



LNG Exports: A Story of American Innovation and Opportunity

Matt Barr
Manager, Government and Public Affairs
Energy Summit – The Future of Louisiana Energy
October 22, 2014

Forward Looking Statements

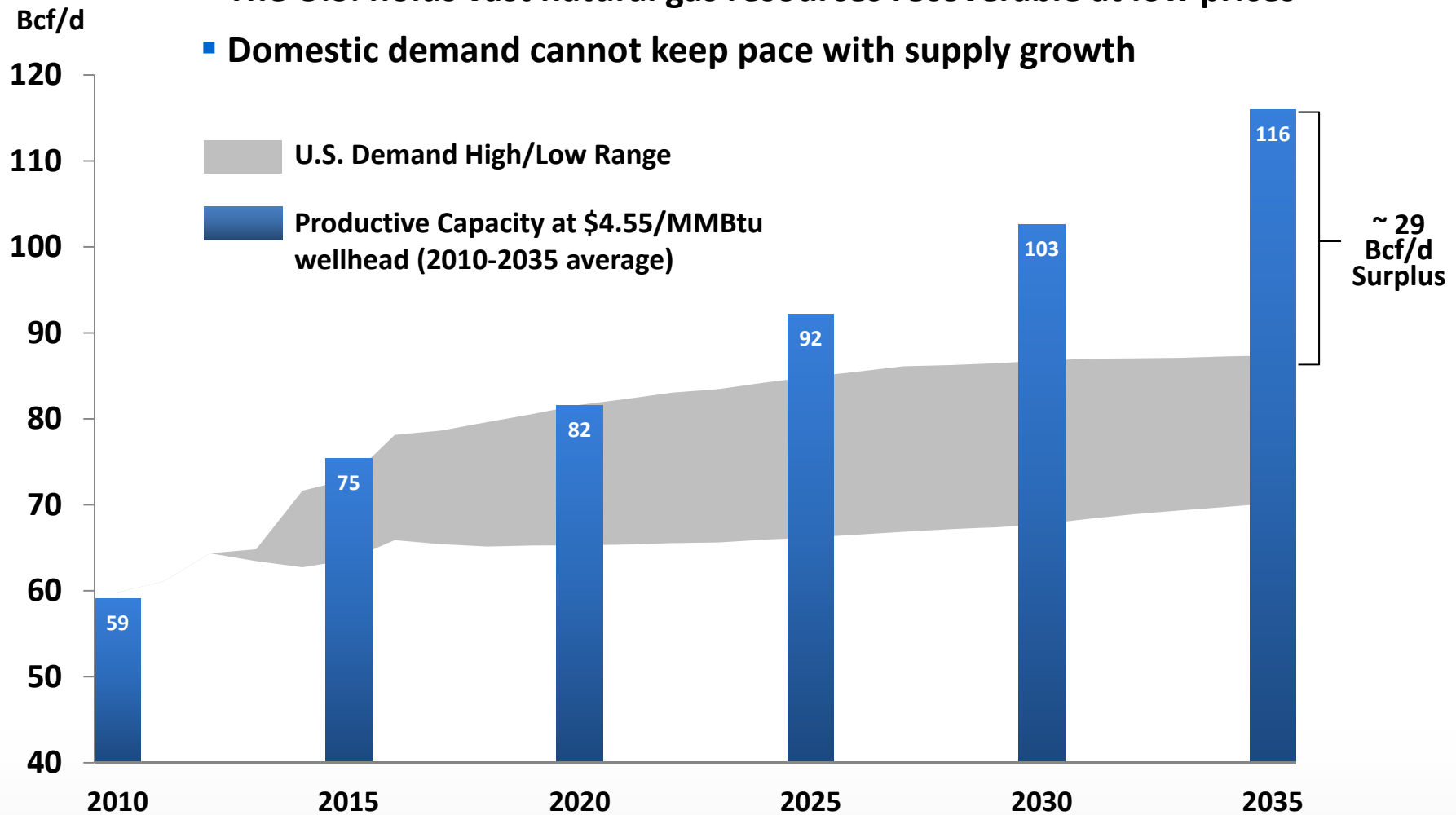
This presentation contains certain statements that are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included herein are “forward-looking statements.” Included among “forward-looking statements” are, among other things:

- statements regarding the ability of Cheniere Energy Partners, L.P. to pay distributions to its unitholders;
- statements regarding our expected receipt of cash distributions from Cheniere Energy Partners, L.P., Sabine Pass LNG, L.P., Sabine Pass Liquefaction, LLC or Cheniere Creole Trail Pipeline, L.P.;
- statements that we expect to commence or complete construction of our proposed liquefied natural gas (“LNG”) terminal or our proposed pipelines, liquefaction facilities or other projects, or any expansions thereof, by certain dates or at all;
- statements regarding future levels of domestic and international natural gas production, supply or consumption or future levels of LNG imports into or exports from North America and other countries worldwide, regardless of the source of such information, or the transportation or demand for and prices related to natural gas, LNG or other hydrocarbon products;
- statements regarding any financing transactions or arrangements, or ability to enter into such transactions;
- statements relating to the construction of our natural gas liquefaction trains (“Trains”), or modifications to the Creole Trail Pipeline, including statements concerning the engagement of any engineering, procurement and construction (“EPC”) contractor or other contractor and the anticipated terms and provisions of any agreement with any EPC or other contractor, and anticipated costs related thereto;
- statements regarding any agreement to be entered into or performed substantially in the future, including any revenues anticipated to be received and the anticipated timing thereof, and statements regarding the amounts of total LNG regasification, liquefaction or storage capacities that are, or may become, subject to contracts;
- statements regarding counterparties to our commercial contracts, construction contracts and other contracts;
- statements regarding our planned construction of additional Trains, including the financing of such Trains;
- statements that our Trains, when completed, will have certain characteristics, including amounts of liquefaction capacities;
- statements regarding any business strategy, our strengths, our business and operation plans or any other plans, forecasts, projections or objectives, including anticipated revenues and capital expenditures and EBITDA, any or all of which are subject to change;
- statements regarding projections of revenues, expenses, earnings or losses, working capital or other financial items;
- 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,” “contemplate,” “develop,” “estimate,” “example,” “expect,” “forecast,” “opportunities,” “plan,” “potential,” “project,” “propose,” “subject to,” “strategy,” and similar terms and phrases, or by use of future tense. 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 presentation. 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 “Risk Factors” in the Cheniere Energy, Inc. and Cheniere Energy Partners, L.P. Annual Reports on Form 10-K filed with the SEC on February 22, 2013, each as amended by Amendment No. 1 on Form 10-K/A filed with the SEC on March 1, 2013, and the Cheniere Energy Partners, L.P. Current Report on Form 8-K filed with the SEC on May 29, 2013, which are incorporated by reference into this presentation. 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 presentation, and other than as required under the securities laws, we undertake no obligation to publicly update or revise any forward-looking statements.

U.S. Demand vs. Productive Capacity

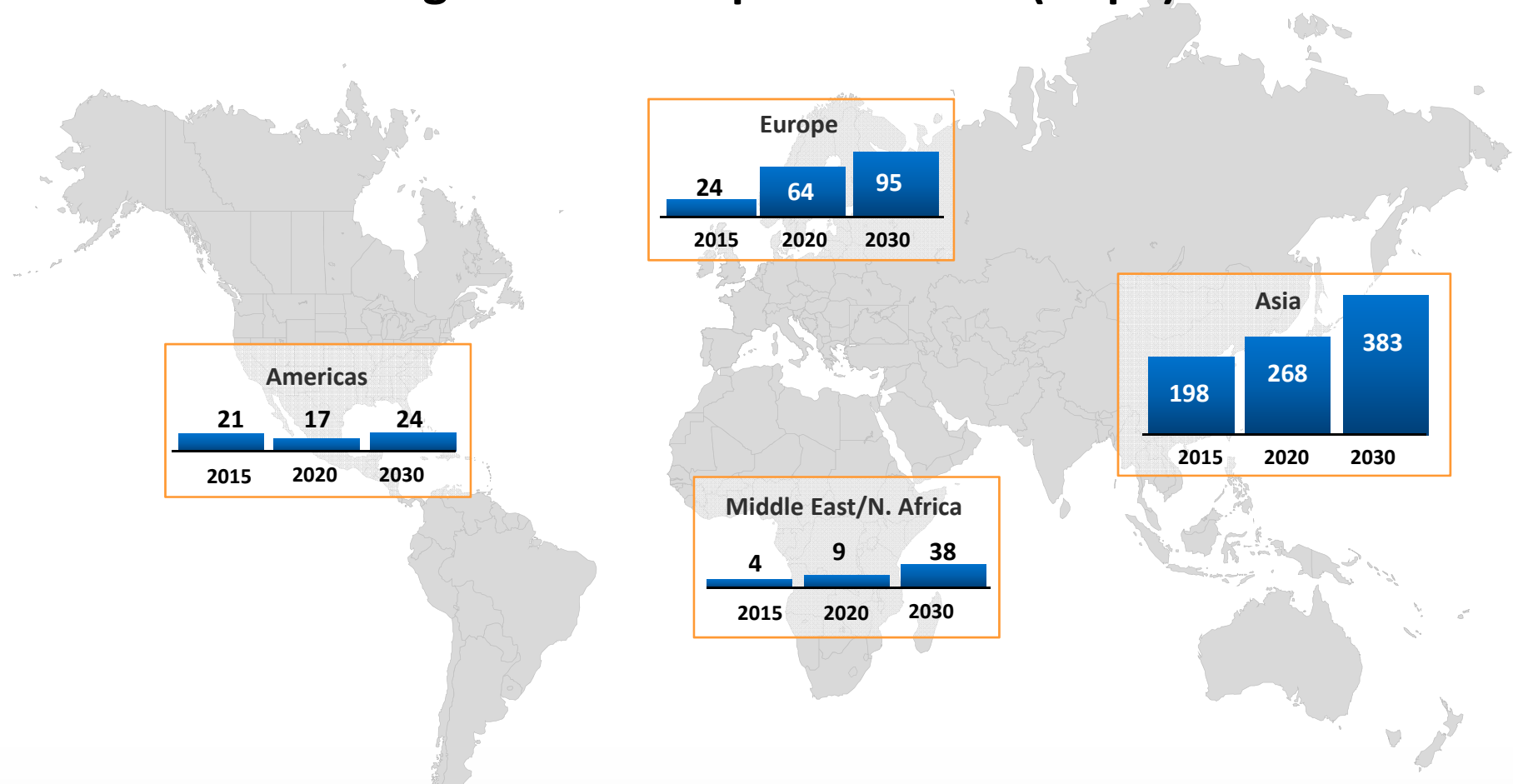
- The U.S. holds vast natural gas resources recoverable at low prices
- Domestic demand cannot keep pace with supply growth



Source: EIA Annual Energy Outlook 2013 (U.S. Demand). Range includes Low Economic Growth, High Economic Growth and \$25 Carbon Tax Scenarios
Advanced Resources International Inc., "U.S. Natural Gas Resources and Productive Capacity: Mid 2013 Update" (Productive Capacity). In constant 2010 \$.

Projected Global LNG Demand Growth

Regional LNG Import Outlook (mtpa)



Global demand is forecast to grow from 236 mtpa (~32 Bcf/d) in 2012 to 541 mtpa (~72 Bcf/d) in 2030
~4.7% CAGR equivalent to ~17 mtpa average growth per year (~four 4.2 mtpa trains)

Source: Wood Mackenzie

2014 Q2 Data; Base Case Scenario – includes LNG bunkering demand

Cheniere's LNG Export Facilities Offer Attractive Pricing for Global LNG Buyers

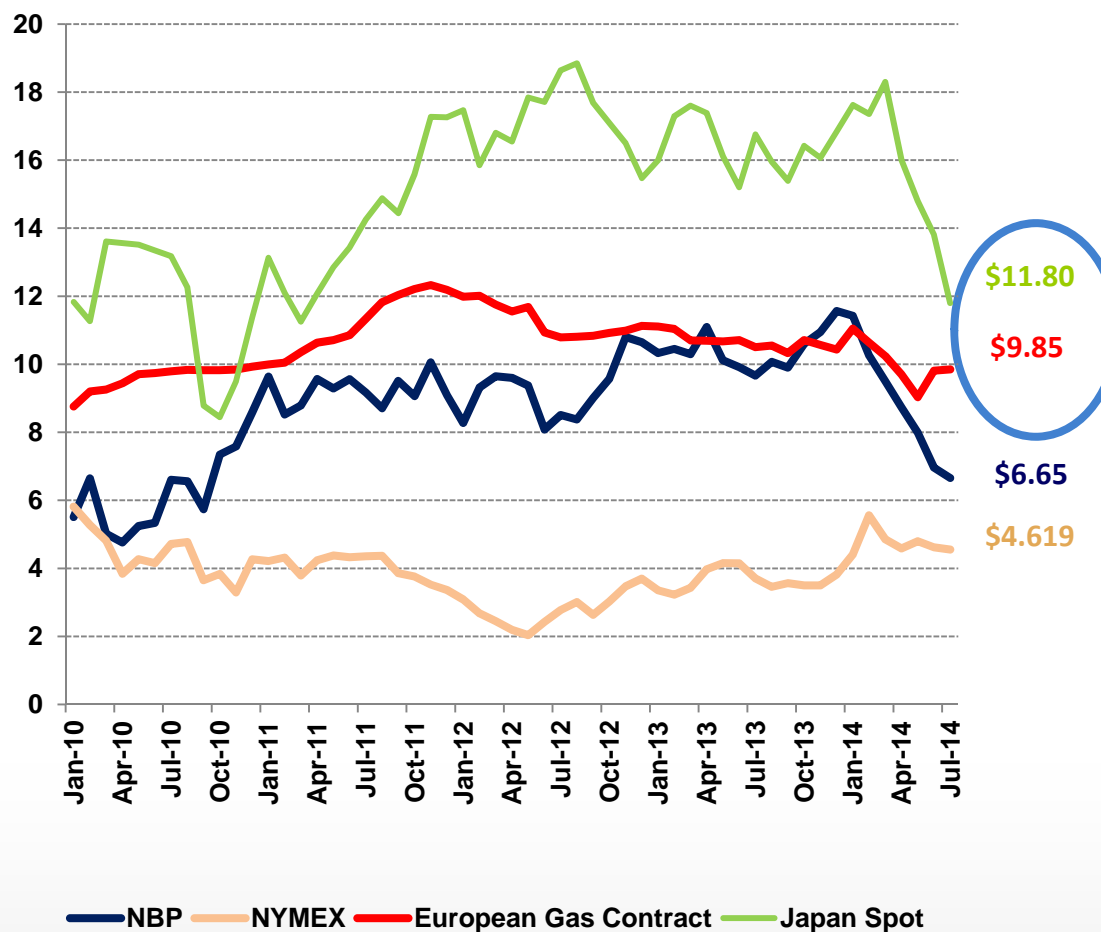
Worldwide LNG Prices = 11% to 15% of Crude Oil

Example Prices

Henry Hub: \$4.00 / MMBtu
Brent Crude: \$100 / Barrel

(\$/MMBtu)	Americas	Europe	Asia
LNG Cost ⁽¹⁾	\$ 4.60	\$ 4.60	\$ 4.60
Liquefaction Fee	3.50	3.50	3.50
Shipping	0.50	1.00	3.00
Delivered Cost	\$ 8.60	\$ 9.10	\$11.10
LNG Price (% Crude)	@ 15%	@ 12%	@ 15%
	15.00	12.00	15.00
Net Difference	\$ 6.40	\$ 2.90	\$ 3.90

\$/MMBtu Regional Natural Gas & LNG Prices July 2014



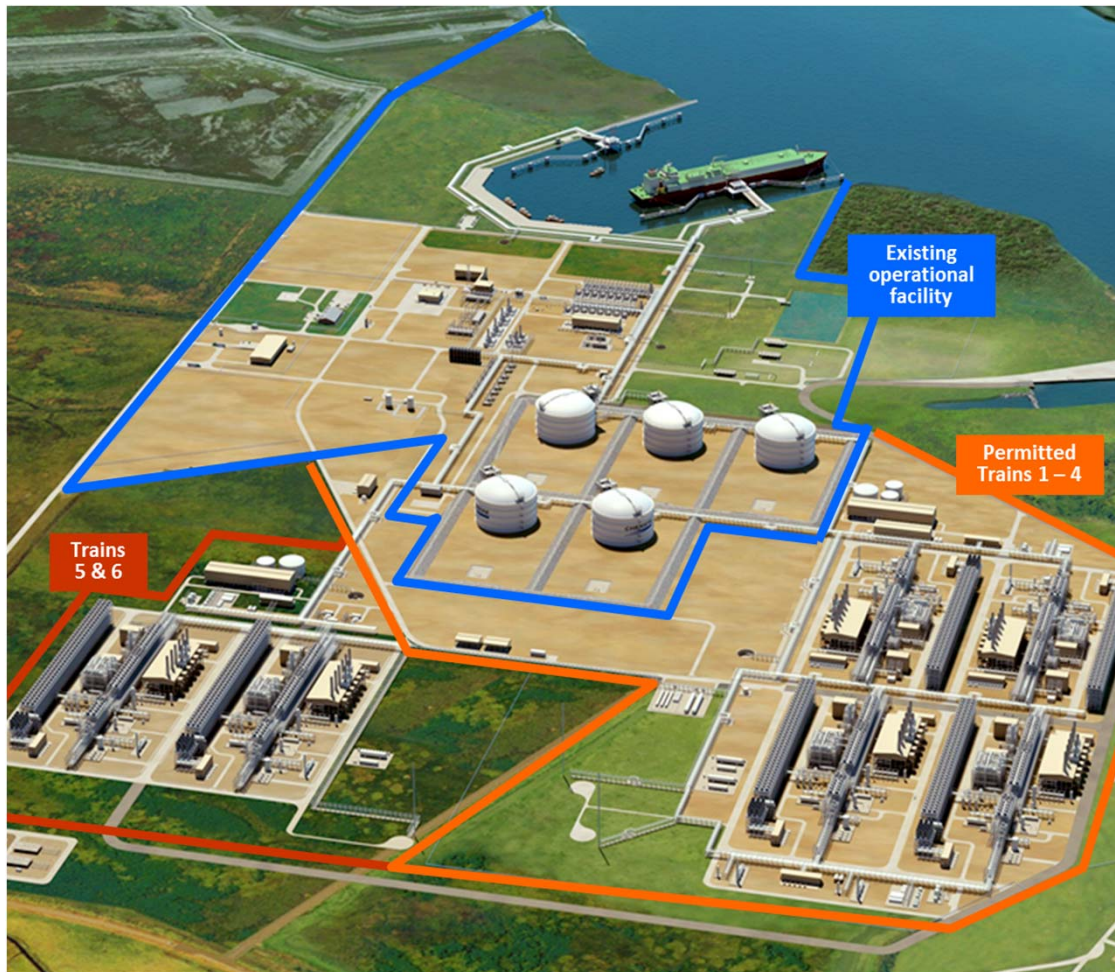
(1) LNG Cost is calculated as 115% of Henry Hub price.

Source: Pira, Cheniere Research estimates

Japan spot data sourced from METI post March 2014

Brownfield LNG Export Project: Sabine Pass Liquefaction

Utilizes Existing Assets, Trains 1-4 Fully Contracted, Under Construction



Design production capacity is expected to be ~4.5 mtpa per train, using ConocoPhillips' Optimized Cascade® Process

Current Facility

- ~1,000 acres in Cameron Parish, LA
- 40 ft ship channel 3.7 miles from coast
- 2 berths; 4 dedicated tugs
- 5 LNG storage tanks (~17 Bcfe of storage)
- 5.3 Bcf/d of pipeline interconnection

Liquefaction Trains 1 & 2 – Fully Contracted

- Lump Sum Turnkey EPC contract w/ Bechtel
- Total EPC contract price ~\$4.0 billion
- Overall project ~65% complete (as of 4/30/2014)
- Operations estimated late 2015/2016

Liquefaction Trains 3 & 4 – Fully Contracted

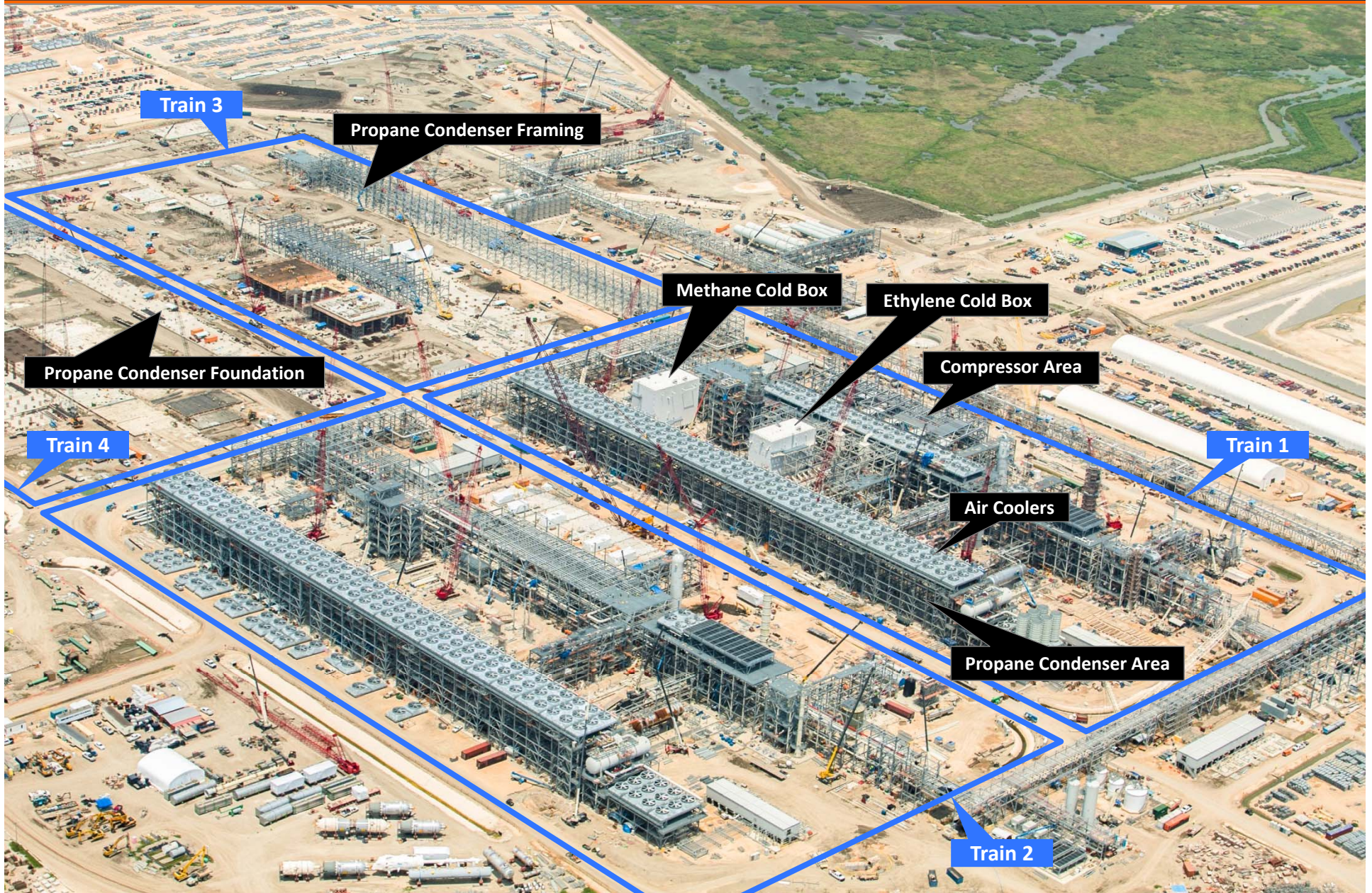
- Lump Sum Turnkey EPC contract w/ Bechtel
- Total EPC contract price ~\$3.8 billion
- Construction commenced in May 2013
- Overall project ~30% complete (as of 4/30/2014)
- Operations estimated 2016/2017

Liquefaction Expansion - Trains 5 & 6

- Bechtel commenced preliminary engineering
- Permitting initiated February 2013
- FERC scheduling notice received May 2014

Significant infrastructure in place including storage, marine and pipeline interconnection facilities; pipeline quality natural gas to be sourced from U.S. pipeline network

Aerial View of SPL Construction – August 2014

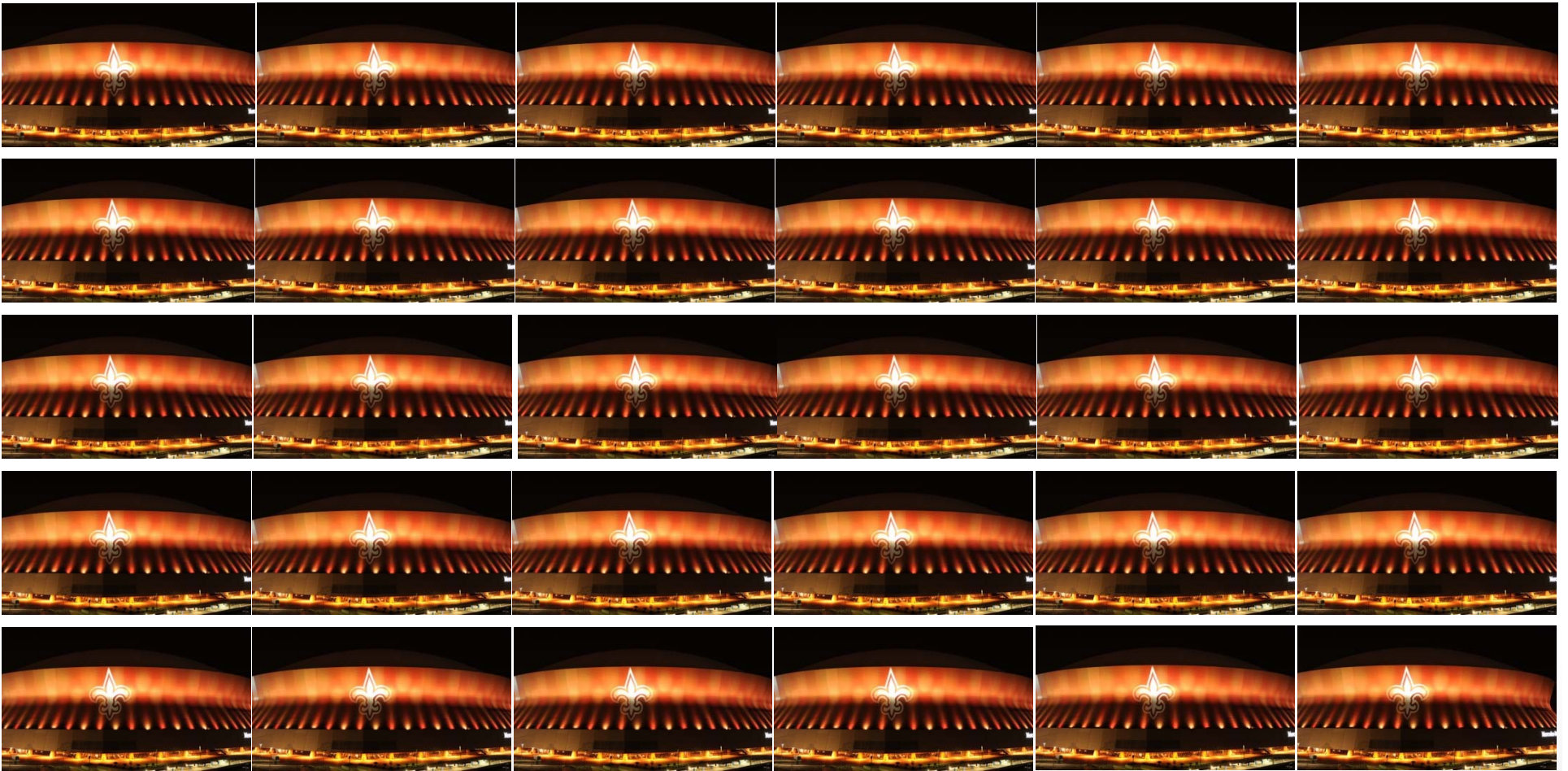


SPL Construction – August 2014



Economic Development in Football Terms

- Sabine Pass = \$20 billion
 - Mercedes-Benz Superdome = \$572 million



Equivalent to over 30 Superdomes Being Built in Sabine Pass

Sabine Pass Project Benefits

- Add **580 direct full-time jobs**: 380 full time permanent jobs at the facility for Engineers, Operators and Technicians; 200 permanent contractors
- Employ a peak construction work force of over **4,500 skilled construction workers** for a period of approximately 5 years
- Each 2 Bcf/d of incremental gas demand, via either export or domestic gas consumption, is estimated to stimulate an additional **50,000 permanent jobs** in the upstream exploration and production sector
- Permanent staffing payroll and ad valorem taxes will represent over **\$30 million annually** to the local communities in Southwest Louisiana and Southeast Texas
- Reduce our Nation's trade deficit by over **\$7 billion annually**

Sabine Pass Timeline & Milestones

Milestone	Target Date		
	Sabine Pass		
	T1-2	T3-4	T5-6
▪ Initiate permitting process (FERC & DOE)	✓	✓	✓
▪ Commercial agreements	✓	✓	T5:✓/T6:2014
▪ EPC contract	✓	✓	2015
▪ Financing commitments	✓	✓	2015
▪ Regulatory approvals	✓	✓	2015
▪ Issue Notice to Proceed	✓	✓	2015
▪ Commence operations ⁽¹⁾	2015/16	2016/17	2018/19


Project teams in place with the same key people that developed Sabine Pass LNG and Creole Trail Pipeline on-time and on-budget

(1) Each Train is expected to commence operations approximately six to nine months after the previous train.

Note: See "Forward Looking Statements" slide.

LNG Sale and Purchase Agreements (SPAs)

~20 mtpa “take-or-pay” style commercial agreements
 ~\$2.9B annual fixed fee revenue for 20 years

	 BG GROUP	 gasNatural fenosa	 KOGAS KOREA GAS CORPORATION	 GAIL GAIL	 TOTAL	 centrica
	BG Gulf Coast LNG	Gas Natural Fenosa	Korea Gas Corporation	GAIL (India) Limited	Total Gas & Power N.A. ⁽⁶⁾	Centrica plc ⁽⁶⁾
Annual Contract Quantity (MMBtu)	286,500,000 ⁽¹⁾	182,500,000	182,500,000	182,500,000	104,750,000 ⁽¹⁾	91,250,000
Annual Fixed Fees ⁽²⁾	~\$723 MM ⁽³⁾	~\$454 MM	~\$548 MM	~\$548 MM	~\$314 MM	~\$274 MM
Fixed Fees \$/MMBtu ⁽²⁾	\$2.25 - \$3.00	\$2.49	\$3.00	\$3.00	\$3.00	\$3.00
LNG Cost	115% of HH	115% of HH	115% of HH	115% of HH	115% of HH	115% of HH
Term of Contract ⁽⁴⁾	20 years	20 years	20 years	20 years	20 years	20 years
Guarantor	BG Energy Holdings Ltd.	Gas Natural SDG S.A.	N/A	N/A	Total S.A.	N/A
Corporate / Guarantor Credit Rating ⁽⁵⁾	A-/A2/A-	BBB/Baa2/BBB+	A+/A1/AA-	NR/Baa2/BBB-	AA-/Aa1/AA	A-/A3/A-
Fee During Force Majeure	Up to 24 months	Up to 24 months	N/A	N/A	N/A	N/A
Contract Start	Train 1 + additional volumes with Trains 2,3,4	Train 2	Train 3	Train 4	Train 5	Train 5

(1) BG has agreed to purchase 182,500,000 MMBtu, 36,500,000 MMBtu, 34,000,000 MMBtu and 33,500,000 MMBtu of LNG volumes annually upon the commencement of operations of Trains 1, 2, 3 and 4, respectively. Total has agreed to purchase 91,250,000 MMBtu of LNG volumes annually plus 13,400,000 MMBtu of seasonal LNG volumes upon the commencement of Train 5 operations.

(2) A portion of the fee is subject to inflation, approximately 15% for BG Group, 13.6% for Gas Natural Fenosa, 15% for KOGAS and GAIL (India) Ltd and 11.5% for Total and Centrica.

(3) Following commercial in service date of Train 4. BG will provide annual fixed fees of approximately \$520 million during Trains 1-2 operations and an additional \$203 million once Trains 3-4 are operational.

(4) SPAs have a 20 year term with the right to extend up to an additional 10 years. Gas Natural Fenosa has an extension right up to an additional 12 years in certain circumstances.

(5) Ratings are provided by S&P/Moody's/Fitch and subject to change, suspension or withdrawal at anytime and are not a recommendation to buy, hold or sell any security.

(6) Conditions precedent must be satisfied by June 30, 2015 or either party can terminate. CPs include financing, regulatory approvals and positive final investment decision.

Expanding U.S. Natural Gas Exports Will...

- **Promote stability in domestic natural gas pricing**
- **Stimulate state, regional and national economies**
- **Improve U.S. balance of payments**
- **Promote liberalization of global natural gas trade**
- **Advance national security**
- **Increase economic trade**

Supporters of Natural Gas Exports

■ ***National Association of Manufacturers***

- “We are indeed in the midst of a manufacturing comeback, fueled by our abundant energy resources. Exporting LNG is a critical part of this comeback, with each \$10 billion export facility creating manufacturing jobs across the supply chain during construction and operation.”

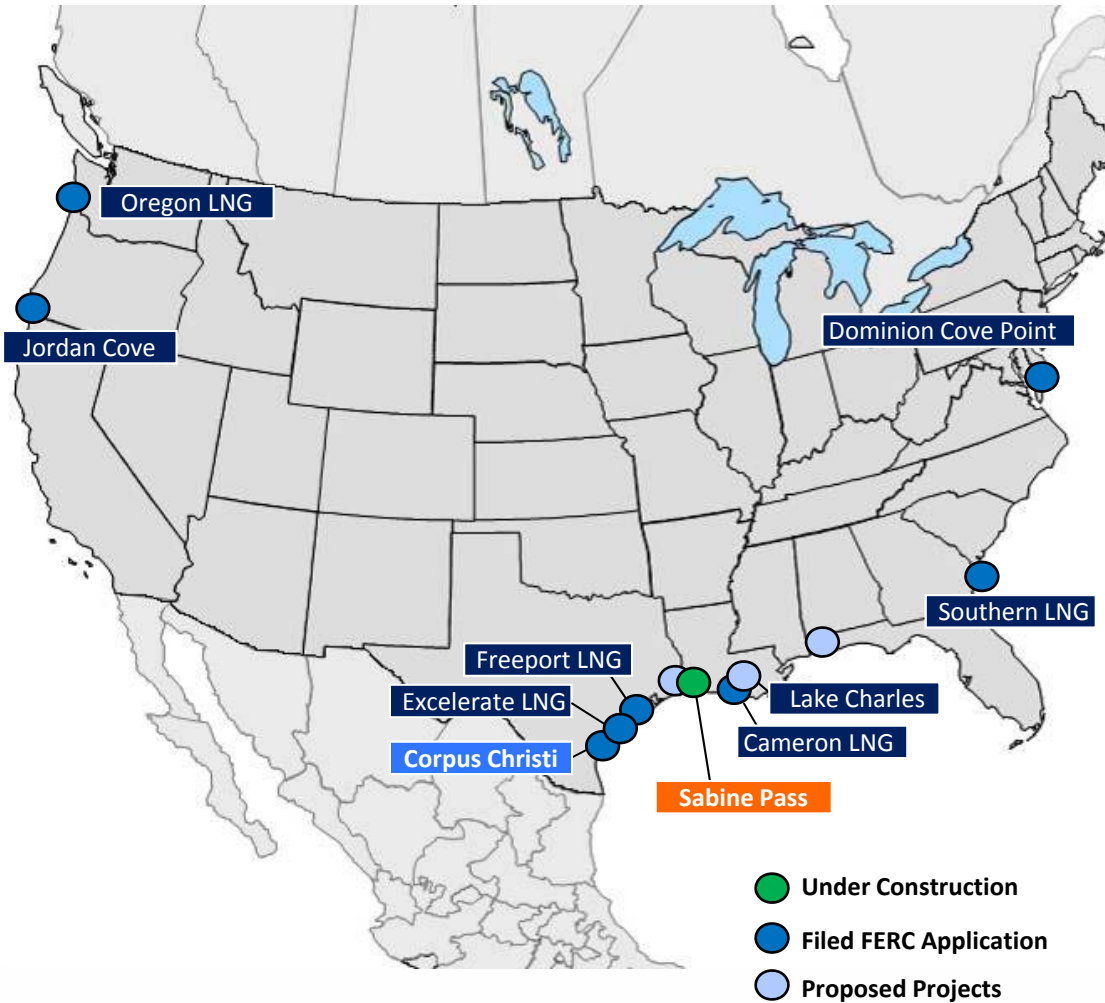
■ ***American Chemistry Council***

- “As America’s largest export industry, we support exports of American-made products, including liquefied natural gas (LNG).”

■ ***American Fuel and Petrochemical Manufacturers***

- “Efforts to place overly-burdensome restrictions on natural gas exports will negatively impact job creation and weaken our economy, and stop billions of dollars from flowing into our nation’s economy.”

U.S. LNG Export Projects



Company	Quantity (Bcf/d)	DOE	FERC*	Contracts
Cheniere Sabine Pass T1 – T4	2.2	Fully permitted		Fully Subscribed
Freeport	1.8	FTA + NonFTA	A	T1-T3
Lake Charles	2.0	FTA + NonFTA	❖	Fully Subscribed
Dominion Cove Point	1.0	FTA + NonFTA	✓	Fully Subscribed
Cameron LNG	1.7	FTA + NonFTA	A	Fully Subscribed
Jordan Cove	1.2/0.8	FTA + NonFTA	✓	
Oregon LNG	1.25	FTA + NonFTA	❖	
Cheniere Corpus Christi	2.1	FTA	✓	Partially Subscribed
Cheniere Sabine Pass T5 – T6	1.3	FTA	✓	T5 Subscribed
Excelerate	1.3	FTA	❖	
Southern LNG	0.5	FTA	❖	Fully Subscribed
Magnolia LNG	0.5	FTA	❖	Partially Subscribed
Golden Pass LNG	2	FTA	❖	Fully Subscribed

Plus other proposed LNG export projects that have not filed a FERC application.

Source: Office of Oil and Gas Global Security and Supply, Office of Fossil Energy, U.S. Department of Energy; U.S. Federal Energy Regulatory Commission; Company releases

- Application filing = ❖
- FERC scheduling notice issued = ✓
- FERC Approved = A



About Our Energy Moment

Our Energy Moment is a coalition of diverse companies, organizations, individuals and institutions that educates opinion leaders and the public about America's ongoing transformation from an energy consumer to an energy producer.

- **Organized as a 501(c)(4)**
- **Emphasis on education and public engagement**
- **Provides a central information clearinghouse on LNG export issue at www.ourenergymoment.org**



Questions?

