
CHENIERE ENERGY, INC.

HOW HAS US LNG IMPACTED THE GLOBAL LNG MARKET?

FLAME 2017



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May 8, 2017

The bottom half of the slide features several large, light gray, wavy lines that sweep across the page from left to right, creating a sense of movement and depth.

Safe Harbor Statements

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 or present facts or conditions, included or incorporated by reference herein are “forward-looking statements.” Included among “forward-looking statements” are, among other things:

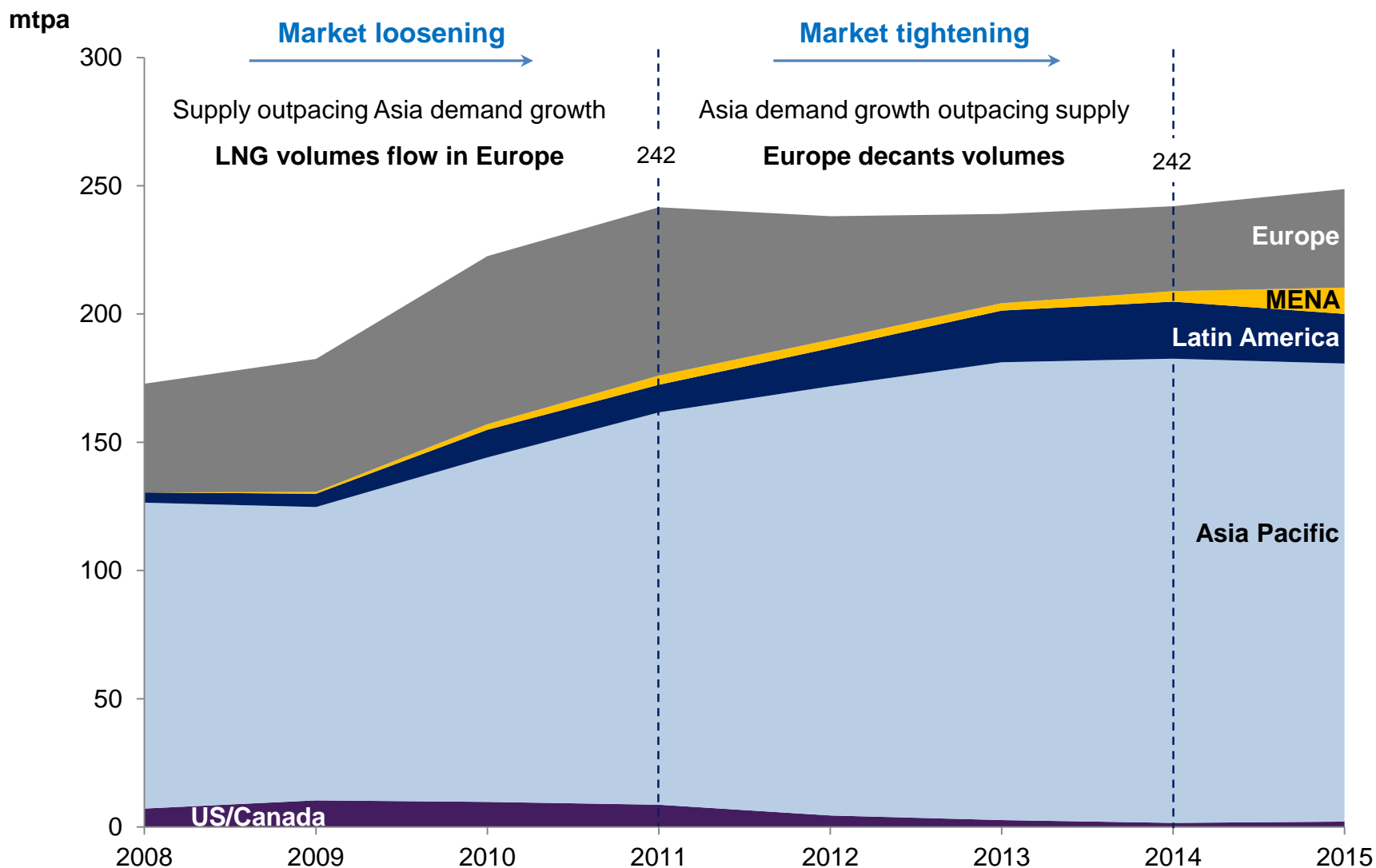
- statements regarding the ability of Cheniere Energy Partners, L.P. to pay distributions to its unitholders or Cheniere Energy Partners LP Holdings, LLC or Cheniere Energy, Inc. to pay dividends to its shareholders or participate in share or unit buybacks;
- statements regarding Cheniere Energy, Inc.’s, Cheniere Energy Partners LP Holdings, LLC’s or Cheniere Energy Partners, L.P.’s expected receipt of cash distributions from their respective subsidiaries;
- statements that Cheniere Energy Partners, L.P. expects to commence or complete construction of its proposed liquefied natural gas (“LNG”) terminals, liquefaction facilities, pipeline facilities or other projects, or any expansions or portions thereof, by certain dates or at all;
- statements that Cheniere Energy, Inc. expects to commence or complete construction of its proposed LNG terminals, liquefaction facilities, pipeline facilities or other projects, or any expansions or portions 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, or purchases of natural gas, regardless of the source of such information, or the transportation or other infrastructure, 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 proposed liquefaction facilities and natural gas liquefaction trains (“Trains”) and the construction of the Corpus Christi 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, natural gas, 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 development and construction of additional Trains or pipelines, including the financing of such Trains or pipelines;
- statements that our Trains, when completed, will have certain characteristics, including amounts of liquefaction capacities;
- statements regarding our business strategy, our strengths, our business and operation plans or any other plans, forecasts, projections or objectives, including anticipated revenues, capital expenditures, maintenance and operating costs, run-rate SG&A estimates, cash flows, Consolidated Adjusted EBITDA, Run-Rate Adjusted EBITDA, Distributable Cash Flow, and Distributable Cash Flow per Share, 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, approvals, requirements, permits, applications, filings, 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,” “goals,” “opportunities,” “plan,” “potential,” “project,” “propose,” “subject to,” “strategy,” “target,” 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., Cheniere Energy Partners, L.P. and Cheniere Energy Partners LP Holdings, LLC Annual Reports on Form 10-K filed with the SEC on February 24, 2017, 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 by law, we undertake no obligation to update or revise any forward-looking statement or provide reasons why actual results may differ, whether as a result of new information, future events or otherwise.

Reconciliation to U.S. GAAP Financial Information

The following presentation includes certain “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934, as amended. Schedules are included in the appendix hereto that reconcile the non-GAAP financial measures included in the following presentation to the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP.

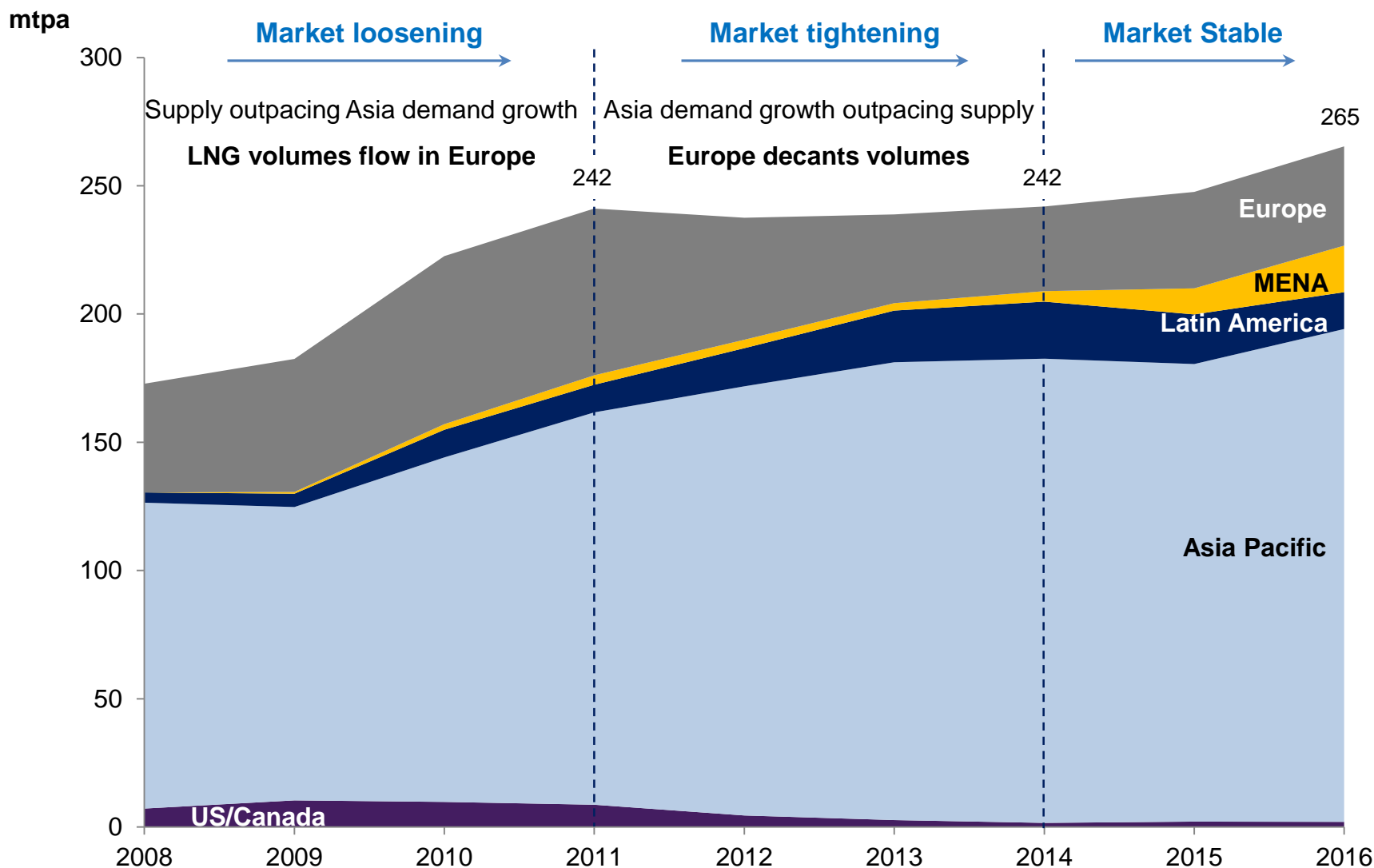
Europe's Balancing Role in the LNG market (2016)



Source: Cheniere interpretation of IHS Waterborne data (Apr 2016), delivered volumes

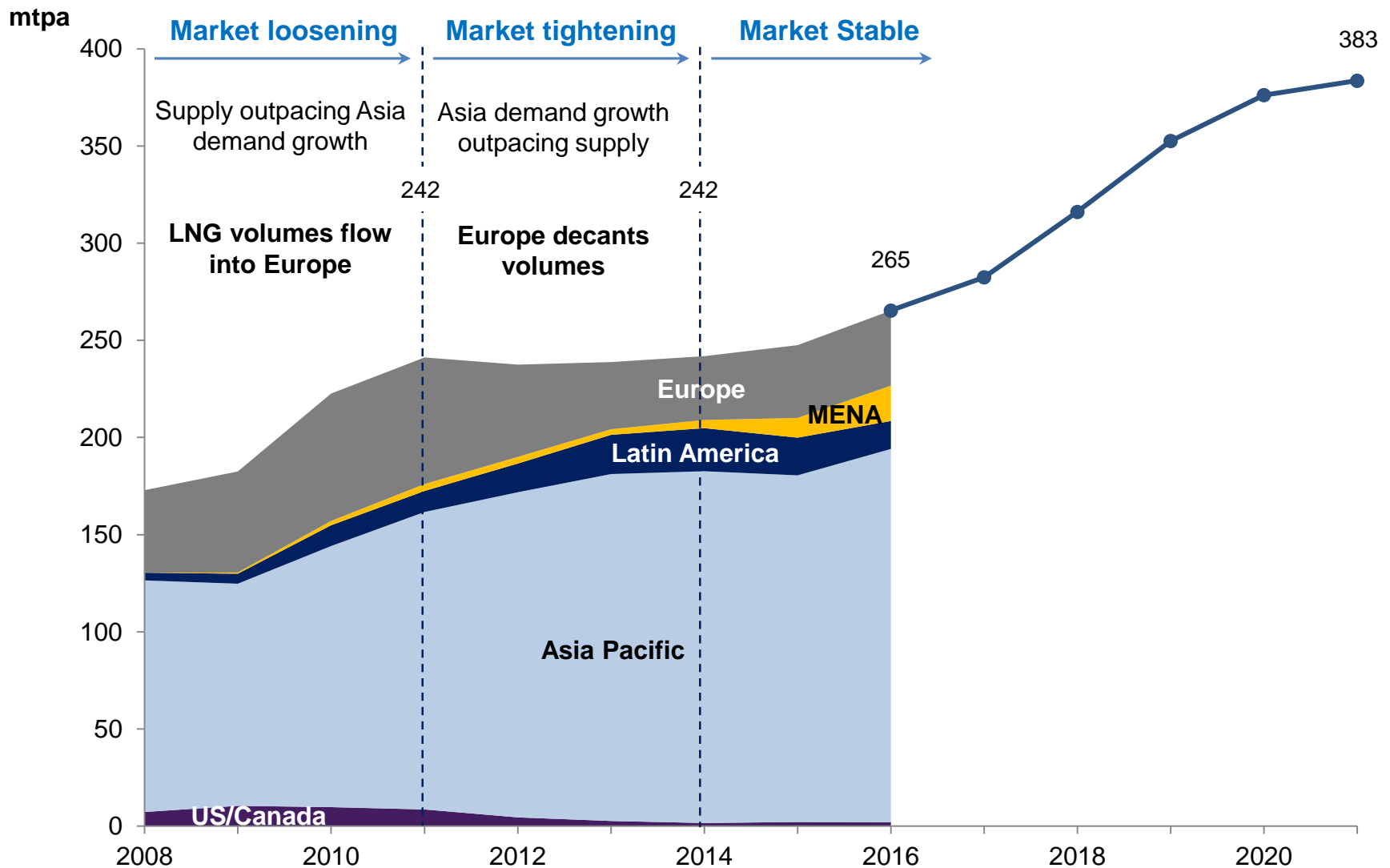
*Contract duration of 4 years or less (GIIGNL)

Europe's Balancing Role in the LNG market (2017 update)



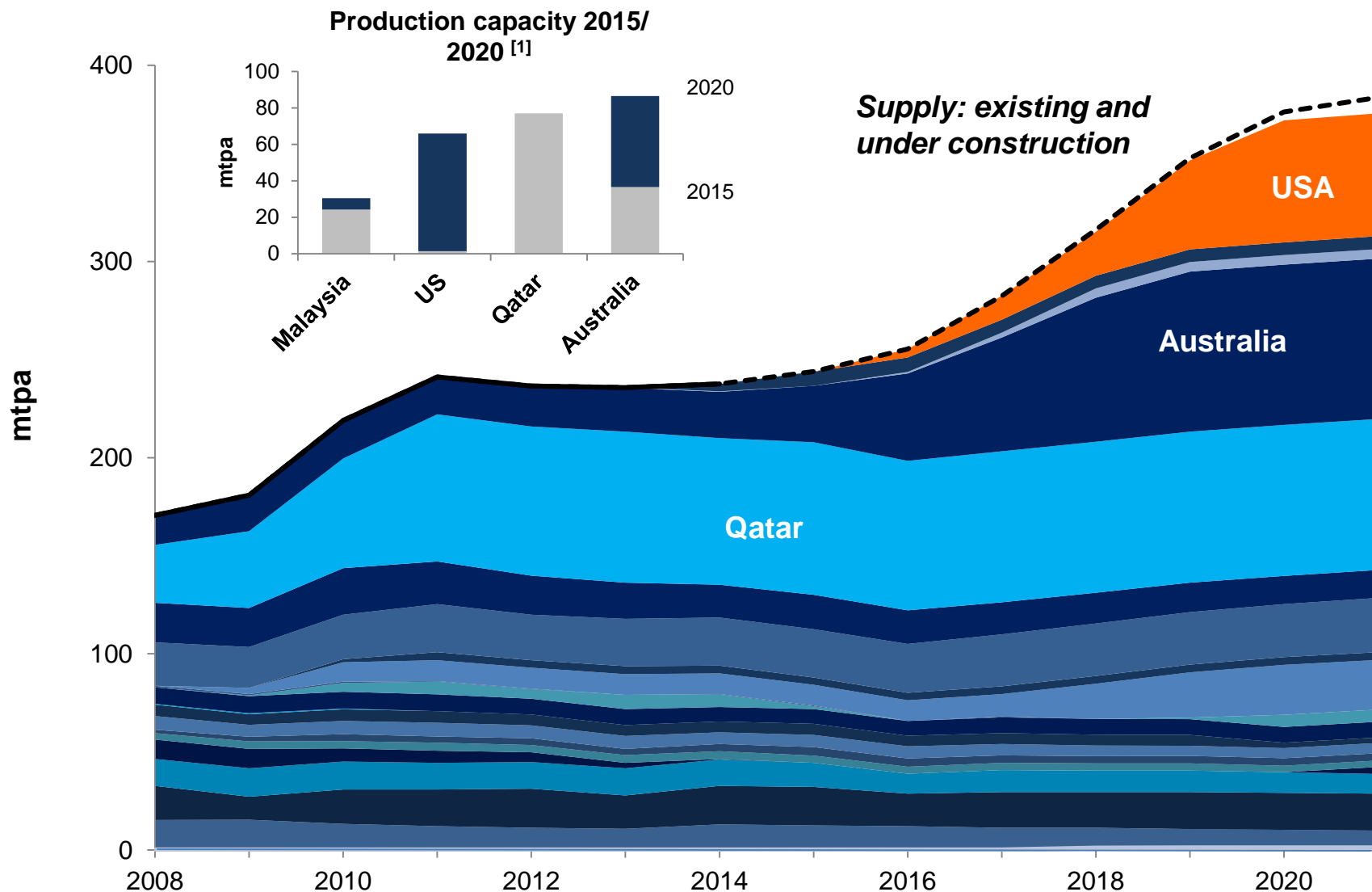
Source: Cheniere interpretation of IHS Waterborne data (Apr 2016), delivered volumes

Trade outlook to 2021



Source: Cheniere interpretation of IHS Waterborne data (Apr 2016), delivered volumes, Cheniere research, trade outlook (2017)

Rapid Growth in Supply to 2020



Source: Cheniere Research estimates; Woodmac for historical figures

[1] Operational capacity plus capacity under construction

U.S. LNG Exports Driving Change in the Industry



- Destination-free, flexible volumes
- Growing liquidity
- FOB and DES hub formation
- New markets facilitated by abundant, competitively priced gas

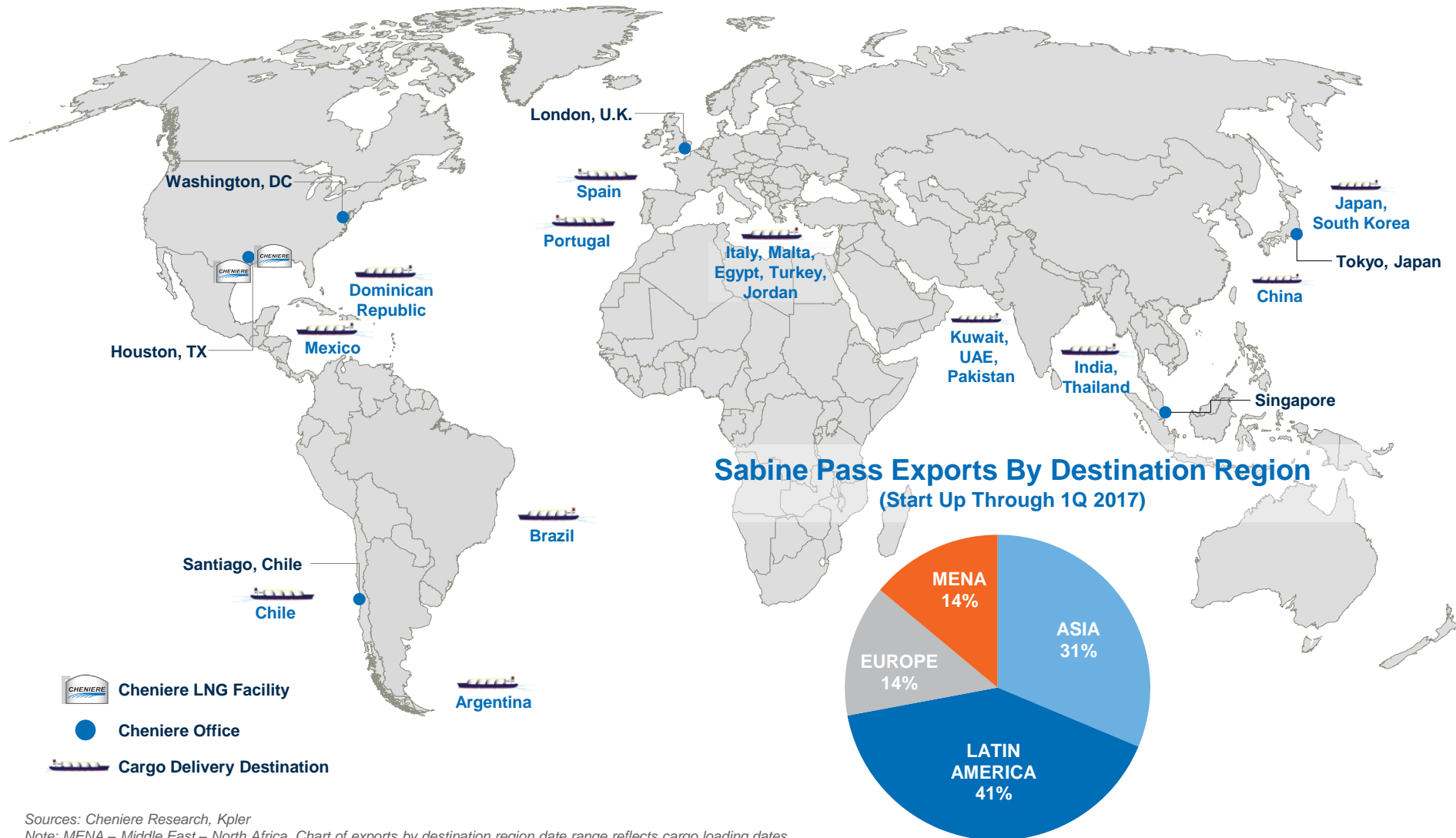
*A more responsive, more competitive
more diverse and more resilient LNG
trade system*

Sabine Pass Liquefaction Project



Sabine Pass Cargo Destinations

Since February 2016, More than 100 Cargoes (~350 TBtu) Delivered to 20 Countries

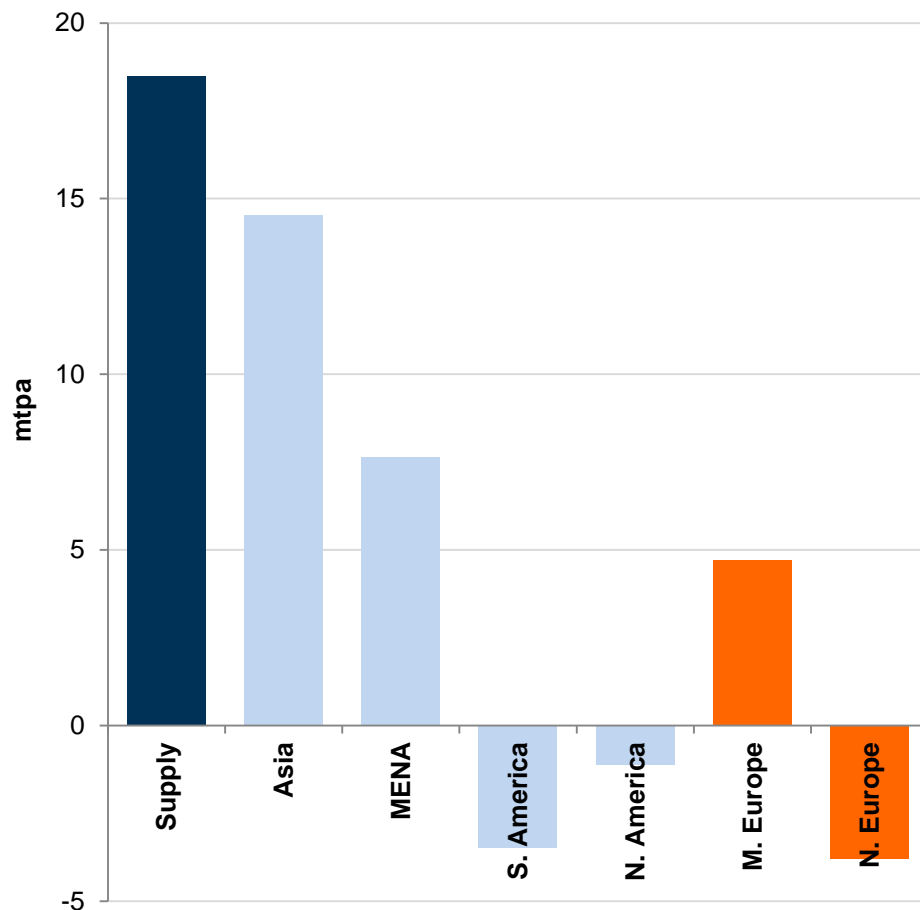


Sources: Cheniere Research, Kpler

Note: MENA – Middle East – North Africa. Chart of exports by destination region date range reflects cargo loading dates.

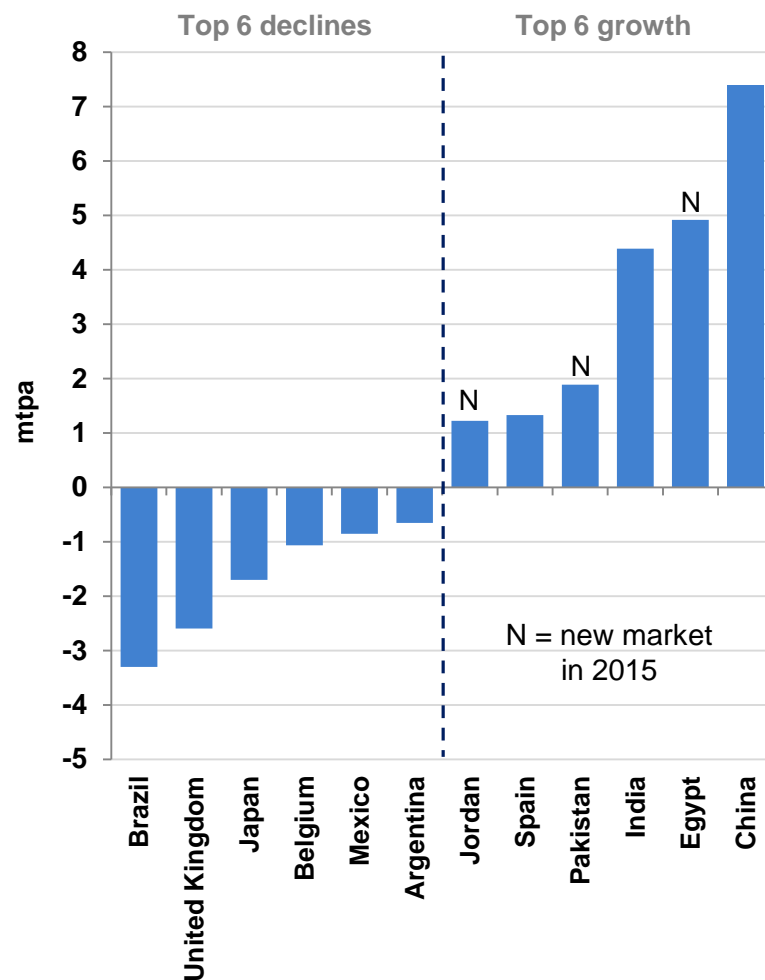
LNG trade 2016

Regional imports balance 2016 (Year-over-year)



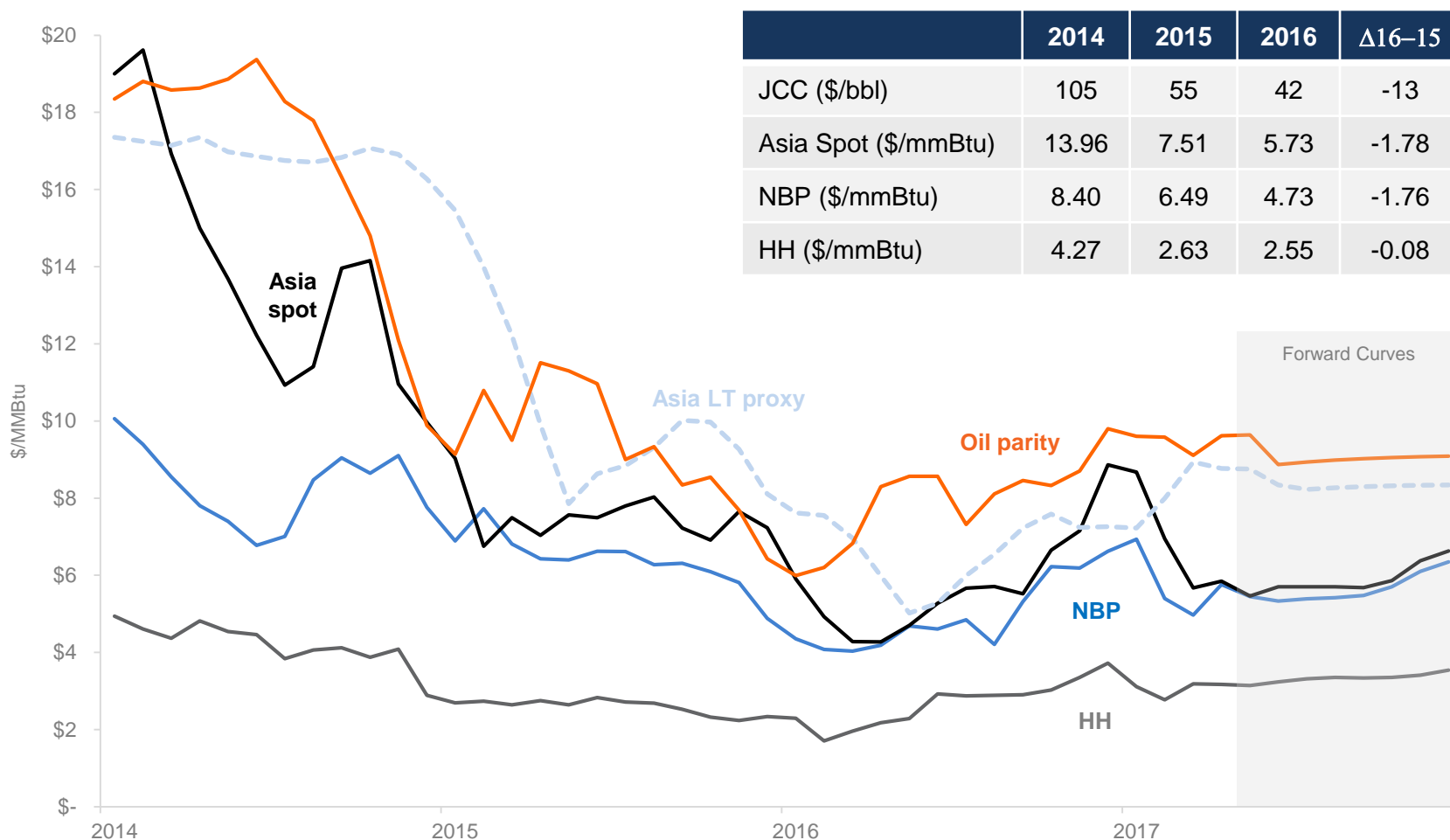
Source: GIIGNL data, delivered volumes

LNG importers 2016



LNG Prices 2014 to 2018

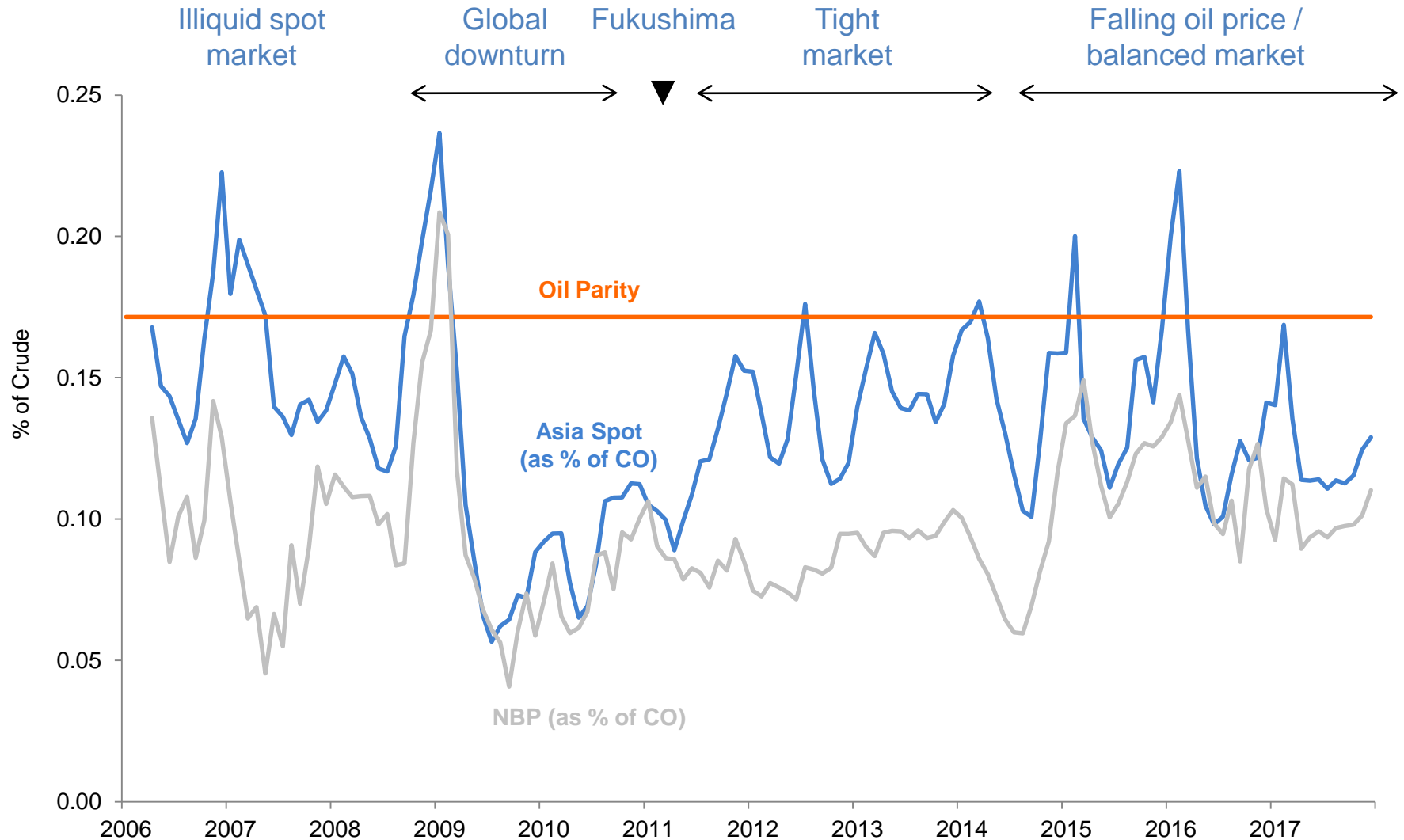
Gas and LNG prices: Actuals and Current Forward Curves



Source: ICIS Heren, EIA, ICE, NYMEX, Tullet Prebon, Bloomberg (April 2017)

Note: Asia long-term proxy = 14.85% JCC(-3) + 0.50; Oil parity = JCC = Japanese average crude price; JCC actuals to Jan 2017 and based on Brent thereafter. Curves represent forward prices as of 04/27/2017

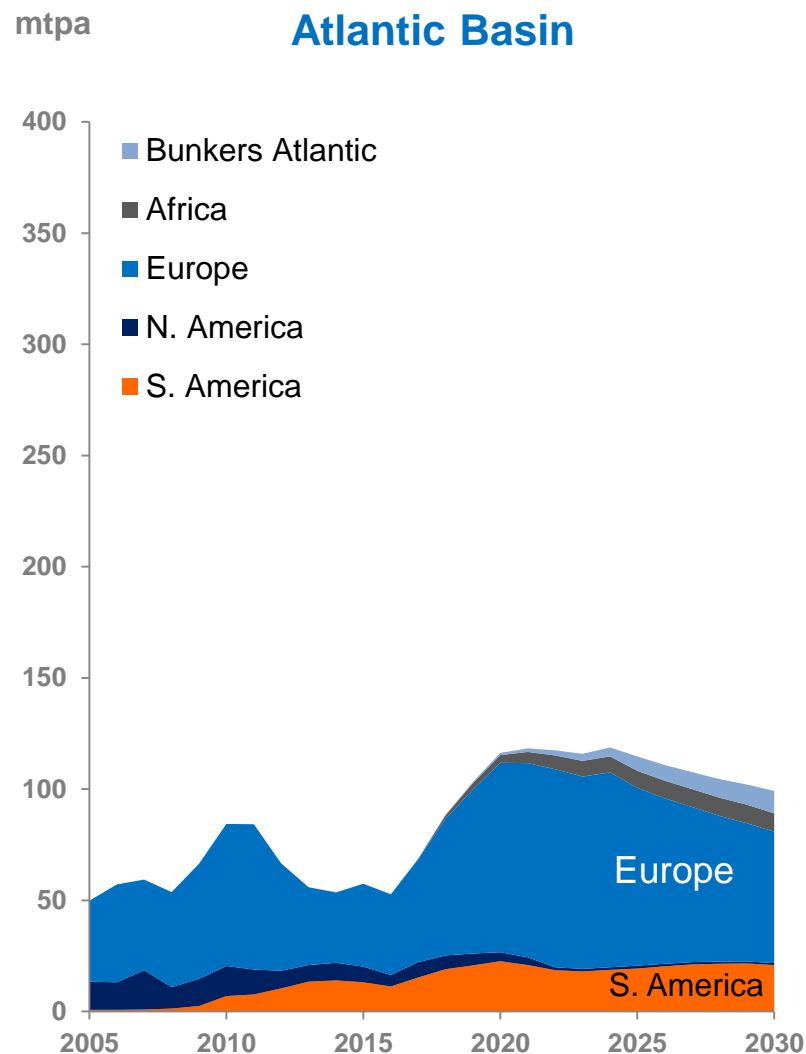
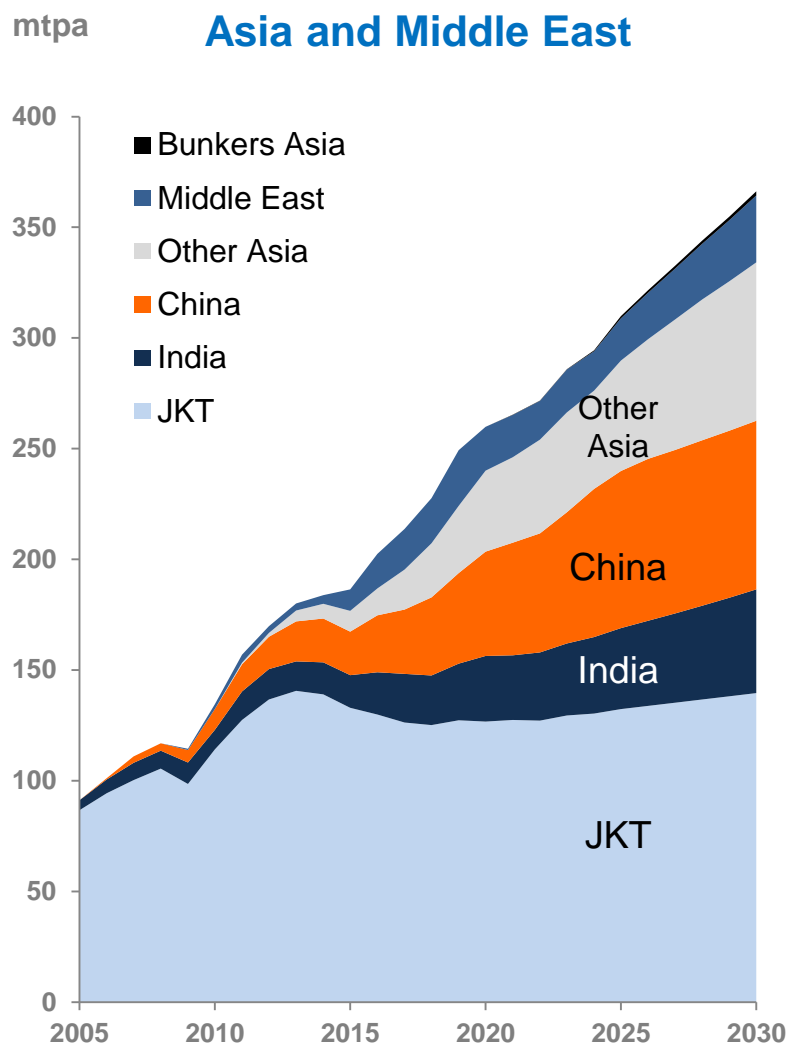
Spot Prices vs. Crude Oil 2006 to 2017



Source: ICIS Heren, ICE Tullet Prebon, Bloomberg (May2017)

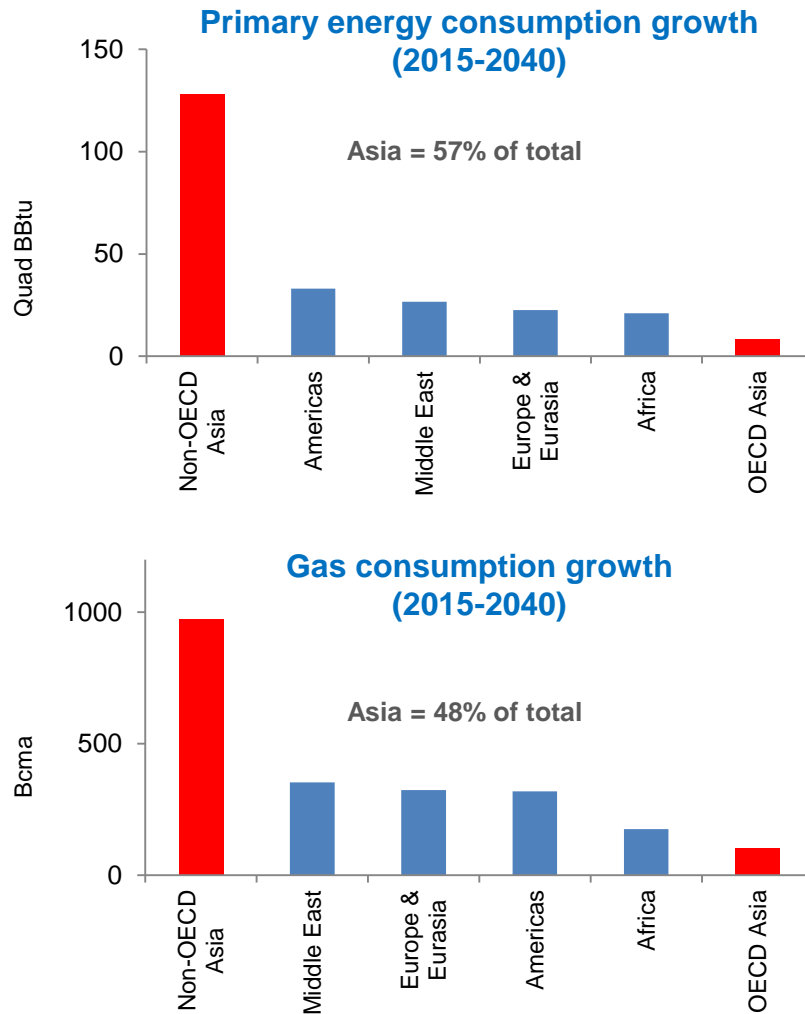
Note: Oil price reflects Japanese average crude price (JCC) actuals to Jan 2017 and based on Brent thereafter. Curves represent forward prices as of 05/02/2017

LNG Import Outlook by Region



Source: Cheniere Research, Cheniere interpretation of Wood Mackenzie data (Q4 2016)

Market Context

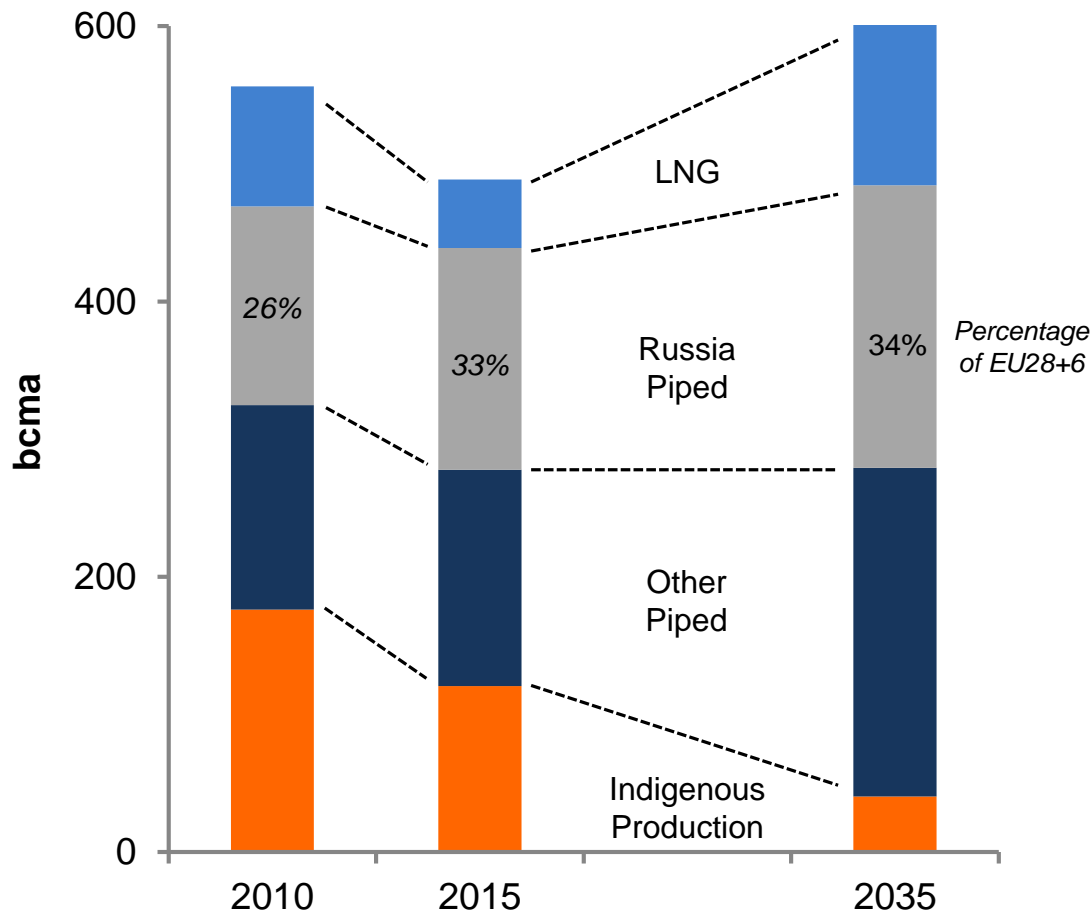


- Energy demand growth focussed in non-OECD Asia
- Market place fragmenting and diversifying – growing uncertainty
- Growing range of LNG market types;
 - Traditional
 - Supplemental
 - Growth
 - Flex
 - Displacement
 - Bunkers
- FSRUs have reduced barriers to entry; 14 out of 24 new markets since 2005
- New business models and commercial constructs
- Role of gas in the Energy Transition?

Source: EIA International Energy Outlook 2016

European Gas Supply to 2035

Europe (EU 28 + 6) supply

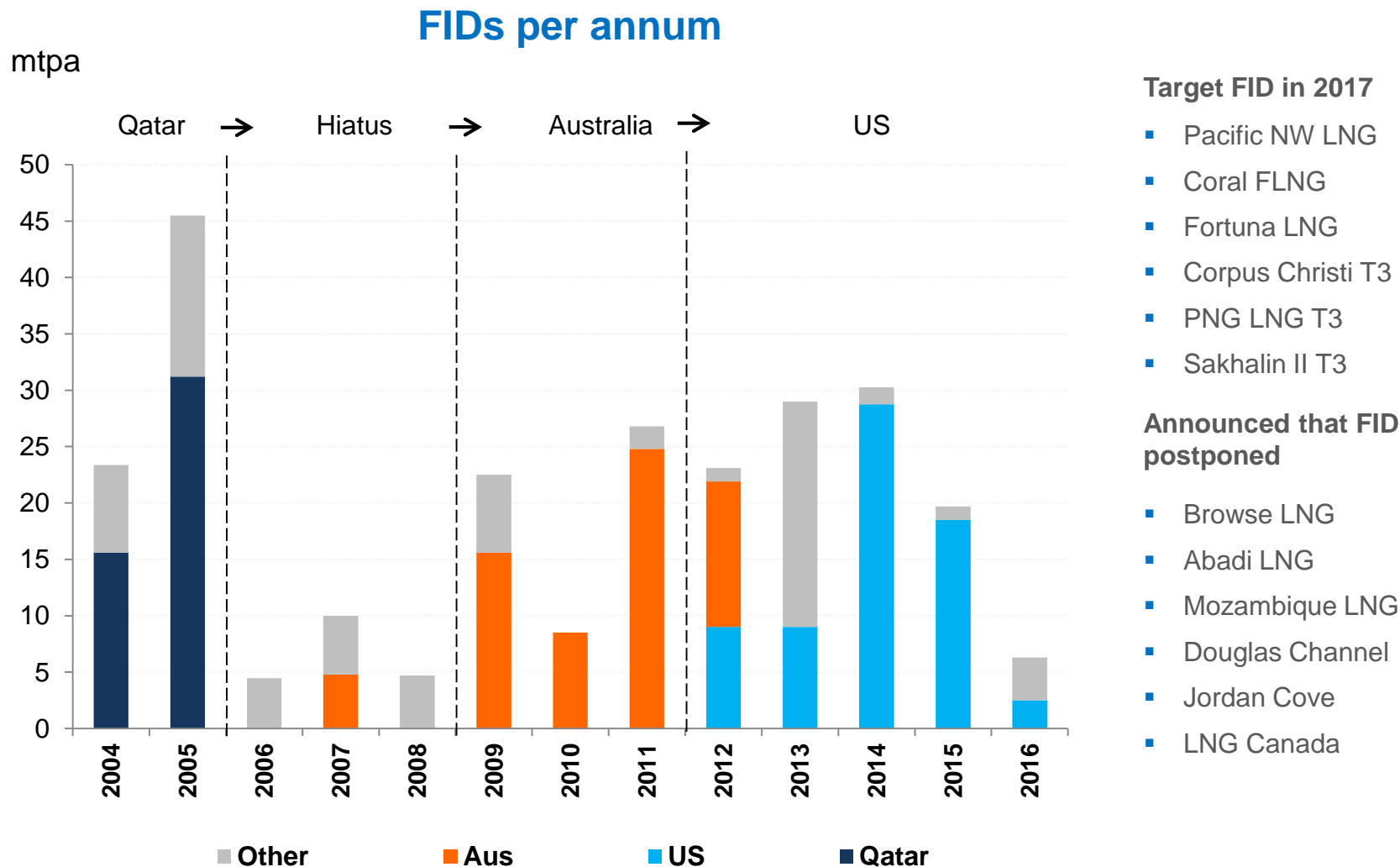


Determining factors

- Overall Demand
 - Economic Growth
 - Coal / Carbon price
 - Oil price
- LNG
 - Global supply / demand balance
- Russian piped
 - Near-term: market share vs SMRC
 - Longer-term: LRMC
- Other piped
 - Norway
 - Algeria
 - Southern Corridor (expansion)
- Indigenous production
 - Groningen Cap
 - North Sea decline rate

Source: Cheniere interpretation of Wood Mackenzie data (H2 2016)

Slowdown in FIDs



Source: Cheniere interpretation of Wood Mackenzie data (Q1 2017)

Midscale Project Overview – FEED Initiated

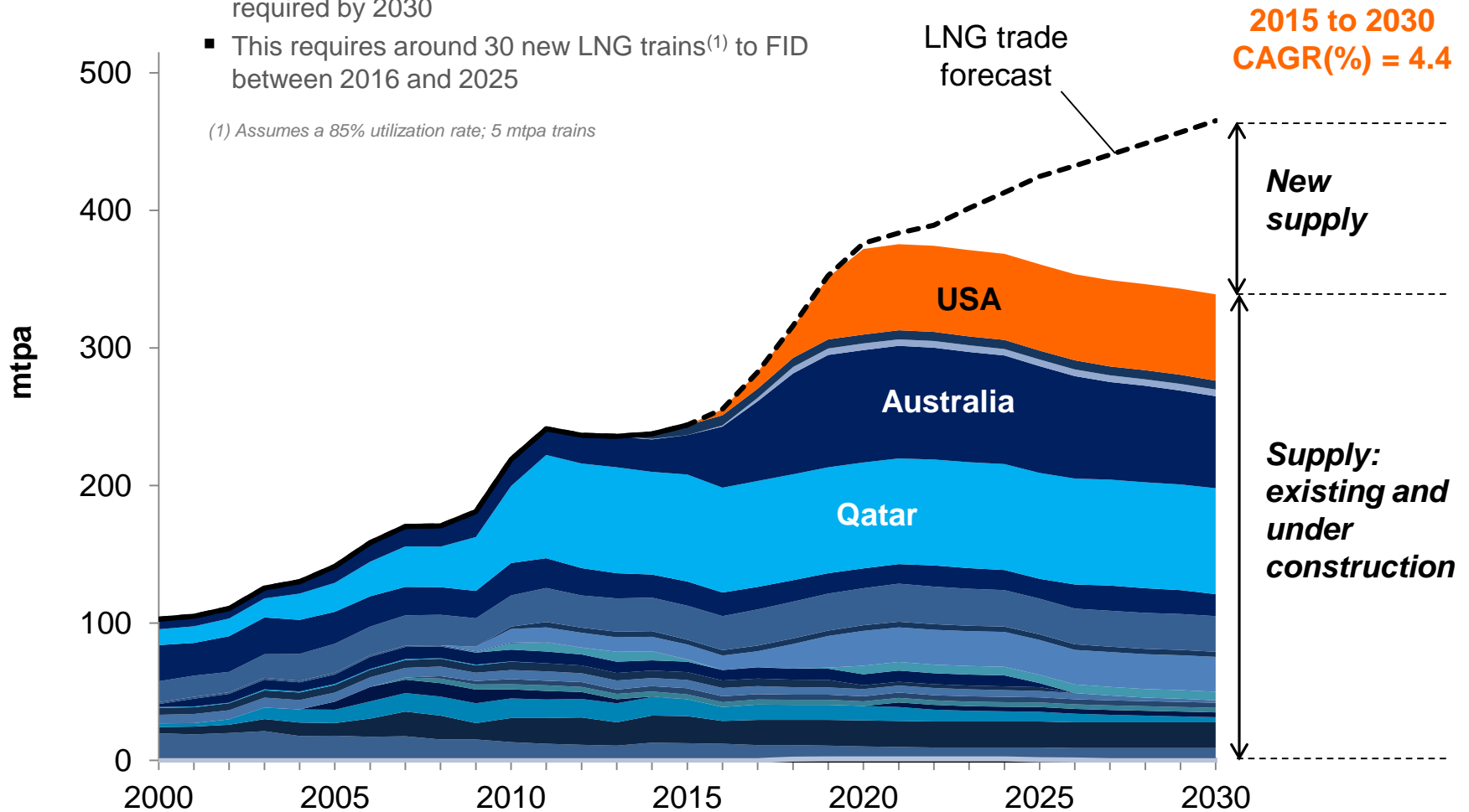


- Began Midscale project evaluation in early 2016
 - Reviewed 18 proposals from potential contractors
 - KBR/Siemens/Chart Consortium approved to continue with full FEED and EPC proposal to be completed September 2017
 - **Initial capital cost estimates are competitive with Corpus Train 3; full lifecycle cost analysis is in process**
-
- Midscale Project encompasses up to 7 LNG trains that could leverage existing sites and infrastructure
 - Modular design would provide 1.4 mtpa of expected LNG production capacity per train, for a total potential expected capacity of 9.8 mtpa if all 7 trains were built, with an expected footprint comparable to 2 large liquefaction trains

More FIDs Needed to Meet Future LNG Demand

- Nearly 149 mtpa of new liquefaction capacity⁽¹⁾ required by 2030
- This requires around 30 new LNG trains⁽¹⁾ to FID between 2016 and 2025

(1) Assumes a 85% utilization rate; 5 mtpa trains



Source: Cheniere Research estimates; Woodmac for historical figures

New LNG Market Realities

New market realities ...

**Fragmenting /
Evolving market
place**

**Globalising /
Commoditising
industry – with
regional nature**

**Supplier challenge:
how to lower cost,
innovate &
create new markets**

... will require
new commercial
solutions ...

... but will also have
to be financeable

**New contract
structures:
price index, term,
flexibility**

Thank You

