CHENIERE ENERGY INC
Form 424B5
July 18, 2012
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-181190

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Amount Registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee (1)
Common Stock	32,200,000	$14.05	$452,410,000	$51,847

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended (the *Securities Act*).

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PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MAY 7, 2012

28,000,000 Shares

Cheniere Energy, Inc.

Common Stock

We are offering to sell 28,000,000 shares of our common stock, par value $0.003 per share. Our common stock is listed on the NYSE Amex Equities, or AMEX, under the symbol LNG. The last reported sale price on AMEX on July 16, 2012 was $14.69.

We have granted the underwriters the right to purchase up to 4,200,000 additional shares of common stock to cover any over-allotments. The underwriters can exercise this right at any time within 30 days after the offering. In addition, we may, in our discretion, increase the number of shares that we are offering based on market demand.

Investing in our common stock involves risks, including those described under Risk Factors beginning on page S-10 of this prospectus supplement and the documents incorporated by reference into this prospectus supplement.

We are selling to the underwriters the shares of common stock at a price of $13.59 per share, resulting in net proceeds to us, before deducting expenses related to the offering, of $380.5 million, or $437.6 million assuming full exercise of the underwriters option to purchase additional shares.

The underwriters expect to deliver the shares of common stock to investors on or about July 20, 2012.

The underwriter will offer the shares of common stock for sale from time to time in one or more transactions (which may include block transactions), in negotiated transactions or otherwise, or a combination of those methods of sale, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. See Underwriting.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

Credit Suisse **Morgan Stanley**

RBC Capital Markets

The date of this prospectus supplement is July 17, 2012.

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PROSPECTUS SUPPLEMENT

PROSPECTUS

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement, which describes the terms of this offering of shares of our common stock, supplements the accompanying prospectus, which provides more general information. Generally, when we refer to the prospectus, we are referring to this prospectus supplement and the accompanying prospectus combined. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. This prospectus supplement contains information about the shares of our common stock offered in this offering and may add to, update or change the information in the accompanying prospectus. Before you invest in shares of our common stock, you should carefully read this prospectus supplement, along with the accompanying prospectus, in addition to the information contained in the documents incorporated by reference into this prospectus supplement and referred to under the heading Where You Can Find More Information.

We have not, and the underwriters have not, authorized anyone to provide you with any information that is not contained in or incorporated by reference into this prospectus supplement or in any related free writing prospectus filed with the Securities and Exchange Commission, or SEC. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement is accurate only as of the date of this prospectus supplement, regardless of the time of delivery of this prospectus supplement or any sale of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

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DEFINITIONS

In this prospectus supplement, unless the context otherwise requires:

Bcf means billion cubic feet;

Bcf/d means billion cubic feet per day;

LNG means liquefied natural gas;

LNG train means an independent modular unit for gas liquefaction;

MMBtu means million British thermal units;

mtpa means million metric tons per annum; and

TUA means terminal use agreement.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated herein by reference contain 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, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements, other than statements of historical facts, 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 or operation of each of our proposed LNG terminals or our proposed pipelines, liquefaction facilities or other projects, 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, transportation, liquefaction and storage capacity, the number of storage tanks, LNG trains, 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 or other markets; exports of LNG from 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 or refinancing transactions or arrangements, or ability to enter into or consummate such transactions or arrangements, whether on the part of Cheniere Energy, Inc., or Cheniere, or any subsidiary or at the project level;

statements regarding any 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, liquefaction or storage capacity that are, or may become, subject to such commercial arrangements;

statements regarding counterparties to our commercial contracts, construction contracts and other contracts;

statements regarding any business strategy, any business plans or any other plans, forecasts, projections or objectives, including potential revenues and capital expenditures, 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;

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- 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, contemplate, devel estimate, expect, forecast, plan, potential, project, propose, strategy and similar terms and phrases, or by the use of future tense. Alt 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 are made as of the date of this prospectus supplement and speak only as of the date of this prospectus supplement. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required by law.

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 in the Risk Factors section of this prospectus supplement and our annual report on Form 10-K for the fiscal year ended December 31, 2011. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these risk factors.

INDUSTRY AND MARKET DATA

We obtained the market and competitive position data used throughout this prospectus supplement, the accompanying prospectus and the documents incorporated herein by reference from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, we have not, and the underwriters have not, independently verified such data, and we and the underwriters make no representation as to the accuracy of such information. Similarly, we believe that our internal research is reliable, but it has not been verified by any independent sources.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the SEC under the Securities Act that registers the issuance and sale of the common stock offered by this prospectus supplement. The registration statement, including the exhibits attached thereto, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit some information included in the registration statement from this prospectus supplement and the accompanying prospectus.

We file annual, quarterly, and other reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public through the SEC s website at http://www.sec.gov.

General information about us, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our website at http://www.cheniere.com as soon as reasonably practicable after we file them with, or furnish them to, the SEC. Information on our website is not incorporated into this prospectus supplement or the accompanying prospectus and is not a part of this prospectus supplement or the accompanying prospectus.

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The SEC allows us to incorporate by reference the information that we file with the SEC, which means that we can disclose information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus, and information that we file later with the SEC will automatically update and take the place of this information. We are incorporating by reference in this prospectus supplement the following documents filed with the SEC under the Exchange Act (other than any portions of the respective filings that were furnished pursuant to Item 2.02 or 7.01 of Current Reports on Form 8-K or other applicable SEC rules):

- Annual Report on Form 10-K for the year ended December 31, 2011;
- Quarterly Report on Form 10-Q for the quarter ended March 31, 2012;
- Current Reports on Form 8-K, as filed with the SEC on January 6, 2012, January 26, 2012, January 30, 2012 (two), February 27, 2012, March 7, 2012, March 19, 2012, April 17, 2012 (two), April 27, 2012, May 7, 2012 (two), May 10, 2012, May 15, 2012, June 7, 2012, June 12, 2012 and July 12, 2012; and
- the description of our common stock contained in our registration statement on Form 8-A, filed with the SEC on March 2, 2001, including any amendments or reports filed for the purpose of updating the description.

All documents that we file pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and until our offering hereunder is completed will be deemed to be incorporated by reference into this prospectus supplement and will be a part of this prospectus supplement from the date of the filing of the document. Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or any other subsequently filed documents that also is or is deemed to be incorporated by reference in this prospectus supplement modifies or supersedes that statement. Any statement that is modified or superseded will not constitute a part of this prospectus supplement, except as modified or superseded.

We will provide each person, including any beneficial owner to whom a prospectus is delivered, a copy of these filings, other than an exhibit to these filings, unless we have specifically incorporated that exhibit by reference into the filing, upon written or oral request and at no cost. Requests should be made by writing or telephoning us at the following address:

Cheniere Energy, Inc.

700 Milam Street, Suite 800

Houston, Texas 77002

(713) 375-5100

Attn: Investor Relations

SUMMARY

This summary, which highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated herein by reference, is not complete and may not contain all of the information that you should consider before investing in shares of our common stock. Unless indicated otherwise, the information presented in this prospectus supplement assumes that the underwriters do not exercise their option to purchase additional shares of our common stock. You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated herein by reference. You should also consider, among other things, the information contained in Risk Factors in this prospectus supplement as well as the information contained in Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operation and our consolidated financial statements and related notes thereto, each of which is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and incorporated by reference into this prospectus supplement. In this prospectus supplement, except as otherwise stated or required by the context, references to Cheniere, the Company, we, us, our and similar terms refer to Cheniere Energy, Inc. and its consolidated subsidiaries, collectively. References to Cheniere Partners refer to Cheniere Energy Partners, L.P. (NYSE Amex Equities: CQP), in which Cheniere has an 89.3% ownership interest.

Our Company

We are a Houston-based energy company primarily engaged in LNG-related businesses. We own and operate the Sabine Pass LNG terminal in Louisiana through our 89.3% ownership interest in and management agreements with Cheniere Partners, which is a publicly traded partnership that we created in 2007. We also own and operate the Creole Trail Pipeline, which interconnects the Sabine Pass LNG terminal with natural gas markets in North America. Approximately one-half of the receiving capacity of the Sabine Pass LNG terminal is contracted to two international oil companies. One of our subsidiaries, Cheniere Marketing, LLC, or Cheniere Marketing, is marketing LNG and natural gas on its own behalf and on behalf of Cheniere Partners, monetizing the other half of the LNG receiving capacity at the Sabine Pass LNG terminal. Cheniere Partners is developing a liquefaction project to add liquefaction capabilities at the Sabine Pass LNG terminal through a wholly owned subsidiary, Sabine Pass Liquefaction, LLC, or Sabine Liquefaction. We are in various stages of developing other projects, including LNG and other marine hydrocarbon terminals and pipeline related projects, each of which, among other things, will require acceptable commercial and financing arrangements before we make a final investment decision.

Our Business Strategy

Our primary business strategy is to identify markets in which the development of marine hydrocarbon terminals presents an opportunity to develop assets based on long-term, take-or-pay type contracts. Our initial development of the Sabine Pass LNG terminal, based on contracts with Chevron U.S.A. Inc., or Chevron, and Total Gas and Power North America, Inc., or Total, has provided us with the opportunity to expand the terminal to add liquefaction capabilities. We plan to implement our strategy by:

- safely maintaining and operating the Sabine Pass LNG terminal and the Creole Trail Pipeline;
- obtaining the requisite regulatory permits and financing to reach a final investment decision on Cheniere Partners liquefaction project;
- expanding the Sabine Pass LNG terminal to add liquefaction capabilities, and modifying the Creole Trail Pipeline to transport natural gas to the Sabine Pass LNG terminal for fuel and for Sabine Liquefaction to satisfy its LNG delivery obligations under its LNG sale and purchase agreements, or SPAs;
- contracting for feed and fuel gas for Cheniere Partners liquefaction project;

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- utilizing the 2.0 Bcf/d of regasification capacity at the Sabine Pass LNG terminal held by one of Cheniere Partners wholly owned subsidiaries, Cheniere Energy Investments, LLC, or Cheniere Investments, for short-term and spot LNG purchases and sales until such capacity is used in connection with Cheniere Partners liquefaction project;

- developing business relationships for the marketing of additional long-term and short-term agreements for excess LNG volumes at the Sabine Pass LNG terminal that have not been sold to our long-term customers, and for long-term and short-term contracts for potential future projects at other sites; and

- optimizing our capital structure to finance the construction and operation of the facilities needed to serve our customers.

Our Business

Our business activities are conducted by the following three operating segments:

- LNG terminal business;

- Natural gas pipeline business; and

- LNG and natural gas marketing business.

LNG Terminal Business

We began developing our LNG terminal business in 1999 and were among the first companies to secure sites and commence development of new LNG terminals in North America. We focused our development efforts on three LNG terminal projects: Sabine Pass LNG in western Cameron Parish, Louisiana on the Sabine Pass Channel; Corpus Christi LNG near Corpus Christi, Texas; and Creole Trail LNG at the mouth of the Calcasieu Channel in central Cameron Parish, Louisiana. We constructed the Sabine Pass LNG terminal and are developing a project to add liquefaction capabilities at the Sabine Pass LNG terminal, which is owned through Cheniere Partners, in which we hold an 89.3% interest. We currently own 100% interests in both the Corpus Christi and Creole Trail LNG terminal projects.

Regasification Facilities

The Sabine Pass LNG terminal has operational regasification capacity of approximately 4.0 Bcf/d (with peak capacity of approximately 4.3 Bcf/d) and aggregate LNG storage capacity of approximately 16.9 Bcf. Approximately 2.0 Bcf/d of the regasification capacity at the Sabine Pass LNG terminal has been reserved under two long-term third-party TUAs, under which Sabine Pass LNG s customers are required to pay fixed monthly fees, whether or not they use the LNG terminal. Capacity reservation fee TUA payments are made by Sabine Pass LNG s third-party TUA customers as follows:

- Total has reserved approximately 1.0 Bcf/d of regasification capacity and is obligated to make monthly capacity payments to Sabine Pass LNG aggregating approximately $125 million per year for 20 years that commenced 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 has reserved approximately 1.0 Bcf/d of regasification capacity and is obligated to make monthly capacity payments to Sabine Pass LNG aggregating approximately $125 million per year for 20 years that commenced July 1, 2009. Chevron Corporation has guaranteed Chevron s obligations under its TUA up to 80% of the fees payable by Chevron.

The remaining approximately 2.0 Bcf/d of regasification capacity has been reserved by Cheniere Partners through a TUA between Cheniere Investments and Sabine Pass LNG. Cheniere Investments is obligated to make

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monthly capacity payments to Sabine Pass LNG aggregating approximately $250 million per year through at least September 30, 2028; however, the revenue earned by Sabine Pass LNG from Cheniere Investments capacity payments under the TUA is eliminated upon consolidation of our financial statements. Cheniere Partners has guaranteed Cheniere Investments obligations under its TUA.

Liquefaction Facilities

In June 2010, Cheniere Partners formed Sabine Liquefaction to own, develop and operate liquefaction facilities at the Sabine Pass LNG terminal. In constructing the proposed liquefaction facilities, Cheniere Partners proposes to take advantage of the existing marine and storage facilities that were constructed for the LNG receiving terminal, thereby saving a substantial amount of capital cost compared to the cost of constructing a greenfield facility. We anticipate LNG exports could commence as early as 2015 with each LNG train commencing operations approximately six to nine months after the previous LNG train.

The Department of Energy, or DOE, has granted Sabine Liquefaction an order authorizing the export of up to the equivalent of 16 mtpa (approximately 800 Bcf) per year of domestically produced LNG by vessel from the Sabine Pass LNG terminal to Free Trade Agreement, or FTA, countries for a 30-year term, beginning on the earlier of the date of first export or September 7, 2020, and another order authorizing the export of up to the equivalent of 803 Bcf per year (approximately 16 mtpa) of domestically produced LNG by vessel from the Sabine Pass LNG terminal to non-FTA countries for a 20-year term, beginning on the earlier of the date of first export or May 20, 2016.

In April 2012, Sabine Liquefaction received authorization from the Federal Energy Regulatory Commission, or FERC, to site, construct and operate liquefaction and export facilities at the Sabine Pass LNG terminal. The order, which authorizes the development of up to four modular LNG trains, is currently pending a rehearing consideration.

Sabine Liquefaction has entered into four third-party SPAs, under which customers have committed to purchase, in aggregate, 834.0 million MMBtu of LNG per year (approximately 16 mtpa) as follows:

BG Gulf Coast LNG, LLC, or BG, has agreed to purchase 286.5 million MMBtu of LNG per year (approximately 5.5 mtpa);

Gas Natural Aprovisionamientos SDG S.A., or Gas Natural Fenosa, an affiliate of Gas Natural SDG S.A., has agreed to purchase 182.5 million MMBtu of LNG per year (approximately 3.5 mtpa);

Korea Gas Corporation, or KOGAS, has agreed to purchase 182.5 million MMBtu of LNG per year (approximately 3.5 mtpa); and

GAIL (India) Limited, or GAIL, has agreed to purchase 182.5 million MMBtu of LNG per year (approximately 3.5 mtpa).

In aggregate, these customers have agreed to pay Sabine Liquefaction approximately $2.3 billion annually, plus an amount per MMBtu of LNG equal to 115% of the final settlement price for the New York Mercantile Exchange natural gas futures contract for the month in which the relevant cargo is scheduled.

In addition, Cheniere Marketing, LLC, a wholly owned subsidiary of Cheniere, has entered into an SPA to purchase certain excess LNG produced that is not committed to non-affiliate parties, up to a maximum of 104.0 million MMBtu of LNG per year (approximately 2.0 mtpa). The sales price to be paid by Cheniere Marketing will be 115% of the then-current Henry Hub price per MMBtu plus a profit sharing equal to 100% of profits up to $3.00/MMBtu for the first 36 million MMBtu of the most profitable cargoes sold each year to Cheniere Marketing and 20% of profits for the subsequent 68 million MMBtu sold each year to Cheniere Marketing.

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We expect to commence construction of LNG trains 1 and 2 during the third quarter of 2012 and begin operations of the first LNG train in late 2015, with the second LNG train commencing operations approximately six to nine months after the first LNG train. We expect to complete our construction plan and cost estimates for LNG trains 3 and 4 by the end of 2012, begin construction by the end of the first quarter of 2013, and begin operations in 2017.

The cost to construct LNG trains 1, 2, 3 and 4 is currently estimated to be approximately $9.0 billion to $10.0 billion, before financing costs. Our cost estimates are subject to change due to such items as change orders, delays in construction, increased component and material costs, escalation of labor costs and increased spending to maintain our construction schedule.

In November 2011, Sabine Liquefaction entered into a lump sum turnkey agreement with Bechtel Oil, Gas and Chemicals, Inc., or Bechtel, for procurement, engineering, design, installation, training, commissioning and placing into service of the first two LNG trains and related facilities at the Sabine Pass LNG terminal.

Natural Gas Pipeline Business

We formed Cheniere Pipeline Company, a wholly owned subsidiary, to develop natural gas pipelines to provide access to North American natural gas markets for customers of our LNG terminals. We are also developing other pipeline projects not primarily related to our LNG terminals. Our pipeline systems developed in conjunction with our LNG terminals will interconnect with multiple interstate pipelines, providing a means of transporting natural gas between trading points in the Gulf Coast and our LNG terminals. Our other projects are market-focused, seeking to connect natural gas supplies to growing markets. Our ultimate decisions regarding further development of new pipeline projects will depend upon future events, including, in particular, customer preferences and general market demand for pipeline transportation of natural gas from or to a particular LNG terminal.

The Creole Trail Pipeline is a permitted 153-mile natural gas pipeline. We have constructed, placed in-service and are operating the first 94 miles, which connect the Sabine Pass LNG terminal to numerous interconnection points with existing interstate and intrastate natural gas pipelines in southwest Louisiana.

In connection with Cheniere Partners liquefaction project, we are developing a project for the Creole Trail Pipeline to be able to transport natural gas to the Sabine Pass LNG terminal for fuel and for Sabine Liquefaction to satisfy its LNG delivery obligations under its SPAs. We anticipate commencing construction of the expansion project upon, among other things, entering into financing arrangements.

LNG and Natural Gas Marketing Business

Our wholly owned subsidiary, Cheniere Marketing, is engaged in the LNG and natural gas marketing business and is seeking to develop a portfolio of long-term, short-term and spot LNG purchase and sale agreements, assist Cheniere Investments in negotiating with potential customers to monetize the 2.0 Bcf/d of regasification capacity at the Sabine Pass LNG terminal, and enter into business relationships for the domestic marketing of natural gas imported by Cheniere Marketing as LNG to the Sabine Pass LNG terminal.

Cheniere Marketing has been purchasing, transporting and unloading commercial LNG cargoes into the Sabine Pass LNG terminal and has used trading strategies intended to maximize margins on these cargoes. In addition, Cheniere Marketing has continued to enter into various business relationships to facilitate purchasing and selling commercial LNG cargoes.

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Recent Developments

Cheniere Partners Financing

In May 2012, we, Cheniere Partners and Blackstone CQP Holdco LP, or Blackstone, entered into a unit purchase agreement whereby Cheniere Partners has agreed to sell to Blackstone in a private placement 100 million Class B Units of Cheniere Partners at a price of $15.00 per Class B Unit. Upon satisfaction of the conditions to initial funding, Blackstone will acquire 33,333,334 Class B Units for a purchase price of $500 million. Subsequent to the initial funding, Cheniere Partners may require, based on liquidity needs, that Blackstone make additional capital contributions until Blackstone has funded $1.5 billion in the aggregate. Cheniere Partners intends to use the net proceeds from the private placement to pay for a portion of the cost to construct its proposed liquefaction facilities, including the construction of two LNG trains and related facilities and equipment. The obligation of Blackstone to consummate the initial funding is subject to certain conditions precedent, including, among other conditions, the closing of debt financing for construction of LNG trains 1 and 2 of the proposed liquefaction facilities.

In May 2012, we, through a wholly owned subsidiary, and Cheniere Partners entered into a unit purchase agreement whereby we have agreed to purchase from Cheniere Partners 33,333,334 Class B Units at a price of $15.00 per unit, for total consideration of $500 million. In June 2012, we purchased approximately $167 million of Class B Units from Cheniere Partners so that Cheniere Partners could issue a limited notice to proceed to Bechtel.

In July 2012, Cheniere Partners announced that it had received firm financial commitments in aggregate of approximately $3.4 billion for the debt financing portion needed to fund the costs of developing, constructing and placing into service the first two LNG trains of its proposed liquefaction facilities. The definitive loan documents are expected to be executed by the end of July 2012, with the credit facility anticipated to have a seven-year maturity and an interest rate of LIBOR plus 350 basis points during construction, increasing to LIBOR plus 375 basis points during operations. Cheniere Partners expects to complete the remaining financing requirements of approximately $200 million through additional bank commitments, retail syndication or the issuance of equity securities.

Creole Trail Pipeline

In connection with the signing of the unit purchase agreement with Blackstone, we along with certain of our wholly owned subsidiaries and Cheniere Partners entered into a purchase and sale agreement, pursuant to which Cheniere Partners has agreed to purchase from us the equity interests in entities that own and control the Creole Trail Pipeline. Although originally contemplated to be purchased in connection with the initial funding of the Blackstone transaction described above, Cheniere Partners currently anticipates postponing the purchase of the Creole Trail Pipeline until construction commences on its proposed liquefaction facilities and financing for the purchase has been obtained. Such postponement is not expected to delay the financing of Cheniere Partners proposed liquefaction project by either Blackstone or the project finance lenders.

May Equity Offering

In May 2012, we entered into a stock purchase agreement with Havelock Fund Investments Pte Ltd (indirectly owned by Temasek Holdings (Private) Limited) and Greenwich Asset Holding Ltd (owned by RRJ Capital Master Fund I, L.P.), pursuant to which such purchasers purchased an aggregate of 31,000,000 shares of our common stock at a price of $15.10 per share. The offering resulted in net proceeds to us of approximately $468 million, which are to be used along with cash on hand to purchase the $500 million of Class B Units from Cheniere Partners as described above.

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Repayment of 2008 Loans

In June 2012, we repaid in full all $284.5 million of indebtedness outstanding under our credit agreement entered into in August 2008 with The Bank of New York Mellon, as administrative agent and collateral agent, and the lenders parties thereto. Upon such payment, the credit agreement and related agreements were terminated.

Company Information

We are incorporated under the laws of the state of Delaware. Our principal executive offices are located at 700 Milam Street, Suite 800, Houston, Texas 77002, and our telephone number at that address is (713) 375-5000. Our website address is www.cheniere.com. However, information contained on our website is not incorporated by reference into this prospectus supplement, and you should not consider the information contained on our website to be part of this prospectus supplement.

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THE OFFERING

Issuer	Cheniere Energy, Inc.
AMEX Symbol	LNG
Common stock offered by us	28,000,000 shares (or 32,200,000 shares if the underwriters over-allotment option is exercised in full). We may, in our discretion, increase the number of shares we are offering based on market demand.
Common stock to be outstanding after the offering	214,392,980 shares (or 218,592,980 shares if the underwriters over-allotment option is exercised in full)
Use of proceeds	We will use the net proceeds of approximately $380.5 million ($437.6 million if the underwriters over-allotment option is exercised in full) from the offering, after deducting underwriting discounts and fees but before paying estimated offering expenses of approximately $200,000, along with available cash, to repay our 2.25% convertible notes due August 1, 2012, for capital expenditures on the Creole Trail Pipeline, and for general corporate purposes.
Risk Factors	An investment in our common stock involves various risks, and prospective investors should carefully consider the matters discussed under Risk Factors beginning on page S-10 of this prospectus supplement.

The number of shares of common stock outstanding before and after this offering is based on the number of shares outstanding as of July 9, 2012 and excludes:

- 744,757 shares of common stock reserved for issuance upon the exercise of outstanding stock options at a weighted average exercise price per share of $26.05; and

- 5,777,237 shares of common stock reserved for issuance upon the conversion of our outstanding convertible notes.

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SUMMARY HISTORICAL CONDENSED CONSOLIDATED FINANCIAL DATA

The following summary historical consolidated financial information as of December 31, 2010 and 2011 and for each of the years ended December 31, 2009, 2010 and 2011 has been derived from Cheniere s audited consolidated financial statements incorporated by reference into this prospectus supplement. The summary historical consolidated financial information as of December 31, 2009 has been derived from our audited financial statements not incorporated by reference into this prospectus supplement. The summary historical consolidated financial information (i) for the three months ended March 31, 2011 and March 31, 2012 and (ii) as of March 31, 2012, has been derived from Cheniere s unaudited consolidated financial statements incorporated by reference into this prospectus supplement. The summary historical consolidated financial information as of March 31, 2011 has been derived from Cheniere s unaudited consolidated financial statements which are not incorporated herein by reference. This information is only a summary and you should read it in conjunction with Capitalization in this prospectus supplement and Management s Discussion and Analysis of Financial Condition and Results of Operation, which discusses factors affecting the comparability of the information presented, and our consolidated financial statements and related notes, each of which is incorporated herein by reference from our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012. Our historical results included below are not necessarily indicative of our future performance.

	For the Years Ended December 31,			For the Three Months Ended March 31,	
	2009	2010	2011	2011	2012
	(In thousands, except per share data)				
	(audited)			(unaudited)	
Consolidated Statements of Operations Data:					
Revenues	$ 181,126	$ 291,513	$ 290,444	$ 79,231	$ 70,474
LNG terminal and pipeline development expenses	223	11,971	40,803	8,437	21,819
LNG terminal and pipeline operating expenses	36,857	42,415	39,101	10,194	11,557
Depreciation, depletion and amortization	54,229	63,251	63,405	15,386	16,290
Other	491	627	562	138	94
General and administrative expense(1)	65,830	68,626	88,427	21,510	19,993
Income (loss) from operations	23,496	104,623	58,146	23,566	721
Gain from equity method investments(2)		128,330			
Gain (loss) from early extinguishment of debt(3)	45,363	(50,320)			(507)
Derivative gain (loss)	5,277				