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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 September 30, 2002

OR

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

For the transition period from _____ to _____

Commission File No. 0-9092

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

Delaware
(State or other jurisdiction of incorporation or organization)

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

333 Clay Street, Suite 3400
Houston, Texas
(Address or principal place of business)

77002-4102
(Zip Code)

(713) 659-1361
(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 .

As of November 11, 2002, there were 13,297,393 shares of Cheniere Energy, Inc. Common Stock, \$.003 par value, issued and outstanding.

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CHENIERE ENERGY, INC.
INDEX TO FORM 10-Q

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CHENIERE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

<TABLE> <CAPTION>	September 30, 2002 ----- (Unaudited) <C>	December 31, 2001 ----- <C>
ASSETS		
<S>		
CURRENT ASSETS		
Cash	\$ 1,032,013	\$ 610,718
Accounts Receivable	23,651	636,527
Prepaid Expenses	139,635	96,914
	-----	-----
Total Current Assets	1,195,299	1,344,159
OIL AND GAS PROPERTIES, full cost method		
Proved Properties, net	1,014,633	1,929,124
Unproved Properties, not subject to amortization	16,214,095	16,236,962
	-----	-----
Total Oil and Gas Properties	17,228,728	18,166,086
LNG SITE COSTS	1,525,000	1,350,000
FIXED ASSETS, net	251,186	416,232
INVESTMENT IN UNCONSOLIDATED AFFILIATE	-	3,747,199
	-----	-----
Total Assets	\$ 20,200,213 =====	\$ 25,023,676 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,822,650	\$ 1,464,812
Accrued Liabilities	640,462	409,589
Note Payable	750,000	-
	-----	-----
Total Current Liabilities	3,213,112	1,874,401
STOCKHOLDERS' EQUITY		
Preferred Stock, \$.0001 par value		
Authorized: 5,000,000 shares		
Issued and Outstanding: none	-	-
Common Stock, \$.003 par value		
Authorized: 40,000,000 shares		
Issued and Outstanding: 13,297,393 shares	39,892	39,892
Additional Paid-in-Capital	41,343,662	41,133,868
Accumulated Deficit	(24,396,453)	(18,024,485)
	-----	-----
Total Stockholders' Equity	16,987,101	23,149,275
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 20,200,213 =====	\$ 25,023,676 =====

</TABLE>

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

CHENIERE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

<TABLE>
<CAPTION>

Months Ended	Three Months Ended		Nine
September 30,	September 30,		
-----	-----	-----	-----
2001	2002	2001	2002
-----	-----	-----	-----
<S>	<C>	<C>	<C>
<C>			
Revenues			
Oil and Gas Sales	\$ 21,998	\$ 395,540	\$ 221,557
\$ 2,142,028	-----	-----	-----

Total Revenues	21,998	395,540	221,557
2,142,028	-----	-----	-----

Operating Costs and Expenses			
Production Costs	--	68,943	90,038
276,006			
Depreciation, Depletion and Amortization	133,910	332,570	314,382
1,093,202			
Ceiling Test Write-down	--	2,966,603	--
5,126,248			
General and Administrative Expenses			
LNG Terminal Development	1,015,058	536,215	2,744,944
1,426,054			
Other	351,032	621,359	1,505,364
2,053,678	-----	-----	-----

General and Administrative Expenses	1,366,090	1,157,574	4,250,308
3,479,732	-----	-----	-----

Total Operating Costs and Expenses	1,500,000	4,525,690	4,654,728
9,975,188	-----	-----	-----

Gain on Sale of Proved Oil and Gas Properties	--	--	340,257
--	-----	-----	-----

Loss from Operations	(1,478,002)	(4,130,150)	(4,092,914)
(7,833,160)			
Equity in Net Loss of Unconsolidated Affiliate	--	(929,482)	(2,184,847)
(1,936,912)			
Loss on Early Extinguishment of Debt	--	--	(100,544)
--			
Interest Income	3,030	1,717	6,337
15,681	-----	-----	-----

Loss Before Income Taxes	(1,474,972)	(5,057,915)	(6,371,968)
(9,754,391)			
Provision for Income Taxes	--	--	--
--	-----	-----	-----

Net Loss	\$ (1,474,972)	\$ (5,057,915)	\$ (6,371,968)
\$ (9,754,391)	=====	=====	=====
=====			
Net Loss Per Share - Basic and Diluted	\$ (0.11)	\$ (0.38)	\$ (0.48)
\$ (0.75)	=====	=====	=====
=====			

=====
 Weighted Average Number of Shares Outstanding - Basic and Diluted 13,297,393 13,297,393 13,297,393
 12,946,917
 =====

</TABLE>

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

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CHENIERE ENERGY, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
 (Unaudited)

<TABLE>
 <CAPTION>

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
<S>	<C>	<C>	<C>	<C>	<C>
Balance - December 31, 2000	12,547,393	\$37,642	\$39,382,789	\$ (6,359,223)	\$33,061,208
Issuances of Stock	750,000	2,250	1,647,750	--	1,650,000
Issuance of Warrants	--	--	93,000	--	93,000
Expenses Related to Offerings	--	--	(6,671)	--	(6,671)
Net Loss	--	--	--	(9,754,391)	(9,754,391)
Balance - September 30, 2001	13,297,393	\$39,892	\$41,116,868	\$ (16,113,614)	\$25,043,146
Balance - December 31, 2001	13,297,393	\$39,892	\$41,133,868	\$ (18,024,485)	\$23,149,275
Issuances of Warrants	--	--	209,794	--	209,794
Net Loss	--	--	--	(6,371,968)	(6,371,968)
Balance - September 30, 2002	13,297,393	\$39,892	\$41,343,662	\$ (24,396,453)	\$16,987,101

</TABLE>

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

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CHENIERE ENERGY, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF CASH FLOWS
 (Unaudited)

<TABLE>
 <CAPTION>

	Nine Months Ended September 30,	
	2002	2001
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (6,371,968)	\$ (9,754,391)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Depreciation, Depletion and Amortization	314,382	1,093,202
Ceiling Test Write-down	--	5,126,248
Non-Cash Expense	56,648	273,000
Gain on Sale of Proved Oil and Gas Properties	(340,257)	--
Loss on Early Extinguishment of Debt	100,544	--
Equity in Net Loss of Unconsolidated Affiliate	2,184,847	1,936,912
	(4,055,804)	(1,325,029)
Changes in Operating Assets and Liabilities		
Accounts Receivable	236,384	608,313
Prepaid Expenses	(37,921)	(135,833)
Accounts Payable and Accrued Liabilities	1,408,556	(240,471)
NET CASH USED IN OPERATING ACTIVITIES	(2,448,785)	(1,093,020)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Fixed Assets	(6,217)	(355,338)
Oil and Gas Property Additions	(1,062,327)	(2,734,086)
Net Proceeds from Sale of Proved Oil and Gas Properties	2,235,365	--

Sale of Interest in Oil and Gas Prospects	378,259	--
Sale of Oil and Gas Seismic Data	825,000	2,853,197
LNG Site Costs	(250,000)	(125,000)
	-----	-----
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	2,120,080	(361,227)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Issuances of Notes Payable	1,250,000	--
Repayment of Note Payable	(500,000)	--
Sale of Common Stock	--	500,000
Offering Costs	--	(6,671)
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	750,000	493,329
	-----	-----
NET INCREASE/(DECREASE) IN CASH	421,295	(960,918)
	-----	-----
CASH - BEGINNING OF PERIOD	610,718	1,888,562
	-----	-----
CASH - END OF PERIOD	\$ 1,032,013	\$ 927,644
	=====	=====

</TABLE>

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

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

Note 1 - Basis of Presentation

The unaudited consolidated financial statements of Cheniere Energy, Inc. ("Cheniere" or the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation, have been included.

For further information, refer to the consolidated financial statements and footnotes included in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2001. Interim results are not necessarily indicative of results to be expected for the full fiscal year ended December 31, 2002. Certain reclassifications have been made to conform prior period amounts to the current period presentation. These reclassifications have no effect on net income/(loss) or stockholders' equity.

New Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (FAS) No. 143, Accounting for Asset Retirement Obligations (ARO), which requires that an asset retirement obligation be capitalized as part of the cost of the related long-lived asset and allocated to expense by using a systematic and rational method. Under this Statement, the ARO liability is recorded at its present value, and an entity is required to recognize changes in the ARO liability resulting from the passage of time and revisions in cash flow estimates. FAS 143 is effective for financial statements issued for fiscal years beginning after June 15, 2002. The Company expects to adopt FAS 143 on January 1, 2003. The Company has not yet determined the impact that the adoption of FAS 143 will have on its earnings or statement of financial position.

In May 2002, the FASB issued FAS 145, Rescission of FAS Nos. 4, 44, and 64, Amendment of FAS 13, and Technical Corrections as of April 2002. This Statement, among other matters, rescinds FAS 4, Reporting Gains and Losses from Extinguishment of Debt, and an amendment of that Statement, FAS 64, Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements. FAS 145 also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. FAS 145, as it relates to the rescission of FAS 4, shall be applied in fiscal years beginning after May 15, 2002. Any gain or loss on extinguishment of debt that was classified as an extraordinary item in prior periods and which does not meet the extraordinary item criteria in Opinion 30 shall be reclassified. The Company early adopted FAS 145 in the second quarter of 2002 and reflected its loss on early extinguishment of debt as an ordinary loss in the statement of operations.

Note 2 - Oil and Gas Properties

The Company follows the full cost method of accounting for its oil and gas properties. Under this method, all productive and nonproductive exploration and development costs incurred for the purpose of finding oil and gas reserves are capitalized. In April 2002, Cheniere sold substantially all of its proved oil and gas reserves for \$2,235,365 and recognized a gain on the sale of \$340,257. In the first nine months of 2002, the Company's exploration program has made discoveries of proved oil and gas reserves which have replaced approximately one half of the

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CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Unaudited)

reserves it sold. The Company's ownership in these properties takes the form of an overriding royalty interest, convertible into a working interest after payout. Accordingly, the Company will have no capital commitment related to these wells until after payout of the wells, which payouts are currently expected to begin occurring in the fourth quarter of 2003.

Note 3 - Note Payable

In March 2002, the Company entered into a short-term bridge financing arrangement with an unrelated third party lender. The amount of the borrowing was \$500,000. The term was 120 days. Interest was payable monthly at 10% per annum. Warrants were issued to the lender for the purchase of 150,000 shares of Cheniere common stock, exercisable at a price of \$2.50 per share on or before March 7, 2012. Additionally, Cheniere extended the term to March 7, 2012 on existing warrants for the purchase of 255,417 shares held by parties affiliated with the lender. Based on the Black-Scholes model, the warrants issued (150,000 shares) and the extension of existing warrants (255,417 shares) in connection with this financing arrangement have an aggregate value of \$241,939. Debt discount of \$163,045 was recorded based on the relative fair values of the note payable and the warrants. An additional 50,000 warrants were required to be issued to the lender for each month or partial month for which the principal remained unpaid after April 7, 2002. The Company repaid the loan on April 22, 2002, resulting in a loss on early extinguishment of debt in the amount of \$100,544, which is classified as an ordinary loss in the Company's statement of operations. Cheniere also issued an additional 50,000 warrants to the lender, valued at \$24,054 based on the Black-Scholes model.

In June 2002, Cheniere received \$750,000 as a refundable payment for the sale of two options to purchase an aggregate of up to a 20% interest in its Freeport LNG receiving terminal project. In the event the first option is exercised, the payment is applied to the purchase price. In the event the option is not exercised, the payment is refundable, and repayment is secured by a note payable executed by Cheniere. The note is payable in full on July 15, 2003. It will bear interest at 8%, payable at maturity and accruing from the earlier of the time the option expires or the date the holder elects not to exercise. As of September 30, 2002, the note has not yet begun to bear interest. The note is secured by Cheniere's revenues, accounts receivable and other assets.

Note 4 - Investment in Unconsolidated Affiliate

Cheniere accounts for its investment in Gryphon using the equity method of accounting because its participation on the Gryphon board of directors provides significant influence over the operating and financial policies of Gryphon. Cheniere's equity share of Gryphon's losses for the three months ended September 30, 2002 was zero, calculated by applying Cheniere's 100% common stock ownership interest to Gryphon's net income of \$1,429,000, reducing such result for Gryphon's preferred dividend arrearages of \$1,563,094 and limiting the amount of loss recognized to the balance of Cheniere's investment in Gryphon as of June 30, 2002. In the second quarter of 2002, Cheniere's basis of its investment in Gryphon was reduced to zero, but not below zero, because Cheniere does not guarantee any obligations of Gryphon and is not committed to provide additional financial support to Gryphon. The amount of Gryphon's net loss that has not yet been recorded by Cheniere was \$2,571,218 at September 30, 2002. For the three months ended September 30, 2001, Cheniere's equity share of Gryphon's losses was \$929,482, calculated by applying Cheniere's 100% common stock ownership interest to Gryphon's net loss of \$46,074 and

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CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Unaudited)

reducing such result for Gryphon's preferred dividend arrearages of \$883,408. At such time as Warburg, Pincus Equity Partners, L.P. ("Warburg") converts its preferred shares to common shares, Cheniere's equity share of Gryphon's earnings (losses) will be calculated using the effective ownership interest at the time of such conversion, and will no longer be reduced by preferred dividends.

Gryphon's preferred stock is convertible at the option of the holder at a rate of \$100 per share of common stock at any time after the holders of a majority of the preferred stock execute a written consent permitting a conversion of the preferred stock or, if earlier, at any time after August 31, 2010. In the event the holders of a majority of the preferred stock vote to convert all of their shares of preferred stock into common stock, all shares of preferred stock shall automatically be converted, without further action by Gryphon or its shareholders. In addition, Gryphon has the right, at its option, to convert shares of preferred stock into common stock upon Gryphon's closing of a firm commitment qualified public offering.

The financial position of Gryphon at September 30, 2002 and December 31, 2001 and the results of Gryphon's operations for the three and nine months ended September 30, 2002 and 2001 are summarized as follows (in thousands):

<TABLE>
<CAPTION>

	September 30, 2002	December 31, 2001
	----- (Unaudited)	----- (Unaudited)
<S>	<C>	<C>
Current assets	\$ 22,363	\$ 14,864
Oil and gas properties, full cost method		
Proved properties, net	42,997	25,484
Unproved properties	32,607	28,067
	-----	-----
Fixed assets, net	75,604	53,551
	546	616
	-----	-----
Total assets	\$ 98,513	\$ 69,031
	=====	=====
Current liabilities	\$ 17,746	\$ 5,001
Deferred tax liabilities	1,182	1,182
Stockholders' equity	79,585	62,848
	-----	-----
Total liabilities and stockholders' equity	\$ 98,513	\$ 69,031
	=====	=====

</TABLE>

<TABLE>
<CAPTION>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	----- 2002	----- 2001	----- 2002	----- 2001
	(Unaudited)		(Unaudited)	
<S>	<C>	<C>	<C>	<C>
Revenues	\$ 3,046	\$ 274	\$ 6,950	\$ 668
Income (loss) from continuing operations	1,365	(157)	(838)	(245)
Net income (loss)	1,429	(46)	(701)	78
Cheniere's equity in losses from unconsolidated affiliate	-	(930)	(2,185)	(1,937)

</TABLE>

CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Unaudited)

In March 2002, Cheniere sold 51,400 shares of its Gryphon common stock to Gryphon, subject to an option to repurchase the shares, thereby reducing its interest in Gryphon from 20.2% to 13.7% on an as-converted basis. Such sale was made in connection with the settlement of a lawsuit filed by Fairfield Industries Incorporated against Cheniere and Gryphon. In connection with its sale of Gryphon common stock to Gryphon, Cheniere has a one-year option to repurchase all or a portion of the 51,400 shares at a price of \$50 per share if exercised within 120 days of the sale or at prices increasingly ratably thereafter to approximately \$68 per share one year after the sale (approximately \$61 per share as of November 11, 2002). As consideration for the shares, Gryphon agreed to make payments in full satisfaction of certain existing and contingent

obligations of Cheniere totaling \$3,561,692. Cheniere, Gryphon, and Fairfield Industries, Inc. reached a settlement agreement whereby a lawsuit and related claims asserted by Fairfield against Cheniere and Gryphon were dismissed. (See additional discussion of the claims and settlement thereof under "Legal Proceedings" on page 18 of this Quarterly Report.)

The board of directors of Gryphon approved cash calls of \$5,000,000 in July 2002 and \$10,000,000 in October 2002. Cheniere elected not to participate in either of the cash calls. Warburg funded Cheniere's portion of the July and October 2002 cash calls, reducing Cheniere's interest in Gryphon on an as-converted basis to 9.3%. Although Cheniere's as-converted ownership in Gryphon has been reduced to 9.3%, Cheniere continues to exercise significant influence over the operating and financial policies of Gryphon through its participation on Gryphon's board of directors. As a result of continued dilution of Cheniere's ownership interest in Gryphon, Cheniere is no longer entitled to representation on Gryphon's board, however, the other directors on Gryphon's board have elected for Cheniere's board representation to continue. Cheniere holds an option to acquire 51,400 shares of Gryphon common stock for an amount, which increases ratably from \$2,570,000 in July 2002 to approximately \$3,474,000 in March 2003. If Cheniere were to exercise the option to purchase Gryphon shares, its as-converted ownership in Gryphon would increase to approximately 14.0%.

Note 5 - Sale of Interest in LNG Terminal Project

In June 2002, the Company sold options to purchase up to a 20% interest in its planned LNG receiving terminal in Freeport, Texas. The exercise price for an initial 10% interest in the project is \$1,500,000, consisting of a \$750,000 payment made at signing and the balance payable upon exercise of the option. If the holder elects not to exercise the initial 10% option, Cheniere will repay the \$750,000 on or prior to July 15, 2003 under the terms of its note payable (Note 3). The options will expire on December 15, 2002 or earlier upon the occurrence of certain events. The purchaser would also be responsible for its share of all project costs, subsequent to January 1, 2002.

In August 2002, Cheniere entered into an agreement with entities controlled by Michael S. Smith to sell a 60% interest in its planned LNG receiving facility at Freeport, Texas. Cheniere's Freeport LNG project will be acquired by Freeport LNG Development, L.P. ("Freeport LNG"), in which Cheniere will own a 40% interest. Freeport LNG will pay Cheniere \$5,000,000 in cash and will spend up to \$9,000,000 to obtain permits and prepare the project for the construction phase with no further contribution by Cheniere. After contribution of the full \$9,000,000, additional expenses will be borne by the parties pro rata based on their respective ownership interests. The cash payments to Cheniere are payable: \$1,000,000 at closing, which is to occur on or before December 13, 2002 unless extended by the parties; \$750,000 on July 15, 2003 and October 15, 2003; and \$2,500,000 30 days after all construction permits are obtained. Upon the signing of a definitive lease agreement for the Freeport, Texas terminal site, Freeport LNG will also

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CHENIERE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Unaudited)

pay to Cheniere \$650,000 for related costs and expenses, which amount would be reimbursable by Cheniere should the sale to Freeport LNG not be completed.

Note 6 - Related Party Transactions

In April 2002, Cheniere's president advanced amounts totaling \$30,000 to the Company. Subsequent to its sale of producing oil and gas properties, Cheniere repaid the advances on April 25, 2002, with accrued interest at 10% per annum totaling \$122.

Note 7 - Non-Cash Transactions

In March 2002, the Company sold 51,400 shares of Gryphon common stock back to Gryphon in connection with the settlement of a lawsuit filed by Fairfield Industries Incorporated against Cheniere and Gryphon. The shares were valued at \$1,562,352. The Company recorded \$1,062,352 to oil and gas properties and \$500,000 to accounts payable in connection with the transaction.

Note 8 - Subsequent Events

On October 18, 2002, the Company received a cash call from Gryphon for \$10,000,000, (\$1,047,486 net to Cheniere) payable by November 5, 2002. The Company elected not to participate in this cash call. With Warburg's funding of Cheniere's portion of the cash call, the Company's ownership interest in Gryphon on an as-converted basis was reduced to 9.3%.

Item 2. Management's Discussion and Analysis of Financial Condition
and Results of Operations

General

The Company's unaudited consolidated financial statements and notes thereto relate to the three-month and nine-month periods ended September 30, 2002 and 2001. These statements, the notes thereto and the consolidated financial statements included in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2001 contain detailed information that should be referred to in conjunction with the following discussion.

Production and Product Prices

Information concerning the Company's production and average prices received for the three-month and nine-month periods ended September 30, 2002 and 2001 is presented in the following table:

<TABLE>
<CAPTION>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Production				
Oil (Bbls)	-	355	490	1,880
Gas (Mcf)	6,735	141,037	87,167	448,980
Gas equivalents (Mcf)	6,735	143,167	90,107	460,260
Average sales prices				
Oil (per Bbl)	\$ -	\$ 26.15	\$ 20.00	\$ 28.92
Gas (per Mcf)	\$ 3.27	\$ 2.90	\$ 2.51	\$ 4.92
Gas equivalents (per Mcfe)	\$ 3.27	\$ 2.92	\$ 2.53	\$ 4.94

</TABLE>

Results of Operations

Comparison of Three-Month Periods Ended September 30, 2002 and 2001 - The Company's operating results for the three months ended September 30, 2002 reflect a loss of \$1,474,972, or \$0.11 per share, compared to a loss of \$5,057,915, or \$0.38 per share a year earlier. The principal factors contributing to the \$3,582,943 decrease in Cheniere's loss for the quarter were: (1) oil and gas activities, including the effects of a \$2,966,603 ceiling test write-down in the 2001 period; (2) LNG related expenses, which increased \$571,007 due to the commencement of engineering work related to the Company's preparation in 2002 for regulatory filings related to its Freeport, Texas LNG receiving terminal site; (3) other general and administrative expenses, which decreased by \$270,327; and (4) Cheniere's equity in net loss of unconsolidated affiliate, which decreased \$929,482.

In the third quarter of 2002, Cheniere recorded oil and gas revenues of \$21,998 compared to \$395,540 a year earlier. Depreciation, depletion and amortization ("DD&A") of oil and gas property costs also decreased significantly to \$3,981 for the 2002 quarter compared to \$292,059 for the 2001 quarter. Production costs declined to zero from \$68,943 in 2001. The decreases in all areas of oil and gas operations are the result of lower production due to the Company's sale of its West Cameron Block 49 properties on April 22, 2002.

General and administrative ("G&A") expenses, net of amounts capitalized, were \$1,366,090 and \$1,157,574 in the third quarters of 2002 and 2001, respectively. Total G&A expenses increased by \$232,516 to \$1,577,090 in the third quarter of 2002 from the total of \$1,344,574 of a year earlier. Consulting fees increased by \$339,242, principally related to permitting, environmental and regulatory

work related to the LNG receiving terminal project. Investor relations expense decreased by \$73,496, principally related to a non-cash issuance of warrants valued at \$93,000 granted to a consultant in the 2001 quarter to purchase 50,000 shares of Cheniere common stock. Offsetting total G&A expenses were amounts capitalized to the Company's oil and gas properties. Cheniere capitalizes as oil and gas property costs that portion of G&A expenses directly related to its exploration and development activities. Cheniere capitalized \$211,000 in the third quarter of 2002 compared to \$187,000 a year earlier.

Cheniere accounts for its investment in Gryphon using the equity method of accounting because Cheniere's participation on the Gryphon board of directors provides significant influence over the operating and financial policies of Gryphon. Cheniere's equity share of Gryphon's losses for the three months ended September 30, 2002 was zero, calculated by applying Cheniere's 100% common stock ownership interest to Gryphon's net income of \$1,429,000, reducing such result for Gryphon's preferred dividend arrearages of \$1,563,094 and limiting the amount of loss recognized to the balance of Cheniere's investment in Gryphon as of June 30, 2002. In the second quarter of 2002, Cheniere's basis of its investment in Gryphon was reduced to zero, but not below zero, because Cheniere does not guarantee any obligations of Gryphon and is not committed to provide additional financial support to Gryphon. The amount of Gryphon's net loss that has not yet been recorded by Cheniere was \$2,571,218 at September 30, 2002. For the three months ended September 30, 2001, Cheniere's equity share of Gryphon's losses was \$929,482, calculated by applying Cheniere's 100% common stock ownership interest to Gryphon's net loss of \$46,074 and reducing such result for Gryphon's preferred dividend arrearages of \$883,408. At such time as Warburg converts its preferred shares to common shares, Cheniere's equity share of Gryphon's earnings will be calculated at 9.3%, based on the number of Gryphon shares outstanding at November 11, 2002.

Comparison of Nine-Month Periods Ended September 30, 2002 and 2001 - The Company's operating results for the nine months ended September 30, 2002 reflect a loss of \$6,371,968, or \$0.48 per share, compared to a loss of \$9,754,391, or \$0.75 per share a year earlier. The principal factors contributing to the \$3,382,423 decrease in Cheniere's loss for the period were: (1) oil and gas activities, including the effects of ceiling test write-downs of \$5,126,248 in the 2001 period combined with a \$340,257 gain on the sale of properties in 2002, offset by a decline in oil and gas operating results of \$867,496 for 2002 principally due to Cheniere's April 2002 sale of properties; (2) LNG related expenses, which increased \$1,409,490 due to the commencement of engineering work related to the Company's preparation in 2002 for regulatory filings related to its Freeport, Texas LNG receiving terminal site; (3) other general and administrative expenses, which decreased by \$548,314; and (4) Cheniere's equity in net loss of unconsolidated affiliate, which increased \$247,935.

In the first nine months of 2002, Cheniere recorded oil and gas revenues of \$221,557 compared to \$2,142,028 a year earlier. The \$1,920,471 decrease in revenues results from: (1) the Company's sale of its West Cameron Block 49 producing oil and gas properties on April 22, 2002; (2) a decline in production rates due to depletion of currently producing zones and due to mechanical problems on one of the Company's active two wells in 2002, which caused it to be off production for the two months prior to their sale; and (3) the decline in product prices between periods which created a negative price variance of approximately \$217,000.

Depreciation, depletion and amortization ("DD&A") of oil and gas property costs decreased to \$71,921 from \$938,928 and production costs decreased to \$90,038 from \$276,006 for the 2002 period as compared to 2001 because of the production decline described above in the discussion of Cheniere's revenues.

G&A expenses, net of amounts capitalized, were \$4,250,308 and \$3,479,732 in the first nine months of 2002 and 2001, respectively. Total G&A expenses increased by \$781,576 to \$4,869,308 in the first nine months of 2002 from the total of \$4,087,732 of a year earlier. Consulting fees increased by \$1,174,314, principally related to permitting, environmental and regulatory work related to the LNG receiving terminals project. Legal fees decreased by \$275,291, principally related to the decreased level of

legal involvement in the LNG project in 2002 as compared to 2001. Investor relations expense decreased by \$147,600, principally related to a non-cash issuance of warrants valued at \$93,000 granted to a consultant in the 2001 period to purchase 50,000 shares of Cheniere common stock. Offsetting total G&A expenses were amounts capitalized to the Company's oil and gas properties. Cheniere capitalizes as oil and gas property costs that portion of G&A expenses directly related to its exploration and development activities. Cheniere capitalized \$619,000 in the first nine months of 2002 compared to \$608,000 a year earlier.

Cheniere accounts for its investment in Gryphon using the equity method of accounting because Cheniere's participation on the Gryphon board of directors provides significant influence over the operating and financial policies of Gryphon. Cheniere's equity share of Gryphon's losses for the nine months ended September 30, 2002 was \$2,184,847, calculated by applying Cheniere's 100% common stock ownership interest to Gryphon's net loss of \$701,000, reducing such result for Gryphon's preferred dividend arrearages of \$4,055,062 and limiting the cumulative amount of net loss recognized to the balance of Cheniere's investment in Gryphon. In the second quarter of 2002, Cheniere's basis of its investment in

Gryphon was reduced to zero, but not below zero, because Cheniere does not guarantee any obligations of Gryphon and is not committed to provide additional financial support to Gryphon. The amount of Gryphon's net loss that has not yet been recorded by Cheniere was \$2,571,218 at September 30, 2002. For the nine months ended September 30, 2001, Cheniere's equity share of Gryphon's losses was \$1,936,912, calculated by applying Cheniere's 100% common stock ownership interest to Gryphon's net income of \$77,445 and reducing such result for Gryphon's preferred dividend arrearages of \$2,014,357. At such time as Warburg converts its preferred shares to common shares, Cheniere's equity share of Gryphon's earnings will be calculated at 9.3%, based on the number of Gryphon shares outstanding at November 11, 2002.

Liquidity and Capital Resources

Cash balances and cash flows from current operations will not be adequate to meet the future liquidity requirements of the Company. In addition to its operating expenses and the repayment of a \$750,000 note payable which is due in July 2003, the Company will need to finance approximately \$8,000,000 of costs and expenses in connection with the permitting, environmental and regulatory work planned for 2002 and 2003, related to the development of Cheniere's initial LNG receiving terminal. (See discussion under "Sale of Interest in Freeport, Texas LNG Terminal" on page 16 of this Quarterly Report.) As a result, there is uncertainty about the Company's ability to continue as a going concern. The Company expects that future liquidity requirements will be met by one or more of the following: sale of all or a portion of the Company's interest in oil and gas properties, sales of portions of its working interest in the prospects within its exploration program, sale to an industry partner of a participation in the Company's exploration program, sale of all or a portion of its investment in Gryphon, sale of a participation interest in the Company's LNG project, sale of options on throughput capacity for the Company's planned LNG terminals and/or additional offerings of the Company's equity securities. Management expects to meet all of its liquidity requirements through December 31, 2002 through such sources. In the event that the Company is unable to obtain additional capital from one or more of these sources, its financial position and operations could be adversely affected. The accompanying consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty.

Cash Flow from Operating Activities

On April 22, 2002, Cheniere sold its producing oil and gas properties for \$2,235,365, with an effective date of January 1, 2002. The Company continues to own an overriding royalty interest (less than 1%) in a well which began production in February 2002. During 2002, Cheniere's partners have drilled an additional four discoveries on prospects sold by Cheniere, and the Company expects that additional wells will be drilled on prospects it has sold to industry partners. Cheniere retains an overriding royalty interest and/or a working interest in these wells. The Company expects oil and gas revenues will not be significant

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until late 2003 when the wells are projected to reach payout, at which time Cheniere will be able to convert its overriding royalty interests into larger working interest positions in these wells.

Note Payable

In March 2002, the Company entered into a short-term bridge financing arrangement with an unrelated third party lender. The amount of the borrowing was \$500,000. The term was 120 days. Interest was payable monthly at 10% per annum. Warrants were issued to the lender for the purchase of 150,000 shares of Cheniere common stock, exercisable at a price of \$2.50 per share on or before March 7, 2012. Additionally, Cheniere extended the term to March 7, 2012 on existing warrants for the purchase of 255,417 shares held by parties affiliated with the lender. Based on the Black-Scholes model, the warrants issued (150,000 shares) and the extension of existing warrants (255,417 shares) in connection with this financing arrangement have an aggregate value of \$241,939. Debt discount of \$163,045 was recorded based on the relative fair values of the note payable and the warrants. An additional 50,000 warrants were required to be issued to the lender for each month or partial month for which the principal remained unpaid after April 7, 2002. The Company repaid the loan on April 22, 2002, resulting in a loss on early extinguishment of debt in the amount of \$100,544, which is classified as an ordinary loss in the Company's statement of operations. Cheniere also issued an additional 50,000 warrants to the lender, valued at \$24,054 based on the Black-Scholes model.

In June 2002, Cheniere received \$750,000 as a refundable payment for the sale of two options to purchase an aggregate of up to a 20% interest in its Freeport LNG receiving terminal project. In the event the first option is exercised, the payment is applied to the purchase price. In the event the option is not exercised, the payment is refundable, and repayment is secured by a note payable executed by Cheniere. The note is payable in full on July 15, 2003. It

will bear interest at 8%, payable at maturity and accruing from the earlier of the time the option expires or the date the holder elects not to exercise. As of September 30, 2002, the note has not yet begun to bear interest. The note is secured by Cheniere's revenues, accounts receivable and other assets.

Exploration Funding

On October 11, 2000, Cheniere completed a transaction with Warburg to fund its exploration program on approximately 8,800 square miles of seismic data in the Gulf of Mexico through a newly formed affiliated company, Gryphon. Cheniere contributed selected assets and liabilities in exchange for 100% of the common stock of Gryphon (36.8% effective interest after conversion of preferred stock) and \$2,000,000 in cash. Such assets included: Cheniere's seismic data license covering 8,800 square miles offshore Louisiana, certain offshore leases, a prospect then being drilled, its exploration agreement with an industry partner and certain other assets and liabilities. Warburg contributed \$25,000,000 and received preferred stock, with an 8% cumulative dividend, convertible into 63.2% of Gryphon's common stock. Cheniere and Warburg also had options, under certain circumstances, to contribute an additional \$75,000,000 to Gryphon, proportionate to their respective ownership interests. As of September 30, 2002, Warburg has funded an additional \$50,000,000, making its total cash contributions to Gryphon \$75,000,000. The effect of Cheniere's decision not to fund these subsequent cash calls to date, and the effect of sales of Gryphon common stock held by Cheniere back to Gryphon, have reduced Cheniere's effective ownership in Gryphon to 10.4% as of September 30, 2002. On October 18, 2002, the Company received a cash call from Gryphon for \$10,000,000, (\$1,047,486 net to Cheniere) payable by November 5, 2002. The Company elected not to participate in this cash call. With Warburg's funding of Cheniere's portion of the cash call, the Company's ownership interest in Gryphon on an as-converted basis was further reduced to 9.3%.

In connection with the seismic license contributed to Gryphon upon its formation, Cheniere entered into an agreement with the third party issuer of the license. The agreement provided that Cheniere would pay a transfer fee to the third party in an aggregate amount of up to \$2,500,000. Such transfer fee was contingent upon Gryphon's completion of up to ten successful wells during the license period and within the license area. Cheniere's existing and contingent obligations under this agreement were fully

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discharged in March 2002 in connection with its sale of Gryphon common stock to Gryphon and the related assumption by Gryphon of these obligations.

Seismic Reprocessing

Between June 2000 and October 2000, Cheniere acquired licenses to approximately 6,800 square miles of seismic data primarily in the shallow waters offshore Texas and also in the West Cameron area in the Gulf of Mexico (the "Offshore Texas Project Area") in separate transactions with Seitel Data Ltd., a division of Seitel Inc., and JEBCO Seismic, L.P. Cheniere committed to reprocess all of the data from the Offshore Texas Project Area at a cost of approximately \$8,500,000, payable in installments beginning in October 2000 and continuing through the final delivery of reprocessed data, which was expected to occur in 2002. Deliveries of reprocessed data began in May 2001. After the assumption of liabilities by Gryphon related to its purchase in 2001 of one license to the data and related to the March 2002 sale of 51,400 shares of its Gryphon common stock back to Gryphon (Note 4), Cheniere has no existing or contingent liability related to seismic reprocessing as of September 30, 2002.

Sale of Proprietary Seismic Data

In September 2001, Cheniere acquired all rights to its 228-square-mile proprietary seismic database from the industry partner with whom it had jointly acquired the data in 1996 and 1997. Cheniere subsequently sold the seismic data to a seismic marketing company for \$2,500,000 and a share in licensing proceeds generated by the marketing company. In September 2002, Cheniere sold its remaining interest in future licensing proceeds to the marketing company for \$825,000. Proceeds from the September 2001 and 2002 sales of 3D seismic data were recorded as a reduction to the Company's unproved oil and gas property costs. Cheniere retains a license to all of the seismic data for use in its exploration program.

Sale of Interest in Freeport, Texas LNG Terminal

In August 2002, Cheniere entered into an agreement with entities controlled by Michael S. Smith to sell a 60% interest in its planned LNG receiving facility at Freeport, Texas. Cheniere's Freeport LNG project will be acquired by Freeport LNG Development, L.P. ("Freeport LNG"), in which Cheniere will own a 40% interest. Freeport LNG will pay Cheniere \$5,000,000 in cash and will spend up to \$9,000,000 to obtain permits and prepare the project for the construction phase with no further contribution by Cheniere. After contribution of the full \$9,000,000, additional expenses will be borne by the parties pro rata based on

their respective ownership interests. The cash payments to Cheniere are payable: \$1,000,000 at closing, which is to occur on or before December 13, 2002, unless extended by the parties; \$750,000 on July 15, 2003 and October 15, 2003; and \$2,500,000 30 days after all construction permits are obtained. Upon the signing of a definitive lease agreement for the Freeport, Texas terminal site, Freeport LNG will also pay to Cheniere \$650,000 for related costs and expenses, which amount would be reimbursable by Cheniere should the sale to Freeport LNG not be completed.

Recently Issued Statements of Financial Accounting Standards

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (FAS) No. 143, Accounting for Asset Retirement Obligations (ARO), which requires that an asset retirement obligation be capitalized as part of the cost of the related long-lived asset and allocated to expense by using a systematic and rational method. Under this Statement, the ARO liability is recorded at its present value, and an entity is required to recognize changes in the ARO liability resulting from the passage of time and revisions in cash flow estimates. This Statement is effective for financial statements issued for fiscal years beginning after June 15, 2002. The Company expects to adopt FAS 143 on January 1, 2003. The Company has not yet determined the impact that the adoption of FAS 143 will have on its earnings or statement of financial position.

In May 2002, the FASB issued FAS 145, Rescission of FAS Nos. 4, 44, and 64, Amendment of FAS 13, and Technical Corrections as of April 2002. This Statement, among other matters, rescinds FAS

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4, Reporting Gains and Losses from Extinguishment of Debt, and an amendment of that Statement, FAS 64, Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements. FAS 145 also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. FAS 145, as it relates to the rescission of FAS 4, shall be applied in fiscal years beginning after May 15, 2002. Any gain or loss on extinguishment of debt that was classified as an extraordinary item in prior periods and which does not meet the extraordinary item criteria in Opinion 30 shall be reclassified. The Company early adopted FAS 145 in the second quarter of 2002 and reflected its loss on early extinguishment of debt as an ordinary loss in the statement of operations.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or verbal forward-looking statements, including statements contained in this report and other filings with the Securities and Exchange Commission and in reports to its stockholders.

All statements, other than statements of historical facts so included in this report that address activities, events or developments that the Company intends, expects, projects, believes, or anticipates will or may occur in the future are forward-looking statements within the meaning of the Act, including, without limitation; (i) statements regarding the Company's business strategy, plans and objectives and (ii) statements expressing beliefs and expectations regarding the ability of the Company to secure the leases necessary to facilitate anticipated drilling activities, the ability of the Company to attract additional working interest owners to participate in its exploration and development activities and the ability of the Company to fund the development phase of its LNG project, and to obtain the appropriate permits and environmental approvals necessary to begin construction of an LNG terminal. These forward-looking statements are, and will be, based on management's then current views and assumptions regarding future events.

Factors That May Impact Forward-Looking Statements or Financial Performance

The following are some of the important factors that could affect the Company's financial performance or could cause actual results to differ materially from estimates contained in the Company's forward-looking statements:

- The Company's ability to generate sufficient cash flows to support capital expansion plans, obligations to repay debt and general operating activities.
- The Company's ability to obtain additional financing from lenders, through debt or equity offerings, or through sales of a portion of its interest in prospects.
- The Company's ability to encounter hydrocarbons in sufficient quantities to be economically viable, and its ability to overcome the operating hazards which are inherent in the oil and gas industry and

which are intensified by the Company's concentration of its producing oil and gas assets in few properties.

- Changes in laws and regulations, including changes in accounting standards, taxation requirements (including tax rate changes, new tax laws and revised tax law interpretations) and environmental laws in domestic or foreign jurisdictions.
- The uncertainties of litigation as well as other risks and uncertainties detailed from time to time in the Company's Securities and Exchange Commission filings.

The foregoing list of important factors is not exclusive.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company produces and sells natural gas, crude oil and condensate. As a result, the Company's financial results can be significantly affected as these commodity prices fluctuate widely in response to changing market forces. The Company has not entered into any derivative transactions as of September 30, 2002.

Item 4. Disclosure Controls and Procedures

Within the 90 days prior to the date of this Quarterly Report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II. Other Information

Item 1. Legal Proceedings

The Company has been and may in the future be involved as a party to various legal proceedings, which are incidental to the ordinary course of business. Management regularly analyzes current information and as necessary, provides accruals for probable liabilities on the eventual disposition of these matters. In the opinion of management and legal counsel, as of September 30, 2002, there were no threatened or pending legal matters that would have a material impact on the Company's consolidated results of operations, financial position or cash flows.

In February 2002, the Company received a copy of a lawsuit styled Fairfield Industries Incorporated (Fairfield) vs. Cheniere Energy, Inc. and Gryphon Exploration Company, which was filed in district court in Harris County, Texas. The lawsuit related to a seismic license agreement between Fairfield and Cheniere, which was later assigned to Gryphon. In the lawsuit, Fairfield alleged that Cheniere and Gryphon conspired to defraud the plaintiff of certain transfer payments, which may be owed by Cheniere in connection with the transfer to Gryphon of the initial seismic contributed at the time of its formation. In March 2002, Fairfield, Gryphon, and the Company settled this lawsuit. Existing and contingent obligations to Fairfield by Cheniere totaling \$2,500,000 have been fully discharged through agreement by Gryphon to make current and contingent payments as part of the consideration for the transfer of 51,400 Gryphon common shares from Cheniere to Gryphon.

Item 5. Other Information

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the Chief Executive Officer and the Chief Financial Officer of the Company has

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certified that this Quarterly Report of the Company on Form 10-Q for the period ended September 30, 2002 (this "Quarterly Report") fully complies with the

requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Item 6. Exhibits and Reports on Form 8-K

(a) Each of the following exhibits is incorporated by reference or filed herewith:

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Cheniere Energy, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the three months ended June 30, 1999 (File No. 0-09092))
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Cheniere Energy, Inc. (incorporated by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q for the three months ended June 30, 1999 (File No. 0-09092))
3.3	By-laws of Cheniere as amended through April 7, 1997 (incorporated by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K filed on March 29, 1999 (File No. 0-9092))
99.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Current Reports on Form 8-K:

September 4, 2002 - Cheniere filed a Current Report on Form 8-K disclosing that the Company had entered into a contribution agreement with unrelated entities to sell a 60% interest in its planned LNG receiving facility at Freeport, Texas.

September 26, 2002 - Cheniere filed a Current Report on Form 8-K disclosing that the Company had entered into an extension and amendment to the contribution agreement to extend the closing date of the transaction.

October 22, 2002 - Cheniere filed a Current Report on Form 8-K disclosing that the Company dismissed PricewaterhouseCoopers LLP as the Company's principal accountant and engaged Mann Frankfort Stein & Lipp CPAs, L.L.P. as the Company's principal accountant for the fiscal year ending December 31, 2002.

November 5, 2002 - Cheniere filed a Current Report on Form 8-K disclosing that the Company had entered into a second extension and amendment to the contribution agreement which provides for, among other things: (i) a payment by Freeport LNG Investments, LLC prior to the closing of the Agreement to pay or reimburse Cheniere for certain costs and expenses related to the Freeport LNG terminal; (ii) the transition of certain employees of Cheniere to the partnership; and (iii) an option to Freeport LNG Investments, LLC to extend the closing for up to 60 days under certain conditions.

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SIGNATURES

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

CHENIERE ENERGY, INC.

/s/ Don A. Turkleson

Don A. Turkleson
Chief Financial Officer (on behalf of the
registrant and as principal
accounting officer)

Date: November 11, 2002

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CERTIFICATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO SECURITIES EXCHANGE ACT
RULE 13A-14

I, Charles M. Reimer, certify that:

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

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls;

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 11, 2002

/s/Charles M. Reimer

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Charles M. Reimer

Chief Executive Officer

CERTIFICATION BY CHIEF FINANCIAL OFFICER PURSUANT TO SECURITIES EXCHANGE ACT
RULE 13A-14

I, Don A. Turkleson, certify that:

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

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls;

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 11, 2002

/s/Don A. Turkleson

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Don A. Turkleson
Chief Financial Officer

CERTIFICATION 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 September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the Report), I Charles M. Reimer, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (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.

Dated: November 11, 2002

/s/ Charles M. Reimer

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Charles M. Reimer
Chief Executive Officer

CERTIFICATION 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 September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the Report), I Don A. Turkleson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (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.

Dated: November 11, 2002

/s/ Don A. Turkleson

Don A. Turkleson
Chief Financial Officer