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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, 2008

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. 001-16383

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

Delaware
(State or other jurisdiction of incorporation or organization)

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

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

77002
(Zip Code)

(713) 375-5000
(Registrant's telephone number, including area code)

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

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

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

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

As of April 30, 2008, there were 48,543,932 shares of Cheniere Energy, Inc. Common Stock, $0.003 par value, issued and outstanding.

CHENIERE ENERGY, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

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

	March 31, 2008 (unaudited)	December 31, 2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 141,545	$ 296,530
Restricted cash and cash equivalents	232,902	228,085
Accounts receivable	68,738	48,786
Prepaid expenses and other	25,802	27,211
Total current assets	468,987	600,612
NON-CURRENT RESTRICTED CASH AND CASH EQUIVALENTS	345,907	478,225
NON-CURRENT RESTRICTED U.S. TREASURY SECURITIES	63,923	63,923
PROPERTY, PLANT AND EQUIPMENT, NET	1,873,155	1,645,112
DEBT ISSUANCE COSTS, NET	42,159	44,005
GOODWILL	76,844	76,844
INTANGIBLE LNG ASSETS	20,207	20,402
LNG HELD FOR COMMISSIONING	25,590	—
ADVANCES UNDER LONG-TERM CONTRACTS	31,781	28,497
OTHER	6,873	4,679
Total assets	$ 2,955,426	$ 2,962,299
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 8,084	$ 6,620
Accrued liabilities	200,815	164,917
Derivative liabilities	2,331	1,564
Total current liabilities	211,230	173,101
LONG-TERM DEBT	2,757,000	2,757,000
MINORITY INTEREST	277,712	285,675
DEFERRED REVENUE	40,000	40,000
OTHER NON-CURRENT LIABILITIES	12,441	8,637
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' DEFICIT		
Preferred stock, $.0001 par value, 5,000,000 shares authorized, none issued	—	—
Common stock, $.003 par value		
Authorized: 120,000,000 shares at both March 31, 2008 and December 31, 2007		
Issued and outstanding: 48,564,751 and 47,730,869 shares at March 31, 2008 and December 31, 2007, respectively	146	143
Treasury stock: 9,392,341 and 9,192,529 shares at March 31, 2008 and December 31, 2007, respectively, at cost	(329,437)	(325,039)
Additional paid-in-capital	465,178	451,705
Accumulated deficit	(478,829)	(428,918)
Accumulated other comprehensive loss	(15)	(5)
Total stockholders' deficit	(342,957)	(302,114)
Total liabilities and stockholders' deficit	$ 2,955,426	$ 2,962,299

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

CHENIERE ENERGY, INC. AND SUBSIDIARIES

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

	Three Months Ended March 31,	
	2008	2007
Revenues		
Oil and gas sales	$ 1,085	$ 832
Marketing and trading gain (loss)	392	(2,088)
Total revenues	1,477	(1,256)
Operating costs and expenses		
LNG receiving terminal and pipeline development expenses	6,716	5,754
Exploration costs	69	359
Oil and gas production costs	94	67
Depreciation, depletion and amortization	2,284	1,075
General and administrative expenses	30,679	21,261
Total operating costs and expenses	39,842	28,516
Loss from operations	(38,365)	(29,772)
Derivative loss	(830)	—
Equity in net loss of limited partnership	(1,800)	—
Interest expense, net	(19,849)	(26,426)
Interest income	9,604	21,582
Other loss	(36)	—
Loss before income taxes and minority interest	(51,276)	(34,616)
Income tax provision	—	—
Loss before minority interest	(51,276)	(34,616)
Minority interest	1,365	60
Net loss	$ (49,911)	$ (34,556)
Net loss per common share—basic and diluted	$ (1.06)	$ (0.63)
Weighted average number of common shares outstanding—basic and diluted	46,977	54,891

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

CHENIERE ENERGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
(in thousands)
(unaudited)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance—December 31, 2007	47,731	$ 143	9,192	$ (325,039)	$ 451,705	$ (428,918)	$ (5)	$ (302,114)
Issuances of stock	31	—	—	—	241	—	—	241
Issuances of restricted stock	1,002	3	—	—	(3)	—	—	—
Forfeitures of restricted stock	(45)	—	46	—	—	—	—	—
Stock-based compensation	—	—	—	—	13,235	—	—	13,235
Treasury stock acquired	(154)	—	154	(4,398)	—	—	—	(4,398)
Comprehensive loss:								
Foreign currency translation	—	—	—	—	—	—	(10)	(10)
Net loss	—	—	—	—	—	(49,911)	—	(49,911)
Balance—March 31, 2008	48,565	$ 146	9,392	$ (329,437)	$ 465,178	$ (478,829)	$ (15)	$ (342,957)

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

CHENIERE ENERGY, INC. AND SUBSIDIARIES

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

	Three Months Ended March 31,	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (49,911)	$ (34,556)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, depletion and amortization	2,284	1,075
Amortization of debt issuance costs	1,874	1,295
Non-cash compensation	12,752	6,610
Restricted interest income on restricted cash and cash equivalents	(7,776)	(14,845)
Equity in net loss of limited partnership	1,800	—
Minority interest	(1,365)	(60)
Other	(97)	332
Changes in operating assets and liabilities:		
Accounts receivable	(18,257)	(7,259)
Prepaid expenses	3,415	(12,763)
Accounts payable and accrued liabilities	33,130	31,715
Other	(2,712)	—
NET CASH USED IN OPERATING ACTIVITIES	(24,863)	(28,456)
CASH FLOWS FROM INVESTING ACTIVITIES:		
LNG terminal and pipeline construction-in-progress	(211,054)	(160,732)
Use of restricted cash and cash equivalents	135,237	157,183
Purchase of LNG for commissioning	(25,590)	—
Investments in restricted U.S. treasury securities	—	(98,442)
Purchases of fixed assets	(2,740)	(6,234)
Advances under long-term contracts	(12,236)	(6,920)
Other	(2,968)	1,247
NET CASH USED IN INVESTING ACTIVITIES	(119,351)	(113,898)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common units in partnership	—	164,505
Proceeds from issuance of common units to minority owners in partnership	—	98,442
Distributions to minority interest	(6,598)	—
Debt issuance costs	(28)	(634)
Sale of common stock	241	760
Purchase of treasury shares	(4,398)	(62)
Use of restricted cash and cash equivalents	12	—
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(10,771)	263,011
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(154,985)	120,657
CASH AND CASH EQUIVALENTS—BEGINNING OF PERIOD	296,530	462,963
CASH AND CASH EQUIVALENTS—END OF PERIOD	$ 141,545	$ 583,620

The accompanying notes are an integral part of these financial statements

CHENIERE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

NOTE 1—Basis of Presentation

The accompanying unaudited consolidated financial statements of Cheniere Energy, Inc. have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") 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 GAAP for complete financial statements. In our opinion, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation, have been included. As used herein, the terms "Cheniere," "the Company," "we," "our" and "us" refer to Cheniere Energy, Inc. and its wholly-owned or controlled subsidiaries, unless otherwise stated or indicated by context.

For further information, refer to the consolidated financial statements and footnotes included in our annual report on Form 10-K for the year ended December 31, 2007.

NOTE 2—Recent Business Developments

In February 2008, we announced that we are exploring strategic options for the Company to enhance stockholder value, including options to optimize the value of the Sabine Pass LNG receiving terminal and the regasification capacity at the facility held under a long-term terminal use agreement by our wholly-owned subsidiary, Cheniere Marketing, Inc. ("Cheniere Marketing"). To date, we have provided certain confidential information to interested parties who have executed confidentiality agreements with us. Interested parties are currently reviewing the information and conducting their due diligence. There can be no assurance, however, that any proposals will result in an agreement or transaction. Moreover, there can be no assurance as to (i) the type of agreement or transaction that may be entered into or completed, (ii) the terms and conditions of any particular agreement or transaction, (iii) the price or other consideration that will be received by us and/or our stockholders in connection with the completion of a particular agreement or transaction, if any or (iv) the approximate time it would take for any transaction to be completed.

As part of this strategic option review, and to ensure that we have adequate liquidity over the next twelve to eighteen months, we announced and are taking several steps aimed at reducing ongoing operating costs and capital requirements and increasing our available cash and cash equivalents, which include:

- We announced in April 2008 that we were in negotiations with a North American natural gas marketing company to manage the throughput of LNG and downstream natural gas marketing for LNG cargos for Cheniere Marketing's account at the Sabine Pass LNG receiving terminal, which will allow us to reduce our investment in our U.S. natural gas marketing activities. Since our announcement, we have entered into a non-binding memorandum of understanding furthering the process.
- We commenced a cost savings program in connection with the downsizing of our natural gas marketing business activities as well as the winding down of significant construction activities for both the Sabine Pass LNG receiving terminal and Creole Trail Pipeline. The cost savings program involves reducing our personnel Company-wide by approximately 200 people, after which we expect to have approximately 80 employees associated with the Sabine Pass LNG receiving terminal and the Creole Trail Pipeline and in addition, approximately 80 employees in our corporate offices in Houston and London.
- We are considering alternative arrangements for our time charter interest in two LNG vessels in connection with the downsizing of our natural gas marketing business and further cost reduction efforts, including cancelling the five-year charter arrangements and forfeiting cash collateral which is classified as non-current restricted cash and cash equivalents on our Consolidated Balance Sheet.

- In May 2008, we entered into an 18-month credit facility with Credit Suisse and received approximately $82.3 million of net proceeds (see Note 18—"Subsequent Events"). The purpose of this facility is to provide incremental funding and liquidity until we enter into a strategic transaction, obtain sufficient revenues from a significant number of imported LNG cargos or consummate an alternative financing transaction.

We anticipate recognizing losses from this cost savings program, including the potential impacts of cancelling our LNG vessel charter agreements, of approximately $80 million to $85 million in the aggregate in the second and third quarters of 2008, with substantially all of these losses being non-working capital impacts. Additional write-downs or increased liabilities may be recognized once we have determined that such are probable and can be reasonably estimated.

If we are not successful in obtaining a sufficient number of LNG cargos within the next 12 months or fail to enter into a strategic transaction, we will need to obtain additional sources of funding during the first quarter of 2009.

NOTE 3—LNG Held for Commissioning

In connection with the construction of the Sabine Pass LNG receiving terminal, we require LNG to perform certain commissioning activities, as follows:

- Cool down—A minimum amount of LNG will be used to cool down the LNG receiving terminal. Cool down represents the amount of LNG required to cool the LNG receiving terminal to its normal operating temperature.
- LNG heel—A certain amount of LNG will be used to establish a level of LNG inventory in each LNG storage tank and in the LNG receiving terminal piping in order for the LNG receiving terminal to function properly.
- Equipment commissioning—The remaining amount of the LNG will be used to commission the equipment in the LNG receiving terminal to ensure that it performs at designed specifications. Equipment commissioning will result in natural gas being sold.

LNG purchased for commissioning activities is recorded at cost and classified as a non-current asset on our consolidated balance sheet as LNG Held for Commissioning. As the LNG held for commissioning is used to cool down the LNG receiving terminal and establish LNG heel in the LNG receiving terminal, we capitalize the portion used. The LNG used in the commissioning process is capitalized net of amounts received from the sale of natural gas.

In March 2008, we acquired our initial LNG commissioning cargo for the Sabine Pass LNG receiving terminal. The cargo was loaded into a chartered LNG vessel and in route to the Sabine Pass LNG receiving terminal as of March 31, 2008. At March 31, 2008, we had recorded $25.6 million as LNG Held for Commissioning on our Consolidated Balance Sheet.

CHENIERE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(unaudited)

NOTE 4—Minority Interest

We have consolidated certain joint ventures and partnerships because we have a controlling interest in these ventures. Therefore, the entities' financial statements are consolidated in our consolidated financial statements and the ownership interests of others in these entities, equity is recorded as minority interest. The following table sets forth the components of our minority interest balance attributable to third-party investors' interest (in thousands):

Net proceeds from Cheniere Partners' issuance of common units (1)	$ 98,442
Net proceeds from sale of Cheniere Partners common units (2)	203,946
Distributions to Cheniere Partners' minority interest	(20,229)
Minority interest share of loss of Cheniere Partners	(4,790)
Minority interest in Frontera (3)	343
Minority interest at March 31, 2008	$ 277,712

(1) Through the public offering of Cheniere Energy Partners, L.P. ("Cheniere Partners"), Cheniere Partners received $98.4 million in net proceeds from the issuance of its common units to the public in March 2007 ("Cheniere Partners Offering"). Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 51, *Accounting for Sales of Stock by a Subsidiary*, provides guidance on accounting by the parent for issuances of a subsidiary's common equity to unaffiliated parties. Under SAB No. 51, a company may elect an accounting policy of recording a gain or loss on the sale of common equity of a subsidiary equal to the amount of proceeds received in excess of the carrying value of the parent's investment. Upon the conversion of all of our subordinated units in Cheniere Partners to common units, we will evaluate whether to recognize a gain through earnings at that time.

(2) In conjunction with the Cheniere Partners Offering, we sold a portion of our Cheniere Partners common units to the public, realizing net proceeds of $203.9 million. Due to the subordinated distribution rights on our subordinated units, we have recorded those proceeds as a minority interest. Upon the conversion of all of our subordinated units in Cheniere Partners to common units, we will evaluate whether to recognize a gain through earnings at that time.

(3) In September 2007, we acquired an 80% interest in Frontera Pipeline LLC ("Frontera") from Tidelands Oil and Gas Corporation ("Tidelands") for $1.0 million, providing us with an 80% ownership stake in the Burgos Hub Project. This project involves the development and construction of an integrated pipeline project traversing the United States and Mexico border and the construction of a related subterranean storage facility in Mexico. As of March 31, 2008, Tidelands' proportionate interest in the net assets of Frontera was $0.3 million.

NOTE 5—Restricted Cash, Cash Equivalents and U.S. Treasury Securities

Restricted cash and cash equivalents and U.S. treasury securities are composed of cash that has been contractually restricted as to usage or withdrawal, as follows:

Sabine Pass LNG Receiving Terminal Construction Reserve

In November 2006, Sabine Pass LNG, L.P., our wholly-owned subsidiary ("Sabine Pass LNG"), consummated a private offering of an aggregate principal amount of $2.0 billion of Senior Secured Notes consisting of $550.0 million of 7 1/4% Senior Secured Notes due 2013 (the "2013 Notes") and $1.5 billion of 7 1/2% Senior Secured Notes due 2016 (the "2016 Notes" and collectively with the 2013 Notes, the "Senior Notes") (see Note 10—"Long-Term Debt and Credit Facility"). Under the terms and conditions of the Senior

CHENIERE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(unaudited)

Notes, we were required to fund a cash reserve account with approximately $887 million to pay the remaining costs to complete the Sabine Pass LNG receiving terminal. The cash accounts are controlled by a collateral trustee, and therefore, are shown as restricted cash and cash equivalents on our Consolidated Balance Sheet. As of March 31, 2008 and December 31, 2007, $42.4 million and $40.2 million related to accrued construction costs had been classified as part of current restricted cash and cash equivalents, and $234.2 million and $380.2 million related to remaining construction costs had been classified as a non-current asset on our Consolidated Balance Sheet, respectively.

Senior Notes Debt Service Reserve

As described above, Sabine Pass LNG consummated a private offering of an aggregate principal amount of $2 billion Senior Notes (see Note 10—"Long-Term Debt and Credit Facility"). Under the terms and conditions of the Senior Notes, we were required to fund a cash reserve account of $335.0 million related to future interest payments on the Senior Notes through May 2009. The cash accounts are controlled by a collateral trustee, and therefore, are shown as restricted cash and cash equivalents on our Consolidated Balance Sheet. As of March 31, 2008 and December 31, 2007, $151.0 million and $151.0 million related to the payment of interest due within twelve months had been classified as part of current restricted cash, and $64.2 million and $61.8 million related to the remaining payments of interest through May 2009 had been classified as non-current restricted cash, respectively.

Cheniere Partners Distribution Reserve

At the closing of the Cheniere Partners Offering, Cheniere Partners funded a distribution reserve of $98.4 million, which was invested in U.S. treasury securities. The distribution reserve, including interest earned thereon, will be used to pay quarterly distributions of $0.425 per common unit for all common units, as well as related distributions to Cheniere Partners' general partner, through the distribution made in respect of the quarter ending June 30, 2009. The U.S. treasury securities were acquired at a discount from their maturity values equal to an average of approximately 4.87% per year. As of March 31, 2008, we classified the $63.9 million balance of U.S. treasury securities as Non-Current Restricted U.S. Treasury Securities on our Consolidated Balance Sheet, as these securities had original maturities greater than three months.

Other Restricted Cash and Cash Equivalents

As of March 31, 2008 and December 31, 2007, $39.5 million and $36.9 million had been classified as part of current restricted cash and cash equivalents, and $47.5 million and $36.2 million had been classified as a non-current asset on our Consolidated Balance Sheet, respectively, related to various other contractual restrictions.

NOTE 6—Advances Under Long-Term Contracts

We have entered into certain engineering, procurement and construction ("EPC") contracts and purchase agreements related to the construction of the Sabine Pass LNG receiving terminal that require us to make payments to fund costs that will be incurred or equipment that will be received in the future. Advances made under long-term contracts on purchase commitments are carried at face value and transferred to property, plant and equipment as the costs are incurred or equipment is received. As of March 31, 2008 and December 31, 2007, our Advances Under Long-term Contracts were $31.8 million and $28.5 million, respectively.

CHENIERE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(unaudited)

NOTE 7—Property, Plant and Equipment

Property, plant and equipment consists of LNG terminal construction-in-process expenditures, LNG site and related costs, investments in oil and gas properties, and fixed assets, as follows (in thousands):

	March 31, 2008	December 31, 2007
LNG TERMINAL COSTS		
LNG terminal construction-in-process	$ 1,311,923	$ 1,169,695
LNG site and related costs, net	2,015	1,991
Total LNG terminal costs	$ 1,313,938	$ 1,171,686
NATURAL GAS PIPELINE COSTS		
Natural gas pipeline construction-in-process	$ 510,043	$ 425,038
Pipeline rights-of-way	16,232	15,751
Total natural gas pipeline costs	$ 526,275	$ 440,789
OIL AND GAS PROPERTIES, successful efforts method		
Proved	$ 2,526	$ 2,526
Accumulated depreciation, depletion and amortization	(777)	(653)
Total oil and gas properties, net	$ 1,749	$ 1,873
FIXED ASSETS		
Computers and office equipment	$ 8,566	$ 8,195
Furniture and fixtures	5,170	5,008
Computer software	13,072	12,268
Leasehold improvements	12,203	11,247
Projects-in-process	2,127	2,147
Other	1,196	1,072
Accumulated depreciation	(11,141)	(9,173)
Total fixed assets, net	$ 31,193	$ 30,764
PROPERTY, PLANT AND EQUIPMENT, net	$ 1,873,155	$ 1,645,112

LNG Terminal Costs

Once an LNG receiving terminal is constructed, the related LNG terminal construction-in-process costs will be depreciated using the straight-line depreciation method. The identifiable components of the Sabine Pass LNG receiving terminal with similar estimated useful lives have a depreciable range between 10 and 50 years. Depreciation will begin once construction is complete.

Costs associated with the construction of the Sabine Pass LNG receiving terminal have been capitalized as construction-in-process since the date the project satisfied our criteria for capitalization. For the three months ended March 31, 2008 and 2007, we capitalized $22.4 million and $12.9 million of interest expense related to the construction of the Sabine Pass LNG receiving terminal, respectively. In March 2006, our Corpus Christi LNG receiving terminal satisfied the criteria for capitalization. Accordingly, costs associated with the initial site work for the Corpus Christi LNG receiving terminal have been capitalized as construction-in process since that time. For the three months ended March 31, 2008 and 2007, we capitalized $0.6 million and $0.3 million, respectively, of interest expense related to this construction project.

CHENIERE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(unaudited)

Natural Gas Pipeline Costs

Our natural gas pipeline business is subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") in accordance with the Natural Gas Act of 1938 and the Natural Gas Policy Act of 1978, and we have determined that our pipelines that may be constructed have met the criteria set forth in SFAS No. 71. Accordingly, we began applying the provisions of SFAS No. 71 to the affected pipeline subsidiaries in the third quarter of 2006. Natural gas pipeline costs also include amounts capitalized as Allowance for Funds Used During Construction ("AFUDC"). The rates used in the calculation of AFUDC are determined in accordance with guidelines established by the FERC. AFUDC represents the cost of debt and equity funds used to finance our natural gas pipeline additions during construction. AFUDC is capitalized as a part of the cost of our natural gas pipelines. Under regulatory rate practices, we generally are permitted to recover AFUDC, and a fair return thereon, through our rate base after our natural gas pipelines are placed in service. For the three months ended March 31, 2008 and 2007, we capitalized $8.5 million and $1.3 million, respectively, of AFUDC to our natural gas pipeline projects.

Fixed Assets

Our fixed assets are recorded at cost and are depreciated on a straight-line method based on estimated lives of the individual assets or groups of assets. Depreciation expense related to our property, plant and equipment totaled $2.3 million and $1.0 million for the three months ended March 31, 2008 and 2007, respectively.

Asset Retirement Costs

Our asset retirement obligations relate primarily to the retirement of certain LNG receiving terminal, natural gas pipeline assets and obligations related to right-of-way agreements. In accordance with SFAS No. 143, *Accounting for Asset Retirement Obligations*, we determined that due to an indeterminate life of such assets, the fair value of the retirement obligation is not reasonable estimable. A liability for such asset retirement obligation will be recorded when a fair value is determinable.

NOTE 8—Investment in Limited Partnership

We account for our 30% limited partnership investment in Freeport LNG Development, L.P. ("Freeport LNG") using the equity method of accounting. As of both March 31, 2008 and December 31, 2007, we had unrecorded cumulative suspended losses of $19.8 million related to our investment in Freeport LNG as the basis in this investment had been reduced to zero.

In March 2008, we received a cash call notice from Freeport LNG requesting that we provide further financial support due to higher than expected commissioning and performance testing costs. Because we intended to fund the cash call, we recorded $1.8 million of losses in Freeport LNG rather than suspend the full amount of our equity in Freeport LNG's loss for the quarter.

For the three months ended March 31, 2007, we did not record our share of the losses of the partnership because we did not guarantee any obligations and had not been committed to provide any further financial support.

CHENIERE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(unaudited)

The financial position of Freeport LNG at March 31, 2008 and December 31, 2007 and the results of Freeport LNG's operations for the three months ended March 31, 2008 and 2007 are summarized as follows (in thousands):

	March 31, 2008	December 31, 2007
Current assets	$ 74,226	$ 120,580
Construction-in-process	920,713	863,977
Fixed assets, net, and other assets	47,536	47,906
Total assets	$ 1,042,475	$ 1,032,463
Current liabilities	$ 18,942	$ 34,477
Notes payable	1,095,748	1,063,984
Deferred revenue and other deferred credits	5,486	5,478
Partners' capital	(77,701)	(71,476)
Total liabilities and partners' capital	$ 1,042,475	$ 1,032,463

	Three Months Ended March 31,	
	2008	2007
Loss from continuing operations	$(5,977)	$(3,241)
Net loss	(6,225)	(5,661)
Cheniere's 30% equity in net loss from limited partnership (1)	(1,868)	(1,698)

(1) During the three months ended March 31, 2008 and 2007, we did not record $0.1 million and $1.7 million of the net losses for such periods, respectively, as the basis in this investment had been reduced to zero and because we did not guarantee any obligations and had not been committed to provide any further financial support since December 2005.

NOTE 9—Accrued Liabilities

As of March 31, 2008 and December 31, 2007, accrued liabilities consisted of the following (in thousands):

	March 31, 2008	December 31, 2007
LNG terminal construction costs	$ 37,355	$ 39,574
Accrued interest expense and related fees	52,086	16,159
Pipeline construction costs	39,298	47,266
Domestic natural gas marketing purchases	64,475	40,607
Payroll	2,883	16,143
Other accrued liabilities	4,718	5,168
Accrued liabilities	$ 200,815	$ 164,917

CHENIERE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(unaudited)

NOTE 10—Long-Term Debt and Credit Facility

As of March 31, 2008 and December 31, 2007, our long-term debt consisted of the following (in thousands):

	March 31, 2008	December 31, 2007
Senior Notes	$ 2,032,000	$ 2,032,000
Convertible Senior Unsecured Notes	325,000	325,000
2007 Term Loan	400,000	400,000
Total Long-Term Debt	$ 2,757,000	$ 2,757,000

Sabine Pass LNG Senior Notes

In November 2006, Sabine Pass LNG issued an aggregate principal amount of $2.0 billion of Senior Notes, consisting of $550.0 million of the 2013 Notes and $1.5 billion of the 2016 Notes. Interest on the Senior Notes is payable semi-annually in arrears on May 30 and November 30 of each year. The Senior Notes are secured on a first-priority basis by a security interest in all of Sabine Pass LNG's equity interests and substantially all of its operating assets.

Under the indenture governing the Senior Notes, except for permitted tax distributions, Sabine Pass LNG may not make distributions until certain conditions are satisfied. The indenture requires that Sabine Pass LNG apply its net operating cash flow (i) first, to fund with monthly deposits its next semiannual payment of approximately $75.5 million of interest on the Senior Notes, and (ii) second, to fund a one-time, permanent debt service reserve fund equal to one semiannual interest payment of approximately $75.5 million on the Senior Notes. Distributions from Sabine Pass LNG will be permitted only after phase 1 target completion, as defined in the indenture governing the Senior Notes, or such earlier date as project revenues are received, upon satisfaction of the foregoing funding requirements, after satisfying a fixed charge coverage ratio test of 2:1 and after satisfying other conditions specified in the indenture.

Convertible Senior Unsecured Notes

In July 2005, we consummated a private offering of $325.0 million aggregate principal amount of Convertible Senior Unsecured Notes due 2012 to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended ("Securities Act"). The notes bear interest at a rate of 2.25% per year. The notes are convertible at any time into our common stock under certain circumstances at an initial conversion rate of 28.2326 shares per $1,000 principal amount of the notes, which is equal to a conversion price of approximately $35.42 per share. As of March 31, 2008, no holders had elected to convert their notes.

We may redeem some or all of the notes on or before August 1, 2012, for cash equal to 100% of the principal plus any accrued and unpaid interest if in the previous 10 trading days the volume-weighted average price of our common stock exceeds $53.13, subject to adjustment, for at least five consecutive trading days. In the event of such a redemption, we will make an additional payment equal to the present value of all remaining scheduled interest payments through August 1, 2012, discounted at the U.S. Treasury rate plus 50 basis points. The indenture governing the notes contains customary reporting requirements.

2007 Term Loan

In May 2007, Cheniere Subsidiary Holdings, LLC ("Cheniere Subsidiary"), a wholly-owned subsidiary of Cheniere, entered into a $400.0 million credit agreement ("2007 Term Loan"). Borrowings under the 2007 Term

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Loan generally bear interest at a fixed rate of 9.75% per annum. Interest is calculated on the unpaid principal amount of the 2007 Term Loan outstanding and is payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. The 2007 Term Loan will mature on May 31, 2012. The net proceeds of $391.7 million from the 2007 Term Loan are being used for general corporate purposes, including our repurchase, completed during the year ended December 31, 2007, of approximately 9.2 million shares of our outstanding common stock pursuant to the exercise of the call options acquired in the issuer call spread purchased by us in connection with the issuance of the Convertible Senior Unsecured Notes. The 2007 Term Loan is secured by a pledge of our subordinated units in Cheniere Partners and our equity interests in the entities that own our 30% interest in Freeport LNG.

Marketing Credit Facility

In September 2007, Cheniere Marketing entered into a credit facility ("Marketing Credit Facility") that provides up to $35.0 million of borrowings and up to $100.0 million of letters of credit and is secured by a "borrowing base" composed of cash or cash equivalents, receivables, broker margin deposits and inventory of Cheniere Marketing meeting certain criteria. Cheniere Marketing may only use the letters of credit and proceeds of loans for financing, securing or guaranteeing the performance of its obligations related to the purchase, sale, storage, transfer or exchange of natural gas and other products, to support Cheniere Marketing's obligations under commodity contracts and derivative contracts related to such products, and to fund the working capital requirements of Cheniere Marketing. Borrowings mature on the earlier of two months after such borrowings and September 12, 2008. The unpaid principal balance of each borrowing generally bears interest at a variable rate equal to LIBOR plus 1.50%. The Marketing Credit Facility is secured by a pledge of Cheniere Marketing's accounts receivable, inventory and other assets. As of March 31, 2008, we had no borrowings and $70.7 million letters of credit outstanding under the Marketing Credit Facility.

NOTE 11—Financial Instruments

Effective January 1, 2008, we adopted SFAS No. 157, *Fair Value Measurements*, and SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115*. As a result of the adoption, we elected not to measure any additional financial assets or liabilities at fair value, other than those which were recorded at fair value prior to adoption.

The estimated fair value of financial instruments is the amount at which the instrument could be exchanged currently between willing parties. The financial assets and liabilities measured at fair value on a recurring basis are summarized below (in thousands):

	Quoted Prices in Active Markets for Identical instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	FIN No. 39 Netting (1)	Total Carrying Value at March 31, 2008
Trading derivative receivables	$ 1,108	$ 469	$ 92	$ (1,318)	$ 351
Inventory	—	2,712	—	—	2,712
Total assets at fair value	$ 1,108	$ 3,181	$ 92	$ (1,318)	$ 3,063
Trading derivative payables	$ —	$ 1,653	$ 315	$ (467)	$ 1,501
Other derivatives payables	830	—	—	—	830
Total liabilities at fair value	$ 830	$ 1,653	$ 315	$ (467)	$ 2,331

(1) FIN No. 39 permits the netting of derivatives receivables and derivatives payables when a legally enforceable master netting agreement exists between us and a derivative counterparty.

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Trading derivatives reflect positions held by Cheniere Marketing and include exchange-traded derivative contracts and over-the-counter derivative contracts. The table above also includes commodity trading inventories held by Cheniere Marketing that are carried on a lower-of-cost-or-market basis. Other derivatives reflect positions held by Sabine Pass LNG related to natural gas swaps entered into to hedge the cash flows from the sale of excess LNG purchased for commissioning.

The following table sets forth a rollforward of the Consolidated Balance Sheet amounts for the three months ended March 31, 2008, (including the change in fair value) of net trading derivatives classified as level 3 in the fair value hierarchy (in thousands):

Three months ended March 31, 2008	Fair value at December 31, 2007	Total realized/unrealized losses	Purchases and settlements, net	Transfers in and/or out of Level 3	Fair value at March 31, 2008	Change in unrealized gains and (losses) related to financial instruments held at March 31, 2008
Derivatives	$ 2	$ (2)	$ (223)	$ —	$ (223)	$ (223)

SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*, requires the disclosure of the estimated fair value of financial instruments including those financial instruments for with the SFAS No. 159 fair value option was not elected. The carrying amounts reported in the Consolidated Balance Sheets for cash and cash equivalents, restricted cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to their short-term nature. The carrying amounts of the fair values of financial instruments for which SFAS No. 159 was not elected are as follows:

Financial Instruments (in thousands):

	March 31, 2008		December 31, 2007	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
2013 Notes (1)	$ 550,000	$ 532,125	$ 550,000	$ 525,250
2016 Notes (1)	1,482,000	1,441,245	1,482,000	1,404,195
2.25% Convertible Senior Unsecured Notes (2)	325,000	243,750	325,000	338,611
2007 Term Loan (3)	400,000	400,000	400,000	400,000
Restricted U.S. treasury securities (4)	63,923	68,156	63,923	66,984

(1) The fair value of the Senior Notes is based on quotations obtained from broker-dealers who made markets in these and similar instruments as of March 31, 2008 and December 31, 2007, as applicable.
(2) The fair value of our Convertible Senior Unsecured Notes is based on the closing trading prices on March 31, 2008 and December 31, 2007, as applicable.
(3) The 2007 Term Loan bears interest at a fixed rate; therefore, the estimated fair value is expected to vary with changes in market interest rates. At March 31, 2008 and December 31, 2007, the fair value of the debt instrument was stated at its carrying amount due to it being a non-trading instrument with no liquid market.
(4) The fair value of our Restricted U.S. Treasury Securities is based on quotations obtained from broker-dealers who made markets in these and similar instruments as of March 31, 2008 and December 31, 2007, as applicable.

NOTE 12—Income Taxes

From our inception, we have reported a net operating loss ("NOL") for both financial reporting purposes and for international, federal and state income tax reporting purposes. Accordingly, we are not presently a taxpayer and have not recorded a net liability for international, federal or state income taxes in any of the periods included in the accompanying financial statements. Our Consolidated Statements of Operations for the three months ended March 31, 2008 and 2007 included no income tax benefits.

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In July 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation ("FIN") No. 48,*Accounting for Uncertainty in Income Taxes—An Interpretation of FASB Statement No. 109*. FIN No. 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, Accounting for Income Taxes. It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition rules.

We adopted the provisions of FIN No. 48 on January 1, 2007. We have determined that all of the material tax positions taken in our income tax returns and the positions we expect to take in our future income tax filings meet the more likely-than-not recognition threshold prescribed by FIN No. 48. We have approximately $17.9 million of deferred tax benefits for tax positions related to the accelerated recovery of certain capital costs for which the ultimate deductibility is highly certain, but for which there is some uncertainty corresponding to the timing of the related prior, current and future year tax deductions. Under SFAS No. 109, the disallowance of an accelerated recovery period would not affect our annual reported effective income tax rate in any of the prior, current or future financial reporting periods, but could result in the acceleration of cash payments in prior reporting periods. Adjustments that would increase our federal taxable income in our prior periods would largely be offset by our available NOL carryovers, and therefore, the potential underpayment interest and penalties have not been accrued with respect to this liability.

The amount of our unrecognized tax benefits associated with uncertain tax positions decreased significantly in the first quarter of 2008 based on agreements that were reached with the relevant taxing authorities on the timing of the deductions related to a significant portion of our capital costs. The remaining $17.9 million of unrecognized tax benefits pertain to tax positions taken in prior years for which there is still some uncertainty as to the timing of the corresponding tax deductions. To date, the adoption of FIN No. 48 has had no impact on our financial position, results of operations or cash flows. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

Balance at January 1, 2008	$ 70,530
Additions based on tax positions related to current year	—
Additions for tax positions of prior years	1,700
Reductions for tax positions of prior years	(54,380)
Settlements	—
Balance at March 31, 2008	$ 17,850

SFAS No. 109, *Accounting for Income Taxes*, establishes specific procedures to (a) measure deferred tax liabilities and assets using a specified tax rate convention, and (b) assess whether a valuation allowance should be established for an enterprise's deferred tax assets. As provided for in SFAS No. 109, we have established a tax valuation allowance for the tax benefits related to all of our international, federal and state NOL carryovers and all of our other deferred tax assets due to the uncertainty of our ability to realize the related future tax benefits. Once a valuation allowance has been established, SFAS No. 109 requires that all available evidence, both positive and negative, must be considered to determine when, based on the weight of that evidence, it is appropriate to release all or any portion of the valuation allowance. Judgment must be used in considering the relative impact of both positive and negative evidence; the weight given to such evidence must be commensurate with the extent to which such evidence can be objectively verified. Based on the criteria provided in SFAS No. 109, we have determined that all of our deferred tax assets should be fully valued for financial reporting purposes as of March 31, 2008.

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Our federal consolidated income tax returns have not been audited by the Internal Revenue Service; we have not been notified of any pending federal, state or international income tax audits; and we are not aware of any additional income tax controversies that are likely to occur with any taxing authority. We have not entered into any agreements with any taxing authorities to extend the period of time in which they may assert or assess additional income tax, penalties or interest. However, since we are presently in an NOL carryover position and have been since our inception, under the applicable Internal Revenue Service guidelines, in the event of an audit, our available federal NOL carryover amount is subject to adjustment until the normal three year federal statute of limitations closes for the year in which the NOL is fully utilized. In 2007, the Texas Comptroller's office completed an audit of Cheniere's Texas franchise tax returns for the three year period ended December 31, 2004; the Louisiana Department of Revenue completed an income and franchise audit of Cheniere and one of our wholly-owned affiliates for the two year period ended December 31, 2003. We expect that all of our significant operating affiliates will be audited by the States of Texas and Louisiana for annual tax reporting periods ended on and after December 31, 2005. To date, all of the state-level income tax audits that have been settled favorably and without changes. None of our foreign affiliates have been audited by any foreign taxing authorities and none have been notified of any pending income tax audits.

As discussed above, we have not previously recorded a liability for international, federal or state income taxes and therefore we have not been subject to any penalties or interest expense related to any income tax liabilities. In future reporting periods, if any interest or penalties are imposed in connection with an income tax liability, we expect to include both of these items in the our income tax provision.

NOTE 13—Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted average number of shares of common stock outstanding for the period. The computation of diluted net 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 our earnings.

The following table reconciles basic and diluted weighted average common shares outstanding for the three months ended March 31, 2008 and 2007 (in thousands except for loss per share):

	Three Months Ended March 31,	
	2008	2007
Weighted average common shares outstanding:		
Basic	46,977	54,891
Dilutive common stock options	—	—
Dilutive Convertible Senior Unsecured Notes	—	—
Diluted	46,977	54,891
Basic loss per share	$ (1.06)	$ (0.63)
Diluted loss per share	$ (1.06)	$ (0.63)

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NOTE 14—Comprehensive Loss

The following table is a reconciliation of our net loss to our comprehensive loss for the three months ended March 31, 2008 and 2007 (in thousands):

	Three Months Ended March 31,	
	2008	2007
Net loss	$(49,911)	$(34,556)
Other comprehensive income (loss) items:		
Cash flow hedges, net of income tax	—	—
Foreign currency translation	(10)	(5)
Comprehensive loss	$(49,921)	$(34,561)

NOTE 15—Supplemental Cash Flow Information and Disclosures of Non-Cash Transactions

The following table provides supplemental disclosure of cash flow information for the three months ended March 31, 2008 and 2007 (in thousands):

	Three Months Ended March 31,	
	2008	2007
Cash paid for:		
Interest, net of amounts capitalized	$ —	$ 3,656
Construction-in-process and debt issuance additions funded with accrued liabilities	$ 106,715	$ 52,544

NOTE 16—Business Segment Information

We have four business segments: LNG receiving terminal business, natural gas pipeline business, LNG and natural gas marketing business and oil and gas exploration and development business. These segments reflect lines of business for which separate financial information is produced internally and are subject to evaluation by our chief operating decision makers in deciding how to allocate resources.

Our LNG receiving terminal business segment is in various stages of developing up to three LNG receiving terminal projects along the U.S. Gulf Coast at the following locations: Sabine Pass LNG, approximately 90.6% owned, in western Cameron Parish, Louisiana on the Sabine Pass Channel; Corpus Christi LNG, 100% owned, near Corpus Christi, Texas; and Creole Trail LNG, 100% owned, at the mouth of the Calcasieu Channel in central Cameron Parish, Louisiana. In addition, we own a 30% limited partner interest in a fourth project, Freeport LNG, located on Quintana Island near Freeport, Texas.

Our natural gas pipeline business segment is in various stages of developing natural gas pipelines to provide access to North American natural gas markets.

As of March 31, 2008, our LNG and natural gas marketing business segment was developing a natural gas and LNG marketing and trading business by building a portfolio of long-term and short-term and spot LNG purchase agreements from foreign suppliers and a portfolio of downstream natural gas sales agreements with major local distribution companies, power generators, industrial users and other gas marketing firms. In addition, we had contracted for the use of LNG vessels to transport LNG. As discussed in Note 2 “Recent Business Developments,” we have subsequently decided to downsize our domestic natural gas marketing business activities.

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Our oil and gas exploration and development business segment conducts and participates in exploration, development and production activities in the shallow waters of the Gulf of Mexico.

The following table summarizes revenues, net income (loss) from operations and total assets for each of our operating segments (in thousands):

	Segments					
	LNG Receiving Terminal	Natural Gas Pipeline	LNG & Natural Gas Marketing	Oil & Gas Exploration and Development	Corporate and Other(1)	Total Consolidated
As of or for the three months ended March 31, 2008:						
Revenues	$ —	$ —	$ 392	$ 1,085	$ —	$ 1,477
Net income (loss) from operations	(9,230)	(730)	(9,954)	844	(19,295)	(38,365)
Total assets	2,061,069	532,858	212,397	2,485	146,617	2,955,426
As of or for the three months ended March 31, 2007:						
Revenues	$ —	$ —	$ (2,088)	$ 832	$ —	$ (1,256)
Net income (loss) from operations	(6,574)	(528)	(5,956)	332	(17,046)	(29,772)
Total assets	2,269,084	131,844	51,265	2,959	457,209	2,912,361

(1) Includes corporate activities and certain intercompany eliminations.

NOTE 17—Share-Based Compensation

We have granted options to purchase common stock to employees, consultants and outside directors under the Cheniere Energy, Inc. Amended and Restated 1997 Stock Option Plan ("1997 Plan") and the Cheniere Energy, Inc. Amended and Restated 2003 Stock Incentive Plan ("2003 Plan"). Effective January 1, 2006, we adopted SFAS No. 123R (revised 2004), *Share-Based Payment*, which revised SFAS No. 123 and superseded Accounting Principles Bulletins ("APB") No. 25. No adjustments to prior periods were made as a result of adopting SFAS No. 123R. SFAS No. 123R requires that all share-based payments to employees be recognized in the financial statements based on their fair values at the date of grant. The calculated fair value is recognized as expense (net of any capitalization) over the requisite service period, net of estimated forfeitures, using the straight-line method under SFAS No. 123R. We consider many factors when estimating expected forfeitures, including types of awards, employee class and historical experience.

For the three months ended March 31, 2008 and 2007, the total share-based compensation expense recognized in our net loss was $12.8 million and $6.6 million, respectively. For the three months ended March 31, 2008 and 2007, the total share-based compensation cost capitalized as part of the cost of capital assets was $0.5 million and $0.4 million, respectively.

The total unrecognized compensation cost at March 31, 2008 relating to non-vested share-based compensation arrangements granted under the 1997 Plan and 2003 Plan, before any capitalization, was $95.8 million. That cost is expected to be recognized over 4.0 years, with a weighted average period of 1.27 years.

We received total proceeds from the exercise of stock options of $0.2 million and $0.8 million in the three months ended March 31, 2008 and 2007, respectively.

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Phantom Stock

In May 2007, the Company established the 2007 Incentive Compensation Plan ("2007 Plan") and the 2008-2010 Incentive Compensation Plan ("2008-2010 Plan") covering executive officers and other key employees for the performance periods of 2007, 2008, 2009 and 2010. During 2007, a total of 537,000 and 1,647,000 shares of phantom stock were granted under the 2007 and 2008-2010 Plans, respectively, which will be payable in shares of our common stock if stock price hurdles established by the plans are achieved. At its sole discretion, the Compensation Committee of our Board of Directors may elect to settle all or part of the phantom stock in cash. Using a Monte Carlo simulation, fair values (net of forfeitures) of $15.3 million, $12.5 million and $10.4 million were calculated for the performance periods 2008, 2009 and 2010, respectively. A projected earnings date was also forecasted on which the stock price hurdle will be achieved for the award related to each performance period. The fair value of the award for each performance period will be amortized as compensation expense ratably from the date of plan approval to the date it is expected to be earned. In January 2008, 537,000 shares were paid in shares of our common stock as the stock price hurdle for the 2007 Plan was achieved. In addition, during the first quarter 2008, additional grants of 111,000 shares of phantom stock were made under the 2008-2010 Plan. Using the Monte Carlo simulation, fair values (net of forfeitures) of $0.5 million, $0.3 million, and $0.2 million were calculated for the additional shares for the performance periods 2008, 2009 and 2010, respectively. For the three months ended March 31, 2008, a total of $4.4 million was recognized as compensation expense relating to all phantom stock awards.

Stock Options

We estimate the fair value of stock options under SFAS No. 123R at the date of grant using a Black-Scholes valuation model, which is consistent with the valuation technique we previously utilized to value stock options for the footnote disclosures required under SFAS No. 123. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. The expected term (estimated period of time outstanding) of stock options granted is based on the "simplified" method of estimating the expected term for "plain vanilla" stock options allowed by SAB No. 107, *Valuation of Share-based Payment Agreements for Public Companies*, and varies based on the vesting period and contractual term of the stock option. Expected volatility for stock options granted is based on an equally weighted average of the implied volatility of exchange traded stock options on our common stock expiring more than one year from the measurement date, and historical volatility of our common stock for a period equal to the stock option's expected life. We have not declared dividends on our common stock. We did not issue any options to purchase shares of our common stock during the three months ended March 31, 2008.

The table below provides a summary of option activity under the combined plans as of March 31, 2008, and changes during the three months then ended:

	Options (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2008	4,442	$ 38.84		
Granted	0	0		
Exercised	(31)	7.73		
Forfeited or Expired	(311)	36.29		
Outstanding at March 31, 2008	4,100	$ 39.26	6.3	$ 6,039
Exercisable at March 31, 2008	1,163	$ 23.06	4.1	$ 6,039

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Stock and Non-Vested Stock

We have granted stock and non-vested (restricted) stock to employees, executive officers, outside directors and consultants under the 2003 Plan. Under SFAS No. 123R, grants of non-vested stock are accounted for on an intrinsic value basis. No recognition of deferred compensation is made in stockholders' equity. Instead, the amortization of the calculated value of non-vested stock grants is accounted for as a charge to compensation and an increase in additional paid-in-capital over the requisite service period.

In January 2008, 479,802 shares having three-year graded vesting were issued to our employees in the form of non-vested stock awards and 537,000 were issued to our executive officers in the form of vested stock awards related to our performance in 2007. In the three months ended March 31, 2008, an additional 11,546 shares of non-vested stock having three or four-year graded vestings were issued to employees upon their six month term of employment.

The table below provides a summary of the status of our non-vested shares under the 2003 Plan as of March 31, 2008, and changes during the three months then ended (in thousands except for per share information):

	Non-Vested Shares	Weighted Average Grant Date Fair Value Per Share
Non-vested at January 1, 2008	1,355	$ 32.74
Granted	1,028	28.27
Vested	(772)	8.76
Forfeited	(45)	25.70
Non-vested at March 31, 2008	1,566	$ 22.11

Share-based Plan Descriptions and Information

Our 1997 Plan provided for the issuance of stock options to purchase up to 5.0 million shares of our common stock, all of which have been granted. Non-qualified stock options were granted to employees, contract service providers and outside directors. Option terms for the remaining unexercised options are five years with vesting that generally occurs on a graded basis over three years.

Awards providing for the issuance of up to an aggregate of 11.0 million shares of our common stock may be made under our 2003 Plan. These awards may be in the form of non-qualified stock options, incentive stock options, purchased stock, restricted (non-vested) stock, bonus (unrestricted) stock, stock appreciation rights, phantom stock and other share-based performance awards deemed by the Compensation Committee to be consistent with the purposes of the 2003 Plan. To date, the only awards made by the Compensation Committee have been in the form of non-qualified stock options, restricted stock, bonus stock and phantom shares. Beginning in 2005, stock options granted to employees as hiring incentives have been granted at the money with 10-year terms and graded vesting over four years. Prior to that time, stock options granted as hiring incentives were granted at the money with five-year terms and graded vesting over three years. Retention grants made to employees provide for exercise prices at or in excess of the stock price on the grant date, 10-year terms and graded vesting over three years, which commence on the fourth anniversary of the grant date. Restricted stock that has been granted as a hiring incentive vests over three or four years on a graded basis, while restricted stock granted from a bonus pool vests over three years. Shares issued under the 2003 Plan are generally newly issued shares.

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NOTE 18—Subsequent Events

Bridge Loan

On May 5, 2008, Cheniere Common Units Holding, LLC ("Cheniere Common Units Holding"), a newly formed wholly-owned subsidiary of Cheniere, entered into a Credit Agreement (the "Bridge Loan") among Cheniere Common Units Holding, Credit Suisse, Cayman Islands Branch, as administrative agent, collateral agent and as a lender, and the several lenders from time to time party thereto, pursuant to which the lenders agreed to make a term loan of $95.0 million to Cheniere Common Units Holding. Borrowings under the Bridge Loan generally bear interest at a fixed rate of 16.458% per annum. Interest is calculated on the unpaid principal amount of the Bridge Loan and is payable quarterly in arrears on the earlier of the 46th day following the end of each calendar quarter, or the maturity date. The Bridge Loan will mature on November 5, 2009. The net proceeds from the Bridge Loan were $82.3 million and are being used for general corporate purposes and pipeline capital expenditures. The Bridge Loan is secured by a pledge of our 10,891,357 common units in Cheniere Partners and our equity interests in the entities that own our Creole Trail Pipeline.

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

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

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

- statements relating to the construction and operation of each of our proposed liquefied natural gas ("LNG") receiving terminals or our proposed pipelines, or expansions or extensions thereof, including statements concerning the completion or expansion thereof by certain dates or at all, the costs related thereto and certain characteristics, including amounts of regasification and storage capacity, the number of storage tanks and docks, pipeline deliverability and the number of pipeline interconnections, if any;
- statements regarding future levels of domestic natural gas production, supply or consumption; future levels of LNG imports into North America; sales of natural gas in North America; and the transportation, other infrastructure or prices related to natural gas, LNG or other energy sources or hydrocarbon products;
- statements regarding any financing transactions or arrangements, or ability to enter into such transactions or arrangements, whether on the part of Cheniere or at the project level;
- statements regarding any terminal use agreement ("TUA") or other commercial arrangements presently contracted, optioned or marketed or potential arrangements to be performed substantially in the future, including any cash distributions and revenues anticipated to be received and the anticipated timing thereof, and statements regarding the amounts of total LNG regasification capacity that are, or may become subject to, TUAs or other contracts;
- statements regarding counterparties to our TUAs, construction contracts and other contracts;
- statements regarding any business strategies, any business plans or any other plans, forecasts, projections or objectives, including potential revenues, capital expenditures, cost savings and strategic options, any or all of which are subject to change;
- statements regarding legislative, governmental, regulatory, administrative or other public body actions, requirements, permits, investigations, proceedings or decisions;
- statements regarding our anticipated LNG and natural gas marketing activities; and
- any other statements that relate to non-historical or future information.

These forward-looking statements are often identified by the use of terms and phrases such as "achieve," "anticipate," "believe," "estimate," "expect," "forecast," "plan," "potential," "project," "propose," "strategy" and similar terms and phrases. Although we believe that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this quarterly report.

As used herein, the terms "Cheniere," "the Company," "we," "our" and "us" refer to Cheniere Energy, Inc. and its wholly-owned or controlled subsidiaries.

Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed under "Risk Factors" in our annual report on Form 10-K

for the year ended December 31, 2007, as supplemented herein. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these risk factors. These forward-looking statements are made as of the date of this quarterly report.

The following discussion and analysis presents management's view of our business, financial condition and overall performance and should be read in conjunction with our consolidated financial statements and the accompanying notes in Item 1. "Consolidated Financial Statements." This information is intended to provide investors with an understanding of our past performance, current financial condition and outlook for the future.

OVERVIEW

We are engaged primarily in the business of developing and constructing, and then owning and operating, a network of up to three onshore LNG receiving terminals and related natural gas pipelines. In addition, we are engaged to a limited extent in LNG and natural gas marketing activities, and oil and natural gas exploration and development activities in the Gulf of Mexico.

In April 2008, we commenced a cost savings program, pursuant to which we are downsizing our natural gas marketing business activities, winding down significant construction activities for both the Sabine Pass LNG receiving terminal and Creole Trail Pipeline and considering alternative arrangements for our LNG shipping business. The cost savings program involves reducing our personnel Company-wide by approximately 200 people, after which we expect to have approximately 80 employees associated with the Sabine Pass LNG receiving terminal and the Creole Trail Pipeline and in addition, approximately 80 employees in the corporate offices in Houston and London. We anticipate recognizing losses from this cost savings program, including the potential impacts of cancelling our LNG vessel charter agreements, of approximately $80 million to $85 million in the aggregate in the second and third quarters of 2008, with substantially all of these losses being non-working capital impacts. In addition, with the downsizing of our natural gas marketing business activities, as described in greater detail below, we anticipate increasing our unrestricted cash balances by approximately $35 million to $40 million.

As of March 31, 2008, we had unrestricted cash and cash equivalents of $141.5 million. In addition, we had restricted cash and cash equivalents and U.S. treasury securities of $642.7 million, which were designated for the following purposes: $276.7 million for the remaining construction costs of the Sabine Pass LNG receiving terminal; $215.2 million for interest payments through May 2009 related to the Senior Notes described below; $64.3 million for cash distributions by Cheniere Energy Partners, L.P. ("Cheniere Partners") through the distribution made in respect of the quarter ending June 2009; and $86.5 million held as cash collateral for loan and bank guarantee arrangements. Accordingly, we have sufficient funds to complete construction of the Sabine Pass LNG receiving terminal and the Creole Trail Pipeline. In addition, on May 5, 2008, we entered into an 18-month credit facility with Credit Suisse and received approximately $82.3 million of net proceeds to be held as unrestricted cash and cash equivalents and to be used for general corporate purposes and pipeline capital expenditures. The purpose of this facility is to provide incremental funding and liquidity until we enter into a strategic transaction, obtain sufficient revenues from a significant number of imported LNG cargos or consummate an alternative financing transaction. If we are not successful in obtaining a sufficient number of LNG cargos with the next 12 months or fail to enter into a strategic transaction, we will need to obtain additional sources of funding during the first quarter of 2009.

As we announced in February 2008, we are exploring strategic options for the Company to enhance stockholder value, including options to optimize the value of the Sabine Pass LNG receiving terminal and the regasification capacity at the facility held under a TUA by our wholly-owned subsidiary, Cheniere Marketing, Inc. ("Cheniere Marketing"). To date, we have provided certain confidential information to interested parties who have executed confidentiality agreements with us and are conducting due diligence. There can be no assurance, however, that any proposals will result in an agreement or transaction. Moreover, there can be no

assurance as to the type of agreement or transaction that may be entered into or completed, the terms and conditions of any particular agreement or transaction, the price or other consideration that will be received by us and/or our stockholders in connection with the completion of a particular agreement or transaction, if any, or the approximate time it would take for any transaction to be completed.

LIQUIDITY, CAPITAL RESOURCES AND OPERATIONS

LNG Receiving Terminal Business

Sabine Pass LNG

As of March 31, 2008, we had completed construction of 99% of the Sabine Pass LNG receiving terminal consisting of an initial send out capacity of approximately 2.6 Bcf/d and storage capacity of approximately 10.1 Bcf. We commenced commissioning of the Sabine Pass LNG receiving terminal in April 2008 and anticipate commencing commercial operations during the second quarter of 2008. However, we may elect to defer obtaining the remaining LNG cargoes required to complete commissioning if we believe that better pricing will be obtainable in mid-2008, in which event commencement of commercial operations may be deferred into the third quarter of 2008. Construction on the remaining 1.4 Bcf/d of send out capacity and 6.7 Bcf of storage capacity was 67% complete as of March 31, 2008, and we anticipate achieving full operability of the Sabine Pass LNG receiving terminal, with a total send out capacity of approximately 4.0 Bcf/d and total storage capacity of approximately 16.8 Bcf, during the third quarter of 2009.

Our estimated aggregate cost to construct the Sabine Pass LNG receiving terminal is approximately $1.4 billion, before financing costs, with $1.2 billion having been incurred as of March 31, 2008. Our remaining construction costs, including the costs of commissioning, are anticipated to be funded from $276.7 million of restricted cash and cash equivalents that were in a designated construction account as of March 31, 2008.

Beginning in 2009, each of the customers at the Sabine Pass LNG receiving terminal must make the full contracted amount of capacity reservation fee payments under its TUA whether or not it uses any of its reserved capacity. Provided the Sabine Pass LNG receiving terminal has achieved commercial operations, capacity reservation fee TUA payments will be made by the following Sabine Pass LNG customers:

- Total LNG USA, Inc. (“Total”) has reserved approximately 1.0 Bcf/d of regasification capacity and has agreed to make monthly capacity payments to Sabine Pass LNG, L.P. (“Sabine Pass LNG”) aggregating approximately $125 million per year for 20 years commencing April 1, 2009. Total, S.A. has guaranteed Total’s obligations under its TUA up to $2.5 billion, subject to certain exceptions; and
- Chevron U.S.A., Inc. (“Chevron”) has reserved approximately 1.0 Bcf/d of regasification capacity and has agreed to make monthly capacity payments to Sabine Pass LNG aggregating approximately $125 million per year for 20 years commencing not later than July 1, 2009. Chevron Corporation has guaranteed Chevron’s obligations under its TUA up to 80% of the fees payable by Chevron.

In addition, Cheniere Marketing has reserved the remaining 2.0 Bcf/d of regasification capacity, and is entitled to use any capacity not utilized by Total and Chevron. Cheniere Marketing has agreed to make monthly capacity payments to Sabine Pass LNG aggregating approximately $250 million per year for at least 19 years commencing January 1, 2009, plus capacity payments of $5 million per month during 2008 after the Sabine Pass LNG receiving terminal commences commercial operations. Cheniere has guaranteed Cheniere Marketing’s obligations under its TUA.

Other LNG Receiving Terminals

We have a 30% limited partner interest in Freeport LNG Development, L.P. (“Freeport LNG”). Under the limited partnership agreement of Freeport LNG, development expenses of the Freeport LNG receiving terminal

project and other Freeport LNG cash needs generally are to be funded out of Freeport LNG's own cash flows, borrowings or other sources, and with capital contributions by the limited partners. In March 2008, we received, and have subsequently paid, a $1.8 million cash call notice requesting that we provide further financial support due to higher than expected commissioning and performance testing costs. We do not anticipate any additional cash calls in the foreseeable future.

We will contemplate making final investment decisions to complete construction of our Corpus Christi LNG receiving terminal project and to commence construction of our Creole Trail LNG receiving terminal project upon, among other things, entering into acceptable commercial arrangements and entering into acceptable financing arrangements for the applicable project.

Natural Gas Pipeline Business

As of March 31, 2008, Phase 1 of the Creole Trail Pipeline, consisting of 94 miles of pipeline, had been substantially constructed. During April 2008, coincident with commencement of commissioning activities at the Sabine Pass LNG receiving terminal, it was placed into commercial operations. Creole Trail Pipeline expenditures incurred through March 31, 2008 are $500.1 million, including accrued liabilities. On a cash basis, we had incurred $456.3 million through March 31, 2008 and expect to spend an additional $103.7 million of cash from April 1, 2008 until completion of the pipeline. Total costs, excluding financing costs, are expected to be approximately $560 million.

We will contemplate making a final investment decision to construct Phase 2 of the Creole Trail Pipeline, the Corpus Christi Pipeline, the Cheniere Southern Trail Pipeline and the Burgos Hub project upon, among other things, receiving all required authorizations to construct and operate the applicable pipeline (and storage facility in the case of Burgos Hub), to the extent not already obtained, and entering into acceptable commercial arrangements, including acceptable financing arrangements for the applicable project.

LNG and Natural Gas Marketing Business

In connection with the downsizing of our LNG and natural gas marketing business activities, we entered into a non-binding memorandum of understanding with a major natural gas marketing company which contemplates such entity entering into a management agreement for the throughput of LNG and the downstream natural gas marketing for LNG cargoes delivered for Cheniere Marketing's account at the Sabine Pass LNG receiving terminal. We anticipate that, in connection with any such arrangement, whether with such company or another third party, proceeds from the sale of regasified LNG will be used in part to reimburse us for certain costs, including Cheniere Marketing's capacity reservation fees under its TUA with Sabine Pass LNG, with the remaining proceeds, net of certain costs incurred by the marketing entity, to be shared by both parties.

We have successfully unwound, terminated or assigned our existing commitments under our domestic natural gas agreements on terms we believe to be acceptable. It is our intent in connection with our future LNG marketing transactions to mitigate risks inherent in the purchase of LNG by entering into, among other things, offsetting purchase and sale arrangements with credit worthy entities in connection with acquiring LNG for regasification at the Sabine Pass LNG receiving terminal and sharing net proceeds of the resultant sale of the regasified LNG under terms similar to those described above.

Through J & S Cheniere S.A., we have time charter interests in two LNG vessels for which we posted cash collateral that was held as restricted cash and cash equivalents as of March 31, 2008. One of these vessels is being used for commissioning of the Sabine Pass LNG receiving terminal. Due to the downsizing of our natural gas marketing business, we are considering alternative arrangements for these vessels, including potentially cancelling the charter arrangements and forfeiting the cash collateral.

As a result of the downsizing of our natural gas marketing business, we intend to cancel our existing Marketing Credit Facility and, as a result, anticipate increasing our unrestricted cash balances by approximately $35.0 million to $40.0 million.

Oil and Gas Exploration and Development Business

Although our focus is primarily on the development of LNG-related businesses, we have continued to be involved to a limited extent in oil and gas exploration, development and production activities in the shallow waters of the Gulf of Mexico. This business has historically required, and will continue to require, an insignificant amount of cash to fund its operations.

Cheniere Partners

For each calendar quarter through June 30, 2009, Cheniere Partners is expected to make quarterly cash distributions of $0.425 per unit on all outstanding common units, as well as related distributions to its general partner, from restricted cash and cash equivalents. Through June 30, 2009, we anticipate receiving $4.8 million per quarter out of the total $11.4 million quarterly distribution. After June 30, 2009, a distribution reserve established in connection with Cheniere Partners' initial public offering is expected to have been depleted, and Cheniere Partners will rely on the receipt of operating revenues from Sabine Pass LNG's TUAs to fund future quarterly cash distributions to us and other unitholders. Sabine Pass LNG is not permitted under the Senior Notes indenture to make cash distributions to Cheniere Partners if it does not satisfy a fixed charge coverage ratio test of 2:1, calculated as required in the indenture. When Cheniere Marketing makes its capacity reservation fee payments under its TUA of $250 million per year in addition to the TUA payments of $250 million aggregate payments by Total and Chevron under their TUAs, we anticipate that the fixed charge coverage ratio test will be met and we expect to receive, subject to declaration by Cheniere Partners' board of directors, approximately $254 million per year from Cheniere Partners in distributions on our common, subordinated and general partner units, as well as an additional $18 million of management and service fees. Until such time, we may not receive distributions equal to the amount of our TUA payment.

Sources and Uses of Cash

The following table summarizes the sources and uses of our cash and cash equivalents for the three months ended March 31, 2008 and 2007. The table presents capital expenditures on a cash basis; therefore, these amounts differ from the amounts of capital expenditures, including accruals that are referred to elsewhere in this document. Additional discussion of these items follows the table (in thousands).

	Three Months Ended March 31,	
	2008	2007
Sources of cash and cash equivalents:		
Use of restricted cash and cash equivalents	$ 135,237	$ 157,183
Proceeds from sale of common units in partnership	—	164,505
Proceeds from issuance of common units in partnership	—	98,442
Other	253	2,007
Total sources of cash and cash equivalents	135,490	422,137
Uses of cash and cash equivalents:		
LNG terminal and pipeline construction-in-process	(211,054)	(160,732)
Operating cash flow	(24,863)	(28,456)
Purchase of LNG for commissioning	(25,590)	—
Advances under long-term contracts, net of transfers to construction-in-process	(12,236)	(6,920)
Distributions to minority interest	(6,598)	—
Purchase of U.S. treasury securities	(4,398)	(62)
Investment in U.S. treasury securities	—	(98,442)
Purchases of intangible and fixed assets, net of sales	(2,740)	(6,234)
Other	(2,996)	(634)
Total uses of cash and cash equivalents	(290,475)	(301,480)
Net increase (decrease) in cash and cash equivalents	(154,985)	120,657
Cash and cash equivalents at end of period	$ 141,545	$ 583,620

Use of restricted cash and cash equivalents

Under the indenture governing the Senior Notes, a portion of the proceeds from the Senior Notes is required to be used for scheduled interest payments through May 2009 and to fund the cost to complete construction of the Sabine Pass LNG receiving terminal. Due to these restrictions imposed by the indenture, the proceeds are not presented as cash and cash equivalents, and therefore, when proceeds from the Senior Notes are used they are presented as a source of cash and cash equivalents. For the three months ended March 31, 2008 and 2007, the $135.2 million and $157.2 million, respectively, of restricted cash and cash equivalents were used primarily to pay for construction activities at the Sabine Pass LNG receiving terminal.

Proceeds from sale of common units in partnership

In conjunction with the Cheniere Partners offering in the first quarter of 2007, we sold to the public a portion of the Cheniere Partners common units held by us, realizing net proceeds of $164.5 million. These net proceeds are being used for corporate and general purposes.

Proceeds from issuance of common units in partnership

Through the Cheniere Partners offering in the first quarter of 2007, Cheniere Partners received $98.4 million in net proceeds for the issuance of common units to the public. Cheniere Partners used all of the net proceeds to purchase U.S. treasury securities to fund a distribution reserve for payment of initial quarterly distributions through the quarter ending June 30, 2009.

LNG terminal and pipeline construction-in-process

Capital expenditures for our LNG receiving terminals and pipeline projects were $211.1 million and $160.7 million in the three months ended March 31, 2008 and 2007, respectively. The 31.4% increase in the three months ended March 31, 2008 resulted primarily from our continued construction expenditures on the Sabine Pass LNG receiving terminal which commenced construction in the first quarter of 2005 and the Creole Trail Pipeline which commenced initial construction in the second quarter of 2007.

Operating cash flow

Net cash used in operations was $24.9 million and $28.5 million in the three months ended March 31, 2008 and 2007, respectively. Net cash used in operations in the three months ended March 31, 2008 and 2007 related primarily to the continued development of our LNG receiving terminals, natural gas pipelines and LNG and natural gas marketing business.

Purchase of LNG for commissioning

In March 2008, we acquired our initial LNG commissioning cargo for the Sabine Pass LNG receiving terminal, which was loaded into a chartered LNG vessel and in route to the Sabine Pass LNG receiving terminal as of March 31, 2008.

Advances under long-term contracts, net of transfer to construction-in-process

We have entered into certain contracts and purchase agreements related to the construction of the Sabine Pass LNG receiving terminal that require us to make payments to fund costs that will be incurred or equipment that will be received in the future. Advances made under long-term contracts on purchase commitments are carried at face value and transferred to property, plant, and equipment as the costs are incurred or equipment is received.

Distributions to minority interest

During the three months ended March 31, 2008, we distributed $6.6 million to non-affiliated common unitholders of Cheniere Partners.

Investment in U.S. treasury securities

As mentioned above, through the Cheniere Partners offering in the first quarter of 2007, Cheniere Partners received $98.4 million in net proceeds from the issuance of common units to the public. Cheniere Partners used all of the net proceeds to purchase U.S. treasury securities to fund a distribution reserve for payment of initial quarterly distributions through the quarter ending June 30, 2009.

Debt Agreements

Convertible Senior Unsecured Notes

In July 2005, we consummated a private offering of $325.0 million aggregate principal amount of Convertible Senior Unsecured Notes due 2012 to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The notes bear interest at a rate of 2.25% per year. The notes are convertible at any time into our common stock under certain circumstances at an initial conversion rate of 28.2326 per $1,000 principal amount of the notes, which is equal to a conversion price of approximately $35.42 per share. As of March 31, 2008, no holders had elected to convert their notes. We may redeem some or all of the notes on or before August 1, 2012, for cash equal to 100% of the principal plus any accrued and unpaid interest if in the previous 10 trading days the volume-weighted average price of our common stock exceeds $53.13, subject to adjustment, for at least five

consecutive trading days. In the event of such redemption, we will make an additional payment equal to the present value of all remaining scheduled interest payments through August 1, 2012, discounted at the U.S. Treasury rate plus 50 basis points. The indenture governing the notes contains customary reporting requirements.

Sabine Pass LNG Senior Secured Notes

In November 2006, Sabine Pass LNG issued an aggregate principal amount of $2.0 billion of Senior Notes, consisting of $550.0 million of 7 1/4% Senior Secured Notes due 2013 and $1.5 billion of 7 1/2% Senior Secured Notes due 2016. Interest on the Senior Notes is payable semi-annually in arrears on May 30 and November 30 of each year. The Senior Notes are secured on a first-priority basis by a security interest in all of Sabine Pass LNG's equity interests and substantially all of its operating assets. Under the indenture governing the Senior Notes, except for permitted tax distributions, Sabine Pass LNG may not make distributions until certain conditions are satisfied. The indenture requires that Sabine Pass LNG apply its net operating cash flow (i) first, to fund with monthly deposits its next semiannual payment of approximately $75.5 million of interest on the Senior Notes, and (ii) second, to fund a one-time, permanent debt service reserve fund equal to one semiannual interest payment of approximately $75.5 million on the Senior Notes. Distributions will be permitted only after phase 1 target completion of the Sabine Pass LNG receiving terminal, as defined in the indenture governing the Senior Notes, or such earlier date as project revenues are received, upon satisfaction of the foregoing funding requirements, after satisfying a fixed charge coverage ratio test of 2:1 and after satisfying other conditions specified in the indenture.

2007 Term Loan

In May 2007, Cheniere Subsidiary Holdings, LLC ("Cheniere Subsidiary"), a wholly-owned subsidiary of Cheniere, entered into a $400.0 million credit agreement ("2007 Term Loan"). Borrowings under the 2007 Term Loan generally bear interest at a fixed rate of 9.75% per annum. Interest is calculated on the unpaid principal amount of the 2007 Term Loan outstanding and is payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. The 2007 Term Loan will mature on May 31, 2012. The net proceeds from the 2007 Term Loan were $391.7 million and are being used for general corporate purposes, including the repurchase, completed in July 2007, of approximately 9.2 million shares of our outstanding common stock pursuant to the exercise of the call options acquired in the issuer call spread purchased by us in connection with the issuance of the Convertible Senior Unsecured Notes. The 2007 Term Loan is secured by a pledge of our subordinated units in Cheniere Partners and our equity interests in the entities that own our 30% interest in Freeport LNG.

Marketing Credit Facility

In September 2007, Cheniere Marketing entered into a credit facility ("Marketing Credit Facility") that provides up to $35.0 million of borrowings and up to $100.0 million of letters of credit and is secured by a "borrowing base" composed of cash or cash equivalents, receivables, broker margin deposits and inventory of Cheniere Marketing meeting certain criteria. Cheniere Marketing may only use the letters of credit and the proceeds of loans only for financing, securing or guaranteeing the performance of its obligations related to the purchase, sale, storage, transfer or exchange of natural gas and other products, to support Cheniere Marketing's obligations under commodity contracts and derivative contracts related to such products, and to fund the working capital requirements of Cheniere Marketing. Borrowings mature on the earlier of two months after such borrowings and September 12, 2008. The unpaid principal balance of each borrowing generally bears interest at a variable rate equal to LIBOR plus 1.50%. The Marketing Credit Facility is secured by a pledge of Cheniere Marketing's accounts receivable, inventory and other assets. As of March 31, 2008, we had no borrowings and $70.7 million of letters of credit outstanding under the Marketing Credit Facility.

Bridge Loan

On May 5, 2008, Cheniere Common Units Holding, LLC ("Cheniere Common Units Holding"), a newly formed wholly-owned subsidiary of Cheniere, entered into a Credit Agreement (the "Bridge Loan") among Cheniere Common Units Holding, Credit Suisse, Cayman Islands Branch, as administrative agent, collateral

agent and as a lender, and the several lenders from time to time party thereto, pursuant to which the lenders agreed to make a term loan of $95.0 million to Cheniere Common Units Holding. Borrowings under the Bridge Loan generally bear interest at a fixed rate of 16.458% per annum. Interest is calculated on the unpaid principal amount of the Bridge Loan and is payable quarterly in arrears on the earlier of the 46th day following the end of each calendar quarter, or the maturity date. The Bridge Loan will mature on November 5, 2009. The net proceeds from the Bridge Loan were $82.3 million and are being used for general corporate purposes and pipeline capital expenditures. The Bridge Loan is secured by a pledge of our 10,891,357 common units in Cheniere Partners and our equity interests in the entities that own our Creole Trail Pipeline.

Issuances of Common Stock

During the first three months of 2008, a total of 31,132 shares of our common stock were issued pursuant to the exercise of stock options, resulting in net cash proceeds of $0.2 million. In addition, in January 2008, 479,802 shares of our common stock were issued to our employees in the form of non-vested restricted stock awards, and 537,000 shares of vested common stock were issued to our executive officers related to our performance in 2007. During the first three months of 2008, we issued an additional 11,546 shares of non-vested restricted stock to new and existing employees.

During the first three months of 2007, a total of 95,996 shares of our common stock were issued pursuant to the exercise of stock options, resulting in net cash proceeds of $0.8 million. In addition, 162,248 shares of common stock were issued in satisfaction of cashless exercises of options to purchase 168,666 shares of common stock.

In January 2007, 628,396 shares of our common stock were issued to our employees and executive officers in the form of non-vested (restricted) stock awards related to our performance in 2006. During the first three months of 2007, we issued an additional 51,564 shares of non-vested restricted stock to new and existing employees.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2008 vs. Three Months Ended March 31, 2007

Overall Operations

Our consolidated net loss was $49.9 million in the first quarter of 2008, a 44% increase over our first quarter 2007 net loss. The increase in the loss was primarily due to our increase in employee headcount in anticipation of commencing operations at the Sabine Pass LNG receiving terminal in early 2008, additional LNG receiving terminal development expenses and an increase in the amount of depreciation, depletion and amortization recognized in part due to our increase in asset infrastructure being placed in service. In addition, a significant portion of our loss is attributable to the recognition of non-cash, share-based payments accounted for under SFAS No. 123R, *Share-Based Payments*, which requires all non-cash, share-based compensation be recognized in the financial statements based on fair value at the date of grant. As a result of our issuance of non-cash, share-based payments to employees, we recorded $12.8 million of non-cash compensation expense in the first quarter of 2008 compared to $6.6 million of non-cash compensation expense in the first quarter of 2007. Not including the impact of this non-cash expense in the first quarter of 2008, our net loss would have been $37.1 million, or $0.79 net loss per common share—basic and diluted.

LNG Receiving Terminal and Pipeline Development Expenses

Our LNG receiving terminal and pipeline development expenses include primarily professional costs associated with front-end engineering and design work, obtaining orders from the FERC authorizing construction of our facilities and other required permitting for our LNG receiving terminals and natural gas pipelines. Additional discussion of these items follows the tables below: (in thousands)

	Three Months Ended March 31,	
	2008	2007
Salaries and benefits	$ 3,508	$ 3,037
Non-cash compensation	1,610	981
Public relations	255	265
Professional and technical services	205	312
Sabine Pass LNG receiving terminal site rental	401	402
Other	737	757
Total LNG receiving terminal and pipeline development expenses	$ 6,716	$ 5,754

Salaries and benefits— LNG receiving terminal and pipeline development expenses include expenses of our employees directly involved in development activities. Employees' salaries and benefits are charged to development expense when they are engaged directly in LNG receiving terminal and pipeline activities but the type of work they perform do not meet our capitalization criteria. The increase in salaries and benefits from the three months ended March 31, 2007 to the three months ended March 31, 2008 was due to an increase in the average number of employees engaged in LNG receiving terminal and pipeline activities from 114 in the three months ended March 31, 2007 to 154 in the three months ended March 31, 2008.

General and Administrative Expenses

The increase in general and administrative ("G&A") expenses by $9.4 million in 2008 compared to 2007 primarily resulted from the expansion of our business (including increases in our corporate and LNG and natural gas marketing staff from an average of 174 employees in 2007 to an average of 222 employees in 2008). Included in G&A expenses in 2008 and 2007 were non-cash compensation of $11.2 million and $5.6 million, respectively. Excluding the impact of non-cash compensation, G&A for 2008 and 2007 would have been $19.5 million and $15.7 million, respectively.

Interest Expense, net

Interest expense, net of amounts capitalized, decreased $6.6 million in 2008 compared to 2007. The decrease was caused primarily by the increase in capitalized interest as a result of an increase in advances under long-term contracts and property, plant and equipment.

Interest Income

Interest income decreased $12.0 million in 2008 compared to 2007 because of the lower average invested cash balances resulting from the use of cash to pay construction costs and interest payments and lower interest rates.

Off-Balance Sheet Arrangements

As of March 31, 2008, we had no off-balance sheet debt or other such unrecorded obligations, and we have not guaranteed the debt of any other party.

OTHER MATTERS

Critical Accounting Estimates and Policies

The selection and application of accounting policies is an important process that has developed as our business activities have evolved and as the accounting rules have developed. Accounting rules generally do not involve a selection among alternatives but involve an implementation and interpretation of existing rules, and the use of judgment, to the specific set of circumstances existing in our business. We make every effort to comply properly with all applicable rules on or before their adoption, and we believe that the proper implementation and consistent application of the accounting rules are critical. However, not all situations are specifically addressed in the accounting literature. In these cases, we must use our best judgment to adopt a policy for accounting for these situations. We accomplish this by analogizing to similar situations and the accounting guidance governing them.

Accounting for LNG Activities

Generally, we begin capitalizing the costs of our LNG receiving terminals and related pipelines once the individual project meets the following criteria: (i) regulatory approval has been received, (ii) financing for the project is available and (iii) management has committed to commence construction. Prior to meeting these criteria, most of the costs associated with a project are expensed as incurred. These costs primarily include professional fees associated with front-end engineering and design work, costs of securing necessary regulatory approvals, and other preliminary investigation and development activities related to our LNG receiving terminals and related pipelines.

Generally, costs that are capitalized prior to a project meeting the criteria otherwise necessary for capitalization include: land costs, costs of lease options and the costs of certain permits, which are capitalized as intangible LNG assets. The costs of lease options are amortized over the life of the lease once it is obtained. If no lease is obtained, the costs are expensed. Site rental costs and related amortization of capitalized options have been capitalized during the construction period through the end of 2005. Beginning in 2006, such costs have been expensed as required by the FASB Staff Position No. 13-1.

During the construction periods of our LNG receiving terminals, we capitalize interest and other related debt costs in accordance with Statement of Financial Accounting Standards ("SFAS") No. 34, *Capitalization of Interest Cost*, as amended by SFAS No. 58, *Capitalization of Interest Cost in Financial Statements That Include Investments Accounted for by the Equity Method (an Amendment of FASB Statement No. 34)*. Upon commencement of operations, capitalized interest, as a component of the total cost, will be amortized over the estimated useful life of the asset.

In connection with the construction of the Sabine Pass LNG receiving terminal, we require LNG to perform certain commissioning activities, as follows:

- Cool down—A minimum amount of LNG will be used to cool down the LNG receiving terminal. Cool down represents the amount of LNG required to cool the LNG receiving terminal to its normal operating temperature.
- LNG heel—A certain amount of LNG will be used to establish a level of LNG inventory in each LNG storage tank and in the LNG receiving terminals piping in order for the LNG receiving terminal to function properly.
- Equipment commissioning—The remaining amount of the LNG will be used to commission the equipment in the LNG receiving terminal to ensure that it performs at designed specifications. Equipment commissioning will result in natural gas being sold.

LNG purchased for commissioning activities is recorded at cost and classified as a non-current asset on our Consolidated Balance Sheet as LNG Held for Commissioning. As the LNG held for commissioning is used to cool down the LNG receiving terminal and establish LNG heel in the LNG receiving terminal, we capitalize the portion used. The LNG used in the commissioning process is capitalized net of amounts received from the sale of natural gas.

Regulated Operations

Our natural gas pipeline business is subject to the jurisdiction of the FERC in accordance with the Natural Gas Act of 1938 and the Natural Gas Policy Act of 1978, and we have determined that certain of our pipeline systems to be constructed have met the criteria set forth in SFAS No. 71. Accordingly, we have applied the provisions of SFAS No. 71 to the affected pipeline subsidiaries beginning in the second quarter of 2006.

Our application of SFAS No. 71 is based on the current regulatory environment, our current projected tariff rates, and our ability to collect those rates. Future regulatory developments and rate cases could impact this accounting. Although discounting of our maximum tariff rates may occur, we believe the standards required by SFAS No. 71 for its application are met and the use of regulatory accounting under SFAS No. 71 best reflects the results of future operations in the economic environment in which we will operate. Regulatory accounting requires us to record assets and liabilities that result from the rate-making process that would not be recorded under GAAP for non-regulated entities. We will continue to evaluate the application of regulatory accounting principles based on on-going changes in the regulatory and economic environment. Items that may influence our assessment are:

- inability to recover cost increases due to rate caps and rate case moratoriums;
- inability to recover capitalized costs, including an adequate return on those costs through the rate-making process and the FERC proceedings;
- excess capacity;
- increased competition and discounting in the markets we serve; and
- impacts of ongoing regulatory initiatives in the natural gas industry.

Natural gas pipeline costs include amounts capitalized as an Allowance for Funds Used During Construction ("AFUDC"). The rates used in the calculation of AFUDC are determined in accordance with guidelines established by the FERC. AFUDC represents the cost of debt and equity funds used to finance our natural gas pipeline additions during construction. AFUDC is capitalized as a part of the cost of our natural gas pipelines. Under regulatory rate practices, we generally are permitted to recover AFUDC, and a fair return thereon, through our rate base after our natural gas pipelines are placed in service.

Revenue Recognition

LNG receiving terminal capacity reservation fees are recognized as revenue over the term of the respective TUAs. Advance capacity reservation fees are deferred initially.

Cash Flow Hedges

As defined in SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, cash flow hedge transactions hedge the exposure to variability in expected future cash flows (i.e., in our case, the variability of floating interest rate exposure). In the case of cash flow hedges, the hedged item (the underlying risk) is generally unrecognized (i.e., not recorded on the balance sheet prior to settlement), and any changes in the fair value, therefore, will not be recorded within earnings. Conceptually, if a cash flow hedge is effective, this means that a variable, such as a movement in interest rates, has been effectively fixed so that any fluctuations will have no net result on either cash flows or earnings. Therefore, if the changes in fair value of the hedged item are not recorded in earnings, then the changes in fair value of the hedging instrument (the derivative) must also be excluded from the income statement or else a one-sided net impact on earnings will be reported, despite the fact that the establishment of the effective hedge results in no net economic impact. To prevent such a scenario from occurring, SFAS No. 133 requires that the fair value of a derivative instrument designated as a cash flow hedge be recorded as an asset or liability on the balance sheet, but with the offset reported as part of other comprehensive income, to the extent that the hedge is effective. We assess, both at the inception of each hedge

and on an on-going basis, whether derivatives that are used in our hedging transactions are highly effective in offsetting changes in cash flows of the hedged items. On an on-going basis, we monitor the actual dollar offset of the hedges' market values compared to hypothetical cash flow hedges. Any ineffective portion will be reflected in earnings. Ineffectiveness is the amount of gains or losses from derivative instruments that are not offset by corresponding and opposite gains or losses on the expected future transaction.

Goodwill

Goodwill is accounted for in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets.* We perform an annual goodwill impairment review in the fourth quarter of each year, although we may perform a goodwill impairment review more frequently whenever events or circumstances indicate that the carrying value may not be recoverable.

Share-Based Compensation Expense

Effective January 1, 2006, we adopted the fair value recognition provisions of SFAS No. 123R using the modified prospective transition method. Under this method, we recognize compensation expense for all share-based payments granted after January 1, 2006 and prior to, but not yet vested as of, January 1, 2006, in accordance with SFAS 123R using the Black-Scholes option valuation model. Under the fair value recognition provisions of SFAS 123R, we recognize stock-based compensation net of an estimated forfeiture rate and only recognize compensation cost for those shares expected to vest on a straight-line basis over the requisite service period of the award.

Determining the appropriate fair value model and calculating the fair value of share-based payment awards require the input of highly subjective assumptions, including the expected life of the share-based payment awards and stock price volatility. We believe that implied volatility, calculated based on traded options of our common stock, combined with historical volatility is an appropriate indicator of expected volatility and future stock price trends. Therefore, expected volatility for the quarter ended March 31, 2008 was based on a combination of implied and historical volatilities. The assumptions used in calculating the fair value of share-based payment awards represent our best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and we use different assumptions, our stock-based compensation expense could be materially different in the future. In addition, we are required to estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. If our actual forfeiture rate is materially different from our estimate, the stock-based compensation expense could be significantly different from what we have recorded in the current period. See Note 17—"Share-Based Compensation" of our Notes to Consolidated Financial Statements for a further discussion on share-based compensation.

New Accounting Pronouncements

On January 1, 2008, we adopted SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities—including an amendment of FASB Statement No. 115* ("SFAS No. 159"). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis (the fair value option) with changes in fair value reported in earnings. Cheniere already records derivative contracts at fair value in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended ("SFAS No. 133"). The adoption of SFAS No. 159 had no impact on our Consolidated Financial Statements as management did not elect the fair value option for any other financial instruments or certain other assets and liabilities.

On January 1, 2008, we adopted SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157") as it relates to financial assets and financial liabilities. In February 2008, the FASB issued FSP No. FAS 157-2, *Effective Date of FASB Statement No. 157*, which delayed the effective date of SFAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis, until January 1, 2009 for calendar year-end entities. The adoption of SFAS No. 157 did not have a material impact on our Consolidated Financial Statements.

In March 2008, the FASB issued SFAS No. 161,*Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133*, ("SFAS No. 161"). SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activities, including (i) how and why an entity uses derivative instruments, (ii) how derivative instruments and related hedged items are accounted for under SFAS No. 133, and (iii) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. This standard becomes effective for us on January 1, 2009. Earlier adoption of SFAS No. 161 and, separately, comparative disclosures for earlier periods at initial adoption are encouraged. As SFAS No. 161 only requires enhanced disclosures, this standard will have no impact on our Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Prices

We produce and sell natural gas, crude oil and condensate. As a result, our financial results can be affected as these commodity prices fluctuate widely in response to changing market forces. We have not entered into any derivative transactions related to our oil and gas producing activities.

Cash Investments

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

Cheniere Marketing and Sabine Pass LNG Derivative Commodity Price Risk

Through Cheniere Marketing, we have conducted natural gas marketing and trading activities accounted for as derivatives. We use value at risk ("VaR") and other methodologies for market risk measurement and control purposes. For the three months ended March 31, 2008, the one-day VaR with a 95% confidence interval of our marketing and trading derivative positions averaged $0.1 million. At March 31, 2008, the one-day VaR of our marketing and trading derivative positions was $0.4 million.

In addition, Sabine Pass LNG entered into natural gas NYMEX swaps accounted for as derivatives. The NYMEX swaps were entered into to mitigate the price risk exposure related to the commissioning and cool down cargo purchased by Cheniere Marketing in the first quarter of 2008 that is expected to be sold as part of the testing phase of the commissioning process. Sabine Pass LNG entered into a total of 2,000,000 MMBtu of June 2008 NYMEX swaps with two counterparties for which it will receive fixed prices of $9.758 to $9.763 per MMBtu. At March 31, 2008, the value of the derivatives was a liability of $0.8 million.

Item 4. Disclosure Controls and Procedures

We maintain a set of disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports filed by us under the Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. As of the end of the period covered by this report, we evaluated, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures are effective.

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We may in the future be involved as a party to various legal proceedings which are incidental to the ordinary course of business. We regularly analyze current information and, as necessary, provide accruals for probable liabilities on the eventual disposition of these matters. In the opinion of management and legal counsel, as of March 31, 2008, there were no known threatened or pending legal matters that could reasonably be expected to have a material adverse impact on our consolidated results of operations, financial position or cash flows.

Item 5. Other Information

On May 5, 2008, Cheniere Common Units Holding, LLC (the "Borrower"), a newly formed wholly-owned subsidiary of Cheniere Energy, Inc. ("the Company"), entered into a Credit Agreement (the "Credit Agreement") among the Borrower, the Loan Parties defined below, Credit Suisse, Cayman Islands Branch, as administrative agent, collateral agent and as a lender, and the several lenders from time to time party thereto, pursuant to which the lenders agreed to make a term loan of up to $95,000,000 (the "Loan") to the Borrower. The description of the Credit Agreement and related documents set forth below is not complete and is qualified in its entirety by reference to the Credit Agreement and related documents, copies of which are filed herewith as exhibits to this Form 10-Q and incorporated herein by reference.

Borrowing

On May 5, 2008, the Borrower borrowed the full amount of Loan. The Loan will mature on November 5, 2009. The net proceeds from the Loan were $82.3 million and are being used by the Company for general corporate purposes and pipeline capital expenditures.

Repayment

The Loan will not amortize prior to the maturity date. The Loan may be prepaid voluntarily, in whole or in part, at any time, prior to maturity. The Credit Agreement also provides for mandatory offers by the Borrower to prepay the Loan in an amount equal to (i) 100% of the net cash proceeds received from asset sales or other dispositions of property by the Borrower; (ii) 100% of the net cash proceeds received from issuances, offerings or other placements of debt obligations of the Borrower; (iii) 100% of the net cash proceeds received from issuances of equity securities of the Borrower or (iv) 50% of the amount in excess of the $0.425 per unit quarterly distribution that Borrower receives from the 10,891,357 common units of Cheniere Energy Partners, L.P. held by the Borrower.

Interest Rate

The Loan bears interest at a fixed rate of 16.458% per annum, except during the occurrence and continuance of an event of default (as described below), during which time the rate of interest will be 18.4581% per annum. Interest is calculated on the unpaid principal amount of the Loan outstanding and is payable quarterly in arrears on the earlier of the 46th day following the end of each calendar quarter, or the maturity date.

Collateral

The Loan is secured by a perfected first-priority pledge of all of the following (collectively, the "Collateral"): (i) all of the assets of the Borrower, including the 10,891,357 common units of Cheniere Energy Partners, L.P. held by the Borrower; (ii) the equity securities of the Borrower held by Cheniere LNG Holdings, LLC ("Holdings"); (iii) the limited partner interests in Cheniere Creole Trail Pipeline, L.P. ("CCTP") held by Grand Cheniere Pipeline, LLC ("GCPL") and (iv) the general partner interests in CCTP held by Cheniere Pipeline GP Interests, LLC ("CPL GP" and collectively with the Borrower, the Company, Holdings, CCTP and GCPL, the "Loan Parties").

Non-Recourse Guaranty

Pursuant to a Non-Recourse Guaranty dated May 5, 2008, in favor of Credit Suisse, Cayman Islands Branch as administrative agent and collateral agent for the lenders party to the Credit Agreement, the Company guarantees the payment and performance of all of the Borrower's obligations under the Credit Agreement and the other loan documents related thereto (the "Guarantee").

Covenants

The Credit Agreement, the Security Agreement (as described below) and/or the Pledge Agreement (as described below) contain affirmative and negative covenants that are applicable to the Borrower and certain of the Loan Parties. Such covenants include, but are not limited to (subject to exceptions): limitations on the Borrower's ability to make investments or dividend distributions; limitations on the ability of the Borrower or CCTP to incur indebtedness or permit liens on their assets, limitations on the ability of the Borrower or CCTP to engage in transactions with affiliates or merge, consolidate, sell assets, acquire subsidiaries or form joint ventures; limitations on the ability of the Loan Parties to dispose of their equity interests in Borrower or CCTP; affirmative covenants requiring the Borrower to maintain its separate identity, provide financial information and notice of certain events, maintain its existence and other material rights and other customary covenants and restrictions.

Events of Default

The Credit Agreement contains customary events of default, which are subject to customary grace periods and materiality standards, including, among others, events of default upon the occurrence of:

- nonpayment of any amounts payable under the Credit Agreement when due;
- any representation or warranty made in connection with the Credit Agreement being incorrect in any material respect when made or deemed made;
- violation of covenants contained in the Credit Agreement, Security Agreement, Pledge Agreement or the Guarantee;
- acceleration of any indebtedness of the Company, Holdings, Cheniere Energy Partners, L.P. or Sabine Pass LNG, L.P. in excess of $10,000,000;
- bankruptcy or insolvency of any of the Loan Parties;
- nondischarge of judgments against any of the Loan Parties in excess of $10,000,000;
- actual or asserted invalidity of the security documents or failure of the liens created thereby to remain a first-priority perfected liens; and
- the Company shall fail to own, directly or indirectly, at least 50% of the voting interests of the Borrower, CCTP or the general partner of Sabine Pass LNG, L.P.

Pledge Agreement

In connection with the Credit Agreement, Holdings, GCPL and CPL GP entered into that certain Pledge Agreement, dated as of May 5, 2008, in favor of Credit Suisse, Cayman Islands Branch, as administrative agent and collateral agent for the lenders party to the Credit Agreement pursuant to which they granted to the collateral agent a security interest in all of the Collateral owned by them as security for the payment and performance by the Borrower of its obligations under the Credit Agreement and the other loan documents.

Security Agreement

In connection with the Credit Agreement, the Borrower entered into a Security Agreement, dated as of May 5, 2008, in favor of Credit Suisse, Cayman Islands Branch, as administrative agent and collateral agent for the lenders party to the Credit Agreement pursuant to which it granted to the collateral agent a security interest in substantially all of the Borrower's assets.

Item 6. Exhibits

(a) Each of the following exhibits is filed herewith:

10.1	Change Orders 27, 28, 29, 30, 31, 32, 33, and 34 to Construction Agreement, dated January 10, 2007, between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company.
10.2	Change Orders 2, 4, 5, 6, 8, 9, 10, 11, and 12 to Construction Agreement, dated January 5, 2007, between Cheniere Creole Trail Pipeline, L.P. and Sunland Construction, Inc.
10.3	Change Orders 4, 5, 6, 7 and 8 to Construction Agreement, dated March 12, 2007, between Cheniere Creole Trail Pipeline, L.P. and Sunland Construction, Inc.
10.4	Change Order 8 to Engineer, Procure and Construct (EPC) LNG Unit Rate Soil Contract, dated July 21, 2006, between Sabine Pass LNG, L.P. and Remedial Construction Services, L.P.
10.5	Change Orders 15 and 16 to Construction Agreement, dated February 1, 2006, between Cheniere Sabine Pass Pipeline Company and Willbros Engineers, Inc.
10.6	Credit Agreement, dated May 5, 2008, among Cheniere Common Units Holding, LLC, the lenders party thereto and Credit Suisse, Cayman Islands Branch
10.7	Pledge Agreement, dated May 5, 2008, among Cheniere Common Units Holding, LLC, Cheniere LNG Holdings, LLC, Cheniere Pipeline GP Interests, LLC, Grand Cheniere Pipeline, LLC and Credit Suisse, Cayman Islands Branch
10.8	Security Agreement, dated May 5, 2008, between Cheniere Common Units Holding, LLC and Credit Suisse, Cayman Islands Branch
10.9	Non-Recourse Guaranty, dated May 5, 2008, by Cheniere Energy, Inc. in favor of Credit Suisse
10.10	Change Orders No. 53 through 56 to Lump Sum Turnkey Engineering, Procurement and Construction Agreement dated December 18, 2004 between Sabine Pass LNG, L.P. and Bechtel Corporation
31.1	Certification by Chief Executive Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act
31.2	Certification by Chief Financial Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act
32.1	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification 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

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/ JERRY D. SMITH
Vice President and Chief Accounting Officer
(on behalf of the registrant and
as principal accounting officer)

Date: May 8, 2008

Exhibit 10.1

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: CCT 3A-027

DATE OF CHANGE ORDER: 01-24-08

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: Various Additional M-Items

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.2-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Cheniere will compensate Sheehan Pipe Line Co. for various M-Items including: Item M-10 (3) additional 42" cut and bevels, Item M-26 577 feet of safety fence, Item M-31 additional Depth Ditch (3,536' of 1' extra depth, and 3,900' of 2' extra depth), and Item M-33 20 cubic yards of flowable fill.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 65,605,739.22
Net change by previously authorized Change Orders	$ 15,225,547.21
The Estimated Contract Price prior to this Change Order was	$ 80,831,286.43
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 31,479.00
The new Estimated Contract Price including this Change Order will be	$ 80,862,765.43

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: N/A
The Guaranteed Mechanical Completion Date will be unchanged.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is January 31, 2008.

The Guaranteed Substantial Completion Date will be unchanged.
The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is February 29, 2008.

The Guaranteed Final Completion Date will be unchanged.
The Guaranteed Final Completion Date as of the date of this Change Order therefore is March 31, 2008.

Adjustment to other Changed Criteria: N/A

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

Cheniere Creole Trail Pipeline, L.P.	Sheehan Pipe Line Construction Company
Owner	Contractor
/s/ R. Keith Teague	/s/ Robert A. Riess, Sr.
Signature	Signature
R. Keith Teague	Robert A. Riess, Sr.
Name	Name
President	President & COO
Title	Title
1/29/2008	2/6/08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: **CCT 3A-028**

DATE OF CHANGE ORDER: **01-29-08**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: Various Additional M-Items

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.2-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Cheniere will compensate Sheehan Pipe Line Co. for various M-Items including: Item M-26 694 feet of safety fence, Item M-31 additional Depth Ditch (11,632' of 1' extra depth). The total amount of this change order is $28,122.00.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 65,605,739.22
Net change by previously authorized Change Orders	$ 15,257,026.21
The Estimated Contract Price prior to this Change Order was	$ 80,862,765.43
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 28,122.00
The new Estimated Contract Price including this Change Order will be	$ 80,890,887.43

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: N/A
The Guaranteed Mechanical Completion Date will be unchanged.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is January 31, 2008.

The Guaranteed Substantial Completion Date will be unchanged.
The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is February 29, 2008.

The Guaranteed Final Completion Date will be unchanged.
The Guaranteed Final Completion Date as of the date of this Change Order therefore is March 31, 2008.

Adjustment to other Changed Criteria: N/A

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

Cheniere Creole Trail Pipeline, L.P.	Sheehan Pipe Line Construction Company
Owner	Contractor
/s/ T.R. Hutton / R. Keith Teague	/s/ Robert A. Riess, Sr.
Signature	Signature
T.R. Hutton / R. Keith Teague	Robert A. Riess, Sr.
Name	Name
Director / President	President & COO
Title	Title
2/1/08	2/6/08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: **CCT 3A-029**

DATE OF CHANGE ORDER: **01-30-08**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: Additional Road Bore Footages

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.2-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Cheniere will compensate Sheehan Pipe Line Co. for additional Bore footage installed at B-10.1 Burton Shipyard Road M.P. 3-0.5 (additional 29' for $20,300.00), B-10.2 State Highway 27 M.P. 3-0.0 (additional 43' for $30,100.00), B-10.14 State Highway 27 M.P. 3-18.7 (additional 13.3' for $9,310.00), B-10.15 Holbrook Park Road M.P 3-22.7 (additional 23' for $16,100.00), B-10.16 Bill Prewitt M.P. 3-23.3 (additional 41' for $28,700.00), B-10.17 State Highway 171 M.P. 10.17 (additional 18' for $12,600.00), B-11.2 Bored Rail Road Crossing M.P. 3-18.8 (additional 105' for $73,500.00). These additional bore footages where necessary due to various foreign utility crossings. The total amount for this change order is $193,610.00.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 65,605,739.22
Net change by previously authorized Change Orders	$ 15,285,148.21
The Estimated Contract Price prior to this Change Order was	$ 80,890,887.43
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 190,610.00
The new Estimated Contract Price including this Change Order will be	$ 81,081,497.43

Adjustment to dates in Project Schedule

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

The Guaranteed Mechanical Completion Date will be unchanged.

The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is January 31, 2008.

The Guaranteed Substantial Completion Date will be unchanged.

The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is February 29, 2008.

The Guaranteed Final Completion Date will be unchanged.

The Guaranteed Final Completion Date as of the date of this Change Order therefore is March 31, 2008.

Adjustment to other Changed Criteria: N/A

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

Cheniere Creole Trail Pipeline, L.P.	Sheehan Pipe Line Construction Company
Owner	Contractor
/s/ R. Keith Teague	/s/ Robert A. Riess, Sr.
Signature	Signature
R. Keith Teague	Robert A. Riess, Sr.
Name	Name
President	President & COO
Title	Title
2/4/08	2/6/08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option
Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: **CCT 3A-030**

DATE OF CHANGE ORDER: **02-15-08**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: 24-inch Tetco Lateral Pipeline

The Agreement between the Parties listed above is changed as follows: Sheehan Pipe Line Construction Company (SPLCC) shall install the 24-inch Tetco lateral pipeline and associated items in accordance with all applicable drawings, specifications, permits, contract terms and conditions, and scope-of-work documentation. Payments shall be made in accordance with the attached table. Unit prices are fixed and are not subject to change. Payment will be made in accordance with actual quantities installed for each item, as approved by Owner. This Change Order authorizes work for Project 1102 – the Tetco Interconnect. As such, it is not subject to the pipeline project schedule as listed in the section below. The project schedule for the work authorized by this change order is as follows: The Guaranteed Mechanical Completion Date is April 1, 2008; The Guaranteed Final Completion Date is April 15, 2008. All facilities shall be installed to Company satisfaction in accordance with the preceding schedule dates.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 65,605,739.22
Net change by previously authorized Change Orders	$ 15,475,758.21
The Estimated Contract Price prior to this Change Order was	$ 81,081,497.43
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 1,723,094.00
The new Estimated Contract Price including this Change Order will be	$ 82,804,591.43

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: N/A
The Guaranteed Mechanical Completion Date will be unchanged.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is January 31, 2008.

The Guaranteed Substantial Completion Date will be unchanged.
The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is February 29, 2008.

The Guaranteed Final Completion Date will be unchanged.
The Guaranteed Final Completion Date as of the date of this Change Order therefore is March 31, 2008.

Adjustment to other Changed Criteria: N/A

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

Cheniere Creole Trail Pipeline, L.P.	Sheehan Pipe Line Construction Company
Owner	Contractor
/s/ R. Keith Teague	/s/ Robert A. Riess, Sr.
Signature	Signature
R. Keith Teague	Robert A. Riess, Sr.
Name	Name
President	President & COO
Title	Title
2/21/2008	March 3, 2008
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option
Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: CCT 3A-031

DATE OF CHANGE ORDER: 03-06-08

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: 17,720' of Class 2 Warning Tape

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.2-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Cheniere will compensate Sheehan Pipe Line Co. for installing 17,720 feet of warning tape in all class 2 areas. This warning tape shall be installed to Company satisfaction in accordance with this change order.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 65,605,739.22
Net change by previously authorized Change Orders	$ 17,198,852.21
The Estimated Contract Price prior to this Change Order was	$ 82,804,591.43
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 35,440.00
The new Estimated Contract Price including this Change Order will be	$ 82,840,031.43

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: N/A
The Guaranteed Mechanical Completion Date will be unchanged.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is January 31, 2008.

The Guaranteed Substantial Completion Date will be unchanged.
The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is February 29, 2008.

The Guaranteed Final Completion Date will be unchanged.
The Guaranteed Final Completion Date as of the date of this Change Order therefore is March 31, 2008.

Adjustment to other Changed Criteria: N/A

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

Cheniere Creole Trail Pipeline, L.P.	Sheehan Pipe Line Construction Company
Owner	Contractor
/s/ TR Hutton	/s/ Ronnie W. Powell
Signature	Signature
TR Hutton	Ronnie W. Powell
Name	Name
Director	Manager, Projects
Title	Title
3/12/08	03/21/08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option
Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: CCT 3A-032

DATE OF CHANGE ORDER: 03-10-08

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: Reduction to one 42" Launcher / Receiver

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.1-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Due to a reduction to one 42" Launcher / Receiver, contract item # B-6 will be reduced to $423,000.00. The previous amount of this item number was $940,000.00. This is a total reduction of the contract by $517,000.00.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 65,605,739.22
Net change by previously authorized Change Orders	$ 17,234,292.21
The Estimated Contract Price prior to this Change Order was	$ 82,840,031.43
The Estimated Contract Price will be decreased by this Change Order in the amount of	$ (517,000.00)
The new Estimated Contract Price including this Change Order will be	$ 82,323,031.43

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: N/A
The Guaranteed Mechanical Completion Date will be unchanged.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is January 31, 2008.

The Guaranteed Substantial Completion Date will be unchanged.
The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is February 29, 2008.

The Guaranteed Final Completion Date will be unchanged.
The Guaranteed Final Completion Date as of the date of this Change Order therefore is March 31, 2008.

Adjustment to other Changed Criteria: N/A

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

Cheniere Creole Trail Pipeline, L.P.	Sheehan Pipe Line Construction Company
Owner	Contractor
/s/ R. Keith Teague	/s/ Ronnie W. Powell
Signature	Signature
R. Keith Teague	Ronnie W. Powell
Name	Name
President	Manager, Projects
Title	Title
3/13/2008	03/21/08
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: **CCT 3A-033**

DATE OF CHANGE ORDER: **03-19-08**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: Correction to Change Order #CCT 3A-025

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.1-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Change Order #CCT 3A-033 is to correct Change Order #CCT 3A-025.

Through mutual agreement between Cheniere and Sheehan, change order CCT 3A-025 is null and void. This decreases the Estimated Contract Price by ($597,274).

The I-10 HDD is inserted as a new line into the contract with a value of $707,025. As the I-10 HDD was done in lieu of the I-10 Bore, this change order also decreases line item B-10.9 by ($224,000). This change covers all costs associated with the utilization of horizontal directional drilling instead of a bore to cross I-10.

The various scope changes (see attachment #2 "Various Scope Changes") are inserted as a new line into the contract with a value of $226,799.

This change order results in a net increase to the Estimated Contract Price of $112,550. Please reference the attached spreadsheets (Attachment #1 & #2 to Change Order No: CCT 3A-033) for a summary of the changes.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 65,605,739.22
Net change by previously authorized Change Orders	$ 16,717,292.21
The Estimated Contract Price prior to this Change Order was	$ 82,323,031.43
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 112,550.00
The new Estimated Contract Price including this Change Order will be	$ 82,435,581.43

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: N/A
The Guaranteed Mechanical Completion Date will be unchanged.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is January 31, 2008.

The Guaranteed Substantial Completion Date will be unchanged.
The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is February 29, 2008.

The Guaranteed Final Completion Date will be unchanged.
The Guaranteed Final Completion Date as of the date of this Change Order therefore is March 31, 2008.

Adjustment to other Changed Criteria: N/A

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

Cheniere Creole Trail Pipeline, L.P.	Sheehan Pipe Line Construction Company
Owner	Contractor
/s/ R. Keith Teague	/s/ Robert A. Riess, Sr.
Signature	Signature
R. Keith Teague	Robert A. Riess, Sr.
Name	Name
President	President & COO
Title	Title
4/1/2008	April 8, 2008
Date of Signing	Date of Signing

SCHEDULE D-1

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Alternate Route 42" Single Line Option
Creole Trail Pipeline - Segment 3A Project

CHANGE ORDER NUMBER: **CCT 3A-034**

DATE OF CHANGE ORDER: **04-14-08**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sheehan Pipe Line Construction Company (SPLCC)

DATE OF AGREEMENT: January 10, 2007

SUBJECT: Additional Bore Footage

The Agreement between the Parties listed above is changed as follows: Per the terms and conditions outlined under Article 6.1-B of the Construction Agreement for Segment 3A project between Cheniere Creole Trail Pipeline, L.P. and Sheehan Pipe Line Construction Company dated January 10, 2007; Cheniere will compensate Sheehan Pipe Line Co. for additional Bore footage installed at various crossings on the Segment 3A pipeline project.

Through mutual agreement between Cheniere and Sheehan, additional footage was necessary to complete the crossings due to foreign utilities and other construction obstacles.

Please reference attachment #1 for previous estimate and actual footages.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 65,605,739.22
Net change by previously authorized Change Orders	$ 16,829,842.21
The Estimated Contract Price prior to this Change Order was	$ 82,435,581.43
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 403,760.00
The new Estimated Contract Price including this Change Order will be	$ 82,839,341.43

Adjustment to dates in Project Schedule

The following dates are modified *(list all dates modified; insert N/A if no dates modified)*: N/A
The Guaranteed Mechanical Completion Date will be unchanged.
The Guaranteed Mechanical Completion Date as of the date of this Change Order therefore is January 31, 2008.

The Guaranteed Substantial Completion Date will be unchanged.
The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is February 29, 2008.

The Guaranteed Final Completion Date will be unchanged.
The Guaranteed Final Completion Date as of the date of this Change Order therefore is March 31, 2008.

Adjustment to other Changed Criteria: N/A

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

Cheniere Creole Trail Pipeline, L.P.		Sheehan Pipe Line Construction Company
Owner		Contractor
/s/ T.R. Hutton	/s/ R. Keith Teague	/s/ Robert A. Riess, Sr.
Signature		Signature
T.R. Hutton	R. Keith Teague	Robert A. Riess, Sr.
Name		Name
Director	President	President & COO
Title		Title
4/18/08	4/18/08	April 24, 2008
Date of Signing		Date of Signing

Exhibit 10.2

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: **CO-2-002 rev 1**

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: **3/18/08**

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*
Provide equipment and labor necessary to remove 18 foreign flowlines from the Gulfport Energy East Hackberry Field per the attached 1/14/08 cost summary.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Order (#CO 2-001)	$ 1,676,000.00
The Estimated Contract Price prior to this Change Order was	$ 71,754,195.00
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 539,851.65
The new Estimated Contract Price including this Change Order will be	$ 72,294,046.65

Adjustment to dates in Project Schedule

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

The Required Mechanical Completion Date will be unchanged by ( ) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
R. Keith Teague, President	Project Manager
Title	**Title**
4-3-2008	3-31-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: **CO 2-004 rev 1**

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: **3/18/08**

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*
Provide labor and equipment to install the 42" pipeline beneath the 6" southernmost Gulfport Energy pipeline at Sta. 884+31 with the proper separation and depth of cover in the Crossing Agreement and the project specifications. This change order includes an additional tie-in per the attached 1/16/08 Additional Pipeline Crossings summary.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Orders (#CO 2 – 001, 002, and 003)	$ 5,310,951.65
The Estimated Contract Price prior to this Change Order was	$ 75,389,146.65
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 368,488.00
The new Estimated Contract Price including this Change Order will be	$ 75,757,634.65

Adjustment to dates in Project Schedule

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

The Required Mechanical Completion Date will be unchanged by ( ) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
R. Keith Teague, President	Project Manager
Title	**Title**
4-3-2008	3-31-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: **CO 2-005 rev 1**

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: **3/18/08**

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*
Provide labor and equipment to install the 42" pipeline beneath the 6" Hilcorp (Harvest) pipeline at Sta. 958+32 with the proper separation and depth of cover in the Crossing Agreement and the project specifications. This change order includes an additional tie-in per the attached 1/16/08 Additional Pipeline Crossings summary.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Orders (#CO 2 – 001, 002, 003 and 004)	$ 5,679,439.65
The Estimated Contract Price prior to this Change Order was	$ 75,757,634.65
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 368,488.00
The new Estimated Contract Price including this Change Order will be	$ 76,126,122.65

Adjustment to dates in Project Schedule

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

The Required Mechanical Completion Date will be unchanged by ( ) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
R. Keith Teague, President	Project Manager
Title	**Title**
4-3-2008	3-31-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: **CO 2-006 rev 1**

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: **3/18/08**

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*
Provide labor and equipment to install the 42" pipeline beneath the 6" northernmost Gulfport Energy pipeline at Sta. 968+05 with the proper separation and depth of cover in the Crossing Agreement and the project specifications. This change order includes an additional tie-in per the attached 1/16/08 Additional Pipeline Crossings summary.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Orders (#CO 2 – 001, 002, 003, 004, and 005)	$ 6,047,927.65
The Estimated Contract Price prior to this Change Order was	$ 76,126,122.65
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 368,488.00
The new Estimated Contract Price including this Change Order will be	$ 76,494,610.65

Adjustment to dates in Project Schedule

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

The Required Mechanical Completion Date will be unchanged by ( ) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
R. Keith Teague, President	Project Manager
Title	**Title**
4-3-2008	3-31-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: **CO 2-008**

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: **3/18/08**

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows: *(attach additional documentation if necessary)*
Additional cost for providing material, equipment, and labor to install screw anchors at the Kinder Morgan Pipeline HDD entry per the attached 1/14/08 Kinder Morgan Screw Anchors summary.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Order (#CO 2-001, 002, 003, 004, 005, 006 and 007)	$ 6,493,460.15
The Estimated Contract Price prior to this Change Order was	$ 76,571,655.15
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 197,062.55
The new Estimated Contract Price including this Change Order will be	$ 76,768,717.70

Adjustment to dates in Project Schedule

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

The Required Mechanical Completion Date will be unchanged by ( ) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
R. Keith Teague, President	Project Manager
Title	**Title**
4-3-2008	3-31-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: **CO 2-009**

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: **3/18/08**

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*
Additional cost for providing material, equipment, and labor to install additional fittings near the MLV 2-1 location in the north marsh per the attached 1/14/08 Additional North Marsh Fittings summary.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Order (#CO 2-001, 002, 003, 004, 005, 006, 007 and 008)	$ 6,690,522.70
The Estimated Contract Price prior to this Change Order was	$ 76,768,717.70
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 52,301.02
The new Estimated Contract Price including this Change Order will be	$ 76,821,018.02

Adjustment to dates in Project Schedule

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

The Required Mechanical Completion Date will be unchanged by ( ) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
R. Keith Teague, President	Project Manager
Title	**Title**
4-3-2008	3-31-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: **CO 2-010**

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: **3/18/08**

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*
Additional cost for work stoppage as a result of Named Storm "Hurricane Humberto" per the attached 1/16/08 Hurricane Humberto summary.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Order (#CO 2-001, 002, 003, 004, 005, 006, 007, 008, and 009)	$ 6,742,823.72
The Estimated Contract Price prior to this Change Order was	$ 76,821,018.72
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 126,094.00
The new Estimated Contract Price including this Change Order will be	$ 76,947,112.72

Adjustment to dates in Project Schedule

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

The Required Mechanical Completion Date will be unchanged by ( ) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
R. Keith Teague, President	Project Manager
Title	**Title**
4-3-2008	3-31-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: **CO 2-011**

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: **3/18/08**

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*
Additional cost for calibration block transverse notch inspection set up for AUT on the 0.864" wall pipe added to the project per the attached 1/22/08 Transverse Notch Set-Up summary.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Order (#CO 2-001, 002, 003, 004, 005, 006, 007, 008, 009, and 010)	$ 6,868,917.72
The Estimated Contract Price prior to this Change Order was	$ 76,947,112.72
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 10,638.00
The new Estimated Contract Price including this Change Order will be	$ 76,957,750.72

Adjustment to dates in Project Schedule

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

The Required Mechanical Completion Date will be unchanged by ( ) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Signature	**Signature**
R. Keith Teague	Randy Maturin
Name	**Name**
President	Project Manager
Title	**Title**
4-3-2008	3-31-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 2 Project, Alternate Route Single Line Option

CHANGE ORDER NUMBER: **CO 2-012**

OWNER: Cheniere Creole Trail Pipeline, L.P.

DATE OF CHANGE ORDER: **3/18/08**

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: January 5, 2007

The Agreement between the Parties listed above is changed as follows:*(attach additional documentation if necessary)*
Additional cost for providing and installing pipeline warning signs, pipeline markers, and CP Stations not specified in the original scope of work and drawings per item 16 in the attached 8/23/07 cost summary.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 70,078,195.00
Net change by previously authorized Change Order (#CO 2-001, 002, 003, 004, 005, 006, 007, 008, 009, 010, and 011)	$ 6,879,555.72
The Estimated Contract Price prior to this Change Order was	$ 76,957,750.72
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 101,932.00
The new Estimated Contract Price including this Change Order will be	$ 77,059,682.72

Adjustment to dates in Project Schedule

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

The Required Mechanical Completion Date will be unchanged by ( ) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15, 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy Maturin
Name	**Name**
R. Keith Teague, President	Project Manager
Title	**Title**
4-3-2008	3-31-08
Date of Signing	**Date of Signing**

Exhibit 10.3

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 1 Project, Preferred Route Single Line Option

CHANGE ORDER NUMBER: CO 1-004

DATE OF CHANGE ORDER: 2/11/08

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: March 12, 2007

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

Provide labor and equipment for a second push crew (stick) for the remainder of the project. This change order is for the net increase in cost for the substitution of the Stick Push Crew in place of the Automatic Push Crew for a number of joints. Progress payments will be made on net footage laid by the Stick Push Crew at approximately $94.61 per foot for the 36,427' shown in the Sunland schedule. Reconciliation of final payment will be made after all pipe is laid and footage between the Automatic and Stick push sites is totaled.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 43,617,209
Net change by previously authorized Change Order (#CO1-001, CO1-002, and CO1-003)	$ 1,908,276
The Estimated Contract Price prior to this Change Order was	$ 45,525,485
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 3,446,516
The new Estimated Contract Price including this Change Order will be	$ 48,972,001

Adjustment to dates in Project Schedule

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

The Required Mechanical Completion Date will be unchanged by ( ) Days

The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08

(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days

The Required Substantial Completion Date as of the date of this Change Order therefore is

(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days

The Required Final Completion Date as of the date of this Change Order therefore is

(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy P. Maturin
Name	**Name**
R. Keith Teague, President	Project Manager
Title	**Title**
3/3/2008	2-29-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 1 Project, Preferred Route Single Line Option

CHANGE ORDER NUMBER: **CO 1-005**

DATE OF CHANGE ORDER: **2/15/08**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: March 12, 2007

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

Provide labor and equipment to cut floats and refloat push at the following pipelines:
One 8" Bridgeline pipeline at Sta 710+76, two 8" Bridgeline pipelines at Sta 535+08 and Sta 535+16, one 10" Targa pipeline at Sta 323+96, one 36" Enbridge pipeline at Sta 127+05, one 6" Columbia Gulf pipeline at Sta 61+88, one Utility Cable at Sta 60+02, one 2" Unknown pipeline at Sta 60+00, one 4" Targa pipeline at Sta 59+83, one 6" Plains pipeline at Sta 59+72, and one 16" Williams pipeline at Sta 57+98. This activity includes the cost to provide an additional excavator with personnel to hold a rub pipe against the top of the proposed 42" pipe section to keep it from rising and damaging the existing foreign pipelines.

Progress payment will be made on a Refloat location basis: $4,935,273 / 11 = $448,661.18 per location

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 43,617,209
Net change by previously authorized Change Order (#CO1-001, CO1-002, CO1-003, and CO1-004)	$ 5,354,792
The Estimated Contract Price prior to this Change Order was	$ 48,972,001
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 4,935,273
The new Estimated Contract Price including this Change Order will be	$ 53,907,274

Adjustment to dates in Project Schedule

The following dates are modified (*list all dates modified; insert N/A if no dates modified):*
The Required Mechanical Completion Date will be unchanged by ( ) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy P. Maturin
Name	**Name**
R. Keith Teague, President	Project Manager
Title	**Title**
3/3/2008	2-29-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 1 Project, Preferred Route Single Line Option

CHANGE ORDER NUMBER: CO 1-006

DATE OF CHANGE ORDER: 2/15/08

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: March 12, 2007

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

Provide labor and equipment to install and remove temporary supports at the following pipelines:
One 8" Bridgeline pipeline at Sta 710+76, two 8" Bridgeline pipelines at Sta 535+08 and Sta 535+16, one 10" Targa pipeline at Sta 323+96, two 6" Targa pipelines at Sta 88+59 and Sta 88+80, one 6" Columbia Gulf pipeline at Sta 61+88, one Utility Cable at Sta 60+02, one 2" Unknown pipeline at Sta 60+00, one 4" Targa pipeline at Sta 59+83, one 6" Plains pipeline at Sta 59+72, and one 16" Williams pipeline at Sta 57+98. This activity includes the cost to provide an additional excavator with personnel to hold a rub pipe against the top of the proposed 42" pipe section to keep it from rising and damaging the existing foreign pipelines.

Provide labor and equipment to tap and remove one 3" Bridgeline pipeline at Sta 655+10, one 12" El Paso pipeline at Sta 669+30, one 6" Columbia Gulf pipeline at Sta 845+83, one 36" DOE pipeline at Sta 934+73 and 8 each 2" unknown pipelines between Sta 950+73 and 954+47. Payment to be made per line removed or supported at $19,593.04 ea. for the 24 lines.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 43,617,209
Net change by previously authorized Change Order (#CO1-001, CO1-002, CO1-003, CO1-004, and CO1-005)	$ 10,290,065
The Estimated Contract Price prior to this Change Order was	$ 53,907,274
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 470,233
The new Estimated Contract Price including this Change Order will be	$ 54,314,507

Adjustment to dates in Project Schedule

The following dates are modified (*list all dates modified; insert N/A if no dates modified):*
The Required Mechanical Completion Date will be unchanged by ( ) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by ( ) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by ( ) Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy P. Maturin
Name	**Name**
President	Project Manager
Title	**Title**
2/21/2008	2-19-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 1 Project, Preferred Route Single Line Option

CHANGE ORDER NUMBER: **CO 1-007**

DATE OF CHANGE ORDER: **2/15/08**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: March 12, 2007

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

Provide labor and equipment to install and remove 7 cattle crossings and 7 light vehicular crossings at the following stations:

Cattle Crossings: Sta 181+50, 210+00, 221+55, 250+00, 276+50, 290+00, and 305+00.
Vehicular Crossings: Sta 60+70, 200+14, 253+09, 370+09, 422+21, 471+95, and 655+10.

Progress payments will be made as follows:
For Cattle Crossings $477,193 / 7 crossings = $68,170.42 per crossing
For Vehicular Crossings $558,121 / 7 crossings = $79,731.57 per crossing invoiced
These amounts will be invoiced at 70% upon installation and 30% at removal of each crossing

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Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 43,617,209
Net change by previously authorized Change Order (#CO1-001, CO1-002, CO1-003, CO1-004, CO1-005, and CO1-006)	$ 10,760,298
The Estimated Contract Price prior to this Change Order was	$ 54,377,507
The Estimated Contract Price will be increased by this Change Order in the amount of	$ 1,035,314
The new Estimated Contract Price including this Change Order will be	$ 55,412,821

Adjustment to dates in Project Schedule

The following dates are modified (*list all dates modified; insert N/A if no dates modified):*
The Required Mechanical Completion Date will be unchanged by _____ ( ) _____ Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is March 15 , 20 08
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be unchanged by _____ ( ) _____ Days
The Required Substantial Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be unchanged by _____ ( ) _____ Days
The Required Final Completion Date as of the date of this Change Order therefore is
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy P. Maturin
Name	**Name**
President	Project Manager
Title	**Title**
2/21/2008	2-19-08
Date of Signing	**Date of Signing**

Schedule D-1

CHANGE ORDER FORM

(for use when the parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Creole Trail Pipeline – Segment 1 Project, Preferred Route Single Line Option

CHANGE ORDER NUMBER: **CO 1-008**

DATE OF CHANGE ORDER: **2/28/08**

OWNER: Cheniere Creole Trail Pipeline, L.P.

CONTRACTOR: Sunland Construction, Inc.

DATE OF AGREEMENT: March 12, 2007

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

Cheniere will allow a change to the Mechanical Completion Date to April 15, 2008, Substantial Completion Date to May 1, 2008 and the Final Completion Date to June 15, 2008.

Adjustment to Estimated Contract Price

The original Estimated Contract Price was	$ 43,617,209
Net change by previously authorized Change Order (#CO1-001, CO1-002, CO1-003, CO1-004, CO1-005, CO1-006, and CO1-007)	$ 11,795,612
The Estimated Contract Price prior to this Change Order was	$ 55,412,821
The Estimated Contract Price will be N/A by this Change Order in the amount of	$ N/A
The new Estimated Contract Price including this Change Order will be	$ 55,412,821

Adjustment to dates in Project Schedule

The following dates are modified (*list all dates modified; insert N/A if no dates modified):*
The Required Mechanical Completion Date will be increased by thirty (30) Days
The Required Mechanical Completion Date as of the date of this Change Order therefore is April 15, 2008
(attach additional documentation if necessary) *No Attachment*

The Required Substantial Completion Date will be increased by thirty (30) Days
The Required Substantial Completion Date as of the date of this Change Order therefore is May 1, 2008
(attach additional documentation if necessary) *No Attachment*

The Required Final Completion Date will be increased by thirty (30) Days
The Required Final Completion Date as of the date of this Change Order therefore is June 15, 2008
(attach additional documentation if necessary) *No Attachment*

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

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

Cheniere Creole Trail Pipeline, L.P.	Sunland Construction, Inc.
Owner	**Contractor**
/s/ R. Keith Teague	/s/ Randy P. Maturin
Name	**Name**
President	Project Manager
Title	**Title**
3/6/2008	3-5-08
Date of Signing	**Date of Signing**

Exhibit 10.4

CHANGE ORDER FORM

(for use when the Parties execute the Change Order pursuant to Section 32 of the General Conditions)

PROJECT NAME:	Sabine Pass LNG Project (Phase 2)
CHANGE ORDER NUMBER:	008
DATE OF CHANGE ORDER:	November 26, 2007
PURCHASER:	Sabine Pass LNG, L.P.
SOIL CONTRACTOR:	Remedial Construction Services, L.P.
CONTRACT NO.	25279-004-OC2-C000-00001
DATE OF AGREEMENT:	July 21, 2006

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

Description of Change: This CO No. 008 is issued to incorporate into the Soil Improvement Contract the following:

Pay item for 58,243 CY of additional Wetlands Mitigation Material Fly Ash Stabilization as described in the revised Exhibit "C" Quantities, Pricing and Data, dated November 26, 2007.

Attachments:

1) Contract Exhibit "C", Quantities, Pricing and Data, dated November 26, 2007 that supersedes and replaces Exhibit "C", Quantities, Pricing and Data, dated September 11, 2007 in its entirety.

The original contract price was	**$ 28,526,962.28**
Net Change by previously authorized Change Orders	**$ -2,255,121.77**
The Contract Price prior to this Change Order	**$ 26,271,840.57**
The Contract Price will be increased ~~<decreased>~~ by this Change Order amount of	**$ 510,490.08**
The New Contract Price including this Change Order will be	**$ 26,782,330.65**

Upon execution of this Change Order by Sabine Pass LNG, L.P. and Remedial Construction Services, L.P. the above referenced change shall become a valid and binding part of the original agreement without exception or qualification unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and Condition of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

Purchaser:
Sabine Pass LNG, L.P.
By: Sabine Pass LNG-GP, Inc.
Its general partner

Authorized Signature:	/s/ Ed Lehotsky
Name:	Ed Lehotsky
Title:	VP LNG Proj
Date of Signing:	11/28/07

Soil Contractor:
Remedial Construction Services, L.P.

Authorized Signature:	/s/ Steven Birdwell
Name:	Steven Birdwell
Title:	Managing Partner
Date of Signing:	11/29/2007

Exhibit 10.5

CHANGE ORDER FORM

PROJECT NAME: 42-inch Sabine Pass Pipeline Project

COMPANY: Cheniere Sabine Pass Pipeline Company

CONTRACTOR: Willbros Engineers, Inc.

CHANGE ORDER NUMBER: CO-015

DATE OF CHANGE ORDER: December 3, 2007

DATE OF AGREEMENT: February 1, 2006

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

This change is at Cheniere's request to use nitrogen as an additional means to preserve the internal integrity of the pipe after hydrostatic testing, dewatering, gauging, cleaning and drying operations are completed. Immediately after drying, the pipeline will be purged with nitrogen, the line shut-in, and then pressurized with nitrogen to 5 psig.

This change order will be performed on a time and material basis. A provisional sum is provided below to cover the cost of the subcontract nitrogen services, mark-up on same, and construction support to the nitrogen services subcontractor during purging and packing.

Adjustment to price under the Agreement:

The original Guaranteed Maximum Price was	$ 67,670,200
Net change by previously authorized Change Orders #1 – 14	$ 860,650
The Guaranteed Maximum Price prior to the Change Order was	$ 68,530,850
The Guaranteed Maximum Price will be (increased) ~~(decreased)~~ ~~(unchanged~~) by this Change Order in the amount of (provisional sum)	$ 50,000
The new Guaranteed Maximum Price including this Change Order will be	$ 68,580,850

Adjustment to dates:

The Preparation and Material Receipt Commencement Date will be ~~(increased)~~ ~~(decreased)~~ (unchanged) by 0 calendar days and as a result of this Change Order is now:	January 1, 2007
The Construction Commencement Date will be ~~(increased)~~ ~~(decreased)~~ (unchanged) by 0 calendar days and as a result of this Change Order is now:	April 1, 2007
The Scheduled Mechanical Completion Date will be ~~(increased)~~ by 0 calendar days ~~(decreased)~~ (unchanged) and as a result of this Change Order is now:	October 26, 2007

Other impacts to liability or obligation of Willbros or Cheniere under the Agreement: None

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

CHENIERE SABINE PASS PIPELINE COMPANY

Name /s/ R. Keith Teague
Cheniere's Authorized Representative

Title President

Date of Signing 1/21/2008

WILLBROS ENGINEERS, INC.

Name /s/ Curtis E. Simkin
Willbros' Authorized Representative

Title President

Date of Signing 2/1/08

CHANGE ORDER FORM

PROJECT NAME: 42-inch Sabine Pass Pipeline Project

COMPANY: Cheniere Sabine Pass Pipeline Company ("Owner" or "Cheniere")

CONTRACTOR: Willbros Engineers, Inc. ("Contractor" or "Willbros")

CHANGE ORDER NUMBER: CO-016

DATE OF CHANGE ORDER: April 11, 2008

DATE OF AGREEMENT: February 1, 2006

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

This Change Order represents a full settlement of all claims, damages, losses, costs and expenses that Contractor has, may have, or may have in the future against Owner for any event, circumstance or any other act or omission occurring at any time up through the date of this Change Order, including but not limited to all claims, damages, losses, costs and expenses arising form or related to Contractor's claims (including, without limitation, requested change orders) referred to, raised or which could have been raised in any of the following letters and attachments, copies of which are attached:

(i) letter from Mr. Curtis E. Simkin of Willbros to Mr. Keith Teague of Cheniere, dated December 17, 2007,
(ii) letter from Mr. Neil White of Willbros to Mr. Tarry Hutton of Cheniere, dated April 3, 2008 (transmitting Willbros' Change Order Request No. 17),
(iii) letter from Mr. Mike Reifel of Willbros to Mr. Tarry Hutton of Cheniere, dated April 8, 2008 (retransmitting the above April 3, 2008 letter with attachment), and
(iv) letter from Mr. Mike Reifel of Willbros to Mr. Tarry Hutton of Cheniere, dated April 9, 2008 (transmitting Willbros' Change Order Request No. 18 along with a letter from Mr. Neil White of Willbros to Mr. Tarry Hutton of Cheniere, dated April 5, 2008 with attachments I-IV,

(collectively the above letters together with all Change Order Requests and other attachments, the "Letters and Attachments").

Adjustment to price under the Agreement:

The original Guaranteed Maximum Price was	$ 67,670,200
Net change by previously authorized Change Orders #1 – 15	$ 910,650
The Guaranteed Maximum Price prior to this Change Order was	$ 68,580,850
The Guaranteed Maximum Price will be (increased) ~~(decreased)~~ ~~(unchanged)~~ by this Change Order in the amount of	$ 1,600,000
The new Guaranteed Maximum Price including this Change Order will be	$ 70,180,850

Adjustment to dates:

The Preparation and Material Receipt Commencement Date will be ~~(increased)~~ ~~(decreased)~~ (unchanged) by 0 calendar days and as a result of this Change Order is now:	January 1, 2007
The Construction Commencement Date will be ~~(increased)~~ ~~(decreased)~~ (unchanged) by 0 calendar days and as a result of this Change Order is now:	April 1, 2007
The Scheduled Mechanical Completion Date will be (increased) by [146] calendar days ~~(decreased)~~ ~~(unchanged)~~ and as a result of this Change Order is now:	March 20, 2008

Other impacts to liability or obligation of Willbros or Cheniere under the Agreement:

In consideration of the execution of this Change Order, Cheniere Sabine Pass Pipeline Company agrees to waive any claims for liquidated damages under Article 21 of the Agreement.

Willbros hereby waives and releases Cheniere, as Owner, from and against any and all claims, damages, losses, costs and expenses that Contractor has, may have, or may have in the future against Owner for any event, circumstance or any other act or omission occurring at any time up through the date of this Change Order, including but not limited to all claims, damages, losses, costs and expenses related to Contractor's change order requests referred to, raised, or which could have been raised in any of the above Letters and Attachments.

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

CHENIERE SABINE PASS PIPELINE COMPANY

Name /s/ R. Keith Teague
Cheniere's Authorized Representative

Title President

Date of Signing April 11, 2008

WILLBROS ENGINEERS, INC.

Name /s/ Jefffrey D. Thetge
Willbros' Authorized Representative

Title Vice President

Date of Signing 4/15/08

Exhibit 10.6

Execution Version

$95,000,000.00
CREDIT AGREEMENT

dated as of May 5, 2008

among

CHENIERE COMMON UNITS HOLDING, LLC,
as Borrower

THE LENDERS PARTY HERETO

and

CREDIT SUISSE, CAYMAN ISLANDS BRANCH,
as Administrative Agent, Collateral Agent and a Lender

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CREDIT AGREEMENT dated as of May 5, 2008 (this "Agreement"), among CHENIERE COMMON UNITS HOLDING, LLC, a Delaware limited liability company (the "Borrower"), the LOAN PARTIES signatory hereto, the LENDERS from time to time party hereto and CREDIT SUISSE, as administrative agent (in such capacity and together with its successors, the "Administrative Agent"), as collateral agent (in such capacity and together with its successors, the "Collateral Agent") and as a Lender.

The parties hereto agree as follows:

ARTICLE I.

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"Administrative Agent" shall have the meaning assigned to such term in the preamble.

"Administrative Questionnaire" shall mean an Administrative Questionnaire in the form of Exhibit A, or such other form as may be supplied from time to time by the Administrative Agent.

"Affiliate" shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified.

"Agents" shall have the meaning assigned to such term in Article VIII.

"Agreement" shall have the meaning assigned to such term in the preamble.

"Applicable Rate" shall mean, for any day with respect to any Loan, 16.4581% per annum.

"Approved Fund" shall mean any person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Asset Sale" shall mean the sale, lease, license, sub-lease, sublicense, sale and leaseback, assignment, conveyance, transfer, issuance or other disposition (by way of merger, casualty, condemnation or otherwise) (a) by the Borrower to any person of its interest in any of the Units or (b) of any other assets of the Borrower.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Lender and an Eligible Assignee (with the consent of any person whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit B or such other form as shall be approved by the Administrative Agent.

"Benefit Plan" shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Tax Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" shall have the meaning assigned to such term in the preamble.

"Borrowing" shall mean Loans made pursuant to Section 2.02.

"Borrowing Request" shall mean a request by the Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit C, or such other form as shall be approved by the Administrative Agent.

"Business Day" shall mean any day other than a Saturday, Sunday or day on which commercial banks in New York City are authorized or required by law to close.

"Capital Expenditures" shall mean, for any period, with respect to any person, (a) the additions to property, plant and equipment and other capital expenditures of such person and its consolidated subsidiaries that are (or should be) set forth in a consolidated statement of cash flows of such person for such period prepared in accordance with GAAP and (b) Capital Lease Obligations incurred by such person and its consolidated subsidiaries during such period.

"Capital Lease Obligations" of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP, and the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"CCTP" shall mean Cheniere Creole Trail Pipeline, L.P., a Delaware limited partnership.

"CCTP Pipeline" shall mean that certain approximately 150-mile take-away pipeline for the Sabine Pass Terminal currently under construction by CCTP.

"CEI" shall mean Cheniere Energy, Inc., a Delaware corporation.

"CESS" shall mean Cheniere Energy Shared Services, Inc., a Delaware corporation.

"CESS Intercompany Note" shall mean that certain intercompany promissory note, substantially in the form of Exhibit K, dated as of the Closing Date, between the Borrower and CESS and evidencing the loan by the Borrower of the proceeds of the Loans to CESS as of the Closing Date.

"Change in Law" shall mean (a) the adoption of any law, rule or regulation after the date of this Agreement (or, in the case of any Person that becomes a Lender after the date of this Agreement, the date upon which such Person becomes a Lender), (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement (or, in the case of any Person that becomes a Lender after the date of this Agreement, the date upon which such Person becomes a Lender) or (c) compliance by any Lender (or, for purposes of Section 2.11, by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement (or, in the case of any Person that becomes a Lender or a participant after the date of this Agreement, the date upon which such Person becomes a Lender or participant, as the case may be).

"Change of Control" means the occurrence of one or more of the following events:

(a) (a) CEI shall fail to own, directly or indirectly, at least 50% of the voting interests of any of Borrower, CCTP or the general partner of Sabine;

(b) any sale, lease, transfer, conveyance or other disposition of all or substantially all of the assets of the Borrower, CQP, CCTP, CEI or Sabine; or

(c) the adoption of any plan or agreement relating to winding up, liquidation or distribution of all or substantially all of the assets of any of the Borrower, CQP, CCTP, CEI or Sabine.

"Charges" shall have the meaning assigned to such term in Section 9.09.

"Closing Date" shall mean the date on which the Loans are made hereunder.

"CMI" shall mean Cheniere Marketing, Inc., a Delaware corporation.

"CMI Transport Agreements" shall mean the Service Agreement, dated June 21, 2007, between CCTP and CMI, the Service Agreement, dated June 21, 2007, between CCTP and CMI as successor by merger to Cheniere Sabine Pass Pipeline, L.P., the Negotiated Rate Agreement, dated June 25, 2007, between CCTP and CMI, and the Negotiated Rate Agreement, dated June 25, 2007, between CCTP and CMI as successor by merger to Cheniere Sabine Pass Pipeline, L.P., each as amended and in effect from time to time in accordance with Section 6.07, and any other customary agreements and arrangements ancillary thereto and entered into in connection therewith.

"Collateral" shall mean all property and assets of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document, and shall at all times include the Pledged Securities and the CESS Intercompany Note.

"Collateral Agent" shall have the meaning assigned to such term in the preamble.

"Commitment" shall mean, with respect to each Lender, the commitment, if any, of such Lender to make Loans hereunder as set forth on the Lender Addendum delivered by such Lender, or in the Assignment and Acceptance pursuant to which such Lender assumed its Commitment, as applicable, as the same may be reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The aggregate amount of the Commitments on the Closing Date is $95,000,000.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meanings correlative thereto.

"CQP" shall mean Cheniere Energy Partners, L.P., a Delaware limited partnership.

"Default" shall mean any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would constitute an Event of Default.

"Dollars" or "$" shall mean lawful money of the United States of America.

"Eligible Assignee" shall mean (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; and (d) any other person approved by the Administrative Agent (other than a natural person or the Borrower or any of its Affiliates).

"Environmental Laws" shall mean all former, current and future Federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives, orders (including consent orders), and agreements in each case, relating to protection of the environment, natural resources, human health and safety or the presence, Release of, threatened Release, or exposure to, Hazardous Materials, or the generation, manufacture, processing, distribution, use, treatment, storage, transport, recycling or handling of, or the arrangement for such activities with respect to, Hazardous Materials.

"Environmental Liability" shall mean all liabilities, obligations, damages, losses, claims, actions, suits, judgments, orders, fines, penalties, fees, expenses and costs (including administrative oversight costs, natural resource damages and remediation costs), whether contingent or otherwise, arising out of or relating to (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Permit" shall mean any Permit under Environmental Law.

"Equity Interests" shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any person, or any obligations convertible into or exchangeable for, or giving any person a right, option or warrant to acquire, such equity interests or such convertible or exchangeable obligations.

"Equity Issuance" shall mean any issuance or sale by the Borrower of any Equity Interests of the Borrower or the receipt by the Borrower of any capital contribution.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974 and any regulations issued pursuant thereto, as amended from time to time.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Tax Code, or solely for purposes of Section 302 of ERISA and Section 412 of the Tax Code, is treated as a single employer under Section 414 of the Tax Code.

"ERISA Event" shall mean (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Benefit Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Benefit Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Tax Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Tax Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Benefit Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Benefit Plan or the withdrawal or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Benefit Plan or Multiemployer Plan; (e) the receipt by the Borrower or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to the intention to terminate any Benefit Plan or Plans or to appoint a trustee to administer any Benefit Plan; (f) the adoption of any amendment to a Benefit Plan that would require the provision of security pursuant to Section 401(a)(29) of the Tax Code or Section 307 of ERISA; (g) the receipt by the Borrower or any of its ERISA Affiliates of any notice, or the receipt by any Multiemployer Plan from the Borrower or any of its ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (h) the occurrence of a "prohibited transaction" with respect to which the Borrower or any of the Subsidiaries is a "disqualified person" (within the meaning of Section 4975 of the Tax Code) or with respect to which the Borrower or any other Loan Party could otherwise be liable; or (i) any other event or condition with respect to a Benefit Plan or Multiemployer Plan that could result in liability of the Borrower or any other Loan Party.

"Event of Default" shall have the meaning assigned to such term in Article VII.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Excluded Taxes" shall mean, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income or gross receipts (in lieu of net income) as a result of a present or former connection between such recipient and the jurisdiction imposing such

tax (or any political subdivision thereof), other than any such connection arising solely from such recipient having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document, (b) any branch profits taxes imposed by the United States of America or any political subdivision thereof, (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.16(a)), any United States withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure to comply with Section 2.15(d), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.15(a) and (d) any United States backup withholding tax required to be withheld or paid as a result of a failure to comply with Section 2.15(d) or (e), as may be applicable.

"Facility" shall mean the Commitments and the Loans made hereunder.

"Fee Letter" shall mean that certain fee letter from the Administrative Agent to the Borrower dated as of April 4, 2008, relating to the payment of the annual administrative agent fee and certain other fees described therein.

"Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such day is not a Business Day, for the Business Day preceding such day, provided that if such rate is not so published for any day that is a Business Day, the Federal Funds Effective Rate for such day shall be the average of the quotations for the day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Fees" shall have the meaning assigned to such term in Section 2.05(a).

"Financial Officer" of any person shall mean the chief financial officer, principal accounting officer, treasurer or controller of such person.

"Foreign Lender" shall mean any Lender that is not a "United States person" as defined in Section 7701(a)(30) of the Tax Code.

"GAAP" shall mean generally accepted accounting principles in the United States.

"GCP GP" shall mean Cheniere Pipeline GP Interests, LLC, a Delaware limited liability company, and the general partner of CCTP.

"GCP LP" shall mean Grand Cheniere Pipeline, LLC, a Delaware limited liability company, and the limited partner of CCTP.

"GCP LP Intercompany Revolving Note" shall mean the intercompany revolving promissory note, substantially in the form of Exhibit L, dated as of the Closing Date between GCP LP and CESS evidencing availability of revolving loans to GCP LP from CESS in an amount not less than $50,000,000.

"Governmental Authority" shall mean the government of the United States of America or any other nation, any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Granting Lender" shall have the meaning assigned to such term in Section 9.04(i).

"Guarantee" of or by any person (the "guarantor") shall mean any obligation, contingent or otherwise, of (a) the guarantor or (b) another person (including any bank under a letter of credit) pursuant to which the guarantor has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation, contingent or otherwise, of the guarantor, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, (iv) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation or (v) to otherwise assure or hold harmless the owner of such Indebtedness or other obligation against loss in respect thereof; provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"Guarantor" shall mean CEI.

"Hazardous Materials" shall mean any petroleum (including crude oil or fraction thereof) or petroleum products or byproducts, or any pollutant, contaminant, chemical, compound, constituent, or hazardous, toxic or other substances, materials or wastes defined, or regulated as such by, or pursuant to, any Environmental Law, or requires removal, remediation or reporting under any Environmental Law, including asbestos, or asbestos containing material, radon or other radioactive material, polychlorinated biphenyls and urea formaldehyde insulation.

"Holdings" means Cheniere LNG Holdings, LLC, a Delaware limited liability company, and the direct parent of the Borrower.

"Indebtedness" of any person shall mean, without duplication, (a) all obligations of such person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such person under conditional sale or other title

retention agreements relating to property or assets acquired by such person, (d) all obligations of such person in respect of the deferred purchase price of property or services (other than current trade accounts payable incurred in the ordinary course of business), (e) all obligations of such person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Equity Interests in such person, (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such person of Indebtedness of others, (h) all Capital Lease Obligations of such person, (i) all obligations, contingent or otherwise, of such person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such person in respect of bankers' acceptances. The Indebtedness of any person shall include the Indebtedness of any other person (including any partnership in which such person is a general partner) to the extent such person is liable therefor as a result of such person's ownership interest in, or other relationship with, such other person, except to the extent the terms of such Indebtedness provide that such person is not liable therefor.

"Indemnified Taxes" shall mean Taxes other than Excluded Taxes and Other Taxes.

"Indemnitee" shall have the meaning assigned to such term in Section 9.05(b).

"Information" shall have the meaning assigned to such term in Section 9.16.

"Interest Payment Date" shall mean the 46th day following the end of each calendar quarter (beginning with the calendar quarter ended June 30, 2008) or, if earlier, the Maturity Date. If any Interest Payment Date falls on a day other than a Business Day, such Interest Payment Date shall be extended to the next succeeding Business Day.

"Investments" shall have the meaning assigned to such term in Section 6.04.

"Lender Addendum" shall mean, with respect to any initial Lender, a Lender Addendum in the form of Exhibit E, or such other form as may be supplied by the Administrative Agent, to be executed and delivered by such Lender on the Closing Date.

"Lenders" shall mean (a) the persons that deliver a Lender Addendum on or prior to the Closing Date (other than any such person that has ceased to be a party hereto pursuant to an Assignment and Acceptance) and (b) any person that has become a party hereto pursuant to an Assignment and Acceptance.

"Lien" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien (statutory or otherwise), pledge, hypothecation, encumbrance, collateral assignment, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" shall mean this Agreement, the Security Documents, the Non-Recourse Guaranty, and the Fee Letter.

"Loan Parties" shall mean the Borrower, Holdings, CEI, CCTP, GCP LP and GCP GP.

"Loans" shall mean the term loans made by the Lenders to the Borrower pursuant to Article II.

"Margin Stock" shall have the meaning assigned to such term in Regulation U.

"Material Adverse Effect" shall mean a material adverse condition or material adverse change in or materially affecting (a) the business, assets, liabilities, operations, prospects or condition (financial or otherwise) of CEI and its consolidated Subsidiaries, taken as a whole, or (b) the validity or enforceability of any of the Loan Documents or the rights and remedies of the Administrative Agent, the Collateral Agent or the Secured Parties thereunder.

"Maturity Date" shall mean the date which is the eighteen-month anniversary of the Closing Date.

"Maximum Rate" shall have the meaning assigned to such term in Section 9.09.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds" shall mean (a) with respect to any Asset Sale or Recovery Event, the proceeds thereof in the form of cash and Permitted Investments (including any such proceeds subsequently received (as and when received) in respect of noncash consideration initially received), net of (i) selling expenses (including reasonable and customary broker's fees or commissions, legal fees, transfer and similar taxes incurred by the Borrower in connection therewith and the Borrower's good faith estimate of income taxes paid or payable in connection with such sale, after taking into account any available tax credits or deductions and any tax sharing arrangements), (ii) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations or purchase price adjustment associated with such Asset Sale (provided that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds) and (iii) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money which is secured by the asset sold in such Asset Sale and which is required to be repaid with such proceeds (other than any such Indebtedness assumed by the purchaser of such asset); and (b) with respect to any issuance or disposition of Indebtedness or any Equity Issuance, the cash proceeds thereof, net of all taxes and reasonable and customary fees, commissions, costs and other expenses incurred by the Borrower in connection therewith.

"Non-Recourse Guaranty" shall mean the Non-Recourse Guaranty, in the form of Exhibit I, to be executed and delivered by CEI prior to the Closing Date.

"O&M Services Agreement" shall mean the Operating and Maintenance Services Agreement dated November 26, 2007 between CCTP and Cheniere LNG O&M Services, L.P., a Delaware limited partnership, as amended pursuant to a Letter Agreement substantially in the form attached hereto as Exhibit M, and as may be further amended from time to time in accordance with Section 6.07.

"Obligations" shall mean all obligations defined as "Obligations" in the Security Agreement.

"Organizational Documents" shall mean (i) with respect to any corporation, its articles or memorandum of association certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (iii) with respect to any general partnership, its partnership agreement, as amended, and (iv) with respect to any limited liability company, its articles of organization, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Loan Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"Other Taxes" shall mean any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (including interest, fines, penalties and additions to tax) arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

"Paying Agent" shall have the meaning assigned to such term in Article VIII.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Perfection Certificate" shall mean the Pre-Closing UCC Diligence Certificate substantially in the form of Exhibit F or any other form approved by the Collateral Agent.

"Permits" shall mean any and all franchises, licenses, leases, permits, approvals, notifications, certifications, registrations, authorizations, exemptions, qualifications, easements, rights of way, Liens and other rights, privileges and approvals required under any Requirement of Law.

"Permitted Indebtedness" shall have the meaning assigned to such term in Section 6.01.

"Permitted Investments" means any one or more of the following:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above; and

(e) investments in "money market funds" within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above.

"Permitted Lien" shall have the meaning assigned to such term in Section 6.02.

"person" shall mean any natural person, corporation, trust, business trust, joint venture, joint stock company, association, company, limited liability company, partnership, Governmental Authority or other entity.

"Pledge Agreement" shall mean the Pledge Agreement, substantially in the form of Exhibit D, to be executed and delivered by the Borrower, Holdings, GCP LP and GCP GP.

"Pledged Securities" shall mean the "Pledged Securities" as defined in the Security Agreement and the Pledge Agreement, collectively.

"Real Property" shall mean all real property owned or leased from time to time by CEI or any of its Subsidiaries (including the other Loan Parties).

"Recovery Event" shall mean any settlement of or payment in respect of any property or casualty insurance claim or any taking under power of eminent domain or by condemnation or similar proceeding of or relating to any property or asset of the Borrower.

"Register" shall have the meaning assigned to such term in Section 9.04(d).

"Regulation T" shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Related Fund" shall mean, with respect to any Lender that is a fund that invests in bank loans, any other fund that invests in bank loans and is advised or managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Related Parties" shall mean, with respect to any specified person, such person's Affiliates and the respective directors, officers, trustees, employees, agents and advisors of such person and such person's Affiliates.

"Release" shall mean any release, spill, seepage, emission, leaking, pumping, injection, pouring, emptying, deposit, disposal, discharge, dispersal, dumping, escaping, leaching, or migration into, onto or through the environment or within or upon any building, structure, facility or fixture.

"Required Lenders" shall mean, at any time, Lenders having Loans and unused Commitments representing at least a majority of the sum of all Loans outstanding and Commitments at such time.

"Requirement of Law" shall mean as to any person, the governing documents of such person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such person or any of its Real Property or personal property or to which such person or any of its property of any nature is subject.

"Responsible Officer" of any person shall mean any chief operating officer, chief executive officer, other executive officer or Financial Officer of such person and any other officer or similar official thereof responsible for the administration of the obligations of such person in respect of this Agreement.

"Restricted Payment" shall mean any dividend or other distribution (whether in cash or other property, but excluding any dividend consisting solely of securities of the Borrower) with respect to the Units or any Equity Interests in the Borrower, or any payment (whether in cash or other property, but excluding any dividend consisting solely of securities of the Borrower), including any sinking fund or similar deposit, on account of the purchase, redemption, defeasance, retirement, acquisition, cancellation or termination of any Equity Interests in the Borrower or any option, warrant or other right to acquire any such Equity Interests in the Borrower.

"S&P" shall mean Standard & Poor's Ratings Group, a division of The McGraw-Hill Corporation.

"Sabine" shall mean Sabine Pass LNG, L.P., a Delaware limited partnership.

"Sabine Notes" shall mean Sabine's senior secured notes in an aggregate principal amount of $2,032,000,000, consisting of $550,000,000 of 7.25% Senior Secured Notes due 2013 and $1,482,000,000 of 7.50% Senior Secured Notes due 2016.

"Sabine Pass Balancing Agreement" shall mean the Operational Balancing Agreement dated February 7, 2008 between CCTP and Sabine, as amended and in effect from time to time in accordance with Section 6.07.

"Sabine Pass Terminal" shall mean the liquefied natural gas receiving terminal in western Cameron Parish, Louisiana on the Sabine Pass Channel.

"SEC" shall mean the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Security Agreement" shall mean the Security Agreement, in the form of Exhibit J, to be executed and delivered by the Borrower prior to the Closing Date.

"Secured Parties" shall have the meaning assigned to such term in the Security Agreement.

"Securities Act" shall mean the Securities Act of 1933, as amended from time to time.

"Security Documents" shall mean the Security Agreement, the Pledge Agreement and each of the other pledges, consents and other instruments and documents executed and delivered pursuant to any of the foregoing or pursuant to Section 5.08 or 5.09.

"SPC" shall have the meaning assigned to such term in Section 9.04(i).

"Subsidiary" shall mean, with respect to any person (herein referred to as the "parent"), any corporation, partnership, limited liability company, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, owned, controlled or held, or (b) that is, at the time any determination is made, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Tax Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties, deductions, charges, liabilities or withholdings imposed by any Governmental Authority.

"Transactions" shall mean, collectively, (a) the execution, delivery and performance by the Borrower of the Loan Documents to which it is a party, (b) the borrowings hereunder and the use of proceeds thereof, (c) the granting of Liens pursuant to the Security Documents, (d) the execution, delivery and performance of the Non-Recourse Guaranty and (e) any other transactions related to or entered into in connection with any of the foregoing.

"UCC" shall mean the Uniform Commercial Code.

"Units" shall have the meaning assigned to such term in Section 4.01(b).

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Terms Generally. The definitions in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including", and words of similar import, shall not be limiting and shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall." The words "asset" and "property" shall be construed as having the same meaning and effect and to refer to any and all rights and interests in tangible and intangible assets and properties of any kind whatsoever, whether real, personal or mixed, including cash, securities, Equity Interests, accounts and contract rights. The words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision of this Agreement unless the context shall otherwise require. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, (a) any definition of, or reference to, any Loan Document or any other agreement, instrument or document in this Agreement shall mean such Loan Document or other agreement, instrument or document as amended, restated, supplemented or otherwise modified from time to time (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein) and (b) all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided, however, that if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Articles V or VI or any related definition to eliminate the effect of any change in GAAP occurring after the date of this Agreement on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Articles V or VI or any related definition for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Lenders.

SECTION 1.03. Pro Forma Calculations. All pro forma calculations permitted or required to be made by or in respect of the Borrower, CEI or any of its Subsidiaries pursuant to this Agreement shall include only those adjustments that would be permitted or required by Regulation S X under the Securities Act, together with those adjustments that (a) have been certified by a Responsible Officer of the Borrower as having been

prepared in good faith based upon reasonable assumptions, (b) are based on reasonably detailed written assumptions and (c) are reasonably acceptable to the Administrative Agent.

ARTICLE II.

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions hereof and relying upon the representations and warranties set forth herein, each Lender agrees, severally and not jointly, to make a Loan to the Borrower on the Closing Date in a principal amount equal to its Commitment. Amounts paid or prepaid in respect of Loans may not be reborrowed.

SECTION 2.02. Loans. (a) Each Loan shall be made as part of a Borrowing made by the Lenders on the same Business Day ratably in accordance with their respective Commitments; provided, however, that the failure of any Lender to make any Loan required to be made by it shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender).

(b) Each Lender shall make its Loan on the Closing Date by wire transfer of immediately available funds to such account in New York City as the Administrative Agent may designate not later than 12:00 Noon, New York City time, and the Administrative Agent shall promptly credit the amounts so received to an account in the name of the Borrower designated by the Borrower in the Borrowing Request or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders.

SECTION 2.03. Borrowing Procedure. In order to request the Borrowing to be made on the Closing Date, the Borrower shall hand deliver, fax or email by "pdf" or similar format to the Administrative Agent a duly completed Borrowing Request not later than 5:00 p.m., New York City time, on the Business Day before the proposed Borrowing. Such written Borrowing Request shall specify the following information: (i) the date of the Borrowing (which shall be a Business Day); (ii) the number and location of the account to which funds are to be disbursed (which shall be an account that complies with the requirements of Section 2.02(b)); and (iii) the amount of the Borrowing; provided, however, that, notwithstanding any contrary specification in the Borrowing Request, the requested Borrowing shall comply with the requirements set forth in Section 2.02. The Administrative Agent shall promptly advise the applicable Lenders of the notice given in accordance with this Section 2.03 (and the contents thereof), and of each Lender's portion of the requested Borrowing.

SECTION 2.04. Repayment of Loans; Evidence of Debt (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the principal amount of each Loan of such Lender made to the Borrower as provided in Section 2.08.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from the Loan made by such Lender to the Borrower from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of the sum received by the Administrative Agent hereunder from or on behalf of the Borrower in respect of interest and principal (and any other amounts) and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations therein recorded; provided, however, that (i) the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Loans made to the Borrower in accordance with the terms of this Agreement and (ii) if there is any conflict between such accounts and the Register, the Register shall govern.

(e) Any Lender may request that Loans made by it hereunder be evidenced by a promissory note. In such event, the Borrower shall execute and deliver to such Lender a promissory note payable to such Lender and its permitted assigns and in a form and substance reasonably acceptable to the Administrative Agent. Notwithstanding any other provision of this Agreement, in the event any Lender shall request and receive such a promissory note, the interests represented by such note shall at all times (including after any assignment of all or part of such interests pursuant to Section 9.04) be represented by one or more promissory notes payable to the payee named therein or its permitted assigns.

SECTION 2.05. Fees. (a) The Borrower agrees to pay to the Administrative Agent, for its own account, the fees in the amounts and at the times from time to time agreed to separately in writing by the Borrower (or any Affiliate) and the Administrative Agent (the "Fees").

(b) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Lenders. Once paid, none of the Fees shall be refundable under any circumstances.

(c) Any and all amounts paid to the Administrative Agent for the benefit of the Lenders hereunder or under any Loan Document shall be deemed paid by the Borrower (or the Guarantor, as the case may be) to the Lenders on the date such amounts are paid to the Administrative Agent in accordance with Section 2.14 and otherwise pursuant to this Agreement or such Loan Document, and the Borrower shall not be liable to any Lender for such amounts paid to the Administrative Agent, but not forwarded by the Administrative Agent to such Lender pursuant to this Agreement.

SECTION 2.06. Interest on Loans. (a) Subject to the provisions of Section 2.07, the Loans shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) at a rate per annum equal to the Applicable Rate.

(b) Interest on each Loan shall be payable on the Interest Payment Dates, except as otherwise provided in this Agreement, in an amount equal to the interest accrued after the Closing Date during the most recently ended calendar quarter.

SECTION 2.07. Default Interest. If the Borrower shall default in the payment of the principal of or interest on any Loan or any other amount becoming due hereunder or under any other Loan Document, by acceleration or otherwise, the Borrower shall on demand from time to time pay interest, to the extent permitted by law, on such defaulted amount to but excluding the date of actual payment (after as well as before judgment) at the rate otherwise applicable to Loans hereunder pursuant to Section 2.06 plus 2.00% per annum.

SECTION 2.08. Repayment of Loans. All Loans then outstanding shall be due and payable on the Maturity Date, together with accrued and unpaid interest and Fees on the principal amount to be paid to but excluding the date of payment. All repayments pursuant to this Section 2.08 shall be subject to Section 2.12, but shall otherwise be without premium or penalty.

SECTION 2.09. Voluntary Prepayments. (a) The Borrower shall have the right at any time and from time to time from and after the Closing Date to prepay the Loans, in whole or in part, upon at least one Business Day's prior telephonic notice promptly confirmed by written or fax notice to the Administrative Agent before 12:00 Noon, New York City time; provided, however, that each such partial prepayment made pursuant to this Section 2.09(a) shall be in an amount that is an integral multiple of $500,000 and not less than $1,000,000.

(b) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable and shall commit the Borrower to prepay such Borrowing by the amount stated therein on the date stated therein. All prepayments under this Section 2.09 shall be without premium or penalty. All prepayments under this Section 2.09 shall be accompanied by accrued and unpaid interest and Fees on the principal amount to be prepaid to but excluding the date of payment.

SECTION 2.10. Mandatory Prepayments. (a) Not later than the third Business Day following the completion of any Asset Sale, or the occurrence of any Recovery Event by the Borrower, the Borrower shall apply 100% of the Net Cash Proceeds received with respect thereto to prepay the outstanding Loans in accordance with Section 2.10(f).

(b) In the event and on each occasion that an Equity Issuance occurs, the Borrower shall, substantially simultaneously with (and in any event not later than the third Business Day next following) the occurrence of such Equity Issuance, apply 100% of the Net Cash Proceeds therefrom to prepay outstanding Loans in accordance with Section 2.10(f).

(c) In the event that the Borrower shall receive Net Cash Proceeds from the issuance or other incurrence of Indebtedness of the Borrower (other than Indebtedness permitted pursuant to Section 6.01), the Borrower shall, substantially simultaneously with (and in any event not later than the third Business Day next following) the receipt of such Net Cash Proceeds by the Borrower, apply an amount equal to 100% of such Net Cash Proceeds to prepay outstanding Loans in accordance with Section 2.10(f).

(d) In the event that the Borrower shall receive any distributions on account of its interest in the Units in an amount in excess of a quarterly payment of $0.425 per Unit, the Borrower shall, substantially simultaneously with (and in any event not later than the third Business Day next following) the receipt of such distribution, prepay outstanding Loans in accordance with Section 2.10(f) in an aggregate principal amount equal to 50% of such excess cash proceeds.

(e) The Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under this Section 2.10, (i) a certificate signed by a Responsible Officer of the Borrower setting forth in reasonable detail the calculation of the amount of such prepayment and (ii) to the extent practicable, at least three days' prior written notice of such prepayment. Each notice of prepayment shall specify the prepayment date and the principal amount of each Loan (or portion thereof) to be prepaid. All prepayments of Borrowings pursuant to this Section 2.10 shall be without premium or penalty.

(f) Mandatory prepayments of outstanding Loans under this Agreement shall be applied to prepay the principal balance of the outstanding Loans. The corresponding accrued and unpaid interest on the principal amount of the Loans so prepaid shall be payable on the next Interest Payment Date; provided that if such mandatory prepayment causes the principal amount of the Loans to be prepaid in full, such payment shall be accompanied by accrued and unpaid interest and Fees on the principal amount being prepaid to but excluding the date of payment.

SECTION 2.11. Reserve Requirements; Change in Circumstances. (a) Notwithstanding any other provision of this Agreement, if any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or the Administrative Agent or

(ii) impose on any Lender or the Administrative Agent any other condition affecting this Agreement,

and the result of any of the foregoing shall be to increase the cost to any Lender or the Administrative Agent or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise) by an amount deemed by such Lender or the Administrative Agent to be material, then the Borrower will pay to such Lender or the Administrative Agent, as the case may be, in accordance with clause (c) below such additional amount or amounts as will compensate such Lender or the Administrative Agent, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Administrative Agent shall have determined that any Change in Law regarding capital adequacy has or would have the effect of reducing the rate of return on such Lender's or the Administrative Agent's capital or on the capital of such Lender's or the Administrative Agent's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender, the Administrative Agent or such Lender's or the Administrative Agent's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Administrative Agent's policies and the policies of such Lender's or the Administrative Agent's holding company with respect to capital adequacy) by an amount deemed by such Lender or the Administrative Agent to be material, then from time to time the Borrower shall pay to such Lender or the Administrative Agent, as the case may be, such additional amount or amounts as will compensate such Lender or the Administrative Agent or such Lender's or the Administrative Agent's holding company for any such reduction suffered.

(c) A certificate of a Lender or the Administrative Agent setting forth the amount or amounts necessary to compensate such Lender or the Administrative Agent or its holding company, as applicable, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Administrative Agent, as the case may be, the amount or amounts shown as due on any such certificate delivered by it within 10 days after its receipt of the same.

(d) Failure or delay on the part of any Lender or the Administrative Agent to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Administrative Agent's right to demand such compensation.

SECTION 2.12. Pro Rata Treatment. Each Borrowing, each payment or prepayment of principal, and each payment of interest on the Loans shall be allocated pro rata among the Lenders in accordance with their respective applicable Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Loans). Each Lender agrees that in computing such Lender's portion of the Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing to the next higher or lower whole dollar amount.

SECTION 2.13. Sharing of Setoffs. Each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower or any other Loan Party, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Loan or Loans as a result of which the unpaid principal portion of its Loans shall be proportionately less than the unpaid principal portion of the Loans of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the Loans of such other Lender, so that the aggregate unpaid principal amount of the Loans and participations in Loans held by each Lender shall be in

the same proportion to the aggregate unpaid principal amount of all Loans then outstanding as the principal amount of its Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; provided, however, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.13 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Lender holding a participation in a Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower to such Lender by reason thereof as fully as if such Lender had made a Loan directly to the Borrower in the amount of such participation.

SECTION 2.14. Payments. (a) The Borrower shall make each payment (including principal of or interest on the Loans or any Fees or other amounts) hereunder and under any other Loan Document not later than 12:00 (noon), New York City time, on the date when due in immediately available Dollars, without setoff, defense or counterclaim. For purposes of computing interest, funds received by the Administrative Agent after that time on such due date shall be deemed to have been paid by the Borrower on the next succeeding Business Day, in the Administrative Agent's sole discretion. Each such payment shall be made to the Administrative Agent at its offices at Eleven Madison Avenue, New York, NY 10010. All payments hereunder and under each other Loan Document shall be made in Dollars.

(b) Except as otherwise expressly provided herein, whenever any payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder or under any other Loan Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest, if applicable.

SECTION 2.15.Taxes. (a) Any and all payments by or on account of any obligation of the Borrower or any other Loan Party hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any Indemnified Taxes or Other Taxes are required to be withheld or deducted from such payments, then (i) the sum payable by the Borrower shall be increased as necessary so that after all required deductions or withholding (including deductions or withholdings applicable to additional sums payable under this Section) the Administrative Agent or such Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower or such other Loan Party shall make (or cause to be made) such deductions and (iii) the Borrower or such other Loan Party shall pay (or cause to be paid) the full amount deducted to the relevant Governmental Authority in accordance with applicable law. In addition, the Borrower or any other Loan Party shall pay (or cause to be paid) any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(b) The Borrower shall indemnify the Administrative Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, or any of their respective Affiliates, on or with respect to any payment by or on account of any obligation hereunder of the Borrower or any other Loan Party or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(c) As soon as practicable after any payment of Indemnified Taxes or Other Taxes pursuant to Section 2.15(a), and in any event within 30 days of any such payment being due, the Borrower shall deliver (or cause to be delivered) to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the United States or any treaty to which the United States is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the reasonable written request of the Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate; provided that such Lender is legally entitled to complete, execute and deliver such documentation. In addition, each Foreign Lender shall (i) furnish on or before it becomes a party to the Agreement either (a) two accurate and complete originally executed U.S. Internal Revenue Service Forms W-8BEN (or successor form), (b) two accurate and complete U.S. Internal Revenue Service Forms W-8ECI (or successor form) or (c) two accurate and complete U.S. Internal Revenue Service Forms W-8IMY (or successor form), together with all applicable accompanying forms, certificates and statements required by that Form W-8IMY, certifying, in either case, to such Foreign Lender's legal entitlement to an exemption or reduction from U.S. federal withholding tax with respect to all interest payments hereunder, and (ii) provide a new Form W-8BEN (or successor form), Form W-8ECI (or successor form) or Form W-8IMY (or successor form) upon the expiration or obsolescence of any previously delivered form to reconfirm any complete exemption from, or any entitlement to a reduction in, U.S. federal withholding tax with respect to any interest payment hereunder; provided that any Foreign Lender that is not a "bank" within the meaning of Section 881(c)(3)(A) of the Tax Code and is relying on the so-called "portfolio interest exemption" shall also furnish a "Non-Bank Certificate" in the form of Exhibit G together with a Form W-8BEN. Notwithstanding any other provision of this paragraph, a Foreign Lender shall not be required to deliver any form pursuant to this paragraph that such Foreign Lender is not legally able to deliver.

(e) Any Lender that is a United States person, as defined in Section 7701(a)(30) of the Tax Code, and is not an exempt recipient within the meaning of Treasury Regulations Section 1.6049-4(c) shall deliver to the Borrower (with a copy to the Administrative Agent) two accurate and complete original signed copies of U.S. Internal Revenue Service Form W-9, or any successor form that such person is entitled to provide at such time in order to comply with United States back-up withholding requirements.

(f) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 2.15 shall survive the payment in full of all amounts due hereunder.

SECTION 2.16. Assignment of Commitments Under Certain Circumstances; Duty to Mitigate (a) In the event (i) any Lender delivers a certificate requesting compensation pursuant to Section 2.11, (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority on account of any Lender pursuant to Section 2.15 or (iii) any Lender does not consent to a proposed amendment, modification or waiver of this Agreement requested by the Borrower which requires the consent of (x) all of the Lenders or (y) all of the Lenders affected thereby to become effective (and which is approved by at least the Required Lenders), the Borrower may, at its sole expense and effort (including with respect to the processing and recordation fee referred to in Section 9.04(b)), upon notice to such Lender and the Administrative Agent, require such Lender to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all of its interests, rights and obligations under this Agreement to an Eligible Assignee that shall assume such assigned obligations and, in the case of replacements of Lenders pursuant to clause (iii) of this Section, that shall agree to execute such proposed amendment, modification or waiver (which Eligible Assignee may be another Lender, if a Lender accepts such assignment); provided that (x) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority having jurisdiction, (y) solely with respect to replacements of Lenders pursuant to clauses (i), (ii) or (iii) of this Section, the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, and (z) the Borrower or such Eligible Assignee shall have paid to the affected Lender in immediately available funds an amount equal to the sum of the principal of and interest accrued to the date of such payment on the outstanding Loans of such Lender, plus all Fees and such other amounts accrued for the account of such Lender hereunder (including any amounts under Section 2.11); provided further that, if prior to any such transfer and assignment the circumstances or event that resulted in such Lender's claim for compensation under Section 2.11 or the amounts paid pursuant to Section 2.15, as the case may be, cease to cause such Lender to suffer increased costs or reductions in amounts received or receivable or reduction in return on capital, or cease to result in amounts being payable under Section 2.15, as the case may be (including as a result of any action taken by such Lender pursuant to paragraph (b) below), or if such Lender shall waive its right to claim further compensation under Section 2.11 in respect of such circumstances or event or shall waive its right to further payments under Section 2.11 in respect of such circumstances or event, as the case may be, then such Lender shall not thereafter be required to make any such transfer and assignment hereunder. Each Lender agrees that in

the event it is required to make such an assignment in accordance herewith, such Lender shall promptly execute and deliver all agreements and documentation necessary to effectuate such assignment as set forth in Section 9.04, and in furtherance thereof hereby expressly authorizes the Administrative Agent and the Borrower to execute and deliver such agreement and documentation on behalf of such Lender and any such agreement and/or documentation so executed by the Administrative Agent or the Borrower, as the case may be, shall be effective for purposes of documenting an assignment pursuant to Section 9.04; provided that neither the Administrative Agent nor the Borrower shall be obligated to so execute and deliver such documentation on behalf of such Lender.

(b) If (i) any Lender shall request compensation under Section 2.11 or (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority on account of any Lender, pursuant to Section 2.15, then such Lender shall use reasonable efforts (which shall not require such Lender to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden deemed by it to be significant) (x) to file any certificate or document reasonably requested in writing by the Borrower or (y) to assign its rights and delegate and transfer its obligations hereunder to another of its offices, branches or affiliates, if such filing or assignment would reduce its claims for compensation under Section 2.11 or would reduce amounts payable pursuant to Section 2.15, as the case may be, in the future. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such filing or assignment, delegation and transfer.

SECTION 2.17. Termination of Commitments. Unless previously terminated in accordance with the terms hereof, the Commitments shall automatically terminate at the earlier of 5:00 p.m., New York City time, on (i) the Closing Date or (ii) May 12, 2008, if a Borrowing shall not have occurred on or before such time.

ARTICLE III.

Representations and Warranties

Each Loan Party represents and warrants to the Administrative Agent, the Collateral Agent and each of the Lenders (unless such representation or warranty indicates that it is made only by a specific Loan Party or group of Loan Parties, in which case such representation or warranty shall apply only to such Loan Party or Loan Parties, as the case may be), that, as of the Closing Date:

SECTION 3.01. Organization; Powers. Such Loan Party (a) is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its organization or formation, (b) has all requisite power and authority, and the legal right, to own and operate its property and assets, to lease the property it operates as lessee and to carry on its business as now conducted and as proposed to be conducted, (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where any failure to have such qualification would not reasonably be expected to have a Material Adverse Effect and (d) has the power and authority, and the legal right, to execute, deliver and perform its obligations under this Agreement, each of the other Loan Documents and each other agreement or instrument contemplated hereby or thereby to which it is or will be a party.

SECTION 3.02. Authorization; No Conflicts. The Transactions, the equitization of the CCTP intercompany loans required by Section 4.01(c), and the contributions of the Units required by Section 4.01(b): (a) to the extent required from such Loan Party, have been duly authorized by all requisite corporate, partnership or limited liability company and, if required, stockholder, partner or member action of such Loan Party and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or of the certificate or articles of incorporation or other constitutive documents or by-laws of such Loan Party or CQP or Sabine, (B) any order of any Governmental Authority or arbitrator or (C) any provision of any indenture, agreement or other instrument to which such Loan Party or CQP or Sabine is a party or by which it or any of its property is or may be bound, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such indenture, agreement or other instrument or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by such Loan Party (other than Liens created under the Security Documents).

SECTION 3.03. Enforceability. This Agreement has been duly executed and delivered by such Loan Party and constitutes, and each other Loan Document when executed and delivered by such Loan Party party thereto will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.04. Governmental Approvals. No action, consent or approval of, registration or filing with, Permit from, notice to, or any other action by, any Governmental Authority is or will be required in connection with the Transactions as they relate to such Loan Party, except for (a) the filing of UCC financing statements, (b) filings required by applicable federal and state securities laws, (c) such as have been made or obtained and are in full force and effect and (d) for such other actions, consents, approvals, registrations, filings and notifications, which if not obtained or made would not reasonably be expected to cause a Material Adverse Effect.

SECTION 3.05. Financial Statements. The Borrower has heretofore furnished to the Lenders the audited consolidated balance sheets and statements of income, stockholder's equity and cash flows of CEI as of and for the fiscal years ended December 31, 2006 and December 31, 2007. Such financial statements present fairly in all material respects the financial condition and results of operations and cash flows of CEI and its consolidated Subsidiaries as of such date and for such period. Such balance sheet and the notes thereto disclose all material liabilities, direct or contingent, of CEI and its consolidated Subsidiaries as of the date thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis.

SECTION 3.06. No Material Adverse Change. No event, change or condition has occurred since December 31, 2007 that has caused, or would reasonably be expected to cause, a Material Adverse Effect.

SECTION 3.07. Title to Properties. (a) Each of the Borrower, Holdings, GCP LP and GCP GP represents and warrants that it has good and marketable title to all of the Collateral pledged by it, free and clear of all Liens (other than Permitted Liens); and

(b) CCTP represents and warrants that it has good title to all of its property, free and clear of all Liens (other than Permitted Liens), other than as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

SECTION 3.08. Loan Parties. Each of Borrower and CCTP represents and warrants that they have no Subsidiaries. Each of Holdings, GCP LP and GCP GP represents and warrants that Schedule 3.08 sets forth a list of all of its Subsidiaries, including such Subsidiaries' exact legal name (as reflected in such person's certificate or articles of incorporation or other constitutive documents) and jurisdiction of incorporation or formation and the percentage ownership interest of such Loan Parties (direct or indirect) therein. Any shares of capital stock or other Equity Interests so indicated on Schedule 3.08 constituting Collateral are fully paid and non-assessable and are owned by each applicable Loan Party, as the case may be, directly or indirectly, free and clear of all Liens (other than Liens created under the Security Documents). All of the Equity Interests of the Borrower are owned by Holdings, and all Equity Interests of CCTP are held, collectively, by GCP LP and GCP GP. The Units contributed to the Borrower pursuant to Section 4.01(b) have been held by Holdings since the issuance thereof.

SECTION 3.09. Litigation; Compliance with Laws. There are no actions, suits or proceedings at law or in equity or by or before any arbitrator or Governmental Authority now pending or, to the knowledge of such Loan Party, threatened against or affecting such Loan Party or CQP or Sabine or any business, property or rights of any such person (i) that involve any Loan Document or the Transactions or (ii) that, if adversely determined, would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

SECTION 3.10. Agreements. None of the Loan Parties or CQP or Sabine is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound where such default, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Federal Reserve Regulations. (a) Such Loan Party is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, by such Loan Party for

the purpose of purchasing, carrying or trading in any securities under such circumstances as to involve any of the Loan Parties in a violation of Regulation X or to involve any broker or dealer in a violation of Regulation T. None of the transactions contemplated by this Agreement will violate or result in the violation of any of the provisions of the Regulations of the Board, including Regulation T, U or X.

SECTION 3.12. Investment Company Act. Such Loan Party is not an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

SECTION 3.13. Use of Proceeds. The Borrower will use the proceeds of the Loans funded on the Closing Date to pay the Fees and any other fees and expenses related to the Transactions, and make loans to CESS pursuant to the CESS Intercompany Note for further application to general corporate purposes, including no less than $50,000,000 to be lent from CESS to GCP LP pursuant to the GCP LP Intercompany Revolving Note and contributed to CCTP to fund Capital Expenditures relating to the CCTP Pipeline.

SECTION 3.14. Tax Returns. Such Loan Party has timely filed or timely caused to be filed all Federal, state, local and foreign tax returns or materials required to have been filed by it and all such tax returns are correct and complete in all material respects. Such Loan Party has timely paid or timely caused to be paid all Taxes due and payable by it and all assessments received by it, except Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party shall have set aside on its books adequate reserves in accordance with GAAP. Such Loan Party has made adequate provision in accordance with GAAP for all Taxes not yet due and payable. No Tax Lien has been filed, and to the knowledge of such Loan Party, no claim is being asserted, with respect to any Tax imposed on such Loan Party. Such Loan Party (a) does not intend to treat the Loans or any of the transactions contemplated by any Loan Document as being a "reportable transaction" (within the meaning of Treasury Regulation Section 1.6011-4) or (b) is not aware of any facts or events that would result in such treatment.

SECTION 3.15. No Material Misstatements. Such Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which such Loan Party and its Subsidiaries is subject, and all other matters known to any of them, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. No information, report, financial statement, exhibit or schedule furnished by such Loan Party to the Administrative Agent or any Lender for use in connection with the transactions contemplated by the Loan Documents or in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto contained, contains or will contain any material misstatement of fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not misleading; provided that to the extent any such information, report, financial statement, exhibit or schedule was based upon or constitutes a forecast or projection, such Loan Party represents only that it acted in good faith and utilized reasonable assumptions and due care in the preparation of such information, report, financial statement, exhibit or schedule.

SECTION 3.16. Employee Benefit Plans. Such Loan Party and each of its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Tax Code and the regulations and published interpretations thereunder. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, would reasonably be expected to result in material liability of such Loan Party or any of its ERISA Affiliates. The present value of all benefit liabilities under each Benefit Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the last annual valuation date applicable thereto, exceed by more than $5,000,000 the fair market value of the assets of such Benefit Plan, and the present value of all benefit liabilities of all underfunded Benefit Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the last annual valuation dates applicable thereto, exceed by more than $5,000,000 the fair market value of the assets of all such underfunded Benefit Plans.

SECTION 3.17. Environmental Matters. Except as set forth in Schedule 3.17 and except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, such Loan Party:

(i) has not failed to comply with any Environmental Law or to take, in a timely manner, all actions necessary to obtain, maintain, renew and comply with any Environmental Permit, and all such Environmental Permits are in full force and effect and not subject to any administrative or judicial appeal;

(ii) has not become a party to any governmental, administrative or judicial proceeding or possesses knowledge of any such proceeding that has been threatened under Environmental Law;

(iii) has not received notice of, become subject to, or is aware of any facts or circumstances that could form the basis for, any Environmental Liability other than those which have been fully and finally resolved and for which no obligations remain outstanding;

(iv) does not possess knowledge that any Real Property (A) is subject to any Lien, restriction on ownership, occupancy, use or transferability imposed pursuant to Environmental Law or (B) contains or previously contained Hazardous Materials of a form or type or in a quantity or location that could reasonably be expected to result in any Environmental Liability;

(v) does not possess knowledge that there has been a Release or threat of Release of Hazardous Materials at or from any Real Property (or from any facilities or other properties formerly owned, leased or operated by CEI or any Subsidiary thereof) in violation of, or in amounts or in a manner that could give rise to liability under, any Environmental Law;

(vi) has not generated, treated, stored, transported, or Released Hazardous Materials from the Real Property (or from any facilities or other properties formerly owned, leased or operated by CEI or any Subsidiary thereof) in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law;

(vii) is not aware of any facts, circumstances, conditions or occurrences in respect of any of the facilities and properties owned, leased or operated that could (A) form the basis of any action, suit, claim or other judicial or administrative proceeding relating to liability under or noncompliance with Environmental Law on the part of such Loan Party or (B) interfere with or prevent continued compliance with Environmental Laws by such Loan Party; or

(viii) has not pursuant to any order, decree, judgment or agreement by which it is bound, assumed the Environmental Liability for any person other than an Affiliate.

SECTION 3.18. Security Documents. Each of the Security Documents to which such Loan Party is a party is effective to create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, a legal, valid, binding and enforceable security interest in the Collateral described therein and the proceeds thereof and, upon the earlier of (i) delivery of the Collateral to the Collateral Agent and (ii) filing of financing statements and other required documentation in appropriate form in the offices specified on Schedule 3.18, such security interest shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Secured Parties in such Collateral and proceeds thereof, as security for the Obligations, in each case prior and superior to the rights of any other person.

SECTION 3.19. Labor Matters. As of the Closing Date, there are no strikes or lockouts pending against Sabine Pass Terminal or, to the knowledge of such Loan Party, threatened. Neither such Loan Party, nor to the knowledge of such Loan Party, Sabine, is bound by any collective bargaining agreement.

SECTION 3.20. Liens. Each of Borrower and CCTP represents and warrants that there are no Liens on any of its properties (other than Permitted Liens), and each of Holdings, GCP LP and GCP GP represents and warrants that there are no Liens on any of the Collateral pledged by it (other than Permitted Liens).

SECTION 3.21. Solvency. Immediately after the consummation of the Transactions to occur on the Closing Date and immediately following the making of the Loans (or other extension of credit hereunder) and after giving effect to the application of the proceeds of the Loans (or other extension of credit hereunder): (a) the fair value of the assets of such Loan Party, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of such Loan Party will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) such Loan Party expects to be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) such Loan Party will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted following the Closing Date.

SECTION 3.22. Single Purpose Entity; Separateness. the Borrower represents as follows:

(a) It solely conducts the business contemplated to be conducted by it pursuant to the Loan Documents, and is a party to, and is bound by, solely the Loan Documents to which it is a party, and no other contract, except for banking agreements, process agent agreements and similar agreements not otherwise prohibited under this Agreement which are incidental to conducting its business as permitted hereunder and under their respective Organizational Documents.

(b) It maintains separate bank accounts and separate books of account from the other Loan Parties and all other Persons.

(c) It conducts its business and operations separate and apart from that of any other person (including the owners of its Equity Interests and their Affiliates) and solely in its own name in a manner not misleading to other persons as to its identity, and not identify itself as a division of any other entity, and generally holds itself out as a separate entity, conducts its dealings with third parties (including the owners of its Equity Interests and their Affiliates) on an arm's length, fair and reasonable basis, and observes all procedures and organizational formalities under applicable law, or pursuant to the terms of its Organizational Documents.

(d) It maintains its assets in a manner that is not costly or difficult to segregate, ascertain or otherwise identify as separate from those of any other person.

SECTION 3.23. Indebtedness of CESS and CCTP. CEI represents and warrants that (a) CESS does not have any Indebtedness owing to third parties in an aggregate amount in excess of $1,000,000, and (b) CESS is the payee or beneficiary of all intercompany indebtedness of CCTP converted to equity pursuant to section 4.01(c).

SECTION 3.24. CCTP Contracts. CCTP represents and warrants that it is not a party to any contracts or other arrangements with any of its Affiliates that are not terminable by CCTP without penalty or delay, except for (i) the Sabine Pass Balancing Agreement which may require up to 90 days' prior written notice for termination, and (ii) the CMI Transport Agreements.

SECTION 3.25. Sabine Pass Terminal Construction and CCTP Pipeline Construction. CEI represents and warrants that, as of April 7, 2008, and to the knowledge (after due inquiry) of management of CEI, that (i) the estimated total cost to construct Sabine's LNG receiving terminal (as described in CEI's Annual Report on Form 10-K for the year ended December 31, 2007 (the "CEI 10-K")) will be approximately $1.4 billion, before financing costs, and Sabine has sufficient funds available to complete such construction, (ii) the estimated total cost to construct Phase 1 of the Creole Trail Pipeline (as described in the CEI 10-K) will be approximately $550 million, before financing costs, and sufficient funds will be available to CCTP (including funds made available from the Loans) to complete such construction, (iii) cool-down and commissioning of the Sabine Pass Terminal is anticipated to be completed in conformity

with the deadlines under the applicable provisions of Sabine's customer terminal use agreements, and (iv) that Phase 1 of the Creole Trail Pipeline is anticipated to be completed and available for operations in the second quarter of 2008.

ARTICLE IV.

Conditions of Lending

The obligations of the Lenders to make Loans hereunder are subject to the satisfaction (or waiver in accordance with Section 9.08) of the following conditions:

SECTION 4.01. Closing Date. On the Closing Date:

(a) The Administrative Agent shall have received a notice of such Borrowing as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.03).

(b) Holdings shall have contributed common limited partner units of CQP (which shall not be less than 10,891,357 common units) (the "Units") to the Borrower as a capital contribution, on terms satisfactory to the Administrative Agent.

(c) All intercompany Indebtedness of CCTP shall have been converted into equity on terms satisfactory to the Administrative Agent.

(d) The representations and warranties set forth in each Loan Document shall be true and correct in all material respects on and as of the Closing Date, except (x) to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects on and as of such earlier date and (y) to the extent any such representation and warranty is qualified as to "materiality" or "Material Adverse Effect", in which case such representations and warranties shall be true and correct in all respects.

(e) The Borrower and each other Loan Party shall be in compliance with all the terms and provisions set forth in each Loan Document on its part to be observed or performed, and, at the time of and immediately after such Borrowing, no Event of Default or Default shall have occurred and be continuing.

(f) The Administrative Agent shall have received, on behalf of itself and the Lenders, favorable written opinion of Andrews Kurth LLP, counsel to the Borrower, substantially to the effect set forth in Exhibit H (i) dated the Closing Date, (ii) addressed to the Administrative Agent and the Lenders (and permitting reliance by Eligible Assignees) and (iii) covering such matters relating to the Loan Documents and the Transactions as the Administrative Agent shall reasonably request and which are customary for transactions of the type contemplated herein, and the Borrower hereby requests such counsel to deliver such opinions.

(g) The Administrative Agent shall have received (i) a copy of the certificate or articles of incorporation or other formation documents, including all amendments thereto, of each Loan Party, certified as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing of each Loan Party as of a recent date, from such Secretary of State; (ii) a certificate of the Secretary or Assistant Secretary of each Loan Party dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the by-laws, limited partnership agreement or operating agreement, as the case may be, of such Loan Party as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below (such by-laws, limited partnership agreement or operating agreement to be in form and substance reasonably satisfactory to the Administrative Agent), (B) that attached thereto is a true and complete copy of resolutions duly adopted by the board of directors or managers, as the case may be, of each of the Loan Parties authorizing the execution, delivery and performance of the Loan Documents to which such person is a party and, in the case of the Borrower, the borrowings hereunder, and the granting of the Liens contemplated to be granted under the Security Agreement or the Pledge Agreement, as the case may be, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the certificate or articles of incorporation or other formation documents of such Loan Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing furnished pursuant to clause (i) above and (D) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party; (iii) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary executing the certificate pursuant to (ii) above; and (iv) such other documents as the Administrative Agent or the Lenders may reasonably request.

(h) The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Responsible Officer of the Borrower, confirming compliance with the conditions precedent set forth in paragraphs (b) through (e) of this Section 4.01.

(i) The Administrative Agent shall have received (i) this Agreement and each of the other Loan Documents, each executed and delivered by a duly authorized officer of the Loan Parties party thereto, (ii) if requested by any Lender pursuant to Section 2.04, a promissory note or notes conforming to the requirements of such Section and executed and delivered by a duly authorized officer of the Borrower and (iii) a Lender Addendum executed and delivered by each Lender and accepted by the Borrower.

(j) The Collateral Agent, for the ratable benefit of the Secured Parties, shall have been granted on the Closing Date perfected Liens on the Collateral (subject only to Permitted Liens) and shall have received such other reports, documents and agreements as the Collateral Agent shall reasonably request and which are customarily delivered in connection with security interests in assets of the type subject to the Lien purported to be created by the Security Documents.

The Pledged Securities and the CESS Intercompany Note shall have been duly and validly pledged to the Collateral Agent, for the ratable benefit of the Secured Parties, under the applicable Security Agreement or Pledge Agreement, as the case may be, and certificates representing such Pledged Securities and the CESS Intercompany Note, accompanied by instruments of transfer and stock powers endorsed in blank, shall be in the actual possession of the Collateral Agent, for the benefit of the Secured Parties.

(k) The Collateral Agent shall have received a duly executed Perfection Certificate dated on or immediately prior to the Closing Date. The Collateral Agent shall have received the results of a recent Lien and judgment search in each relevant jurisdiction with respect to the Loan Parties, and such search shall reveal no Liens on the Collateral or any assets of CCTP, except for Permitted Liens and Liens to be discharged on or prior to the Closing Date pursuant to documentation reasonably satisfactory to the Collateral Agent.

(l) After giving effect to the Transactions, none of the Borrower or CCTP shall have outstanding Indebtedness, other than the Loans hereunder and Indebtedness permitted under Section 6.01.

(m) The Administrative Agent shall have received the financial statements described in Section 3.05.

(n) The Administrative Agent shall have received a certificate from a Financial Officer of the Borrower certifying that the Borrower, after giving effect to the Transactions, is solvent.

(o) All material governmental and third party consents and approvals with respect to the Transactions shall have been obtained, all applicable appeal periods shall have expired and there shall be no litigation, governmental, administrative or judicial action, actual or threatened, that could reasonably be expected to restrain, prevent or impose materially burdensome conditions on the Transactions, the CCTP Pipeline or the Sabine Pass Terminal.

(p) The Administrative Agent shall have received, prior to the Closing Date, all documentation and other information requested by the Administrative Agent and required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act.

(q) All costs, fees, expenses (including reasonable legal fees and expenses) and other compensation payable to the Administrative Agent or the Lenders on or prior to the Closing Date shall have been paid to the extent due (including amounts owed pursuant to the Fee Letter), so long as the same shall have been invoiced prior to the Closing Date.

(r) The Administrative Agent shall have received an executed Federal Reserve Form G-3 and an executed Federal Reserve Form U-1 from the Borrower regarding the use of proceeds of the Loans.

(s) The Administrative Agent shall be satisfied, in its discretion, with the results of its legal due diligence with respect to the Loan Parties and the Transactions.

(t) CCTP shall have amended the O&M Services Agreement to reflect that the O&M Services Agreement shall be terminable by CCTP without penalty or delay, on terms satisfactory to the Administrative Agent.

(u) The Administrative Agent shall have received a true and original copy of the GCP LP Intercompany Revolving Note, executed and delivered by duly authorized officers of GCP LP and CESS.

ARTICLE V.

Affirmative Covenants

The Borrower covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full, the Borrower will:

SECTION 5.01. Existence; Businesses and Properties. Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence.

(b) Do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises, authorizations and Intellectual Property material to the conduct of its business; maintain and operate such business in substantially the manner in which it is presently conducted and operated; comply in all material respects with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted; comply with the terms of, and enforce its rights under, each material lease of real property and each other material agreement so as to not permit any material uncured default on its part to exist thereunder; and at all times maintain and preserve all property material to the conduct of such business and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times.

(c) Do or cause to be done to (i) maintain entity records and books of account separate from those of any other entity which is an Affiliate of the Borrower, (ii) not commingle its funds or assets with those of any other entity which is an Affiliate of the Borrower, and (iii) provide that its board of directors or other analogous governing body will hold all appropriate meetings or undertake actions by written consent to authorize and approve the Borrower's actions, and any such meetings will be separate from those of other entities.

SECTION 5.02. Obligations and Taxes. Other than in respect of the amounts of those certain taxes being contested in good faith as described in Section 3.14, pay its Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP and such contest operates to suspend collection of the contested obligation, tax, assessment or charge and enforcement of a Lien and there is no risk of forfeiture of such property.

SECTION 5.03. Financial Statements, Reports, etc. Furnish to the Administrative Agent (who will furnish such information to the Lenders):

(a) within 90 days after the end of each fiscal year, its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of CEI and its consolidated Subsidiaries as of the close of such fiscal year and the results of its operations and the operations of such Subsidiaries during such year, together with comparative figures for the immediately preceding fiscal year, all audited by independent certified public accountants of nationally recognized standing reasonably acceptable to the Administrative Agent and accompanied by an opinion of such accountants (which shall not be qualified in any material respect) to the effect that such consolidated financial statements fairly present the financial condition and results of operations of CEI and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied; provided that the foregoing information shall be deemed to have been furnished to the Administrative Agent when filed by the Borrower in electronic format with the SEC and made available on EDGAR;

(b) within 45 days after the end of each fiscal quarter, its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of CEI and its Consolidated Subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of such Subsidiaries during such fiscal quarter and the then elapsed portion of the fiscal year, and comparative figures for the same periods in the immediately preceding fiscal year, certified as fairly presenting the financial condition and results of operations of CEI and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes; provided that the foregoing information shall be deemed to have been furnished to the Administrative Agent when filed by the Borrower in electronic format with the SEC and made available on EDGAR;

(c) within 60 days after the end of each fiscal quarter, the quarterly and/or annual (as the case may be) balance sheet and income statement of the Borrower as of the close of such period prepared by management in the ordinary course, certified by a Financial Officer as fairly presenting the financial condition and results of operations of the Borrower;

(d) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of CEI or any of its Subsidiaries, or compliance with the terms of any Loan Document, as the Administrative Agent or any Lender may reasonably request;

(e) promptly upon completion of the construction of the CCTP Pipeline, a notice of completion certified by a Responsible Officer of CCTP; and

(f) promptly, upon the request of the Administrative Agent, the most recent progress report on the CCTP Pipeline, provided that the Borrower shall not be required to provide such progress report more than once per calendar month.

SECTION 5.04. Litigation and Other Notices. Furnish to the Administrative Agent (who will furnish such information to the Lenders):

(a) prompt written notice of any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) prompt written notice of the filing or commencement of, or any threat or notice of intention of any person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any arbitrator or Governmental Authority, against the Borrower or any other Loan Party or CQP or Sabine that would reasonably be expected to result in a Material Adverse Effect;

(c) prompt written notice of the occurrence of any ERISA Event described in clause (b) of the definition thereof or any other ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower or any other Loan Party in an aggregate amount exceeding $5,000,000;

(d) any notice delivered by or on behalf of Sabine to the holders of the Sabine Notes concurrently therewith; and

(e) prompt written notice of any development that has resulted in, or would reasonably be expected to result in, a Material Adverse Effect.

SECTION 5.05. Information Regarding Collateral. Furnish to each of the Administrative Agent and the Collateral Agent prompt written notice of any change (i) in any Loan Party's legal name, (ii) in the location of any Loan Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to the Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) in

any Loan Party's identity or legal existence or (iv) in any Loan Party's Federal Taxpayer Identification Number. The Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise and all other actions have been taken that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. The Borrower also agrees promptly to notify each of the Administrative Agent and the Collateral Agent if any material portion of the Collateral is damaged, destroyed, abandoned or otherwise compromised.

SECTION 5.06. Maintaining Records; Access to Properties and Inspections. Keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all requirements of law are made of all dealings and transactions in relation to its business and activities. The Borrower will permit any representatives designated by the Administrative Agent or any Lender to visit and inspect the financial records and the properties of the Borrower at reasonable times, but no more than twice annually, or, if an Event of Default has occurred and is continuing, as often as reasonably requested and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent or any Lender to discuss the affairs, finances and condition of the Borrower, as the case may be, with the officers thereof and independent accountants therefor all at such reasonable times as may be requested; it being understood, for the avoidance of doubt, that disclosure of any information that the Borrower reasonably considers to be a trade secret or similar confidential information is subject to the provisions of Section 9.16.

SECTION 5.07. Use of Proceeds. Use the proceeds of the Loans only for the purposes set forth in Section 3.13.

SECTION 5.08. Additional Collateral, etc. With respect to any Collateral created, developed, or acquired after the Closing Date as to which the Collateral Agent does not have a first priority perfected security interest for the benefit of the Secured Parties, promptly (and, in any event, within 10 days following the date of such acquisition) (i) execute and deliver to the Administrative Agent and the Collateral Agent such amendments to the Security Agreement or such other Security Documents as the Collateral Agent deems necessary or advisable to grant to the Collateral Agent, for the benefit of the Secured Parties, a security interest in such Collateral and (ii) take all actions necessary or advisable to grant to, or continue on behalf of, the Collateral Agent, for the benefit of the Secured Parties, a perfected first priority security interest in such Collateral, including the filing of UCC financing statements in such jurisdictions as may be required by the Security Agreement or by law or as may be requested by the Administrative Agent or the Collateral Agent.

SECTION 5.09. Further Assurances. From time to time duly authorize, execute and deliver, or cause to be duly authorized, executed and delivered, such additional instruments, certificates, financing statements, agreements or documents, and take all such actions (including filing UCC and other financing statements), as the Administrative Agent or the Collateral Agent may reasonably request, for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of more fully perfecting or renewing the rights of the Administrative Agent, the Collateral

Agent and the Secured Parties with respect to the Collateral (or with respect to any additions thereto or replacements or proceeds or products thereof or with respect to any other property or assets hereafter acquired by the Borrower which may reasonably be deemed to be part of the Collateral) pursuant hereto or thereto. Upon the exercise by the Administrative Agent, the Collateral Agent or any Lender of any power, right, privilege or remedy pursuant to this Agreement or the other Loan Documents which requires any consent, approval, recording, qualification or authorization of any Governmental Authority, the Borrower will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Administrative Agent, the Collateral Agent or such Lender may be required to obtain from the Borrower or any of the other Loan Parties, as the case may be, for such governmental consent, approval, recording, qualification or authorization.

SECTION 5.10. Single Purpose Entity; Separateness. (a) The Borrower shall solely conduct the business contemplated to be conducted by it pursuant to the Loan Documents, shall have no outstanding Indebtedness or other liabilities (other than the Permitted Indebtedness), and shall be a party to, and be bound by, solely the Loan Documents to which it is a party, and no other contract, except for banking agreements, process agent agreements and similar agreements not otherwise prohibited under this Agreement which are incidental to conducting its business as permitted hereunder and under their respective Organizational Documents.

(b) The Borrower shall have no Subsidiaries.

(c) The Borrower shall maintain separate bank accounts and separate books of account from the other Loan Parties and all other Persons.

(d) The Borrower shall conduct its business and operations separate and apart from that of any other person (including the owners of its Equity Interests and their Affiliates) and solely in its own name in a manner not misleading to other persons as to its identity, and not identify itself as a division of any other entity, and shall generally hold itself out as a separate entity, correct any known misunderstanding regarding its separate identity, conduct its dealings with third parties (including the owners of its Equity Interests and their Affiliates) on an arm's length, fair and reasonable basis, and observe all procedures and organizational formalities under applicable law, or pursuant to the terms of its Organizational Documents.

(e) The Borrower shall not commingle or pool its funds or other assets with those of any other person and shall maintain its assets in a manner that is not costly or difficult to segregate, ascertain or otherwise identify as separate from those of any other person.

(f) The Borrower shall not pay, guarantee, become obligated for, hold out its credit as being available to satisfy, or pledge its assets to secure the obligations or liabilities of any other person (other than the pledge of the Borrower's assets pursuant to the Security Agreement).

ARTICLE VI.

Negative Covenants

The Borrower and each of the other Loan Parties, as applicable, covenants and agrees with each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan and all other expenses or amounts payable under any Loan Document have been paid in full, the Borrower and such Loan Party will abide by the following negative covenants.

SECTION 6.01. Indebtedness. The Borrower and CCTP shall not incur, create, assume or permit to exist any Indebtedness, except the following ("Permitted Indebtedness"):

(a) Indebtedness created hereunder and under the other Loan Documents;

(b) in the case of CCTP, Indebtedness under performance bonds or with respect to workers' compensation claims, in each case incurred in the ordinary course of business; and

(c) Indebtedness of CCTP arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is promptly covered by CCTP.

SECTION 6.02. Liens. (a) The Borrower and CCTP shall not create, incur, assume or permit to exist any Lien on any property or assets now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except the following (each, a "Permitted Lien"):

(i) any Lien created under the Loan Documents;

(ii) judgment Liens securing judgments not constituting an Event of Default under Article VII;

(iii) Liens on cash deposits and other funds maintained with a depositary institution, in each case arising in the ordinary course of business by virtue of any statutory or common law provision relating to banker's liens; provided that (i) the applicable deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Borrower or CCTP, as the case may be, in excess of those set forth in regulations promulgated by the Board and (ii) the applicable deposit account is not intended by the Borrower or CCTP, as the case may be, to provide collateral or security to the applicable depositary institution or any other person;

(iv) in the case of CCTP, statutory landlord's liens, operators', vendors', carriers', warehousemen's, repairmen's, mechanics', suppliers', workers', materialmen's, construction or other like Liens arising by operation of law in the ordinary course of business or incident to the development, operation and maintenance of the CCTP Pipeline and its related properties and operations each of which is in respect of obligations that are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP;

(v) Liens incurred on the assets of CCTP in the ordinary course of business to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of CCTP's assets on account thereof;

(vi) contractual Liens which arise in the ordinary course of the business of CCTP pursuant to agreements which are usual and customary in the oil and gas pipeline business (exclusive of obligations for the payment of borrowed money or other Indebtedness) and are for claims which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP, provided that any such Lien referred to in this clause shall not materially impair the use of the property covered by such Lien for the purposes for which such property is held or materially impair the value of such property subject thereto;

(vii) easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations in any property of CCTP for the purpose of roads, pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil, coal or other minerals or timber, and other like purposes, or for the joint or common use of real estate, rights of way, facilities and equipment, that do not secure any monetary obligations and which in the aggregate do not materially impair the use of such property for the purposes of which such property is held or materially impair the value of such property subject thereto; or

(viii) Liens for Taxes, assessments or other governmental charges or levies which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP; and

(b) Borrower, GCP LP, GCP GP and Holdings shall not create, incur, assume or permit to exist any Liens on the Pledged Securities owned by them other than Liens granted pursuant to the Pledge Agreement.

SECTION 6.03. Sale and Lease-Back Transactions. The Borrower shall not enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, real or personal or mixed, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

SECTION 6.04. Investments, Loans and Advances. The Borrower shall not purchase, hold or acquire any Equity Interests, evidence of Indebtedness or other securities of, make or permit to exist any loans or advances or capital contributions to, or make or permit to exist any investment or any other interest in, any other person (all of the foregoing, "Investments"), except (i) Permitted Investments, (ii) the Units and (iii) the lending of the proceeds of the Loans to CESS pursuant to the CESS Intercompany Note.

SECTION 6.05. Mergers, Consolidations, Sales of Assets and Acquisitions; Issuance of Equity. (a) The Borrower shall not merge into or consolidate with any other person, or permit any other person to merge into or consolidate with it, or liquidate or dissolve, or sell, transfer, lease, license, abandon, cancel, permit to lapse, assign, convey, transfer or otherwise dispose of (in one transaction or in a series of transactions) any assets (whether now owned or hereafter acquired) of the Borrower, or purchase, lease or otherwise acquire (in one transaction or a series of transactions) all or any substantial part of the assets of any other person; provided that the Borrower may sell, transfer or otherwise dispose of Units not constituting all or substantially all of the assets of the Borrower at a price no less than $10.32 per Unit.

(b) The Borrower shall not issue or sell any Equity Interest, other than to Holdings.

(c) CCTP shall not sell, transfer, assign, convey or otherwise dispose of any of its assets (i) for net cash proceeds in excess of $15,000,000 in the aggregate after the Closing Date or (ii) if as a result thereof, the operation of the CCTP Pipeline would be materially impaired; provided that no such sales, transfers, assignments, conveyances or disposals shall be to an Affiliate of any Loan Party or made in exchange for other non-cash consideration in addition to any such net cash proceeds.

SECTION 6.06. Restricted Payments; Restrictive Agreements. (a) The Borrower shall not declare or make, or agree to declare or make, directly or indirectly, any Restricted Payment with respect to the Equity Interests in the Borrower, or incur any obligation (contingent or otherwise) to do so, other than (i) the initial distribution of the proceeds of the Loans, (ii) the distribution to Holdings of distributions declared on the Units by CQP with respect to the quarter ended March 31, 2008, (iii) the distribution to Holdings, on the Interest Payment Date immediately succeeding June 30, 2008, of the pro rata portion of the distributions on the Units declared by CQP received by the Borrower (in an amount equal to the interest on the Loans that would have accrued had the Loans been outstanding during the entirety of such quarter), corresponding to the days

during the quarter ended June 30, 2008 prior to the Closing Date, and (iv) on any Interest Payment Date, provided no Default or Event of Default has then occurred and is continuing, the distribution to Holdings of 50% of the portion of any distributions received by the Borrower on the Units in excess of the Applicable Rate due and payable on the Loans on such Interest Payment Date, provided such excess distributions do not consist of proceeds of asset sales made by persons whose Equity Interests are held directly or indirectly by CQP, but rather have been received by CQP as a result of ongoing operations of such persons (including through the release of construction reserves or similar amounts held by such persons).

(b) The Borrower shall not enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon the ability of the Borrower to create, incur or permit to exist any Lien upon any of its property or assets; provided that the foregoing shall not apply to restrictions or conditions imposed by law or by any Loan Document.

SECTION 6.07. Transactions with Affiliates. (a) The Borrower shall not sell or transfer any property or assets to, or purchase or acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, other than the Equity Issuances to Holdings and the CESS Intercompany Note**.**

(b) CCTP shall not sell or transfer any property or assets to, or purchase or acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, unless such transaction is either (i) a distribution from CCTP to the holders of its Equity Interests, (ii) a transaction with CMI regarding the development, operation and/or management of the CCTP Pipeline, (iii) a transaction in which CCTP and such Affiliate are currently engaged as of the Closing Date or (iv) on terms no less favorable in all material respects to CCTP than it would obtain in a comparable arm's length transaction with a Person which is not an Affiliate, or, if no comparable arm's length transaction with a Person that is not an Affiliate is available, then on terms that are determined by the general partner of CCTP to be fair in light of all factors considered by such general partner to be pertinent to CCTP.

(c) CCTP shall not enter into, or suffer to exist, any contract or other arrangement with any of its Affiliates, unless such transaction is by its terms terminable without penalty or delay by CCTP (except as any such contract or arrangement may be required to continue pursuant to FERC or other applicable regulatory order), other than the Sabine Pass Balancing Agreement, which may require up to 90 days' prior written notice for termination, and the CMI Transport Agreements.

(d) Except as required by applicable laws, regulations, rules and orders of the FERC, CCTP shall not amend, modify, or permit the amendment or modification of (or replace any CMI Transport Agreement, or enter into any new CMI Transport Agreement, in a manner that would have the effect of so amending or modifying), any economic term in any CMI Transport Agreement providing for

fixed transmission service or ancillary to, or made in connection with, any other CMI Transport Agreement providing for fixed transmission service, in a manner that would reduce the economic return to CCTP under the CMI Transport Agreements in any calendar quarter by more than 25% as compared to the terms of the CMI Transport Agreements as in effect on the date hereof, without the prior written consent of the Required Lenders (which consent shall not be unreasonably withheld); provided, that nothing in this Section 6.07(d) shall restrict CCTP from (a) replacing all or any portion of a CMI Transport Agreement providing for fixed transmission service with a CMI Transport Agreement providing only for interruptible transmission service, or (b) entering into an agreement with a non-Affiliate, whether such replacement contract provides for fixed or interruptible transmission service, regardless of the effect of (a) or (b) immediately above upon the actual or anticipated economic return to CCTP under the CMI Transportation Agreements in any calendar quarter.

SECTION 6.08. Business of the Borrower. The Borrower shall not (i) engage in any business activity, except those business activities (A) engaged in on the date of this Agreement and (B) related to performing its obligations under the Loan Documents and (ii) take any action or conduct its affairs in a manner, which is likely to result in the separate existence of the Borrower from any Affiliate of the Borrower being ignored by any court of competent jurisdiction.

SECTION 6.09. No Subsidiaries or Joint Ventures. Neither the Borrower nor CCTP shall create, form, acquire or permit to exist any direct or indirect Subsidiary or enter into any partnership (other than, in the case of the Borrower, CQP) or joint venture, or own any Equity Interests of any Person (other than, in the case of the Borrower, CQP).

SECTION 6.10. Amendments or Waivers of Organizational Documents or Intercompany Loans The Borrower shall not agree to any amendment, restatement, supplement or other modification to, or waiver of, any of its Organizational Documents or those of CQP in a manner adverse to the Secured Parties without in each case obtaining the prior written consent of the Administrative Agent to such amendment, restatement, supplement or other modification or waiver. The Borrower shall not agree to, or permit to exist, any amendment, restatement, supplement or other modification to, or waiver of, the CESS Intercompany Note in a manner adverse to the Secured Parties without in each case obtaining the prior written consent of the Required Lenders to such amendment, restatement, supplement or other modification or waiver. GCP LP shall not agree to, or permit to exist, any amendment, restatement, supplement or other modification to, or waiver of, the GCP LP Intercompany Revolving Note in a manner adverse to the Secured Parties without in each case obtaining the prior written consent of the Required Lenders to such amendment, restatement, supplement or other modification or waiver.

SECTION 6.11. Fiscal Year. Change its fiscal year-end to a date other than December 31.

SECTION 6.12. Equity Interest in CCTP. None of GCP LP, GCP GP or Holdings, as applicable, shall sell, transfer or otherwise dispose of any Equity Interests in CCTP or the Borrower; provided that GCP LP and/or GCP GP may, upon prior written notice to the Administrative Agent and the Collateral Agent, transfer their Equity Interest, in whole or in part, in CCTP to another entity controlled by CEI so long as such Equity Interests in CCTP shall remain subject to a first priority perfected security interest in favor of the Collateral Agent, for the benefit of the Secured Parties and the transferee of such Equity Interests in CCTP becomes a party hereto and a party to the Pledge Agreement and any other relevant Loan Document, as applicable, as if such transferee were the original party thereto instead of the transferor.

ARTICLE VII.

Events of Default

In case of the happening of any of the following events ("Events of Default"):

(a) any representation or warranty made or deemed made in any Loan Document, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished;

(b) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(c) default shall be made in the payment of any interest on any Loan or any Fee or any other amount (other than an amount referred to in (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three (3) Business Days;

(d) default shall be made in the due observance or performance by any Loan Party of any covenant, condition or agreement contained in Sections 5.01(a), 5.03 or 5.07 or in Article VI;

(e) default shall be made in the due observance or performance by any Loan Party of any covenant, condition or agreement contained in any Loan Document (other than those specified in clauses (b), (c) or (d) above) and such default shall continue unremedied for a period of 30 days;

(f) CEI, CQP, Holdings or Sabine shall default in the observance or performance of any agreement or condition relating to any Indebtedness (including any Guarantee of Indebtedness) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist (other than (x) any disposition of assets giving rise to a repayment or prepayment obligation on Indebtedness secured by such assets and (y) the issuance of Equity Interests or Indebtedness giving rise to a repayment obligation with respect to the proceeds of such issuance, provided in each case such payment is timely made), the effect of which default

or other event or condition is to cause such Indebtedness to become due prior to its stated maturity or (in the case of any Guarantee of Indebtedness) to become due or payable in respect of any such accelerated Indebtedness; provided, that a default, event or condition described in this clause (f) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in this clause (f) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $10,000,000;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any Loan Party, or of a substantial part of the property or assets of such Loan Party, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or for a substantial part of the property or assets of such Loan Party or (iii) the winding-up or liquidation of any Loan Party; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) any Loan Party shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or for a substantial part of the property or assets of such Loan Party, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

(i) one or more judgments for the payment of money in an aggregate amount in excess of $10,000,000 or other judgments that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect shall be rendered against any Loan Party or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of such Loan Party to enforce any such judgment;

(j) an ERISA Event described in clause (b) of the definition thereof shall have occurred or any other ERISA Event shall have occurred that, when taken together with all other such ERISA Events, could reasonably be expected to result in liability of any Loan Party and its ERISA Affiliates in an aggregate amount exceeding $10,000,000;

(k) any Guarantee under the Non-Recourse Guaranty for any reason shall cease to be in full force and effect (other than in accordance with its terms), or the Guarantor shall deny that it has any further liability under its Guarantee (other than as a result of the discharge of the Guarantor in accordance with the terms of the Loan Documents);

(l) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by the Borrower or any other Loan Party not to be, a valid, perfected and, with respect to the Secured Parties, first priority Lien on any Collateral covered thereby, except to the extent that any such loss of perfection or priority results from the failure of the Collateral Agent (i) to maintain possession of certificates representing Equity Interests pledged under the Pledge Agreement or (ii) to file or continue any financing statement with respect to the Collateral; or

(m) there shall have occurred a Change of Control;

then, and in every such event (other than an event with respect to the Borrower described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event either or both of the following actions may be taken: the Administrative Agent may, and at the request of the Required Lenders shall, declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, and the Administrative Agent and the Collateral Agent shall have the right to take all or any actions and exercise any remedies available to them under the Non-Recourse Guaranty or to a secured party under the Security Documents or applicable law or in equity; and in any event with respect to the Borrower described in paragraph (g) or (h) above, the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, and the Administrative Agent and the Collateral Agent shall have the right to take all or any actions and exercise any remedies available to them under the Non-Recourse Guaranty or to a secured party under the Security Documents or applicable law or in equity.

ARTICLE VIII.

The Agents

Each of the Lenders hereby irrevocably appoints each of the Administrative Agent and the Collateral Agent (for purposes of this Article VIII, the Administrative Agent and the Collateral Agent are referred to collectively as the "Agents") its agent and authorizes the Agents to take such actions on its behalf, including the execution of the other Loan Documents, and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the

Agents are hereby expressly authorized by the Lenders to execute any and all documents (including releases and the Security Documents) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents.

Each bank serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Loan Party or any of their respective Affiliates as if it were not an Agent hereunder.

No Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08), and (c) except as expressly set forth in the Loan Documents, no Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to any of the Loan Parties or any of their respective Affiliates that is communicated to or obtained by the bank serving as an Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08) or in the absence of its own gross negligence or willful misconduct. No Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by the Borrower or a Lender, and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral or (vi) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, each Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent (not to be unreasonably withheld or delayed) of the Borrower, to appoint a successor; provided that during the existence and continuance of an Event of Default no such consent of the Borrower shall be required. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After an Agent's resignation hereunder, the provisions of this Article and Section 9.05 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while acting as Agent. In addition, notwithstanding the effectiveness of a resignation by the Administrative Agent hereunder, (a) the retiring Administrative Agent may, in its sole discretion, continue to provide the services of the Administrative Agent solely with respect to administering, collecting and delivering any payments of principal, interest, fees, premium or other amounts in respect of the Loans and maintaining the books and records relating thereto (such Administrative Agent acting in such capacity, the "Paying Agent"), (b) the term "Administrative Agent" when used in connection with any such functions shall be deemed to mean such retiring Administrative Agent in its capacity as the Paying Agent and (c) such retiring Administrative Agent shall, in its capacity as the Paying Agent, continue to be vested with and enjoy all of the rights and benefits of an Administrative Agent hereunder.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify the Administrative Agent of a change in circumstance which rendered the exemption from, or reduction in, withholding tax ineffective or for any other reason, such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including any penalties or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred.

ARTICLE IX.

Miscellaneous

SECTION 9.01.Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) of this Section 9.01), notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

(i) if to the Borrower to Cheniere Common Units Holding, LLC, 700 Milam Street, Suite 800, Houston, Texas 77002, Attention: Graham McArthur, Treasurer, Facsimile No.: (713) 375-6290, Telephone No.: (713) 375-5290;

(ii) if to the Administrative Agent or the Collateral Agent, to Credit Suisse, Eleven Madison Avenue, OMA-2, New York, NY 10010, Attention of Agency Group Manager (Fax No. (212) 322-2291); and

(iii) if to a Lender, to it at its address (or fax number) set forth in the Lender Addendum or the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto or set forth in its Administrative Questionnaire;

provided that, upon receipt of prior consent from the Administrative Agent, any notice delivered by the Borrower pursuant to Article II may be delivered via email (to be promptly confirmed by written or fax notice).

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received or (ii) sent by fax shall be deemed to have been given when sent and when receipt has been confirmed by telephone; provided that if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient. Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in such paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower (on behalf of the Loan Parties) may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. All such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, return e-mail or other written acknowledgment); provided that if not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Any party hereto may change its address or fax number for notices and other communications hereunder by notice to the other parties hereto in accordance with the provisions hereof.

SECTION 9.02. Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other documents delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any such other party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.11, 2.15 and 9.05 and Article VIII shall survive and remain operative and in full force and effect regardless of the expiration or termination of this Agreement (or any provisions hereof), the consummation of the Transactions, the repayment of any Loan, the expiration or termination of the Commitments, the invalidity or unenforceability of any provision of this Agreement or any other Loan Document or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender.

SECTION 9.03. Binding Effect. This Agreement shall become effective when it shall have been executed by each of the parties hereto and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto.

SECTION 9.04. Successors and Assigns. (a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower, the other Loan Parties, the Administrative Agent, the Collateral Agent or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided, however, that (i) the Administrative Agent must give its prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed) and the Borrower shall be provided a notice thereof (failure to deliver such notice shall not invalidate such assignment), (ii) the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000 (or, if less, the entire remaining amount of such Lender's Commitment) and shall be in an amount that is an integral multiple of $1,000,000 (or the entire remaining amount of such Lender's Commitment); provided that such amounts shall be aggregated in respect of each Lender and its Affiliates or Approved Funds (with simultaneous assignments to or by two or more Related Funds shall be treated as one assignment), (iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system acceptable to the Administrative Agent (or, if previously agreed with the Administrative Agent, manually), and shall pay to the Administrative Agent a processing and recordation fee of $3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent) and (iv) the Eligible Assignee, if it shall not be a Lender immediately prior to the assignment, shall deliver to the Administrative Agent an Administrative Questionnaire and all applicable tax forms. Upon acceptance and recording pursuant to paragraph (e) of this Section 9.04, from and after the effective date specified in each Assignment and Acceptance, (A) the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.11, 2.15 and 9.05, as well as to any Fees or other amounts accrued for its account and not yet paid).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the Eligible Assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Commitment and the outstanding

balances of its Loans, in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Assignment and Acceptance, (ii) except as set forth in (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto, or the financial condition of the Borrower or any other Loan Party or the performance or observance by the Borrower or any other Loan Party of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such Eligible Assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such Eligible Assignee confirms that it has received a copy of this Agreement, together with copies of the financial information referred to in Section 3.05 or delivered pursuant to Section 5.03 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such Eligible Assignee will independently and without reliance upon the Administrative Agent, the Collateral Agent such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such Eligible Assignee appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such Eligible Assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in the City of New York (i) a copy of each Assignment and Acceptance delivered to it and (ii) a register for the recordation of the names and addresses of each Lender, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive and the Borrower, the Administrative Agent, the Collateral Agent and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Collateral Agent and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an Eligible Assignee, an Administrative Questionnaire completed in respect of the Eligible Assignee (unless the Eligible Assignee shall already be a Lender hereunder), all applicable tax forms and the written consent of the Administrative Agent to such assignment, the Administrative Agent shall promptly (i) accept such Assignment and Acceptance and (ii) record the information contained therein in the Register. No assignment shall be effective unless it has been recorded in the Register as provided in this paragraph (e).

(f) Each Lender may without the consent of the Borrower or the Administrative Agent sell participations to one or more banks or other entities in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other entities shall be entitled to the benefit of the cost protection provisions contained in Sections 2.11 and 2.15 to the same extent as if they were Lenders (but, with respect to any particular participant, to no greater extent than the Lender that sold the participation to such participant) and (iv) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to the Loans and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable hereunder or the amount of principal of or the rate at which interest is payable on the Loans, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans, increasing or extending the Commitments or releasing the Guarantor or all or any substantial part of the Collateral).

(g) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.04, disclose to the Eligible Assignee or participant or proposed Eligible Assignee or participant any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure of information designated by the Borrower as confidential, each such Eligible Assignee or participant or proposed Eligible Assignee or participant shall execute an agreement whereby such Eligible Assignee or participant shall agree (subject to customary exceptions) to preserve the confidentiality of such confidential information on terms no less restrictive than those applicable to the Lenders pursuant to Section 9.16.

(h) Any Lender may at any time assign all or any portion of its rights under this Agreement to secure extensions of credit to such Lender or in support of obligations owed by such Lender; provided that no such assignment shall release a Lender from any of its obligations hereunder or substitute any such Eligible Assignee for such Lender as a party hereto.

(i) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle (an "SPC"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to make any Loan and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that

no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 9.04, any SPC may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

(j) The Borrower shall not assign or delegate any of its rights or duties hereunder without the prior written consent of the Administrative Agent and each Lender, and any attempted assignment without such consent shall be null and void.

SECTION 9.05. Expenses; Indemnity. (a) The Borrower agrees to pay all out-of-pocket costs and expenses incurred by the Administrative Agent and the Collateral Agent in connection with the closing and syndication of the Facility and the preparation and administration of this Agreement and the other Loan Documents or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be consummated) or incurred by the Administrative Agent, the Collateral Agent or any Lender in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents or in connection with the Loans made hereunder, including in each case the fees, disbursements and other charges of Latham & Watkins LLP, counsel for the Administrative Agent and the Collateral Agent, and, in connection with any such enforcement or protection, the fees, disbursements and other charges of any counsel for the Administrative Agent, the Collateral Agent or any Lender.

(b) The Borrower agrees to indemnify the Administrative Agent, the Collateral Agent, each Lender and each Related Party of any of the foregoing persons (each such person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related costs and expenses, including reasonable counsel fees, disbursements and other charges, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions, (ii) the use of the proceeds of the Loans, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto, or (iv) any actual or alleged presence or Release of

Hazardous Materials on any property owned or operated by any of the Loan Parties, or any Environmental Liability related in any way to any of the Loan Parties;provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related costs and expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from the bad faith, gross negligence or willful misconduct of such Indemnitee (and, upon any such determination, any indemnification payments with respect to such losses, claims, damages, liabilities or related costs and expenses previously received by such Indemnitee shall be subject to reimbursement by such Indemnitee).

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent and the Collateral Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent and the Collateral Agent, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent and the Collateral Agent. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the outstanding Loans at the time.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions or any Loan or the use of the proceeds thereof.

(e) The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the Transactions, the repayment of any of the Loans, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender. All amounts due under this Section 9.05 shall be payable on written demand therefor.

SECTION 9.06. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, subject to consent of the Administrative Agent, not to be unreasonably withheld, except to the extent prohibited by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement and other Loan Documents held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured. The rights of each Lender under this Section 9.06 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.07. Applicable Law. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF.

SECTION 9.08. Waivers; Amendment. (a) No failure or delay of the Administrative Agent, the Collateral Agent or any Lender in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Collateral Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by the Borrower or any other Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders; provided, however, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of, or date for the payment of any interest or principal on, any Loan, or waive or excuse any such payment or any part thereof, or decrease the rate of interest on any Loan, without the prior written consent of each Lender affected thereby, or (ii) increase or extend the Commitment of any Lender, or decrease or extend the date for payment of any Fees payable to such Lender, without the prior written consent of such Lender, or (iii) amend or modify the pro rata requirements of Section 2.12, the mandatory prepayment provisions of Section 2.10, the provisions of Section 9.04(j), the provisions of this Section or the definition of the term "Required Lenders," without the prior written consent of each Lender, or (iv) modify the protections afforded to an SPC pursuant to the provisions of Section 9.04(i) without the written consent of such SPC, or (v) release all or any substantial part of the Collateral without the prior written consent of each Lender or (vi) release any Guarantor, without the prior written consent of each Lender; provided, further, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Collateral Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent or the Collateral Agent, as applicable.

SECTION 9.09. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan or participation in accordance with applicable law, the rate of interest

payable in respect of such Loan or participation hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan or participation but were not payable as a result of the operation of this Section 9.09 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or participations or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.10. Entire Agreement. This Agreement and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any person (other than the parties hereto and thereto, their respective successors and assigns permitted hereunder and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent and the Lenders) any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

SECTION 9.11. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11.

SECTION 9.12. Severability. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.13. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute

an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 9.03. Delivery of an executed signature page to this Agreement or of a Lender Addendum by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 9.14. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.15. Jurisdiction; Consent to Service of Process. (a) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against any Loan Party or its properties in the courts of any jurisdiction.

(b) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.16. Confidentiality. Each of the Administrative Agent, the Collateral Agent and the Lenders agrees to maintain the confidentiality of, and to not use (other than in connection with the Transactions) the Information, except that Information may be disclosed (a) to its and its Affiliates' officers, directors, employees and agents, including accountants, legal counsel and other advisors (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority or quasi-regulatory authority (such as the National

Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) in connection with the exercise of any remedies hereunder or under the other Loan Documents or any suit, action or proceeding relating to the enforcement of its rights hereunder or thereunder, (e) subject to an agreement containing provisions substantially the same as those of this Section 9.16, to (i) any actual or prospective Eligible Assignee of or participant in any of its rights or obligations under this Agreement and the other Loan Documents or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower or any of their respective obligations, (f) with the consent of the Borrower or (g) to the extent such Information becomes publicly available other than as a result of a breach of this Section 9.16. For the purposes of this Section, "Information" shall mean all information received from the Borrower and related to the Borrower or its business, other than any such information that was available to the Administrative Agent, the Collateral Agent or any Lender on a nonconfidential basis prior to its disclosure by the Borrower; provided that, in the case of Information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any person required to maintain the confidentiality of Information as provided in this Section 9.16 shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person would accord its own confidential information. Notwithstanding any other express or implied agreement, arrangement or understanding to the contrary, each of the parties hereto agrees that each other party hereto (and each of its employees, representatives or agents) are permitted to disclose to any persons, without limitation, the tax treatment and tax structure of the Loans and the other transactions contemplated by the Loan Documents and all materials of any kind (including opinions and tax analyses) that are provided to the Loan Parties, the Lenders or any Agent related to such tax treatment and tax aspects. To the extent not inconsistent with the immediately preceding sentence, this authorization does not extend to disclosure of any other information or any other term or detail not related to the tax treatment or tax aspects of the Loans or the transactions contemplated by the Loan Documents.

SECTION 9.17. Delivery of Lender Addenda. Each initial Lender shall become a party to this Agreement by delivering to the Administrative Agent a Lender Addendum duly executed by such Lender, the Borrower and the Administrative Agent.

SECTION 9.18. USA PATRIOT Act Notice. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the USA PATRIOT Act.

SECTION 9.19. No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Borrower. The Borrower agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders

and the Borrower, its stockholders or its affiliates. You acknowledge and agree that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of the Borrower, its management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its affiliates has advised or is currently advising the Borrower on other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Loan Documents and (iv) the Borrower has consulted its own legal and financial advisors to the extent it deemed appropriate. The Borrower further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto.

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

CHENIERE COMMON UNITS HOLDING, LLC, as Borrower

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE ENERGY, INC., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE LNG HOLDINGS, LLC , as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE PIPELINE GP INTERESTS, LLC, as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

GRAND CHENIERE PIPELINE, LLC, as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE CREOLE TRAIL PIPELINE, L.P., as a Loan Party

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CREDIT SUISSE, CAYMAN ISLANDS
BRANCH , as Administrative Agent,
Collateral Agent and a Lender

By: /s/ Robert Nydegger
Name: Robert Nydegger
Title: Managing Director

By: /s/ Damien Dwin
Name: Damien Dwin
Title: Director

Exhibit 10.7

Execution Version

PLEDGE AGREEMENT

This PLEDGE AGREEMENT, dated as of May 5, 2008 (together with all amendments, restatements, supplements or other modifications, if any, from time to time hereto, this "Agreement") among CHENIERE LNG HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), GRAND CHENIERE PIPELINE, LLC, a Delaware limited liability company ("GCP LP"), CHENIERE PIPELINE GP INTERESTS, LLC, a Delaware limited liability company ("GCP GP" and, together with the Holdings and GCP LP, the "Pledgors" and, each, a "Pledgor"), and CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as collateral agent (in such capacity and together with its successors, the "Collateral Agent") for and on behalf of the Secured Parties (as defined herein).

WITNESSETH:

WHEREAS, GCP LP and GCP GP, collectively, are the record and beneficial owners of 100% of the limited partnership interests (the "Initial Pledged LP Interests") of Cheniere Creole Trail Pipeline, L.P., a Delaware limited partnership ("CCTP") as set forth on Schedule I hereto;

WHEREAS, Holdings is the record and beneficial owner of 100% of the membership interests (the "Initial Pledged LLC Interests") of Cheniere Common Units Holdings, LLC, a Delaware limited liability company (the "Borrower") as set forth on Schedule I hereto;

WHEREAS, pursuant to that certain Credit Agreement dated as of May 5, 2008 by and among the Borrower, the other Loan Parties (as defined below) signatory thereto, the lenders from time to time party thereto (the "Lenders") and Credit Suisse, as administrative agent (in such capacity the "Administrative Agent"), the Collateral Agent and a Lender (including all annexes, exhibits and schedules thereto, and as from time to time refinanced, amended, restated, amended and restated, supplemented or otherwise modified, the "Credit Agreement"), the Lenders have agreed to make Loans to the Borrower;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower to, directly or indirectly, make valuable transfers to the Pledgors (in their capacity as an affiliate of the Borrower and subsidiaries of a common indirect parent with the Borrower) in connection with the operation of their respective businesses and those of the Pledgors' various affiliates;

WHEREAS, the Pledgors, directly or indirectly, benefit from the extensions of credit made available to the Borrower under the Credit Agreement; and

WHEREAS, in order to induce the Lenders to make the Loans as provided for in the Credit Agreement, the Pledgors have agreed to pledge the Pledged Collateral to the Collateral Agent in accordance herewith.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained and to induce the Lenders to make Loans under the Credit Agreement, it is agreed as follows:

1. Definitions. Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined, and the following shall have (unless otherwise provided elsewhere in this Agreement) the following respective meanings (such meanings being equally applicable to both the singular and plural form of the terms defined):

"Additional Pledged Interests" all limited partnership interests or membership interests, as the case may be, of any Pledged Entity acquired by any Pledgor after the date hereof.

"Administrative Agent" shall have the meaning assigned to such term in the recitals.

"Bankruptcy Code" means the provisions of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., as amended or supplemented from time to time, or any successor statute, and any and all rules and regulations issued or promulgated in connection therewith.

"Borrower" shall have the meaning assigned to such term in the recitals.

"CCTP" shall have the meaning assigned to such term in the recitals.

"Collateral Agent" shall have the meaning assigned to such term in the preamble.

"Credit Agreement" shall have the meaning assigned to such term in the recitals.

"GCP GP" shall have the meaning assigned to such term in the preamble.

"GCP LP" shall have the meaning assigned to such term in the preamble.

"Initial Pledged LLC Interests" shall have the meaning assigned to such term in the recitals.

"Initial Pledged LP Interests" shall have the meaning assigned to such term in the recitals.

"Lien" means shall mean any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (ii) any purchase option, call or similar right of a third party with respect to any Pledged Equity Interests.

"Organizational Documents" means that certain (i) Agreement of Limited Partnership of CCTP, dated as of March 30, 2006, between GCP LP and GCP GP, as amended by the First Amendment to Agreement of Limited Partnership of CCTP, dated as of April 1, 2008, and (ii) Limited Liability Company Agreement of the Borrower, dated as of March 27, 2008, entered into by Holdings, in each case together with all amendments, restatements, supplements or other modifications, if any, from time to time as permitted thereunder.

"Pledged Collateral" has the meaning assigned to such term in Section 2 hereof.

"Pledged Entities" shall mean, collectively, the Borrower and CCTP.

"Pledged Equity Interests" shall mean, collectively, the Initial Pledged LP Interest, the Initial Pledged LLC Interests and any Additional Pledged Interest.

"Proceeds" has the meaning set forth in Section 9-102(a)(64) of the UCC.

"Secured Obligations" has the meaning assigned to such term in Section 3 hereof.

"Secured Parties" shall mean, collectively, the Administrative Agent, the Collateral Agent and the Lenders.

"Termination Date" shall mean the date on which the Loans have been indefeasibly repaid in full and all other Obligations under the Credit Agreement and the other Loan Documents have been completed and discharged.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that in the event that, by reason of mandatory provisions of law, any or all of the perfection or priority of, or remedies with respect to, any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions hereof relating to such perfection, priority or remedies.

2. Pledge. The Pledgors hereby pledge and grant to the Collateral Agent a first priority security interest in all of the following (collectively, the "Pledged Collateral"):

(a) the Pledged Equity Interests and the certificates representing the Pledged Equity Interests, any securities entitlements relating thereto and all cash or non-cash dividends and distributions, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Equity Interests;

(b) all options, rights or other agreements relating to the Pledged Equity Interests;

(c) all management and other rights of the Pledgors under the Organizational Documents;

(d) all rights of the Pledgors under any shareholder or voting trust agreement or similar agreement relating to the Pledged Equity Interests; and

(e) all Proceeds of the foregoing.

3. Security for Obligations. This Agreement secures, and the Pledged Collateral is security for, the prompt payment in full when due, whether at stated maturity, by acceleration or otherwise, and performance of all Obligations of any kind of the Borrower under or in connection with the Credit Agreement and the other Loan Documents and all obligations of the Pledgors now or hereafter existing under this Agreement including, without limitation, all fees, costs and expenses whether in connection with collection actions hereunder or otherwise (collectively, the "Secured Obligations").

4. Delivery of Pledged Collateral. All certificates and instruments evidencing the Pledged Equity Interests shall be delivered to the Collateral Agent on or prior to the date hereof and held by or on behalf of the Collateral Agent pursuant hereto. All certificates and instruments evidencing any Additional Pledged Interests or other Pledged Collateral shall be delivered to the Collateral Agent promptly after the Pledgors acquire rights therein and held by or on behalf of the Collateral Agent pursuant hereto. All Pledged Equity Interests or other Pledged Collateral delivered to the Collateral Agent shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Collateral Agent.

5. Representations and Warranties. The Pledgors represent and warrant to the Collateral Agent that:

(a) The Pledgors are, and at the time of delivery of the Pledged Equity Interests to the Collateral Agent will be, the sole holders of record and the sole beneficial owners of such Pledged Collateral pledged by the Pledgors free and clear of any Lien thereon or affecting the title thereto, except for any Lien created by this Agreement;

(b) All of the Pledged Equity Interests have been duly authorized, validly issued and are fully paid and non-assessable;

(c) The Pledgors have the right and requisite authority to pledge, assign, transfer, deliver, deposit and set over the Pledged Collateral pledged by the Pledgors to the Collateral Agent as provided herein;

(d) None of the Pledged Equity Interests has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject;

(e) Schedule I hereto sets forth the percentage of the issued and outstanding interests in the Pledged Equity Interests owned by the Pledgors and the certificates, if any, representing such Pledged Equity Interests. As of the date hereof, there are no existing options, warrants, calls or commitments of any character whatsoever relating to the Pledged Equity Interests;

(f) No consent, approval, authorization or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required (i) for the pledge by the Pledgors of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by the Pledgors, or (ii) for the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement, except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally;

(g) The pledge, assignment and delivery of the Pledged Collateral pursuant to this Agreement will create a valid first priority Lien on and a first priority perfected security interest in favor of the Collateral Agent in the Pledged Collateral and the proceeds thereof, securing the payment of the Secured Obligations, subject to no other Lien;

(h) This Agreement has been duly authorized, executed and delivered by the Pledgors and constitutes a legal, valid and binding obligation of the Pledgors enforceable against the Pledgors in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability;

(i) None of the Pledged Equity Interests are, or represent interests in entities that are: (a) registered as investment companies and (b) are dealt in or traded on securities exchanges or markets.

(j) The Pledgors that are not natural persons have been duly organized as limited partnerships or limited liability companies, as the case may be, solely under the laws of Delaware and remain duly existing as such. The full legal names of the Pledgors are as set forth on the signature pages hereof and, except as disclosed to the Collateral Agent in the Perfection Certificate, they have not done in the last five (5) years, and do not do, business under any other names (including any trade-names or fictitious business names;

(k) Other than the financing statements filed in favor of the Collateral Agent, no effective UCC financing statement, fixture filing or other instrument similar in effect under any applicable law covering all or any part of the Collateral is on file in any filing or recording office; and

(l) The Organizational Documents for each Pledged Entity and the certificates evidencing each Pledged Equity Interest expressly provide that such Pledged Equity Interests are securities governed by the uniform commercial code of the state of Delaware and each other applicable jurisdiction.

6. Covenants and Agreements. The Pledgors covenant and agree that until the Termination Date:

(a) Except as permitted by and in accordance with Section 7(c) of this Agreement and Section 6.12 of the Credit Agreement, without the prior written consent of the Collateral Agent the Pledgors will not sell, assign, transfer, pledge, or otherwise encumber any of its rights in or to the Pledged Collateral, or any unpaid dividends, interest or other distributions or payments with respect to the Pledged Collateral or grant a Lien in the Pledged Collateral;

(b) without the prior written consent of the Collateral Agent, the Pledgors shall not vote to enable or take any other action to: (i) amend or terminate any Organizational Documents in any way that materially and adversely changes the rights of the Pledgors with respect to any Pledged Collateral or adversely affects the validity, perfection or priority of the Collateral Agent's security interest, (ii) permit any Pledged Entity to issue any additional limited partnership interests, membership interests or other equity interests of any nature or to issue securities convertible into or granting the right of purchase or exchange for any equity interest of any nature of such Pledged Entity, other than to an entity that is already a Pledgor hereunder and concurrently with the delivery of any such additional pledged interests to the Collateral Agent as collateral hereunder or (iii) permit any Pledged Entity to dispose of all or a material portion of its assets if such disposition would be in violation of the Credit Agreement;

(c) the Pledgors shall comply in all material respects with all of their obligations under the Organizational Documents and shall enforce all of its rights thereunder;

(d) the Pledgors will, at their expense, promptly execute, acknowledge and deliver all such instruments and take all such actions as the Collateral Agent from time to time may reasonably request in order to ensure to the Collateral Agent the benefits of the Liens in and to the Pledged Collateral intended to be created by this Agreement, including the filing of any necessary UCC financing statements, which may be filed by the Collateral Agent with or (to the extent permitted by law) without the signature of the Pledgors, and will cooperate with the Collateral Agent, at the Pledgors' expense, in obtaining all necessary approvals and making all necessary filings under federal, state, local or foreign law in connection with such Liens or any sale or transfer of the Pledged Collateral;

(e) the Pledgors have and will defend the title to the Pledged Collateral and the Liens of the Collateral Agent in the Pledged Collateral against the claim of any Person and will maintain and preserve such Liens;

(f) all Pledged Equity Interests shall be "certificated securities" within the meaning of Article 8; and

(g) each Pledgor hereby consents to the grant by each other Pledgor of a security interest in the Pledged Equity Interests to the Collateral Agent and, without limiting the foregoing, consents to the transfer of any Pledged Equity Interest to the Collateral Agent or its designee upon the occurrence and during the continuation of an Event of Default and to the substitution of the Secured Party or its designee as a member in any limited liability company or limited partner in any limited partnership, as the case may be, with all the rights and powers related thereto.

7. The Pledgors' Rights. As long as no Default or Event of Default shall have occurred and be continuing and until written notice shall be given to the Pledgors in accordance with Section 8(a) hereof:

(a) The Pledgors shall have the right, from time to time, subject toSection 6 hereof, to vote and give consents with respect to the Pledged Collateral, provided that, without the prior written consent of the Collateral Agent, no Pledgor will vote, exercise ownership rights or take actions to enter into any agreement or undertaking restricting the right or ability of it or the Collateral Agent to sell, assign or transfer any of such Pledged Collateral or proceeds thereof or otherwise take actions which would be materially inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Loan Document.

(b) (i) The Pledgors shall be entitled, from time to time, to collect and receive for their own use all cash dividends and other distributions paid in respect of the Pledged Equity Interests; and (ii) all non-cash dividends and other distributions in respect of any of the Pledged Equity Interests, whenever paid or made, shall be delivered to the Collateral Agent to hold as Pledged Collateral and shall, if received by any Pledgor, be received in trust for the benefit of the Collateral Agent, be segregated from the other property or funds of such Pledgor, and be forthwith delivered to the Collateral Agent as Pledged Collateral in the same form as so received (with any necessary indorsement).

(c) Each of GCP LP and GCP GP shall have the right, upon ten (10) days' notice to the Collateral Agent, to transfer any or all of its Pledged Equity Interests in CCTP to another domestic wholly-owned subsidiary of CEI; provided that such transferee shall, on or prior to the date of such transfer, pursuant to documentation in form and substance satisfactory to the Collateral Agent, become a party hereto, a "Pledgor" hereunder and a "Loan Party" for all purposes under the Loan Documents, with the same force and effect as if it were originally a party to this Pledge Agreement and named as a "Pledgor" hereunder.

8. Defaults and Remedies; Proxy.

(a) Upon the occurrence of an Event of Default and during the continuation of such Event of Default, and concurrently with written notice to any of the Pledgors, the Collateral Agent (personally or through an agent) is hereby authorized and empowered to transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, to exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends, interest, principal and other distributions made thereon, to sell in one or more sales after ten (10) days' notice of the time and place of any public sale or of the time at which a private sale is to take place (which notice each Pledgor agrees is commercially reasonable) the whole or any part of the Pledged Collateral and to otherwise act with respect to the Pledged Collateral as though the Collateral Agent was the outright owner thereof. Any sale shall be made at a public or private sale at the Collateral Agent's place of business, or at any place to be named in the notice of sale, either for cash or upon credit or for future delivery at such price as the Collateral Agent may deem fair, and the Collateral Agent may be the purchaser of the whole or any part of the Pledged Collateral so sold and hold the same thereafter in its own right free from any claim of any Pledgor or any right of redemption. Each sale shall be made to the highest bidder, but the Collateral Agent reserves the right to reject any and all bids at such sale which, in its discretion, it shall deem inadequate. Demands of performance, except as otherwise herein specifically provided for, notices of sale, advertisements and the presence of property at sale are hereby waived and any sale hereunder may be conducted by an auctioneer or any officer or agent of the Collateral Agent. EACH OF THE PLEDGORS HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS SECURED PARTY AS THE PROXY AND ATTORNEY-IN-FACT OF SUCH PLEDGOR WITH RESPECT TO THE PLEDGED COLLATERAL, INCLUDING THE RIGHT TO VOTE THE PLEDGED EQUITY INTERESTS, WITH FULL POWER OF SUBSTITUTION TO DO SO. THE APPOINTMENT OF SECURED PARTY AS PROXY AND ATTORNEY-IN-FACT IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE TERMINATION DATE. IN ADDITION TO THE RIGHT TO VOTE THE PLEDGED EQUITY INTERESTS, THE APPOINTMENT OF SECURED PARTY AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF THE PLEDGED EQUITY INTERESTS WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY PLEDGED EQUITY INTERESTS ON THE RECORD BOOKS OF APPLICABLE PLEDGED ENTITY THEREOF) BY ANY

PERSON (INCLUDING ANY PLEDGED ENTITY OR ANY OFFICER OR SECURED PARTY THEREOF), UPON THE OCCURRENCE OF AN EVENT OF DEFAULT. NOTWITHSTANDING THE FOREGOING, SECURED PARTY SHALL NOT HAVE ANY DUTY TO EXERCISE ANY SUCH RIGHT OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO.

(b) If, at the original time or times appointed for the sale of the whole or any part of the Pledged Collateral, the highest bid, if there be but one sale, shall be inadequate to discharge in full all the Secured Obligations, or if the Pledged Collateral be offered for sale in lots, if at any of such sales, the highest bid for the lot offered for sale would indicate to the Collateral Agent, in its discretion, that the proceeds of the sales of the whole of the Pledged Collateral would be unlikely to be sufficient to discharge all the Secured Obligations, the Collateral Agent may, on one or more occasions and in its discretion, postpone any of said sales by public announcement at the time of sale or the time of previous postponement of sale, and no other notice of such postponement or postponements of sale need be given, any other notice being hereby waived; provided, however, that any sale or sales made after such postponement shall be after ten (10) days' notice to the Pledgors.

(c) If, at any time when the Collateral Agent shall determine to exercise its right to sell the whole or any part of the Pledged Collateral hereunder, such Pledged Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act of 1933, as amended (or any similar statute then in effect) (the "Act"), the Collateral Agent may, in its discretion (subject only to applicable requirements of law), sell such Pledged Collateral or part thereof by private sale in such manner and under such circumstances as the Collateral Agent may deem necessary or advisable, but subject to the other requirements of this Section 8, and shall not be required to effect such registration or to cause the same to be effected. Without limiting the generality of the foregoing, in any such event, the Collateral Agent in its discretion (i) may, in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Pledged Collateral or part thereof could be or shall have been filed under said Act (or similar statute), (ii) may approach and negotiate with a single possible purchaser to effect such sale, and (iii) may restrict such sale to a purchaser who is an accredited investor under the Act and who will represent and agree that such purchaser is purchasing for its own account, for investment and not with a view to the distribution or sale of such Pledged Collateral or any part thereof. In addition to a private sale as provided above in this Section 8, if any of the Pledged Collateral shall not be freely distributable to the public without registration under the Act (or similar statute) at the time of any proposed sale pursuant to this Section 8, then the Collateral Agent shall not be required to effect such registration or cause the same to be effected but, in its discretion (subject only to applicable requirements of law), may require that any sale hereunder (including a sale at auction) be conducted subject to restrictions:

(i) as to the financial sophistication and ability of any Person permitted to bid or purchase at any such sale;

(ii) as to the content of legends to be placed upon any certificates representing the Pledged Collateral sold in such sale, including restrictions on future transfer thereof;

(iii) as to the representations required to be made by each Person bidding or purchasing at such sale relating to that Person's access to financial information about the Pledgors and such Person's intentions as to the holding of the Pledged Collateral so sold for investment for its own account and not with a view to the distribution thereof; and

(iv) as to such other matters as the Collateral Agent may, in its discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and the Act and all applicable state securities laws.

(d) The Pledgors recognize that the Collateral Agent may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof in accordance with clause (c) above. The Pledgors also acknowledge that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agree that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Collateral Agent shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit any Pledged Entity to register such securities for public sale under the Act, or under applicable state securities laws, even if the Pledgors and such Pledged Entity would agree to do so.

(e) The Pledgors agree to the maximum extent permitted by applicable law that following the occurrence and during the continuance of an Event of Default it will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law now or hereafter in force in order to prevent or delay the enforcement of this Agreement, or the absolute sale of the whole or any part of the Pledged Collateral or the possession thereof by any purchaser at any sale hereunder, and the Pledgors waive the benefit of all such laws to the extent it lawfully may do so. The Pledgors agree that it will not interfere with any right, power and remedy of the Collateral Agent provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by the Collateral Agent of any one or more of such rights, powers or remedies. No failure or delay on the part of the Collateral Agent to exercise any such right, power or remedy and no notice or demand which may be given to or made upon the Pledgors by the Collateral Agent with respect to any such remedies shall operate as a waiver thereof, or limit or impair the Collateral Agent's right to take any action or to exercise any power or remedy hereunder, without notice or demand, or prejudice its rights as against the Pledgors in any respect.

(f) The Pledgors further agree that a breach of any of the covenants contained in thisSection 8 will cause irreparable injury to the Collateral Agent, that the Collateral Agent shall have no adequate remedy at law in respect of such breach and, as a consequence, agree that each and every covenant contained in this Section 8 shall be specifically enforceable against the Pledgors, and the Pledgors hereby waive and agree not to assert any defenses against an action for specific performance of such covenants except for a defense that the Secured Obligations are not then due and payable in accordance with the agreements and instruments governing and evidencing such obligations.

(g) Each Pledgor hereby authorizes and instructs each Pledged Entity to (i) comply with any instruction received by it from the Collateral Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from any Pledgor, and each Pledgor agrees that each Pledged Entity shall be fully protected in so complying, and (ii) upon any such instruction following the occurrence and during the continuance of an Event of Default, pay any dividends or other payments with respect to the Pledged Equity Interests, directly to the Collateral Agent.

9. Waiver. No delay on the Collateral Agent's part in exercising any power of sale, Lien, option or other right hereunder, and no notice or demand which may be given to or made upon any Pledgor by the Collateral Agent with respect to any power of sale, Lien, option or other right hereunder, shall constitute a waiver thereof, or limit or impair the Collateral Agent's right to take any action or to exercise any power of sale, Lien, option, or any other right hereunder, without notice or demand, or prejudice the Collateral Agent's rights as against such Pledgor in any respect.

10. Assignment. The Collateral Agent may assign, indorse or transfer any instrument evidencing all or any part of the Secured Obligations as provided in, and in accordance with, the Credit Agreement, and the holder of such instrument shall be entitled to the benefits of this Agreement.

11. Termination. Immediately following the Termination Date, the Collateral Agent shall deliver to Pledgors the Pledged Collateral pledged by the Pledgors at the time subject to this Agreement and all instruments of assignment executed in connection therewith, free and clear of the Liens hereof and, except as otherwise provided herein, all of the Pledgors' obligations hereunder shall at such time terminate.

12. Lien Absolute and Unconditional; Waiver of Suretyship Defenses.

(a) All rights of the Collateral Agent hereunder, and all obligations of each Pledgor hereunder, shall be absolute and unconditional irrespective of, and each Pledgor hereby waives any defense based on:

(i) any lack of validity or enforceability of the Credit Agreement, any other Loan Document or any other agreement or instrument governing or evidencing any Secured Obligations;

(ii) any defense, set-off or counterclaim (other than a defense of payment in full) which may at any time be available to or be asserted by the Borrower, such Pledgor or any other Person against the Collateral Agent;

(iii) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument governing or evidencing any Secured Obligations;

(iv) any exchange, release or non-perfection of any other Collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Secured Obligations;

(v) the insolvency of any Pledgor or any other Loan Party;

(vi) any other circumstance which might otherwise constitute a defense available to, or a discharge of, such Pledgor; or

(vii) any exchange, release and/or surrender of all or any of the collateral securing the Secured Obligations (including, without limitation, the Pledged Collateral), or any part thereof, by whomsoever deposited, which is now or may hereafter be held by the Collateral Agent in connection with all or any of the Secured Obligations; all in such manner and upon such terms as the Collateral Agent may deem proper, and without notice to or further assent from any Pledgor, it being hereby agreed that each Pledgor shall be and remain bound upon this Agreement, irrespective of the value or condition of any of the Collateral, and notwithstanding any such change, exchange, settlement, compromise, surrender, release, renewal or extension, and notwithstanding also that the Secured Obligations may, at any time, exceed the aggregate principal amount thereof set forth in the Credit Agreement, or any other agreement governing any Secured Obligations. Each Pledgor hereby waives notice of acceptance of this Agreement, and also presentment, demand, protest and notice of dishonor of any and all of the Secured Obligations, and promptness in commencing suit against any party hereto or liable hereon, and in giving any notice to or of making any claim or demand hereunder upon such Pledgor. No act or omission of any kind on the Collateral Agent's part shall in any event affect or impair this Agreement.

(b) Each Pledgor hereby waives any and all notice of the creation, renewal, extension or accrual of any of the Secured Obligations and notice of or proof of reliance by the Collateral Agent upon such Pledgor's obligations under this Agreement; the Secured Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon such Pledgor's obligations under this Agreement; and all dealings between the Borrower and the Pledgors, on the one hand, and the Collateral Agent, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon each Pledgor's obligations under this Agreement.

(c) Each Pledgor hereby waives diligence, presentment, demand or protest (to the extent permitted by applicable law) of any kind in connection with this Agreement or any collateral securing the Secured Obligations, including, without limitation, the Pledged Collateral. Except for notices provided for herein, each Pledgor hereby waives notice (to the extent permitted by applicable law) of any kind in connection with this Agreement or any collateral securing the Secured Obligations, including, without limitation, the Pledged Collateral. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Pledgor, the Collateral Agent may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Pledgor or any other Person or against any collateral security or guarantee for the Secured Obligations or any right of offset with respect thereto, and any failure by the Collateral Agent to

make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Pledgor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Pledgor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Pledgor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Collateral Agent against such Pledgor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

13. Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Pledgor or any Pledged Entity for liquidation or reorganization, should any Pledgor or any Pledged Entity become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of a Pledgor's or a Pledged Entity's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

14. Miscellaneous.

(a) The Collateral Agent may execute any of its duties hereunder by or through agents or employees and shall be entitled to advice of counsel concerning all matters pertaining to its duties hereunder.

(b) The Pledgors agree to promptly reimburse the Collateral Agent for actual out-of-pocket expenses, including, without limitation, reasonable counsel fees, incurred by the Collateral Agent in connection with the administration and enforcement of this Agreement.

(c) Neither the Collateral Agent, nor any of its respective officers, directors, employees, agents or counsel shall be liable for any action lawfully taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

(d) THIS AGREEMENT SHALL BE BINDING UPON EACH PLEDGOR AND ITS SUCCESSORS AND ASSIGNS (INCLUDING A DEBTOR-IN-POSSESSION ON BEHALF OF ANY PLEDGOR), AND SHALL INURE TO THE BENEFIT OF, AND BE ENFORCEABLE BY, SECURED PARTY AND ITS SUCCESSORS AND ASSIGNS AND NONE OF THE TERMS OR PROVISIONS OF THIS AGREEMENT MAY BE WAIVED, ALTERED, MODIFIED OR AMENDED EXCEPT IN WRITING DULY SIGNED FOR AND ON BEHALF OF SECURED PARTY AND THE PLEDGORS. THIS AGREEMENT AND ANY CLAIM OR CONTROVERSY ARISING OUT OF THE SUBJECT MATTER HEREOF (WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE) SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE

LAWS OF THE STATE OF NEW YORK (OTHER THAN ANY CHOICE OF LAW RULES THAT WOULD RESULT IN THE APPLICATION OF LAWS OTHER THAN THE LAW OF THE STATE OF NEW YORK).

(e) EACH PARTY HERETO HEREBY IRREVOCABLY CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE COURTS OF THE STATE OF NEW YORK AND OF THE FEDERAL COURTS LOCATED IN NEW YORK, NEW YORK IN CONNECTION WITH ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

15. Severability. If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect those portions of this Agreement which are valid.

16. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and either shall be delivered in person or sent by registered or certified mail, return receipt requested, with proper postage prepaid, or by facsimile transmission and confirmed by delivery of a copy by personal delivery or United States Mail as otherwise provided herein:

(a) If to the Collateral Agent, at: Credit Suisse, Eleven Madison Avenue, OMA-2, New York, NY 10010, Attention of Agency Group Manager (Fax No. (212) 322-2291); and

(b) If to the Pledgors, at: to Cheniere Energy, Inc., 700 Milam Street, Suite 800, Houston, Texas 77002, Attention: Graham McArthur, Treasurer, Facsimile No.: (713) 375-6290, Telephone No.: (713) 375-5290,

or at such other address as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Every notice, demand, request, consent, approval, declaration or other communication hereunder shall be deemed to have been duly served, given or delivered (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the United States Mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by telecopy or other similar facsimile transmission (with such telecopy or facsimile promptly confirmed by delivery of a copy by personal delivery or United States Mail as otherwise provided in this Section 16), (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid, or (d) when delivered, if hand-delivered by messenger. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to the persons designated above to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

17. Section Titles. The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

18. Counterparts. This Agreement may be executed in any number of counterparts, which shall, collectively and separately, constitute one agreement.

19. Benefit of the Collateral Agent. All security interests granted or contemplated hereby shall be for the benefit of the Collateral Agent, and all proceeds or payments realized from the Pledged Collateral in accordance herewith shall be applied to the Obligations in accordance with the terms of the Credit Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

CHENIERE LNG HOLDINGS, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

GRAND CHENIERE PIPELINE, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CHENIERE PIPELINE GP INTERESTS, LLC

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as Collateral Agent for and on behalf of the Secured Parties

By: /s/ Robert Nydegger
Name: Robert Nydegger
Title: Managing Director

By: /s/ Damien Dwin
Name: Damien Dwin
Title: Director

SCHEDULE I

PLEDGED EQUITY INTERESTS

Pledged Entity	Class of Interests	Certificate Number(s)	Number of Shares	Percentage of Outstanding Shares
Cheniere Common Units Holding, LLC	N/A	1	1000	100%
Cheniere Creole Trail Pipeline, L.P.	N/A	1	N/A	100%

Exhibit 10.8

Execution Version

SECURITY AGREEMENT

between

CHENIERE COMMON UNITS HOLDING, LLC

and

CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as Collateral Agent

Dated as of May 5, 2008

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This SECURITY AGREEMENT, dated as of May 5, 2008, (this "Agreement") between CHENIERE COMMON UNITS HOLDING, LLC, a Delaware limited liability company (the "Grantor") and CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as collateral agent (in such capacity and together with its successors, the "Collateral Agent") for (i) the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Credit Agreement, dated as of May 5, 2008 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Grantor, the other Loan Parties (as defined below) signatory thereto, the Lenders from time to time party thereto, Credit Suisse, Cayman Islands Branch, as the Administrative Agent, as the Collateral Agent and as a Lender, and (ii) the other Secured Parties (as hereinafter defined).

WITNESSETH:

WHEREAS, the Grantor is also the Borrower under the Credit Agreement;

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Grantor upon the terms and subject to the conditions set forth therein;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Grantor to make valuable transfers in connection with the operation of its businesses;

WHEREAS, the Grantor will derive substantial direct and indirect benefit from the extensions of credit under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Grantor under the Credit Agreement that the Grantor shall have executed and delivered this Agreement to the Collateral Agent for the ratable benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Collateral Agent, the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Grantor thereunder, the Grantor hereby agrees with the Collateral Agent, for the ratable benefit of the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.1. Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in the New York UCC (and if defined in more than one Article of the New York UCC, such terms shall have the meanings given in Article 9 thereof): Accounts, Account Debtor, As-Extracted Collateral, Certificated Security, Chattel Paper, Commercial Tort Claim, Commodity Account, Commodity Contract, Commodity Intermediary, Documents, Deposit Account, Electronic Chattel Paper, Equipment, Farm Products, Financial Asset, Fixtures, Goods, Instruments, Inventory, Letter of Credit,

Letter of Credit Rights, Money, Payment Intangibles, Securities Account, Securities Intermediary, Security, Security Entitlement, Supporting Obligations, Tangible Chattel Paper and Uncertificated Security.

(b) The following terms shall have the following meanings:

"Administrative Agent" shall have the meaning assigned to such term in the preamble.

"After-Acquired Intellectual Property" shall have the meaning assigned to such term in Section 4.7(c).

"Agreement" shall mean this Security Agreement, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"Collateral" shall have the meaning assigned to such term in Section 2.

"Collateral Account" shall mean any collateral account established by the Collateral Agent as provided in Section 5.2.

"Collateral Account Funds" shall mean, collectively, the following: all funds (including all trust monies), investments (including all cash equivalents) credited to, or purchased with funds from, any Collateral Account and all certificates and instruments from time to time representing or evidencing such investments; all notes, certificates of deposit, checks and other instruments from time to time hereafter delivered to or otherwise possessed by the Collateral Agent for or on behalf of the Grantor in substitution for, or in addition to, any or all of the Collateral; and all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the items constituting Collateral.

"Collateral Agent" shall have the meaning assigned to such term in the preamble.

"Copyright License" shall mean any agreement, whether written or oral, naming the Grantor as licensor or licensee, granting any right in, to or under any Copyright, including the grant of rights to manufacture, print, publish, copy, import, export, distribute, exploit and sell materials derived from any Copyright.

"Copyrights" shall mean all domestic and foreign copyrights, copyright registrations and applications for copyright registrations, including all renewals and extensions thereof, the right to recover for all past, present and future infringements thereof, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"Credit Agreement" shall have the meaning assigned to such term in the preamble.

"dollars" or "$" shall mean lawful money of the United States of America.

"General Intangibles" shall mean all "general intangibles" as such term is defined in Section 9-102(a)(42) of the New York UCC and, in any event, including with respect to the Grantor, all rights of the Grantor to receive any tax refunds and all contracts, agreements, instruments and indentures and all licenses, permits, concessions, franchises and authorizations issued by Governmental Authorities in any form, and portions thereof, to which the Grantor is a party or under which the Grantor has any right, title or interest or to which the Grantor or any property of the Grantor is subject, as the same may from time to time be amended, supplemented, replaced or otherwise modified, including (i) all rights of the Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (ii) all rights of the Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (iii) all rights of the Grantor to damages arising thereunder and (iv) all rights of the Grantor to terminate and to perform and compel performance and to exercise all remedies thereunder.

"Insurance" shall mean all insurance policies covering any or all of the Collateral (regardless of whether the Collateral Agent is the loss payee thereof).

"Intellectual Property" shall mean the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks, the Trademark Licenses, the Trade Secrets and the Trade Secret Licenses, and all rights to sue at law or in equity for any past, present and future infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Investment Property" shall mean the collective reference to (i) all "investment property" as such term is defined in Section 9-102(a)(49) of the New York UCC, including all Certificated Securities and Uncertificated Securities, all Security Entitlements, all Securities Accounts, all Commodity Contracts and all Commodity Accounts, (ii) security entitlements, in the case of any United States Treasury book-entry securities, as defined in 31 C.F.R. section 357.2, or, in the case of any United States federal agency book-entry securities, as defined in the corresponding United States federal regulations governing such book-entry securities, and (iii) whether or not otherwise constituting "investment property," all Pledged Notes, all Pledged Equity Interests, all Pledged Security Entitlements and all Pledged Commodity Contracts.

"Issuers" shall mean the collective reference to each issuer of a Pledged Security, including, without limitation, CQP and CESS.

"Lenders" shall have the meaning assigned to such term in the preamble.

"New York UCC" shall mean the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations" shall mean the collective reference to the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and reimbursement obligations in respect of interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Grantor,

whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Grantor, to any Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with the Credit Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to any Agent or to any Lender that are required to be paid by the Grantor pursuant to the Credit Agreement or any other Loan Document) or otherwise.

"Patent License" shall mean all agreements, whether written or oral, providing for the grant by or to the Grantor of any right to manufacture, use, import, export, distribute or sell any invention covered in whole or in part by a Patent.

"Patents" shall mean all patents and patent applications, including the inventions and improvements described and claimed therein together with the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including damages and payments for past or future infringements thereof, the right to sue for past, present and future infringements thereof, and all rights corresponding thereto throughout the world.

"person" shall mean any natural person, corporation, trust, business trust, joint venture, joint stock company, association company, limited liability company, partnership, Governmental Authority or other entity.

"Pledged Alternative Equity Interests" shall mean all interests of the Grantor in participation or other interests in any equity or profits of any business entity and the certificates, if any, representing such interests and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such interests and any other warrant, right or option to acquire any of the foregoing; provided, however, that Pledged Alternative Equity Interests shall not include any Pledged Stock, Pledged Partnership Interests, Pledged LLC Interests or Pledged Trust Interests.

"Pledged Commodity Contracts" shall mean all commodity contracts to which the Grantor is party from time to time.

"Pledged Debt Securities" shall mean all debt securities now owned or hereafter acquired by the Grantor, including the debt securities listed on Schedule 3.5, (as such schedule may be amended or supplemented from time to time), together with any other certificates, options, rights or security entitlements of any nature whatsoever in respect of the debt securities of any person that may be issued or granted to, or held by, the Grantor while this Agreement is in effect.

"Pledged Equity Interests" shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests, Pledged Trust Interests and Pledged Alternative Equity Interests.

"Pledged LLC Interests" shall mean all interests of the Grantor now owned or hereafter acquired in any limited liability company, including all limited liability company interests listed on Schedule 3.5 hereto under the heading "Pledged LLC Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such limited liability company interests and any interest of the Grantor on the books and records of such limited liability company and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Notes" shall mean all promissory notes now owned or hereafter acquired by the Grantor, including those listed on Schedule 3.5 (as such schedule may be amended or supplemented from time to time) and all Intercompany Notes (including the CESS Intercompany Note) at any time issued to or held by the Grantor.

"Pledged Partnership Interests" shall mean all interests of the Grantor now owned or hereafter acquired in any general partnership, limited partnership, limited liability partnership or other partnership, including the Units and all other partnership interests listed on Schedule 3.5 hereto under the heading "Pledged Partnership Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such partnership interests and any interest of the Grantor on the books and records of such partnership and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests and any other warrant, right or option to acquire any of the foregoing.

"Pledged Securities" shall mean the collective reference to the Pledged Debt Securities, the Pledged Notes and the Pledged Equity Interests.

"Pledged Security Entitlements" shall mean all security entitlements with respect to the financial assets listed on Schedule 3.5 (as such schedule may be amended from time to time) and all other security entitlements of the Grantor.

"Pledged Stock" shall mean all shares of capital stock now owned or hereafter acquired by the Grantor, including all shares of capital stock listed on Schedule 3.5 hereto under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of the Grantor in the entries on the books of the issuer of such shares and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares and any other warrant, right or option to acquire any of the foregoing.

"Pledged Trust Interests" shall mean all interests of the Grantor now owned or hereafter acquired in a Delaware business trust or other trust, including all trust interests listed on Schedule 3.5 hereto under the heading "Pledged Trust Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such trust interests and any interest of the Grantor on the books and records of such trust or on the books

and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such trust interests and any other warrant, right or option to acquire any of the foregoing.

"Proceeds" shall mean all "proceeds" as such term is defined in Section 9-102(a)(64) of the New York UCC and, in any event, shall include all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

"Receivable" shall mean all Accounts and any other right to payment for goods or other property sold, leased, licensed or otherwise disposed of or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper or classified as a Payment Intangible and whether or not it has been earned by performance. References herein to Receivables shall include any Supporting Obligation or collateral securing such Receivable.

"Secured Parties" shall mean, collectively, the Administrative Agent, the Collateral Agent and the Lenders.

"Subsidiary" shall mean any subsidiary of the Grantor.

"Trademark License" shall mean any agreement, whether written or oral, providing for the grant by or to the Grantor of any right in, to or under any Trademark.

"Trademarks" shall mean all domestic and foreign trade names, trademarks and service marks, logos, trademark and service mark registrations, and applications for trademark and service mark registrations, including all renewals of trademark and service mark registrations, all rights corresponding thereto throughout the world, the right to recover for all past, present and future infringements thereof, all other rights of any kind whatsoever accruing thereunder or pertaining thereto, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such trade name, trademark and service mark.

"Trade Secret License" shall mean any agreement, whether written or oral, providing for the grant by the Grantor of any right in, to or under any Trade Secret.

"Trade Secrets" shall mean all trade secrets and all other confidential or proprietary information and know-how (all of the foregoing being collectively called a "Trade Secret"), whether or not reduced to a writing or other tangible form, including all documents and things embodying, incorporating or describing such Trade Secret, the right to sue for past, present and future infringements of any Trade Secret and all proceeds of the foregoing, including royalties, income, payments, claims, damages and proceeds of suit.

1.2. Other Definitional Provisions. (a) The words "hereof," "herein," "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to the specific provisions of this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(c) Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to the Grantor, shall refer to the property or assets the Grantor has granted as Collateral or the relevant part thereof.

(d) The expressions "payment in full," "paid in full" and any other similar terms or phrases when used herein with respect to the Obligations shall mean the unconditional, final and irrevocable payment in full, in immediately available funds, of all of the Obligations, unless otherwise specified, other than indemnification and other contingent obligations not then due and payable.

(e) The words "include," "includes" and "including," and words of similar import, shall not be limiting and shall be deemed to be followed by the phrase "without limitation."

(f) All references to the Lenders herein shall, where appropriate, include any Lender, the Administrative Agent or the Collateral Agent.

SECTION 2. GRANT OF SECURITY INTEREST; CONTINUING LIABILITY UNDER COLLATERAL

(a) The Grantor hereby assigns and transfers to the Collateral Agent, and hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a security interest in all of the personal property of the Grantor, including the following property, in each case, wherever located and now owned or at any time hereafter acquired by the Grantor or in which the Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations:

(i) all Accounts;

(ii) all As-Extracted Collateral

(iii) all Chattel Paper;

(iv) all Collateral Accounts and all Collateral Account Funds;

(v) all Commercial Tort Claims;

(vi) all Deposit Accounts;

(vii) all Documents;

(viii) all Equipment;

(ix) all Fixtures

(x) all General Intangibles;

(xi) all Goods

(xii) all Instruments;

(xiii) all Insurance;

(xiv) all Intellectual Property;

(xv) all Inventory;

(xvi) all Investment Property;

(xvii) all Letters of Credit and Letter of Credit Rights;

(xviii) all Money;

(xix) all Securities Accounts;

(xx) all books, records, ledger cards, files, correspondence, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks and other electronic storage media and related data processing software and similar items that at any time pertain to or evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon; and

(xxi) to the extent not otherwise included, all other property, whether tangible or intangible, of the Grantor and all Proceeds, products, accessions, rents and profits of any and all of the foregoing and all collateral security, Supporting Obligations and guarantees given by any person with respect to any of the foregoing.

(b) Notwithstanding anything herein to the contrary, (i) the Grantor shall remain liable for all obligations under and in respect of the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Collateral Agent or any other Secured Party, (ii) the Grantor shall remain liable under and each of the agreements included in the Collateral, including any Receivables, any contracts and any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Agent nor any other Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Agreement or any other document related hereto nor shall the Collateral Agent nor any other Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral, including any agreements relating to any Receivables, any contracts or any agreements relating to Pledged Partnership Interests or Pledged LLC Interests and (iii)

the exercise by the Collateral Agent of any of its rights hereunder shall not release the Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral, including any agreements relating to any Receivables, any contracts and any agreements relating to Pledged Partnership Interests or Pledged LLC Interests.

SECTION 3. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent, the Collateral Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective loans to the Grantor thereunder, the Grantor hereby represents and warrants to the Secured Parties that:

3.1. Title; No Other Liens. The Grantor owns each item of the Collateral free and clear of any and all Liens or claims, except for Liens expressly permitted by Section 6.02 of the Credit Agreement. No financing statement, mortgage or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, pursuant to this Agreement or as are expressly permitted by the Credit Agreement.

3.2. Perfected First Priority Liens. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 3.2 (all of which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Collateral Agent in duly completed and duly executed form, as applicable, and may be filed by the Collateral Agent at any time) and payment of all filing fees, will constitute valid fully perfected security interests in all of the Collateral in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, as collateral security for the Obligations, enforceable in accordance with the terms hereof and (b) are prior to all other Liens on the Collateral, except for Liens expressly permitted by Section 6.02 of the Credit Agreement. Without limiting the foregoing, the Grantor has taken all actions necessary or desirable, including those specified in Section 4.2 to (i) establish the Collateral Agent's "control" (within the meanings of Sections 8-106 and 9-106 of the New York UCC) over any portion of the Investment Property constituting Certificated Securities, Uncertificated Securities, Securities Accounts, Securities Entitlements or Commodity Accounts (each as defined in the New York UCC), (ii) establish the Collateral Agent's "control" (within the meaning of Section 9-104 of the New York UCC) over all Deposit Accounts, (iii) establish the Collateral Agent's "control" (within the meaning of Section 9-107 of the New York UCC) over all Letter of Credit Rights, (iv) establish the Collateral Agent's control (within the meaning of Section 9-105 of the New York UCC) over all Electronic Chattel Paper and (v) establish the Collateral Agent's "control" (within the meaning of Section 16 of the Uniform Electronic Transaction Act as in effect in the applicable jurisdiction "UETA") over all "transferable records" (as defined in UETA).

3.3. Name; Jurisdiction of Organization, etc. On the date hereof, the Grantor's exact legal name (as indicated on the public record of the Grantor's jurisdiction of formation or organization), jurisdiction of organization, organizational identification number, if any, and the location of the Grantor's chief executive office or sole place of business are specified on Schedule 3.3. The Grantor is organized solely under the law of the jurisdiction so specified and has not filed any certificates of domestication, transfer or continuance in any other jurisdiction. Except as otherwise indicated on Schedule 3.3, the jurisdiction of each the Grantor's organization of formation is required to maintain a public record showing the Grantor to have been organized or formed.

3.4. Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

3.5. Investment Property. Schedule 3.5 hereto (as such schedule may be amended or supplemented from time to time) sets forth under the headings "Pledged Stock," "Pledged LLC Interests," "Pledged Partnership Interests" and "Pledged Trust Interests," respectively, all of the Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and Pledged Trust Interests owned by the Grantor and such Pledged Equity Interests constitute the percentage of issued and outstanding shares of stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof indicated on such schedule. Schedule 3.5 (as such schedule may be amended or supplemented from time to time) sets forth under the heading "Pledged Debt Securities" or "Pledged Notes" all of the Pledged Debt Securities and Pledged Notes owned by the Grantor and all of such Pledged Debt Securities and Pledged Notes have been duly authorized, authenticated or issued, and delivered and is the legal, valid and binding obligation of the issuers thereof enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principals of equity, regardless of whether considered in a proceeding in equity or at law, and is not in default and constitutes all of the issued and outstanding inter-company indebtedness evidenced by an instrument or certificated security of the respective issuers thereof owing to the Grantor. Schedule 3.5 hereto (as such schedule may be amended from time to time) sets forth under the headings "Securities Accounts," "Commodities Accounts," and "Deposit Accounts" respectively, all of the Securities Accounts, Commodities Accounts and Deposit Accounts of the Grantor. The Grantor is the sole entitlement holder or customer of each such account, and the Grantor has not consented to or is otherwise aware of any person having "control" (within the meanings of Sections 8-106, 9-106 and 9-104 of the New York UCC) over, or any other interest in, any Securities Account, Commodity Account, Deposit Account, in each case in which the Grantor has an interest, or any securities, commodities or other property credited thereto.

(b) The shares of Pledged Equity Interests pledged by the Grantor hereunder constitute all of the issued and outstanding shares of all classes of Equity Interests in each Issuer owned by the Grantor.

(c) The Pledged Equity Interests have been duly and validly issued and are fully paid and nonassessable.

(d) The terms of any uncertificated Pledged LLC Interests and Pledged Partnership Interests expressly provide that they are securities governed by Article 8 of the Uniform Commercial Code in effect from time to time in the "issuer's jurisdiction" of each Issuer thereof (as such term is defined in the Uniform Commercial Code in effect in such jurisdiction) or such uncertificated Pledged LLC Interests or Pledged Partnership Interests are of a type dealt in or traded on securities exchanges or in securities markets and would be securities under Section 8-103 of the Uniform Commercial Code in effect from time to time.

(e) The terms of any certificated Pledged LLC Interests and Pledged Partnership Interests expressly provide that they are securities governed by Article 8 of the New York UCC or such certificated Pledged LLC Interests or Pledged Partnership Interests are of a type dealt in or traded on securities exchanges or in securities markets and would be securities under Section 8-103 of the New York UCC.

(f) The Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property and Deposit Accounts pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other person, except Liens expressly permitted by Section 6.02 of the Credit Agreement, and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests.

3.6. Intellectual Property. The Grantor does not own any Intellectual Property which is registered with a Governmental Authority or is the subject of an application for registration or any material unregistered Intellectual Property, in each case which is owned by the Grantor in its own name on the date hereof.

3.7. Letters of Credit and Letter of Credit Rights. The Grantor is not a beneficiary or assignee under any Letter of Credit.

3.8. Commercial Tort Claims. The Grantor does not have any Commercial Tort Claims as of the date hereof.

SECTION 4. COVENANTS

The Grantor covenants and agrees with the Secured Parties that, from and after the date of this Agreement until the Loans and other Obligations have been indefeasibly repaid in full and all other Obligations under the Credit Agreement and the other Loan Documents have been completed and discharged:

4.1. Covenants in Credit Agreement. The Grantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by the Grantor.

4.2. Delivery and Control of Instruments, Chattel Paper, Negotiable Documents, Investment Property and Deposit Accounts.

(a) If any of the Collateral is or shall become evidenced or represented by any Instrument, Certificated Security, Negotiable Document or Tangible Chattel Paper, such Instrument (other than checks received in the ordinary course of business), Certificated Security, Negotiable Documents or Tangible Chattel Paper shall be immediately delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent, to be held as Collateral pursuant to this Agreement, and all of such property owned by the Grantor as of the Closing Date shall be delivered on the Closing Date.

(b) If any of the Collateral is or shall become "Electronic Chattel Paper" the Grantor shall ensure that (i) a single authoritative copy exists which is unique, identifiable, unalterable (except as provided in clauses (iii), (iv) and (v) of this paragraph), (ii) such authoritative copy identifies the Collateral Agent as the assignee and is communicated to and maintained by the Collateral Agent or its designee, (iii) copies or revisions that add or change the assignee of the authoritative copy can only be made with the participation of the Collateral Agent, (iv) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy and not the authoritative copy and (v) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

(c) If any Collateral is or shall become evidenced or represented by an Uncertificated Security, the Grantor shall cause the Issuer thereof either (i) to register the Collateral Agent as the registered owner of such Uncertificated Security, upon original issue or registration of transfer or (ii) to agree in writing with the Grantor and the Collateral Agent that such Issuer will comply with instructions with respect to such Uncertificated Security originated by the Collateral Agent without further consent of the Grantor, the terms of such agreement to be in form and substance satisfactory to the Collateral Agent, and such actions shall be taken on or prior to the Closing Date with respect to any Uncertificated Securities owned as of the Closing Date by the Grantor.

(d) The Grantor shall maintain Securities Entitlements, Securities Accounts and Deposit Accounts only with financial institutions that have agreed to comply with entitlement orders and instructions issued or originated by the Collateral Agent without further consent of the Grantor, such agreement to be in form and substance satisfactory to the Collateral Agent.

(e) If any of the Collateral is or shall become evidenced or represented by a Commodity Contract, the Grantor shall cause the Commodity Intermediary with respect to such Commodity Contract to agree in writing with the Grantor and the Collateral Agent that such Commodity Intermediary will apply any value distributed on account of such Commodity Contract as directed by the Collateral Agent without further consent of the Grantor, such agreement to be satisfactory to the Collateral Agent.

(f) In addition to and not in lieu of the foregoing, if any Issuer of any Investment Property is organized under the law of, or has its chief executive office in, a jurisdiction outside of the United States, the Grantor shall take such additional actions, including causing the issuer to register the pledge on its books and records, as may be necessary or advisable or as may be reasonably requested by the Collateral Agent, under the laws of such jurisdiction to insure the validity, perfection and priority of the security interest of the Collateral Agent.

(g) In the event that the Grantor becomes a beneficiary or an assignee under any Letters of Credit, the Grantor shall use commercially reasonable efforts to obtain the consent of any issuer thereof to the transfer of such Letter of Credit to the Collateral Agent. In the case of any other Letter of Credit Rights, the Grantor shall use commercially reasonable efforts to obtain the consent of the issuer thereof and any nominated person thereon to the assignment of the proceeds of the related Letter of Credit in accordance with Section 5-114(c) of the New York UCC.

4.3. Maintenance of Perfected Security Interest; Further Documentation. (a) The Grantor shall maintain each of the security interests created by this Agreement as a perfected security interest having at least the priority described in Section 3.2 and shall defend such security interest against the claims and demands of all persons whomsoever, subject to the provisions of Section 7.14.

(b) The Grantor shall furnish to the Secured Parties from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the assets and property of the Grantor as the Collateral Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of the Grantor, the Grantor shall promptly and duly authorize, execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Collateral Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of Investment Property, Deposit Accounts and any other relevant Collateral, taking any actions necessary to enable the Collateral Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto, including, without limitation, executing and delivering and causing the relevant depositary bank or securities intermediary to execute and deliver a Control Agreement on terms in form and substance satisfactory to the Collateral Agent.

4.4. Changes in Locations, Name, Jurisdiction of Incorporation, etc. The Grantor shall not, except upon, 10 days' prior written notice, in the case of each of clauses (i) and (ii) below, to the Collateral Agent and delivery to the Collateral Agent of duly authorized and, where required, executed copies of all additional financing statements and other documents reasonably requested by the Collateral Agent to maintain the validity, perfection and priority of the security interests provided for herein:

(i) change its legal name, jurisdiction of organization or the location of its chief executive office or sole place of business from that referred to in Section 3.3; or

(ii) change its legal name, identity or structure to such an extent that any financing statement filed by the Collateral Agent in connection with this Agreement would become misleading.

4.5. Notices. The Grantor shall advise the Collateral Agent promptly, in reasonable detail, of:

(a) any Lien (other than any Lien expressly permitted by Section 6.02 of the Credit Agreement) on any of the Collateral which would adversely affect the ability of the Collateral Agent to exercise any of its remedies hereunder; and

(b) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

4.6. Investment Property. (a) If the Grantor shall become entitled to receive or shall receive any stock or other ownership certificate (including any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights in respect of the Equity Interests in any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of or other ownership interests in the Pledged Securities, or otherwise in respect thereof, the Grantor shall accept the same as the agent of the Secured Parties, hold the same in trust for the Secured Parties and deliver the same forthwith to the Collateral Agent in the exact form received, duly endorsed by the Grantor to the Collateral Agent, if required, together with an undated stock power or similar instrument of transfer covering such certificate duly executed in blank by the Grantor and with, if the Collateral Agent so requests, signature guaranteed, to be held by the Collateral Agent, subject to the terms hereof, as additional collateral security for the Obligations. Any sums paid upon or in respect of the Pledged Securities upon the liquidation or dissolution of any Issuer shall be paid over to the Collateral Agent to be held by it hereunder as additional collateral security for the Obligations, and in case any distribution of capital shall be made on or in respect of the Pledged Securities or any property shall be distributed upon or with respect to the Pledged Securities pursuant to the recapitalization or reclassification of the capital of any Issuer or pursuant to the reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected security interest in favor of the Collateral Agent, be delivered to the Collateral Agent to be held by it hereunder as additional collateral security for the Obligations. If any sums of money or property so paid or distributed in respect of the Pledged Securities shall be received by the Grantor, the Grantor shall, until such money or property is paid or delivered to the Collateral Agent, hold such money or property in trust for the Secured Parties, segregated from other funds of the Grantor, as additional collateral security for the Obligations.

(b) Without the prior written consent of the Collateral Agent, the Grantor shall not (i) sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any of the Investment Property or Proceeds thereof or any interest therein (except, in each case, pursuant to a transaction expressly permitted by the Credit Agreement), (ii) create, incur or permit to exist any Lien or option in favor of, or any claim of any person with respect to, any of the Investment Property or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or any Lien expressly permitted thereon pursuant to Section 6.02 of the Credit Agreement, (iii) enter into any agreement or undertaking restricting the right or ability of the Grantor or the Collateral Agent to sell, assign or transfer any of the Investment Property or Proceeds thereof or any interest therein or (iv) without the prior written consent of the Collateral Agent, cause or permit any Issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the New York UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as securities for purposes of the New York UCC; provided, however, notwithstanding the foregoing, if any issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the provisions in this clause (iv), the Grantor shall promptly notify the Collateral Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Agent's "control" thereof.

(c) The Grantor hereby consents to the grant of the security interest hereunder in favor of the Collateral Agent and to the transfer of any Pledged Security to the Collateral Agent or its nominee following an Event of Default and to the substitution of the Collateral Agent or its nominee as a partner, member or shareholder of the Issuer of the related Pledged Security.

4.7. Intellectual Property. (a) Promptly upon the Grantor's acquisition or creation of any copyrightable work, invention, trademark or other similar property that is material to the business of the Grantor, apply for registration thereof with the United states Copyright Office, the United States Patent and Trademark Office and any other appropriate office. Whenever the Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Intellectual Property that is material to the business of the Grantor with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, the Grantor shall report such filing to the Collateral Agent within five Business Days after the last day of the fiscal quarter in which such filing occurs. Upon request of the Collateral Agent, the Grantor shall execute and deliver, and have recorded, any and all agreements, instruments, documents, and papers as the Collateral Agent may request to evidence the Secured Parties' security interest in any Copyright, Patent, Trademark or other Intellectual Property of the Grantor and the goodwill and general intangibles of the Grantor relating thereto or represented thereby.

(b) The Grantor shall take all reasonable and necessary steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of Intellectual Property material to its business, including the payment of required fees and taxes, the filing of responses to office actions issued by the United States Patent and Trademark Office and the United States Copyright Office, the filing of applications for renewal or extension, the filing of affidavits of use and affidavits of incontestability, the filing of divisional, continuation, continuation-in-part, reissue, and renewal applications or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings.

(c) The Grantor agrees that, should it obtain an ownership interest in any item of intellectual property (the "After-Acquired Intellectual Property"), (i) any such After-Acquired Intellectual Property, and in the case of trademarks, the goodwill of the business connected therewith or symbolized thereby, shall automatically become part of the Collateral, (ii) it shall give prompt (and, in any event within five Business Days after the last day of the fiscal quarter in which the Grantor acquires such ownership interest) written notice thereof to the Collateral Agent in accordance herewith, and (iii) it shall provide the Collateral Agent promptly (and, in any event within five Business Days after the last day of the fiscal quarter in which the Grantor acquires such ownership interest) with a schedule setting forth all such After-Acquired Intellectual Property and take the actions specified in clause (d) of this Section 4.7.

(d) The Grantor agrees to execute an After-Acquired Intellectual Property Security Agreement with respect to its After-Acquired Intellectual Property on terms in form and substance satisfactory to the Collateral Agent in order to record the security interest granted herein to the Collateral Agent for the ratable benefit of the Secured Parties with the United States Patent and Trademark Office, the United States Copyright Office and any other applicable Governmental Authority.

4.8. Commercial Tort Claims. The Grantor shall advise the Collateral Agent promptly of any Commercial Tort Claim held by the Grantor and shall promptly execute a supplement to this Agreement in form and substance reasonably satisfactory to the Collateral Agent to grant a security interest in such Commercial Tort Claim to the Collateral Agent for the ratable benefit of the Secured Parties.

SECTION 5. REMEDIAL PROVISIONS

5.1. Pledged Securities. (a) Unless an Event of Default shall have occurred and be continuing and the Collateral Agent shall have given notice to the Grantor of the Collateral Agent's intent to exercise its corresponding rights pursuant to Section 5.1(b), the Grantor shall be permitted to receive all cash dividends paid in respect of the Pledged Equity Interests and all payments made in respect of the Pledged Notes, and to exercise all voting and corporate rights with respect to the Pledged Securities; provided, however, that, without the prior written consent of the Collateral Agent, the Grantor will not (i) vote to enable, consent or take any other action to permit, any Issuer (other than CQP) of the Pledged Equity Interests owned by it to issue any stock or other equity securities of any nature or to issue any other securities convertible into or granting the right to purchase or exchange for any stock or other equity securities of any nature of such Issuer, in each case, to any other person, (ii) enter into any agreement or undertaking restricting the right or ability of it or the Collateral Agent to sell, assign or transfer any of such Pledged Equity Interests or proceeds thereof or (iii) otherwise take actions which would be materially inconsistent with or result in any violation of any provision of the Credit Agreement, this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing: (i) upon written notice to the Grantor from the Collateral Agent, all rights of the Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Collateral Agent who shall thereupon have the sole right, but shall be under no obligation, to exercise or refrain from exercising such voting and other consensual rights and (ii) the Collateral Agent shall have the right, without notice to the Grantor, to transfer all or any portion of the Investment Property to its name or the name of its nominee or agent. In addition, the Collateral Agent shall have the right at any time, without notice to the Grantor, to exchange any certificates or instruments representing any Investment Property for certificates or instruments of smaller or larger denominations. In order to permit the Collateral Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive

hereunder the Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Collateral Agent all proxies, dividend payment orders and other instruments as the Collateral Agent may from time to time reasonably request and the Grantor acknowledges that the Collateral Agent may utilize the power of attorney set forth herein.

(c) The Grantor hereby authorizes and instructs each Issuer of any Pledged Securities pledged by the Grantor hereunder to (i) comply with any instruction received by it from the Collateral Agent in writing that (x) states that an Event of Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from the Grantor, and the Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) upon any such instruction following the occurrence and during the continuance of an Event of Default, pay any dividends or other payments with respect to the Investment Property, including Pledged Securities, directly to the Collateral Agent.

5.2. Proceeds to be Turned Over To Collateral Agent. If an Event of Default shall occur and be continuing, all Proceeds received by the Grantor consisting of cash, cash equivalents, checks and other near-cash items shall be held by the Grantor in trust for the Secured Parties, segregated from other funds of the Grantor, and shall, forthwith upon receipt by the Grantor, be turned over to the Collateral Agent in the exact form received by the Grantor (duly endorsed by the Grantor to the Collateral Agent, if required). All Proceeds received by the Collateral Agent hereunder shall be held by the Collateral Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Collateral Agent in a Collateral Account (or by the Grantor in trust for the Secured Parties) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 5.3.

5.3. Application of Proceeds. At such intervals as may be agreed upon by the Borrower and the Collateral Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Collateral Agent's election, the Collateral Agent may apply all or any part of the net Proceeds (after deducting fees and expenses as provided in Section 5.4) constituting Collateral realized through the exercise by the Collateral Agent of its remedies hereunder, whether or not held in any Collateral Account, in payment of the Obligations in the following order:

First, to the Administrative Agent and the Collateral Agent, to pay incurred and unpaid fees and expenses of the Secured Parties under the Loan Documents;

Second, to the Administrative Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then due and owing and remaining unpaid to the Secured Parties;

Third, to the Administrative Agent, for application by it towards prepayment of the Obligations, pro rata among the Lenders according to the amounts of the Obligations then held by the Lenders; and

Fourth, any balance of such Proceeds remaining, after the Loans and other Obligations have been indefeasibly repaid in full and all other Obligations under the Credit Agreement and the other Loan Documents have been completed and discharged, shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

5.4. Code and Other Remedies. (a) If an Event of Default shall occur and be continuing, the Collateral Agent, on behalf of the Secured Parties, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC (whether or not the New York UCC applies to the affected Collateral) or its rights under any other applicable law or in equity. Without limiting the generality of the foregoing, the Collateral Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Grantor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, license, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Each Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Grantor, which right or equity is hereby waived and released. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of the Grantor, and the Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Grantor agrees that, to the extent notice of sale shall be required by law, at least ten days notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Collateral Agent may sell the Collateral without giving any warranties as to the Collateral. The Collateral Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely effect the commercial reasonableness of any sale of the Collateral. The Grantor agrees that it would not be commercially unreasonable for the Collateral Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. The Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral

to more than one offeree. The Grantor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at the Grantor's premises or elsewhere. The Collateral Agent shall have the right to enter onto the property where any Collateral is located and take possession thereof with or without judicial process.

(b) The Collateral Agent shall apply the net proceeds of any action taken by it pursuant to this Section 5.4, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Secured Parties hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations and only after such application and after the payment by the Collateral Agent of any other required by any provision of law, including Section 9-615(a) of the New York UCC, need the Collateral Agent account for the surplus, if any, to the Grantor. If the Collateral Agent sells any of the Collateral upon credit, the Grantor will be credited only with payments actually made by the purchaser and received by the Collateral Agent and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, the Collateral Agent may resell the Collateral and the Grantor shall be credited with proceeds of the sale. To the extent permitted by applicable law, the Grantor waives all claims, damages and demands it may acquire against any Secured Party arising out of the exercise by them of any rights hereunder.

5.5. Registration Rights. (a) If the Collateral Agent shall determine to exercise its right to sell any or all of the Pledged Equity Interests or the Pledged Debt Securities pursuant to Section 5.4, and if in the opinion of the Collateral Agent it is necessary or advisable to have the Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, registered under the provisions of the Securities Act, the Grantor shall cause the Issuer thereof to (i) execute and deliver, and cause the directors and officers of such Issuer to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of the Collateral Agent, necessary or advisable to register the Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, under the provisions of the Securities Act, (ii) use commercially reasonable efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Equity Interests or the Pledged Debt Securities, or that portion thereof to be sold, and (iii) make all amendments thereto and/or to the related prospectus which, in the opinion of the Collateral Agent, are reasonably necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the SEC applicable thereto. The Grantor agrees to use commercially reasonable efforts to cause such Issuer to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which the Collateral Agent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) The Grantor recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Pledged Equity Interests or the Pledged Debt Securities, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or

otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. The Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Collateral Agent shall be under no obligation to delay a sale of any of the Pledged Equity Interests or the Pledged Debt Securities for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(c) The Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Equity Interests or the Pledged Debt Securities pursuant to this Section 5.6 valid and binding and in compliance with any and all other applicable Requirements of Law. The Grantor further agrees that a breach of any of the covenants contained in this Section 5.5 will cause irreparable injury to the Secured Parties, that the Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 5.5 shall be specifically enforceable against the Grantor, and the Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing under the Credit Agreement or a defense of payment.

5.6. Deficiency. The Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by any Secured Party to collect such deficiency.

SECTION 6. THE COLLATERAL AGENT

6.1. Collateral Agent's Appointment as Attorney-in-Fact, etc. (a) The Grantor hereby irrevocably constitutes and appoints the Collateral Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Grantor and in the name of the Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, the Grantor hereby gives the Collateral Agent the power and right, on behalf of the Grantor, without notice to or assent by the Grantor, to do any or all of the following:

(i) in the name of the Grantor or its own name, or otherwise, take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or agreement or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such moneys due under any Receivable or agreement or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Collateral Agent may request to evidence the Secured Parties' security interest in such Intellectual Property and the goodwill and general intangibles of the Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 5.4 or 5.5, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and endorse any assignments, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against the Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate; (7) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Collateral Agent shall in its sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and do, at the Collateral Agent's option and the Grantor's expense, at any time, or from time to time, all acts and things which the Collateral Agent deems necessary to protect, preserve or realize upon the Collateral and the Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as the Grantor might do.

Anything in this Section 6.1(a) to the contrary notwithstanding, the Collateral Agent agrees that, except as provided in Section 6.1(b), it will not exercise any rights under the power of attorney provided for in this Section 6.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If the Grantor fails to perform or comply with any of its agreements contained herein, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement; provided, however, that unless and Event of Default has occurred and is continuing or time is of the essence, the Collateral Agent shall not exercise this power without first making demand on the Grantor and the Grantor failing to immediately comply therewith.

(c) The expenses of the Collateral Agent incurred in connection with actions undertaken as provided in this Section 6.1, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due Loans under the Credit Agreement, from the date of payment by the Collateral Agent to the date reimbursed by the Grantor, shall be payable by the Grantor to the Collateral Agent on demand.

(d) The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

6.2. Duty of Collateral Agent. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent, nor any other Secured Party nor any of their respective officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantor or any other person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Secured Parties hereunder are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon any Secured Party to exercise any such powers. The Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, partners, employees, agents, attorneys and other advisors, attorneys-in-fact or affiliates shall be responsible to the Grantor for any act or failure to act hereunder, except to the extent that any such act or failure to act is found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from their own gross negligence or willful misconduct in breach of a duty owed to the Grantor.

6.3. Execution of Financing Statements. The Grantor acknowledges that pursuant to Section 9-509(b) of the New York UCC and any other applicable law, the Grantor authorizes the Collateral Agent to file or record financing or continuation statements, and amendments thereto, and other filing or recording documents or instruments with respect to the Collateral, without the signature of the Grantor, in such form and in such offices as the Collateral Agent reasonably determines appropriate to perfect or maintain the perfection of the security interests of the Collateral Agent under this Agreement. The Grantor agrees that such financing statements may describe the collateral in the same manner as described in the Security documents or as "all assets" or "all personal property," whether now owned or hereafter existing or acquired or such other description as the Collateral Agent, in its sole judgment, determines is

necessary or advisable. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

6.4. Authority of Collateral Agent. The Grantor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Grantor, the Collateral Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and the Grantor shall not be under any obligation, or entitlement, to make any inquiry respecting such authority.

6.5. Appointment of Co-Collateral Agents. At any time or from time to time, in order to comply with any applicable requirement of law, the Collateral Agent may appoint another bank or trust company or one of more other persons, either to act as co-agent or agents on behalf of the Secured Parties with such power and authority as may be necessary for the effectual operation of the provisions hereof and which may be specified in the instrument of appointment (which may, in the discretion of the Collateral Agent, include provisions for indemnification and similar protections of such co-agent or separate agent).

SECTION 7. MISCELLANEOUS

7.1. Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Grantor and the Collateral Agent, subject to any consents required under Section 9.08 of the Credit Agreement; provided that any provision of this Agreement imposing obligations on the Grantor may be waived by the Collateral Agent in a written instrument executed by the Collateral Agent.

7.2. Notices. All notices, requests and demands to or upon the Collateral Agent or the Grantor hereunder shall be effected in the manner provided for in Section 9.01 of the Credit Agreement.

7.3. No Waiver by Course of Conduct; Cumulative Remedies. No Secured Party shall by any act (except by a written instrument pursuant to Section 7.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such Secured Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

7.4. Enforcement Expenses; Indemnification. (a) The Grantor agrees to pay or reimburse each Secured Party for all its costs and expenses incurred in enforcing or preserving any rights under this Agreement and the other Loan Documents to which the Grantor is a party, including the fees and disbursements of counsel to each Secured Party and of counsel to the Collateral Agent.

(b) The Grantor agrees to pay, and to hold the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) The Grantor agrees to pay, and to hold the Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to Section 9.05 of the Credit Agreement.

(d) The agreements in this Section shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

7.5. Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Grantor and shall inure to the benefit of the Secured Parties and their successors and assigns; provided that the Grantor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent, and any attempted assignment without such consent shall be null and void.

7.6. Set-Off. The Grantor hereby irrevocably authorizes each Secured Party at any time and from time to time, while an Event of Default shall have occurred and be continuing, without notice to the Grantor, any such notice being expressly waived by the Grantor, to set-off and appropriate and apply any and all deposits in accordance with Section 9.06 of the Credit Agreement.

7.7. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

7.8. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.9. Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

7.10. Integration. This Agreement and the other Loan Documents represent the agreement of the Grantor, the Collateral Agent and the other Secured Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Secured Party relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

7.11. **APPLICABLE LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF.**

7.12. Submission to Jurisdiction; Waivers. The Grantor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Grantor at its address referred to in Section 7.2 or at such other address of which the Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

7.13. Acknowledgments. The Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) no Secured Party has any fiduciary relationship with or duty to the Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantor, on the one hand, and the Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Grantor and the Secured Parties.

7.14. Releases. (a) At such time as the Loans and other Obligations have been indefeasibly repaid in full and all other Obligations under the Credit Agreement and the other Loan Documents have been completed and discharged, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Collateral Agent and the Grantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantor. At the request and sole expense of the Grantor following any such termination, the Collateral Agent shall deliver to the Grantor any Collateral held by the Collateral Agent hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold or otherwise disposed of by the Grantor in a transaction permitted by the Credit Agreement, then the Collateral Agent, at the request and sole expense of the Grantor, shall execute and deliver to the Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral.

(c) The Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement originally filed in connection herewith without the prior written consent of the Collateral Agent, subject to the Grantor's rights under Section 9-509(d)(2) of the New York UCC.

7.15. **WAIVER OF JURY TRIAL**. **THE GRANTOR AND THE COLLATERAL AGENT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused Security Agreement to be duly executed and delivered as of the date first above written.

CHENIERE COMMON UNITS HOLDING, LLC, as Grantor

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as Collateral Agent

By: /s/ Robert Nydegger
Name: Robert Nydegger
Title: Managing Director

By: /s/ Damien Dwin
Name: Damien Dwin
Title: Director

Schedule 3.5

DESCRIPTION OF PLEDGED INVESTMENT PROPERTY

Pledged Stock:

Grantor	Issuer	Issuer's Jurisdiction Under New York UCC Section 9-305(a)(2)	Class of Stock	Stock Certificate No.	Percentage of Shares	No. of Shares

Pledged Notes:

Grantor	Issuer	Payee	Principal Amount

Pledged Debt Securities:

Grantor	Issuer	Issuer's Jurisdiction Under New York UCC Section 9-305(a)(2)	Payee	Principal Amount

Pledged Security Entitlements:

Grantor	Issuer of Financial Asset	Description of Financial Asset	Securities Intermediary (Name and Address)	Securities Account (Number and Location)	Securities Intermediary's Jurisdiction Under New York UCC Section 9-305(a)(3)

Pledged Partnership Interests:

Grantor	Issuer	Type of Partnership Interest (e.g., General or Limited)	Certificated (Y/N)	Certificate No. (if any)	% of Outstanding Partnership Interests of the Partnership

Pledged LLC Interests:

Grantor	Issuer	Certificated (Y/N)	Certificate No. (if any)	No. of Pledged Units	% of Outstanding LLC Interests of the Issuer

Pledged Trust Interests:

Grantor	Issuer	Class of Trust Interests	Certificated (Y/N)	Certificate No. (if any)	% of Outstanding Trust Interests of the Issuer

Deposit Accounts:

Grantor	Name of Depositary Bank	Account Number	Account Name

Schedule 3.2

FILINGS AND OTHER ACTIONS
REQUIRED TO PERFECT SECURITY INTERESTS

Uniform Commercial Code Filings

[List each office where a financing statement is to be filed]

Copyright, Patent and Trademark Filings

[List all filings]

Actions with respect to Investment Property

[Describe all actions required to obtain “control” of Investment Property]

Other Actions

[Describe other actions to be taken]

Schedule 3.3

EXACT LEGAL NAME, LOCATION OF JURISDICTION OF ORGANIZATION AND CHIEF EXECUTIVE OFFICE

Exact Legal Name	Jurisdiction of Organization	Organizational I.D.	Location

Exhibit 10.9

Execution Version

NON-RECOURSE GUARANTY

This NON-RECOURSE GUARANTY AGREEMENT (as amended, supplemented, amended and restated or otherwise modified from time to time, this "Guaranty"), dated as of May 5, 2008, is made by CHENIERE ENERGY, INC., a Delaware corporation (the "Guarantor"), in favor of CREDIT SUISSE, as administrative agent (in such capacity and together with its successors, the "Administrative Agent"), for the benefit of (i) the banks and other financial institutions or entities (the "Lenders") from time to time parties to the Credit Agreement, dated as of May 5, 2008 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Cheniere Common Units Holding, LLC, a Delaware limited liability company (the "Borrower"), the Loan Parties signatory thereto, the Lenders from time to time party thereto, Credit Suisse, as Administrative Agent, as collateral agent (in such capacity and together with its successors, the "Collateral Agent"), and as a Lender and (ii) the other Secured Parties (as defined herein).

WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower to, directly or indirectly, make valuable transfers to the Guarantor or its subsidiaries in connection with the operation of its businesses and those of the Guarantor's various subsidiaries;

WHEREAS, the Borrower and the Guarantor are engaged in related businesses, and the Guarantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Borrower under the Credit Agreement that the Guarantor shall have executed and delivered this Guaranty to the Administrative Agent for the ratable benefit of the Secured Parties;

NOW, THEREFORE, in consideration of the premises and to induce the Administrative Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower thereunder, the Guarantor hereby agrees with the Administrative Agent, for the ratable benefit of the Secured Parties, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Guaranty, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Administrative Agent" shall have the meaning assigned to such term in the preamble.

"Borrower" shall have the meaning assigned to such term in the preamble.

"Collateral Agent" shall have the meaning assigned to such term in the preamble.

"Credit Agreement" shall have the meaning assigned to such term in the preamble.

"Guarantor" shall have the meaning assigned to such term in the preamble.

"Guaranty" shall have the meaning assigned to such term in the preamble.

"Lenders" shall have the meaning assigned to such term in the preamble.

"Obligations" shall mean the collective reference to the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to any Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with the Credit Agreement, any other Loan Document, or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to any Agent or to any Lender that are required to be paid by the Borrower pursuant to the Credit Agreement or any other Loan Document) or otherwise.

"Secured Parties" shall mean, collectively, the Administrative Agent, the Collateral Agent and the Lenders.

"Termination Date" shall mean the date on which the Loans have been indefeasibly repaid in full and all other Obligations under the Credit Agreement and the other Loan Documents have been completed and discharged.

SECTION 1.2. Credit Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, each capitalized term used in this Guaranty and not otherwise defined herein has the meaning provided in the Credit Agreement.

ARTICLE II

GUARANTY PROVISIONS

SECTION 2.1. Guaranty.

(a) The Guarantor hereby absolutely, unconditionally and irrevocably guarantees to the Administrative Agent, for the ratable benefit of the Secured Parties and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(b) If and to the extent required in order for the Obligations of the Guarantor to be enforceable under applicable federal, state and other laws relating to the insolvency of debtors, the maximum liability of the Guarantor hereunder shall be limited to the greatest amount which can lawfully be guaranteed by the Guarantor under such laws, after giving effect to any rights of contribution, reimbursement and subrogation arising under Section 2.5. The Guarantor acknowledges and agrees that, to the extent not prohibited by applicable law, (i) the Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including the Guarantor in its capacity as debtor-in-possession exercising any powers of a bankruptcy trustee) has no personal right under such laws to reduce, or request any judicial relief that has the effect of reducing, the amount of its liability under this Guaranty, (ii) the Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including the Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right to enforce the limitation set forth in this Section 2.1(b) or to reduce, or request judicial relief reducing, the amount of its liability under this Guaranty, and (iii) the limitation set forth in this Section 2.1(b) may be enforced only to the extent required under such laws in order for the obligations of the Guarantor under this Guaranty to be enforceable under such laws and only by or for the benefit of a creditor, representative of creditors or bankruptcy trustee of the Guarantor or other person entitled, under such laws, to enforce the provisions thereof.

(c) The Guarantor agrees that the Obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of the Guarantor under Section 2.1(b) without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of any Secured Party hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until payment in full of the Obligations, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Obligations.

(e) No payment made by the Borrower, the Guarantor, any other guarantor or any other person or received or collected by any Secured Party from the Borrower, the Guarantor, any other guarantor or any other person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by the Guarantor in respect of the Obligations or any payment received or collected from the Guarantor in respect of the Obligations), remain liable for the Obligations up to the maximum liability of the Guarantor hereunder until the Obligations are paid in full.

SECTION 2.2. Reinstatement, etc. This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by any Secured Party

upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or the Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or the Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

SECTION 2.3. Guaranty Absolute, etc. This Guaranty shall in all respects be a continuing, absolute, unconditional and irrevocable guaranty of payment, and shall remain in full force and effect until the Termination Date has occurred. The Guarantor guarantees that the Obligations of the Borrower and each other Loan Party will be paid strictly in accordance with the terms of the Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Secured Party with respect thereto. If the Borrower fails or refuses to punctually make any payment or perform the Obligations, the Guarantor shall unconditionally render any such payment or performance upon demand made on it in accordance with the terms of this Guaranty. Nothing but the payment and satisfaction in full of the Obligations shall release the Guarantor from the Guarantor's Obligations under this Guaranty. The only condition (and no other document, proof or action other than as specifically provided in this Guaranty is) necessary as a condition of the Guarantor honoring its obligations under the Guaranty shall be a demand by the Lenders to the Guarantor. This Guaranty shall be a continuing Guaranty, shall cover all the Obligations, and shall apply to and secure any ultimate balance due or remaining unpaid to the Lenders. The liability of the Guarantor under this Guaranty shall be absolute, unconditional and irrevocable irrespective of:

(a) any lack of validity, legality or enforceability of the Credit Agreement or any other Loan Document or other agreement relating to any Obligation;

(b) whether any other person or persons (an "Additional Guarantor") shall become in any other way responsible to the Lenders for, or in respect of all or any part of the Obligations;

(c) whether any such Additional Guarantor shall cease to be so liable;

(d) the enforceability, validity, perfection or effect of perfection or non-perfection of any security interest securing the Obligations, or the validity or enforceability of any of the Obligations;

(e) whether any payment of any of the Obligations has been made and where such payment is rescinded or must otherwise be returned upon the occurrence of any action or event, including the insolvency or bankruptcy of the Borrower or any other Loan Party or otherwise, all as though such payment has not been made;

(f) the failure of any Secured Party

(i) to assert any claim or demand or to enforce any right or remedy against the Borrower, any other Loan Party or any other person (including any other guarantor) under the provisions of any Loan Document or other agreement relating to any Obligation or otherwise, or

(ii) to exercise any right or remedy against any other guarantor (including the Guarantor) of, or collateral securing, any Obligations;

(g) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Obligations, or any other extension, compromise or renewal of any Obligation;

(h) any reduction, limitation, impairment or termination of any Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, irregularity, compromise, unenforceability of, bankruptcy, insolvency, dissolution or liquidation of the Borrower or any other Loan Party, any change in the name, business, powers, capital structure, constitution, objects, organization, directors or management of the Borrower or any other Loan Party with respect to the transactions occurring either before or after such change; or any other event or occurrence affecting, any Obligations or otherwise;

(i) any amendment to, rescission, waiver, or other modification of, or any consent to or departure from, any of the terms of any Loan Document or other agreement relating to any Obligation;

(j) any addition, exchange or release of any collateral or of any person that is (or will become) a guarantor (including the Guarantor hereunder) of the Obligations, or any surrender or non-perfection of any collateral, or any amendment to or waiver or release or addition to, or consent to or departure from, any other guaranty held by any Secured Party securing any of the Obligations;

(k) any other defense based upon:

(i) the unenforceability or invalidity of all or any part of the Obligations, or any security or other guaranty for the Obligations or any failure of the Lender to take proper care or act in a commercially reasonable manner in respect of any security for the Obligations or any collateral subject to the security, including in respect of any disposition of the Collateral;

(ii) any act or omission of the Borrower or any other person, including the Lender, that directly or indirectly results in the discharge or release of the Borrower or any other Loan Party or any of the Obligations or any security for the Obligations; or

(iii) the Lender's present or future method of dealing with the Borrower, any other Loan Party, any Additional Guarantor or any security (or any collateral subject to the security) or other guaranty for the Obligations;

(l) any right (whether now or hereafter existing) to require the Lender, as a condition to the enforcement of this Guaranty:

(i) to accelerate the Obligations or proceed and exhaust any recourse against the Borrower or any other person;

(ii) to realize on any security that it holds;

(iii) to marshal the assets of either the Borrower or any other Loan Party; or

(iv) to pursue any other remedy that the Guarantor may not be able to pursue itself and that might limit or reduce the Guarantor's burden;

(m) presentment, demand, protest and notice of any kind including, without limitation, notices of default and notice of acceptance of this Guaranty;

(n) all suretyship defenses and rights of every nature otherwise available under New York law and the laws of any other jurisdiction;

(o) all other rights and defenses (legal or equitable) the assertion or exercise of which would in any way diminish the liability of the Guarantor under this Guaranty; or

(p) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Borrower, any other Loan Party, any surety or any other guarantor.

SECTION 2.4. Waiver, etc. Except as otherwise specifically provided herein, the Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Guaranty and any requirement that any Secured Party protect, secure, perfect or insure any Lien, or any property subject thereto, or exhaust any right or take any action against any Loan Party or any other person or any Collateral securing the Obligations, as the case may be.

SECTION 2.5. Postponement of Subrogation, etc. The Guarantor agrees that it will not exercise any rights which it may acquire by way of subrogation under this Guaranty or any other Loan Document or other agreement relating to any Obligation to which it is a party, nor shall the Guarantor seek or be entitled to seek any contribution or reimbursement from any Loan Party, in respect of any payment made hereunder, under any other Loan Document or other agreement relating to any Obligation or otherwise, until following the Termination Date. Any amount paid to the Guarantor on account of any such subrogation rights prior to the Termination Date shall be held in trust for the benefit of the Secured Parties and shall immediately be paid and turned over to the Administrative Agent for the benefit of the Secured Parties in the exact form received by the Guarantor (duly endorsed in favor of the Administrative Agent, if required), to be credited and applied against the Obligations, whether matured or unmatured, in accordance with Section 2.6; provided, however, that if the Guarantor has made payment to the Secured Parties of all or any part of the Obligations and the Termination Date has occured, then at the Guarantor's request, the Administrative Agent (on behalf of the Secured Parties) will, at the expense of the Guarantor, execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such

payment. In furtherance of the foregoing, at all times prior to the Termination Date the Guarantor shall refrain from taking any action or commencing any proceeding against the Borrower or any other Loan Party (or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise) to recover any amounts in respect of payments made under this Guaranty to any Secured Party.

SECTION 2.6. Payments; Application. The Guarantor hereby agrees with each Secured Party as follows:

(a) The Guarantor agrees that the entries made in the accounts maintained by the Administrative Agent and the Lenders pursuant to Section 2.04 of the Credit Agreement shall be prima facie evidence of the existence and amounts of the obligations therein recorded; provided, however, that (i) the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Guarantor hereunder and (ii) if there is any conflict between such accounts and the Register, the Register shall govern.

(b) All payments made hereunder shall be applied upon receipt (i) first, to pay any fees, indemnities, or expense reimbursements, then due to the Agents from the Borrower; (ii) second, to pay any fees or expense reimbursements then due to the Lenders from the Borrower; (iii) third, to pay interest due in respect of the Loans; (iv) fourth, to pay or prepay principal of the Loans; (v) fifth to the payment of any other Obligation due to an Agent or any Lender by the Borrower and (vi) sixth, after payment in full of the amounts specified in clauses (b)(i) through (b)(v), and following the Termination Date, to the Guarantor or any other person lawfully entitled to receive such surplus.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

SECTION 3.1. Representations. In order to induce the Secured Parties to enter into the Credit Agreement and make the Loans thereunder, the Guarantor represents and warrants to each Secured Party as set forth below.

(a) The representations and warranties contained in Article 3 of the Credit Agreement which are specifically stated to have been made by the Guarantor are hereby incorporated into this Guaranty.

(b) The Guarantor has knowledge of the Borrower's and each other Loan Party's financial condition and affairs and has adequate means to obtain from the Borrower and each other Loan Party on an ongoing basis information relating thereto and to the Borrower's and such Loan Party's ability to pay and perform the Obligations, and agrees to assume the responsibility for keeping, and to keep, so informed for so long as this Guaranty is in effect. The Guarantor acknowledges and agrees that the Secured Parties shall have no obligation to investigate the financial condition or affairs of any Loan Party for the benefit of the Guarantor nor to advise the Guarantor of any fact respecting, or any change in, the financial condition or affairs of the Borrower or any

other Loan Party that might become known to any Secured Party at any time, whether or not such Secured Party knows or believes or has reason to know or believe that any such fact or change is unknown to the Guarantor, or might (or does) materially increase the risk of the Guarantor as guarantor, or might (or would) affect the willingness of the Guarantor to continue as a guarantor of the Obligations.

(c) It is in the best interests of the Guarantor to execute this Guaranty inasmuch as the Guarantor will, as a result of being an indirect parent of the Borrower, derive substantial direct and indirect benefits from the Loans made from time to time to the Borrower by the Lenders pursuant to the Credit Agreement, and the Guarantor agrees that the Secured Parties are relying on this representation in agreeing to make Loans to the Borrower.

ARTICLE IV

INDEMNITY

As an original and independent obligation under this Guaranty, the Guarantor shall (i) indemnify the Administrative Agent acting on behalf of itself and the other Lenders against all out-of-pocket costs, losses, expenses and liabilities of whatever kind resulting from the failure by any other Loan Party to make due and punctual payment of any of the Obligations or resulting from any of the Obligations being or becoming void, voidable, unenforceable or ineffective against any other Loan Party (including, but without limitation, all out-of-pocket legal and other costs, charges and expenses incurred by the Administrative Agent on behalf of itself and the other Lenders, in connection with preserving or enforcing, or attempting to preserve or enforce, its rights under this Guaranty); and (ii) pay on demand the amount of such costs, losses, expenses and liabilities whether or not the Administrative Agent acting on behalf of itself and the other Lenders has attempted to enforce any rights against any other Loan Party or any other person or otherwise.

ARTICLE V

MISCELLANEOUS PROVISIONS

SECTION 5.1. Loan Document. This Guaranty is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

SECTION 5.2. Binding on Successors, Transferees and Assigns; Assignment. This Guaranty shall be binding upon the Guarantor and the Guarantor's successors, transferees and assigns and shall inure to the benefit of and be enforceable by each Secured Party and their respective successors, transferees and assigns; provided, however, that the Guarantor may not (unless otherwise permitted under the terms of the Credit Agreement) assign any of its obligations hereunder without the prior consent of the Required Lenders.

SECTION 5.3. Amendments, etc. No amendment to or waiver of any provision of this Guaranty, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent (on behalf of the Lenders or the Required Lenders, as the case may be, pursuant to Section 9.08 of the Credit Agreement) and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 5.4. Notices. All notices, requests and demands to or upon the Administrative Agent or the Guarantor hereunder shall be effected in the manner provided for in Section 9.01 of the Credit Agreement; provided that any such notice, request or demand to or upon the Guarantor shall be addressed to the Guarantor at its notice address set forth on Schedule 1.

SECTION 5.5. No Waiver; Remedies. In addition to, and not in limitation of, Section 2.3 and Section 2.4, no failure on the part of any Secured Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 5.6. Captions. Section captions used in this Guaranty are for convenience of reference only, and shall not affect the construction of this Guaranty.

SECTION 5.7. Severability. Wherever possible each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

SECTION 5.8. Governing Law, Entire Agreement, etc. THIS GUARANTY SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). THIS GUARANTY AND THE OTHER LOAN DOCUMENTS AND OTHER AGREEMENTS RELATING TO ANY OBLIGATION CONSTITUTE THE ENTIRE UNDERSTANDING AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDE ANY PRIOR AGREEMENTS, WRITTEN OR ORAL, WITH RESPECT THERETO.

SECTION 5.9. Forum Selection and Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTY OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE SECURED PARTIES OR THE GUARANTOR MAY BE BROUGHT AND MAINTAINED (TO THE EXTENT PERMITTED UNDER APPLICABLE LAW) IN THE COURTS OF THE STATE OF NEW YORK, OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED, HOWEVER,

THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY (TO THE EXTENT PERMITTED UNDER APPLICABLE LAW) BE BROUGHT, AT THE ADMINISTRATIVE AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH SUCH LITIGATION. THE GUARANTOR IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK. THE GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 5.10. Counterparts. This Guaranty and each amendment, waiver and consent with respect hereto may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed signature page to this Guaranty by telecopier or electronic mail in portable document format shall be effective as delivery of an original executed counterpart of the Guaranty.

SECTION 5.11. Waiver of Jury Trial. THE GUARANTOR AND THE ADMINISTRATIVE AGENT HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE SECURED PARTIES OR THE GUARANTOR.

[signature page follows]

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed and delivered by its Responsible Officer as of the date first above written.

CHENIERE ENERGY, INC.

By: /s/ Graham A. McArthur
Name: Graham A. McArthur
Title: Treasurer

ACCEPTED AND AGREED FOR ITSELF
AND ON BEHALF OF THE SECURED PARTIES:

CREDIT SUISSE, CAYMAN ISLANDS BRANCH, as
Administrative Agent

By: /s/ Robert Nydegger
Name: Robert Nydegger
Title: Managing Director

By: /s/ Damien Dwin
Name: Damien Dwin
Title: Director

NOTICE ADDRESS OF THE GUARANTOR

Cheniere Energy, Inc.
700 Milam Street
Suite 800
Houston, Texas 77002
Attention: Graham McArthur, Treasurer
Facsimile No.: (713) 375-6290
Telephone No.: (713) 375-5290

SCHEDULE 1-1

SCHEDULE D-1

CHANGE ORDER FORM

PROJECT NAME: Sabine Pass LNG Receiving, Storage and Regasification Terminal

CHANGE ORDER NUMBER: SP/BE-053

OWNER: Sabine Pass LNG, L.P.

DATE OF CHANGE ORDER: March 3, 2008

CONTRACTOR: Bechtel Corporation

Project Schedule Adjustments

DATE OF AGREEMENT: December 18, 2004

The Agreement between the Parties listed above is changed as follows:

A. Owner and Contractor agree to adjust the date upon which Contractor expects to achieve RFCD to March 3, 2008. All references in the Agreement to Contractor's second notice given in accordance with Section 11.1 and Ready for Cool Down notice issued on December 17, 2007 shall be deemed references to this adjusted date of March 3, 2008.

B. Owner may at its sole discretion unilaterally extend the RFCD date ("Revised RFCD Date") beyond March 3, 2008, and shall agree to execute a mutually agreed upon Change Order before the Revised RFCD Date.

C. Section IV(A) of Change Order No. SP/BE-052 dated November 1, 2007 titled "System 1 RFCD Bonus" is hereby replaced in its entirety with the following:

> In the event RFCD for Tank 1 is achieved by the date of March 3, 2008, Contractor will be entitled to and Owner will pay an additional $2,300,000.00 (Tank 1 RFCD Bonus) to Contractor. If RFCD for Tank 1 is not achieved by March 3, 2008, then the amount of the Tank 1 RFCD Bonus will be decreased by $230,000.00 for each Day after March 3, 2008 that RFCD for Tank 1 has not been achieved, down to a Tank 1 RFCD Bonus of zero (U.S. $0).

D. Change Order No. SP/BE-052 dated November 1, 2007 is amended to replace all references to "System 1 RFCD Bonus" with "Tank 1 RFCD Bonus".

E. The term "Target Bonus Date " of Attachment E of the Agreement is hereby deleted in its entirety and replaced with the following:

> Target Bonus Date: Fifty (50) days following commencement of Cool Down of System 1. For clarification, commencement of Cool Down refers to the first introduction of LNG into the unloading arms.

The Parties acknowledge that the adjustment to dates in the Project Schedule identified above settle and resolves all System 1 issues or claims arising out of or relating to any Excessive Monthly Precipitation events or other Force Majeure events occurring prior to the date of this Change Order. This agreement does not prejudice or waive any rights the Parties' may have with respect to any Force Majeure events, if any, that occurred during January, 2008 or later which prevented or delayed the prosecution or completions of the System 2 and System 3 Work.

SCHEDULE D-1

CHANGE ORDER FORM

PROJECT NAME: Sabine Pass LNG Receiving, Storage and Regasification Terminal

CHANGE ORDER NUMBER: SP/BE-053

OWNER: Sabine Pass LNG, L.P.

DATE OF CHANGE ORDER: March 3, 2008

CONTRACTOR: Bechtel Corporation

Project Schedule Adjustments

DATE OF AGREEMENT: December 18, 2004

Adjustment to Contract Price

The original Contract Price was	$ 646,936,000
Net change by previously authorized Change Orders (#SP/BE-002 to 028, 031, 033 thru 035; 037 thru 052)	$ 171,298,668
The Contract Price prior to this Change Order was	$ 818,234,668
The Contract Price will be increased by this Change Order in the amount of	$ 0
The new Contract Price including this Change Order will be	$ 818,234,668

Adjustment to dates in Project Schedule

The following dates are modified:

The Target Bonus Date is adjusted.
The Target Bonus Date as of the date of this Change Order therefore shall be extended until 50 days following commencement of Cool Down.

The Guaranteed Substantial Completion Date will be unchanged December 20, 2008.
The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is 1,355 days following NTP.

Adjustment to other Changed Criteria: Not Applicable
Adjustment to Payment Schedule: No Change
Adjustment to Minimum Acceptance Criteria: No Change
Adjustment to Performance Guarantees: No Change
Adjustment to Design Basis: No Change.
Other adjustments to liability or obligation of Contractor or Owner under the Agreement: No Change

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

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

SCHEDULE D-1

CHANGE ORDER FORM

PROJECT NAME: Sabine Pass LNG Receiving, Storage and Regasification Terminal

CHANGE ORDER NUMBER: SP/BE-053

OWNER: Sabine Pass LNG, L.P.

DATE OF CHANGE ORDER: March 3, 2008

CONTRACTOR: Bechtel Corporation

Project Schedule Adjustments

DATE OF AGREEMENT: December 18, 2004

Owner

/s/ Charif Souki
*Charif Souki
Chairman

3/3/2008
Date of Signing

/s/ Stan Horton
* Stan Horton
President & COO Cheniere Energy

Mar 3, 2008
Date of Signing

/s/ Ed Lehotsky
* Ed Lehotsky
Owner Representative

March 3, 2008

Date of Signing

Contractor

/s/ Carl Strock
Carl Strock
Project Director

March 6, 2008
Date of Signing

* Required Owner signature – Mr. Horton may sign on behalf of Mr. Souki during Mr. Souki's absence.

SCHEDULE D-1

CHANGE ORDER FORM

PROJECT NAME: Sabine Pass LNG Receiving, Storage and Regasification Terminal

CHANGE ORDER NUMBER: SP/BE-054

OWNER: Sabine Pass LNG, L.P.

DATE OF CHANGE ORDER: March 6, 2008

CONTRACTOR: Bechtel Corporation

DATE OF AGREEMENT: December 18, 2004

Bundle of Changes #12

- **A. Final Tank Material Escalation**
- **B. Marine Facility Provisional Sum Credit**
- **C. Marine Terminal Liability Operations Insurance**
- **D. LNG Tank Coating Systems**
- **E. PA/GA System Modifications**

The Agreement between the Parties listed above is changed as follows:

A. **Final Tank Material Escalation (T-7039)** — $ 2,756,028

In accordance with Article 7.1E and Attachment EE, Rev. 1 of the Agreement, this line item represents a final reconciliation of LNG Tank Subcontractor's material escalation costs.

B. **Marine Facility Provisional Sum Credit (T-7031)** — <$ 382,628>

Change Order Number SP/BE-046, dated May 11, 2007, established an Estimated Price Allowance of $3,631,032 for Provisional Sum Marine Work to be performed by Weeks Marine, Inc. (WMI). The actual costs of the Provisional Sum Marine Work was $3,248,404. The Contract Price is hereby reduced in the amount of <$382,628>, the difference between the Estimated Price Allowance and WMI's actual costs submitted.

C. **Marine Terminal Liability Operations Insurance (T-7042)** — $ 262,500

Pursuant to Section 1.A.13 of Attachment O of the Agreement, as amended by Change Order Number #SP/BE-007 dated June 2, 2005, Contractor shall obtain Marine Terminal Liability Operations Insurance in an amount equal to $250 Million.

In accordance with Section 7.1B of the Agreement, as amended by CO# SP/BE-007 dated June 2, 2005, the Contract Price is hereby increased by $262,500, the Actual Insurance Cost to obtain the above Marine Terminal Liability Operations Insurance.

D. **LNG Tank Coating Systems (T-7022)** — $ 438,000

The Contract Price is hereby increased in the amount of $438,000 as full and final settlement of all issues or claims arising out of or relating to LNG tank coating systems to the extent relating to the LNG Tanks or the LNG Tank Subcontractor.

E. **PA/GA System Modifications (T-7036, Rev 2)** — $ 247,837

Design, procure, install and commission expansion of PA/GA System to include 8 additional handsets (and associated cabling) to the 3 LNG tanks and both jetties.

Change Order SP/BE-054 TOTAL: $ 3,321,737

ATTACHMENTS:

A-1) Detail Estimate
B-1) Payment Milestones; B-2) Detail Estimate
C-1) Payment Milestones; C-2) Detail Estimate
D-1) Payment Milestones; D-2) Detail Estimate
E-1) Payment Milestones; E-2) Detail Estimate

SCHEDULE D-1

CHANGE ORDER FORM

PROJECT NAME: Sabine Pass LNG Receiving, Storage and Regasification Terminal

CHANGE ORDER NUMBER: SP/BE-054

OWNER: Sabine Pass LNG, L.P.

DATE OF CHANGE ORDER: March 6, 2008

CONTRACTOR: Bechtel Corporation

DATE OF AGREEMENT: December 18, 2004

Bundle of Changes #12

- **A. Final Tank Material Escalation**
- **B. Marine Facility Provisional Sum Credit**
- **C. Marine Terminal Liability Operations Insurance**
- **D. LNG Tank Coating Systems**
- **E. PA/GA System Modifications**

Adjustment to Contract Price

The original Contract Price was	$ 646,936,000
Net change by previously authorized Change Orders (#SP/BE-002 to 028, 031, 033 thru 035; 037 thru 053)	$ 171,298,668
The Contract Price prior to this Change Order was	$ 818,234,668
The Contract Price will be increased by this Change Order in the amount of	$ 3,321,737
The new Contract Price including this Change Order will be	$ 821,556,405

Adjustment to dates in Project Schedule
The following dates are modified:

The Target Bonus Date will be unchanged.
The Target Bonus Date as of the date of this Change Order therefore is 50 days following commencement of Cool Down.

The Guaranteed Substantial Completion Date will be unchanged December 20, 2008.

The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is 1,355 days following NTP.
Adjustment to other Changed Criteria: Not Applicable

Adjustment to Payment Schedule: See attached "Payment Milestone – Marine Facility provisional sum credit (T-7031); Payment Milestone – Marine Terminal Liability Operations Insurance; Payment Milestone – Tank Painting (T-7022); and Payment Milestone – PA/GA additions.

Adjustment to Minimum Acceptance Criteria: No Change
Adjustment to Performance Guarantees: No Change
Adjustment to Design Basis: No Change.
Other adjustments to liability or obligation of Contractor or Owner under the Agreement: No Change

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

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

SCHEDULE D-1

CHANGE ORDER FORM

PROJECT NAME: Sabine Pass LNG Receiving, Storage and Regasification Terminal

OWNER: Sabine Pass LNG, L.P.

CONTRACTOR: Bechtel Corporation

DATE OF AGREEMENT: December 18, 2004

CHANGE ORDER NUMBER: SP/BE-054

DATE OF CHANGE ORDER: March 6, 2008

Bundle of Changes #12

- **A. Final Tank Material Escalation**
- **B. Marine Facility Provisional Sum Credit**
- **C. Marine Terminal Liability Operations Insurance**
- **D. LNG Tank Coating Systems**
- **E. PA/GA System Modifications**

/s/ Charif Souki
*Charif Souki
Chairman

March 18, 2008
Date of Signing

/s/ Carl A. Strock
Contractor
Carl A. Strock
Name
Project Director
Title
3/28/08
Date of Signing

/s/ Stan Horton
* Stan Horton
President & COO Cheniere Energy

3-14-08
Date of Signing

/s/ Ed Lehotsky
* Ed Lehotsky
Owner Representative

March 14, 2008
Date of Signing

* Required Owner signature – Mr. Horton may sign on behalf of Mr. Souki during Mr. Souki's absence.

SCHEDULE D-1

CHANGE ORDER FORM

PROJECT NAME: Sabine Pass LNG Receiving, Storage and Regasification Terminal

CHANGE ORDER NUMBER: SP/BE-055

OWNER: Sabine Pass LNG, L.P.

DATE OF CHANGE ORDER: March 7, 2008

CONTRACTOR: Bechtel Corporation

LNG Tank Subcontractor - Tank 1 RFCD Bonus

DATE OF AGREEMENT: December 18, 2004

The Agreement between the Parties listed above is changed as follows:

A. **Tank 1 RFCD Bonus earned pursuant to Change Order SP/BE-037** $ 500,000
In accordance with the referenced Change Order Section (2), the Contract Price is increased by a lump sum bonus payment of $500,000 as Tank 1 was Ready for Cool Down (RFCD) on February 18, 2008.

B. **Tank 1 RFCD Bonus earned pursuant to Change Order SP/BE-053** $ 2,300,000
In accordance with the referenced Change Order Section C, the Contract Price is increased by a lump sum bonus payment of $2,300,000 as Tank 1 was Ready for Cool Down (RFCD) on February 18, 2008.

The above amounts totaling $2,800,000 will be promptly paid in-full to Contractor's LNG Tank Subcontractor, and represents a full and final payment of the Tank 1 RFCD Bonus.

Change Order SP/BE-055 TOTAL: $ 2,800,000

Adjustment to Contract Price

The original Contract Price was	$ 646,936,000
Net change by previously authorized Change Orders (#SP/BE-002 to 028, 031, 033 thru 035; 037 thru 054)	$ 174,620,405
The Contract Price prior to this Change Order was	$ 821,556,405
The Contract Price will be increased by this Change Order in the amount of	$ 2,800,000
The new Contract Price including this Change Order will be	$ 824,356,405

Adjustment to dates in Project Schedule
The following dates are modified:

The Target Bonus Date will be unchanged.
The Target Bonus Date as of the date of this Change Order therefore is 50 days following commencement of Cool Down.

The Guaranteed Substantial Completion Date will be unchanged December 20, 2008.

The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is 1,355 days following NTP.
Adjustment to other Changed Criteria: Not Applicable

Adjustment to Payment Schedule: No Change

Adjustment to Minimum Acceptance Criteria: No Change
Adjustment to Performance Guarantees: No Change
Adjustment to Design Basis: No Change.
Other adjustments to liability or obligation of Contractor or Owner under the Agreement: No Change

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

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

/s/ Stan Horton	/s/ Carl A. Strock
*Charif Souki	Contractor
Chairman	Carl A. Strock
	Name
	Project Director
	Title
3/24/08	3/28/08
Date of Signing	Date of Signing

/s/ Stan Horton

* Stan Horton
President & COO Cheniere Energy

3-24-08

Date of Signing

/s/ Ed Lehotsky

* Ed Lehotsky
Owner Representative

March 14, 2008

Date of Signing

* Required Owner signature – Mr. Horton may sign on behalf of Mr. Souki during Mr. Souki's absence.

SCHEDULE D-1

CHANGE ORDER FORM

PROJECT NAME: Sabine Pass LNG Receiving, Storage and Regasification Terminal

CHANGE ORDER NUMBER: SP/BE-056

OWNER: Sabine Pass LNG, L.P.

DATE OF CHANGE ORDER: April 1, 2008

CONTRACTOR: Bechtel Corporation

LNG Tank Subcontractor - Tank 2 RFCD Bonus

DATE OF AGREEMENT: December 18, 2004

The Agreement between the Parties listed above is changed as follows:

A. Section IV(B) of Change Order No. SP/BE-052 dated November 1, 2007 titled "Tank 2 RFCD Bonus" is hereby replaced in its entirety with the following:

> In the event RFCD for Tank 2 is achieved by the date of March 23, 2008, Contractor will be entitled to and Owner will pay an additional $2,300,000.00 (Tank 2 RFCD Bonus) to Contractor. If RFCD for Tank 2 is not achieved by March 23, 2008, then the amount of the Tank 2 RFCD Bonus will be decreased by $230,000.00 for each Day after March 23, 2008 that RFCD for Tank 2 has not been achieved, down to a Tank 2 RFCD Bonus of zero (U.S. $0).

B. Payment Authorization for the following bonuses:

> 1. A Tank 2 RFCD Bonus of $500,000 is earned pursuant to Change Order SP/BE-037 Section (2), and the Contract Price is increased by a lump sum bonus payment of $500,000 as Tank 2 was Ready for Cool Down (RFCD) on March 23, 2008.
>
> 2. A Tank 2 RFCD Bonus of $2,300,000 is earned pursuant to Change Order SP/BE-056 Section A, and the Contract Price is increased by a lump sum bonus payment of $2,300,000 as Tank 2 was Ready for Cool Down (RFCD) on March 23, 2008.

C. Effective immediately, approval of Change Orders via Schedule D-1 and D-2 of the EPC Agreement require the signatures of Messrs. Charif Souki (except as further provided in the next sentence) and Keith Teague, in addition to the designated Owner Representative, Ed Lehotsky. Mr. Teague is authorized to sign Change Orders on behalf of Mr. Souki during Mr. Souki's absence. This requirement will not apply to any other correspondence under the EPC Agreement. Mr. Stan Horton's approval is no longer required.

The above bonus amounts totaling $2,800,000 will be promptly paid in-full to Contractor's LNG Tank Subcontractor, and represents a full and final payment of LNG Tank Subcontractor's Tank 2 RFCD Bonus.

Change Order SP/BE-056 TOTAL: $ 2,800,000

Adjustment to Contract Price

The original Contract Price was	$ 646,936,000
Net change by previously authorized Change Orders (#SP/BE-002 to 028, 031, 033 thru 035; 037 thru 055)	$ 177,420,405
The Contract Price prior to this Change Order was	$ 824,356,405
The Contract Price will be increased by this Change Order in the amount of	$ 2,800,000
The new Contract Price including this Change Order will be	$ 827,156,405

Adjustment to dates in Project Schedule

The following dates are modified:

The Target Bonus Date will be unchanged.
The Target Bonus Date as of the date of this Change Order therefore is 50 days following commencement of Cool Down.

SP/BE-0556

The Guaranteed Substantial Completion Date will be unchanged December 20, 2008.

The Guaranteed Substantial Completion Date as of the date of this Change Order therefore is 1,355 days following NTP.
Adjustment to other Changed Criteria: Not Applicable

Adjustment to Payment Schedule: No Change

Adjustment to Minimum Acceptance Criteria: No Change
Adjustment to Performance Guarantees: No Change
Adjustment to Design Basis: No Change.
Other adjustments to liability or obligation of Contractor or Owner under the Agreement: No Change

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

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

/s/ Charif Souki	/s/ Patrick J. McCormack
*Charif Souki	Contractor
Chairman	Patrick J. McCormack
	Name
	Project Manager
	Title
4-23-08	4/30/08
Date of Signing	Date of Signing

/s/ Keith Teague

* Keith Teague
Sr. Vice President

4/23/2008
Date of Signing

/s/ Ed Lehotsky

* Ed Lehotsky
Owner Representative

April 23, 2008
Date of Signing

* Required Owner signature – Mr. Teague may sign on behalf of Mr. Souki during Mr. Souki's absence.

SP/BE-056

EXHIBIT 31.1

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

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

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

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

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

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

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

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

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

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

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

/s/ Charif Souki
Charif Souki
Chief Executive Officer & Chairman of the Board

Date: May 8, 2008

EXHIBIT 31.2

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

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

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

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

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

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

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

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

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

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

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

/s/ Don A. Turkleson
Don A. Turkleson
Senior Vice President & Chief Financial Officer

Date: May 8, 2008

Exhibit 32.1

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

In connection with the quarterly report of Cheniere Energy, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2008 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. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

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

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

Date: May 8, 2008

/s/ Charif Souki
Charif Souki
Chief Executive Officer & Chairman of the Board

Exhibit 32.2

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

In connection with the quarterly report of Cheniere Energy, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2008 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. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

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

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

Date: May 8, 2008

/s/ Don A. Turkleson
Don A. Turkleson
Senior Vice President & Chief Financial Officer