
**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 **March 31, 2018**

OR

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

For the transition period from _____ to _____

CHENIERE



CHENIERE ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

001-16383

(Commission File Number)

95-4352386

(I.R.S. Employer Identification No.)

700 Milam Street, Suite 1900

Houston, Texas

(Address of principal executive offices)

77002

(Zip code)

(713) 375-5000

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant 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 May 1, 2018, the issuer had 243,605,883 shares of Common Stock outstanding.

CHENIERE ENERGY, INC.
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DEFINITIONS

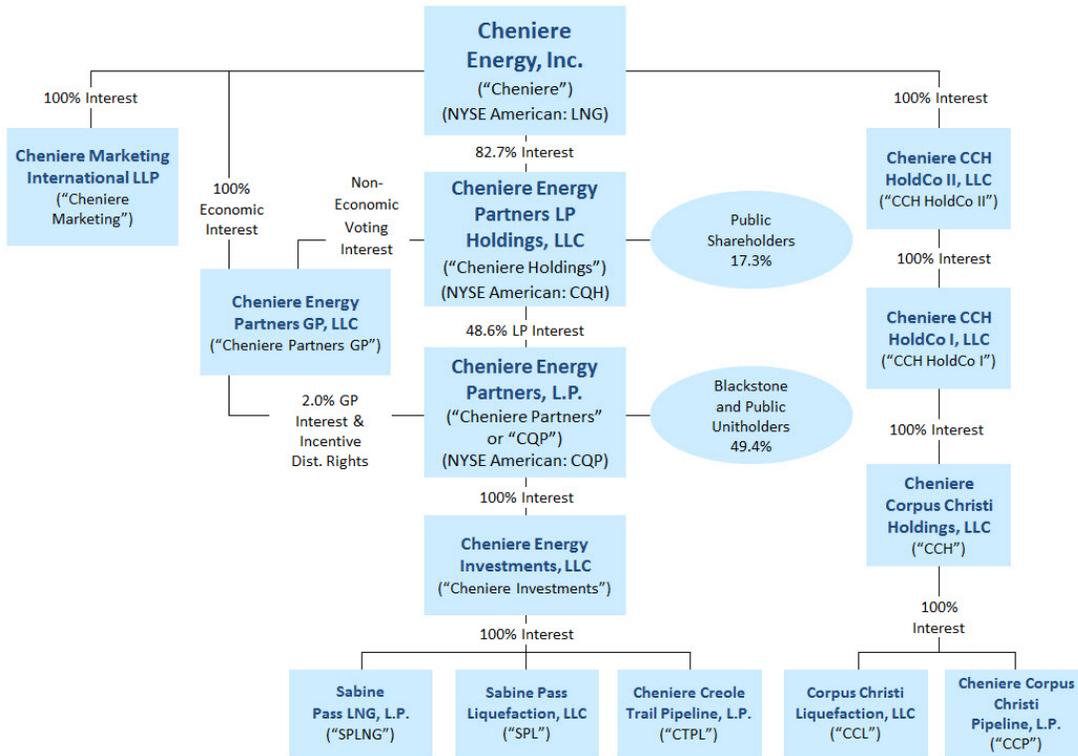
As used in this quarterly report, the terms listed below have the following meanings:

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	U.S. 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 Legal Entity Structure

The following diagram depicts our abbreviated legal entity structure as of March 31, 2018, 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. and its consolidated subsidiaries, including our publicly traded subsidiaries, Cheniere Partners and Cheniere Holdings.

Unless the context requires otherwise, references to the “CCH Group” refer to CCH HoldCo II, CCH HoldCo I, CCH, CCL and CCP, collectively.

PART I. FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

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

ASSETS	March 31, 2018 (unaudited)	December 31, 2017
Current assets		
Cash and cash equivalents	\$ 715	\$ 722
Restricted cash	1,696	1,880
Accounts and other receivables	606	369
Accounts receivable—related party	2	2
Inventory	123	243
Derivative assets	23	57
Other current assets	103	96
Total current assets	3,268	3,369
Non-current restricted cash		
	11	11
Property, plant and equipment, net	24,474	23,978
Debt issuance costs, net	138	149
Non-current derivative assets	81	34
Goodwill	77	77
Other non-current assets, net	292	288
Total assets	\$ 28,341	\$ 27,906
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 21	\$ 25
Accrued liabilities	729	1,078
Deferred revenue	120	111
Derivative liabilities	25	37
Total current liabilities	895	1,251
Long-term debt, net		
	25,656	25,336
Non-current deferred revenue	—	1
Non-current derivative liabilities	9	19
Other non-current liabilities	74	59
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 March 31, 2018 and December 31, 2017		
Issued: 250.5 million shares and 250.1 million shares at March 31, 2018 and December 31, 2017, respectively		
Outstanding: 237.9 million shares and 237.6 million shares at March 31, 2018 and December 31, 2017, respectively	1	1
Treasury stock: 12.6 million shares and 12.5 million shares at March 31, 2018 and December 31, 2017, respectively, at cost	(392)	(386)
Additional paid-in-capital	3,264	3,248
Accumulated deficit	(4,270)	(4,627)
Total stockholders' deficit	(1,397)	(1,764)
Non-controlling interest	3,104	3,004
Total equity	1,707	1,240
Total liabilities and equity	\$ 28,341	\$ 27,906

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

CHENIERE ENERGY, INC. AND SUBSIDIARIES

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

	Three Months Ended March 31,	
	2018	2017
Revenues		
LNG revenues	\$ 2,166	\$ 1,143
Regasification revenues	65	65
Other revenues	10	3
Other—related party	1	—
Total revenues	2,242	1,211
Operating costs and expenses		
Cost of sales (excluding depreciation and amortization expense shown separately below)	1,178	624
Operating and maintenance expense	140	78
Development expense	1	3
Selling, general and administrative expense	67	54
Depreciation and amortization expense	109	70
Restructuring expense	—	6
Total operating costs and expenses	1,495	835
Income from operations	747	376
Other income (expense)		
Interest expense, net of capitalized interest	(216)	(165)
Loss on early extinguishment of debt	—	(42)
Derivative gain, net	77	1
Other income	7	2
Total other expense	(132)	(204)
Income before income taxes and non-controlling interest	615	172
Income tax provision	(15)	—
Net income	600	172
Less: net income attributable to non-controlling interest	243	118
Net income attributable to common stockholders	\$ 357	\$ 54
Net income per share attributable to common stockholders—basic	\$ 1.52	\$ 0.23
Net income per share attributable to common stockholders—diluted	\$ 1.50	\$ 0.23
Weighted average number of common shares outstanding—basic	235.5	232.4
Weighted average number of common shares outstanding—diluted	238.0	232.7

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, 2017	237.6	\$ 1	12.5	\$ (386)	\$ 3,248	\$ (4,627)	\$ 3,004	\$ 1,240
Issuances of restricted stock	0.3	—	—	—	—	—	—	—
Share-based compensation	—	—	—	—	16	—	—	16
Shares repurchased related to share-based compensation	—	—	0.1	(6)	—	—	—	(6)
Net income attributable to non-controlling interest	—	—	—	—	—	—	243	243
Distributions to non-controlling interest	—	—	—	—	—	—	(143)	(143)
Net income	—	—	—	—	—	357	—	357
Balance at March 31, 2018	237.9	\$ 1	12.6	\$ (392)	\$ 3,264	\$ (4,270)	\$ 3,104	\$ 1,707

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)

	Three Months Ended March 31,	
	2018	2017
Cash flows from operating activities		
Net income	\$ 600	\$ 172
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	109	70
Share-based compensation expense	28	24
Non-cash interest expense	15	20
Amortization of debt issuance costs, deferred commitment fees, premium and discount	17	17
Loss on early extinguishment of debt	—	42
Total losses (gains) on derivatives, net	(31)	44
Net cash used for settlement of derivative instruments	(4)	(29)
Other	(10)	—
Changes in operating assets and liabilities:		
Accounts and other receivables	(237)	(6)
Inventory	120	54
Accounts payable and accrued liabilities	(156)	(76)
Deferred revenue	8	(11)
Other, net	10	(12)
Net cash provided by operating activities	469	309
Cash flows from investing activities		
Property, plant and equipment, net	(776)	(1,319)
Other	—	29
Net cash used in investing activities	(776)	(1,290)
Cash flows from financing activities		
Proceeds from issuances of debt	266	2,862
Repayments of debt	—	(703)
Debt issuance and deferred financing costs	(1)	(43)
Distributions and dividends to non-controlling interest	(143)	(20)
Payments related to tax withholdings for share-based compensation	(6)	(1)
Net cash provided by financing activities	116	2,095
Net increase (decrease) in cash, cash equivalents and restricted cash	(191)	1,114
Cash, cash equivalents and restricted cash—beginning of period	2,613	1,827
Cash, cash equivalents and restricted cash—end of period	\$ 2,422	\$ 2,941

Balances per Consolidated Balance Sheet:

	March 31, 2018	
Cash and cash equivalents	\$ 715	
Restricted cash		1,696
Non-current restricted cash		11
Total cash, cash equivalents and restricted cash	\$ 2,422	

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

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

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 (described below) 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 4 are operational, Train 5 is under construction and Train 6 is being commercialized and has all necessary regulatory approvals in place. 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 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 stages. The first stage 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 (“Stage 1”). The second stage includes Train 3, one LNG storage tank and the completion of the second partial berth (“Stage 2”). 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”), which is being constructed concurrently with the first stage. Trains 1 and 2 are currently under construction, and Train 3 is being commercialized and has all necessary regulatory approvals in place. The construction of the Corpus Christi Pipeline is expected to be completed in second quarter of 2018.

Additionally, we are developing an expansion of the Corpus Christi LNG terminal adjacent to the CCL Project and recently amended our regulatory filings with FERC to incorporate a project design change, from two Trains with an expected aggregate nominal production capacity of approximately 9.0 mtpa to up to seven midscale Trains with an expected aggregate nominal production capacity of approximately 9.5 mtpa. We remain focused on leveraging infrastructure through the expansion of our existing sites. We are also in various stages of developing other projects, including 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”).

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, 2017](#). 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 did not have a material effect on our consolidated financial position, results of operations or cash flows.

On January 1, 2018, we adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and subsequent amendments thereto (“ASC 606”) using the full retrospective method. The adoption of ASC 606 represents a change in accounting principle that will provide financial statement readers with enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of ASC 606 did not impact our previously reported financial statements in any prior period nor did it result in a cumulative effect adjustment to retained earnings.

Results of operations for the three months ended March 31, 2018 are not necessarily indicative of the results of operations that will be realized for the year ending December 31, 2018.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

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 March 31, 2018 and December 31, 2017, restricted cash consisted of the following (in millions):

	<u>March 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Current restricted cash		
SPL Project	\$ 561	\$ 544
Cheniere Partners and cash held by guarantor subsidiaries	916	1,045
CCL Project	83	227
Cash held by our subsidiaries restricted to Cheniere	136	64
Total current restricted cash	<u>\$ 1,696</u>	<u>\$ 1,880</u>
Non-current restricted cash		
Other	\$ 11	\$ 11

Under Cheniere Partners' \$2.8 billion credit facilities (the "2016 CQP Credit Facilities"), Cheniere Partners, as well as Cheniere Investments, SPLNG and CTPL as Cheniere Partners' guarantor subsidiaries, are subject to limitations on the use of cash under the terms of the 2016 CQP Credit Facilities and the related depository agreement governing the extension of credit to Cheniere Partners. Specifically, Cheniere Partners, Cheniere Investments, SPLNG and CTPL may only withdraw funds from collateral accounts held at a designated depository bank on a monthly basis and for specific purposes, including for the payment of operating expenses. In addition, distributions and capital expenditures may only be made quarterly and are subject to certain restrictions.

NOTE 3—ACCOUNTS AND OTHER RECEIVABLES

As of March 31, 2018 and December 31, 2017, accounts and other receivables consisted of the following (in millions):

	<u>March 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Trade receivables		
SPL	\$ 232	\$ 185
Cheniere Marketing	351	163
Other accounts receivable	23	21
Total accounts and other receivables	<u>\$ 606</u>	<u>\$ 369</u>

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 March 31, 2018 and December 31, 2017, inventory consisted of the following (in millions):

	<u>March 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Natural gas	\$ 16	\$ 17
LNG	24	44
LNG in-transit	30	130
Materials and other	53	52
Total inventory	<u>\$ 123</u>	<u>\$ 243</u>

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

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):

	March 31, 2018	December 31, 2017
LNG terminal costs		
LNG terminal	\$ 12,675	\$ 12,687
LNG terminal construction-in-process	12,547	11,932
LNG site and related costs	86	86
Accumulated depreciation	(983)	(882)
Total LNG terminal costs, net	24,325	23,823
Fixed assets and other		
Computer and office equipment	14	14
Furniture and fixtures	19	19
Computer software	93	92
Leasehold improvements	41	41
Land	59	59
Other	16	16
Accumulated depreciation	(93)	(86)
Total fixed assets and other, net	149	155
Property, plant and equipment, net	\$ 24,474	\$ 23,978

Depreciation expense was \$108 million and \$70 million during the three months ended March 31, 2018 and 2017, respectively.

We realized offsets to LNG terminal costs of \$131 million in the three months ended March 31, 2017 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. We did not realize any offsets to LNG terminal costs in the three months ended March 31, 2018.

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 both LNG Trading Derivatives and operations in countries outside of the United States (“FX Derivatives”).

We recognize our derivative instruments as either assets or liabilities and measure those instruments at fair value. None of our derivative instruments are designated as cash flow hedging instruments, and changes in fair value are recorded within our Consolidated Statements of Income to the extent not utilized for the commissioning process.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

The following table shows the fair value of our derivative instruments that are required to be measured at fair value on a recurring basis as of March 31, 2018 and December 31, 2017, which are classified as derivative assets, non-current derivative assets, derivative liabilities or non-current derivative liabilities in our Consolidated Balance Sheets (in millions).

	Fair Value Measurements as of							
	March 31, 2018				December 31, 2017			
	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
CQP Interest Rate Derivatives asset	\$ —	\$ 27	\$ —	\$ 27	\$ —	\$ 21	\$ —	\$ 21
CCH Interest Rate Derivatives asset (liability)	—	43	—	43	—	(32)	—	(32)
Liquefaction Supply Derivatives asset	—	—	10	10	2	10	43	55
LNG Trading Derivatives asset (liability)	(9)	3	—	(6)	(13)	5	—	(8)
FX Derivatives liability	—	(4)	—	(4)	—	(1)	—	(1)

There have been no changes to our evaluation of and accounting for our derivative positions during the three months ended March 31, 2018. 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, 2017 for additional information.

We value our Interest Rate Derivatives using an income-based approach utilizing observable inputs to the valuation model including interest rate curves, risk adjusted discount rates, credit spreads and other relevant data. We value our LNG Trading Derivatives and our Liquefaction Supply Derivatives using market based approach incorporating present value techniques, as needed, using observable commodity price curves, when available, and other relevant data. We value our FX Derivatives with a market approach using observable FX rates and other relevant data.

The fair value of our Physical Liquefaction Supply Derivatives is predominantly driven by market commodity basis prices and our assessment of the associated conditions precedent, including evaluating whether the respective market is 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.

We include a portion of our Physical Liquefaction Supply Derivatives as Level 3 within the valuation hierarchy as the fair value is developed through the use of internal models which may be impacted by inputs that are unobservable in the marketplace. 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. As of March 31, 2018 and December 31, 2017, some of our Physical Liquefaction Supply Derivatives existed within markets for which the pipeline infrastructure is under development to accommodate marketable physical gas flow.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

The Level 3 fair value measurements of our Physical Liquefaction Supply Derivatives could be materially impacted by a significant change in certain natural gas market basis spreads due to the contractual notional amount represented by our Level 3 positions, which is a substantial portion of our overall Physical Liquefaction Supply portfolio. The following table includes quantitative information for the unobservable inputs for our Level 3 Physical Liquefaction Supply Derivatives as of March 31, 2018:

	Net Fair Value Asset (in millions)	Valuation Approach	Significant Unobservable Input	Significant Unobservable Inputs Range
Physical Liquefaction Supply Derivatives	\$10	Market approach incorporating present value techniques	Basis Spread	\$(0.725) - \$0.095

The following table shows the changes in the fair value of our Level 3 Physical Liquefaction Supply Derivatives during the three months ended March 31, 2018 and 2017 (in millions):

	Three Months Ended March 31,	
	2018	2017
Balance, beginning of period	\$ 43	\$ 79
Realized and mark-to-market losses:		
Included in cost of sales	(13)	(41)
Purchases and settlements:		
Purchases	3	4
Settlements	(23)	(1)
Balance, end of period	\$ 10	\$ 41
Change in unrealized gains relating to instruments still held at end of period	\$ (13)	\$ (41)

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. Additionally, we evaluate our own ability to meet our commitments in instances where our derivative instruments are in a liability 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

During the three months ended March 31, 2018, 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 its 2016 CQP Credit Facilities or the interest rate swaps (“CCH Interest Rate Derivatives”) entered into by CCH 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”). 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, 2017 for additional information.

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 of March 31, 2018, 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

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

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

Balance Sheet Location	March 31, 2018			December 31, 2017		
	CQP Interest Rate Derivatives	CCH Interest Rate Derivatives	Total	CQP Interest Rate Derivatives	CCH Interest Rate Derivatives	Total
Derivative assets	\$ 12	\$ —	\$ 12	\$ 7	\$ —	\$ 7
Non-current derivative assets	15	49	64	14	3	17
Total derivative assets	27	49	76	21	3	24
Derivative liabilities	—	(6)	(6)	—	(20)	(20)
Non-current derivative liabilities	—	—	—	—	(15)	(15)
Total derivative liabilities	—	(6)	(6)	—	(35)	(35)
Derivative asset (liability), net	\$ 27	\$ 43	\$ 70	\$ 21	\$ (32)	\$ (11)

The following table shows the changes in the fair value and settlements of our Interest Rate Derivatives recorded in derivative gain, net on our Consolidated Statements of Income during the three months ended March 31, 2018 and 2017 (in millions):

	Three Months Ended March 31,	
	2018	2017
CQP Interest Rate Derivatives gain	\$ 8	\$ 2
CCH Interest Rate Derivatives gain	69	1
SPL Interest Rate Derivatives loss	—	(2)

Commodity Derivatives

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

Balance Sheet Location	March 31, 2018			December 31, 2017		
	Liquefaction Supply Derivatives (1)	LNG Trading Derivatives (2)	Total	Liquefaction Supply Derivatives (1)	LNG Trading Derivatives (2)	Total
Derivative assets	\$ 8	\$ 3	\$ 11	\$ 41	\$ 9	\$ 50
Non-current derivative assets	9	7	16	17	—	17
Total derivative assets	17	10	27	58	9	67
Derivative liabilities	(4)	(14)	(18)	—	(17)	(17)
Non-current derivative liabilities	(3)	(2)	(5)	(3)	—	(3)
Total derivative liabilities	(7)	(16)	(23)	(3)	(17)	(20)
Derivative asset (liability), net	\$ 10	\$ (6)	\$ 4	\$ 55	\$ (8)	\$ 47
Notional amount (in TBtu) (3)	2,573	27		2,539	25	

- (1) Does not include a collateral call of \$1 million for such contracts, which is included in other current assets in our Consolidated Balance Sheets as of both March 31, 2018 and December 31, 2017.
- (2) Does not include collateral of \$25 million and \$28 million deposited for such contracts, which are included in other current assets in our Consolidated Balance Sheets as of March 31, 2018 and December 31, 2017, respectively.
- (3) SPL had secured up to approximately 2,179 TBtu and 2,214 TBtu of natural gas feedstock through natural gas supply contracts as of March 31, 2018 and December 31, 2017, respectively. CCL has secured up to approximately 2,057 TBtu and 2,024 TBtu of natural gas feedstock through natural gas supply contracts, a portion of which is subject to the

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achievement of certain project milestones and other conditions precedent, as of March 31, 2018 and December 31, 2017, respectively.

The following table shows the changes in the fair value, settlements and location of our Commodity Derivatives recorded on our Consolidated Statements of Income during the three months ended March 31, 2018 and 2017 (in millions):

	Statement of Income Location (1)	Three Months Ended March 31,	
		2018	2017
LNG Trading Derivatives gain (loss)	LNG revenues	\$ 7	\$ (6)
Liquefaction Supply Derivatives loss (2)	Cost of sales	50	39

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

	Balance Sheet Location	Fair Value Measurements as of	
		March 31, 2018	December 31, 2017
FX Derivatives	Non-current derivative assets	\$ 1	\$ —
FX Derivatives	Derivative liabilities	(1)	—
FX Derivatives	Non-current derivative liabilities	(4)	(1)

The total notional amount of our FX Derivatives was \$79 million and \$27 million as of March 31, 2018 and December 31, 2017, respectively.

The following table shows the changes in the fair value of our FX Derivatives recorded on our Consolidated Statements of Income during the three months ended March 31, 2018 and 2017 (in millions):

	Statement of Income Location	Three Months Ended March 31,	
		2018	2017
FX Derivatives loss	LNG revenues	\$ (3)	\$ —

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Balance Sheet Presentation

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

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 March 31, 2018			
CQP Interest Rate Derivatives	\$ 27	\$ —	\$ 27
CCH Interest Rate Derivatives	49	—	49
CCH Interest Rate Derivatives	(7)	1	(6)
Liquefaction Supply Derivatives	25	(8)	17
Liquefaction Supply Derivatives	(10)	3	(7)
LNG Trading Derivatives	16	(6)	10
LNG Trading Derivatives	(22)	6	(16)
FX Derivatives	1	—	1
FX Derivatives	(5)	—	(5)
As of December 31, 2017			
CQP Interest Rate Derivatives	\$ 21	\$ —	\$ 21
CCH Interest Rate Derivatives	3	—	3
CCH Interest Rate Derivatives	(35)	—	(35)
Liquefaction Supply Derivatives	64	(6)	58
Liquefaction Supply Derivatives	(3)	—	(3)
LNG Trading Derivatives	9	—	9
LNG Trading Derivatives	(37)	20	(17)
FX Derivatives	(1)	—	(1)

NOTE 7—OTHER NON-CURRENT ASSETS

As of March 31, 2018 and December 31, 2017, other non-current assets, net consisted of the following (in millions):

	March 31, 2018	December 31, 2017
Advances made under EPC and non-EPC contracts	\$ 18	\$ 26
Advances made to municipalities for water system enhancements	93	97
Advances and other asset conveyances to third parties to support LNG terminals	53	48
Tax-related payments and receivables	28	29
Equity method investments	64	64
Other	36	24
Total other non-current assets, net	\$ 292	\$ 288

Equity Method Investments

Our equity method investments consist of interests in privately-held companies. In 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

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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 was \$55 million at both March 31, 2018 and December 31, 2017. 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 and zero of income in other—related party during the three months ended March 31, 2018 and 2017, respectively, and \$2 million of accounts receivable—related party as of both March 31, 2018 and December 31, 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.

NOTE 8—NON-CONTROLLING INTEREST

As of both March 31, 2018 and December 31, 2017, we owned 82.7% of Cheniere Holdings as well as the director voting share, with the remaining non-controlling interest held by the public. Cheniere Holdings owns a 48.6% limited partner interest in Cheniere Partners in the form of 104.5 million common units and 135.4 million subordinated units, with the remaining non-controlling interest held by Blackstone CQP Holdco LP 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. See [Note 9—Variable Interest Entities](#) of our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2017 for further information.

NOTE 9—ACCRUED LIABILITIES

As of March 31, 2018 and December 31, 2017, accrued liabilities consisted of the following (in millions):

	March 31, 2018	December 31, 2017
Interest costs and related debt fees	\$ 251	\$ 397
Compensation and benefits	47	141
LNG terminals and related pipeline costs	380	490
Other accrued liabilities	51	50
Total accrued liabilities	\$ 729	\$ 1,078

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NOTE 10—DEBT

As of March 31, 2018 and December 31, 2017, our debt consisted of the following (in millions):

	March 31, 2018	December 31, 2017
Long-term debt:		
<i>SPL</i>		
5.625% Senior Secured Notes due 2021 (“2021 SPL Senior Notes”), net of unamortized premium of \$5 and \$6	\$ 2,005	\$ 2,006
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 \$5	1,505	1,505
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 \$1	1,349	1,349
5.00% Senior Secured Notes due 2037 (“2037 SPL Senior Notes”)	800	800
<i>Cheniere Partners</i>		
5.250% Senior Notes due 2025 (“2025 CQP Senior Notes”)	1,500	1,500
2016 CQP Credit Facilities	1,090	1,090
<i>CCH</i>		
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	1,500
2015 CCH Credit Facility	2,751	2,485
<i>CCH HoldCo II</i>		
11.0% Convertible Senior Notes due 2025 (“2025 CCH HoldCo II Convertible Senior Notes”)	1,341	1,305
<i>Cheniere</i>		
4.875% Convertible Unsecured Notes due 2021 (“2021 Cheniere Convertible Unsecured Notes”), net of unamortized discount of \$114 and \$121	1,047	1,040
4.25% Convertible Senior Notes due 2045 (“2045 Cheniere Convertible Senior Notes”), net of unamortized discount of \$314 and \$314	311	311
\$750 million Cheniere Revolving Credit Facility (“Cheniere Revolving Credit Facility”)	—	—
Unamortized debt issuance costs	(293)	(305)
Total long-term debt, net	25,656	25,336
Current debt:		
\$1.2 billion SPL Working Capital Facility (“SPL Working Capital Facility”)	—	—
\$350 million CCH Working Capital Facility (“CCH Working Capital Facility”)	—	—
Cheniere Marketing trade finance facilities	—	—
Total current debt	—	—
Total debt, net	\$ 25,656	\$ 25,336

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Credit Facilities

Below is a summary of our credit facilities outstanding as of March 31, 2018 (in millions):

	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
Less:					
Outstanding balance	—	1,090	2,751	—	—
Commitments prepaid or terminated	—	1,470	3,832	—	—
Letters of credit issued	706	20	—	289	—
Available commitment	\$ 494	\$ 220	\$ 1,821	\$ 61	\$ 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 principal payments due quarterly commencing on March 31, 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 the completion of Trains 1 and 2 of the CCL Project as defined in the common terms agreement.

Convertible Notes

Below is a summary of our convertible notes outstanding as of March 31, 2018 (in millions):

	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	\$ 1,047	\$ 1,341	\$ 311
Equity component	\$ 206	\$ —	\$ 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)	8.3%	11.9%	9.4%
Remaining debt discount and debt issuance costs amortization period (9)	3.2 years	2.5 years	27.0 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

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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) Rate to accrete the discounted carrying value of the convertible notes to the face value over the remaining amortization period.
- (9) 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.

Restrictive Debt Covenants

As of March 31, 2018, each of our issuers was in compliance with all covenants related to their respective debt agreements.

Interest Expense

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

	Three Months Ended March 31,	
	2018	2017
Interest cost on convertible notes:		
Interest per contractual rate	\$ 58	\$ 53
Amortization of debt discount	8	7
Amortization of debt issuance costs	2	2
Total interest cost related to convertible notes	68	62
Interest cost on debt excluding convertible notes	336	292
Total interest cost	404	354
Capitalized interest	(188)	(189)
Total interest expense, net	\$ 216	\$ 165

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Fair Value Disclosures

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

	March 31, 2018		December 31, 2017	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Senior notes, net of premium or discount (1)	\$ 18,609	\$ 19,557	\$ 18,610	\$ 20,075
2037 SPL Senior Notes (2)	800	838	800	871
Credit facilities (3)	3,841	3,841	3,575	3,575
2021 Cheniere Convertible Unsecured Notes, net of discount (2)	1,047	1,152	1,040	1,136
2025 CCH HoldCo II Convertible Senior Notes (2)	1,341	1,521	1,305	1,535
2045 Cheniere Convertible Senior Notes, net of discount (4)	311	485	311	447

- (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, 2025 CQP 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 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—REVENUES FROM CONTRACTS WITH CUSTOMERS

The following table represents a disaggregation of revenue earned from contracts with customers during the three months ended March 31, 2018 and 2017 (in millions):

	Three Months Ended March 31,	
	2018	2017
LNG revenues	\$ 2,143	\$ 1,143
Regasification revenues	65	65
Other revenues	10	1
Other—related party	1	—
Total revenues from customers	2,219	1,209
Revenues from derivative instruments	23	2
Total revenues	\$ 2,242	\$ 1,211

LNG Revenues

We have entered into numerous SPAs with third party customers for the sale of LNG on a Free on Board (“FOB”) (delivered to the customer at either the Sabine Pass or Corpus Christi LNG terminal) or Delivered at Terminal (“DAT”) (delivered to the customer at their LNG receiving terminal) basis. Our customers generally purchase LNG 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 per MMBtu of LNG equal to approximately 115% of Henry Hub. The fixed fee component is the amount payable to us regardless of a cancellation or suspension of LNG cargo deliveries by the customers. The variable fee component is the amount generally payable to us only upon delivery of LNG plus all future adjustments to the fixed fee for inflation. 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 generally commences upon the date of first commercial delivery of a specified Train.

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We intend to primarily use LNG sourced from our Sabine Pass or Corpus Christi terminal to provide contracted volumes to our customers. However, we supplement this LNG with volumes procured from third parties. We recognized \$110 million and \$48 million in LNG revenues from LNG that was procured from third parties for the three months ended March 31, 2018 and 2017.

Revenues from the sale of LNG are recognized at a point in time when the LNG is delivered to the customer, either at the Sabine Pass LNG terminal or at the customer's LNG receiving terminal, based on the terms of the contract, which is the point legal title, physical possession and the risks and rewards of ownership transfers to the customer. Each individual molecule of LNG is viewed as a separate performance obligation. The stated contract price (including both fixed and variable fees) per MMBtu in each LNG sales arrangement is representative of the stand-alone selling price for LNG at the time the sale was negotiated. We have concluded that the variable fees meet the optional exception for allocating variable consideration. As such, the variable consideration for these contracts is allocated to each distinct molecule of LNG and recognized when that distinct molecule of LNG is delivered to the customer. Because of the use of the optional exception, variable consideration related to the sale of LNG is also not included in the transaction price.

When we sell LNG on a DAT basis, we consider all transportation costs, including vessel chartering, loading/unloading and canal fees, as fulfillment costs and not as separate services provided to the customer within the arrangement, regardless of whether or not such activities occur prior to or after the customer obtains control of the LNG. We expense fulfillment costs as incurred unless otherwise dictated by GAAP.

Fees received pursuant to SPAs are recognized as LNG revenues only after substantial completion of the respective Train. Prior to substantial completion, sales generated during the commissioning phase are offset against the cost of construction for the respective Train, as the production and removal of LNG from storage is necessary to test the facility and bring the asset to the condition necessary for its intended use.

Regasification Revenues

The Sabine Pass LNG terminal has operational regasification capacity of approximately 4.0 Bcf/d. Approximately 2.0 Bcf/d of the regasification capacity at the Sabine Pass LNG terminal has been reserved under two long-term TUAs with unaffiliated third-party customers, under which they are required to pay fixed monthly fees regardless of their use of the LNG terminal. Each of the customers has reserved approximately 1.0 Bcf/d of regasification capacity. The customers are each obligated to make monthly capacity payments to SPLNG aggregating approximately \$125 million annually for 20 years that commenced in 2009, which is representative of fixed consideration in the contract. A portion of this fee is adjusted annually for inflation which is considered variable consideration. The remaining capacity of the Sabine Pass LNG terminal has been reserved by SPL, for which the associated revenues are eliminated in consolidation.

Because SPLNG is continuously available to provide regasification service on a daily basis with the same pattern of transfer, we have concluded that SPLNG provides a single performance obligation to its customers on a continuous basis over time. We have determined that an output method of recognition based on elapsed time best reflects the benefits of this service to the customer and accordingly, LNG regasification capacity reservation fees are recognized as regasification revenues on a straight-line basis over the term of the respective TUAs. We have concluded that the inflation element within the contract meets the optional exception for allocating variable consideration and accordingly the inflation adjustment is not included in the transaction price and will be recognized over the year in which the inflation adjustment relates on a straight-line basis.

In 2012, SPL entered into a partial TUA assignment agreement with Total Gas & Power North America, Inc. ("Total"), whereby SPL would progressively gain access to Total's capacity and other services provided under its 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.

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. Upon substantial completion of Train 5, SPL will gain access to substantially all of Total's capacity. 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 and we continue to recognize the payments received from Total as revenue.

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During the three months ended March 31, 2018 and 2017, SPL recorded \$8 million and zero as operating and maintenance expense under this partial TUA assignment agreement.

Deferred Revenue Reconciliation

The following table reflects the changes in our contract liabilities, which we classify as “Deferred revenue” (in millions):

	Three Months Ended March 31,	
	2018	2017
Deferred revenues, beginning of period	\$ 111	\$ 73
Cash received but not yet recognized	120	61
Revenue recognized from prior period deferral	(111)	(71)
Deferred revenues, end of period	\$ 120	\$ 63

We record deferred revenue when we receive consideration, or such consideration is unconditionally due from a customer, prior to transferring goods or services to the customer under the terms of a sales contract. Changes in deferred revenue during the three months ended March 31, 2018 and 2017 are primarily attributable to differences between the timing of revenue recognition and the receipt of advance payments related to delivery of LNG under certain SPAs.

Transaction Price Allocated to Future Performance Obligations

Because many of our sales contracts have long-term durations, we are contractually entitled to significant future consideration which we have not yet recognized as revenue. The following table discloses the aggregate amount of the transaction price that is allocated to performance obligations that have not yet been satisfied as of March 31, 2018:

	Unsatisfied Transaction Price (in billions)	Weighted Average Recognition Timing (years) (1)
LNG revenues	\$ 91.3	10.7
Regasification revenues	2.8	5.6
Total revenues	\$ 94.1	

- (1) The weighted average recognition timing represents an estimate of the number of years during which we shall have recognized half of the unsatisfied transaction price.

We have elected the following optional exemptions which omit certain potential future sources of revenue from the table above:

- (1) We omit from the table above all performance obligations that are part of a contract that has an original expected duration of one year or less.
- (2) We omit from the table above all variable consideration that is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation when that performance obligation qualifies as a series. The table above excludes all variable consideration under our SPAs and TUAs. The amount of revenue from variable fees that is not included in the transaction price will vary based on the future prices of Henry Hub throughout the contract terms, to the extent customers elect to take delivery of their LNG, and adjustments to the consumer price index. Certain of our contracts contain additional variable consideration based on the outcome of contingent events and the movement of various indexes. The receipt of such variable consideration is considered constrained due to the uncertainty of ultimate pricing and receipt and we have not included such variable consideration in the transaction price. During the three months ended March 31, 2018, approximately 56% of our LNG Revenues from contracts with a duration of over one year and approximately 3% of our Regasification Revenues were related to variable consideration received from customers.

We have entered into contracts to sell LNG that are conditioned upon one or both of the parties achieving certain milestones such as reaching FID on a certain liquefaction Train or obtaining financing. These contracts are considered completed contracts for revenue recognition purposes and are included in the transaction price above.

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We have elected the practical expedient to omit the disclosure of the transaction price allocated to future performance obligations and an explanation of when the entity expects to recognize the amount as revenue as of March 31, 2017.

NOTE 12—INCOME TAXES

During the three months ended March 31, 2018, we recorded a \$15 million income tax provision, which was primarily related to increased profitability in the U.K. We have elected to account for the tax on global intangible low-taxed income (“GILTI”) as a tax expense in the period in which it is incurred.

Due to historical losses and other available evidence related to our ability to generate taxable income, we have established a valuation allowance to fully offset our federal and state net deferred tax assets at March 31, 2018 and December 31, 2017.

NOTE 13—SHARE-BASED COMPENSATION

We have granted restricted stock shares, restricted stock units, performance stock units and phantom units to employees and non-employee directors under the Amended and Restated 2003 Stock Incentive Plan, as amended, the 2011 Incentive Plan, as amended (the “2011 Plan”), the 2015 Employee Inducement Incentive Plan and the 2015 Long-Term Cash Incentive Plan.

For the three months ended March 31, 2018, we granted 1.5 million restricted stock units and 0.2 million performance stock units at target performance under the 2011 Plan to certain employees. Restricted stock units are stock awards that vest over a three-year service period and entitle the holder to receive shares of our common stock upon vesting, subject to restrictions on transfer and to a risk of forfeiture if the recipient terminates employment with us prior to the lapse of the restrictions. Performance stock units provide for three-year cliff vesting with payouts based on our cumulative distributable cash flow per share from January 1, 2018 through December 31, 2020 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 (on a one-for-one basis) and are classified as equity awards.

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

	Three Months Ended March 31,	
	2018	2017
Share-based compensation costs, pre-tax:		
Equity awards	\$ 17	\$ 5
Liability awards	17	27
Total share-based compensation	34	32
Capitalized share-based compensation	(6)	(8)
Total share-based compensation expense	\$ 28	\$ 24
Tax benefit associated with share-based compensation expense	\$ 2	\$ —

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, 2017.

NOTE 14—NET INCOME PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS

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

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

The following table reconciles basic and diluted weighted average common shares outstanding for the three months ended March 31, 2018 and 2017 (in millions, except per share data):

	Three Months Ended March 31,	
	2018	2017
Weighted average common shares outstanding:		
Basic	235.5	232.4
Dilutive unvested stock	2.5	0.3
Diluted	238.0	232.7
Basic net income per share attributable to common stockholders	\$ 1.52	\$ 0.23
Diluted net income per share attributable to common stockholders	\$ 1.50	\$ 0.23

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

	Three Months Ended March 31,	
	2018	2017
Unvested stock (1)	2.0	1.2
Convertible notes (2)	17.1	16.5
Total potentially dilutive common shares	19.1	17.7

- (1) Does not include 0.4 million shares and 5.1 million shares for the three months ended March 31, 2018 and 2017, respectively, of unvested stock because the performance conditions had not yet been satisfied as of March 31, 2018 and 2017, respectively.
- (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 income 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 March 31, 2018.

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 March 31, 2018, are not recognized as liabilities but require disclosures in our Consolidated Financial Statements.

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 March 31, 2018 and December 31, 2017, 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

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
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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 refile.

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 substantially 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 and the federal court subsequently dismissed the Texas Federal Suit without prejudice. 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., Driftwood LNG, LLC, Driftwood LNG Pipeline LLC and Tellurian Services LLC, formerly known as Parallax Services LLC, including claims for tortious interference with CLNGT’s collateral rights under the Secured Note and Pledge Agreement, fraudulent transfer, conspiracy/aiding and abetting. Discovery in the Texas State Suit is ongoing. Trial is currently set for September 2018.

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

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

NOTE 16—CUSTOMER CONCENTRATION

The following table shows customers with revenues of 10% or greater of total third-party revenues and customers with accounts receivable balances of 10% or greater of total accounts receivable from third parties:

	Percentage of Total Third-Party Revenues		Percentage of Accounts Receivable from Third Parties	
	Three Months Ended March 31,		March 31,	December 31,
	2018	2017	2018	2017
Customer A	17%	33%	13%	28%
Customer B	12%	13%	7%	16%
Customer C	24%	—%	18%	14%
Customer D	*	—%	10%	—%
Customer E	*	10%	21%	15%
Customer F	*	—%	11%	—%

* Less than 10%

NOTE 17—SUPPLEMENTAL CASH FLOW INFORMATION

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

	Three Months Ended March 31,	
	2018	2017
Cash paid during the period for interest, net of amounts capitalized	\$ 282	\$ 163

The balance in property, plant and equipment, net funded with accounts payable and accrued liabilities was \$310 million and \$503 million as of March 31, 2018 and 2017, respectively.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
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NOTE 18—RECENT ACCOUNTING STANDARDS

The following table provides a brief description of a recent accounting standard that had not been adopted by us as of March 31, 2018:

Standard	Description	Expected Date of Adoption	Effect on our Consolidated Financial Statements or Other Significant Matters
ASU 2016-02, <i>Leases (Topic 842)</i> , and subsequent amendments thereto	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. This evaluation process includes reviewing all forms of leases, performing a completeness assessment over the lease population, analyzing the practical expedients and assessing opportunities to make certain changes to our lease accounting information technology system in order to determine the best implementation strategy. 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. We expect to elect the package of practical expedients permitted under the transition guidance which, among other things, allows the carryforward of prior conclusions related to lease identification and classification. We also expect to elect the practical expedient to retain our existing accounting for land easements which were not previously accounted for as leases. We have not yet determined whether we will elect any other practical expedients upon transition.

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—CONTINUED
(unaudited)

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

Standard	Description	Date of Adoption	Effect on our Consolidated Financial Statements or Other Significant Matters
ASU 2014-09, <i>Revenue from Contracts with Customers (Topic 606)</i> , 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 adopted this guidance on January 1, 2018, using the full retrospective method. The adoption of this guidance represents a change in accounting principle that will provide financial statement readers with enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of this guidance did not impact our previously reported financial statements in any prior period nor did it result in a cumulative effect adjustment to retained earnings. See Note 11—Revenues from Contracts with Customers for additional disclosures.
ASU 2016-16, <i>Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory</i>	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	The adoption of this guidance did not have an impact on our Consolidated Financial Statements or related disclosures.

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 any EPC 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 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;
- statements regarding marketing of volumes expected to be made available to our integrated marketing function;
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, 2017](#). 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 provide clean, secure and affordable energy to the world, while responsibly delivering a reliable, competitive and integrated source of LNG, in a safe and rewarding work environment. 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. As of March 31, 2018, we owned 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 48.6% limited partner 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 4 are operational, 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 and an adjusted nominal production capacity of approximately 4.3 to 4.6 mtpa of LNG. The Sabine Pass LNG terminal has operational regasification facilities owned by Cheniere Partners' wholly owned subsidiary, SPLNG, that include pre-existing infrastructure of five LNG storage tanks with aggregate capacity of approximately 16.9 Bcfe, two marine berths that can each 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 (the "Creole Trail Pipeline") 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 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 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 construction of the Corpus Christi Pipeline is expected to be completed in second quarter of 2018.

Additionally, we are developing an expansion of the Corpus Christi LNG terminal adjacent to the CCL Project (the “Corpus Christi Expansion Project”) and recently began the process of amending our regulatory filings with FERC to incorporate a project design change, from two Trains with an expected aggregate nominal production capacity of approximately 9.0 mtpa to up to seven midscale Trains with an expected aggregate nominal production capacity of approximately 9.5 mtpa. We remain focused on expansion of our existing sites by leveraging existing infrastructure. We are also in various stages of developing other projects, including 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”). We have made an equity investment of \$55 million in Midship Pipeline Company, LLC (“Midship Pipeline”), which is developing a pipeline with expected capacity of up to 1.44 million 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.

Overview of Significant Events

Our significant accomplishments since January 1, 2018 and through the filing date of this Form 10-Q include the following:

Strategic

- In February 2018, we entered into two SPAs with PetroChina International Company Limited, a subsidiary of China National Petroleum Corporation, for the sale of approximately 1.2 mtpa of LNG through 2043, with a portion of the supply beginning in 2018 and the balance beginning in 2023.
- In January 2018, we entered into a 15-year SPA with Trafigura Pte Ltd for the sale of approximately 1 mtpa of LNG beginning in 2019.

Operational

- As of April 30, approximately 90 cargoes have been produced, loaded and exported from the SPL Project in 2018. To date, approximately 350 cumulative LNG cargoes have been exported from the SPL Project, with deliveries to 26 countries and regions worldwide.

Financial

- In March 2018, the date of first commercial delivery was reached under the 20-year SPA with GAIL (India) Limited relating to Train 4 of the SPL Project.
- In April 2018, we engaged financial institutions to assist in the structuring and arranging of up to \$6.4 billion of credit facilities for CCH through an amendment and upsize of its existing credit facilities (the “2015 CCH Credit Facility”), the proceeds of which will be used to fund a portion of the costs of developing, constructing and placing into service three Trains and related facilities of the CCL Project, and the related pipeline being developed near Corpus Christi, Texas and for related business purposes.
- In April and May 2018, we acquired a total of 21,453,482 common shares of Cheniere Holdings in a series of privately negotiated transactions pursuant to share purchase and exchange agreements, in exchange for a total of 10,278,739 unregistered shares of Cheniere. Subsequent to the completion of these transactions, our ownership of Cheniere Holdings is approximately 91.9%.

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 provides a summary of our liquidity position at March 31, 2018 and December 31, 2017 (in millions):

	March 31, 2018	December 31, 2017
Cash and cash equivalents	\$ 715	\$ 722
Restricted cash designated for the following purposes:		
SPL Project	561	544
Cheniere Partners and cash held by guarantor subsidiaries	916	1,045
CCL Project	83	227
Other	147	75
Available commitments under the following credit facilities:		
\$1.2 billion SPL Working Capital Facility (“SPL Working Capital Facility”)	494	470
2016 CQP Credit Facilities	220	220
2015 CCH Credit Facility	1,821	2,087
\$350 million CCH Working Capital Facility (“CCH Working Capital Facility”)	61	186
\$750 million Cheniere Revolving Credit Facility (“Cheniere Revolving Credit Facility”)	750	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, 2017.

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 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 were 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 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 March 31, 2018, 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 \$98 million and \$4 million in dividends on our Cheniere Holdings common shares during the three months ended March 31, 2018 and 2017, respectively.

Our ownership interest in the Sabine Pass LNG terminal is held through Cheniere Partners. As of March 31, 2018, we owned 82.7% of Cheniere Holdings, which owned a 48.6% interest in Cheniere Partners in the form of 104.5 million common units 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 and quarterly distributions from our incentive distribution rights.

We also receive fees for providing management services to Cheniere Holdings, Cheniere Partners, SPLNG, SPL and CTPL. We received \$20 million and \$47 million in total service fees from these subsidiaries during the three months ended March 31, 2018 and 2017, respectively.

Cheniere Partners

2025 CQP Senior Notes

In September 2017, Cheniere Partners issued an aggregate principal amount of \$1.5 billion of the 2025 CQP Senior Notes, which are jointly and severally guaranteed by each of Cheniere Partners' subsidiaries other than SPL and, subject to certain conditions governing the release of its guarantee, Sabine Pass LNG-LP, LLC (collectively, the "CQP Guarantors"). The 2025 CQP Senior Notes are governed by an indenture (the "CQP Indenture"), which contains customary terms and events of default and certain covenants that, among other things, limit the ability of Cheniere Partners and the CQP Guarantors to incur liens and sell assets, enter into transactions with affiliates, enter into sale-leaseback transactions and consolidate, merge or sell, lease or otherwise dispose of all or substantially all of the applicable entity's properties or assets.

At any time prior to October 1, 2020, Cheniere Partners may redeem all or a part of the 2025 CQP Senior Notes at a redemption price equal to 100% of the aggregate principal amount of the 2025 CQP Senior Notes redeemed, plus the "applicable premium" set forth in the CQP Indenture, plus accrued and unpaid interest, if any, to the date of redemption. In addition, at any time prior to October 1, 2020, Cheniere Partners may redeem up to 35% of the aggregate principal amount of the 2025 CQP Senior Notes with an amount of cash not greater than the net cash proceeds from certain equity offerings at a redemption price equal to 105.250% of the aggregate principal amount of the 2025 CQP Senior Notes redeemed, plus accrued and unpaid interest, if any, to the date of redemption. Cheniere Partners also may at any time on or after October 1, 2020 through the maturity date of October 1, 2025, redeem the 2025 CQP Senior Notes, in whole or in part, at the redemption prices set forth in the CQP Indenture.

The 2025 CQP Senior Notes are Cheniere Partners' senior obligations, ranking equally in right of payment with Cheniere Partners' other existing and future unsubordinated debt and senior to any of its future subordinated debt. The 2025 CQP Senior Notes will be secured alongside the 2016 CQP Credit Facilities on a first-priority basis (subject to permitted encumbrances) with liens on (1) substantially all the existing and future tangible and intangible assets and rights of Cheniere Partners and the CQP Guarantors and equity interests in the CQP Guarantors (except, in each case, for certain excluded properties set forth in the 2016 CQP Credit Facilities) and (2) substantially all of the real property of SPLNG (except for excluded properties referenced in the 2016 CQP Credit Facilities). The liens securing the 2025 CQP Senior Notes would be released if (1) the aggregate principal amount of all indebtedness then outstanding under the term loans under the 2016 CQP Credit Facilities secured by such liens does not exceed \$1.0 billion and (2) the aggregate amount of Cheniere Partners' secured indebtedness and the secured indebtedness of the CQP Guarantors (other than the 2025 CQP Senior Notes or any other series of notes issued under the CQP Indenture) outstanding at any one time, together with all Attributable Indebtedness (as defined in the CQP Indenture) from sale-leaseback transactions (subject to certain exceptions), does not exceed the greater of (1) \$1.5 billion and (2) 10% of net tangible assets. Upon the release of the liens securing the 2025 CQP Senior Notes, the limitation on liens covenant under the CQP Indenture will continue to govern the incurrence of liens by Cheniere Partners and the CQP Guarantors.

2016 CQP Credit Facilities

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 in November 2016 the approximately \$2.1 billion of the senior notes previously issued by SPLNG, (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. In September 2017, Cheniere Partners issued the 2025 CQP Senior Notes and the net proceeds were used to prepay \$1.5 billion of the outstanding indebtedness under the 2016 CQP Credit Facilities. As of both March 31, 2018 and December 31, 2017, Cheniere Partners had \$220 million of available commitments, \$20 million aggregate amount of issued letters of credit and \$1.1 billion of outstanding borrowings under the 2016 CQP Credit Facilities.

The 2016 CQP Credit Facilities mature on February 25, 2020, with principal payments due quarterly commencing on March 31, 2019. 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 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. We have achieved substantial completion of Trains 1, 2, 3 and 4 of the SPL Project and commenced operating activities in May 2016, September 2016, March 2017 and October 2017, respectively. The following table summarizes the status of Train 5 of the SPL Project as of March 31, 2018:

	SPL Train 5
Overall project completion percentage	89.3%
Completion percentage of:	
Engineering	100%
Procurement	100%
Subcontract work	70.2%
Construction	78.0%
Date of expected substantial completion	1H 2019

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, SPL received an order providing for a three-year makeup period with respect to each of the non-FTA orders for LNG volumes SPL was authorized but unable to export during any portion of the initial 20-year export period of such order.

In January 2018, the DOE issued orders 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 January 2018, in an aggregate amount up to the equivalent of 600Bcf of natural gas (however, exports under this order, when combined with exports under the orders above, may not exceed 1,509 Bcf/yr).

Customers

SPL has entered into six fixed price SPAs with terms of at least 20 years (plus extension rights) with third parties to make available an aggregate amount of LNG that is between approximately 80% to 95% of the expected aggregate adjusted nominal production capacity of Trains 1 through 5. 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 per MMBtu of LNG equal to approximately 115% of Henry Hub. 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. We refer to the fee component that is applicable regardless of a cancellation or suspension of LNG cargo deliveries under the SPAs as the fixed fee component of the price under SPL's SPAs. We refer to the fee component that is applicable only in connection with LNG cargo deliveries as the variable fee component of the price under SPL's SPAs. The variable fees under SPL's SPAs were sized at the time of entry into each SPA with the intent to cover the costs of gas purchases and transportation related to, and operating and maintenance costs to produce, the LNG to be sold under each such SPA. 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 generally commences upon the date of first commercial delivery of a specified Train. Under SPL's SPA with BG Gulf Coast LNG, LLC ("BG"), BG has contracted for volumes related to Trains 3 and 4 for which the obligation to make LNG available to BG is expected to commence approximately one year after the date of first commercial delivery for the respective Train.

In aggregate, the annual fixed fee portion to be paid by the third-party SPA customers is approximately \$1.6 billion for Trains 1 through 3, increasing to \$2.3 billion upon the date of first commercial delivery of Train 4 and to \$2.9 billion upon the date of first commercial delivery of Train 5, with the applicable fixed fees starting from the date of first commercial delivery from the applicable Train, as specified in each SPA.

In addition, Cheniere Marketing has entered into an SPA with SPL to purchase, at Cheniere Marketing's option, any LNG produced by SPL in excess of that required for other customers.

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 March 31, 2018, SPL has secured up to approximately 2,179 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 price of the EPC contract for Train 5 of the SPL Project is approximately \$3.1 billion reflecting amounts incurred under change orders through March 31, 2018. 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 4.0Bcf/d and aggregate LNG storage capacity of approximately 16.9Bcfe. Approximately 2.0Bcf/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 1.0Bcf/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 2.0Bcf/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 May 2016. 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 the three months ended March 31, 2018 and 2017, SPL recorded \$8 million and zero, respectively, 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 Train 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, 3 and 4 subsequently achieved substantial completion in September 2016, March 2017 and October 2017, respectively. We realized offsets to LNG terminal costs of \$131 million in the three months ended March 31, 2017 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. We did not realize any offsets to LNG terminal costs in the three months ended March 31, 2018. Additionally, SPLNG generates cash flows from the TUAs, as discussed above.

The following table 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 March 31, 2018 and December 31, 2017 (in millions):

	March 31, 2018	December 31, 2017
Senior notes (1)	\$ 15,150	\$ 15,150
Credit facilities outstanding balance (2)	1,090	1,090
Letters of credit issued (3)	706	730
Available commitments under credit facilities (3)	494	470
Total capital resources from borrowings and available commitments (4)	\$ 17,440	\$ 17,440

- (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"), 4.200% Senior Secured Notes due 2028 (the "2028 SPL Senior Notes") and 5.00% Senior Secured Notes due 2037 (the "2037 SPL Senior Notes") (collectively, the "SPL Senior Notes") and Cheniere Partners' 2025 CQP Senior Notes.
- (2) Includes SPL Working Capital Facility and CTPL and SPLNG tranche term loans outstanding under the 2016 CQP Credit Facilities.
- (3) Consists of 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, 2017.

SPL Senior 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. Semi-annual principal payments for the 2037 SPL Senior Notes are due on March 15 and September 15 of each year beginning September 15, 2025.

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 March 31, 2018 and 2017, SPL had \$494 million and \$653 million of available commitments, \$706 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 *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. 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 as of March 31, 2018:

	CCL Stage 1	
Overall project completion percentage	85.7%	
Completion percentage of:		
Engineering	100%	
Procurement	100%	
Subcontract work	68.9%	
Construction	68.1%	
Expected date of substantial completion	Train 1	1H 2019
	Train 2	2H 2019

Train 3 is being commercialized and has all necessary regulatory approvals in place. Separate from the CCH Group, we are also developing the Corpus Christi Expansion Project, adjacent to the CCL Project. We commenced the regulatory approval process in June 2015 and recently began the process of amending our regulatory filings with FERC to incorporate a project design change, from two Trains with an expected aggregate nominal production capacity of approximately 9.0 mtpa to up to seven midscale Trains with an expected aggregate nominal production capacity of approximately 9.5 mtpa.

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 767Bcf/yr (approximately 15 mtpa) of natural gas.
- Corpus Christi Expansion Project—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. We intend to amend our DOE applications consistent with the design change in our amended FERC filings.

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 entered into eight fixed-price SPAs with terms of at least 20 years (plus extension rights) with seven third parties to make available an aggregate amount of LNG that is between approximately 85% to 95% of the expected aggregate adjusted nominal production capacity of Trains 1 and 2. Under these eight SPAs, the customers will purchase LNG from CCL 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 per MMBtu of LNG equal to approximately 115% of Henry Hub. 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. We refer to the fee component that is applicable regardless of a cancellation or suspension of LNG cargo deliveries under the SPAs as the fixed fee component of the price under our SPAs. We refer to the fee component that is applicable only in connection with LNG cargo deliveries as the variable fee component of the price under our SPAs. The variable fee under CCL's SPAs entered into in connection with the development of Stage 1 of the CCL Project was sized at the time of entry into each SPA with the intent to cover the costs of gas purchases and transportation related to, and operating and maintenance costs to produce, the LNG to be sold under each such SPA. 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 generally commences upon the date of first commercial delivery for Train 1 or Train 2, as specified in each SPA.

In aggregate, the annual fixed fee portion to be paid by the third-party SPA customers is approximately \$550 million for Train 1, increasing to \$1.4 billion upon the date of first commercial delivery of Train 2 of the CCL Project, with the applicable fixed fees generally starting from the date of first commercial delivery from the applicable Train, as specified in each SPA.

In addition, Cheniere Marketing has entered into an SPA with CCL to purchase, at Cheniere Marketing's option, any LNG produced by CCL in excess of that required for other customers.

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 March 31, 2018, CCL has secured up to approximately 2,057 TBtu of natural gas feedstock through long-term natural gas supply contracts, a portion of which is subject to the achievement of certain project milestones and other conditions precedent.

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 March 31, 2018. Total expected capital costs for Stage 1 and the Corpus Christi Pipeline 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 and total expected capital costs for the Corpus Christi Pipeline of between \$350 million and \$400 million. The total contract price of the EPC contract for Stage 2, which was amended and restated in December 2017, is approximately \$2.4 billion.

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 and is expected to be completed in the second quarter of 2018.

Final Investment Decision on Stage 2

CCL has issued limited notice to proceed to Bechtel for the commencement of certain engineering, procurement and construction activities for Stage 2 of the CCL Project. FID and full notice to proceed for Stage 2 of the CCL Project will be contingent on 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 flows from CCL and CCP and equity contributions to our subsidiaries. The following table provides a summary of our capital resources from borrowings and available commitments for the CCL Project, excluding equity contributions to our subsidiaries, at March 31, 2018 and December 31, 2017 (in millions):

	March 31, 2018	December 31, 2017
Senior notes (1)	\$ 4,250	\$ 4,250
11% Convertible Senior Secured Notes due 2025	1,341	1,305
Credit facilities outstanding balance (2)	2,751	2,485
Letters of credit issued (2)	289	164
Available commitments under credit facilities (2)	1,882	2,273
Total capital resources from borrowings and available commitments (3)	<u>\$ 10,513</u>	<u>\$ 10,477</u>

- (1) Includes CCH's 7.000% Senior Secured Notes due 2024, 5.875% Senior Secured Notes due 2025 and 5.125% Senior Secured Notes due 2027 (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, 2017.

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

The CCH Senior Notes are jointly and severally guaranteed by its subsidiaries, CCL, CCP and Corpus Christi Pipeline GP, LLC (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 March 31, 2018 and December 31, 2017, CCH had \$1.8 billion and \$2.1 billion of available commitments and \$2.8 billion and \$2.5 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 1.55:1.00.

Under 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 March 31, 2018 and December 31, 2017. CCH had \$289 million and \$164 million aggregate amount of issued letters of credit as of March 31, 2018 and December 31, 2017, 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.

Restrictive Debt Covenants

As of March 31, 2018, each of our issuers was in compliance with all covenants related to their respective debt agreements.

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 March 31, 2018, we have sold or have options to sell approximately 1,572 TBtu of LNG to be delivered to customers between 2018 and 2043. The cargoes have been sold either on a Free on Board basis (delivered to the customer at the Sabine Pass LNG terminal) or a Delivered at Terminal ("DAT") basis (delivered to the customer 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.

Cheniere Marketing entered into uncommitted trade finance facilities with available commitments of \$300 million as of March 31, 2018, 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 March 31, 2018 and December 31, 2017, Cheniere Marketing had \$14 million and \$2 million, respectively, in standby letters of credit and guarantees outstanding under the finance facilities. Cheniere Marketing had no loans outstanding under the finance facilities as of both March 31, 2018 and December 31, 2017. 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 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 have made an equity investment of \$55 million in Midship Pipeline, which is developing a pipeline with expected capacity of up to 1.44 million 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 summarizes the sources and uses of our cash, cash equivalents and restricted cash for the three months ended March 31, 2018 and 2017 (in millions). 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.

	Three Months Ended March 31,	
	2018	2017
Operating cash flows	\$ 469	\$ 309
Investing cash flows	(776)	(1,290)
Financing cash flows	116	2,095
Net increase (decrease) in cash, cash equivalents and restricted cash	(191)	1,114
Cash, cash equivalents and restricted cash—beginning of period	2,613	1,827
Cash, cash equivalents and restricted cash—end of period	\$ 2,422	\$ 2,941

Operating Cash Flows

Our operating cash inflows during the three months ended March 31, 2018 and 2017 were \$469 million and \$309 million, respectively. The \$160 million increase in operating cash inflows in 2018 compared to 2017 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 in 2018. There were four Trains operating during the three months ended March 31, 2018, whereas two Trains were operating during the three months ended March 31, 2017.

Investing Cash Flows

Investing cash outflows during the three months ended March 31, 2018 and 2017 were \$0.8 billion and \$1.3 billion, respectively, and were primarily used to fund the construction costs for the SPL Project and 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 received \$36 million during the three months ended March 31, 2017 from the return of collateral payments previously paid for the CCL Project, which was offset by \$7 million for investments in unconsolidated entities and other projects.

Financing Cash Flows

Financing cash inflows during the three months ended March 31, 2018 were \$0.1 billion, primarily as a result of:

- \$266 million of borrowings under the 2015 CCH Credit Facility; and
- \$143 million of distributions and dividends to non-controlling interest by Cheniere Partners and Cheniere Holdings.

Financing cash inflows during the three months ended March 31, 2017 were \$2.1 billion, primarily as a result of:

- issuances of SPL's senior notes for an aggregate principal amount of \$2.15 billion;
- \$55 million of borrowings and \$369 million of repayments made under the credit facilities SPL entered into in June 2015;
- \$110 million of borrowings and \$334 million of repayments made under the SPL Working Capital Facility;
- \$548 million of borrowings under the 2015 CCH Credit Facility;
- \$43 million of debt issuance costs related to up-front fees paid upon the closing of these transactions; and
- \$20 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 months ended March 31, 2018:

<i>(in TBtu)</i>	Three Months Ended March 31, 2018	
	Operational	Commissioning
Volumes loaded during the current period	241	—
Volumes loaded during the prior period but recognized during the current period	43	—
Less: volumes loaded during the current period and in transit at the end of the period	(11)	—
Total volumes recognized in the current period	273	—

Our consolidated net income attributable to common stockholders was \$357 million, or \$1.52 per share—basic and \$1.50 per share—diluted, in the three months ended March 31, 2018, compared to net income attributable to common stockholders of \$54 million, or \$0.23 per share (basic and diluted), in the three months ended March 31, 2017. This \$303 million increase in net income in 2018 was primarily a result of increased income from operations due to additional Trains operating between the periods and increased derivative gain, net, which were partially offset by increased allocation of net income to non-controlling interest and increased interest expense, net of amounts capitalized.

Revenues

<i>(in millions)</i>	Three Months Ended March 31,		
	2018	2017	Change
LNG revenues	\$ 2,166	\$ 1,143	\$ 1,023
Regasification revenues	65	65	—
Other revenues	10	3	7
Other—related party	1	—	1
Total revenues	\$ 2,242	\$ 1,211	\$ 1,031

We begin recognizing LNG revenues from the SPL Project following the substantial completion and the commencement of operating activities of the respective Trains. During the three months ended March 31, 2018, Trains 1 through 4 were operational, whereas during the three months ended March 31, 2017, only Trains 1 and 2 were operational. Trains 3 and 4 achieved substantial completion in March 2017 and October 2017, respectively. The increase in revenues for the three months ended March 31, 2018 from the comparable period in 2017 was primarily attributable to the increased volume of LNG sold following the achievement of substantial completion of these Trains. We expect our LNG revenues to increase in the future upon Train 5 of the SPL Project and Trains 1 and 2 of the CCL Project becoming operational.

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 offset to LNG terminal costs of \$131 million corresponding to 18 TBtu of LNG in the three months ended March 31, 2017 that was related to the sale of commissioning cargoes. There were no commissioning cargoes sold that were realized as offsets to LNG terminal costs in the three months ended March 31, 2018.

The following table presents the components of LNG revenues and the corresponding LNG volumes sold.

<i>(in millions)</i>	Three Months Ended March 31,	
	2018	2017
LNG from the SPL Project sold under SPL's third party long-term SPAs	\$ 993	\$ 462
LNG from the SPL Project sold by our integrated marketing function	1,021	629
LNG procured from third parties	110	48
Other revenues and derivative gains (losses)	42	4
Total LNG revenues	\$ 2,166	\$ 1,143

<i>(in TBtu)</i>		
	2018	2017
LNG from the SPL Project sold under SPL's third party long-term SPAs	165	76
LNG from the SPL Project sold by our integrated marketing function	108	64
LNG procured from third parties	11	4
Total volumes sold as LNG revenues	284	144

Operating costs and expenses

<i>(in millions)</i>	Three Months Ended March 31,		
	2018	2017	Change
Cost of sales	\$ 1,178	\$ 624	\$ 554
Operating and maintenance expense	140	78	62
Development expense	1	3	(2)
Selling, general and administrative expense	67	54	13
Depreciation and amortization expense	109	70	39
Restructuring expense	—	6	(6)
Total operating costs and expenses	\$ 1,495	\$ 835	\$ 660

Our total operating costs and expenses increased during the three months ended March 31, 2018 from the three months ended March 31, 2017, primarily as a result of additional Trains that were operating between the periods. There were four Trains

operating during the three months ended March 31, 2018, compared to two Trains operating during the three months ended March 31, 2017.

Cost of sales increased during the three months ended March 31, 2018 from the three months ended March 31, 2017, primarily as a result of the increase in operating Trains during 2018. 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 months ended March 31, 2018 from the three months ended March 31, 2017 was primarily related to the increase in the volume of natural gas feedstock, partially offset by lower prices of natural gas feedstock between the periods. Cost of sales also includes vessel charter costs, gains and losses from derivatives associated with economic hedges to secure natural gas feedstock for the SPL Project, port and canal fees, variable transportation and storage costs and other costs to convert natural gas into LNG.

Operating and maintenance expense increased during the three months ended March 31, 2018 from the three months ended March 31, 2017, as a result of the increase in operating Trains during 2018. Operating and maintenance expense includes costs associated with operating and maintaining the SPL Project and CCL Project. The increase during the three months ended March 31, 2018 from the three months ended March 31, 2017 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 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 months ended March 31, 2018 from the three months ended March 31, 2017 as a result of an increased number of operational Trains, as the assets related to the Trains of the SPL Project began depreciating upon reaching substantial completion.

We expect our operating costs and expenses to generally increase in the future upon Train 5 achieving substantial completion, although certain costs will not proportionally increase with the number of operational Trains as cost efficiencies will be realized.

Other expense (income)

<i>(in millions)</i>	Three Months Ended March 31,		
	2018	2017	Change
Interest expense, net of capitalized interest	\$ 216	\$ 165	\$ 51
Loss on early extinguishment of debt	—	42	(42)
Derivative gain, net	(77)	(1)	(76)
Other income	(7)	(2)	(5)
Total other expense	\$ 132	\$ 204	\$ (72)

Interest expense, net of capitalized interest, increased during the three months ended March 31, 2018 compared to the three months ended March 31, 2017, primarily as a result of a decrease in the portion of total interest costs that could be capitalized as additional Trains of the SPL Project completed construction between the periods. For the three months ended March 31, 2018, we incurred \$404 million of total interest cost, of which we capitalized \$188 million which was directly related to the construction of the SPL Project and the CCL Project. For the three months ended March 31, 2017, we incurred \$354 million of total interest cost, of which we capitalized \$189 million 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 March 31, 2018, as compared to the three months ended March 31, 2017. Loss on early extinguishment of debt recognized in 2017 was attributable to the write-off of debt issuance costs upon termination of the remaining available balance of \$1.6 billion under SPL's previous credit facilities in connection with the issuance of the 2028 SPL Senior Notes and the 2037 SPL Senior Notes.

Derivative gain, net increased during the three months ended March 31, 2018 compared to the three months ended March 31, 2017, primarily due to a favorable shift in the long-term forward LIBOR curve between the periods. During the three months ended March 31, 2017, the gain attributable to a relative increase in the long-term forward LIBOR curve during the period was partially offset by the \$7 million loss recognized upon the termination of interest rate swaps associated with approximately \$1.6 billion of commitments that were terminated under SPL's previous credit facilities.

Other

(in millions)	Three Months Ended March 31,		
	2018	2017	Change
Income tax provision	\$ (15)	\$ —	\$ (15)
Net income attributable to non-controlling interest	243	118	125
Effective tax rate	2.4%	—%	

Income tax provision increased \$15 million during the three months ended March 31, 2018 from the three months ended March 31, 2017 primarily due to the increased profitability in the U.K. The effective tax rates for both the three months ended March 31, 2018 and 2017 were lower than the statutory federal rate of 21% and 35%, respectively, primarily due to the federal and state valuation allowance recorded.

Net income attributable to non-controlling interest increased during the three months ended March 31, 2018 from the three months ended March 31, 2017 due to the increase in the share of Cheniere Partners' net income that is attributed to non-controlling interest holders as a result of changes in ownership percentages between years and an increase in consolidated net income recognized by Cheniere Partners and Cheniere Holdings in which the non-controlling interests are held, partially offset by the nonrecurrence of non-cash amortization of the beneficial conversion feature on Cheniere Partners' Class B units that occurred in the three months ended March 31, 2017. The ownership percentage by non-controlling interest holders increased between the periods as a result of the conversion of Cheniere Partners' Class B units into common units on August 2, 2017. The consolidated net income recognized by Cheniere Partners increased from \$47 million in the three months ended March 31, 2017 to \$335 million in the three months ended March 31, 2018, primarily as a result of the additional Trains that were operating at the SPL Project between the periods and decreased loss on early extinguishment of debt, which were partially offset by increased interest expense, net of amounts capitalized. The consolidated net income recognized by Cheniere Holdings increased from \$4 million in the three months ended March 31, 2017 to \$123 million in the three months ended March 31, 2018, primarily as a result of an increase in equity income from investment in Cheniere Partners. Additionally, net income attributable to non-controlling interest during the three months ended March 31, 2017 increased by approximately \$84 million due to amortization of the beneficial conversion feature on Cheniere Partners' Class B units, which ceased upon the conversion of Cheniere Partners' Class B units into common units.

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, 2017](#)

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):

	March 31, 2018		December 31, 2017	
	Fair Value	Change in Fair Value	Fair Value	Change in Fair Value
Liquefaction Supply Derivatives	\$ 10	\$ —	\$ 55	\$ 5
LNG Trading Derivatives	(6)	3	(8)	2

Interest Rate Risk

Cheniere Partners 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 2016 CQP Credit Facilities (“CQP Interest Rate Derivatives”) and the 2015 CCH Credit Facility (“CCH Interest Rate Derivatives”) and collectively with the CQP Interest Rate Derivatives, “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):

	March 31, 2018		December 31, 2017	
	Fair Value	Change in Fair Value	Fair Value	Change in Fair Value
CQP Interest Rate Derivatives	\$ 27	\$ 5	\$ 21	\$ 5
CCH Interest Rate Derivatives	43	46	(32)	44

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 March 31, 2018 and December 31, 2017.

See [Note 6—Derivative Instruments](#) for additional details about our derivative instruments.

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 the SEC’s rules and forms. As of the end of the period covered by this report, we evaluated, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures are effective.

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We may in the future be involved as a party to various legal proceedings, which are incidental to the ordinary course of business. We regularly analyze current information and, as necessary, provide accruals for probable liabilities on the eventual disposition of these matters. Other than as discussed below, there have been no material changes to the legal proceedings disclosed in our [annual report on Form 10-K for the year ended December 31, 2017](#)

In February 2018, the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) issued a Corrective Action Order (the “CAO”) to SPL in connection with a minor LNG leak from one tank and minor vapor release from a second tank at the Sabine Pass LNG terminal. These two tanks have been taken out of operational service while we conduct analysis, repair and remediation. On April 20, 2018, SPL and PHMSA executed a Consent Agreement and Order (the “Consent Order”) that replaces and supersedes the CAO. We continue to work with PHMSA and other appropriate regulatory authorities to address the matters identified in the Consent Order. We do not expect that the Consent Order and related analysis, repair and remediation will have a material adverse impact on our financial results or operations.

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, 2017](#)

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 March 31, 2018:

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 Units That May Yet Be Purchased Under the Plans
January 1 - 31, 2018	5,206	\$54.37	—	—
February 1 - 28, 2018	98,525	\$57.49	—	—
March 1 - 31, 2018	1,150	\$52.63	—	—

- (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.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1*	<u>Consent for Amendment to the Common Security and Account Agreement, dated February 14, 2018, among the Company, as Company, CCL, CCP, and CCP GP, as Guarantors, the Senior Creditor Group Representatives party thereto from time to time, Société Générale, as Intercreditor Agent and Security Trustee, and Mizuho Bank, Ltd., as Account Bank</u>
10.2*	<u>Second Amendment to the Common Security and Account Agreement, dated February 14, 2018, among the Company, as Company, CCL, CCP, and CCP GP, as Guarantors, Société Générale as Security Trustee, and Mizuho Bank, Ltd., as Account Bank</u>
10.3*	<u>Consent for Execution of Precedent Agreement with the Natural Gas Pipeline Company of America LLC, dated February 14, 2018, among the Company, as Borrower, CCL, CCP, and CCP GP, as Guarantors, Société Générale, as Term Loan Facility Agent and Intercreditor Agent</u>
10.4*	<u>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 SPL and Bechtel Oil, Gas and Chemicals, Inc.: (i) the Change Order CO-00025 BOG and LNG Rundown, dated January 19, 2018, (ii) the Change Order CO-00026 Design Analysis of Existing East & West Jetty Piping and Structure for Simultaneous Loading, dated February 1, 2018, (iii) the Change Order CO-00027 Performance and Attendance Bonus (PAB) Transfer from Stage 2, dated February 1, 2018, and (iv) the Change Order CO-00028 Existing Jetty Structural Steel Supply, dated February 27, 2018</u>
10.5*	<u>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 CCL and Bechtel Oil, Gas and Chemicals, Inc.: (i) the Change Order CO-00038 Settlement of Various Scopes, dated November 10, 2017, (ii) the Change Order CO-00039 OSHA Handrails, East Jetty Scaffold, Attachment Y, and Insurance Provisional Sum, dated February 26, 2018, and (iii) the Change Order CO-00041 GE Service Bulletins and JT Valve Modifications, dated March 6, 2018 (Portions of this exhibit have been omitted and filed separately with the SEC pursuant to a request for confidential treatment.)</u>
10.6*	<u>Amendment No. 1 of LNG Sale and Purchase Agreement (FOB), dated February 27, 2018, between CCL (Seller) and Gas Natural Fenosa LNG GOM, Limited (Buyer)</u>
31.1*	<u>Certification by Chief Executive Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act</u>
31.2*	<u>Certification by Chief Financial Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act</u>
32.1**	<u>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</u>
32.2**	<u>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</u>
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.

February 14, 2018

Cheniere Corpus Christi Holdings, LLC
700 Milam St., Suite 1900
Houston, Texas 77002
Attention: Treasurer
Telephone: 713-375-5290
Fax: 713-375-6000
Email: lisa.cohen@cheniere.com

Re: Consent for Amendment to the Common Security and Account Agreement

Ladies and Gentlemen:

Reference is made to (a) the Common Security and Account Agreement, dated as of May 13, 2015 and as amended on September 7, 2017 (as amended, amended and restated, modified or supplemented from time to time, the “Common Security and Account Agreement”), by and among Cheniere Corpus Christi Holdings, LLC (the “Company”), Corpus Christi Liquefaction, LLC, Cheniere Corpus Christi Pipeline, L.P. and Corpus Christi Pipeline GP, LLC (the “Guarantors”), the Initial Senior Creditor Group Representatives listed in Schedule C thereto and the Senior Creditor Group Representatives that accede thereto from time to time, for the benefit of all Senior Creditors, Société Générale as the Intercreditor Agent for the Facility Lenders and any Hedging Banks, Société Générale as Security Trustee, and Mizuho Bank, Ltd. as Account Bank, (b) the Intercreditor Agreement, dated as of May 13, 2015 (as amended, amended and restated, modified or supplemented from time to time, the “Intercreditor Agreement”), by and among the Intercreditor Parties party thereto from time to time, and Société Générale as the Intercreditor Agent and the Security Trustee, (c) the Term Loan Facility Agreement, dated as of May 13, 2015 (as amended, amended and restated, modified or supplemented from time to time, the “Term Loan Facility Agreement”), among the Company, the Guarantors, each Term Lender party thereto from time to time, and Société Générale, as the Term Loan Facility Agent, and (d) the Working Capital Facility Agreement, dated as of December 14, 2016 (as amended, amended and restated, modified or supplemented from time to time, the “Working Capital Facility Agreement”), among the Company, the Guarantors, the Working Capital Lenders party thereto from time to time, The Bank of Nova Scotia and Sumitomo Mitsui Banking Corporation as Issuing Banks, Mizuho Bank, Ltd., as Swing Line Lender and The Bank of Nova Scotia, as Working Capital Facility Agent. Capitalized terms used but not defined herein have the meanings assigned to them in the Common Security and Account Agreement, Intercreditor Agreement, Term Loan Facility Agreement or the Working Capital Facility Agreement, as applicable.

1. Consent. Pursuant to Section 12.14 (*Amendments*) and Section 7.2(a)(i) (*Modification Approval Levels*) of the Common Security and Account Agreement, Section 10.01 (*Decisions; Amendments, Etc.*) of the Term Loan Facility Agreement, Section 11.01 (*Decisions; Amendments,*

Etc.) of the Working Capital Facility Agreement and Section 3 (*Voting and Decision Making*) of the Intercreditor Agreement, the undersigned Requisite Intercreditor Parties hereby consent to the amendment of the Common Security and Account Agreement substantially in the form of Exhibit A attached hereto (the “Common Security and Account Agreement Amendment”).

2. Effectiveness. The consent set forth herein shall be effective only in the specific instance described herein and for the specific purpose for which it was given, and nothing herein shall be construed to limit or bar any rights or remedies of any Secured Party. For the avoidance of doubt and without limiting the generality of the foregoing, no other change, amendment, consent or waiver with respect to the terms and provisions of any other Finance Document, Material Project Agreement or Subsequent Material Project Agreement is intended or contemplated hereby (which terms and provisions remain unchanged and in full force and effect). Nothing herein shall be construed as or deemed to be (a) a waiver or consent by the Secured Parties of any past, present or future breach or non-compliance with any terms or provisions contained in any Finance Document, Material Project Agreement or Subsequent Material Project Agreement, or (b) a guide to, or an intent or indication of, future actions or decisions by any Secured Party.

3. Voting and Direction Matters.

- (a) With respect to the Term Loan Facility Agreement, by their signature below, each of the undersigned Term Lenders instructs the Term Loan Facility Agent as the Senior Creditor Group Representative and the Designated Voting Party for the Term Lenders to (i) cast its vote for the consent set forth herein in accordance with Section 3 (*Voting and Decision Making*) of the Intercreditor Agreement, (ii) direct the Intercreditor Agent to consent to the execution by the Security Trustee of the Common Security and Account Agreement Amendment and (iii) instruct the Intercreditor Agent to execute this consent letter.
 - (b) Based on the instructions above, the Term Loan Facility Agent, as Senior Creditor Group Representative and the Designated Voting Party for the Term Lenders, hereby (i) casts its vote for the consent set forth herein and (ii) directs the Intercreditor Agent to consent to the execution by the Security Trustee of the Common Security and Account Agreement Amendment.
 - (c) With respect to the Working Capital Facility Agreement, by their signature below, each of the undersigned Working Capital Lenders instructs the Working Capital Facility Agent as the Senior Creditor Group Representative and the Designated Voting Party for the Working Capital Lenders to (i) cast its vote for the consent set forth herein in accordance with Section 3 (*Voting and Decision Making*) of the Intercreditor Agreement, (ii) direct the Intercreditor Agent to consent to the execution by the Security Trustee of the Common Security and Account Agreement Amendment and (iii) instruct the Intercreditor Agent to execute this consent letter.
 - (d) Based on the instructions above, the Working Capital Facility Agent, as Senior Creditor Group Representative and the Designated Voting Party for the Working Capital Lenders, hereby (i) casts its vote for the consent set
-

forth herein and (ii) directs the Intercreditor Agent to consent to the execution by the Security Trustee of the Common Security and Account Agreement Amendment.

- (e) Based on the instructions above from the Term Loan Facility Agent, as Senior Creditor Group Representative and the Designated Voting Party for the Term Lenders, and the Working Capital Facility Agent, as Senior Creditor Group Representative and Designated Voting Party for the Working Capital Lenders, which comprises instructions from the Requisite Intercreditor Parties in accordance with Section 4.3 (*Majority Voting Issues*) of the Intercreditor Agreement, the Intercreditor Agent hereby (i) grants its consent to the requested Senior Creditor Action as set forth herein and (ii) by its signature below, directs the Security Trustee to execute the Common Security and Account Agreement Amendment.

4. GOVERNING LAW. THIS CONSENT LETTER SHALL FOR ALL PURPOSES BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

5. Counterparts. This consent letter may be executed in multiple counterparts, each of which shall be deemed an original for all purposes, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this consent letter by facsimile or in electronic document format (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this consent letter.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**ABN AMRO CAPITAL USA
LLC,**
as Term Lender

By: /s/ David Montgomery
Name: David Montgomery
Title: Managing Director

By: /s/ Darrell Holley
Name: Darrell Holley
Title: Managing Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

APPLE BANK FOR SAVINGS,
as Term Lender

By: /s/ Jonathan C. Byron _____
Name: Jonathan C. Byron
Title: Senior Vice President
Export Credit & Corporate Finance

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**BANCO BILBAO VIZCAYA
ARGENTARIA, S.A. NEW YORK
BRANCH,
as Term Lender**

By: /s/ Vincenzo Iemmolo

Name: Vincenzo Iemmolo

Title:

By: /s/ Rafael Ruiz

Name: Rafael Ruiz

Title:

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**BANCO DE SABADELL, S.A. - MIAMI
BRANCH,**
as Term Lender

By: /s/ Enrique Castillo
Name: Enrique Castillo
Title: Head of Corporate Banking

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

BANK OF AMERICA, N.A.,
as Term Lender

By: /s/ Ronald E. McKaig

Name: Ronald E. McKaig

Title: Managing Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

BNP PARIBAS,
as Term Lender

By: /s/ Manoj Khatri
Name: Manoj Khatri
Title: Director

By: /s/ Chris Fukuoka
Name: Chris Fukuoka
Title: Vice President

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

CAIXABANK, S.A.,
as Term Lender

By: /s/ David Ferrerons Clot
Name: David Ferrerons Clot
Title: Director

By: /s/ Jesus Ansede Ferreiro
Name: Jesus Ansede Ferreiro
Title: Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

CIT FINANCE LLC,
as Term Lender

By: /s/ Joseph Gyurindak

Name: Joseph Gyurindak

Title: Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**COMMONWEALTH BANK OF
AUSTRALIA,**

as Term Lender

By its attorney under Power of Attorney dated

24 June 2013:

Signature of Attorney: /s/ David Sparling

Name of Attorney: David Sparling

Signed by its duly constituted attorney in the
presence of:

Signature of Witness: /s/ Marie Sexton

Name of Witness: Marie Sexton

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**CRÉDIT INDUSTRIEL ET
COMMERCIAL,**
as Term Lender

By: /s/ Philippe Ginestet

Name: Philippe Ginestet

Title:

By: /s/ Raphaël Vincens

Name: Raphaël Vincens

Title:

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**CREDIT SUISSE AG, CAYMAN ISLANDS
BRANCH,**
as Term Lender

By: /s/ Nupur Kumar
Name: Nupur Kumar
Title: Authorized Signatory

By: /s/ Christopher Zybrick
Name: Christopher Zybrick
Title: Authorized Signatory

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

DBS BANK LTD.,
as Term Lender

By: /s/ Subash Narayanan
Name: Subash Narayanan
Title: Managing Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**FIRSTBANK PUERTO RICO D/B/A
FIRSTBANK FLORIDA,**
as Term Lender

By: /s/ Jose M. Lacasa

Name: Jose M. Lacasa

Title: SVP Corporate Banking

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

GOLDMAN SACHS BANK USA,
as Term Lender

By: /s/ Chris Lam
Name: Chris Lam
Title: Authorized Signatory

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**HSBC BANK USA, NATIONAL
ASSOCIATION,**
as Term Lender and Working Capital Lender

By: /s/ Duncan Cairo
Name: Duncan Cairo
Title: Managing Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**INDUSTRIAL AND COMMERCIAL
BANK OF CHINA LIMITED, NEW YORK
BRANCH,**
as Term Lender

By: /s/ Guoshen Sun

Name: Guoshen Sun

Title: Deputy General Manager

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

ING CAPITAL LLC,
as Term Lender and Working Capital Lender

By: /s/ Subha Pasumarti
Name: Subha Pasumarti
Title: Managing Director

By: /s/ Cheryl LaBelle
Name: Cheryl LaBelle
Title: Managing Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**INTESA SANPAOLO, S.P.A.,
NEW YORK BRANCH,
as Term Lender**

By: /s/ Francesco DiMario
Name: Francesco DiMario
Title: First Vice President

By: /s/ Nicholas A. Matakchieri
Name: Nicholas A. Matakchieri
Title: Vice President

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

JPMORGAN CHASE BANK, N.A.,
as Term Lender

By: /s/ Travis Watson

Name: Travis Watson

Title: Vice President

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**LANDESBANK BADEN-
WÜRTTEMBERG, NEW YORK
BRANCH,**
as Term Lender

By: /s/ Arndt Bruns

Name: Arndt Bruns

Title: VP

By: /s/ Martin Breckheimer

Name: Martin Breckheimer

Title: Head of Corporate and
Institutional Banking

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

LLOYDS BANK PLC,
as Term Lender

By: /s/ Kamala Basdeo
Name: Kamala Basdeo
Title: Assistant Manager
Transaction Execution
Category A
B002

By: /s/ Jennifer Larrow
Name: Jennifer Larrow
Title: Assistant Manager
Transaction Execution
Category A
L003

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

C.M. LIFE INSURANCE COMPANY,
as Term Lender

By: /s/ Richard Randall

Name: Richard Randall

Title: Attorney

By: /s/ Alec Montgomery

Name: Alec Montgomery

Title: Attorney

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**MASSACHUSETTS MUTUAL LIFE
INSURANCE COMPANY,**
as Term Lender

By: /s/ Richard Randall

Name: Richard Randall

Title: Attorney

By: /s/ Alec Montgomery

Name: Alec Montgomery

Title: Attorney

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

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

MIZUHO BANK, LTD.,
as Term Lender and Working Capital Lender
By: /s/ Brian Caldwell
Name: Brian Caldwell
Title: Managing Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

MORGAN STANLEY BANK, N.A.,
as Term Lender

By: /s/ Jack Kuhns
Name: Jack Kuhns
Title: Authorized Signatory

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**MORGAN STANLEY SENIOR FUNDING,
INC.,**
as Term Lender

By: /s/ Jack Kuhns

Name: Jack Kuhns

Title: Vice President

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

RAYMOND JAMES BANK, N.A.,
as Term Lender

By: /s/ Robert F. Moyle
Name: Robert F. Moyle
Title: Managing Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

ROYAL BANK OF CANADA,
as Term Lender

By: /s/ Jason S. York
Name: Jason S. York
Title: Authorized Signatory

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

SIEMENS FINANCIAL SERVICES, INC.,
as Term Lender

By: /s/ Patrick N. Riley

Name: Patrick N. Riley

Title: Vice President

By: /s/ Steven Kanaplue

Name: Steven Kanaplue

Title: Vice President

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

STANDARD CHARTERED BANK,
as Term Lender

By: /s/ Taimur Baig

Name: Taimur Baig

Title: Executive Director

By: /s/ Stephen Hackett

Name: Stephen Hackett

Title: MD

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**SUMITOMO MITSUI BANKING
CORPORATION,**
as Term Lender and Working Capital Lender

By: /s/ Juan Kreutz

Name: Juan Kreutz

Title: Managing Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**THE BANK OF TOKYO-MITSUBISHI
UFJ, LTD.,**
as Term Lender

By: /s/ Saad Iqbal

Name: Saad Iqbal

Title: Managing Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

THE IYO BANK, LTD.,
as Term Lender

By: /s/ Yasuji Fujita

Name: Yasuji Fujita

Title: Executive Officer

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

THE KOREA DEVELOPMENT BANK,
as Term Lender

By: /s/ Woong Chan Park

Name: Woong Chan Park

Title: General Manager

Project Finance Department

Korea Development Bank

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION,**
as Term Lender

By: /s/ Larry Robinson

Name: Larry Robinson

Title: Managing Director

SIGNATURE PAGE TO CONSENT (CSAA AMENDMENT)

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

THE BANK OF NOVA SCOTIA, HOUSTON BRANCH
as Term Lender and Working Capital Lender

By: /s/ Alfredo Brahim

Name: Alfredo Brahim

Title: Director

THE BANK OF NOVA SCOTIA, HOUSTON BRANCH
as Working Capital Facility Agent, as Senior
Creditor Group Representative for the
Working Capital Lenders, and as Designated
Voting Party for the Working Capital Lenders

By: /s/ Alfredo Brahim

Name: Alfredo Brahim

Title: Director

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

SOCIÉTÉ GÉNÉRALE,
as Term Lender

By: /s/ Ellen Turkel

Name: Ellen Turkel

Title: Director

SOCIÉTÉ GÉNÉRALE,
as Term Loan Facility Agent, as Senior
Creditor Group Representative for the Term
Lenders, and as Designated Voting Party for
the Term Lenders

By: /s/ Ellen Turkel

Name: Ellen Turkel

Title: Director

SOCIÉTÉ GÉNÉRALE,
as Intercreditor Agent

By: /s/ Ellen Turkel

Name: Ellen Turkel

Title: Director

ACKNOWLEDGED AND AGREED:

**CHENIERE CORPUS CHRISTI
HOLDINGS, LLC, as the Company**

By: /s/ Lisa C. Cohen

Name: Lisa C. Cohen

Title: Treasurer

**CORPUS CHRISTI LIQUEFACTION,
LLC, as Guarantor**

By: /s/ Lisa C. Cohen

Name: Lisa C. Cohen

Title: Treasurer

**CHENIERE CORPUS CHRISTI
PIPELINE, L.P., as Guarantor**

By: /s/ Lisa C. Cohen

Name: Lisa C. Cohen

Title: Treasurer

**CORPUS CHRISTI PIPELINE GP, LLC,
as Guarantor**

By: /s/ Lisa C. Cohen

Name: Lisa C. Cohen

Title: Treasurer

Exhibit A

Form of Amendment to Common Security and Account Agreement

**SECOND AMENDMENT TO
COMMON SECURITY AND ACCOUNT AGREEMENT**

This Second Amendment, dated as of [●], 2018 (the “*Second Amendment*”), among Cheniere Corpus Christi Holdings, LLC (the “*Company*”), Corpus Christi Liquefaction, LLC, Cheniere Corpus Christi Pipeline, L.P. and Corpus Christi Pipeline GP, LLC (the “*Guarantors*” and, together with the Company, the “*Securing Parties*”), Société Générale as Security Trustee, and Mizuho Bank, Ltd., as Account Bank, amends the Common Security and Account Agreement, dated as of May 13, 2015 and as amended on September 7, 2017 (as amended, amended and restated, modified or supplemented from time to time, the “*Common Security and Account Agreement*”), by and among the Securing Parties, the Initial Senior Creditor Group Representatives listed in Schedule C thereto and the Senior Creditor Group Representatives that accede thereto from time to time, for the benefit of all Senior Creditors, Société Générale as Intercreditor Agent for the Facility Lenders and any Hedging Banks, Société Générale as Security Trustee, and Mizuho Bank, Ltd., as Account Bank. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Common Security and Account Agreement.

WHEREAS, the Company entered into a Common Terms Agreement, dated as of May 13, 2015, and amended on September 7, 2017 (as amended, amended and restated, modified or supplemented from time to time, the “*Common Terms Agreement*”), by and among the Company, the Guarantors, Société Générale as the Term Loan Facility Agent on behalf of itself and the Term Lenders, and as Intercreditor Agent for the Facility Lenders, and each other Facility Agent that is party to the agreement from time to time on behalf of itself and the Facility Lenders under its Facility Agreement, which contains certain covenants applicable to the Loan Parties;

WHEREAS, the Company entered into an Indenture, dated as of May 18, 2016, as supplemented on December 9, 2016 by the First Supplemental Indenture and on May 19, 2017 by the Second Supplemental Indenture (as amended, amended and restated, modified or supplemented from time to time, the “*Indenture*”), among the Company, as issuer, the Guarantors, as guarantors and The Bank of New York Mellon, as trustee;

WHEREAS, the Company has requested that Intercreditor Agent agree on behalf of each Senior Creditor Group Representative to amend the Common Security and Account Agreement as set forth in the Second Amendment; and

WHEREAS, the Requisite Secured Parties have authorized the Intercreditor Agent to instruct the Security Trustee to amend the Common Security and Account Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and subject to the terms and conditions herein set forth, the parties hereto agree as follows:

Section 1. Amendments to Common Security and Account Agreement. The Company, the Guarantors and the Security Trustee each agree that the Common Security and Account Agreement is amended by adding the following as a new Section 2.11 (*Loan Party Guarantees*) to the Common Security and Account Agreement:

2.11 Secured Party Guarantees. Notwithstanding any other provision contained herein or in any other Finance Document, including without limitation Section 12.15 (*Guarantees*) of the Common Terms Agreement and Section 4.25 *Limitation on Guarantees*) of the Indenture, a Securing Party may guarantee any obligations of any other Securing Party that such other Securing Party is permitted to incur under the Finance Documents.

Section 2. Representations, Events of Default and Guarantees. The undersigned signatory of each Securing Party hereby certifies that she is an Authorized Officer of such Securing Party and, solely in such capacity and not in her personal capacity, hereby certifies to the Senior Creditor Group Representatives, as of the date of this Second Amendment, the following:

- (a) Each of the Repeated Representations made by such Securing Party is true and correct in all material respects, except for those representations and warranties that are qualified by materiality, which are true and correct in all respects, as to such Securing Party on and as of the date of this Second Amendment as if made on and as of such date (or, if stated to have been made solely as of an earlier date, as of such earlier date);
- (b) No Unmatured Event of Default or Event of Default has occurred and is Continuing on such date or could reasonably be expected to result from the consummation of the transactions contemplated by this Second Amendment; and
- (c) As of the date of this Second Amendment, the guarantee of the Senior Debt Obligations by each Guarantor is in full force and effect in accordance with Article 11 (*Guarantees*) of the Common Security and Account Agreement and this Second Amendment could not reasonably be expected to alter the effectiveness of such guarantees.

Section 3. Effectiveness. This Second Amendment shall be effective upon (x) the receipt by the Security Trustee of executed counterparts of this Second Amendment by the Company and each Guarantor and (y) the execution of this Second Amendment by the Security Trustee.

Section 4. Finance Document. This Second Amendment constitutes a Finance Document as such term is defined in, and for purposes of, the Common Security and Account Agreement.

Section 5. GOVERNING LAW. THIS SECOND AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, UNITED STATES WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

Section 6. Headings. All headings in this Second Amendment are included only for convenience and ease of reference and shall not be considered in the construction and interpretation of any provision hereof.

Section 7. Binding Nature and Benefit. This Second Amendment shall be binding upon and inure to the benefit of each party hereto and their respective successors and permitted transfers and assigns.

Section 8. Counterparts. This Second Amendment may be executed in multiple counterparts, each of which shall be deemed an original for all purposes, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Second Amendment by facsimile or in electronic document format (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Second Amendment.

Section 9. No Modifications; No Other Matters. Except as expressly provided for herein, the terms and conditions of the Common Security and Account Agreement shall continue unchanged and shall remain in full force and effect. Each amendment granted herein shall apply solely to the matters set forth herein and such amendment shall not be deemed or construed as an amendment of any other matters, nor shall such amendment apply to any other matters.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have caused this Second Amendment to the Common Security and Account Agreement to be duly executed and delivered as of the day and year first above written.

**CHENIERE CORPUS CHRISTI
HOLDINGS, LLC**, as the Company

By: _____
Name:
Title:

**CORPUS CHRISTI LIQUEFACTION,
LLC**, as Guarantor

By: _____
Name:
Title:

**CHENIERE CORPUS CHRISTI
PIPELINE, L.P.**, as Guarantor

By: _____
Name:
Title:

CORPUS CHRISTI PIPELINE GP, LLC,
as Guarantor

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties have caused this Second Amendment to the Common Security and Account Agreement to be duly executed and delivered as of the day and year first above written.

SOCIÉTÉ GÉNÉRALE,
as Security Trustee (with the prior written
consent of the Intercreditor Agent) and
Intercreditor Agent on its own behalf and on
on behalf of the Intercreditor Parties

By: _____
Name:
Title:

SIGNATURE PAGE TO CSAA AMENDMENT

IN WITNESS WHEREOF, the parties have caused this Second Amendment to the Common Security and Account Agreement to be duly executed and delivered as of the day and year first above written.

MIZUHO BANK, LTD.,
as Account Bank

By: _____
Name:
Title:

SIGNATURE PAGE TO CSAA AMENDMENT

**SECOND AMENDMENT TO
COMMON SECURITY AND ACCOUNT AGREEMENT**

This Second Amendment, dated as of February 14, 2018 (the “*Second Amendment*”), among Cheniere Corpus Christi Holdings, LLC (the “*Company*”), Corpus Christi Liquefaction, LLC, Cheniere Corpus Christi Pipeline, L.P. and Corpus Christi Pipeline GP, LLC (the “*Guarantors*” and, together with the Company, the “*Securing Parties*”), Société Générale as Security Trustee, and Mizuho Bank, Ltd., as Account Bank, amends the Common Security and Account Agreement, dated as of May 13, 2015 and as amended on September 7, 2017 (as amended, amended and restated, modified or supplemented from time to time, the “*Common Security and Account Agreement*”), by and among the Securing Parties, the Initial Senior Creditor Group Representatives listed in Schedule C thereto and the Senior Creditor Group Representatives that accede thereto from time to time, for the benefit of all Senior Creditors, Société Générale as Intercreditor Agent for the Facility Lenders and any Hedging Banks, Société Générale as Security Trustee, and Mizuho Bank, Ltd., as Account Bank. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Common Security and Account Agreement.

WHEREAS, the Company entered into a Common Terms Agreement, dated as of May 13, 2015, and amended on September 7, 2017 (as amended, amended and restated, modified or supplemented from time to time, the “*Common Terms Agreement*”), by and among the Company, the Guarantors, Société Générale as the Term Loan Facility Agent on behalf of itself and the Term Lenders, and as Intercreditor Agent for the Facility Lenders, and each other Facility Agent that is party to the agreement from time to time on behalf of itself and the Facility Lenders under its Facility Agreement, which contains certain covenants applicable to the Loan Parties;

WHEREAS, the Company entered into an Indenture, dated as of May 18, 2016, as supplemented on December 9, 2016 by the First Supplemental Indenture and on May 19, 2017 by the Second Supplemental Indenture (as amended, amended and restated, modified or supplemented from time to time, the “*Indenture*”), among the Company, as issuer, the Guarantors, as guarantors and The Bank of New York Mellon, as trustee;

WHEREAS, the Company has requested that Intercreditor Agent agree on behalf of each Senior Creditor Group Representative to amend the Common Security and Account Agreement as set forth in the Second Amendment; and

WHEREAS, the Requisite Secured Parties have authorized the Intercreditor Agent to instruct the Security Trustee to amend the Common Security and Account Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and subject to the terms and conditions herein set forth, the parties hereto agree as follows:

Section 1. Amendments to Common Security and Account Agreement. The Company, the Guarantors and the Security Trustee each agree that the Common Security and Account Agreement is amended by adding the following as a new Section 2.11 (*Loan Party Guarantees*) to the Common Security and Account Agreement:

2.11 Secured Party Guarantees. Notwithstanding any other provision contained herein or in any other Finance Document, including without limitation Section 12.15 (*Guarantees*) of the Common Terms Agreement and Section 4.25 (*Limitation on Guarantees*) of the Indenture, a Securing Party may guarantee any obligations of any other Securing Party that such other Securing Party is permitted to incur under the Finance Documents.

Section 2. Representations, Events of Default and Guarantees. The undersigned signatory of each Securing Party hereby certifies that she is an Authorized Officer of such Securing Party and, solely in such capacity and not in her personal capacity, hereby certifies to the Senior Creditor Group Representatives, as of the date of this Second Amendment, the following:

- (a) Each of the Repeated Representations made by such Securing Party is true and correct in all material respects, except for those representations and warranties that are qualified by materiality, which are true and correct in all respects, as to such Securing Party on and as of the date of this Second Amendment as if made on and as of such date (or, if stated to have been made solely as of an earlier date, as of such earlier date);
- (b) No Unmatured Event of Default or Event of Default has occurred and is Continuing on such date or could reasonably be expected to result from the consummation of the transactions contemplated by this Second Amendment; and
- (c) As of the date of this Second Amendment, the guarantee of the Senior Debt Obligations by each Guarantor is in full force and effect in accordance with Article 11 (*Guarantees*) of the Common Security and Account Agreement and this Second Amendment could not reasonably be expected to alter the effectiveness of such guarantees.

Section 3. Effectiveness. This Second Amendment shall be effective upon (x) the receipt by the Security Trustee of executed counterparts of this Second Amendment by the Company and each Guarantor and (y) the execution of this Second Amendment by the Security Trustee.

Section 4. Finance Document. This Second Amendment constitutes a Finance Document as such term is defined in, and for purposes of, the Common Security and Account Agreement.

Section 5. GOVERNING LAW. THIS SECOND AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, UNITED STATES WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

Section 6. Headings. All headings in this Second Amendment are included only for convenience and ease of reference and shall not be considered in the construction and interpretation of any provision hereof.

Section 7. Binding Nature and Benefit. This Second Amendment shall be binding upon and inure to the benefit of each party hereto and their respective successors and permitted transfers and assigns.

Section 8. Counterparts. This Second Amendment may be executed in multiple counterparts, each of which shall be deemed an original for all purposes, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Second Amendment by facsimile or in electronic document format (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Second Amendment.

Section 9. No Modifications; No Other Matters. Except as expressly provided for herein, the terms and conditions of the Common Security and Account Agreement shall continue unchanged and shall remain in full force and effect. Each amendment granted herein shall apply solely to the matters set forth herein and such amendment shall not be deemed or construed as an amendment of any other matters, nor shall such amendment apply to any other matters.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have caused this Second Amendment to the Common Security and Account Agreement to be duly executed and delivered as of the day and year first above written.

**CHENIERE CORPUS CHRISTI
HOLDINGS, LLC**, as the Company

By: /s/ Lisa C. Cohen
Name: Lisa C. Cohen
Title: Treasurer

**CORPUS CHRISTI LIQUEFACTION,
LLC**, as Guarantor

By: /s/ Lisa C. Cohen
Name: Lisa C. Cohen
Title: Treasurer

**CHENIERE CORPUS CHRISTI
PIPELINE, L.P.**, as Guarantor

By: /s/ Lisa C. Cohen
Name: Lisa C. Cohen
Title: Treasurer

CORPUS CHRISTI PIPELINE GP, LLC,
as Guarantor

By: /s/ Lisa C. Cohen
Name: Lisa C. Cohen
Title: Treasurer

IN WITNESS WHEREOF, the parties have caused this Second Amendment to the Common Security and Account Agreement to be duly executed and delivered as of the day and year first above written.

SOCIÉTÉ GÉNÉRALE,
as Security Trustee (with the prior written
consent of the Intercreditor Agent) and
Intercreditor Agent on its own behalf and on
on behalf of the Intercreditor Parties

By: /s/ Ellen Turkel

Name: Ellen Turkel

Title: Director

SIGNATURE PAGE TO CSAA AMENDMENT

IN WITNESS WHEREOF, the parties have caused this Second Amendment to the Common Security and Account Agreement to be duly executed and delivered as of the day and year first above written.

MIZUHO BANK, LTD.,
as Account Bank

By: /s/ Christopher Stolarski

Name: Christopher Stolarski

Title: Managing Director

SIGNATURE PAGE TO CSAA AMENDMENT

February 14, 2018

Cheniere Corpus Christi Holdings, LLC
700 Milam St., Suite 1900
Houston, Texas 77002
Attention: Treasurer
Telephone: 713-375-5290
Fax: 713-375-6000
Email: lisa.cohen@cheniere.com

Re: Consent for Execution of Precedent Agreement with the Natural Gas Pipeline Company of America LLC

Ladies and Gentlemen:

Reference is made to (a) the Common Terms Agreement, dated as of May 13, 2015 (as amended, amended and restated, modified or supplemented from time to time, the "Common Terms Agreement"), by and among Cheniere Corpus Christi Holdings, LLC (the "Company"), Corpus Christi Liquefaction, LLC, Cheniere Corpus Christi Pipeline, L.P. and Corpus Christi Pipeline GP, LLC (the "Guarantors"), Société Générale as the Term Loan Facility Agent, each other Facility Agent on behalf of its respective Facility Lenders, and Société Générale as the Intercreditor Agent, (b) the Intercreditor Agreement, dated as of May 13, 2015 (as amended, amended and restated, modified or supplemented from time to time, the "Intercreditor Agreement"), by and among the Intercreditor Parties party thereto from time to time, and Société Générale as the Intercreditor Agent and the Security Trustee, (c) the Term Loan Facility Agreement, dated as of May 13, 2015 (as amended, amended and restated, modified or supplemented from time to time, the "Term Loan Facility Agreement"), among the Company, the Guarantors, each Term Lender party thereto from time to time, and Société Générale, as the Term Loan Facility Agent, and (d) the Working Capital Facility Agreement, dated as of December 14, 2016 (as amended, amended and restated, modified or supplemented from time to time, the "Working Capital Facility Agreement"), among the Company, the Guarantors, the Working Capital Lenders party thereto from time to time, The Bank of Nova Scotia and Sumitomo Mitsui Banking Corporation as Issuing Banks, Mizuho Bank, Ltd., as Swing Line Lender and The Bank of Nova Scotia, as Working Capital Facility Agent. Capitalized terms used but not defined herein have the meanings assigned to them in the Common Terms Agreement, Intercreditor Agreement, Term Loan Facility Agreement or the Working Capital Facility Agreement, as applicable.

1. Consent to Enter into a Subsequent Material Project Agreement. Pursuant to Section 12.5(g) (*Material Project Agreements*) of the Common Terms Agreement, Section 10.01 (*Decisions; Amendments, Etc.*) of the Term Loan Facility Agreement, Section 11.01 (*Decisions; Amendments, Etc.*) of the Working Capital Facility Agreement and Section 3 (*Voting and Decision Making*) of the Intercreditor Agreement, the undersigned Requisite Intercreditor Parties hereby consent to the execution and delivery by Corpus Christi Liquefaction, LLC ("CCL") of the Precedent Agreement

(the “NGPL PA 2”) by and between Natural Gas Pipeline Company of America LLC and CCL, as a Subsequent Material Project Agreement, substantially in the form attached hereto as Exhibit A.

2. Effectiveness. The consent set forth herein shall be effective only in the specific instance described herein and for the specific purpose for which it is given, and nothing herein shall be construed to limit or bar any rights or remedies of any Secured Party. For the avoidance of doubt and without limiting the generality of the foregoing, no other change, amendment, consent or waiver with respect to the terms and provisions of any other Finance Document, Material Project Agreement or Subsequent Material Project Agreement is intended or contemplated hereby (which terms and provisions remain unchanged and in full force and effect). Nothing herein shall be construed as or deemed to be (a) a waiver or consent by the Requisite Intercreditor Parties of any past, present or future breach or non-compliance with any terms or provisions contained in any Finance Document, Material Project Agreement or Subsequent Material Project Agreement, or (b) a guide to, or an intent or indication of, future actions or decisions by any Secured Party.

3. Voting and Direction Matters.

- (a) With respect to the Term Loan Facility Agreement, by their signature below, each of the undersigned Term Lenders instructs the Term Loan Facility Agent as the Senior Creditor Group Representative and the Designated Voting Party for the Term Lenders to (i) cast its vote for the consent set forth herein in accordance with Section 3 (*Voting and Decision Making*) of the Intercreditor Agreement and (ii) direct the Intercreditor Agent to execute this consent letter.
 - (b) Based on the instructions above, the Term Loan Facility Agent, as Senior Creditor Group Representative and the Designated Voting Party for the Term Lenders, hereby (i) casts its vote for the consent set forth herein and (ii) directs the Intercreditor Agent to execute this consent letter.
 - (c) With respect to the Working Capital Facility Agreement, by their signature below, each of the undersigned Working Capital Lenders instructs the Working Capital Facility Agent as the Senior Creditor Group Representative and the Designated Voting Party for the Working Capital Lenders to (i) cast its vote for the consent set forth herein in accordance with Section 3 (*Voting and Decision Making*) of the Intercreditor Agreement and (ii) direct the Intercreditor Agent to execute this consent letter.
 - (d) Based on the instructions above, the Working Capital Facility Agent, as Senior Creditor Group Representative and the Designated Voting Party for the Working Capital Lenders, hereby (i) casts its vote for the consent set forth herein and (ii) directs the Intercreditor Agent to execute this consent letter.
 - (e) Based on the instructions above from the Term Loan Facility Agent, as Senior Creditor Group Representative and the Designated Voting Party for the Term Lenders, and the Working Capital Facility Agent, as Senior Creditor Group Representative and Designated Voting Party for the Working Capital
-

Lenders, which comprises instructions from the Requisite Intercreditor Parties in accordance with Section 4.3 (*Majority Voting Issues*) of the Intercreditor Agreement, the Intercreditor Agent hereby grants its consent to the requested Senior Creditor Action as set forth herein.

4. Covenant. Each Loan Party agrees that it shall not make a final investment decision with respect to Train Three, or waive any condition in the NGPL PA 2 related to the making of such final investment decision, unless all applicable conditions in the Finance Documents for the development of Train Three (including obtaining applicable consents from the Intercreditor Agent, acting on the instruction of Requisite Intercreditor Parties) have been satisfied or waived as required under the applicable Finance Documents.

5. GOVERNING LAW. THIS CONSENT LETTER SHALL FOR ALL PURPOSES BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

6. Finance Document. This consent letter constitutes a Finance Document as such term is defined in, and for purposes of, the Common Terms Agreement.

7. Event of Default. The breach by any Loan Party of any covenant in Section 4 (*Covenants*) of this consent letter shall be treated as a material breach by a Loan Party of a covenant for purposes of the Loan Facility Event of Default set forth in, and shall be subject to, Section 15.1(c)(v)(B)(*Loan Facility Events of Default*) of the Common Terms Agreement.

8. Counterparts. This consent letter may be executed in multiple counterparts, each of which shall be deemed an original for all purposes, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this consent letter by facsimile or in electronic document format (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this consent letter.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**ABN AMRO CAPITAL USA
LLC,**
as Term Lender

By: /s/ David Montgomery
Name: David Montgomery
Title: Managing Director

By: /s/ Darrell Holley
Name: Darrell Holley
Title: Managing Director

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

APPLE BANK FOR SAVINGS,
as Term Lender

By: /s/ Jonathan C. Byron
Name: Jonathan C. Byron
Title: Senior Vice President
Export Credit & Corporate Finance

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**BANCO BILBAO VIZCAYA
ARGENTARIA, S.A. NEW YORK
BRANCH,**
as Term Lender

By: /s/ Vincenzo Iemmolo

Name: Vincenzo Iemmolo

Title:

By: /s/ Rafael Ruiz

Name: Rafael Ruiz

Title:

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**BANCO DE SABADELL, S.A. - MIAMI
BRANCH,**
as Term Lender

By: /s/ Enrique Castillo

Name: Enrique Castillo

Title: Head of Corporate Banking

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

BANK OF AMERICA, N.A.,
as Term Lender

By: /s/ Ronald E. McKaig

Name: Ronald E. McKaig

Title: Managing Director

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

BNP PARIBAS,
as Term Lender

By: /s/ Manoj Khatri
Name: Manoj Khatri
Title: Director

By: /s/ Chris Fukuoka
Name: Chris Fukuoka
Title: Vice President

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

CAIXABANK, S.A.,
as Term Lender

By: /s/ David Ferrerons Clot
Name: David Ferrerons Clot
Title: Director

By: /s/ Jesus Ansede Ferreiro
Name: Jesus Ansede Ferreiro
Title: Director

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

CIT FINANCE LLC,
as Term Lender

By: /s/ Joseph Gyurindak

Name: Joseph Gyurindak

Title: Director

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**COMMONWEALTH BANK OF
AUSTRALIA,**

as Term Lender

By its attorney under Power of Attorney dated

24 June 2013:

Signature of Attorney: /s/ David Sparling

Name of Attorney: David Sparling

Signed by its duly constituted attorney in the
presence of:

Signature of Witness: /s/ Marie Sexton

Name of Witness: Marie Sexton

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**CRÉDIT INDUSTRIEL ET
COMMERCIAL,**
as Term Lender

By: /s/ Philippe Ginestet

Name: Philippe Ginestet

Title:

By: /s/ Raphaël Vincens

Name: Raphaël Vincens

Title:

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**CREDIT SUISSE AG, CAYMAN ISLANDS
BRANCH,**
as Term Lender

By: /s/ Nupur Kumar
Name: Nupur Kumar
Title: Authorized Signatory

By: /s/ Christopher Zybrick
Name: Christopher Zybrick
Title: Authorized Signatory

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

DBS BANK LTD.,
as Term Lender

By: /s/ Subash Narayanan
Name: Subash Narayanan
Title: Managing Director

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**FIRSTBANK PUERTO RICO D/B/A
FIRSTBANK FLORIDA,**
as Term Lender

By: /s/ Jose M. Lacasa

Name: Jose M. Lacasa

Title: SVP Corporate Banking

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

GOLDMAN SACHS BANK USA,
as Term Lender

By: /s/ Chris Lam
Name: Chris Lam
Title: Authorized Signatory

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**HSBC BANK USA, NATIONAL
ASSOCIATION,**
as Term Lender and Working Capital Lender

By: /s/ Duncan Cairo
Name: Duncan Cairo
Title: Managing Director

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**INDUSTRIAL AND COMMERCIAL
BANK OF CHINA LIMITED, NEW YORK
BRANCH,**
as Term Lender

By: /s/ Guoshen Sun
Name: Guoshen Sun
Title: Deputy General Manager

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

ING CAPITAL LLC,
as Term Lender and Working Capital Lender

By: /s/ Subha Pasumarti
Name: Subha Pasumarti
Title: Managing Director

By: /s/ Cheryl LaBelle
Name: Cheryl LaBelle
Title: Managing Director

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**INTESA SANPAOLO, S.P.A.,
NEW YORK BRANCH,
as Term Lender**

By: /s/ Francesco DiMario

Name: Francesco DiMario

Title: First Vice President

By: /s/ Nicholas A. Maticchieri

Name: Nicholas A. Maticchieri

Title: Vice President

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

JPMORGAN CHASE BANK, N.A.,
as Term Lender

By: /s/ Travis Watson
Name: Travis Watson
Title: Vice President

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**LANDESBANK BADEN-
WÜRTTEMBERG, NEW YORK
BRANCH,**
as Term Lender

By: /s/ Arndt Bruns

Name: Arndt Bruns

Title: VP

By: /s/ Martin Breckheimer

Name: Martin Breckheimer

Title: Head of Corporate and
Institutional Banking

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

LLOYDS BANK PLC,
as Term Lender

By: /s/ Kamala Basdeo _____

Name: Kamala Basdeo

Title: Assistant Manager

Transaction Execution

Category A

B002

By: /s/ Jennifer Larrow _____

Name: Jennifer Larrow

Title: Assistant Manager

Transaction Execution

Category A

L003

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

C.M. LIFE INSURANCE COMPANY,
as Term Lender

By: /s/ Richard Randall

Name: Richard Randall

Title: Attorney

By: /s/ Alec Montgomery

Name: Alec Montgomery

Title: Attorney

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**MASSACHUSETTS MUTUAL LIFE
INSURANCE COMPANY,**
as Term Lender

By: /s/ Richard Randall

Name: Richard Randall

Title: Attorney

By: /s/ Alec Montgomery

Name: Alec Montgomery

Title: Attorney

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

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

MIZUHO BANK, LTD.,
as Term Lender and Working Capital Lender
By: /s/ Brian Caldwell
Name: Brian Caldwell
Title: Managing Director

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

MORGAN STANLEY BANK, N.A.,
as Term Lender

By: /s/ Jack Kuhns
Name: Jack Kuhns
Title: Authorized Signatory

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**MORGAN STANLEY SENIOR FUNDING,
INC.,**
as Term Lender

By: /s/ Jack Kuhns

Name: Jack Kuhns

Title: Vice President

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

RAYMOND JAMES BANK, N.A.,
as Term Lender

By: /s/ Robert F. Moyle

Name: Robert F. Moyle

Title: Managing Director

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

ROYAL BANK OF CANADA,
as Term Lender

By: /s/ Jason S. York
Name: Jason S. York
Title: Authorized Signatory

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

SIEMENS FINANCIAL SERVICES, INC.,
as Term Lender

By: /s/ Patrick N. Riley
Name: Patrick N. Riley
Title: Vice President

By: /s/ Steven Kanaplue
Name: Steven Kanaplue
Title: Vice President

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

STANDARD CHARTERED BANK,
as Term Lender

By: /s/ Taimur Baig

Name: Taimur Baig

Title: Executive Director

By: /s/ Stephen Hackett

Name: Stephen Hackett

Title: MD

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**SUMITOMO MITSUI BANKING
CORPORATION,**
as Term Lender and Working Capital Lender

By: /s/ Juan Kreutz

Name: Juan Kreutz

Title: Managing Director

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**THE BANK OF TOKYO-MITSUBISHI
UFJ, LTD.,**
as Term Lender

By: /s/ Saad Iqbal

Name: Saad Iqbal

Title: Managing Director

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

THE IYO BANK, LTD.,
as Term Lender

By: /s/ Yasuji Fujita

Name: Yasuji Fujita

Title: Executive Officer

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION,**
as Term Lender

By: /s/ Larry Robinson

Name: Larry Robinson

Title: Managing Director

SIGNATURE PAGE TO NGPL PRECEDENT AGREEMENT CONSENT

IN WITNESS WHEREOF, the parties have caused this consent letter to be duly executed and delivered as of the day and year first above written.

THE BANK OF NOVA SCOTIA, HOUSTON BRANCH
as Term Lender and Working Capital Lender

By: /s/ Alfredo Brahim

Name: Alfredo Brahim

Title: Director

THE BANK OF NOVA SCOTIA, HOUSTON BRANCH
as Working Capital Facility Agent, as Senior
Creditor Group Representative for the
Working Capital Lenders, and as Designated
Voting Party for the Working Capital Lenders

By: /s/ Alfredo Brahim

Name: Alfredo Brahim

Title: Director

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

SOCIÉTÉ GÉNÉRALE,
as Term Lender

By: /s/ Ellen Turkel
Name: Ellen Turkel
Title: Director

SOCIÉTÉ GÉNÉRALE,
as Term Loan Facility Agent, as Senior
Creditor Group Representative for the Term
Lenders, and as Designated Voting Party for
the Term Lenders

By: /s/ Ellen Turkel
Name: Ellen Turkel
Title: Director

SOCIÉTÉ GÉNÉRALE,
as Intercreditor Agent

By: /s/ Ellen Turkel
Name: Ellen Turkel
Title: Director

ACKNOWLEDGED:

**CHENIERE CORPUS CHRISTI
HOLDINGS, LLC, as the Company**

By: /s/ Lisa C. Cohen

Name: Lisa C. Cohen

Title: Treasurer

**CORPUS CHRISTI LIQUEFACTION,
LLC, as Guarantor**

By: /s/ Lisa C. Cohen

Name: Lisa C. Cohen

Title: Treasurer

**CHENIERE CORPUS CHRISTI
PIPELINE, L.P., as Guarantor**

By: /s/ Lisa C. Cohen

Name: Lisa C. Cohen

Title: Treasurer

**CORPUS CHRISTI PIPELINE GP, LLC,
as Guarantor**

By: /s/ Lisa C. Cohen

Name: Lisa C. Cohen

Title: Treasurer

Exhibit A

Natural Gas Pipeline Company of America Precedent Agreement

PRECEDENT AGREEMENT

By and Between

NATURAL GAS PIPELINE COMPANY OF AMERICA LLC

and

CORPUS CHRISTI LIQUEFACTION, LLC

Dated: _____



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PRECEDENT AGREEMENT

This Precedent Agreement (“**Precedent Agreement**”) is made and entered into effective as of _____ (“**Effective Date**”), by and between NATURAL GAS PIPELINE COMPANY OF AMERICA LLC (“**Transporter**” or “**Natural**”), a Delaware limited liability company, and CORPUS CHRISTI LIQUEFACTION, LLC (“**Shipper**”), a Delaware limited liability company.

WHEREAS, Transporter and Shipper may be referred to individually as a “**Party**” or collectively as the “**Parties**”;

WHEREAS, Transporter owns and operates an interstate natural gas transmission pipeline system consisting of the Amarillo mainline (“**Amarillo Line**”), the Gulf Coast mainline (“**Gulf Coast Line**”), and the A/G Line (defined below), which connects the Amarillo Line and the Gulf Coast Line. The Amarillo Line extends from gas producing areas in North Central Texas, Southwest Texas, Southeast New Mexico, Southwest Oklahoma, and the Panhandle areas of Texas and Oklahoma through the States of New Mexico, Texas, Oklahoma, Kansas, Nebraska, Iowa, and Illinois, terminating at points in and near the Chicago metropolitan area. The Gulf Coast Line extends from the offshore and onshore gas producing areas of South Louisiana and the Gulf Coast of Texas through the States of Louisiana, Texas, Arkansas, Missouri, and Illinois, terminating at points in and near the Chicago metropolitan area, which are in common with the terminal points of the Amarillo Line. The “**A/G Line**” is an interconnection between the Amarillo Line and the Gulf Coast Line, runs from Carter County, Oklahoma, to Cass County, Texas. Transporter’s Amarillo Line, Gulf Coast Line, and A/G Line shall be referred to collectively as “**Transporter’s System**”;

WHEREAS, to meet the market need for new service to shippers, including Shipper, that desire to receive gas from existing pipeline interconnects on the Gulf Coast Line for transportation to new and existing delivery points, while maintaining the ability to serve existing firm commitments on the Gulf Coast Line (“**GC Phase II Project**”), Transporter proposes to construct facilities to create additional southbound capacity on the Gulf Coast Line from the Alliance Joliet Interconnect (Pin # 37207) (“**Alliance interconnect**”) to the Corpus Christi Liquefaction Interconnect (Pin # 48934) (such path, as described herein, the “**Project Path**”) by (i) modifying certain of Transporter’s existing compressor stations to provide bi-directional capability to enable delivery of gas under a firm service agreement to points on Transporter’s South Texas Segment; and (ii) adding piping and regulation to enable gas to move southward along the Project Path (as described herein as the “**Project Facilities**”);

WHEREAS, Transporter intends to file an application for a certificate of public convenience and necessity from the Federal Energy Regulatory Commission (“**Commission**” or “**FERC**”) to construct and operate the Project Facilities;

WHEREAS, Shipper is developing plans for and proposes to construct Train 3 at the Corpus Christi LNG terminal (“**LNG Terminal**”) which is located in San Patricio County, Texas; and

WHEREAS, this Precedent Agreement has been executed as evidence of the agreement between Transporter and Shipper, that upon satisfaction of the conditions precedent set forth in this Precedent Agreement, the parties will execute the Firm Transportation Service Agreement, ("**FTS Agreement**") substantially in the form set forth in Rate Schedule FTS of Transporter's FERC Gas Tariff attached as Attachment A hereto, which includes a Negotiated Rate Agreement ("**NRA**"), pursuant to which firm interstate natural gas transportation service will be provided by Transporter to Shipper in accordance with the provisions of this Precedent Agreement;

WHEREAS, the commitment provided by Shipper pursuant to this Precedent Agreement will be used as support for the construction and operation of the GC Phase II Project, in accordance with Transporter's FERC Gas Tariff and the FERC's regulations, as applicable, Transporter conducted an open season for the Firm Service (defined below) ("**GC Phase II Project Open Season**"), as posted on May 10, 2016, and this Precedent Agreement is the result of that process;

WHEREAS, Shipper acknowledges that the provision by Transporter of the Firm Service as requested by Shipper will require Transporter to construct and/or acquire the Project Facilities; and

WHEREAS, Transporter and Cheniere Corpus Christi Pipeline, L. P. intend to revise the existing Interconnect Agreement between the parties, if and as necessary, to enable Shipper's receipt of this additional natural gas from Transporter at Shipper's primary delivery point (the "**Corpus Christi Liquefaction Interconnect**").

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, Transporter and Shipper agree as follows:

1. Effective Date, Term and Binding Effect of Precedent Agreement

- A.** This Precedent Agreement shall become effective on the Effective Date and shall remain in effect until the earlier of: (i) the Commencement Date of the FTS Agreement as defined in Section 2(B), below, or (ii) either Shipper's or Transporter's exercise of its rights to terminate this Precedent Agreement pursuant to the terms herein.
- B.** Shipper acknowledges that it has responded to the Open Season, and pursuant to the terms of the Open Season, Transporter has tendered this Precedent Agreement to Shipper. Execution of this Precedent Agreement by Transporter shall constitute Transporter's award of Shipper's MDQ to Shipper in accordance with the terms of the Open Season.

2. Firm Service

- A. Service.**

Transporter shall provide to Shipper firm service in accordance with the rates, terms and conditions set forth in the Tariff and in the FTS Agreement executed by the Parties and all exhibits thereto ("**Firm Service**"). Shipper shall provide to Transporter written notice no later than five (5) business days after having reached the Final Investment Decision ("**FID**") to proceed with Train 3 ("**FID Notice**"). To the extent Shipper has achieved FID by December 31, 2018, Shipper shall be obligated to take, and Transporter shall be obligated to provide, Firm Service in accordance with the provisions contained herein.

B. Term.

Shipper agrees to receive Firm Service under the FTS Agreement for a Primary Term ("**Primary Term**") of twenty (20) years beginning on the earlier of (i) the date of the first commercial operations of the third train of the LNG Terminal, which shall be no earlier than September 1, 2021; or (ii) March 1, 2022 ("**Commencement Date**"); provided that Transporter is able to provide the contemplated Firm Service to Shipper on the Commencement Date consistent with the terms and conditions of this Precedent Agreement. Shipper shall provide written notice to Transporter of the expected date of first commercial operations of the third train of the LNG Terminal no later than fifteen (15) days before such date. Shipper shall have the right (a "**Term Extension Right**") to extend the Primary Term for all of Shipper's MDQ for five (5) years at the then-effective Firm Service Rates set forth in Section 2(F) below ("**Extension Rate**"). Shipper can exercise this Term Extension Right at any time during the Primary Term by providing written notice to Transporter no later than twelve (12) months prior to the expiration of the Primary Term. Shipper shall have the right to further extend the term for an additional five (5) years, at the Extension Rate, by providing written notice to Transporter no later than twelve (12) months prior to the expiration of the then-effective term. Failure by Shipper to exercise a Term Extension Right in accordance with the foregoing conditions shall result in expiration of the FTS Agreement at the end of the Primary Term or extended term then in effect, as applicable and Shipper shall have no further unilateral rights to acquire capacity at the rates specified herein absent agreement otherwise with Transporter. At the end of the Primary Term or extended term, as applicable, Shipper shall be entitled to a contractual right of first refusal consistent with Section 22 of Transporter's Tariff.

C. Transportation Quantity and Primary Points.

Shipper agrees to receive Firm Service in the quantity and at the primary receipt and delivery points set forth below. The FTS Agreement shall provide for an MDQ of 300,000 Dth/d.

D. Reserved

E. Primary Receipt and Delivery Points.

1) **The Primary Receipt Point** quantities shall be as follows:

PIN #	Meter Name	County	ST	Zone	MDQ (Dth)
37207	Alliance Joliet	Grundy	IL	9	300,000

2) **Primary Delivery Point(s)**

The Primary Delivery Point quantities shall be as follows:

Pin #	Meter Name	County	ST	Zone	MDQ (Dth)
48934	CCCPL/Sinton San Patricio	San Patricio	TX	4	300,000

F. Firm Service Rates.

- (i) For Firm Service under the FTS Agreement during the Primary Term and to the extent applicable during an extended term entered in accordance with this Section 2, Shipper shall pay a “**Negotiated Base Reservation Rate**” per Dth of MDQ, per month, of \$13.6875.
- (ii) In addition to the Negotiated Base Reservation Rate, and unless otherwise agreed, Shipper shall pay Transporter’s applicable maximum Tariff Commodity Rate as may be revised from time to time (“**Commodity Rate**”); authorized and unauthorized overrun charges; and all other applicable rates, charges, surcharges, and penalties of any nature set forth in the Tariff.
- (iii) **Fuel and GLU Percentage:** Shipper shall pay a negotiated Fuel and GLU Percentage based on the receipt and delivery points of volumes transported by Shipper, as well as the physical gas flow direction on Transporter’s Gulf Coast Line. For the purpose of the calculations to be made under this provision, physical gas flow direction (north or south) on Transporter’s Gulf Coast pipeline shall be determined daily by analyzing the flow direction of the gas using appropriate measurement equipment (“Check Meter”) in or around White County, AR.
 - (1) For all volumes that are transported by Shipper from receipt points north of the Check Meter to delivery points south of the Check Meter, Shipper shall pay a negotiated Fuel and GLU Percentage which shall be established

for each January 1 through December 31 time period (“Calendar Year”), or portion thereof, that occurs during the Negotiated Rate Term. Such negotiated Fuel and GLU Percentage shall be determined based upon the number of days gas flowed south through the Check Meter during the period of November 1 through October 31 of the prior year (“Fuel Determination Period”). By November 15 of each Calendar Year, Transporter will notify Shipper of the direction of flow through the Check Meter for each day of the Fuel Determination Period. If on 50% or more of the days in a Fuel Determination Period physical gas flowed south at the Check Meter, Shipper shall pay a negotiated Fuel and GLU Percentage equal to the greater of 2.90% per Dth or the applicable Fuel and GLU Percentage set forth in Transporter’s Tariff during the upcoming Calendar Year. If on more than 50% of the days in a Fuel Determination Period physical gas did not flow south at the Check Meter, then, during the upcoming calendar year the Shipper shall pay a negotiated Fuel and GLU Percentage equal to the applicable Fuel and GLU Percentage set forth in Transporter’s Tariff.

If Transporter’s Fuel Cost Recovery and Transparency provision as described in Article III of the Stipulation and Agreement of Settlement in Docket No. RP17-303-000 is revised after July 1, 2022, to reflect a newly determined Fuel and GLU recovery matrix based on a system-wide evaluation of fuel consumption that includes the firm capacity under this Agreement, then Shipper shall pay the applicable Fuel and GLU Percentage(s) set forth in Transporter’s Tariff.

- (2) For all other volumes transported by Shipper not covered by Section 2(F)(iii)(1), Shipper shall pay a negotiated Fuel and GLU Percentage equal to the applicable Fuel and GLU Percentage set forth in Transporter’s Tariff from time to time.
- (3) Upon request, Transporter shall provide reasonable supporting information related to the calculation of the physical gas flow of Transporter’s Gulf Coast Line. If a question or controversy arises from Transporter’s reasonable supporting information, it shall be the subject of a meeting between the Parties to negotiate, in good faith, a resolution of such dispute

G. Delivery Pressure.

Transporter shall use commercially reasonable efforts to deliver gas to Shipper at the Primary Delivery Point at a pressure no less than 700 psig.

3. Shipper Obligations

A. Shipper Internal Approvals.

Shipper shall provide written notice to Transporter that Shipper has received all approvals of the transactions contemplated in this Precedent Agreement, subject to the conditions contained herein, from its governing board of directors (“**Shipper Internal Approvals**”) on or before March 7, 2018.

B. Support for Transporter’s Regulatory Filings.

Shipper agrees to intervene and file comments in support of Transporter’s FERC Certificate Application and Transporter’s filing of Shipper’s Negotiated Rate Agreement, and in any other regulatory proceeding related to the GC Phase II Project in which Transporter may reasonably request Shipper’s support provided such filing is materially consistent with this Precedent Agreement.

C. Interconnect Costs.

The Parties acknowledge that the cost responsibility for any required modifications to the Corpus Christi Pipeline Interconnect will be set forth in the Interconnect Agreement.

D. Shipper’s Creditworthiness.

In exchange for Transporter’s execution of this Agreement, the Service Agreement, and any other related agreements, Shipper shall satisfy the following credit assurance provisions, as of the date that is ninety (90) days after Transporter’s acceptance of the FERC Certificate (“**Credit Support Date**”), and shall thereafter have a continuing obligation to satisfy the credit assurance provisions of this Agreement throughout the term of this Agreement, the Firm Agreement, the Negotiated Rate Agreement, and any other related agreements as may be in effect from time to time.

i. Creditworthiness Defined

Shipper or its Guarantor shall be deemed creditworthy if:

- (1) Shipper’s or Guarantor’s (i) senior unsecured debt is rated BBB- or better by Standard & Poor’s Corporation (“**S&P**”) or Baa3 or better by Moody’s Investor Service (“**Moody’s**”); (ii) issuer rating is BBB- or better from S&P or Baa3 or better from Moody’s; or (iii) senior secured debt is rated BBB- or better by S&P or Baa3 or better by Moody’s, applicable only in the case where the Shipper or Guarantor has substantially only senior secured debt in its debt capital structure; and
- (2) To the extent Shipper’s or Guarantor’s qualifying ratings determined in Section 3(D)(i)(1) is BBB- by S&P and/or Baa3 by Moody’s, then

Shipper's short-term and long-term credit outlooks must not be negative.

The credit requirements set forth in Sections 3(D)(i)(1) and 3(D)(i)(2) shall be referred to collectively as the "**Minimum Credit Rating Standards**".

Subject to Section 3(D)(ii) below, if Shipper does not meet the Minimum Credit Rating Standards, Shipper shall be deemed uncreditworthy.

ii. Requested Credit Evaluation

If Shipper does not meet the Minimum Credit Rating Standards, then Shipper may request that Transporter evaluate its creditworthiness based upon Shipper's obligations in this Agreement relative to Shipper's current and future ability to meet its obligations ("**Requested Credit Evaluation**"). To enable Transporter to perform a Requested Credit Evaluation, Shipper shall provide, at Transporter's request, credit-related information including, but not limited to, the following:

- (1) Audited financial statements;
- (2) The most recent available interim financial statements, with an attestation by Shipper's Chief Financial Officer that such statements constitute a true, correct, and fair representation of Shipper's financial condition prepared in accordance with United States Generally Accepted Accounting Principles or equivalent;
- (3) List of affiliates, parent companies, and subsidiaries;
- (4) Publicly available credit reports from credit and bond rating agencies;
- (5) Private credit ratings, if obtained by the Shipper;
- (6) Statement of legal composition;
- (7) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws and there must not be pending any petition for involuntary bankruptcy. An exception may be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act if Transporter is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future actually to make payment;

- (8) Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent; and
- (9) Any other information Shipper deems relevant and which Shipper is willing to provide.

Following the Requested Credit Evaluation, Transporter shall decide, in its sole discretion: (a) whether, despite the fact that Shipper does not satisfy the Minimum Credit Rating Standards, Transporter will agree to consider Shipper creditworthy for purposes of this Agreement; or, (b) whether Transporter will agree to reduce the amount of collateral support otherwise required to be provided by Shipper pursuant to Section 3(D)(iii).

iii. Credit Assurances

If Shipper does not meet the Minimum Credit Rating Standards then, beginning on the Credit Support Date and continuing through the eighth (8th) anniversary of the Commencement Date, Shipper shall provide to Transporter credit assurance in an amount equal to twelve (12) months of reservation charges in the form of: (i) a guaranty, in a form reasonably acceptable to Transporter, from a guarantor that meets the Minimum Credit Rating Standards set forth in Section 3(D)(i); (ii) an irrevocable standby letter of credit, from a U.S. banking institution or foreign banking institution with a branch office located in the United States, in each case having assets of at least US\$10 billion and a senior unsecured debt rating or issuer rating of A- or better from S&P and A3 or better from Moody's; or (iii) a cash security deposit.

The credit assurance to be provided to Transporter pursuant to this Section 3(D)(iii) shall continue in effect until (i) Shipper satisfies the Minimum Credit Rating Standards, (ii) the execution of a credit agreement to replace this provision, or (iii) the eighth (8th) anniversary of the Commencement Date, and full payment of all outstanding balances and charges and resolution of any asserted claims with respect thereto has been made by Shipper. After expiration of such period of time, the credit provisions of Transporter's Tariff shall apply to Shipper.

iv. Return of Credit Assurance

Transporter shall return to Shipper any credit assurance provided to Transporter pursuant to Section 3(D)(iii) in the event that, (i) Transporter terminates this Agreement under Section 5(A)(iv), (ii) Shipper terminates this Agreement under Section 5(C)(iii) or, (iii) the amount of credit assurance provided exceeds the amount required.

E. Development
Costs.

If prior to the Commencement Date Transporter terminates this Agreement under Sections 5(A)(iv) or 5(A)(vi) or Shipper terminates this Agreement under Section 5(D)(iii) , then Shipper shall pay Transporter the actual costs reasonably incurred and/or committed by Transporter for the development of the Project (“**Development Costs**”). The Development Costs shall include, but shall not be limited to, all costs associated with the following activities: (i) participating in the FERC pre-filing process; (ii) preparing and filing Transporter’s application for a FERC Certificate; (iii) developing, designing, surveying, and performing studies to define the scope of the Project; (iv) developing the design and engineering of the Project Facilities; (v) preparing all drawings, maps, reports, and schedules necessary to be included in Transporter’s application for the FERC Certificate; (vi) contacting and meeting with any and all stakeholders to gain support for, or to appease opposition to, the Project; (vii) preparing, filing, and processing all relevant applications for Transporter Regulatory Authorizations; (viii) identifying the suitability of the property on which the Project Facilities will be constructed and any construction areas that will be needed as part of the Project; and (ix) acquisition of equipment and materials for the construction any portion of the Project Facilities.

To the extent that Shipper owes Transporter for Development Costs as provided in this Section 3(E), not later than ninety (90) days following the termination of this Agreement, Transporter shall deliver an invoice (“**Invoice**”) to Shipper for all Development Costs incurred in accordance with the terms hereof. The Invoice shall set forth all charges and credits (in United States Dollars) summarized by appropriate classifications indicating the nature of the charges. Within thirty (30) days after the receipt of the Invoice, Shipper shall pay Transporter all Development Costs set forth in the Invoice. To the extent Transporter, using commercially reasonable efforts, is able to mitigate any of the Development Costs during a period of time that extends six (6) months from the date this Precedent Agreement is terminated (“**Mitigation**”), Transporter shall provide a credit to Shipper for any such Mitigation which shall include an adjustment to the costs incurred by Transporter for the Mitigation.

If Shipper is required to reimburse Transporter for Development Costs, then Shipper shall have the right, upon at least five (5) business days prior written notice to Transporter, to audit books and records of Transporter relating to the Development Costs. Any such audit shall be conducted during normal business hours and at Shipper’s sole expense. Shipper shall have six (6) months after the date of receipt of an invoice for its share of the Development Costs (but in any event Shipper shall have at least three (3) months after Transporter closes its books with respect thereto) in which to complete such an audit and submit claims under this provision.

F. Right to Seek Rehearing, Appeal, or Judicial Review.

Nothing contained herein shall prevent Shipper from (i) seeking rehearing, appeal, or judicial review of any unfavorable term or condition contained in any Transporter Regulatory Authorization, including the FERC Certificate, (ii) filing an intervention, protest, request for rehearing or seeking judicial review of any Transporter filing not specifically related to the GC Phase II Project or (iii) opposing or refusing to support any applications and filings by Transporter to the extent such applications or filings conflict with or are not materially consistent with the terms of this Precedent Agreement.

4. Transporter Obligations

A. Transporter Internal Approvals.

Transporter shall provide written notice to Shipper that Transporter has received all approvals from its executive management and/or board of directors necessary to fulfill the Transporter's obligations of this Precedent Agreement, the FTS Agreement, and all other agreements contemplated hereby, subject to the conditions contained herein, ("**Transporter Internal Approvals**") on or before March 7, 2018.

B. Transporter Regulatory Authorizations.

i. Obligation to Seek Transporter Regulatory Authorizations

Upon Transporter's receipt of (i) all Transporter Internal Approvals, (ii) Shipper's FID Notice, and (iii) written notice pursuant to Section 3(A) that Shipper has received all Shipper Internal Approvals, Transporter shall use commercially reasonable efforts and shall proceed with due diligence to obtain all necessary and final authorizations, consents, and approvals, including all necessary and final authorizations from federal, state, and local authorities having jurisdiction, including but not limited to those of the Commission, including applicable certificates of public convenience and necessity ("**FERC Certificate**"), and of any state or federal court in which Transporter seeks to exercise eminent domain or otherwise obtain rights or access to land (collectively, the "**Transporter Regulatory Authorizations**"), on terms and conditions consistent with this Precedent Agreement and acceptable to Transporter in its reasonable sole discretion, to install, construct, and secure the Project Facilities and to render the proposed Firm Service pursuant to the terms and conditions specified herein. Transporter shall provide written notice to Shipper within ten (10) business days of its acceptance of the FERC Certificate.

ii. Right to Seek Rehearing, Appeal, or Judicial Review

Nothing contained herein shall prevent Transporter from filing, amending, or prosecuting applications for any Transporter Regulatory Authorizations that it requires hereunder or seeking rehearing, appeal, or judicial review of any unfavorable term or condition contained in any Transporter Regulatory Authorization, including the FERC Certificate.

C. Reserved.

D. Transportation Prior to Commencement Date.

Transporter shall negotiate in good faith to provide transportation services to Shipper prior to the Commencement Date, on mutually agreeable terms and conditions.

5. Conditions Precedent

A. Transporter _____ Conditions Precedent.

Notwithstanding anything else in this Agreement to the contrary, Transporter's obligation to construct, own, operate, and/or acquire the Project Facilities, and to render the Firm Service is subject to the fulfillment or waiver by Transporter of each of the following conditions precedent (each a "**Transporter Condition Precedent**" and collectively the "**Transporter Conditions Precedent**"):

i. Shipper _____ Internal Approvals

Shipper shall have provided written notice to Transporter on or before March 7, 2018, that Shipper has obtained all Shipper Internal Approvals.

If this Transporter Condition Precedent has not been satisfied or waived in writing by Transporter by March 14, 2018, then Transporter shall have the right to terminate this Precedent Agreement without liability to Shipper by giving written notice to Shipper at any time after such date, but prior to the actual satisfaction of this Transporter Condition Precedent.

ii. Transporter _____ Internal Approvals

Transporter shall have provided written notice to Shipper on or before March 7, 2018, that Transporter has obtained all Transporter Internal Approvals.

If this Transporter Condition Precedent has not been satisfied or waived in writing by Transporter by March 14, 2018, then Transporter shall have the right to terminate this Precedent Agreement without liability to Shipper by giving written notice to Shipper at any time after such date, but prior to the actual satisfaction of this Transporter Condition Precedent.

iii. Shipper FID Notice

Shipper shall have provided written notice to Transporter on or before December 31, 2018, that Shipper has achieved FID.

If this Transporter Condition Precedent has not been satisfied or waived in writing by Transporter by January 7, 2019, then Transporter shall have the right to terminate this Precedent Agreement without liability to Shipper by giving written notice to Shipper at any time after such date, but prior to the actual satisfaction of this Transporter Condition Precedent.

iv. Shipper's Failure to Furnish Acceptable Credit Assurance

Shipper shall have satisfied the credit requirements set forth in Section 3(D) of this Agreement.

If Shipper is not creditworthy and fails to demonstrate or furnish acceptable credit assurances as required by Section 3(D) (iii) within ten (10) business days of receipt of written notice of such failure from Transporter, then Transporter shall, in addition to any other remedy available under this Precedent Agreement, have the right to terminate this Precedent Agreement, the FTS Agreement, and any other related agreements in accordance with the terms of Transporter's Tariff upon thirty (30) days written notice to Shipper.

v. Transporter's Failure to Obtain Transporter Regulatory Authorizations

All Transporter Regulatory Authorizations necessary to construct and secure the Project Facilities and to render the proposed Firm Service pursuant to the terms and conditions specified herein shall be satisfactory to Transporter, in Transporter's reasonable sole discretion.

If this Transporter Condition Precedent has not been satisfied or waived in writing by Transporter, then Transporter shall have the right to terminate this Agreement without liability to Shipper upon ninety (90) days' prior written notice to Shipper; provided, however, that any such notice of termination must be provided within thirty (30) days of the event giving rise to Transporter's right to terminate hereunder. If notice of termination is provided by Transporter pursuant to this Section 5(A)(v), the Parties shall attempt in good faith to negotiate an amendment to this Precedent Agreement to accomplish the Parties' respective business objectives; provided, however, that such obligation to negotiate in good faith shall not require either Party to consent to modifications to this Precedent Agreement. This Precedent Agreement shall terminate on the date set forth in Transporter's notice of

termination unless prior to such date: (1) a change to the Transporter Regulatory Authorizations renders them satisfactory to Transporter; (2) the Parties otherwise mutually agree to an amendment to this Precedent Agreement; (3) the Parties agree in writing to extend the negotiation period; or (4) Transporter withdraws its previously submitted notice to terminate.

vi. Shipper Execution of the FTS Agreement

Shipper shall have executed the FTS Agreement as required by Section 6(B) of this Agreement.

If this Transporter Condition Precedent shall not have been satisfied or waived in writing by Transporter, then Transporter shall have the right to terminate this Precedent Agreement by giving written notice to Shipper at any time after the date by which Shipper is required to execute the FTS Agreement pursuant to Section 6(B) of this Precedent Agreement, but prior to the actual satisfaction of this Transporter Condition Precedent.

B. Other Transporter Termination Rights.

i. Project Becomes Uneconomic

If at any time prior to Transporter's acceptance of the FERC Certificate, Transporter determines, in its reasonable sole discretion, that all or any applicable portion of the Project would not be economic, then Transporter shall have the right to terminate this Precedent Agreement and/or the FTS Agreement, as applicable, without liability to Shipper. To exercise its right to terminate pursuant to this Section 5(B)(i), Transporter shall provide written notice to Shipper that the Precedent Agreement and/or FTS Agreement, as applicable, shall terminate on a date set by Transporter, which date shall not be earlier than thirty (30) days or later than sixty (60) days following the date on which such notice is provided to Shipper. This Precedent Agreement and/or the FTS Agreement, as applicable, shall terminate, without either Party being liable to the other, on the date set by Transporter unless (a) Transporter, in writing, withdraws such notice of termination, or (b) the Parties, in writing, enter into a mutually acceptable amendment to this Precedent Agreement and/or the FTS Agreement.

C. Shipper Conditions Precedent.

Notwithstanding anything else in this Precedent Agreement to the contrary, Shipper's obligation to execute the FTS Agreement is subject to the fulfillment or waiver by Shipper of each of the following conditions precedent (each a "**Shipper Condition Precedent**" and collectively the "**Shipper Conditions Precedent**"):

i. Shipper Internal Approvals

On or before March 7, 2018, Shipper shall have obtained all Shipper Internal Approvals.

If this Shipper Condition Precedent has not been satisfied or waived on or before March 14, 2018, then Shipper shall have the right to terminate this Precedent Agreement without liability to Transporter by giving written notice to Transporter at any time after such date, but prior to the actual satisfaction of this Shipper Condition Precedent.

ii. Shipper FID Notice

Shipper shall have provided written notice to Transporter on or before December 31, 2018, if Shipper has achieved FID.

If this Shipper Condition Precedent has not been satisfied or waived in writing by Shipper by January 7, 2019, then Shipper shall have the right to terminate this Precedent Agreement without liability to Transporter by giving written notice to Transporter at any time after such date, but prior to the actual satisfaction of this Shipper Condition Precedent.

iii. Transporter Internal Approvals

Transporter shall have provided written notice to Shipper, on or before March 7, 2018, that Transporter has obtained all Transporter Internal Approvals.

If this Shipper Condition Precedent has not been satisfied by Transporter or waived in writing by Shipper on or before March 14, 2018, then Shipper shall have the right to terminate this Precedent Agreement without liability to Transporter by giving written notice to Transporter at any time after such date, but prior to the actual satisfaction of this Shipper Condition Precedent.

D. Other Shipper Termination Rights.

i. Transporter's Failure to Accept FERC Certificate

On or before February 28, 2021, Transporter shall have accepted the FERC Certificate to install, construct, acquire and/or secure the Project Facilities and to provide the proposed Firm Service pursuant to the terms and conditions specified herein.

If this milestone has not been satisfied or waived in writing by Shipper, then Shipper shall have the right to terminate this Precedent Agreement and the FTS Agreement without Shipper having any liability to Transporter upon

ninety (90) days' prior written notice to Transporter. If notice of termination is provided by Shipper pursuant to this Section 5(D)(i), the Parties shall attempt in good faith during such ninety (90) day period to negotiate an amendment to this Precedent Agreement to accomplish the Parties' respective business objectives; provided, however, that such obligation to negotiate in good faith shall not require either Party to consent to modifications to this Precedent Agreement. This Precedent Agreement shall terminate on the date set forth in Shipper's notice of termination unless prior to such date: (1) a change to the FERC Certificate to install, construct, acquire and/or secure the Project Facilities and to provide the proposed Firm Service pursuant to the terms and conditions specified herein renders it satisfactory to Transporter; (2) the Parties otherwise mutually agree to an amendment to this Precedent Agreement; (3) the Parties agree in writing to extend the negotiation period; (4) Shipper withdraws its previously submitted notice to terminate; or (5) Transporter cures the failure to secure this milestone.

ii. Transporter's Failure to Place the Project Facilities In Service

If Transporter fails to complete the Project Facilities in order to provide the Firm Service by February 28, 2023, then Shipper shall have the right to terminate this Precedent Agreement and the FTS Agreement without Shipper having any liability to Transporter upon ninety (90) days' prior notice to Transporter

If this milestone has not been satisfied or waived in writing by Shipper, then Shipper shall have the right to terminate this Precedent Agreement and the FTS Agreement without Shipper having any liability to Transporter upon ninety (90) days' prior written notice to Transporter. If notice of termination is provided by Shipper pursuant to this Section 5(D)(ii), the Parties shall attempt in good faith during such ninety (90) day period to negotiate an amendment to this Precedent Agreement to accomplish the Parties' respective business objectives; provided, however, that such obligation to negotiate in good faith shall not require either Party to consent to modifications to this Precedent Agreement or FTS Agreement. This Precedent Agreement and FTS Agreement shall terminate on the date set forth in Shipper's notice of termination unless prior to such date: (1) the Parties otherwise mutually agree to an amendment to this Precedent Agreement and FTS Agreement; (2) the Parties agree in writing to extend the negotiation period; (3) Shipper withdraws its previously submitted notice to terminate; or (4) Transporter cures the failure to secure this milestone.

iii. FERC Certificate Contains Material and Adverse Condition

If the FERC Certificate contains a term or condition that was not contained in Transporter's FERC Certificate Application and which has a material and adverse impact on the Shipper as determined by Shipper in its reasonable

discretion (including if FERC issues an order rejecting any non-conforming provision hereunder or accepts any such non-conforming provision subject to condition or modification), then Shipper shall have the right to terminate this Precedent Agreement and the FTS Agreement without Shipper having any liability to Transporter upon notice to Transporter provided no later than ten (10) days following the date the FERC Certificate is issued.

If notice of termination is provided by Shipper pursuant to this Section 5(D)(iii), then for a time period extending no longer than the twenty-ninth (29) day following the date the FERC Certificate is issued, the Parties shall attempt in good faith to negotiate an amendment to this Precedent Agreement and/or FTS Agreement to accomplish the Parties' respective business objectives; provided, however, that such obligation to negotiate in good faith shall not require either Party to consent to modifications to this Precedent Agreement and/or FTS Agreement. Following such good-faith negotiation period and consistent with the outcome of such efforts, Transporter shall either accept or reject the FERC Certificate, or ask the Commission for additional time to so act. This Precedent Agreement and FTS Agreement shall terminate on the date set forth in Shipper's notice of termination unless prior to such date: (1) the Parties otherwise mutually agree to an amendment to this Precedent Agreement and/or FTS Agreement; (2) the Parties agree in writing to extend the negotiation period; (3) Shipper withdraws its previously submitted notice to terminate; or (4) Transporter cures the material adverse condition in the FERC Certificate.

6. Delivery and Execution of FTS Agreement.

A. Delivery of FTS Agreement for Execution.

No later than sixty (60) days after Shipper's notice to Transporter that it has obtained all Shipper Internal Approvals pursuant to Section 3(A) and reached FID pursuant to Section 2(A), Transporter shall deliver to Shipper for Shipper's execution, a FTS Agreement in a form substantially similar in all material respects to Exhibit A hereto.

B. Execution of FTS Agreement by Shipper.

Shipper shall be required to execute and return to Transporter the FTS Agreement delivered by Transporter to Shipper pursuant to Section 6(A) of this Agreement no later than ten (10) business days following receipt of the FTS Agreement.

C. Execution of FTS Agreement by Transporter.

Transporter shall be required to execute the FTS Agreement, returned to Transporter by Shipper pursuant to Section 6(B) of this Agreement, no later than ten (10) days following receipt of the executed FTS Agreement from Shipper.

7. Further Assurances.

Transporter acknowledges and agrees that Shipper may assign, transfer, or otherwise encumber, all or any of its rights, benefit and obligations under this Precedent Agreement to lenders or their agents as security for its financing obligations. If requested, Transporter shall execute, acknowledge and deliver a consent for collateral assignment in substantially the form attached hereto as Attachment B and an opinion of counsel to Transporter for the benefit of Shipper's financing parties in form and substance reasonably acceptable to Transporter and Shipper's financing parties.

8. Notices.

Any notice and/or request provided for in this Precedent Agreement or any notice either Party may desire to give to the other shall be transmitted in writing (overnight delivery, U.S. Mail, or electronic mail) such that it is received before 5 p.m. Central time on the due date.

Transporter:

Natural Gas Pipeline Company of America LLC
1001 Louisiana Street
Houston, TX 77002
Attn: Vice President, Business Management

Shipper:

Corpus Christi Liquefaction, LLC
700 Milam Street, Suite 1900
Houston, TX 77002
Attn: Contract Administration
E-mail: notices@cheniere.com

Notice shall be effective as of the date of confirmed receipt, or, in the absence of confirmed receipt, as of the date actually received.

9. Assignment.

Any entity that shall succeed by purchase, merger, consolidation, or other transfer to the properties of either Transporter or Shipper, either substantially or as an entirety, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Precedent Agreement. Either Party may, without relieving itself of its obligations

under this Precedent Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise no assignment of this Precedent Agreement or of any of the rights or obligations hereunder shall be made, unless there first shall have been obtained the written consent thereto of the other Party to this Agreement, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, prior to the Commencement Date, Shipper shall be entitled to assign its rights under this Precedent Agreement to any party that satisfies the credit requirements set forth in Section 3 of this Precedent Agreement. The restrictions on assignment contained in this Section 9 shall not in any way prevent either Party to this Precedent Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness. Once the FTS Agreement is executed by both Parties, any assignment of such FTS Agreement is subject to the terms and conditions of Transporter's Tariff and the terms of this provision shall no longer control. The Parties agree to cooperate in the preparation and filing of all necessary applications for authorizations related to any assignment conforming to this Section 9 and, subject to the terms and conditions herein, agree to proceed with due diligence to prosecute such application(s), if necessary.

10. Miscellaneous.

A. Modification.

No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

B. Choice of Law.

THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, EXCEPT THAT ANY CONFLICT OF LAWS RULE OF THE STATE OF TEXAS THAT WOULD REQUIRE REFERENCE TO THE LAWS OF SOME OTHER STATE OR JURISDICTION SHALL BE DISREGARDED. ANY DISPUTE UNDER THIS AGREEMENT SHALL BE BROUGHT EXCLUSIVELY IN THE STATE OR FEDERAL COURTS LOCATED IN HARRIS COUNTY, TEXAS, AND EACH PARTY HEREBY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND WAIVES ANY OBJECTION ON CONVENIENCE, JURISDICTION, OR ANY OTHER GROUNDS. EACH PARTY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDINGS RELATING TO THIS AGREEMENT. Nothing in the Agreement precludes either Party from bringing proceedings in any other jurisdiction to enforce any judgment obtained in any proceedings referred to in this paragraph, nor will bringing of such enforcement proceedings in any one or more jurisdictions preclude the bringing of enforcement proceedings in any other jurisdiction.

C. Term.

Unless terminated sooner pursuant to the terms herein, this Precedent Agreement shall terminate upon the Commencement Date. The only provisions of this Agreement which shall survive termination pursuant of this Precedent Agreement shall be: Sections 2(G), 2(F), 3(E), 8, 10(B), 10(C), 10(E), 10(H), 10(I) and 10(J), which shall survive until termination of the FTS Agreement.

**D. No
Waivers.**

Except as expressly provided herein, no waiver by a Party of any default(s) by the other Party in the performance of any provision, condition, or requirement of this Precedent Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition, or requirement herein.

**E. Breach and
Remedies.**

Nothing in this Precedent Agreement shall be construed to preclude the Parties from pursuing any remedy at law or equity for the other Party's failure to execute the FTS Agreement or any breach of this Precedent Agreement; provided however that neither Party shall be liable for consequential, incidental, punitive, exemplary, or indirect damages, by statute, in tort or contract or otherwise; provided further that the foregoing shall not preclude Transporter from pursuing any remedy to recover reservation charges under the FTS Agreement. It is the intent of the Parties that the limitations herein imposed on remedies and the measure of damages be without regard to cause or causes related thereto, including the negligence of any Party, whether such negligence be sole, joint, or concurrent, or active or passive.

**F. Agreement Subject to Regulatory
Authorities.**

This Precedent Agreement, and all of the terms and provisions contained herein, and the respective obligations of the Parties, are subject to Transporter's Tariff and to all valid laws, orders, rules, and regulations of duly constituted governmental authorities having jurisdiction.

G. Severability.

If any provision of this Precedent Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Precedent Agreement, which shall remain in full force and effect, and the Parties shall thereafter undertake commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Precedent Agreement with a view to effecting its purpose.

H. No Presumption Against Drafter.

No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

I. Confidentiality.

Each Party shall hold the substance and terms of this Precedent Agreement confidential, but may disclose the substance and terms of this Precedent Agreement to its or its affiliates' directors, officers, employees, representatives, agents, lenders, investors or potential investors, consultants, attorneys or auditors ("**Representatives**") who have a need to know the substance and terms of this Agreement and who agree to maintain the confidentiality of this Precedent Agreement and related information. Neither Party shall disclose or communicate, and will cause its Representatives not to disclose or communicate, the substance or terms of this Precedent Agreement to any other person, entity, firm, or corporation without the prior written consent of the other Party; provided that (i) Transporter may file this Precedent Agreement as a privileged and confidential document, as provided in applicable regulations, and may also disclose the terms of the Precedent Agreement in any efforts or proceedings relating to obtaining Transporter Regulatory Authorizations including approval of non-conforming provisions of the FTS Agreement, and (ii) Shipper may file this Precedent Agreement as a privileged and confidential document, as provided in applicable regulations, and may also disclose the terms of the Precedent Agreement in any efforts or proceedings relating to obtaining Shipper Regulatory Authorizations including approval of non-conforming provisions of the FTS Agreement. Either Party may disclose the substance or terms of this Precedent Agreement as requested or required by law, order, rule or regulation of any duly constituted governmental body or official authority having jurisdiction, or any securities exchange commission; provided however, the Party compelled to disclose the Precedent Agreement shall give prompt written notice of such requirement to the other Party so that either Party may seek a protective order or other appropriate remedy, including the filing by Transporter of a Protective Agreement with its FERC Certificate Application to be used in such proceeding, and/or waive the compliance with the terms hereof. In connection with any filing of this Precedent Agreement at FERC, the filing party shall seek confidential treatment of this Precedent Agreement in accordance with FERC's regulations.

J. Whole Agreement.

This Precedent Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings, and representations, whether written or oral, respecting the subject matter hereof are merged into and superseded by this Precedent Agreement. In the event of any conflict between the terms of this Precedent Agreement and the FTS Agreement, the terms of the FTS Agreement shall control.

**K. Execution of
Agreement.**

This Precedent Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute but one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Precedent Agreement to be executed by their duly authorized representatives as of the date first hereinabove written.

NATURAL GAS PIPELINE COMPANY OF AMERICA LLC

By: _____

Name: _____

Title: _____

CORPUS CHRISTI LIQUEFACTION, LLC

By: _____

Name: _____

Title: _____

ATTACHMENT A

FTS Agreement

Contract No. _____

NATURAL GAS PIPELINE COMPANY OF AMERICA LLC (NATURAL)
TRANSPORTATION RATE SCHEDULE FTS
AGREEMENT DATED _____
UNDER SUBPART G OF PART 284
OF THE FERC'S REGULATIONS

1. SHIPPER is: CORPUS CHRISTI LIQUEFACTION, LLC

2. (a) MDQ totals: 300,000 Dth. per day.

(b) Service option selected (FTS and FPTS only) (check any or all):

___ LN X SW ___ NB

(c) Available Days (FPTS only):

___ Minimum Available Days _____
___ Maximum Available Days _____
___ Applicable Time Period(s) _____

Will Shipper accept partial Available Days? Yes ___ No ___ (Specify any limitations on partial Available Days)

Are any days precluded from being Available Days? Yes No If so, specify the days so precluded

3. TERM: Commencing on the earlier of (i) the date of the first commercial operations of the third train of those certain liquefaction facilities being constructed by Shipper in San Patricio County, Texas, which shall be no earlier than September 1, 2021; or (ii) March 1, 2022; through the date that is twenty (20) years thereafter (“**Primary Term**”); provided that Natural is able to provide the contemplated Firm Service to Shipper.

Shipper shall have the right to extend the Primary Term for up to Shipper’s MDQ for two (2) additional five (5) year terms at the rates set forth in the Negotiated Rate Agreement (an “**Extended Term**”) upon notice to Natural not less than one (1) year prior to the expiry of the Primary Term or any Extended Term and Shipper shall have no further unilateral rights to acquire capacity at the rates specified herein absent agreement otherwise with Natural. At the end of the Primary Term or extended term, as applicable, Shipper shall be entitled to a contractual right of first refusal consistent with Section 22 of Natural’s Tariff.

4. Service will be ON BEHALF OF:

___ Shipper or
___ Other: _____ a _____

5. The ULTIMATE END USERS are (check one):

___ customers of the following LDC/pipeline company(ies): _____
___ customers in these states: _____; or
___ customers within any state in the continental U.S.

6. ___ This Agreement supersedes and cancels a _____ Agreement dated _____

___ Capacity rights for this Agreement were released from _____
___ [for firm service only] Service and reservation charges commence the later of:
___ (a) _____, and
___ (b) the date capacity to provide the service hereunder is available on Natural's system.
___ Other:

7. SHIPPER'S ADDRESSES

CORPUS CHRISTI LIQUEFACTION, LLC
ATTN:

HOUSTON, TEXAS

NATURAL'S ADDRESSES

NATURAL GAS PIPELINE COMPANY OF
AMERICA LLC
ATTENTION: ACCOUNT SERVICES
1001 LOUISIANA, SUITE 1000
HOUSTON, TEXAS 77002

Payments:

NATURAL GAS PIPELINE COMPANY OF
AMERICA LLC
DEPT 3020
P. O. BOX 201607
DALLAS, TEXAS 75320-1607

FOR WIRE TRANSFER:

NATURAL GAS PIPELINE COMPANY OF
AMERICA LLC
WELLS FARGO BANK, NA
ABA # XXX XXX XXX
ACCOUNT #: XXX-XXXXXXX

8. Any or all of the following provisions may be included (where applicable) in maximum rate agreements or in negotiated rate or discount contracts, if any:
- a. (DISCOUNTED RATE AGREEMENTS ONLY) Applicable Maximum and Minimum Rates. Notwithstanding any other provision of this Agreement, in no event shall a discounted rate billed by Natural be less than the applicable minimum rate or more than the applicable maximum rate set forth in Natural's FERC Gas Tariff, as may be revised from time to time.
 - b. (NEGOTIATED RATE AGREEMENTS ONLY) Maximum and Minimum Tariff Rates. Unless otherwise expressly provided in this Agreement, the negotiated rates shall apply to service provided by Natural to Shipper for the term of the Agreement notwithstanding any otherwise applicable maximum or minimum rates set forth in Natural's FERC Gas Tariff as revised from time to time.
 - c. (DISCOUNTED RATE AGREEMENTS ONLY) Refunds. In no event shall Natural be required to refund to Shipper any amounts collected for service to which the discounted rate(s) apply, unless the relevant discounted rate billed to Shipper exceeds the corresponding applicable effective maximum rates set forth in Natural's FERC Gas Tariff, as approved by the FERC from time to time.
 - d. (NEGOTIATED RATE AGREEMENTS ONLY) Refunds. In no event shall Natural be required to refund to Shipper any amounts collected for service to which the negotiated rates apply, notwithstanding any otherwise applicable maximum or minimum rate set forth in Natural's FERC Gas Tariff, as may be revised from time to time.
 - e. Notifications. Except as otherwise may be expressly provided herein, any notice or communication contemplated or required by this Agreement shall be in writing unless oral notification is expressly authorized herein, and shall be sent to the appropriate party at the relevant address set forth in the Transportation Agreement, as may be revised from time to time.
 - f. Nonwaiver of Rights. No delay or failure to exercise any right or remedy accruing to either Natural or Shipper upon breach or default by the other will impair any right or remedy or be construed to be a waiver of any such breach or default, nor will a waiver of any single breach be deemed a waiver of any other breach or default.
 - g. Succession and Assignment. Any entity which shall succeed by purchase, merger or consolidation to title to the properties, substantially as an entirety, of Natural or Shipper as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. No other assignment of this Agreement nor of any of the individual rights or obligations hereunder by Shipper shall be effective as to Natural without the prior express written consent of Natural.
 - h. No Third Party Beneficiaries. This Agreement shall not create any rights in any third parties, and no provision of this Agreement shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than Natural or Shipper.
 - i. Conformance to Law. It is understood that performance hereunder shall be subject to all valid laws, orders, rules and regulations of duly constituted governmental authorities having

jurisdiction or control of the matters related hereto, including without limitation the Federal Energy Regulatory Commission.

- j. Effect of Tariff. This Agreement shall at all times be subject to all applicable provisions of Natural's FERC Gas Tariff.
 - k. GOVERNING LAW. THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT OF LAW RULE WHICH WOULD REFER ANY MATTER TO THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.
 - l. Entire Agreement. This Agreement contains the entire agreement between Natural and Shipper with respect to the subject matter hereof, and supersedes any and all prior understandings and agreements, whether oral or written, concerning the subject matter hereof, and any and all such prior understandings and agreements are hereby deemed to be void and of no effect. No amendments to or modifications of this Agreement shall be effective unless agreed upon in a written instrument executed by Natural and Shipper which expressly refers to this Agreement
9. The above-stated Rate Schedule, as revised from time to time, controls this Agreement and is incorporated herein. The attached Exhibits A, B and C (for firm service only), and D and E (if applicable), are a part of this Agreement. Shipper shall provide the actual end user purchaser name(s) to Natural if Natural must provide them to the FERC.

Agreed to by:

NATURAL GAS PIPELINE COMPANY OF AMERICA LLC
NATURAL

CORPUS CHRISTI LIQUEFACTION, LLC
SHIPPER

/s/ _____

/s/ _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

David J. Devine
President

EXHIBIT A

DATED _____

EFFECTIVE _____

Shipper: CORPUS CHRISTI LIQUEFACTION, LLC

Contract No.: _____

Natural Receipt Point(s):

<u>Name/Location</u>	<u>County/Parish/Area</u>	<u>State</u>	<u>PIN No.</u>	<u>Zone</u>	<u>MDQ (Dth)</u>
PRIMARY RECEIPT POINT(S):					
1. NGPL/ALLIANCE JOLIET	GRUNDY	IL	44413	09	300,000

SECONDARY RECEIPT POINT(S):

All secondary receipt points, and the related priorities and volumes, as provided under the Tariff provisions governing this Agreement.

Receipt Pressure, Assumed Atmospheric Pressure

Natural gas to be delivered to Natural at the Receipt Point(s) shall be at a delivery pressure sufficient to enter Natural's pipeline facilities at the pressure maintained from time to time, but Shipper shall not deliver gas at a pressure in excess of the Maximum Allowable Operating Pressure (MAOP) stated for each Receipt Point in Natural's Catalog of Points. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such Receipt Point(s).

Rates

Except as otherwise provided below or in any written agreement(s) between the parties in effect during the term hereof, Shipper shall pay Natural the applicable maximum rate(s) and all other lawful charges as specified in Natural's applicable rate schedule. Shipper and Natural may agree that Shipper shall pay a rate other than the applicable maximum rate so long as such rate is between the applicable maximum and minimum rates specified for such service in the Tariff. Natural and Shipper may agree that a specific discounted rate will apply only to certain volumes under the agreement. The parties may agree that a specified discounted rate will apply only to specified volumes (MDQ or commodity volumes) under the agreement; that a specified discounted rate will apply only if specified volumes are achieved or only if the volumes do not exceed a specified level; that a specified discounted rate will apply only during specified periods of the year or for a specifically defined period; that a specified discounted rate will apply only to specified points, zones, mainline segments, supply areas, transportation paths, markets or other defined geographical area(s); that a specified discounted rate(s) will apply in a specified relationship to the volumes actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to volumes actually transported); and/or that the

discount will apply only to reserves dedicated by Shipper to Natural's system. Notwithstanding the foregoing, no discount agreement may provide that an agreed discount as to a certain volume level will be invalidated if the Shipper transports an incremental volume above that agreed level. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Natural's maximum rates so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sheets. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable. If the parties agree upon a rate other than the applicable maximum rate, such written Agreement shall specify that the parties mutually agree either: (1) that the agreed rate is a discount rate; or (2) that the agreed rate is a Negotiated Rate (or Negotiated Rate Formula). In the event that the parties agree upon a Negotiated Rate or Negotiated Rate Formula, this Agreement shall be subject to Section 49 of the General Terms and Conditions of Natural's Tariff.

Fuel Gas and Gas Lost and Unaccounted For Percentage (%)

Shipper will be assessed the applicable percentage for Fuel Gas and Gas Lost and Unaccounted For unless Natural and Shipper mutually agree on monetary reimbursement.

Transportation of Liquids

Transportation of liquids may occur at permitted points identified in Natural's current Catalog of Points, but only if the parties execute a separate liquids agreement.

EXHIBIT B
DATED _____
EFFECTIVE _____

Shipper: CORPUS CHRISTI LIQUEFACTION, LLC

Contract No.: _____

Natural Delivery Point(s):

<u>Name/Location</u>	<u>County/Parish/Area</u>	<u>State</u>	<u>PIN No.</u>	<u>Zone</u>	<u>MDQ (Dth)</u>
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PRIMARY DELIVERY POINT(S):

1. CCCPL/NGPL Sinton San Patricio	SAN PATRICIO	TX	48934	04	300,000
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SECONDARY DELIVERY POINT(S):

All secondary delivery points, and the related priorities and volumes, as provided under the Tariff provisions governing this Agreement.

Delivery Pressure, Assumed Atmospheric Pressure

Natural gas to be delivered by Natural to Shipper, or for Shipper's account, at the Delivery Point(s) shall be at the pressures available in Natural's pipeline facilities from time to time; provided, however, that the delivery pressure shall not be less than NA. The measuring party shall use or cause to be used an assumed atmospheric pressure corresponding to the elevation at such Delivery Point(s).

EXHIBIT C
DATED _____
EFFECTIVE _____

PRIMARY TRANSPORTATION PATH SEGMENT MDQs

Shipper: CORPUS CHRISTI LIQUEFACTION, LLC

Contract No.: _____

Pursuant to Natural's Tariff, an MDQ exists for each primary transportation path segment and direction under the Agreement. Such MDQ is the maximum daily quantity of gas which Natural is obligated to transport on a firm basis along a primary transportation path segment.

A primary transportation path segment is the path between a primary receipt, delivery or node point and the next primary receipt, delivery or node point. A node point is the point of interconnection between two or more of Natural's pipeline facilities.

A segment is a section of Natural's pipeline system designated by a segment number whereby the Shipper under the terms of their agreement based on the points within the segment identified on Exhibit C have throughput capacity rights.

The segment numbers listed on Exhibit C reflect this Agreement's path corresponding to Natural's most recent Pipeline System Map which identifies segments and their corresponding numbers. All information provided in this Exhibit C is subject to the actual terms and conditions of Natural's Tariff.

THIS SPACE RESERVED FOR THE PIPELINE SEGMENT PATH

EXHIBIT D Negotiated Rate Agreement - FTS

DATED _____

EFFECTIVE _____

Shipper: CORPUS CHRISTI LIQUEFACTION, LLC

Contract No.: _____

**ARTICLE 1
NEGOTIATED RATE PARAMETERS**

1.1 Negotiated Rate Term: From the first day of the Primary Term as defined in Section 3 of the FTS Agreement through the date that is twenty (20) years thereafter.

1.2 Negotiated Rates:

(a) Negotiated Monthly Base Reservation Rate(s): \$13.6875/Dth. of MDQ

(b) Negotiated Base Commodity Rate(s): \$.0049/Dth.

1.3 Eligible Firm Transportation Quantity: 300,000 Dth./day

1.4 Eligible Primary Receipt Points: [as set forth in Exhibit A, unless otherwise listed herein]

<u>NAME</u>	<u>PIN</u>	<u>ELIGIBLE POINT MDQ (Dth/d.)</u>
-------------	------------	--

1.5 Eligible Secondary Receipt Points: The Negotiated Rates shall apply to service provided on a firm basis from the following secondary receipt points: All secondary receipt points in the Iowa-Illinois, Gulf Coast Mainline, Texok, South Texas, Louisiana and Midcontinent Zones.

1.6 Eligible Primary Delivery Points: [as set forth in Exhibit B, unless otherwise listed herein]

<u>NAME</u>	<u>PIN</u>	<u>ELIGIBLE POINT MDQ (Dth/d.)</u>
-------------	------------	--

1.7 Eligible Secondary Delivery Points: The Negotiated Rates shall apply to service provided on a firm basis to the following secondary delivery points: Subject to the provisions of Section 1.8 below regarding Incremental Rate Secondary Delivery Points, the Negotiated Monthly Base Reservation Rate shall apply to service provided on a firm basis to all pooling and storage points within the zones traversed by the primary path of the Transportation Agreement and the Louisiana Zone, all points in the Louisiana, Texok and South Texas Zones as well as to the following Market Delivery Zone points: Nicor (Pin 9258), NIPSCO (Pin 909260), MidAmerican (Pin 10568), PGL&C (Pin 909285), Northern Natural (Pin 900203), Northern Border (Pin 908090), Alliance (Pin 37207), ANR (Pin 906104 & 904758), Midwestern (Pin 906107 & 25400), Guardian Pipeline (Pin 40400), and Panhandle (Pin 906103).

1.8 Incremental Rate Secondary Receipt/Delivery Points: In addition to the Negotiated Monthly Base Reservation Rate, Shipper shall pay Natural an incremental volumetric daily reservation rate for all quantities transported on a firm basis on any day to the Incremental Rate Secondary Delivery Points set forth in this Section 1.8, subject to the applicable maximum rate set forth in Natural’s FERC Gas Tariff, as may be revised from time to time, for service to such point. The following incremental volumetric daily reservation rates will apply to firm service provided to the secondary delivery points set forth below under the corresponding Point Tier: Tier 1 Rate: \$.03/Dth; Tier 2 Rate: \$.05/Dth.

Tier 1 Secondary Delivery Points	PIN
IPLC/NGPL	25250
IPLC/NGPL Clinton	901028
Amer IL/NGPL AM CDP	46594
Amer IL/NGPL GC CDP	46595
Crossroads	10751
CE-MRT	900169
Horizon Pipeline	39755/39855
Tier 2 Secondary Delivery Points	9254
North Shore Gas	

1.9 Authorized Overrun Rate(s): Per Article 2.3 below.

1.10 Other Rate Related Provisions:

- (a) Fuel and GLU Percentage: Shipper shall pay a negotiated Fuel and GLU Percentage based on the receipt and delivery points of volumes transported by Shipper, as well as the physical gas flow direction on Natural’s Gulf Coast Line. For the purpose of the calculations to be made under this provision, physical gas flow direction (north or south) on Natural’s Gulf Coast pipeline shall be determined daily by analyzing the flow direction of the gas using appropriate measurement equipment (“Check Meter”) in or around White County, AR.
 - (1) For all volumes that are transported by Shipper from receipt points north of the Check Meter to delivery points south of the Check Meter, Shipper shall pay a negotiated Fuel and GLU Percentage which shall be established for each January 1 through December 31 time period (“Calendar Year”), or portion thereof, that occurs during the Negotiated Rate Term. Such negotiated Fuel and GLU Percentage shall be determined based upon the number of days gas flowed south through the Check Meter during the period of November 1 through October 31 of the prior year (“Fuel Determination Period”). By November 15 of each Calendar Year, Natural will notify Shipper of the direction of flow through the Check Meter for each day of the Fuel Determination Period. If on 50% or more of the days in a Fuel Determination Period physical gas flowed south at the Check Meter, Shipper shall pay a negotiated Fuel and GLU Percentage equal to the greater of 2.90% per Dth or the applicable Fuel and GLU Percentage set forth in Natural’s Tariff during the upcoming Calendar Year. If on more than 50% of the days in a Fuel Determination Period physical gas did not flow south at the Check Meter, then, during

the upcoming calendar year the Shipper shall pay a negotiated Fuel and GLU Percentage equal to the applicable Fuel and GLU Percentage set forth in Natural's Tariff.

If Natural's Fuel Cost Recovery and Transparency provision as described in Article III of the Stipulation and Agreement of Settlement in Docket No. RP17-303-000 is revised after July 1, 2022, to reflect a newly determined Fuel and GLU recovery matrix based on a system-wide evaluation of fuel consumption that includes the firm capacity under this Agreement, then Shipper shall pay the applicable Fuel and GLU Percentage(s) set forth in Natural's Tariff.

- (2) For all other volumes transported by Shipper not covered by Section 1.10(a)(1), Shipper shall pay a negotiated Fuel and GLU Percentage equal to the applicable Fuel and GLU Percentage set forth in Natural's Tariff from time to time.
 - (3) Upon request, Natural shall provide reasonable supporting information related to the calculation of the physical gas flow of Natural's Gulf Coast Line. If a question or controversy arises from Natural's reasonable supporting information, it shall be the subject of a meeting between the Parties to negotiate, in good faith, a resolution of such dispute.
- (b) Primary Receipt/Delivery Point Changes: Subject to capacity availability during the Negotiated Rate Term, Shipper may request a change in a primary receipt and/or delivery point only to points that are within the applicable Primary Path(s) of the Agreement. The rate applicable to the requested point shall be a negotiated rate mutually agreed to between the parties pursuant to a negotiated rate agreement and filed with the Commission prior to its effectiveness as required by the Commission's regulations.

ARTICLE 2 NEGOTIATED RATE TERMS AND CONDITIONS; ADDITIONAL CHARGES

- 2.1 General Negotiated Rate Limitations: The Negotiated Rates shall apply only to: (i) service provided to Shipper by Natural under the Transportation Agreement from the Eligible Receipt Points to the Eligible Delivery Points (including Incremental Rate Secondary Delivery Points defined in Section 1.8, above) during the Negotiated Rate Term; and (ii) an aggregate maximum daily firm transportation quantity equal to the Eligible Firm Transportation Quantity set forth in Section 1.3 above, for all quantities transported on a firm basis under the Transportation Agreement and any associated capacity release replacement agreements. For any aggregate quantities transported on a firm basis on any day for Shipper and any associated capacity release replacement shippers which are in excess of the applicable Eligible Firm Transportation Quantity, Shipper shall be charged the greater of: (a) the 100% load factor daily rate equivalent of the Negotiated Rates; and (b) the 100% load factor daily rate equivalent of the applicable maximum base reservation and base commodity rates set forth in Natural's FERC Gas Tariff, as may be revised from time to time, as well as all applicable additional rates, charges and surcharges described in Section 2.3 below.
- 2.2 Discountable Third Party Surcharges: From time to time, certain reservation and/or commodity surcharges may be approved by the FERC for inclusion in Natural's FERC Gas Tariff which Natural is: (i) required to collect from Shipper and remit to the FERC or to another third party;

and (ii) permitted to discount the amount of such surcharge from the applicable maximum rate set forth in Natural's FERC Gas Tariff ("Discountable Third Party Surcharges"). There are no applicable Discountable Third Party Surcharges; provided, however, to the extent any Discountable Third Party Surcharge is approved by the FERC for inclusion in Natural's Tariff during the term hereof, Natural shall discount such Discountable Third Party Surcharge(s) to the maximum extent permitted under the provisions of its FERC Gas Tariff but not below the amount of such Discountable Third Party Surcharge(s) that Natural is required to remit. Accordingly, Shipper shall be responsible for and pay to Natural that amount attributable to such Discountable Third Party Surcharge(s) which Natural is responsible for paying and remitting to the FERC and/or third party.

- 2.3 Additional Rates, Charges, and Surcharges: In addition to the Negotiated Rates, and unless otherwise expressly provided in this Agreement or agreed to in writing by Natural, Shipper shall also pay Natural all other applicable maximum rates, charges, surcharges, and penalties of any nature set forth in Natural's FERC Gas Tariff, as may be revised from time to time, including without limitation all applicable maximum: (i) Fuel and Gas Lost and Unaccounted For charges; (ii) authorized and unauthorized overrun charges; (iii) reservation charges and surcharges; (iv) commodity charges and surcharges; (v) ACA surcharges; and (vi) gathering charges, offshore charges, and lateral line charges. Notwithstanding the foregoing sentence, to the extent that any such additional maximum rate, charge, surcharge, or penalty is derived from the applicable base reservation rate or applicable base commodity rate set forth in Natural's FERC Gas Tariff, then Natural shall derive such additional rate, charge, surcharge, or penalty utilizing the greater of: (i) the applicable maximum base reservation rate or applicable maximum base commodity rate set forth in Natural's FERC Gas Tariff, as may be revised from time to time; and (ii) the Negotiated Rates.

ARTICLE 3 CREDITWORTHINESS

- 3.1 Shipper shall satisfy the following credit assurance provisions throughout the Negotiated Rate Term.

- (a) Creditworthiness Defined. Shipper or its Guarantor shall be deemed creditworthy if:
- (i) Shipper's or Guarantor's (i) senior unsecured debt is rated BBB- or better by Standard & Poor's Corporation ("S&P") or Baa3 or better by Moody's Investor Service ("Moody's"); (ii) issuer rating is BBB- or better from S&P or Baa3 or better from Moody's; or (iii) senior secured debt is rated BBB- or better by S&P or Baa3 or better by Moody's, applicable only in the case where the Shipper or Guarantor has substantially only senior secured debt in its debt capital structure; and
 - (ii) To the extent Shipper's or Guarantor's qualifying ratings determined in Section 3.1(a)(i) is BBB- for S&P and/or Baa3 for Moody's, then Shipper's short-term and long-term credit outlooks must not be negative.

The credit requirements set forth in Sections 3.1(a)(i) and 3.1(a)(ii) shall be referred to collectively as the "Minimum Credit Rating Standards".

Subject to Section 3.1(b) below, if Shipper does not meet the Minimum Credit Rating Standards, Shipper shall be deemed uncreditworthy.

(b) Requested Credit Evaluation

If Shipper does not meet the Minimum Credit Rating Standards, then Shipper may request that Natural evaluate its creditworthiness based upon Shipper's obligations in this Agreement relative to Shipper's current and future ability to meet its obligations ("**Requested Credit Evaluation**"). To enable Natural to perform a Requested Credit Evaluation, Shipper shall provide, at Natural's request, credit-related information including, but not limited to, the following:

- (i) Audited financial statements;
- (ii) The most recent available interim financial statements, with an attestation by Shipper's Chief Financial Officer that such statements constitute a true, correct, and fair representation of Shipper's financial condition prepared in accordance with United States Generally Accepted Accounting Principles or equivalent;
- (iii) List of affiliates, parent companies, and subsidiaries;
- (iv) Publicly available credit reports from credit and bond rating agencies;
- (v) Private credit ratings, if obtained by the Shipper;
- (vi) Statement of legal composition;
- (vii) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws and there must not be pending any petition for involuntary bankruptcy. An exception may be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act if Natural is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future actually to make payment;
- (viii) Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent; and
- (ix) Any other information Shipper deems relevant and which Shipper is willing to provide.

Following the Requested Credit Evaluation, Natural shall decide, in its sole discretion: (a) whether, despite the fact that Shipper does not satisfy the Minimum Credit Rating Standards, Natural will agree to consider Shipper creditworthy for purposes of this Agreement; or, (b) whether Natural will agree to reduce the amount of collateral support otherwise required to be provided by Shipper pursuant to Section 3.1(c).

(c) Credit
Assurances

If Shipper does not meet the Minimum Credit Rating Standards then, for the purpose of this Section 3.1(c), beginning on the first day of the Negotiated Rate Term and continuing through the eighth (8th) anniversary thereof, Shipper shall provide to Natural credit assurance in an amount equal to twelve (12) months of reservation charges in the form of: (i) a guaranty, in a form reasonably acceptable to Natural, from a guarantor that meets the Minimum Credit Rating Standards set forth in Section 3.1(a); (ii) an irrevocable standby letter of credit, in a form substantially similar to Exhibit D, from a U.S. banking institution or foreign banking institution with a branch office located in the United States, in each case having assets of at least US\$10 billion and a senior unsecured debt rating or issuer rating of A- or better from S&P and A3 or better from Moody's; or (iii) a cash security deposit.

The credit assurance to be provided to Natural pursuant to this 3.1(c) shall continue in effect until (i) Shipper satisfies the Minimum Credit Rating Standards, (ii) the execution of a credit agreement to replace this provision, or (iii) the eighth (8th) anniversary of the first day of the Negotiated Rate Term, and full payment of all outstanding balances and charges and resolution of any asserted claims with respect thereto has been made by Shipper. After expiration of such period of time, the credit provisions of Natural's Tariff shall apply to Shipper.

Natural shall return to Shipper any credit assurance provided to Natural pursuant to Section 3.1(c) in the event that the amount of credit assurance provided exceeds the amount required.

ATTACHMENT B
FORM OF CONSENT
(Material Project Agreements)

This **DIRECT AGREEMENT** (this "Direct Agreement"), dated as of [●], is made between NATURAL GAS PIPELINE COMPANY OF AMERICA LLC, a limited liability company duly organized and validly existing under the laws of Delaware (the "Obligor"), and SOCIÉTÉ GÉNÉRALE, in its capacity as security trustee (together with its permitted successors and assigns in such capacity, the "Security Trustee") under the Security Document and is acknowledged and agreed to by CORPUS CHRISTI LIQUEFACTION, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware (the "Assignor").

WITNESSETH

WHEREAS, the Assignor (and certain of its affiliates), Société Générale as Term Loan Facility Agent and as Intercreditor Agent (the "Intercreditor Agent") and each other Facility Agent party thereto from time to time are parties to a common terms agreement, dated as of May 13, 2015 (as amended, amended and restated, modified and supplemented and in effect from time to time, the "Common Terms Agreement"), and together with one or more credit agreements, indentures and other financing agreements entered into by the Assignor (and certain of its affiliates), the "Finance Documents") which govern the making of loans and extensions of other credit (the "Senior Debt") to the Assignor for the purpose of financing a portion of the cost of constructing and operating the Assignor's LNG liquefaction trains, natural gas pipeline and associated facilities (the "Project Facilities") located in San Patricio County, Texas, and related expenses;

WHEREAS, the Obligor and the Assignor have entered into the Precedent Agreement, dated as of _____ 2018 (as amended, amended and restated, modified and supplemented and in effect from time to time, the "Assigned Agreement"); and

WHEREAS, as security for the loans made by the lenders under the Finance Documents (the "Lenders"), the Assignor has assigned, pursuant to the common security and account agreement, dated as of May 13, 2015, entered into between the Assignor (and certain of its affiliates), Mizuho Bank, Ltd. as Account Bank, the Intercreditor Agent, the Security Trustee and the Senior Creditor Group Representatives party thereto from time to time (as amended, amended and restated, modified and supplemented and in effect from time to time, the "Security Document"), all of its right, title and interest in, to and under, and granted a security interest in, the Assigned Agreement to the Security Trustee on behalf of the secured parties identified therein (the "Secured Parties");

NOW THEREFORE, as an inducement to the Lenders to provide the Senior Debt, and in consideration of other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. Unless otherwise stated, references herein to any Person shall include its successors and permitted assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities.

2. Consent and Agreement.

(a) The Obligor hereby acknowledges and consents to the assignment by the Assignor of all of Assignor's right, title and interest in the Assigned Agreement (including, to the extent the Assignor has such rights, title and interest, the rights, title and interest with respect to each form of credit support for performance of security provided in connection with the Assigned Agreement) to the Security Trustee as collateral security for the payment and performance by the Assignor of its obligations under the Finance Documents.

(b) The Obligor acknowledges the right of the Security Trustee, in connection with a security enforcement action, upon the occurrence and during the continuance of an Event of Default (as defined under the Finance Documents) that has been declared pursuant to and in accordance with the Finance Documents, as of the date of delivery by the Security Trustee of written notice stating that it is taking such security enforcement action and describing such Event of Default to Obligor and until the delivery by the Security Trustee of written notice that such Event of Default is no longer continuing, to exercise and enforce all rights of the Assignor under the Assigned Agreement in accordance with the terms of the Assigned Agreement.

(c) In connection with a security enforcement action upon the occurrence and during the continuance of an Event of Default that has been declared pursuant to the Finance Documents and the exercise by the Security Trustee of any of the remedies set forth in the Security Document, the Security Trustee may, in accordance with the Security Document, assign its rights and interests and the rights and interests of the Assignor under the Assigned Agreement to any person that (i) is a purchaser or transferee of the Project Facilities and (ii) assumes all of the obligations of the Assignor under the Assigned Agreement. Prior to any such assignment, the Security Trustee shall provide written notice of such Event of Default and exercise of remedies by the Security Trustee to Obligor, and acquire any and all regulatory approvals or waivers necessary to effectuate such assignment.

(d) The Obligor acknowledges and agrees, notwithstanding anything to the contrary contained in the Assigned Agreement, that neither of the following events shall constitute a default by the Assignor under the Assigned Agreement or require the consent of the Obligor: (i) the construction or operation of the Project Facilities by or on behalf of the Security Trustee in connection with a security enforcement action following the occurrence and continuance of an Event of Default that has been declared pursuant to the Finance Documents or (ii) foreclosure or any other enforcement of the Security Document by the Security Trustee.

(e) If Assignor defaults under the Assigned Agreement, the Obligor shall, before terminating the Assigned Agreement or exercising any other remedy, give written notice to the Security Trustee specifying the default and the steps necessary to cure the same and the Security Trustee shall have ninety (90) days (thirty (30) days in the case of a default in payment by Assignor) after the receipt of such notice to cure such default or to cause it to be cured (or such longer period of time in the case of a nonpayment default as may be necessary under the circumstances, provided that the Security Trustee is diligently pursuing such cure and, in any event, not to exceed sixty (60) days from the end of the ninety (90) day period following receipt of such notice). Nothing herein shall require the Security Trustee to cure any default of the Assignor under the Assigned

Agreement or to perform any act, duty or obligation of the Assignor under the Assigned Agreement, but shall only give it the option to do so.

(f) In the event the Security Trustee (or its designee) succeeds to the Assignor's interest under the Assigned Agreement, whether by foreclosure or otherwise, the Security Trustee (or its designee) shall assume liability for all of the Assignor's obligations under the Assigned Agreement; provided, however, that without diminishing the Obligor's right to terminate or exercise any other remedy under the Assigned Agreement as limited pursuant to paragraph (e) above, such liability shall not include any liability for claims of the Obligor against the Assignor arising from the Assignor's failure to perform during the period prior to the Security Trustee's succession to the Assignor's interest in and under the Assigned Agreement. Except as set forth in the immediately preceding sentence, neither the Security Trustee nor any other party secured by the Security Document shall be liable for the performance or observance of any of the obligations or duties of the Assignor under the Assigned Agreement, including the performance of any cure of default permitted pursuant to paragraph (e) above, and the assignment of the Assigned Agreement by the Assignor to the Security Trustee shall not give rise to any duties or obligations owing to the Obligor on the part of any of the parties secured by the Security Document.

(g) In the event that (i) the Assigned Agreement is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding involving the Assignor or (ii) the Assigned Agreement is terminated as a result of any bankruptcy or insolvency proceeding involving the Assignor, and if within ninety (90) days after such rejection or termination, the Security Trustee shall so request and shall certify in writing to the Obligor that it intends to perform the obligations of the Assignor as and to the extent required under such Assigned Agreement, the Obligor shall execute and deliver to the Security Trustee or such designee or assignee a new agreement ("**new Assigned Agreement**"), (A) pursuant to which new Assigned Agreement the Obligor shall agree to perform the obligations contemplated to be performed by the Obligor under the original Assigned Agreement and the Security Trustee or such designee or assignee shall agree to perform the obligations contemplated to be performed by the Assignor under the original Assigned Agreement, (B) which shall be for the balance of the remaining term under the original Assigned Agreement before giving effect to such rejection or termination and (C) which shall contain the same conditions, agreements, terms, provisions and limitations as the original Assigned Agreement (except for any requirements which have been fulfilled by the Assignor and the Obligor prior to such rejection or termination). References in this Direct Agreement to an "Assigned Agreement" shall be deemed also to refer to the new Assigned Agreement.

(h) The Obligor shall deliver to the Security Trustee, concurrently with the delivery thereof to the Assignor, a copy of each notice of default or breach given by the Obligor to the Assignor pursuant to the Assigned Agreement.

(i) Except to the extent that any amendment, modification or termination is permitted pursuant to the Finance Documents, the Obligor covenants and agrees with the Security Trustee that without thirty (30) days prior written notice to the Security Trustee (i) the Obligor will not amend, modify, terminate (prior to the expiration of the applicable cure periods) or assign, transfer or encumber any of its interest in the Assigned Agreement and (ii) no waiver by the Assignor of

any of the obligations of the Obligor under the Assigned Agreement, and no consent, approval or election made by the Assignor in connection with the Assigned Agreement shall be effective as against the Security Trustee.

3. Representations and Warranties. The Obligor hereby represents and warrants to the Security Trustee that:

(a) The Obligor is duly formed, validly existing and in good standing under the laws of Delaware. The Obligor has full limited liability power, authority and legal right to incur the obligations provided for in this Direct Agreement and the Assigned Agreement.

(b) The execution, delivery and performance by the Obligor of this Direct Agreement and the Assigned Agreement have been duly authorized by all necessary organizational action, and do not and will not require any consent or approval of the Obligor's board of directors, shareholders or any other person or entity which has not been obtained.

(c) Each of this Direct Agreement and the Assigned Agreement is in full force and effect and is a legal, valid and binding obligation of the Obligor, enforceable against the Obligor in accordance with its terms, except as limited by general principles of equity and bankruptcy, insolvency and similar laws.

(d) The Obligor is not, to the best of its knowledge, in default under any covenant or obligation hereunder or under the Assigned Agreement. To the best knowledge of the Obligor, the Assignor is not in default under any material covenant or obligation of the Assigned Agreement.

(e) As a result of, and after giving effect to, the assignment by the Assignor to the Security Trustee of the Assigned Agreement (pursuant to the Security Document), and the acknowledgment of and consent to such assignment by the Obligor (pursuant to this Direct Agreement), there exists no event or condition which would (i) constitute a default, or which would, with the giving of notice or lapse of time or both, constitute a default under the Assigned Agreement, (ii) result in any violation of any term of any of its constitutive documents, of any material contract or agreement applicable to it, of any license, permit, franchise, judgment, decree, writ, injunction, order, charter, law ordinance, rule or regulation applicable to it or any of its properties or to any obligations incurred by it or by which it or any of its properties may be bound or affected, or of any determination or award of any arbitrator applicable to it, (iii) conflict with, or cause a breach of, or default under, any such term described in clause (ii), or (iv) result in the creation of any lien upon any of its properties or assets that, in each of the circumstances and scenarios described in clauses (ii), (iii) and (iv), could reasonably be expected to have a material adverse effect on the Obligor's ability to perform under this Direct Agreement or under the Assigned Agreement.

(f) All representations made by the Obligor in the Assigned Agreement are true and correct in all material respects on the date hereof.

(g) There is no litigation, action, suit, or legal proceeding pending or, to the knowledge of the Obligor, threatened, against the Obligor, before or by any court, administrative agency, environmental council, arbitrator or governmental authority, body or agency, which could

reasonably be expected to materially adversely affect the performance by the Obligor of its obligations hereunder or under the Assigned Agreement or which questions the validity, binding effect or enforceability hereof or thereof. Notwithstanding the foregoing, certain regulatory proceedings or permitting processes necessary for the acquisition of any "Transporter Regulatory Authorizations," as that term is defined in the Assigned Agreement, remain pending.

(h) As of the date hereof, the Obligor has not received notice of, or consented to, the assignment of any of the Assignor's right, title, or interest in the Assigned Agreement to any Person other than the Security Trustee.

4. Arrangements Regarding Payments. All payments to be made by the Obligor to the Assignor under the Assigned Agreement shall be made in lawful money of the United States of America in immediately available funds (or as otherwise permitted under the Assigned Agreement), directly to (a) prior to the project completion date (as notified by the Security Trustee to the Obligor), the Equity Proceeds Account (ABA: [●], Account Number: [●], FFC: [●]) and (b) on and after the project completion date (as notified by the Security Trustee to the Obligor), the Revenue Account (ABA: [●], Account Number: [●], FFC: [●]) or to such other Person and at such other address as the Security Trustee may from time to time specify in writing to the Obligor. The Assignor hereby authorizes and directs the Obligor to make such payments as aforesaid, and agrees that such payment shall satisfy the Obligor's obligation to pay such amounts to the Assignor under the Assigned Agreement.

5. Miscellaneous.

(a) This Direct Agreement shall be binding upon the successors and assigns of the parties hereto.

(b) No amendment or waiver of any provisions of this Direct Agreement or consent to any departure from any provisions of this Direct Agreement shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(c) All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (i) if delivered in person, (ii) if sent by reputable overnight delivery services (including Fedex, DHL and other similar overnight delivery services), (iii) in the event overnight delivery services are not readily available, if mailed by first class mail, postage prepaid, registered or certified with return receipt requested, or (iv) if sent by facsimile confirmed by telephone. Notice so given shall be effective upon receipt by the addressee, except that communication or notice so transmitted by facsimile shall be deemed to have been validly and effectively given on the day (if a Business Day and, if not, on the next following Business Day) on which it is transmitted if transmitted before 4:00 p.m., recipient's time, and if transmitted after that time, on the next following Business Day; provided, however, that if any notice is tendered to an addressee and the delivery thereof is refused by such addressee, such notice shall be effective upon such tender. Any party shall have the right to change its address for notice hereunder to any other location by giving of thirty (30) days' written notice to the other parties in the manner set forth herein.

(d) THIS DIRECT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY. EACH OF THE PARTIES HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN NEW YORK CITY FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS DIRECT AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(e) EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS DIRECT AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(f) This Direct Agreement may be executed in one or more counterparts with the same effect as if such signatures were upon the same instrument.

(g) No failure on the part of a party hereto or any of its agents or designees to exercise, and no delay in exercising, and no course of dealing with respect to, any right, power or privilege hereunder shall operate as a waiver thereof (subject to any statute of limitations), and no single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(h) In the event of a conflict between any provision of this Direct Agreement and the Assigned Agreement, the provisions of this Direct Agreement shall prevail.

(i) The Obligor will at any time from time to time, upon the written request of the Security Trustee, execute and deliver such further documents and such other acts and things as the Security Trustee may reasonably request in order to effectuate more fully the purposes of this Direct Agreement.

(j) This Direct Agreement shall terminate upon the Discharge Date (as defined under the Finance Documents) (which the Security Trustee shall promptly notify to the Obligor) or upon the assignment, novation or any other form of transfer of the Assigned Agreement by the Obligor in accordance with the terms of the Assigned Agreement and this Direct Agreement if the assignee executes and delivers to the Security Trustee a Direct Agreement in form and substance substantially similar to this Direct Agreement.

(k) Notwithstanding anything to the contrary contained herein none of the parties hereto shall be liable for any incidental, special, indirect, consequential, punitive, or exemplary damages arising from or relating to this Direct Agreement or such party's performance or failure to perform hereunder, including any such damages based upon breach of contract, tort (including negligence and misrepresentation), breach of warranty, strict liability, statute, operation of law or any other theory of recovery.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the undersigned by its officer duly authorized has caused this Direct Agreement to be duly executed and delivered as of the first date written above.

[NATURAL GAS PIPELINE COMPANY OF AMERICA LLC,

as Obligor

By: _____

Name:

Title:

Address for Notices:

Natural Gas Pipeline Company of America LLC
3250 Lacey Road
Suite 700
Downers Grove, IL 60515
Attention: James Brett
Office: 630-725-3040
Fax: 630-725-3107
Email: james_brett@kindermorgan.com

SIGNATURE PAGE TO DIRECT AGREEMENT
Common Security and Account Agreement

IN WITNESS WHEREOF, the undersigned by its officer duly authorized has caused this Direct Agreement to be duly executed and delivered as of the first date written above.

SOCIÉTÉ GÉNÉRALE,
not individually but solely in its capacity as Security Trustee

By: _____

Name:

Title:

Address for Notices:

Société Générale
245 Park Avenue
New York, NY, 10167
Attention: Ed Grimm
Office: 212-278-6450
Fax: 212-278-6136
Email: edward.grimm@sgcib.com

with a copy to:

Société Générale
245 Park Avenue
New York, NY, 10167
Attention: Ellen Turkel
Office: 212-278-6437
Fax: 212-278-6136
Email: ellen.turkel@sgcib.com

SIGNATURE PAGE TO DIRECT AGREEMENT
Common Security and Account Agreement

Acknowledged and Agreed:

Corpus Christi Liquefaction, LLC

By: _____

Name:

Title:

Address for Notices:

700 Milam Street, Suite 1900

Houston, TX 77002

Telephone:

Facsimile:

Email:

SIGNATURE PAGE TO DIRECT AGREEMENT

Common Security and Account Agreement

**CHANGE ORDER FORM
BOG and LNG Rundown**

PROJECT NAME: Sabine Pass LNG Stage 3 Liquefaction Facility

CHANGE ORDER NUMBER: CO-00025

OWNER: Sabine Pass Liquefaction, LLC

DATE OF CHANGE ORDER: January 19, 2018

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: May 4, 2015

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

1. Per Article 6.1.B of the Agreement, the Parties agree Contractor will perform the Procurement and Construction services for the BOG and LNG Rundown tie-ins. These services will be based on the Engineering for the BOG and LNG Rundown that was included in the original RFS (RFS 109265 Revision 5).
2. The BOG and LNG Rundown line tie-in packages will be developed after the HAZOP and Model review occurs. These packages will include IFC drawings to procure and construct the required materials. Potential changes due to HAZOP or Model review action items are excluded from this Change Order. For clarity, the tie-ins are depicted in Exhibit A of this Change Order.
3. This Change Order is not included as part of Stage 3 Substantial Completion and will not prevent achievement thereof.
4. The cost breakdown for this Change Order is detailed in Exhibit B.
5. Schedule C-1 (Milestone Payment Schedule) of Attachment C of the Agreement will be amended by including the milestone(s) listed in Exhibit C of this Change Order.

Adjustment to Contract Price

The original Contract Price was	\$ 2,987,000,000
Net change by previously authorized Change Orders (#00001-00024)	\$ 95,972,403
The Contract Price prior to this Change Order was	\$ 3,082,972,403
The Contract Price will be increased by this Change Order in the amount of	\$ 506,471
The new Contract Price including this Change Order will be	\$ 3,083,478,874

Adjustment to dates in Project Schedule

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

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

Adjustment to Payment Schedule: **Yes. See Exhibit C.**

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials:

/s/ BT Contractor Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: _____ Contractor _____ Owner~~

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

/s/ Ed Lehotsky

Owner

Ed Lehotsky

Name

SVP LNG E&C

Title

February 15, 2018

Date of Signing

/s/ Bhupesh Thakkar

Contractor

Bhupesh Thakkar

Name

Senior Project Manager

Title

January 19, 2018

Date of Signing

CHANGE ORDER FORM

Design Analysis of Existing East & West Jetty Piping and Structure for Simultaneous Loading

PROJECT NAME: Sabine Pass LNG Stage 3 Liquefaction Facility

CHANGE ORDER NUMBER: CO-00026

OWNER: Sabine Pass Liquefaction, LLC

DATE OF CHANGE ORDER: February 1, 2018

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: May 4, 2015

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

1. Per Article 6.1.B of the Agreement, the Parties agree Contractor shall perform various transient runs along with CSA/PD&P design analysis of the existing East and West Jetty piping and structure for simultaneous loading. The key items for this analysis are listed as follows:
 - a. Validation of Contractor's transient model.
 - b. Completion of 8,000 m³/hr simultaneous loading analysis to the existing East and West Jetty. Results will be reviewed by PD&P Pipe Stress to update load tables and identify pipe supports exceeding the original design loads.
 - c. Completion of CSA and PD&P design analysis to support loading lines from the existing LNG tanks to the East and West Jetty. In addition, for the proposed modifications, the associated CSA and PD&P redline markups and IFC drawings will be provided to Owner.
2. Owner may not disclose the Contractor Work Product to any third party, unless Contractor's prior written consent has been obtained (such consent not to be unreasonably withheld or delayed), provided that Contractor's prior written consent is hereby deemed to be given for disclosure to the Parties listed in Exhibit A to the extent such Parties have entered into a confidentiality agreement with Owner no less stringent than this Agreement.
3. Notwithstanding anything to the contrary herein, Contractor shall perform the Work in accordance with the standard of skill and care reasonably to be expected in the international engineering and construction industry for projects of the type, size and complexity of the Work contemplated herein. In the event that any such Work under this Change Order fails to meet that standard of performance, Contractor's sole liability and Owner's sole remedy shall be limited to Contractor reperforming such Work at its own expense; provided that notice of such failure is given by Owner within a reasonable time and no later than twelve (12) months from the completion of the Work in question.
4. The Work to be performed under this Change Order is not a condition to and will not prevent the achievement of Substantial Completion of Subproject 5.
5. The cost breakdown for this Change Order is detailed in Exhibit B.
6. Schedule C-1 (Milestone Payment Schedule) of Attachment C of the Agreement will be amended by including the milestone(s) listed in Exhibit C of this Change Order.

Adjustment to Contract Price

The original Contract Price was	\$ 2,987,000,000
Net change by previously authorized Change Orders (#00001-00025)	\$ 96,478,874
The Contract Price prior to this Change Order was	\$ 3,083,478,874
The Contract Price will be increased by this Change Order in the amount of	\$ 671,121
The new Contract Price including this Change Order will be	\$ 3,084,149,995

Adjustment to dates in Project Schedule

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

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

Adjustment to Payment Schedule: **Yes. See Exhibit C.**

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials:
/s/ BT Contractor /s/ EL Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: _____ Contractor _____ Owner~~

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

/s/ Ed Lehotsky
Owner
Ed Lehotsky
Name
SVP LNG E&C
Title
February 15, 2018
Date of Signing

/s/ Bhupesh Thakkar
Contractor
Bhupesh Thakkar
Name
Senior Project Manager
Title
February 1, 2018
Date of Signing

CHANGE ORDER FORM
Performance and Attendance Bonus (PAB) Transfer from Stage 2

PROJECT NAME: Sabine Pass LNG Stage 3 Liquefaction Facility

CHANGE ORDER NUMBER: CO-00027

OWNER: Sabine Pass Liquefaction, LLC

DATE OF CHANGE ORDER: February 1, 2018

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: May 4, 2015

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

1. The value of the Performance and Attendance Bonus (PAB) Incentive Program Provisional Sum incorporated into the Agreement in Change Order CO-00005, dated March 16, 2016, was U.S. \$36,900,000. Parties now agree the Stage 2 accrued cost for retention of the PAB incentive will be transferred to Stage 3 and invoiced against the PAB value in the Stage 3 Agreement due to Craft personnel moving to Stage 3 as opposed to being released as part of a reduction of Stage 2 workforce. The amount to be transferred is \$8,100,000. The contract price will be increased by \$8,100,000.
2. The Provisional Sum breakdown is described as follows:
 - a. The previous PAB Incentive Program Provisional Sum in Article 2.6 of Attachment EE of the Agreement was Thirty-Six Million, Nine Hundred Thousand U.S. Dollars (U.S. \$36,900,000). This Change Order will increase the PAB Incentive Program Provisional Sum by \$8,100,000 and the value will be \$45,000,000.
 - b. The Parties agree to adjust the Aggregate Provisional Sum specified in Article 7.1A of the Agreement which prior to this Change Order was Three Hundred Sixteen Million, Two Hundred Forty-Six Thousand, Four Hundred Thirty-Seven U.S. Dollars (U.S. \$316,246,437). This Change Order will increase the Aggregate Provisional Sum amount by Eight Million, One Hundred Thousand U.S. Dollars (U.S. \$8,100,000) and the new Aggregate Provisional Sum value shall be Three Hundred Twenty-Four Million, Three Hundred Forty-Six Thousand, Four Hundred Thirty-Seven U.S. Dollars (U.S. \$324,346,437).
3. Schedule C-1 (Milestone Payment Schedule) of Attachment C of the Agreement will be amended by including the milestone(s) listed in Exhibit A of this Change Order.

Adjustment to Contract Price

The original Contract Price was	\$ 2,987,000,000
Net change by previously authorized Change Orders (#00001-00026)	\$ 97,149,995
The Contract Price prior to this Change Order was	\$ 3,084,149,995
The Contract Price will be increased by this Change Order in the amount of	\$ 8,100,000
The new Contract Price including this Change Order will be	\$ 3,092,249,995

Adjustment to dates in Project Schedule

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

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

Adjustment to Payment Schedule: **Yes. See Exhibit A.**

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials:
/s/ BT Contractor /s/ EL Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: _____ Contractor _____ Owner~~

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

/s/ Ed Lehotsky
Owner
Ed Lehotsky
Name
SVP LNG E&C
Title
February 15, 2018
Date of Signing

/s/ Bhupesh Thakkar
Contractor
Bhupesh Thakkar
Name
Senior Project Manager
Title
February 1, 2018
Date of Signing

CHANGE ORDER FORM
Existing Jetty Structural Steel Supply

PROJECT NAME: Sabine Pass LNG Stage 3 Liquefaction Facility

CHANGE ORDER NUMBER: CO-00028

OWNER: Sabine Pass Liquefaction, LLC

DATE OF CHANGE ORDER: February 27, 2018

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: May 4, 2015

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

1. Per Article 6.1.B of the Agreement, the Parties agree Contractor will obtain structural steel from CIVES via purchase order to support the modifications of the existing jetty. This will require award of a purchase order referencing the existing Stage 3 CIVES purchase order and will require review by the CSA team prior to delivery of the steel to the Site.
2. The following areas will be revised by CIVES: Area 1R1, Area 2R1, Area 3R1 and Area 22R. For clarity, the revised areas are depicted in Exhibit A of this Change Order.
3. The steel associated with this Change Order will be free issued to Owner. The existing Stage 3 contract terms are not applicable to this work and Contractor's obligation is limited to providing steel of good quality and ensuring the steel is fabricated in accordance with the specification, design drawings and fabrication details.
4. The work pursuant to this Change Order is not a condition to and will not prevent the achievement of Stage 3 Substantial Completion or impact the Stage 3 warranty period.
5. The cost breakdown for this Change Order is detailed in Exhibit B.
6. Schedule C-1 (Milestone Payment Schedule) of Attachment C of the Agreement will be amended by including the milestone(s) listed in Exhibit C of this Change Order.

Adjustment to Contract Price

The original Contract Price was	\$ 2,987,000,000
Net change by previously authorized Change Orders (#00001-00027)	\$ 105,249,995
The Contract Price prior to this Change Order was	\$ 3,092,249,995
The Contract Price will be increased by this Change Order in the amount of	\$ 34,820
The new Contract Price including this Change Order will be	\$ 3,092,284,815

Adjustment to dates in Project Schedule

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

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

Adjustment to Payment Schedule: **Yes. See Exhibit C.**

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials:

/s/ BT Contractor /s/ EL Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: _____ Contractor _____ Owner~~

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

/s/ Ed Lehotsky

Owner

Ed Lehotsky

Name

SVP LNG E&C

Title

March 13, 2018

Date of Signing

/s/ Bhupesh Thakkar

Contractor

Bhupesh Thakkar

Name

Senior Project Manager

Title

February 27, 2018

Date of Signing

*** indicates material has been omitted pursuant to a Confidential Treatment Request filed with the Securities and Exchange Commission. A complete copy of this agreement has been filed separately with the Securities and Exchange Commission.

CHANGE ORDER FORM

Settlement of Various Scopes

PROJECT NAME: Corpus Christi Stage 1 Liquefaction Facility

OWNER: Corpus Christi Liquefaction, LLC

CHANGE ORDER NUMBER: CO-00038

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF CHANGE ORDER: November 10, 2017

DATE OF AGREEMENT: December 6, 2013

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

1. Per Article 6.1 of the Agreement, Parties agree to implement changes for cover 24 separate scope items as identified in Attachment A.
2. The scope of this Change Order is as detailed in Exhibit A. The parties agree that Exhibit A represents all known unresolved issues and provides for a resolution for these items.
3. The cost breakdowns for the scopes of work noted above in this Change Order are detailed in Exhibit B. The cost identified is a summary of the all the scope as identified in Exhibit A.
4. Schedule C-1 (Milestone Payment Schedule) of Attachment C of the Agreement will be amended by including the Milestone(s) listed in Exhibit C of this Change Order.

Adjustment to Contract Price

	\$ 7,080,830,000
Net change by previously authorized Change Orders (0001-00037)	\$ 721,849,295
The Contract Price prior to this Change Order was	\$ 7,802,679,295
The Aggregate Equipment Price will be changed by this Change Order in the amount of	\$ ***
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of	\$ ***
The new Contract Price including this Change Order will be	\$ 7,808,179,295

Adjustment to Aggregate Equipment Price

The original Aggregate Equipment Price was	\$ ***
Net change by previously authorized Change Orders (0001-00037)	\$ ***
The Aggregate Equipment Price prior to this Change Order was	\$ ***
The Aggregate Equipment Price will be changed by this Change Order in the amount of	\$ ***
The new Aggregate Equipment Price including this Change Order will be	\$ ***

Adjustment to Aggregate Labor and Skills Price

The original Aggregate Labor and Skills Price was	\$	***
Net change by previously authorized Change Orders (0001-00037)	\$	***
The Aggregate Labor and Skills Price prior to this Change Order was	\$	***
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of	\$	***
The new Aggregate Labor and Skills Price including this Change Order will be	\$	***

Adjustment to Aggregate Provisional Sum

The original Aggregate Provisional Sum was	\$	950,561,351
Net change by previously authorized Change Orders (0001-00037)	\$	(763,283,979)
The Aggregate Provisional Sum prior to this Change Order was	\$	187,277,372
The Aggregate Provisional Sum will be changed by this Change Order in the amount of	\$	—
The new Aggregate Provisional Sum including this Change Order will be	\$	187,277,372

Adjustment to dates in Project Schedule

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

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

Adjustment to Payment Schedule: **Yes. See Exhibit C of this Change Order.**

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: Contractor Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: Contractor Owner~~

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

/s/ Ed Lehotsky

Owner

Ed Lehotsky

Name

Sr. VP E&C

Title

January 3, 2018

Date of Signing

/s/ Sergio Buoncristiano

Contractor

Sergio Buoncristiano

Name

SVP

Title

November 13, 2017

Date of Signing

*** indicates material has been omitted pursuant to a Confidential Treatment Request filed with the Securities and Exchange Commission. A complete copy of this agreement has been filed separately with the Securities and Exchange Commission.

CHANGE ORDER FORM

OSHA Handrails, East Jetty Scaffold, Attachment Y, and Insurance Provisional Sum

PROJECT NAME: Corpus Christi Stage 1 Liquefaction Facility

OWNER: Corpus Christi Liquefaction, LLC

CHANGE ORDER NUMBER: CO-00039

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF CHANGE ORDER: February 26, 2018

DATE OF AGREEMENT: December 6, 2013

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

- Per Articles 6.1 and 6.2 of the Agreement, Parties agree to implement changes due to (1) compliance with revised OSHA regulation (29 CFR 1910 Subpart D) as specifically set forth in Exhibit A of this Change Order, (2) removal of the east jetty scaffolding to facilitate work by Luhr Brothers, (3) the replacement of Attachment Y of the Agreement, (4) the replacement of Section 2.4 of Attachment EE, Schedule EE-2, and (5) the interim adjustment to the Insurance Provisional Sum pursuant to Section 2.4(A) of such new Section 2.4 of Attachment EE, Schedule EE-2.
- The scope of this Change Order is further detailed in Exhibit A. Exhibit A also includes two attachments: (1) a new Attachment Y of the Agreement and (2) a new Section 2.4 of Attachment EE, Schedule EE-2 of the Agreement. In connection with the new Attachment Y, the Parties agree to remove Article 6.2(A)(13) in its entirety and replace it with the following:

“13. Any Landowner agreement which is executed and provided to Contractor after the Contract Date (or modified in writing after the Contract Date) (including but not limited to such Landowner agreements that are identified in Attachment Y), but only to the extent that such agreement adversely affects (i) Contractor’s costs of performance of the Work, (ii) Contractor’s ability to perform the Work in accordance with the Project Schedule or (iii) Contractor’s ability to perform any material obligation under this Agreement.”
- The cost breakdowns for the scopes of work noted above in this Change Order are detailed in Exhibit B. These costs are as detailed in Trend S1-2017 (dated Nov. 27, 2017), Trend S1-2054 (dated Dec. 14, 2017), and Trend S1-2041 (dated Dec. 14, 2017). The new Attachment Y does not have a trend as the Parties agree this update has no cost impact.
- Schedule C-1 (Milestone Payment Schedule) of Attachment C of the Agreement will be amended by including the Milestone(s) listed in Exhibit C of this Change Order.

Adjustment to Contract Price

The original Contract Price was	\$ 7,080,830,000
Net change by previously authorized Change Orders (0001-00038)	\$ 727,349,295
The Contract Price prior to this Change Order was	\$ 7,808,179,295
The Aggregate Equipment Price will be changed by this Change Order in the amount of	\$ ***
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of	\$ ***
The new Contract Price including this Change Order will be	\$ 7,764,397,743

Adjustment to Aggregate Equipment Price

The original Aggregate Equipment Price was	\$ ***
Net change by previously authorized Change Orders (0001-00038)	\$ ***
The Aggregate Equipment Price prior to this Change Order was	\$ ***
The Aggregate Equipment Price will be changed by this Change Order in the amount of	\$ ***
The new Aggregate Equipment Price including this Change Order will be	\$ ***

Adjustment to Aggregate Labor and Skills Price

The original Aggregate Labor and Skills Price was	\$	***
Net change by previously authorized Change Orders (0001-00038)	\$	***
The Aggregate Labor and Skills Price prior to this Change Order was	\$	***
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of	\$	***
The new Aggregate Labor and Skills Price including this Change Order will be	\$	***

Adjustment to Aggregate Provisional Sum

The original Aggregate Provisional Sum was	\$	950,561,351
Net change by previously authorized Change Orders (0001-00038)	\$	(763,283,979)
The Aggregate Provisional Sum prior to this Change Order was	\$	187,277,372
The Aggregate Provisional Sum will be changed by this Change Order in the amount of	\$	(49,000,000)
The new Aggregate Provisional Sum including this Change Order will be	\$	138,277,372

Adjustment to dates in Project Schedule

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

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

Adjustment to Payment Schedule: **Yes. See Exhibit C of this Change Order.**

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: Contractor Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: Contractor Owner~~

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

/s/ Ed Lehotsky

Owner

Ed Lehotsky

Name

Sr. VP E&C

Title

March 18, 2018

Date of Signing

/s/ Sergio Buoncristiano

Contractor

Sergio Buoncristiano

Name

SVP

Title

March 7, 2018

Date of Signing

*** indicates material has been omitted pursuant to a Confidential Treatment Request filed with the Securities and Exchange Commission. A complete copy of this agreement has been filed separately with the Securities and Exchange Commission.

CHANGE ORDER FORM

GE Service Bulletins and JT Valve Modifications

PROJECT NAME: Corpus Christi Stage 1 Liquefaction Facility

OWNER: Corpus Christi Liquefaction, LLC

CHANGE ORDER NUMBER: CO-00041

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF CHANGE ORDER: March 6, 2018

DATE OF AGREEMENT: December 6, 2013

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

1. Per Articles 6.1 and 6.2 of the Agreement, Parties agree Contractor will implement changes to incorporate GE depot Service Bulletins (SB) No. 272, 278 and 286 for the 12 GE gas turbines for Train 1 and Train 2.
2. Per Articles 6.1 and 6.2 of the Agreement, Parties agree Contractor will implement changes to the trim on the JT valves 11PV-16002 and 12PV-16002, located in the methane cold boxes of Train 1 and Train 2.
3. The scope of this Change Order is further detailed in Exhibit A.
4. The cost breakdowns for the scope of work noted above in this Change Order are detailed in Exhibit B. These costs are as detailed in Trend S1-2056 and Trend S1-2049.
5. Schedule C-1 (Milestone Payment Schedule) of Attachment C of the Agreement will be amended by including the Milestone(s) listed in Exhibit C-1 of this Change Order. **In addition to the adjustments associated with the above changes, three (3) other milestone payment descriptions (milestone numbers ALS 42.4, ALS 46.4 and ALS 47.5) are adjusted as shown in Exhibit C-2 of this Change Order. These milestones payment description adjustments do not modify the overall total amounts of Attachment C of the Agreement.**

Milestone No. ALS 42.4, is hereby amended by

Delete the description "Insulation Subcontractor 50% complete field mounted instruments OSBL" and replace with "50% complete installation of Field Mounted instruments for OSBL".

Milestone No. ALS 46.4, is hereby amended by

Delete the description "Insulation Subcontractor 50% complete field mounted instruments Subproject 2" and replace with "50% complete installation of Field Mounted instruments for Subproject 2".

Milestone No. ALS 47.5, is hereby amended by

Delete the description "Insulation Subcontractor finishes field mounted instruments Subproject 1" and replace with "Finish installation of Field Mounted instruments for Subproject 1".

Adjustment to Contract Price

The original Contract Price was	\$ 7,080,830,000
Net change by previously authorized Change Orders (0001-00040)	\$ 691,567,743
The Contract Price prior to this Change Order was	\$ 7,772,397,743
The Aggregate Equipment Price will be changed by this Change Order in the amount of	\$ ***
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of	\$ ***
The new Contract Price including this Change Order will be	\$ 7,775,832,402

Adjustment to Aggregate Equipment Price

The original Aggregate Equipment Price was	\$	***
Net change by previously authorized Change Orders (0001-00040)	\$	***
The Aggregate Equipment Price prior to this Change Order was	\$	***
The Aggregate Equipment Price will be changed by this Change Order in the amount of	\$	***
The new Aggregate Equipment Price including this Change Order will be	\$	***

Adjustment to Aggregate Labor and Skills Price

The original Aggregate Labor and Skills Price was	\$	***
Net change by previously authorized Change Orders (0001-00040)	\$	***
The Aggregate Labor and Skills Price prior to this Change Order was	\$	***
The Aggregate Labor and Skills Price will be changed by this Change Order in the amount of	\$	***
The new Aggregate Labor and Skills Price including this Change Order will be	\$	***

Adjustment to Aggregate Provisional Sum

The original Aggregate Provisional Sum was	\$	950,561,351
Net change by previously authorized Change Orders (0001-00040)	\$	(812,283,979)
The Aggregate Provisional Sum prior to this Change Order was	\$	138,277,372
The Aggregate Provisional Sum will be changed by this Change Order in the amount of	\$	—
The new Aggregate Provisional Sum including this Change Order will be	\$	138,277,372

Adjustment to dates in Project Schedule

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

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

Adjustment to Payment Schedule: **Yes. See Exhibit C of this Change Order.**

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: Contractor Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: Contractor Owner~~

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

/s/ Ed Lehotsky
Owner
Ed Lehotsky
Name
Sr. VP E&C
Title
March 19, 2018
Date of Signing

/s/ Sergio Buoncristiano
Contractor
Sergio Buoncristiano
Name
SVP
Title
March 6, 2018
Date of Signing

AMENDMENT No. 1 of LNG SALE AND PURCHASE AGREEMENT (FOB)

THIS AMENDMENT NO. 1 OF LNG SALE AND PURCHASE AGREEMENT (FOB) (this “*Amendment*”), dated February 27, 2018, is hereby entered into by and between Corpus Christi Liquefaction, LLC, a Delaware limited liability company whose principal place of business is located at 700 Milam St., Suite 1900, Houston, TX 77002 (“*Seller*” or “*CCLNG*”), and Gas Natural Fenosa LNG GOM, Limited (“*Buyer*”), a company registered in the Republic of Ireland whose principal place of business is located at 24-28 Tara Street, Dublin D02 CX89, Ireland. Buyer and Seller are sometimes hereinafter referred to individually as a “*Party*” and collectively as the “*Parties*”.

WHEREAS, Gas Natural Fenosa LNG SL, an affiliate of Buyer, and Seller entered into that certain LNG Sale and Purchase Agreement (FOB) dated June 2, 2014, which was assigned by Gas Natural Fenosa LNG SL to Buyer by that certain Binding Assignment and Assumption Agreement Notice dated September 5, 2016 (the “*Agreement*”).

WHEREAS, the Parties wish to ensure conformity of Section 26.1 (*Trade Law Compliance*) of the Agreement to the requirements of the applicable orders.

WHEREAS, this Amendment is hereby entered into by the Parties pursuant to Section 24.4 (*Amendments and Waiver*) of the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements made herein, the Parties, intending to be legally bound, hereby agree as follows:

AGREEMENT

1. **Definitions.** Capitalized terms used but not defined herein shall have the meaning provided in the Agreement.

2. **Amendment.**

a. Parties agree to delete the definition of “**Non-FTA Export Authorization**” in Section 1.1 in its entirety and replace it with the following:

“**Non-FTA Export Authorization:** that certain order number 3638 from the Office of Fossil Energy of the U.S. Department of Energy dated 12th May 2015 granting to Seller, or an Affiliate of Seller, the long-term authorization to export at least the volume per annum of LNG sold and delivered pursuant to this Agreement by vessel from the Corpus Christi Facility, to all countries that have not entered into a free trade agreement with the United States of America requiring the national treatment for trade in natural gas, which currently has or in the future develops the capacity to import LNG, and with which trade is not prohibited by United States law or policy, for a term which is at least twenty (20) years, as the same may be supplemented, amended, modified, changed, superseded or replaced from time to time;”

- b. Parties agree to delete Section 26.1 (*Trade Law Compliance*) in its entirety and replace it with the following:

“Buyer acknowledges and agrees that it will resell or transfer LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FE Order No. 3164, issued October 16, 2012 in FE Docket No. 12-99-LNG and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Alternatively, if Buyer resells or transfers LNG purchased hereunder to countries identified in Ordering Paragraph F of DOE/FE Order No. 3638, issued May 12, 2015 in FE Docket No. 12-97-LNG, Buyer acknowledges and agrees that it shall resell or transfer LNG purchased hereunder for delivery only to the countries identified in Ordering Paragraph F of DOE/FE Order No. 3638, issued May 12, 2015, in FE Docket No. 12-97-LNG and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Buyer further commits to cause a report to be provided to both Cheniere Marketing, LLC and Seller that identifies the country of destination, upon delivery, into which the exported LNG was actually delivered, and to include in any resale contract for such LNG the necessary conditions to ensure that both Cheniere Marketing, LLC and Seller are made aware of all such actual destination countries. Each Party agrees to comply with the Export Authorizations. If any Export Authorization requires conditions to be included in this Agreement then, within fifteen (15) days following the issuance of the Export Authorization imposing such condition, the Parties shall discuss the appropriate changes to be made to this Agreement to comply with such Export Authorization and shall amend this Agreement accordingly. Buyer represents and warrants that the final delivery of LNG received pursuant to the terms of this Agreement are permitted and lawful under United States of America laws and policies, including the rules, regulations, orders, policies, and other determinations of the United States Department of Energy, the Office of Foreign Assets Control of the United States Department of the Treasury and the Federal Energy Regulatory Commission, and Buyer shall not take any action which would cause any Export Authorization to be withdrawn, revoked, suspended or not renewed. Buyer shall promptly provide to Seller all information required by Seller and Cheniere Marketing, LLC, to comply with the Export Authorizations and shall provide the delivery destination reports (as described in this Section §26.1) for all LNG sold hereunder, to Seller and Cheniere Marketing, LLC, not later than the fifteenth (15th) Day of the Month following the Month in which any relevant LNG is delivered to the country of destination. In addition to the information required pursuant to this Section §26.1, such delivery destination reports shall contain any other information required by the applicable Export Authorization.”

3. Miscellaneous

- a. Force and Effect. All provisions of the Agreement not specifically amended hereby shall remain in full force and effect.
- b. Further Assurances. Each Party hereby agrees to take all such action as may be necessary to effectuate fully the purposes of this Amendment, including causing

this Amendment or any document contemplated herein to be duly registered, notarized, attested, consularized and stamped in any applicable jurisdiction.

- c. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York (United States of America) without regard to principles of conflict of laws that would specify the use of other laws.
- d. Confidentiality; Dispute Resolution; Immunity. The provisions of Section 19 (*Confidentiality*), Section 21.1 (*Dispute Resolution*), and Section 21.4 (*Immunity*) of the Agreement shall apply in this Amendment as if incorporated herein *mutatis mutandis* on the basis that references therein to the Agreement are to this Amendment.
- e. Entire Agreement. The Agreement, as amended by this Amendment, constitutes the entire agreement between the Parties, and includes all promises and representations, express or implied, and supersedes all other prior agreements and representations, written or oral, between the Parties relating to the subject matter thereof.
- f. Amendments and Waiver. This Amendment may not be supplemented, amended, modified or changed except by an instrument in writing signed by all Parties. A Party shall not be deemed to have waived any right or remedy under this Amendment by reason of such Party's failure to enforce such right or remedy.
- g. Successors. The terms and provisions of this Amendment shall inure to the benefit of and shall be binding upon the Parties and their respective successors and permitted assigns.
- h. Severability. If a court of competent jurisdiction or arbitral tribunal determines that any clause or provision of this Amendment is void, illegal, or unenforceable, the other clauses and provisions of the Amendment shall remain in full force and effect and the clauses and provisions which are determined to be void, illegal, or unenforceable shall be limited so that they shall remain in effect to the maximum extent permissible by law.
- i. No Third Party Beneficiaries. Except as expressly contemplated by the Agreement, nothing in this Amendment shall entitle any party other than the Parties to this Amendment to any claim, cause of action, remedy or right of any kind.
- j. Counterparts. This Amendment may be executed by signing the original or a counterpart thereof (including by facsimile or email transmission). If this Amendment is executed in counterparts, all counterparts taken together shall have the same effect as if the undersigned parties hereto had signed the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned Parties has caused this Amendment to be executed as of the date first above written.

SELLER:

Corpus Christi Liquefaction, LLC

/s/ Tim Wyatt

Name: Tim Wyatt

Title: Vice President, Commercial Operations

BUYER:

Gas Natural Fenosa LNG GOM, Limited

/s/ Ignacio Martin

Name: Ignacio Martin

Title: Head of LNG Supply

**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: May 3, 2018

/s/ Jack A. Fusco

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

**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: May 3, 2018

/s/ Michael J. Wortley

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

**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 March 31, 2018, 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: May 3, 2018

/s/ Jack A. Fusco

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

**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 March 31, 2018, 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: May 3, 2018

/s/ Michael J. Wortley

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