CHENIERE ENERGY, INC.

THE RISE OF US LNG EXPORTS

May 18, 2016

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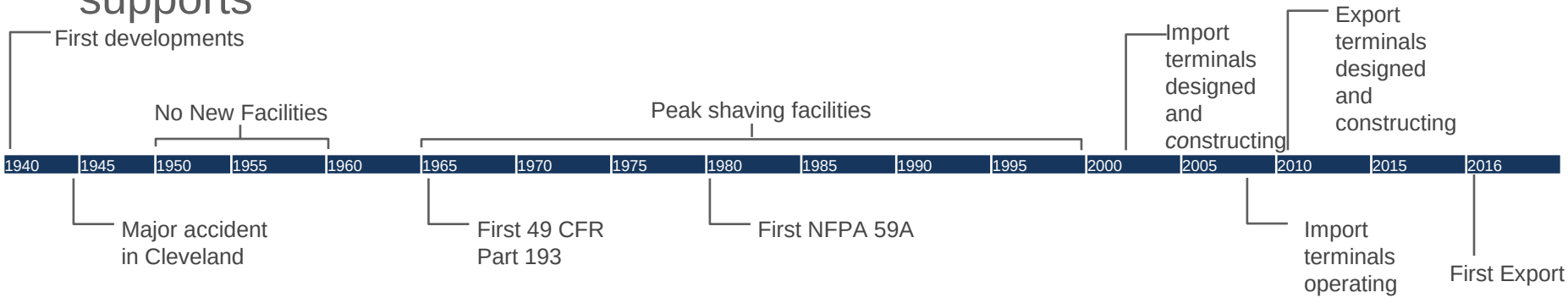
Vice President, Government & Regulatory Affairs

Topics

- LNG Facilities and LNG Trade Evolution
- US LNG Exports
- Sabine Pass LNG Plant
- Corpus Christi LNG Plant
- LNG Standards, Regulations

Timeline of U.S. LNG Industry

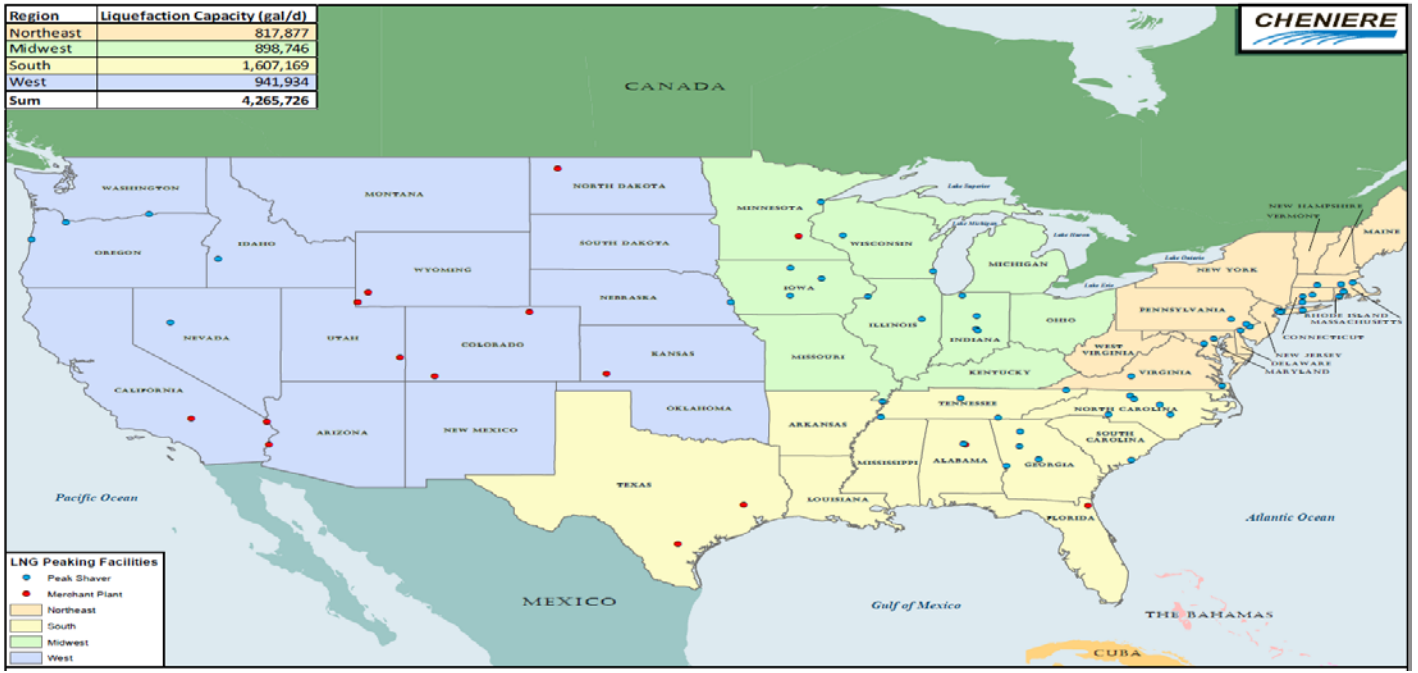
- Over 50 years of operations without a major incident affecting the public
- The good safety record of the industry makes risk analysis challenging as one cannot have a probability of zero, but that is what the data supports



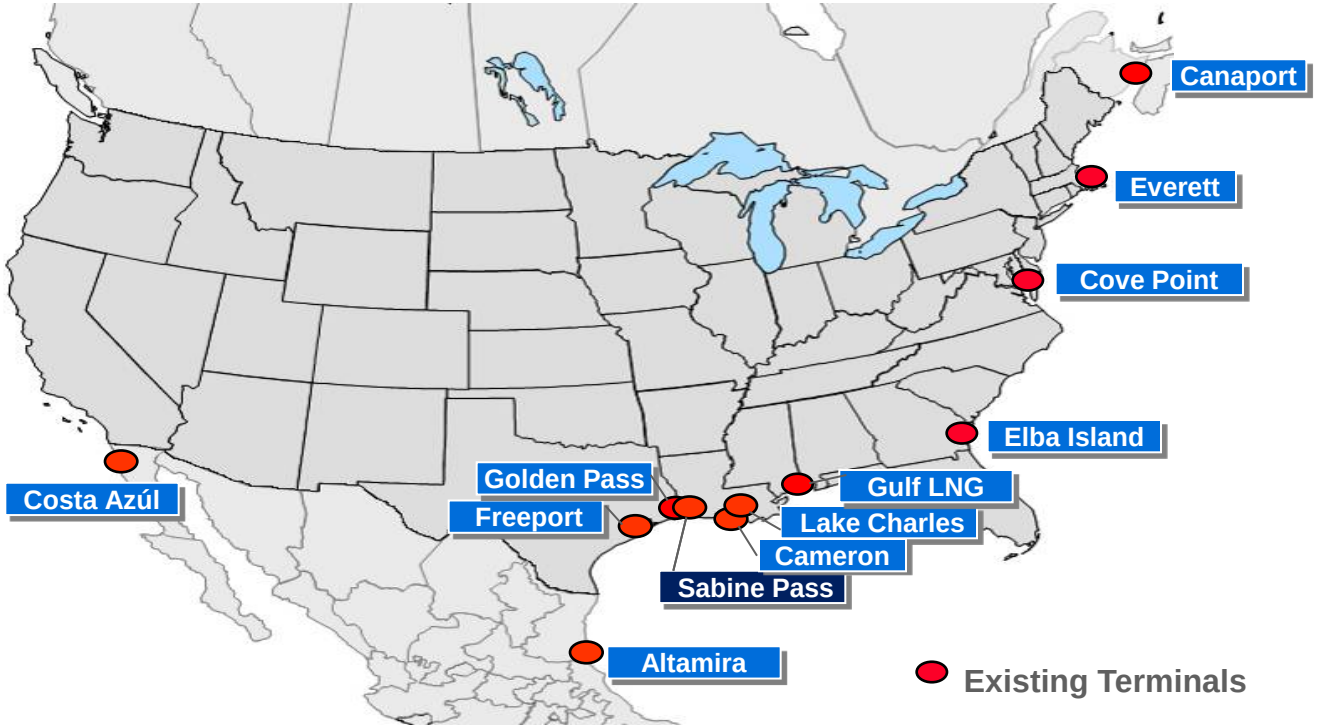
North American LNG Peaking Facilities

- 113 Peak Shaving Facilities 73 with Liquefaction and 40 Storage
- Produce between 10,000 and 265,000 gpd
- Built 1965-2008
- Costs: $100M
- Footprint: 10's of acres
- Regas: 100's MMcf/d
- 1-2 Storage tanks
- Storage 1-2 Bcf

Region	Liquefaction Capacity (gal/d)
Northeast	817,877
Midwest	898,746
South	1,607,169
West	941,934
Sum	4,265,726



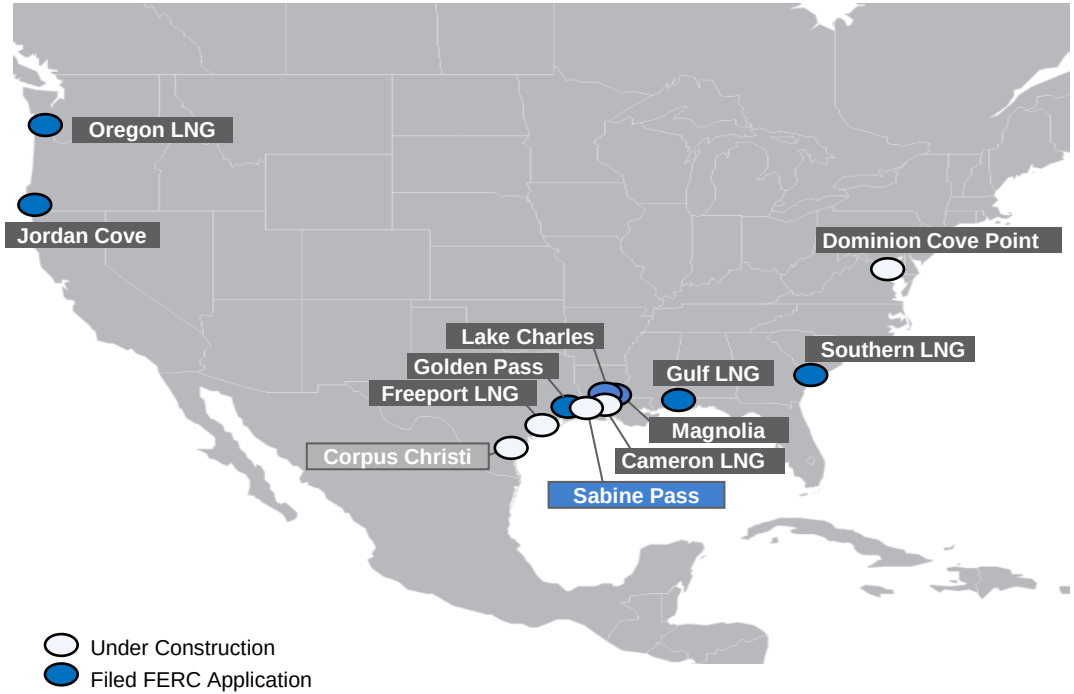
North America Onshore Regasification Capacity



Terminal Capacity Holder	Baseload Sendout (MMcf/d)
Canaport	1,000
Everett -	700
Cove Point	1,800
Elba Island	1,800
Gulf LNG	1,300
Lake Charles -	1,800
Freeport	1,500
Sabine Pass	4,000
Cameron	1,500
Golden Pass	2,000
Altamira	700
Costa Azul	1,000
Total	19,100

Source: Websites of Terminal Owners

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	Fully permitted		Fully Subscribed
Lake Charles	2.0	FTA	✓	Fully Subscribed
Dominion Cove Point	1.0	Fully permitted		Fully Subscribed
Cameron LNG T1-3	1.7	Fully permitted		Fully Subscribed
Jordan Cove	1.2/0.8	FTA	✓	
Oregon LNG	1.25	FTA	✓	
Cheniere Corpus Christi T1 – T3	2.1	Fully permitted		T1-2 Subscribed
Cheniere Sabine Pass T5 – T6	1.3	Fully permitted		T5 Subscribed
Southern LNG	0.5	FTA	✓	Fully Subscribed
Magnolia LNG	0.5	FTA	✓	Partially Subscribed
Golden Pass LNG	2.0	FTA	✓	Fully Subscribed
Gulf LNG	1.3	FTA	❖	
Cameron LNG T4-5	1.4	FTA	✓	

Plus other proposed LNG export projects that have not filed a FERC application. Excelerate has requested that FERC put on hold the review its application.

Application filing = ❖ FERC scheduling notice issued = ✓

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

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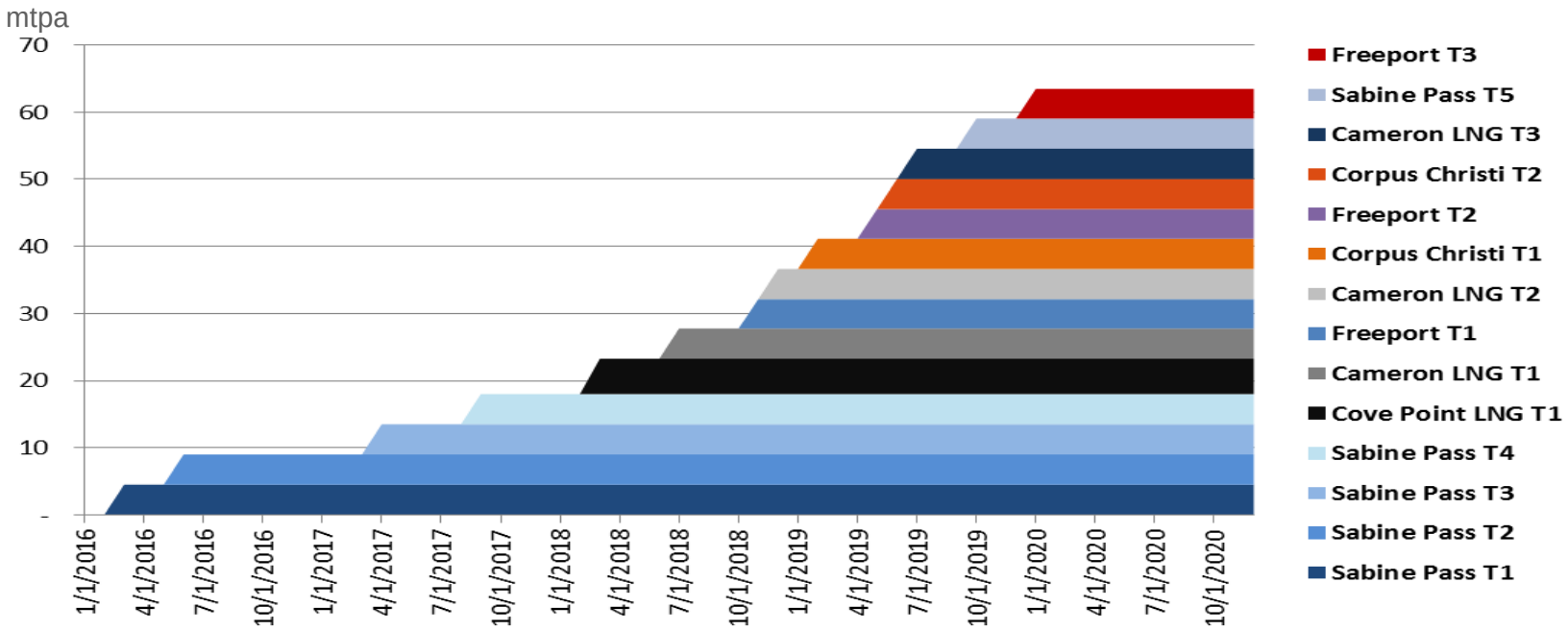
Sabine Pass to Launch US Exports, Two Years Ahead of the Pack



Source: Cheniere Research, Company filings Includes projects under construction only

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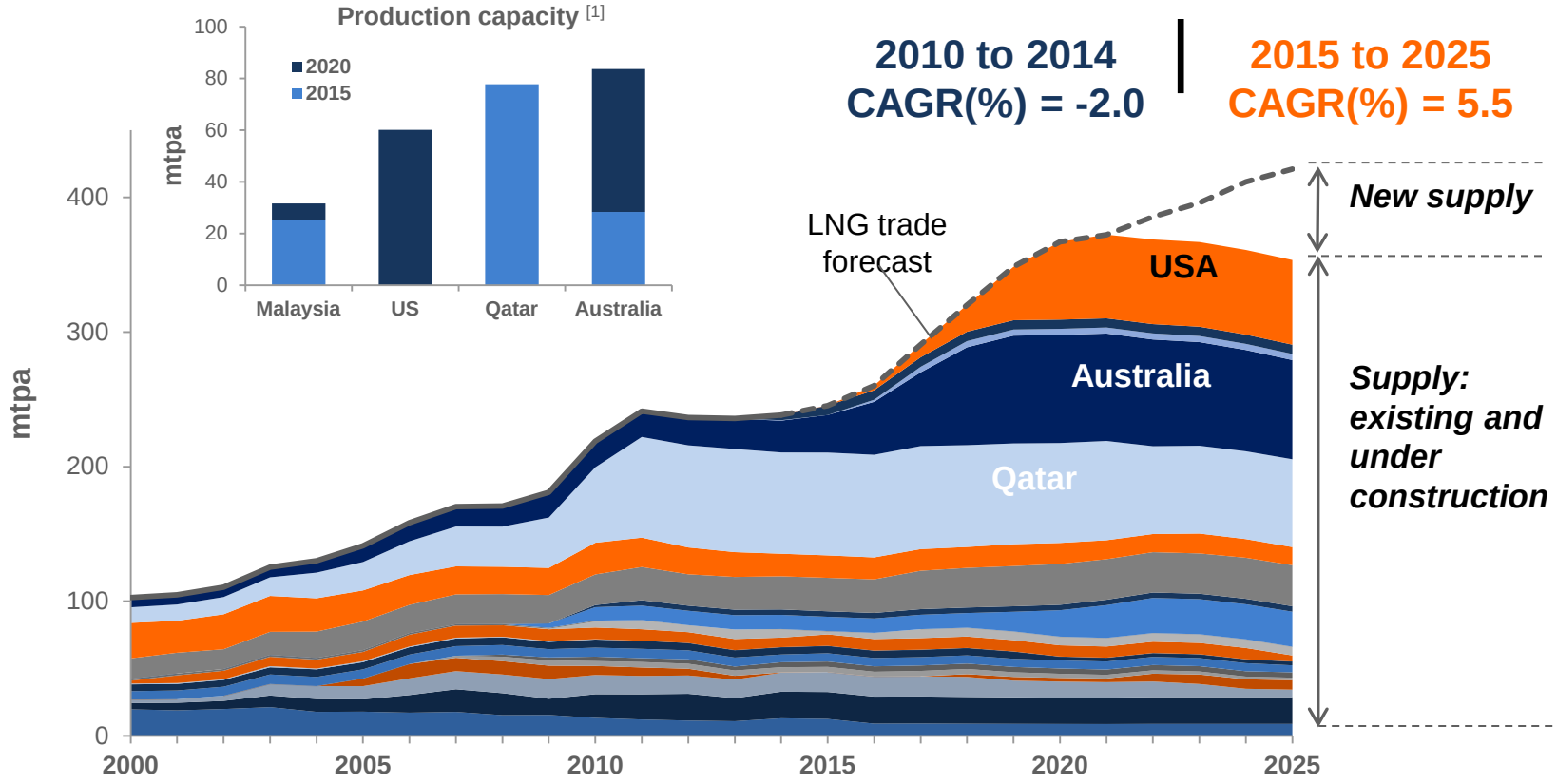
U.S. To Become One of the Top Three LNG Suppliers by 2020

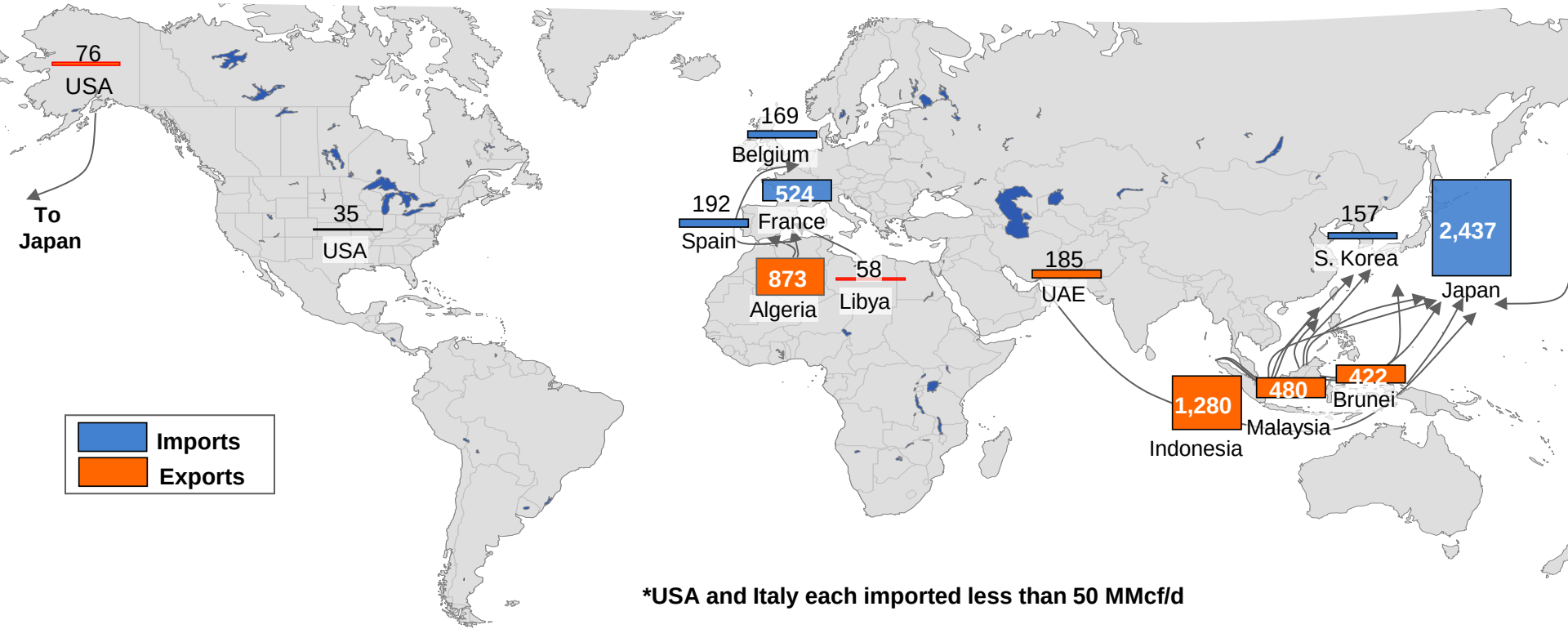


Source: Cheniere interpretation of Wood Mackenzie data (Q4 2015); [1] Operational capacity plus capacity under construction

Peakshaving Plant Overlaid on Sabine Pass LNG

LNG Trade in 1988, MMcf/d

Two highly regionalized markets



***USA and Italy each imported less than 50 MMcf/d**

Source: GIIGNL

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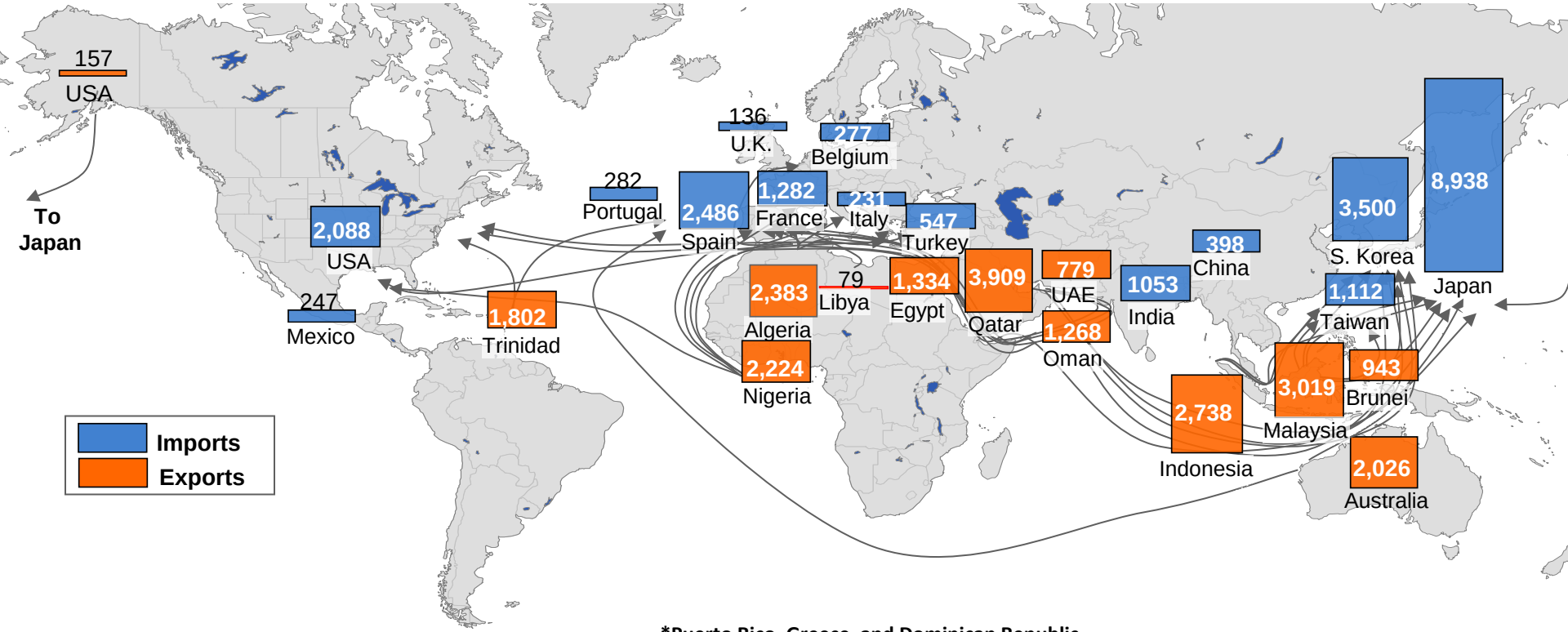
LNG Trade in 2007, MMcf/d

Regional markets growing; New supply players; Spot trade increasing



*Puerto Rico, Greece, and Dominican Republic each imported less than 100 MMcf/d

Source: GIIGNL

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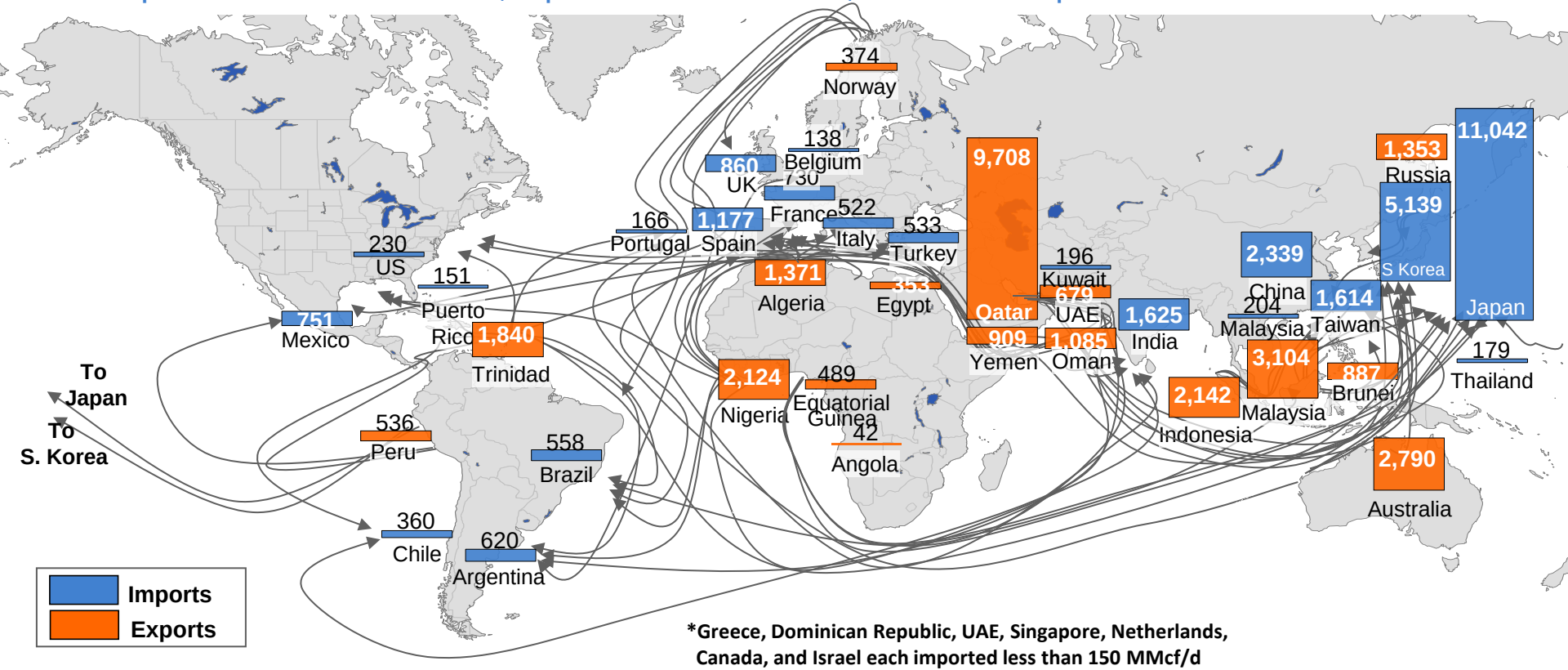
LNG Trade in 2013, MMcf/d

Many more small importers; Longer shipping routes; South America enters trade

Re-exports from 17 countries; Optimization needed!; Historical exporters shrink



*Greece, Dominican Republic, UAE, Singapore, Netherlands, Canada, and Israel each imported less than 150 MMcf/d

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Cheniere LNG Platform Along Gulf Coast

31.5 mtpa
currently under construction

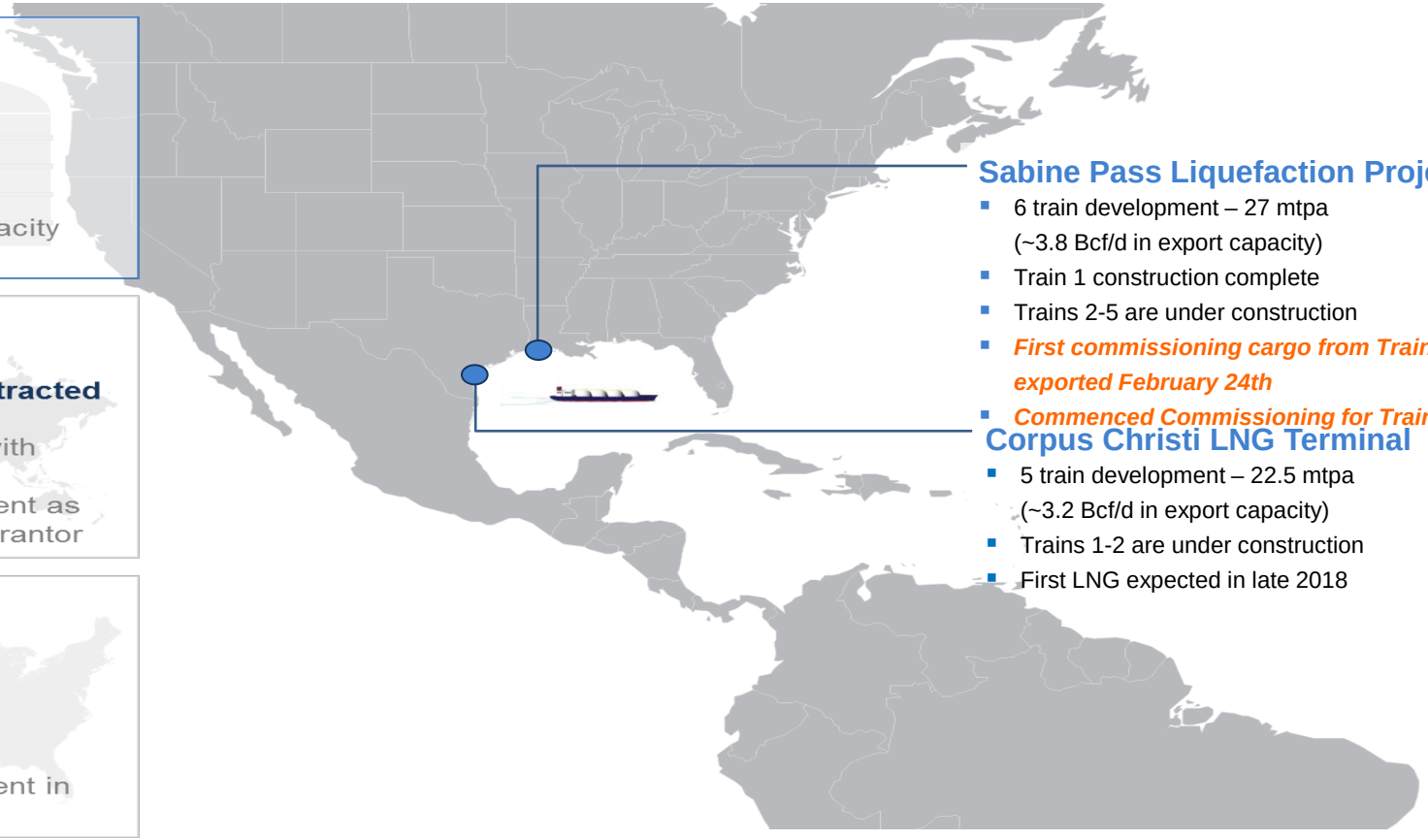
7 trains, design capacity of 4.5 mtpa each

~87%
LNG volumes contracted

20-year contracts with fixed fees, no price reopeners, and parent as counterparty or guarantor

~$30B
capital spend

Significant investment in U.S. infrastructure



Sabine Pass Liquefaction Project

- 6 train development – 27 mtpa (~3.8 Bcf/d in export capacity)
- Train 1 construction complete
- Trains 2-5 are under construction
- ***First commissioning cargo from Train 1 exported February 24th***
- ***Commenced Commissioning for Train 2***

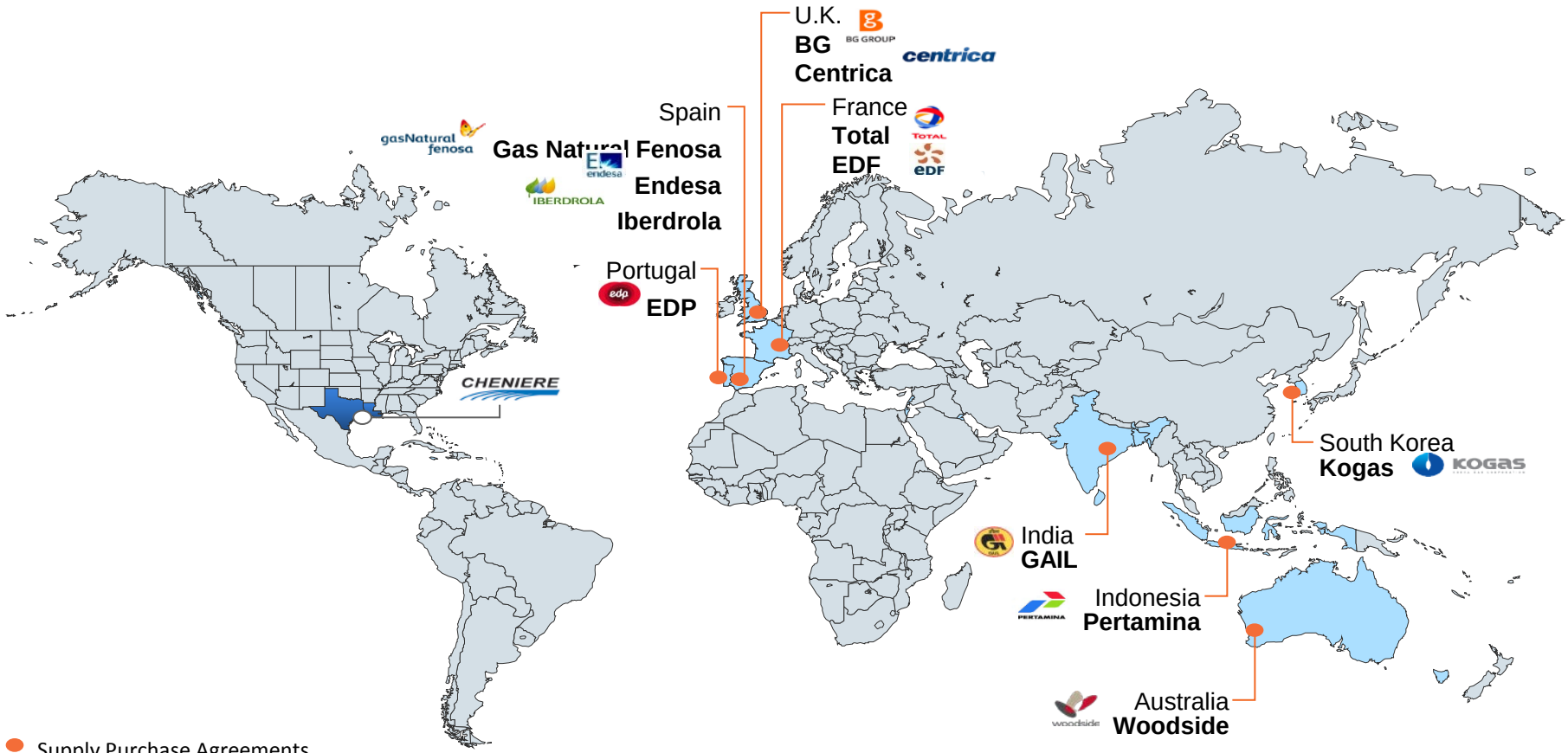
Corpus Christi LNG Terminal

- 5 train development – 22.5 mtpa (~3.2 Bcf/d in export capacity)
- Trains 1-2 are under construction
- First LNG expected in late 2018

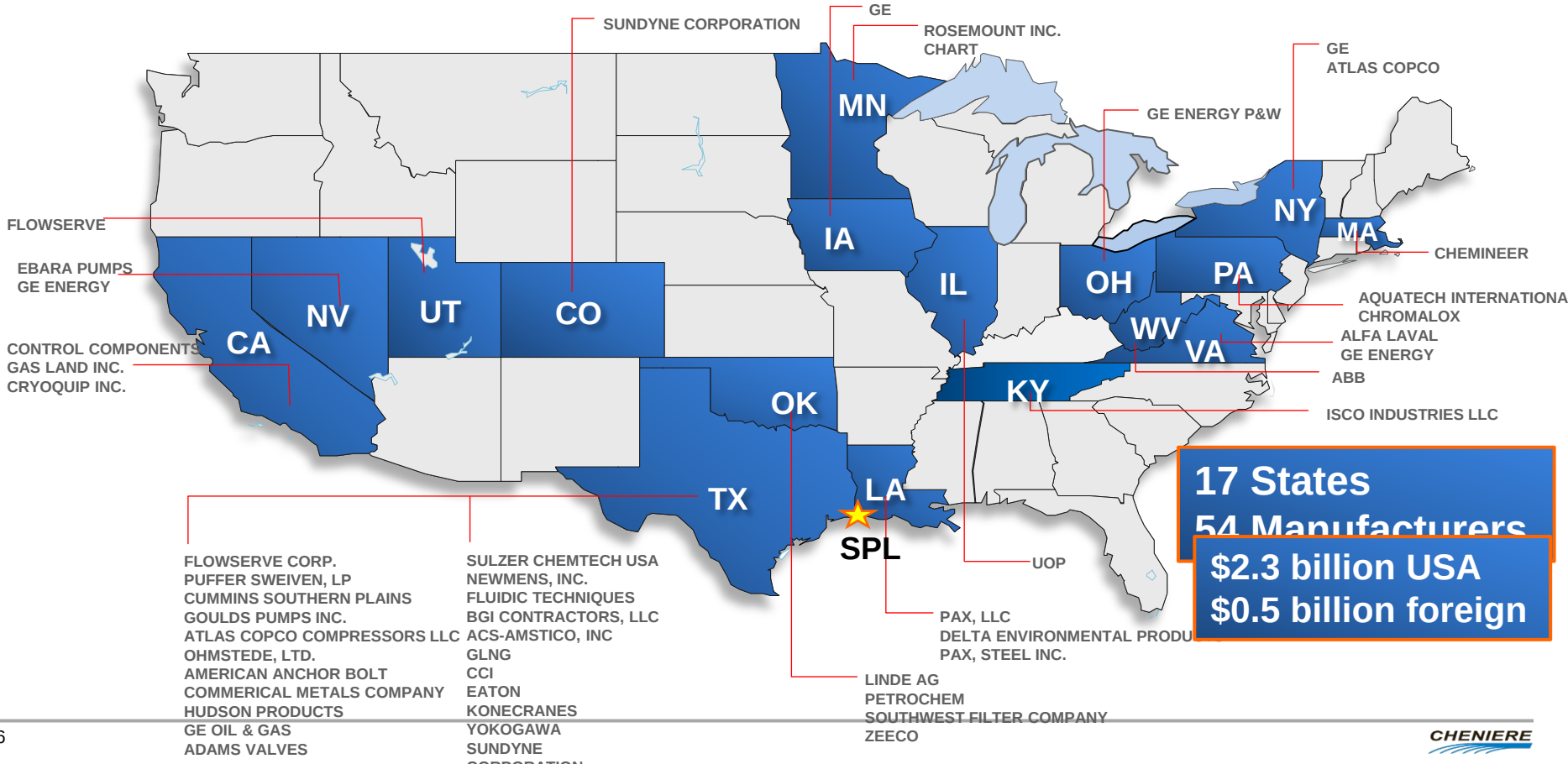
Cheniere Statistics

- Cheniere tanks are large enough to fit a commercial airplane inside of it
- Sabine Pass
  - 6 trains, equivalent to 27 mtpa of LNG.
  - Each LNG train measures over 1,300 feet in length, equivalent to about 3 football fields, and over 90 feet high.
  - Each Cold Box weighs over 1000 tons
  - Over 200 fans, 15 feed in diameter, help cool the refrigerants
  - Some of the pipes in the train can be up to 6 feet in diameter
  - There are thirty gas turbines in the 5 trains
  - The components of all 5 trains
    - 367,00 cubic yards of concrete
    - 75,000 tons of structural steel
    - 345 miles of pipe
    - 2,415 miles of electrical cable
- Between Sabine and Corpus – 950 permanent jobs
- The two facilities support over 150,000 indirect jobs
- Total cost Sabine - $20B
- Total cost Corpus Christi - $10B
- Cheniere has twelve customers that have signed 20 year contracts for the LNG offtake

Cheniere Energy Global Customers



Sabine Pass Liquefaction
A $2.3 Billion Investment in American Manufacturing



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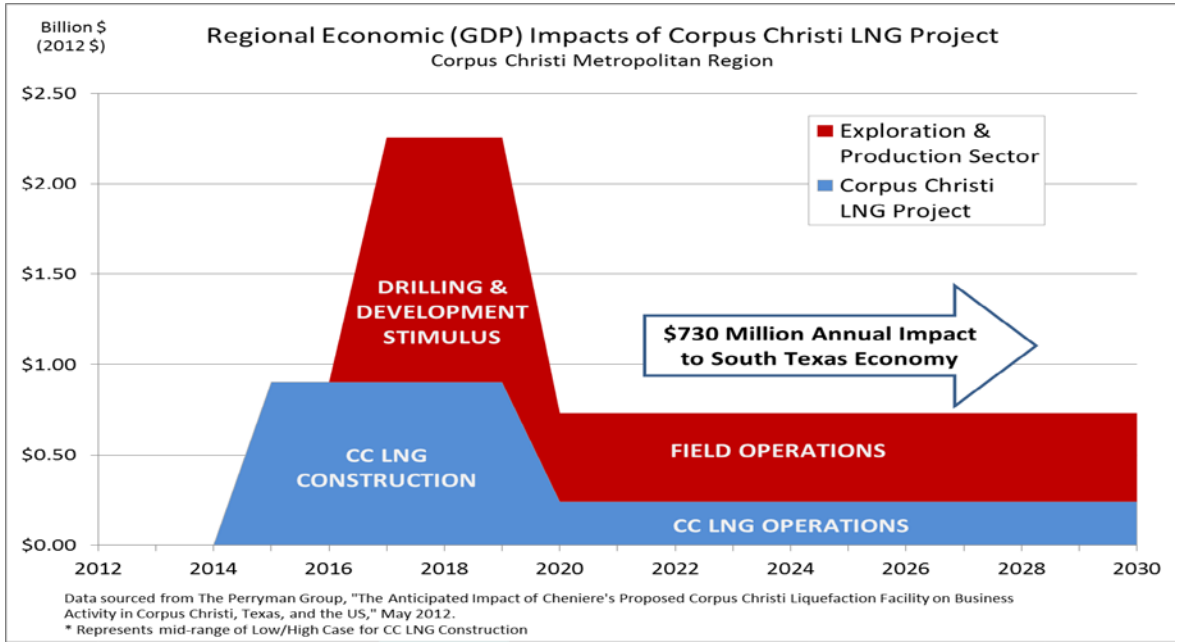
Corpus Christi Liquefaction Impacts (Trains1-3)

- Infrastructure Investment ~$11 B
- Direct Jobs
  - Peak 4,000 construction jobs
  - 200+ permanent jobs at terminal
  - Estimated 15 million work hours
- Indirect & Induced Jobs U.S.*
  - 35,000 - 50,000 jobs from CC LNG construction
  - 55,000 – 75,000 jobs from initial E&P drilling stimulus
  - ~47,000 jobs long-term from CC LNG & E&P operations
- Economic Impacts*
  - $11 -$20 Billion/yr to GDP during construction
  - $4.4 Billion/yr to GDP long term
  - $5.0 - $9.5 Billion/yr improvement to US Balance of Trade

Regional Impact of Corpus Christi LNG Project



** Data derived from The Perryman Group, "The Anticipated Impact of Cheniere's Proposed Corpus Christi Liquefaction Facility on Business Activity in Corpus Christi, Texas, and the US," May 2012.*

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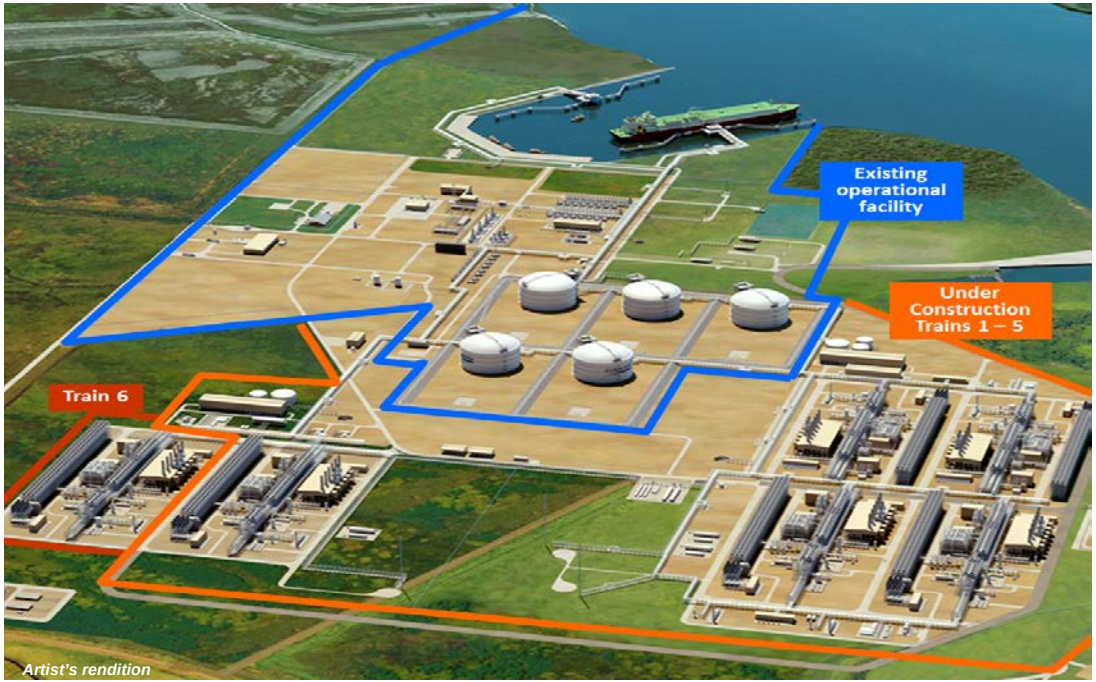
Sabine Pass Liquefaction Project (SPL)



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

Current Facility – Utilizing existing assets

- ~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 – 5: Fully Contracted

- Lump Sum Turnkey EPC contracts w/ Bechtel
- T1 & T2 EPC contract price ~$4.1B
  - Overall project ~98% complete (as of 2/2016)
    - T1 is complete; 1st LNG produced in February
  - Operations estimated 2016
- T3 & T4 EPC contract price ~$3.8B
  - Overall project ~82% complete (as of 2/2016)
  - Operations estimated 2017
- T5 EPC contract price ~$3.0B

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

Liquefaction Train 6: Permitted

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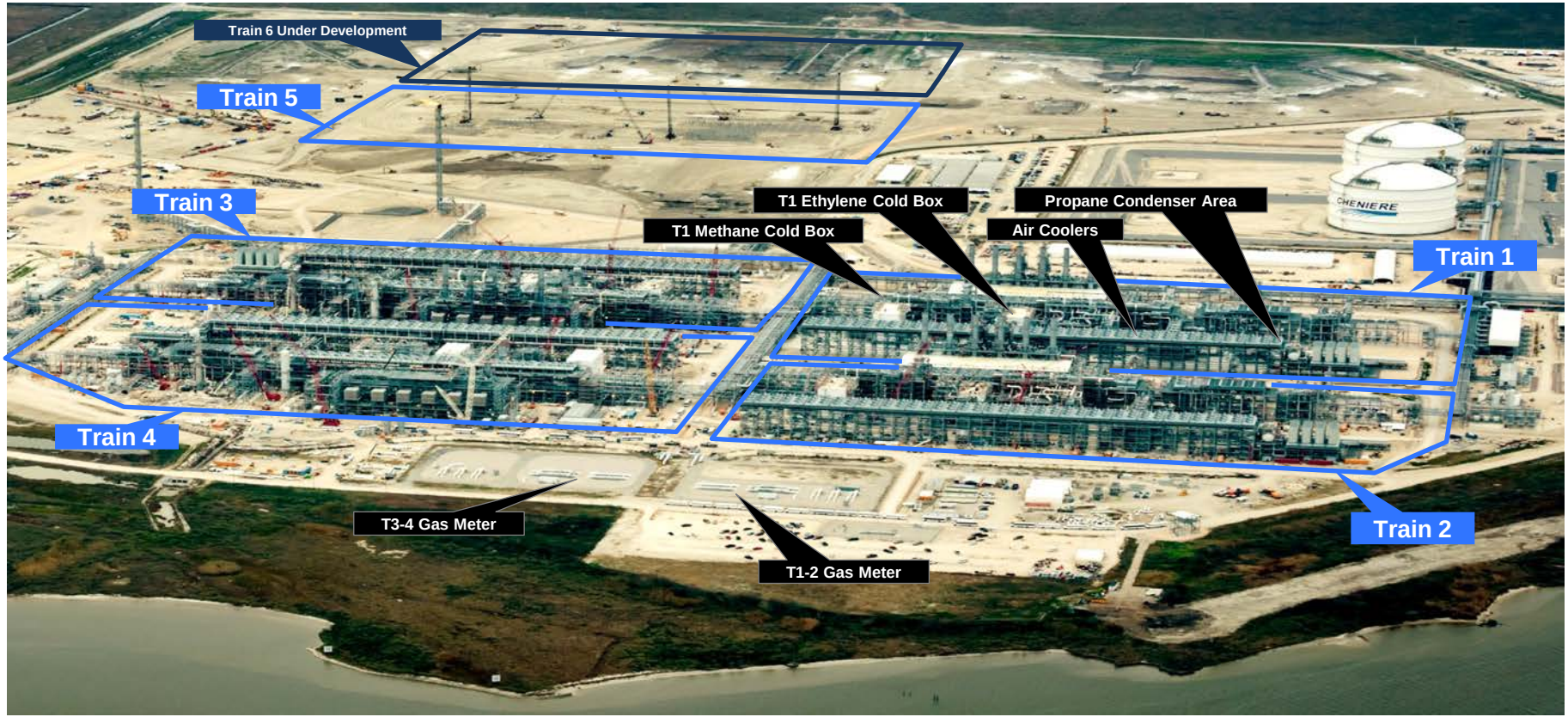
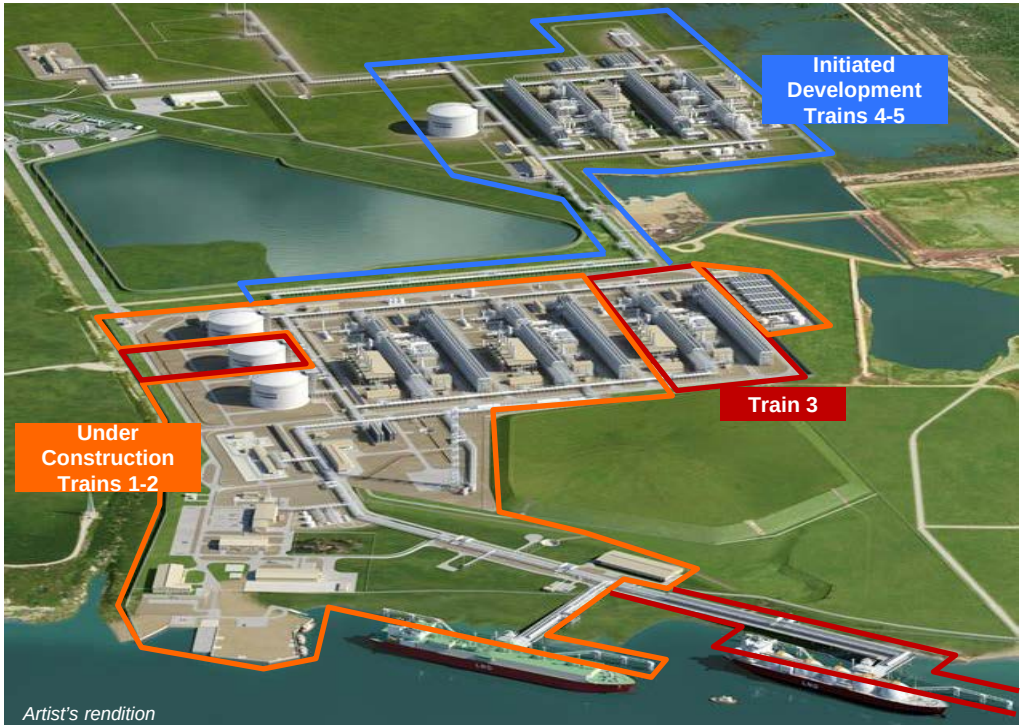
Aerial View of SPL Construction – February 2016



Corpus Christi LNG Terminal



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

Proposed 5 Train Facility

- ~2,000 acres owned and/or controlled
- 2 berths, 4 LNG storage tanks (~13.5 Bcfe of storage)

Key Project Attributes

- 45 ft. ship channel 14 miles from coast
- Protected berth
- Premier Site Conditions
- 23-mile 48" and 42" parallel pipelines will connect to several interstate and intrastate pipelines

Liquefaction Trains 1-2: Under Construction

- Lump Sum Turnkey EPC contracts w/ Bechtel
- T1 & T2 EPC contract price ~$7.5B
- Construction commenced May 2015
- Operations estimated 2018

Liquefaction Train 3: Partially Contracted

- 0.8 mtpa contracted to date
- Targeting additional 2.1 mtpa

Commenced Construction on Trains 1-2 in May 2015

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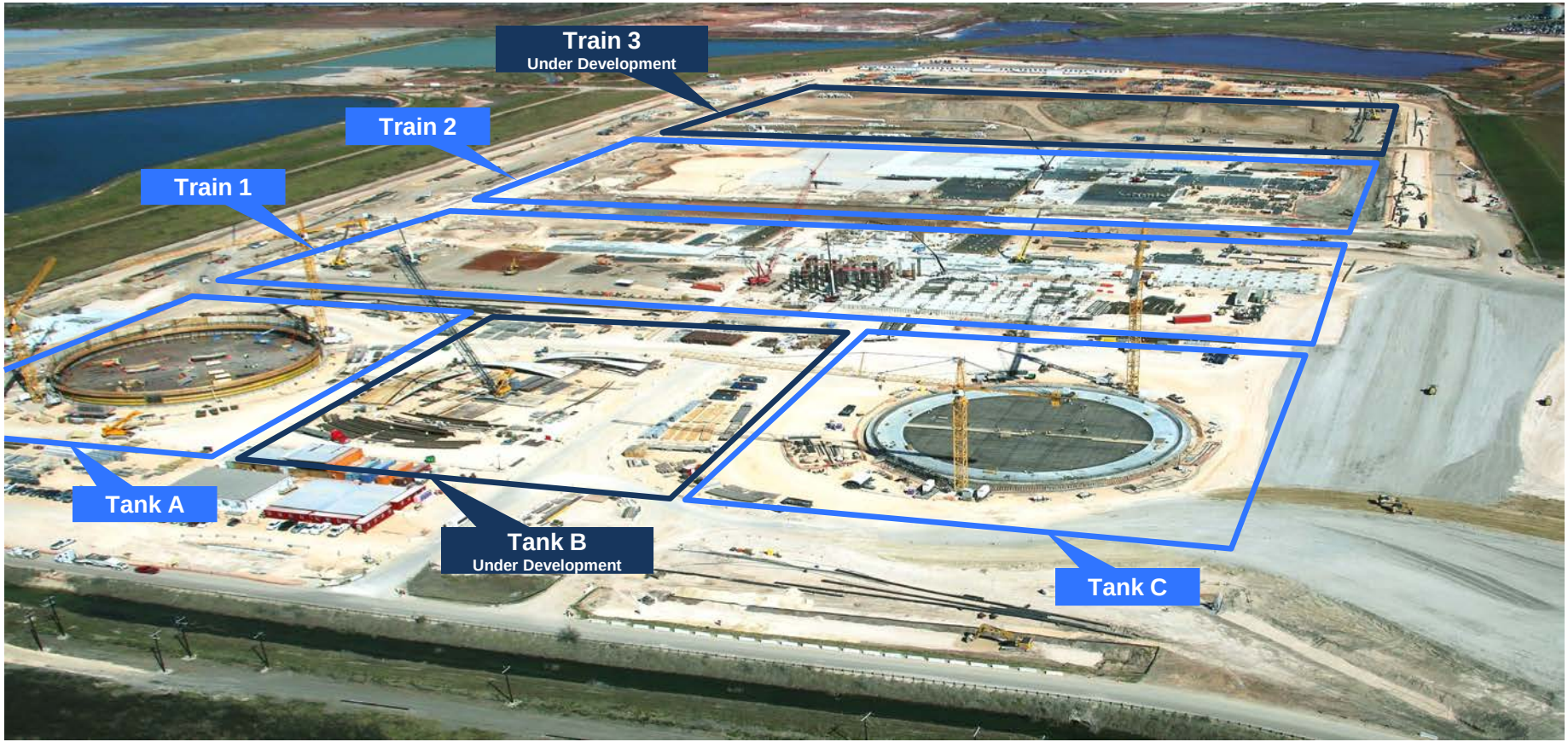
Liquefaction Trains 4-5: Initiated Development

Aerial View of CCL Construction – February 2016



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OPENING EVENT VIDEO

Regulations and Standards – How they Impact Facilities

- Three primary documents used for LNG facilities
  - 49 CFR Part 193
  - 33 CFR Part 127
  - NFPA 59A
- Standards referenced by these two documents:
  -

Industry Standard	No. of References
NFPA	32
ACI	4
ALPEMA	2
API	4
ASCE	1
ASME	4
ASTM	3
CSA	2
IEEE	1
NACE	1
UL	1
Others	6
	61

Industry Standard	No. of References
AGA	1
API	1
ASCE	1
ASME	1
GTI	3
NFPA	2
	9

Issues Identified

- Older versions of standards referenced in the regulation negatively impact design, construction and operations

- Design Issues
  - The 2001 version of NFPA 59A is referenced in 49 CFR Part 193
  - The 2001 version of NFPA 59A references the 1992 version of ASME Boiler and Pressure Vessel Code
  - The ASME requires that six months after a new standard is issued that the new standard be utilized and that the old standard is void
  - Therefore, the regulations are asking professional engineers to utilize old and outdated standards that is against the requirements of the PE societies
  - This issue has resulted in additional submittals and the commensurate time to develop and review the submittals for both applicants and the PHMSA staff.

- Construction issues
  - Regulations call out using less effective quality assurance testing methods

- Operational issues
  - Regulations require prescriptive testing intervals for certain equipment instead of industry best practice or manufacturers recommendations
  - These prescriptive requirements actually increases risk and diminishes safety. (if it ain't broke don't fix it)

Conclusions

- LNG industry has evolved, both in the United States and worldwide, from a smaller relatively simple industry and facilities to larger and more complex business models and facilities.
- The regulations, although dated, have served the industry well as the safety record is exemplary compared to other industrial facilities.
- US regulations do not reflect industry best practices and actually increase risk in the design, construction and operation of LNG facilities.
- A good first step is to have LNG regulations updated with the newest standards