

FORM 4

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

OMB APPROVAL	
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person* WILLIAMS WALTER L			2. Issuer Name and Ticker or Trading Symbol CHENIERE ENERGY INC [LNG]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Vice Chairman		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 08/10/2004					
717 TEXAS AVENUE, SUITE 3100								
(Street)			4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
HOUSTON, TX 77002								
(City)			(State)			(Zip)		

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/10/2004		M		30,000	A	\$ 1.938	137,500	D	
Common Stock	08/10/2004		M		3,333	A	\$ 1.06	140,833	D	
Common Stock	08/10/2004		M		12,500	A	\$ 1.25	153,333	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Option	\$ 1.938	08/10/2004		M		30,000	(U)	11/15/2005	Common Stock	30,000	\$ 0	180,000	D	
Stock Option	\$ 1.06	08/10/2004		M		3,333		11/09/2003 11/09/2006	Common Stock	3,333	\$ 0	176,667	D	
Stock Option	\$ 1.25	08/10/2004		M		12,500		12/19/2003 12/19/2007	Common Stock	12,500	\$ 0	164,167	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WILLIAMS WALTER L 717 TEXAS AVENUE SUITE 3100 HOUSTON, TX 77002	X		Vice Chairman	

Signatures

Walter L. Williams	08/12/2004
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Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) 10,000 shares of the common stock options were exercisable on November 15, 2001, 10,000 shares were exercisable on November 15, 2002 and the remaining 10,000 shares were exercisable on November 15, 2003.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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