company. The Employee represents that the Employee has not filed any charges, complaints, or other proceedings against the Company or any of the Released Parties that are presently pending with any federal, state, or local court or administrative or governmental agency. Notwithstanding this release of liability, nothing in this Release Agreement prevents the Employee from exercising any rights that cannot be lawfully waived or restricted, including filing a charge or complaint with the Equal Employment Opportunity Commission ("EEOC"), National Labor Relations Board ("NLRB") (such as related to Section 7 rights under the NLRA), Occupational Safety and Health Administration, Securities and Exchange Commission ("SEC"), U.S. Department of Justice, Congress, any Inspector General, or other federal, state or local agency or participating in any investigation or proceeding (including providing documents or other information) conducted by such agency; however, the

Employee understands and agrees that the Employee is waiving any and all rights to recover any monetary or personal relief or recovery from the Released Parties as a result of such proceeding or subsequent legal actions. In addition, nothing in this Release Agreement prohibits Employee from reporting possible violations of federal law or regulation to, or otherwise communicating with any government agency or entity, making other disclosures that are protected under whistleblower provisions of law, or receiving an award or monetary recovery pursuant to a government award program (including the SEC's whistleblower program). The Employee does not need prior authorization to make such reports or disclosures and is not required to notify the Company that the Employee has made any such report or disclosure.

5. **ADEA Release and Older Worker Benefit Protection Act ("OWBPA") Disclosures.** The Employee hereby completely and forever releases and irrevocably discharges the Company and the other Released Parties, as that term is defined in Section 3 above, from any and all liabilities, claims, actions, demands, and/or causes of action, arising under the ADEA on or before the date of this Release Agreement ("ADEA Release"), and hereby acknowledges and agrees that the Employee has been provided a decisional unit disclosure attached as Exhibit 1 and that:

a. The Release Agreement, including the ADEA Release, was negotiated at arms-length;

b. The Release Agreement, including the ADEA Release, is worded in a manner that the Employee fully understands;

c. The Employee specifically waives any rights or claims under the ADEA;

d. The Employee knowingly and voluntarily agrees to all of the terms set forth in the Release Agreement, including the ADEA Release;

e. The Employee acknowledges and understands that any claims under the ADEA that may arise after the date the Employee signs the Release Agreement are not waived;

f. The rights and claims waived in the Release Agreement, including the ADEA Release, are in exchange for consideration over and above anything to which the Employee was already undisputedly entitled;

g. The Employee has been and hereby is advised in writing to consult with an attorney prior to executing the Release Agreement, including the ADEA Release;

h. The Employee understands that the Employee has been given a period of up to 45 days to consider the ADEA Release prior to executing it, although the Employee may accept it at any time within those 45 days;

i. The Employee understands and agrees that any changes to Company's offer, whether material or immaterial, do not restart the running of the 45-day review period; and

j. The Employee understands that the Employee has been given a period of seven (7) days from the date of the execution of the ADEA Release to revoke the ADEA Release, and understands and acknowledges that the ADEA Release will not become effective or enforceable until the revocation period has expired.

If the Employee elects to revoke the release of age discrimination claims, the revocation must be in writing and delivered and presented to **Wayne Williams, Director, Total Rewards, Payroll and HRIS, Cheniere Energy, Inc.** by 5:00 p.m., Central Time, no later than the seventh (7^{th}) day after the date on which the Employee executes the Release Agreement.

6. The consideration cited above and the promises contained herein are made for the purpose of purchasing the peace of the Released Parties and are not to be construed as an admission of liability or as evidence of unlawful conduct by any Released Party, all liability being expressly denied. The Employee voluntarily accepts the consideration cited herein, as sufficient payment for the full, final, and complete release stated herein, and agrees that no other promises or representations have been made to the Employee by the Company or any other person purporting to act on behalf of the Company, except as expressly stated herein.

7. The Employee understands that this is a full, complete, and final release of the Released Parties. As evidenced by the signature below, the Employee expressly promises and represents to the Company that the Employee has completely read the Release Agreement and understands its terms, contents, conditions, and effects. The Employee represents that the Employee has made no assignment or transfer of the claims covered by Sections 3 or 5 above.

8. The Employee is advised to consult with an attorney prior to executing the Release Agreement. The Employee understands that the Employee has the right to consult an attorney of the Employee's choice and has consulted with an attorney or has knowingly and voluntarily decided not to do so.

9. The Employee states that the Employee is not presently affected by any disability which would prevent the Employee from knowingly and voluntarily granting the Release Agreement, and further states that the promises made herein are not made under duress, coercion, or undue influence and were not procured through fraud.

10. The Employee acknowledges that the business and services of the Company are highly specialized and that the following information is not generally known, is highly confidential, and constitutes trade secrets: proprietary technical and business information

relating to any Company plans, analyses, or strategies concerning international or domestic acquisitions, possible acquisitions, or new ventures; development plans or introduction plans for products or services; unannounced products or services; operation costs; pricing of products or services; research and development; personnel information (other than the Employee's own); manufacturing processes; installation, service, and distribution procedures and processes; customer lists; any know-how relating to the design, manufacture, and marketing of any of the Company's services and products, including components and parts thereof; non-public information acquired by the Company concerning the requirements and specifications of any of the Company's agents, vendors, contractors, customers, and potential customers; non-public financial information, business and marketing plans, pricing and price lists; non-public matters relating to employee benefit plans; quotations or proposals given to agents or customers or received from suppliers; documents relating to any of the Company's legal rights and obligations; the work product of any attorney employed by or retained by the Company; and any other information which is sufficiently secret to derive economic value from not being generally known (the "Confidential Information"). However, Confidential Information does not include information (A) that was or becomes generally available to the Employee on a non-confidential basis, if the source of this information was not reasonably known to the Employee to be bound by a duty of confidentiality, (B) that was or becomes generally available to the public, other than as a result of a disclosure by the Employee, directly or indirectly, that is not authorized by the Company or its affiliate, as applicable, or (C) that the Employee can establish was independently developed by the Employee without reference to any Confidential Information. Except as otherwise provided in paragraph 4, the Employee acknowledges that the Employee will maintain the confidential nature of all Confidential Information. The Employee further agrees to maintain in the strictest confidence and to not, directly or indirectly, intentionally or inadvertently, use, publish, or otherwise disclose to any person or entity whatsoever, any of the Company's Confidential Information or any confidential information belonging to any agent, joint venture, contractor, customer, vendor, or supplier of the Company regardless of its form, without the prior written explicit consent of the Company's Chief Executive Officer. The Employee shall take reasonable precautions to protect the inadvertent disclosure of information.

11. The Employee acknowledges and agrees that any work product prepared, conceived, or developed by the Employee during the term of the Employee's employment with the Company, including but not limited to all written documents and electronic data pertaining thereto, is and shall remain the exclusive property of the Company, and will be considered Confidential Information subject to the terms of this Release Agreement. The Employee agrees that when appropriate, and upon written request of the Company, the Employee will acknowledge that the work product constitutes "works for hire" and will cooperate in the filing for patents or copyrights with regard to any or all such work product and will sign documentation necessary to evidence ownership of such work product in the Company.

12. To protect the Confidential Information of the Company, the Employee agrees, for twelve (12) months following the Termination of the Employee's employment with the Company, that the Employee shall not, directly or indirectly, alone or jointly, with any person or entity, participate in, engage in, consult with, advise, be employed by, own (wholly or partially), possess an interest in, solicit the business of the vendors, suppliers or customers of the Company for, or in any other manner be involved with, any business or person that is engaged in business activities anywhere in the Territory that are competitive with the Business. Notwithstanding the foregoing, the Employee shall not be prohibited from passively owning less than 1% of the securities of any publicly-traded corporation. For purposes of this Section 12, "Territory" means anywhere in which the Company engages in Business and "Business" means the business of (i) selling, distributing or marketing liquefied natural gas and/or (ii) designing, permitting, constructing, developing or operating liquefied natural gas facilities. The Employee agrees that the covenants contained in this Section 12 are reasonable and desirable to protect the Confidential Information of the Company. Notwithstanding the foregoing, the Employee shall not be prohibited from being employed by, or consulting for, an entity that has a division immaterial to the business of such entity in the aggregate, which division may compete with, or could assist another in competing with, the Company in the Business in the Territory (a "Competitive Division"), so long as the Employee is not employed in, and does not perform work for or otherwise provide services to, the Competitive Division.

13. To protect the Confidential Information of the Company, the Employee agrees that for a period of twelve (12) months following the Termination of Employee's employment with Company, not to solicit, hire or participate in or assist in any way in the solicitation or hire of any employee of the Company (or any person who was an employee of the Company during the six-month period preceding such action). For purposes of this covenant, "solicit" or "solicitation" means directly or indirectly influencing or attempting to influence employees of the Company to become employed with any other person, partnership, firm, corporation or other entity; provided, that solicitation through general advertising that is not directed at any employee of the Company or the provision of references shall not constitute a breach of the obligations in this Section 13. The Employee agrees that the covenants contained in this Section 13 are reasonable and desirable to protect the Confidential Information of the Company.

14. Following the Termination of the Employee's employment with the Company, the Employee agrees (i) to reasonably cooperate with the Company and its directors, officers, attorneys and experts, and take all actions the Company may reasonably request, including but not limited to cooperation with respect to any investigation, government inquiry, administrative proceeding or litigation relating to any matter in which the Employee was involved or had knowledge during the Employee's employment with the Company and (ii) that, if called upon by the Company, the Employee will provide assistance with respect to business, personnel or other matters which arose during the Employee's employment with the Company or as to which the Employee has relevant information, knowledge or expertise, with such cooperation including, but not limited to, completing job tasks in

progress, transitioning job tasks to other Company personnel, responding to questions and being available for such purposes. Any cooperation requests shall take into account the Employee's personal and business commitments, and the Employee shall be reimbursed for reasonable documented travel, lodging and meal expenses incurred in connection with such cooperation within thirty (30) days of providing an invoice to the Company.

15. Except as otherwise provided in paragraph 4, the Employee shall not make or publish any disparaging statements (whether written, electronic or oral) regarding, or otherwise maligning the business reputation of, any Released Party. In the event that the Company's Human Resources ("HR") department receives any requests for employment verification or references pertaining to the Employee's employment with the Company, the Company's HR department shall provide a neutral reference that includes only confirmation of the Employee's employment, dates of employment, and the job positions held. If requested, the Company's HR department will neither confirm nor deny any basis for the Employee's separation of employment.

16. If execution of this Release Agreement is in connection with Termination of the Employee's employment with the Company, the Employee represents that the Employee has returned to the Company, except to the extent such return is expressly excused by the Company in writing, all expense reports, notes, memoranda, records, documents, employment manuals, pass keys, computers, computer diskettes, office equipment, sales records and data, and all other information or property, no matter how produced, reproduced or maintained, kept by the Employee in the Employee's possession, used in or pertaining to the business of the Company, including but not limited to lists of customers, prices, marketing plans, Company operating manuals, and other Confidential Information obtained by the Employee in the course of the Employee's employment.

17. Nothing in the Release Agreement shall be deemed to affect or relieve the Employee from any obligation contained in any agreement with the Company or any of the Released Parties related to the terms of Employee's employment or separation therefrom, including, but not limited to, any confidentiality, non-solicitation, non-disclosure or other protective covenant, entered into between the Employee and the Company or any of the Released Parties, which covenants the Employee expressly reaffirms and re-acknowledges herein.

18. Should any future dispute arise with respect to the Release Agreement, both parties agree that it should be resolved solely in accordance with the terms and provisions of this Release Agreement and the laws of the State of Texas. Any disputes between the parties concerning the Employee's employment with the Company and/or the Release Agreement shall be settled exclusively in Harris County, Texas.

19. If execution of this Release Agreement is in connection with Termination of the Employee's employment with the Company, the Employee hereby (i) waives all rights to recall reinstatement, employment, reemployment, and past or future wages from the Company and (ii) additionally represents, warrants and agrees that the Employee has received full

and timely payment of all wages, salary, overtime pay, commissions, bonuses, other compensation, remuneration and benefits that may have been due and payable by the Released Parties and that the Employee has been appropriately paid for all time worked and in accordance with all incentive awards.

20. The Employee expressly represents and warrants to the Company that the Employee has received a copy of and has completely read and understood the Plan. The Employee further expressly represents and warrants to the Company that the Employee has completely read the Release Agreement prior to executing it, has had an opportunity to review it with the Employee's counsel and to consider the Release Agreement and to understand its terms, contents, conditions and effects and has entered into the Release Agreement knowingly and voluntarily.

21. The Employee agrees that the terms and conditions of the Release Agreement, including without limitation the amount of money and other consideration, shall be treated as confidential, and shall not be revealed to any other person or entity whatsoever, except as follows:

    a. to the extent as may be compelled by legal process or by government agency;

    b. as set forth in paragraph 4 above; or

    c. to the extent necessary to the Employee's legal advisors, accountants or financial advisors, and provided that the Employee instructs the foregoing not to disclose the same to anyone.

22. The Employee agrees that the confidentiality provisions, including but not limited to those in Section 10 of the Release Agreement are a material part of it and are contractual in nature.

23. The Employee acknowledges that the Employee may hereafter discover claims or facts in addition to or different than those which the Employee now knows or believes to exist with respect to the subject matter of the release set forth above and which, if known or suspected at the time of entering into the Release Agreement, may have materially affected the Release Agreement and the decision to enter into it. Nevertheless, the Employee hereby waives any right, claim or cause of action that might arise as a result of such different or additional claims or facts.

24. The Employee agrees that the Employee will forfeit all amounts payable by the Company pursuant to the Release Agreement if the Employee challenges the validity of the Release Agreement, unless prohibited by law. The Employee also agrees that if the Employee violates the Release Agreement by suing the Company or the other Released Parties on the claims released hereunder, the Employee will pay all costs and expenses of defending

against the suit incurred by the Released Parties, including reasonable attorneys' fees, and return all payments received by the Employee pursuant to the Release Agreement.

25. Whenever possible, each provision of the Release Agreement shall be interpreted in such manner as to be effective and valid under applicable law; however, if any provision of the Release Agreement, other than Sections 3 and 5, shall be finally determined to be invalid or unenforceable under applicable law by a court of competent jurisdiction, that part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Release Agreement. Should Sections 3 and/or 5 be determined to be illegal, invalid, unconscionable, or unenforceable, the Company shall be entitled to the forfeiture by the Employee of the Change in Control Benefits or the return of the Severance Benefits, as applicable, paid or provided with respect to the Employee or, at the Company's sole option, to require the Employee to execute a new agreement that is enforceable.

_____

Print Name: _____

Date: _____

CHENIERE ENERGY, INC.

By: _____

Print Name: _____

Title _____

Date: _____

Exhibit 31.1

CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT

I, Jack A. Fusco, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cheniere Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2017

/s/ Jack A. Fusco

Jack A. Fusco
Chief Executive Officer of
Cheniere Energy, Inc.

Exhibit 31.2

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT

I, Michael J. Wortley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cheniere Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2017

/s/ Michael J. Wortley

Michael J. Wortley
Chief Financial Officer of
Cheniere Energy, Inc.

Exhibit 32.1

CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Cheniere Energy, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jack A. Fusco, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2017

/s/ Jack A. Fusco

Jack A. Fusco
Chief Executive Officer of
Cheniere Energy, Inc.

Exhibit 32.2

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Cheniere Energy, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Wortley, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2017

/s/ Michael J. Wortley

Michael J. Wortley
Chief Financial Officer of
Cheniere Energy, Inc.