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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 March 31, 2003

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 .

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes No .

As of May 9, 2003, there were 14,840,285 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>
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ASSETS	March 31, 2003	December 31, 2002
-----	-----	-----
	(Unaudited)	
	<C>	<C>
<S>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 403,663	\$ 590,039
Accounts Receivable	1,704,075	1,137,682
Prepaid Expenses	280,707	121,099
	-----	-----
Total Current Assets	2,388,445	1,848,820
OIL AND GAS PROPERTIES, full cost method		
Proved Properties, net	838,082	842,882
Unproved Properties, not subject to amortization	16,810,084	16,751,347
	-----	-----
Total Oil and Gas Properties	17,648,166	17,594,229
LNG SITE COSTS	-	1,400,000
FIXED ASSETS, net	195,823	216,341
INVESTMENT IN UNCONSOLIDATED AFFILIATE	-	-
INVESTMENT IN LIMITED PARTNERSHIP	4,771,529	-
	-----	-----
Total Assets	\$ 25,003,963	\$ 21,059,390
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		

CURRENT LIABILITIES		
Accounts Payable	\$ 604,527	\$ 1,828,267
Accrued Liabilities	2,329,493	683,788
Note Payable	206,250	750,000
	-----	-----
Total Current Liabilities	3,140,270	3,262,055
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	42,359,285	41,414,236
Accumulated Deficit	(20,535,484)	(23,656,793)
	-----	-----
Total Stockholders' Equity	21,863,693	17,797,335
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 25,003,963	\$ 21,059,390
	=====	=====

</TABLE>

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

Cheniere Energy, Inc. and Subsidiaries
Consolidated Statement of Operations
(Unaudited)

<TABLE>
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	Three Months Ended March 31,	
	2003	2002
	----- <C>	----- <C>
<S>		
Revenues		
Oil and Gas Sales	\$ 110,120	\$ 161,604
Total Revenues	----- 110,120	----- 161,604
Operating Costs and Expenses		
Production Costs	-	65,336
Depreciation, Depletion and Amortization	58,692	114,691
General and Administrative Expenses		
LNG Terminal Development	394,061	727,407
Other	520,111	572,671
General and Administrative Expenses	----- 914,172	----- 1,300,078
Total Operating Costs and Expenses	----- 972,864	----- 1,480,105
Loss from Operations	(862,744)	(1,318,501)
Equity in Net Loss of Unconsolidated Affiliate	-	(1,213,909)
Equity in Net Loss of Limited Partnership	(1,200,000)	-
Gain on Sale of LNG Assets	4,760,000	-
Gain on Sale of Limited Partnership Interest	423,454	-
Interest Income	599	1,443
	-----	-----
Income/(Loss) Before Income Taxes	3,121,309	(2,530,967)
Provision for Income Taxes	-	-
	-----	-----
Net Income/(Loss)	\$ 3,121,309	\$ (2,530,967)
	=====	=====
Net Income/(Loss) Per Share - Basic	\$ 0.23	\$ (0.19)
	=====	=====
Net Income/(Loss) Per Share - Diluted	\$ 0.23	\$ (0.19)
	=====	=====
Weighted Average Number of Shares Outstanding - Basic	13,297,393	13,297,393
	=====	=====
Weighted Average Number of Shares Outstanding - Diluted	13,500,481	13,297,393
	=====	=====

</TABLE>

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

Cheniere Energy, Inc. and Subsidiaries
Consolidated Statement of Stockholders' Equity
(Unaudited)

<TABLE>
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	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Equity
	----- Shares	----- Amount			
Stockholders'					

<S>	<C>	<C>	<C>	<C>	<C>
Balance - December 31, 2001	13,297,393	\$ 39,892	\$ 41,133,868	\$ (18,024,485)	\$
23,149,275					
Issuance of Warrants	-	-	163,045	-	
163,045					

Net Loss	-	-	-	(2,530,967)	
(2,530,967)					

Balance - March 31, 2002	13,297,393	\$ 39,892	\$ 41,296,913	\$ (20,555,452)	\$
20,781,353					
=====					
Balance - December 31, 2002	13,297,393	\$ 39,892	\$ 41,414,236	\$ (23,656,793)	\$
17,797,335					
Issuances of Warrants	-	-	945,049	-	
945,049					
Net Income	-	-	-	3,121,309	
3,121,309					

Balance - March 31, 2003	13,297,393	\$ 39,892	\$ 42,359,285	\$ (20,535,484)	\$
21,863,693					
=====					

</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>
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	Three Months Ended March 31,	
	2003	2002
	-----	-----
	<C>	<C>
<S>		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income/(Loss)	\$ 3,121,309	\$ (2,530,967)
Adjustments to Reconcile Net Income/(Loss) to Net Cash Used In Operating Activities:		
Depreciation, Depletion and Amortization	58,692	114,691
Non-Cash Expense	(3,636)	90,000
Equity in Net Loss of Unconsolidated Affiliate	-	1,213,909
Equity in Net Loss of Limited Partnership	1,200,000	-
Gain on Sale of LNG Assets	(4,760,000)	-
Gain on Sale of Limited Partnership Interest	(423,454)	-
	-----	-----
	(807,089)	(1,112,367)
Changes in Operating Assets and Liabilities		
Accounts Receivable	456,729	20,738
Prepaid Expenses	(236,008)	(66,754)
Accounts Payable and Accrued Liabilities	(730,546)	565,681
	-----	-----
NET CASH USED IN OPERATING ACTIVITIES	(1,316,914)	(592,702)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Fixed Assets	(12,215)	(1,847)
Oil and Gas Property Additions	(454,847)	(365,576)
Sale of Interest in Oil and Gas Prospects	391,350	-
LNG Site Costs	-	(125,000)
Sale of LNG Assets	1,000,000	-
	-----	-----
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	924,288	(492,423)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Issuance of Note Payable and Attached Warrants	-	500,000
Proceeds from Issuance of Note Payable	225,000	-
Repayment of Note Payable	(18,750)	-
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	206,250	500,000
	-----	-----
NET DECREASE IN CASH AND CASH EQUIVALENTS	(186,376)	(585,125)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	590,039	610,718
	-----	-----
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 403,663	\$ 25,593

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 for the year ended December 31, 2002. Interim results are not necessarily indicative of results to be expected for the full fiscal year ending December 31, 2003. 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 (SFAS) No. 143, Accounting for Asset Retirement Obligations (ARO), which requires that an asset retirement cost 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, an entity is not required to re-measure an ARO liability at fair value each period but is required to recognize changes in an 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 adopted SFAS 143 effective January 1, 2003. As the Company currently has no long-lived assets for which it has a legal obligation associated with the retirement of such assets, the initial adoption of SFAS 143 had no impact on its earnings or statement of financial position.

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure, which amends SFAS No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. This Statement is effective for fiscal years ending after December 15, 2002 for transition guidance and annual disclosure provisions, and for financial reports containing financial statements for interim periods beginning after December 15, 2002 for interim disclosure provisions. The Company is not currently transitioning to the fair value method of accounting for stock-based compensation, however it adopted the disclosure provisions of SFAS No. 148 effective with its fiscal year ended December 31, 2002.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities (FIN No. 46), which addresses consolidation by business enterprises of variable interest entities. FIN No. 46 clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, to certain entities in which equity investors do not have the characteristics of a

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

controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN No. 46 applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. It applies in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The Company does not expect to identify any

variable interest entities that must be consolidated. In the event a variable interest entity is identified, the Company does not expect the requirements of FIN No. 46 to have a material impact on its financial condition or results of operations.

Stock-Based Compensation

The Company accounts for stock-based compensation granted under its long-term incentive plan using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations. Stock-based compensation expense associated with option grants were not recognized in the net income (loss) of the three month periods ended March 31, 2003 and 2002, as all options granted had exercise prices equal to the market value of the underlying common stock on the dates of grant. The following table illustrates the effect on net income (loss) and earnings per share if the Company had applied the fair value recognition provisions of SFAS 123 to stock-based employee compensation:

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2003	2002
<S>	<C>	<C>
Net income (loss), as reported	\$ 3,121,309	\$ (2,530,967)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(141,062)	(133,512)
Pro forma net income (loss)	\$ 2,980,247	\$ (2,664,479)
Net income (loss) per share:		
Basic - as reported	\$ 0.23	\$ (0.19)
Basic - pro forma	\$ 0.22	\$ (0.20)
Diluted - as reported	\$ 0.23	\$ (0.19)
Diluted - pro forma	\$ 0.22	\$ (0.20)

</TABLE>

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

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 the first three months of 2003, the Company's exploration program has made discoveries which have added approximately 0.5 Bcfe to its proved oil and gas reserves. The Company's current ownership in these properties takes the form of an overriding royalty interest.

Note 3 - Investment in Unconsolidated Affiliate

Until January 1, 2003, Cheniere accounted for its investment in Gryphon using the equity method of accounting because its participation on the Gryphon board of directors provided significant influence over the operating and financial policies of Gryphon. In December 2002, the extent of such influence was diminished when one of the two Cheniere-appointed representatives on the Gryphon board of directors resigned his position as an officer of Cheniere. Effective on January 1, 2003, Cheniere began accounting for its investment in Gryphon using the cost method of accounting.

As of December 31, 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. For the three months ended March 31, 2003, Cheniere received no dividends from Gryphon and, accordingly, reported no income from its investment in Gryphon. For the three months ended March 31, 2002, Cheniere's equity share of Gryphon's losses was \$1,213,909, calculated by applying Cheniere's 100% common stock ownership interest to Gryphon's net loss of \$49,032 and reducing such result for Gryphon's preferred dividend arrearages of \$1,164,877.

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. Through March 31, 2003, Warburg, Pincus Equity Partners, L.P. ("Warburg") had invested \$85,000,000 in Gryphon preferred stock. If Warburg were to convert its investment to common stock, Cheniere's ownership interest would be reduced to 9.3%. As of March 31, 2003, the amount of Gryphon's preferred dividends in arrears was \$11,209,708.

The financial position of Gryphon at March 31, 2003 and December 31, 2002 and the results of Gryphon's operations for the three months ended March 31, 2003 and 2002 are summarized as follows (in thousands):

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

<TABLE>
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	March 31, 2003	December 31, 2002
	-----	-----
	(Unaudited)	
<S>	<C>	<C>
Current assets	\$ 18,992	\$ 12,215
Oil and gas properties, full cost method		
Proved properties, net	55,557	54,322
Unproved properties	38,890	36,685
	-----	-----
	94,447	91,007
Fixed assets, net	837	458
	-----	-----
Total assets	\$ 114,276	\$ 103,680
	=====	=====
Current liabilities	\$ 13,305	\$ 11,870
Long term liabilities	5,083	-
Deferred tax liabilities	3,496	2,043
Stockholders' equity	92,392	89,767
	-----	-----
Total liabilities and stockholders' equity	\$ 114,276	\$ 103,680
	=====	=====

</TABLE>

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2003	2002
	-----	-----
	(Unaudited)	
<S>	<C>	<C>
Revenues	\$ 10,371	\$ 1,865
Income (loss) from continuing operations	4,907	(82)
Net income (loss)	2,695	(49)
Cheniere's equity in losses from unconsolidated affiliate	N/A	(1,214)

</TABLE>

Note 4 - Investment in Limited Partnership

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. In February 2003, Cheniere's Freeport LNG project was acquired by Freeport LNG Development, L.P. ("Freeport LNG"), in which Cheniere retained 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. Smith, through a controlled entity, Freeport LNG Investments, LLC (Investments) holds a 60% interest in Freeport LNG. Smith will manage the project as chief executive officer of Freeport LNG.

The cash payments to Cheniere are payable \$1,000,000 at closing; \$750,000 on July 15, 2003 and October 15, 2003; and \$2,500,000 30 days after all

construction permits are obtained for the Freeport site. With the signing of a definitive lease agreement for the Freeport, Texas terminal site on December 19, 2002, Freeport LNG paid to Cheniere \$650,000 for related costs and expenses, which amount would have been reimbursable by Cheniere had the sale to Freeport LNG not been completed. Furthermore, at closing on February 27, 2003, Freeport LNG paid Cheniere an additional \$530,215 in cash and assumed Cheniere liabilities of \$560,211, all related to Freeport LNG project costs. These payments and assumptions of liabilities represent an aggregate of

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

\$1,740,426 in project cost recoveries to Cheniere, in addition to the \$1,000,000 initial installment payment received at closing.

Cheniere had pledged its Gryphon common stock as collateral to secure potential repayment of the \$650,000 advance received in December 2002. Such collateral was released in March 2003.

The Company accounted for this transaction in accordance with Emerging Issues Task Force Issue No. 89-7, Exchange of Assets or Interest in a Subsidiary for a Noncontrolling Equity Interest in a New Entity, and, accordingly, recorded a gain on the assets transferred to the extent of the percentage interest not retained.

On March 1, 2003, pursuant to an existing option agreement, Cheniere sold a 10% interest in Freeport LNG to a third party for \$2,333,333, payable over time, including the cancellation of the Company's \$750,000 short-term note payable. Cheniere retained a 30% interest in Freeport LNG. In connection with the closing of the transactions in 2003, Cheniere issued warrants for the purchase of 1,000,000 shares of its common stock at a price of \$2.50 per share, exercisable for a period of 10 years.

Note 5 - Accrued Liabilities

Accrued liabilities consist of the following:

	March 31, 2003 ----- (Unaudited)	December 31, 2002 -----
LNG costs	\$ 2,174,382	\$ 391,177
Oil and gas property costs	-	250,000
Taxes other than income	50,111	42,611
Legal and accounting fees	105,000	-
	----- \$ 2,329,493 =====	----- \$ 683,788 =====

LNG costs accrued at March 31, 2003 include: (a) \$1,312,500 representing the market value of 750,000 shares of common stock issued in April 2003 to satisfy a non-cash closing requirement related to Cheniere's February 2003 sale of a 60% interest in its Freeport LNG project; (b) \$627,000 in financial advisor fees and expenses; and (c) \$234,882 in other LNG related expenses.

Note 6 - Note Payable

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 was exercised, the payment was to be applied to the purchase price. In the event the option was not exercised, the payment was refundable, and repayment was secured by a note payable executed by Cheniere. The note was payable in full on July 15, 2003. It was to bear interest at 8%, payable at maturity and accruing from the earlier of the time the option expired or the date the holder elected not to exercise. The note was secured by Cheniere's revenues,

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

accounts receivable and other assets. In March 2003, the option was exercised, the note payable was canceled and the security was released.

In February 2003, Cheniere executed a promissory note payable in the amount of \$225,000. The proceeds of the note were used to pay certain costs

related to the Company's 3-D seismic database. The note is due and payable in twelve monthly installments of \$20,000, which commenced in March 2003. It bears interest at a rate of approximately 12% per annum and is secured by a pledge of the Company's oil and gas receivables.

Note 7 - Non-Cash Transactions

In connection with the sale of a 60% interest in its Freeport LNG project in February 2003, the Company issued warrants valued at \$540,015 to purchase 700,000 shares of Cheniere common stock to Freeport LNG Investments LLC. As a result of the closing on the Freeport transaction, the Company issued warrants valued at \$173,576 to purchase 225,000 shares of Cheniere common stock to LNG consultants for services previously performed for the Company. In connection with the sale of a 10% interest in the limited partnership, the Company issued warrants valued at \$241,893 to purchase 300,000 shares of Cheniere common stock to Contango Oil and Gas Company ("Contango"), and Contango canceled the \$750,000 note previously payable by Cheniere to Contango.

Note 8 - Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period. The computation of diluted net income (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock that are dilutive to net income were exercised or converted into common stock or resulted in the issuance of common stock that would then share in the earnings of the Company.

The following table is a reconciliation of the basic and diluted weighted average shares outstanding for the three months ended March 31, 2003 and 2002:

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

	Three Months Ended March 31,	
	2003	2002
Weighted average common shares outstanding:		
Basic	13,297,393	13,297,393
Dilutive common stock options (a)	186,489	-
Dilutive common stock warrants (b)	16,599	-
Diluted	13,500,481	13,297,393

- (a) Options to purchase 784,861 shares and 981,111 shares of common stock were outstanding but not included in the computations of diluted net income (loss) per share for the three months ended March 31, 2003 and 2002, respectively, because the exercise prices of the options were greater than the average market price of the common shares and would be anti-dilutive to the computations. In-the-money options representing 760,000 weighted average equivalent shares of common stock were not included in the computation of diluted net loss per share for the three months ended March 31, 2002, since they have an anti-dilutive effect to net loss per share.
- (b) Warrants to purchase 3,604,271 shares and 3,000,288 shares of common stock were outstanding but not included in the computations of diluted net income (loss) per share for the three months ended March 31, 2003 and 2002, respectively, because the exercise price of the warrants were greater than the average market price of the common shares and would be anti-dilutive to the computations. There were no in-the-money warrants outstanding during the three months ended March 31, 2002.

Note 9 - Subsequent Events

On April 15, 2003, Cheniere issued 750,000 shares of its common stock to satisfy a closing requirement related to Cheniere's February 2003 sale of a 60% interest in its Freeport LNG project. The issuance was made pursuant to a contingent contractual obligation related to Cheniere's 2001 acquisition of an option to lease the Freeport LNG terminal site.

On May 6, 2003, Cheniere issued 792,892 shares of common stock to seventeen investors in a private placement made pursuant to Regulation D. The purchase price of the shares included cash of \$1,189,338 and the surrender of existing warrants to purchase 792,892 shares of Cheniere common stock.

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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 periods ended March 31, 2003 and 2002. These statements, the notes thereto and the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2002 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 periods ended March 31, 2003 and 2002 is presented in the following table:

	Three Months Ended March 31,	
	2003	2002
Production		
Oil (Bbls)	-	472
Gas (Mcf)	14,487	68,090
Gas equivalents (Mcfe)	14,487	70,922
Average sales prices		
Oil (per Bbl)	\$ -	\$ 19.84
Gas (per Mcf)	\$ 7.60	\$ 2.33
Gas equivalents (per Mcfe)	\$ 7.60	\$ 2.37

Results of Operations

Comparison of Three-Month Periods Ended March 31, 2003 and 2002 - The Company's operating results for the three months ended March 31, 2003 reflect net income of \$3,121,309, or \$0.23 per share (basic), compared to a loss of \$2,530,967, or \$0.19 per share (basic) a year earlier. The principal factors contributing to the \$5,652,276 swing from loss to net income for the quarter were: (1) a gain of \$4,760,000 recorded in the 2003 period on the sale of the Freeport, Texas LNG project to the limited partnership formed to develop the LNG terminal; (2) a gain of \$423,454 recorded in the 2003 period on the sale of an additional interest in the limited partnership; and (3) a reduction of \$333,346 in LNG related expenses due to the sale of the Freeport LNG project in the 2003 period. The Company's equity in net loss of limited partnership of \$1,200,000 recorded in the 2003 period offsets its equity in net loss of unconsolidated affiliate of \$1,213,909 recorded in the 2002 period.

In the first quarter of 2003, Cheniere recorded oil and gas revenues of \$110,120 compared to \$161,604 a year earlier. Depreciation, depletion and amortization ("DD&A") of oil and gas property costs also decreased significantly to \$9,560 for the 2003 quarter compared to \$57,961 for the 2002 quarter. Production costs declined to zero from \$65,336 in 2002. 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 in April 2002, offset by production from its 2002 discoveries, with approximately 60% of 2003 production commencing during the quarter.

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General and administrative ("G&A") expenses, net of amounts capitalized, were \$914,172 and \$1,300,078 in the first quarters of 2003 and 2002, respectively. Total G&A expenses decreased by \$351,906 to \$1,146,172 in the first quarter of 2003 from the total of \$1,498,078 of a year earlier. Consulting fees decreased by \$379,781, principally related to permitting, environmental and regulatory work performed during the 2002 period related to the LNG receiving terminal project. 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 \$232,000 in the first quarter of 2003 compared to \$198,000 a year earlier.

Until January 1, 2003, Cheniere accounted for its investment in Gryphon using the equity method of accounting because its participation on the Gryphon board of directors provided significant influence over the operating and financial policies of Gryphon. In December 2002, the extent of such influence was diminished when one of the two Cheniere-appointed representatives on the Gryphon board of directors resigned his position as an officer of Cheniere. Effective on January 1, 2003, Cheniere began accounting for its investment in Gryphon using the cost method of accounting.

As of December 31, 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. For the three months ended March 31, 2003, Cheniere received no dividends from Gryphon and, accordingly, reported no income from its investment in Gryphon. For the three months ended March 31, 2002, Cheniere's equity share of Gryphon's losses was \$1,213,909, calculated by applying Cheniere's 100% common stock ownership interest to Gryphon's net loss of \$49,032 and reducing such result for Gryphon's preferred dividend arrearages of \$1,164,877. 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 March 31, 2003.

Liquidity and Capital Resources

The accompanying financial statements have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business. Management expects that the Company will meet all of its liquidity requirements by one or more of the following: cash flow from operations, the divestiture of producing 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 a participation interest in the Company's LNG projects and/or offerings of the Company's debt or equity securities. In the event that the Company is unable to obtain additional capital from one or more of these sources, its operations could be adversely affected.

The recoverability of the Company's unevaluated oil and gas properties and development of its LNG receiving terminal business are dependent on future events, including obtaining adequate financing for these programs, the successful completion of its planned drilling program, and the achievement of a level of operating revenues that is sufficient to support the Company's cost structure. At various times during the life of the Company to date, it has been necessary for the Company to raise additional capital through private placements of debt or equity financing. When such a need has arisen, the Company has met it successfully. It is management's belief that it will continue to be able to meet its needs for additional capital as such needs arise in the future.

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Cash Flow from Operating Activities

As of March 31, 2003, the Company had production from five oil and gas discoveries made on prospects sold to and drilled by Cheniere's partners. 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 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 some of these wells.

Note Payable

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 was exercised, the payment was to be applied to the purchase price. In the event the option was not exercised, the payment was refundable, and repayment was secured by a note payable executed by Cheniere. The note was payable in full on July 15, 2003. It was to bear interest at 8%, payable at maturity and accruing from the earlier of the time the option expired or the date the holder elected not to exercise. The note was secured by Cheniere's revenues, accounts receivable and other assets. In March 2003, the option was exercised, the note payable was canceled and the security was released.

In February 2003, Cheniere executed a promissory note payable in the amount of \$225,000. The proceeds of the note were used to pay certain costs related to the Company's 3-D seismic database. The note is due and payable in twelve monthly installments of \$20,000, which commenced in March 2003. It bears interest at a rate of approximately 12% per annum and is secured by a pledge of the Company's oil and gas receivables.

Sale of Securities

In May 2003, Cheniere issued 792,892 shares of common stock to seventeen investors in a private placement made pursuant to Regulation D. The purchase price of the shares included cash of \$1,189,338 and the surrender of existing warrants to purchase 792,892 shares of Cheniere common stock.

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 March 31, 2003, Warburg has funded an additional \$60,000,000, making its total cash contributions to Gryphon \$85,000,000. 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 9.3% as of March 31, 2003.

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. In February 2003,

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Cheniere's Freeport LNG project was acquired by Freeport LNG Development, L.P. ("Freeport LNG"), in which Cheniere retained 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. Smith, through a controlled entity, Freeport LNG Investments, LLC (Investments), holds a 60% interest in Freeport LNG. Smith will manage the project as chief executive officer of Freeport LNG.

The cash payments to Cheniere are payable \$1,000,000 at closing; \$750,000 on July 15, 2003 and October 15, 2003; and \$2,500,000 30 days after all construction permits are obtained for the Freeport site. With the signing of a definitive lease agreement for the Freeport, Texas terminal site on December 19, 2002, Freeport LNG paid to Cheniere \$650,000 for related costs and expenses, which amount would have been reimbursable by Cheniere had the sale to Freeport LNG not been completed. Furthermore, at closing on February 27, 2003, Freeport LNG paid Cheniere \$530,215 in cash and assumed Cheniere liabilities of \$560,211 related to Freeport LNG project costs. These payments and assumptions of liabilities represent an aggregate of \$1,740,426 in project cost recoveries to Cheniere, in addition to the \$1,000,000 initial installment payment received at closing.

On March 1, 2003, Cheniere sold a 10% interest in Freeport LNG to a third party for \$2,333,333, payable over time. Cheniere retained a 30% interest in Freeport LNG.

Corpus Christi, Texas LNG Terminal Funding Negotiations

In December 2002, Cheniere entered into a non-binding Memorandum of Understanding ("MOU") with Sherwin Alumina L.P. ("Sherwin") providing for the negotiation of a partnership agreement which would grant Sherwin a 33% interest in Cheniere's Corpus Christi receiving terminal project in exchange for Sherwin's agreement to fund the first \$4,500,000 in project development costs and contribute the terminal site lands. Completion of the partnership agreement is scheduled to occur by May 15, 2003. The MOU provides that if such an agreement is not consummated by that date, Sherwin will grant to Cheniere a lease option on the terminal site lands in Corpus Christi. The option rentals would be \$100,000 per year for up to 5 years. Upon exercise of the option, lease rentals would be \$400,000 per year for an initial term of 30 years, renewable for six additional terms of 10 years each.

Recently Issued Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 143, Accounting for Asset Retirement Obligations (ARO), which requires that an asset retirement cost 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, an entity is not required to re-measure an ARO liability at fair value each period but is required to recognize changes in an 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 adopted SFAS 143 effective January 1, 2003. As the Company currently has no long-lived assets for which it has a legal obligation associated with the retirement of such assets, the initial adoption of SFAS 143 impact on its earnings or statement of financial position.

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure, which amends SFAS No. 123, Accounting

for Stock-Based Compensation, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial

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statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. This Statement is effective for fiscal years ending after December 15, 2002 for transition guidance and annual disclosure provisions, and for financial reports containing financial statements for interim periods beginning after December 15, 2002 for interim disclosure provisions. The Company is not currently transitioning to the fair value method of accounting for stock-based compensation, however it adopted the disclosure provisions of SFAS No. 148 effective with its fiscal year ended December 31, 2002.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities (FIN No. 46), which addresses consolidation by business enterprises of variable interest entities. FIN No. 46 clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN No. 46 applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. It applies in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The Company does not expect to identify any variable interest entities that must be consolidated. In the event a variable interest entity is identified, the Company does not expect the requirements of FIN No. 46 to have a material impact on its financial condition or results 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.

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- 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.

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 March 31, 2003.

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 March 31, 2003, 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.

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 certified that this Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2003 (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
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- | | |
|-----|--|
| 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:

March 7, 2003 - Cheniere filed a Current Report on Form 8-K disclosing that the Company had closed the transactions contemplated by the Contribution Agreement, dated as of August 26, 2002, as amended by (i) the Extension and Amendment to Contribution Agreement, dated as of September 19, 2002, (ii) the Second Extension and Amendment to Contribution Agreement, effective as of October 4, 2002, and (iii) the Third Amendment to Contribution Agreement, dated as of February 27, 2003, in each case, by and among Freeport LNG Investments, LLC, Freeport LNG-GP, Inc., the Company, Cheniere LNG, Inc. and Freeport LNG Terminal, L.L.C. The Company also disclosed that Contango Oil & Gas Company exercised its option to acquire from the Company a 10% interest in Freeport LNG Development, L.P. pursuant to the Partnership Interest Purchase Agreement, dated as of March 1, 2003.

March 27, 2003 - Cheniere filed a Current Report on Form 8-K disclosing the results of its operations for the fourth quarter and fiscal year ended December 31, 2002.

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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: May 9, 2003

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

I, Charif Souki, 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; and

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: May 9, 2003

/s/ Charif Souki

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Charif Souki
Chief Executive Officer

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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; and

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: May 9, 2003

/s/ Don A. Turkleson

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 March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the Report), I Charif Souki, 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: May 9, 2003

/s/ Charif Souki

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Charif Souki
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 March 31, 2003 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: May 9, 2003

/s/ Don A. Turkleson

Don A. Turkleson
Chief Financial Officer