



CHENIERE ENERGY, INC.

NYSE American: LNG

LNG MARKET OUTLOOK AND U.S. LNG'S FUNCTION
Andrew Walker – Vice President, Strategy and Communication
IEEJ – November 15, 2018

Safe Harbor Statements

Forward-Looking Statements

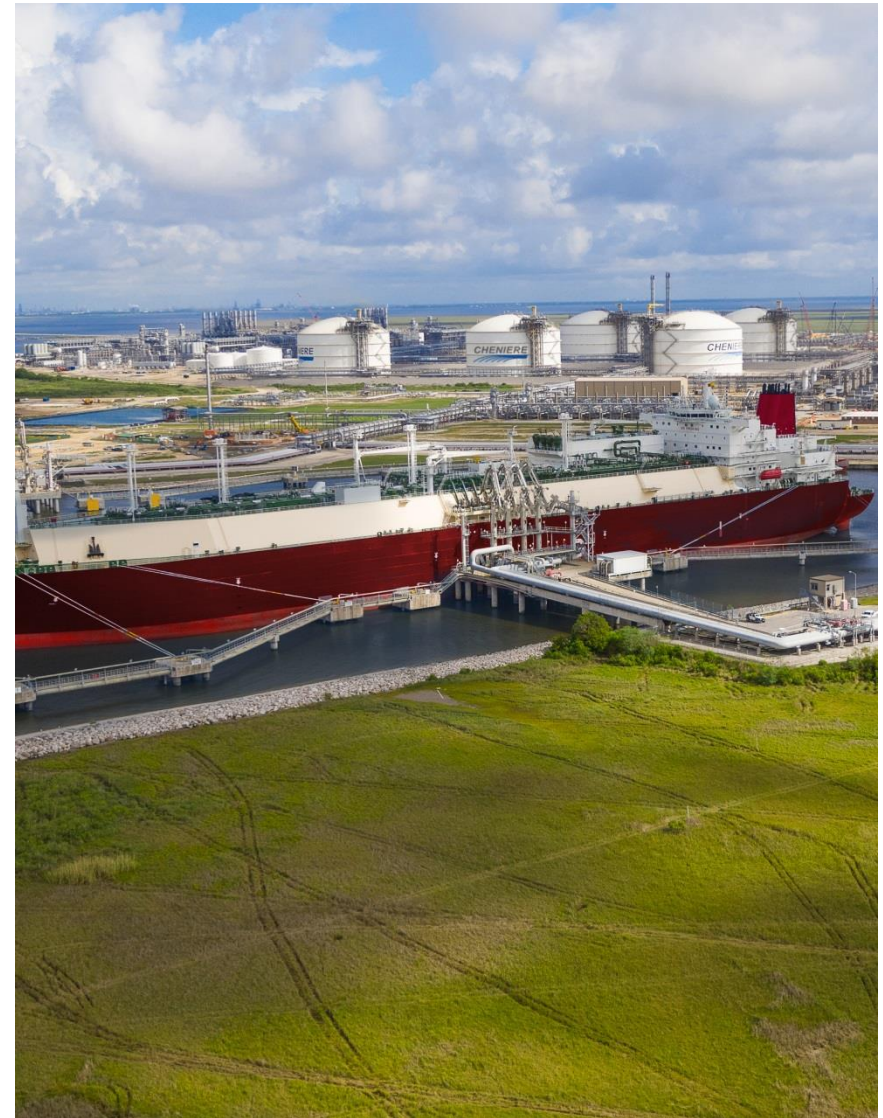
This presentation contains certain statements that are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical 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, Inc. to pay dividends to its shareholders or participate in share or unit buybacks;
- statements regarding Cheniere Energy, Inc.’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 our pipelines, 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, EBITDA, Adjusted EBITDA, distributable cash flow, distributable cash flow per share and unit, deconsolidated debt outstanding, and deconsolidated contracted 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, 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,” “guidance,” “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. and Cheniere Energy Partners, L.P. Annual Reports on Form 10-K filed with the SEC on February 21, 2018, 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.

Today's Presentation

- U.S. Gas Market Overview
- U.S. LNG Update
- LNG Demand Outlook
- Impact of U.S. LNG



Cheniere Company Overview

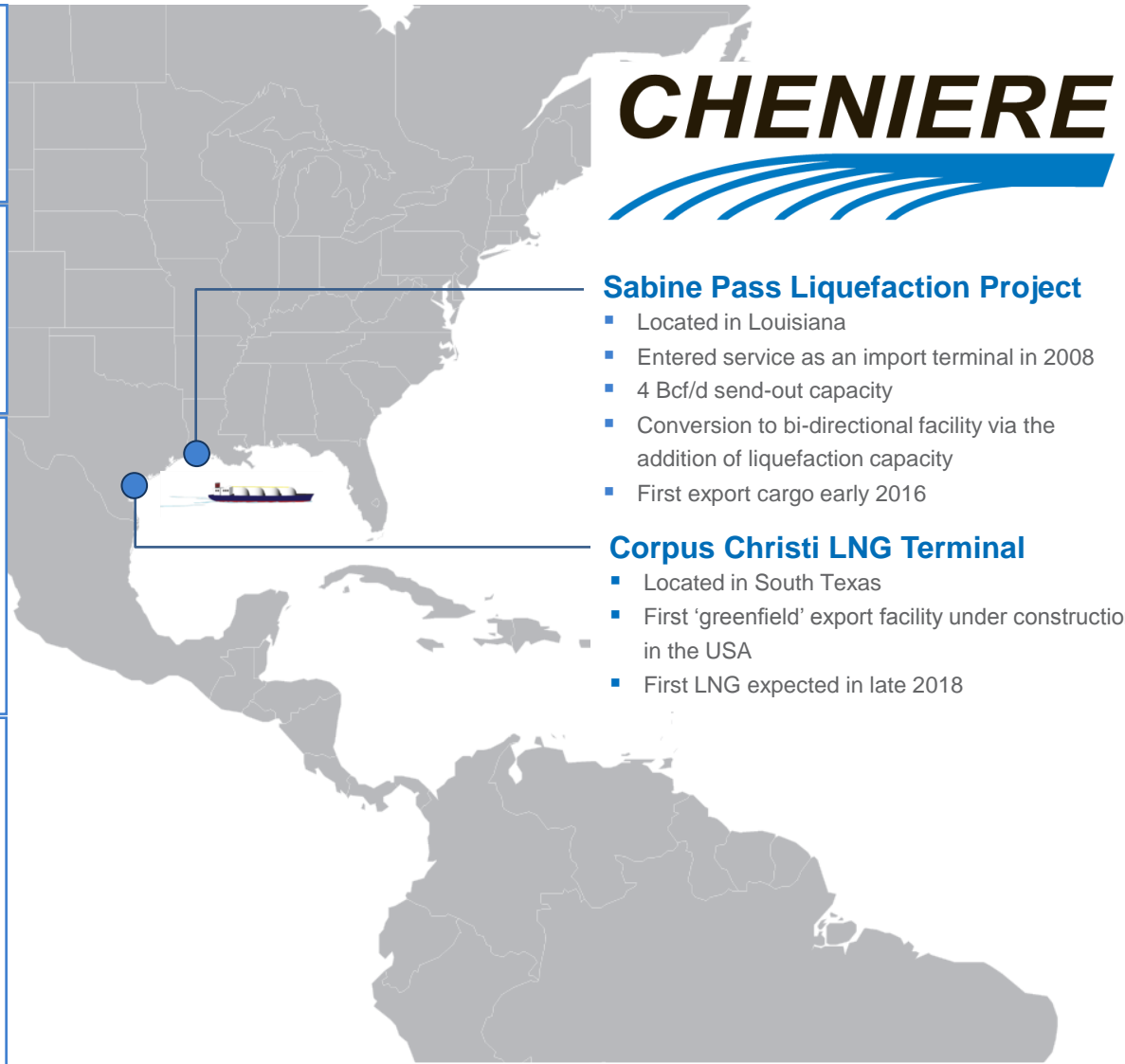
~**US\$16B***
Market Cap

~**US\$30B**
Capital Spend

LNG capacity
18 mtpa Operational
18 mtpa Under Construction
14 mtpa Under Development

1000+ Employees
6 Offices Worldwide

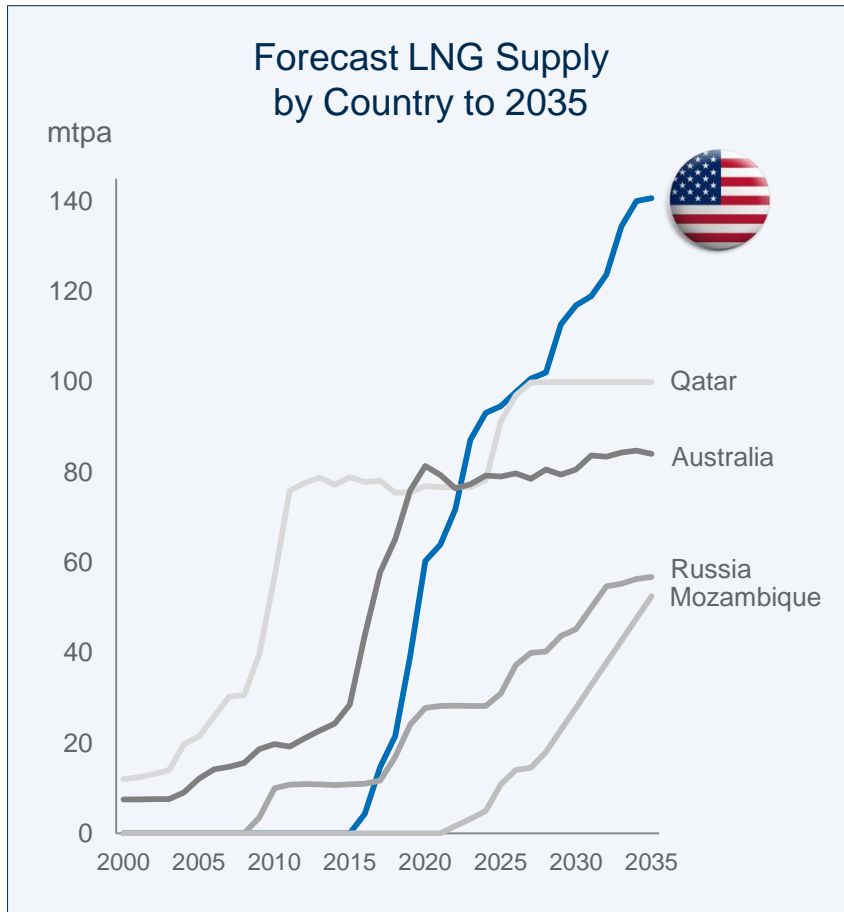
- Houston
- Washington
- London
- Singapore
- Tokyo
- Beijing



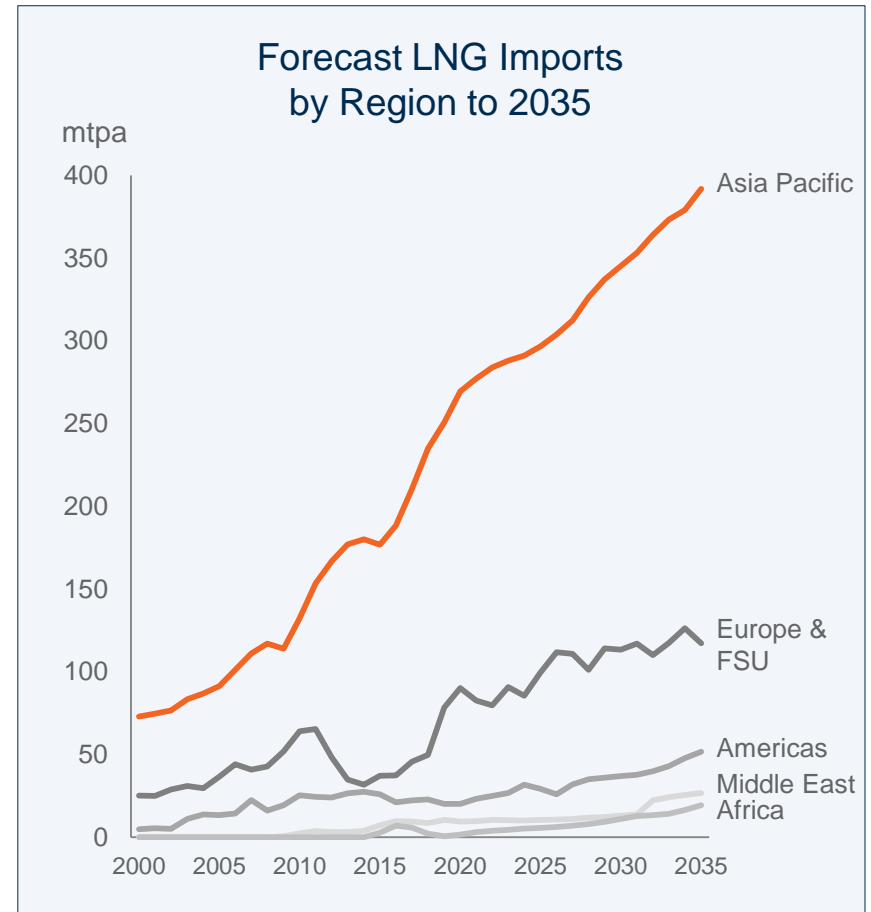
Building an industry leading U.S. LNG export platform

Forecast LNG Industry Growth to 2035

Asia Pacific is forecasted to remain the top importing region, representing ~65% of total global demand in 2035



“A new gas order is emerging, with US LNG helping to accelerate a shift towards a more flexible, liquid, global market.”



“The transformation of LNG markets creates a huge opportunity for gas users in Asia.”

Source: Cheniere interpretation of Wood Mackenzie data (Q2 & Q3 2018).

U.S. Gas Market Overview

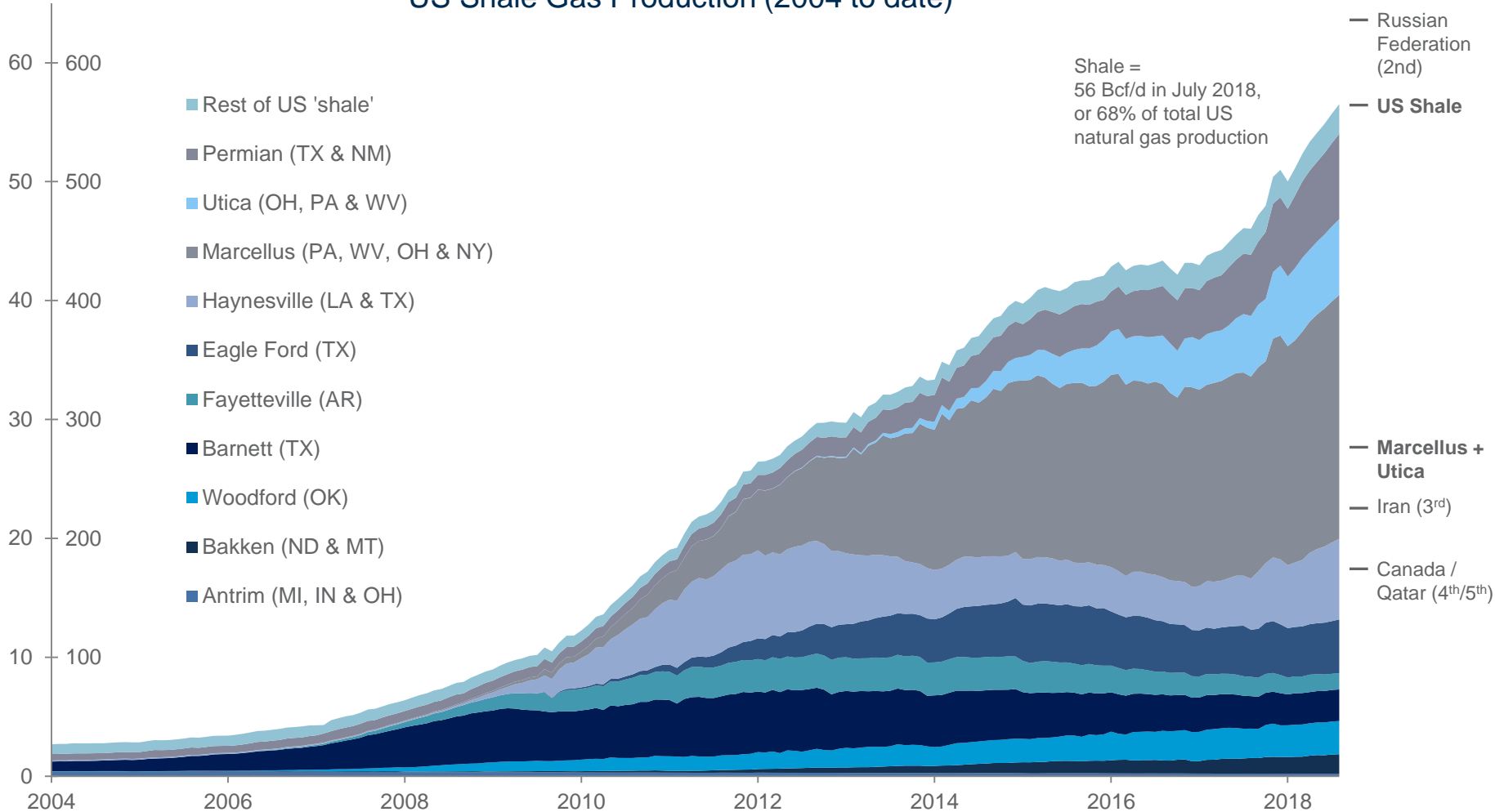


US Natural Gas Production

US shale production has reached record levels: 56.4 Bcf/d as of July 2018

Bcfd Bcma

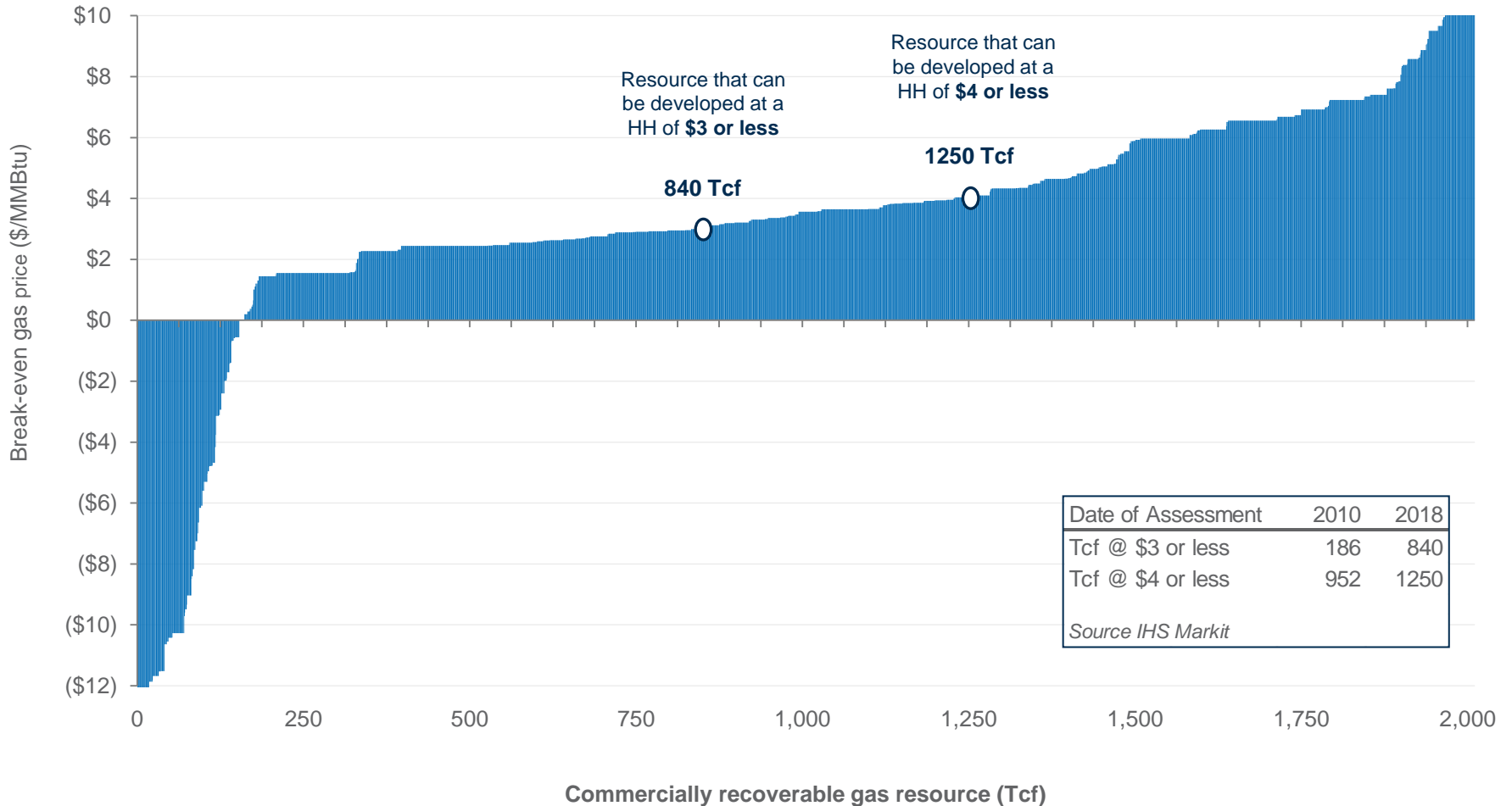
US Shale Gas Production (2004 to date)



North America Natural Gas Cost of Supply Curve

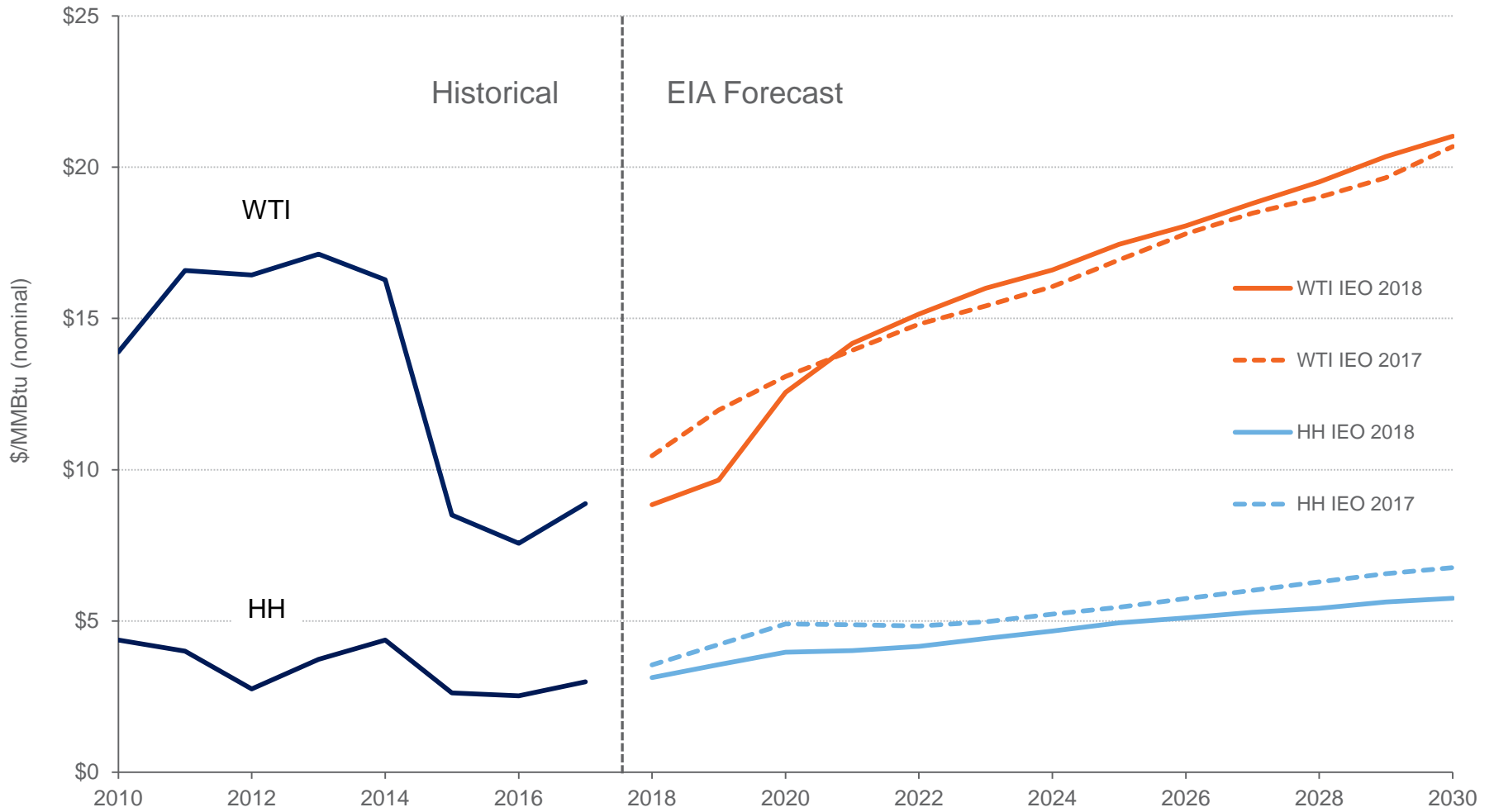
An estimated 840 Tcf can be developed at \$3 or less, compared to an assessment of 186 Tcf eight years ago

Break-even price at Henry Hub for North American natural gas resources (2018)



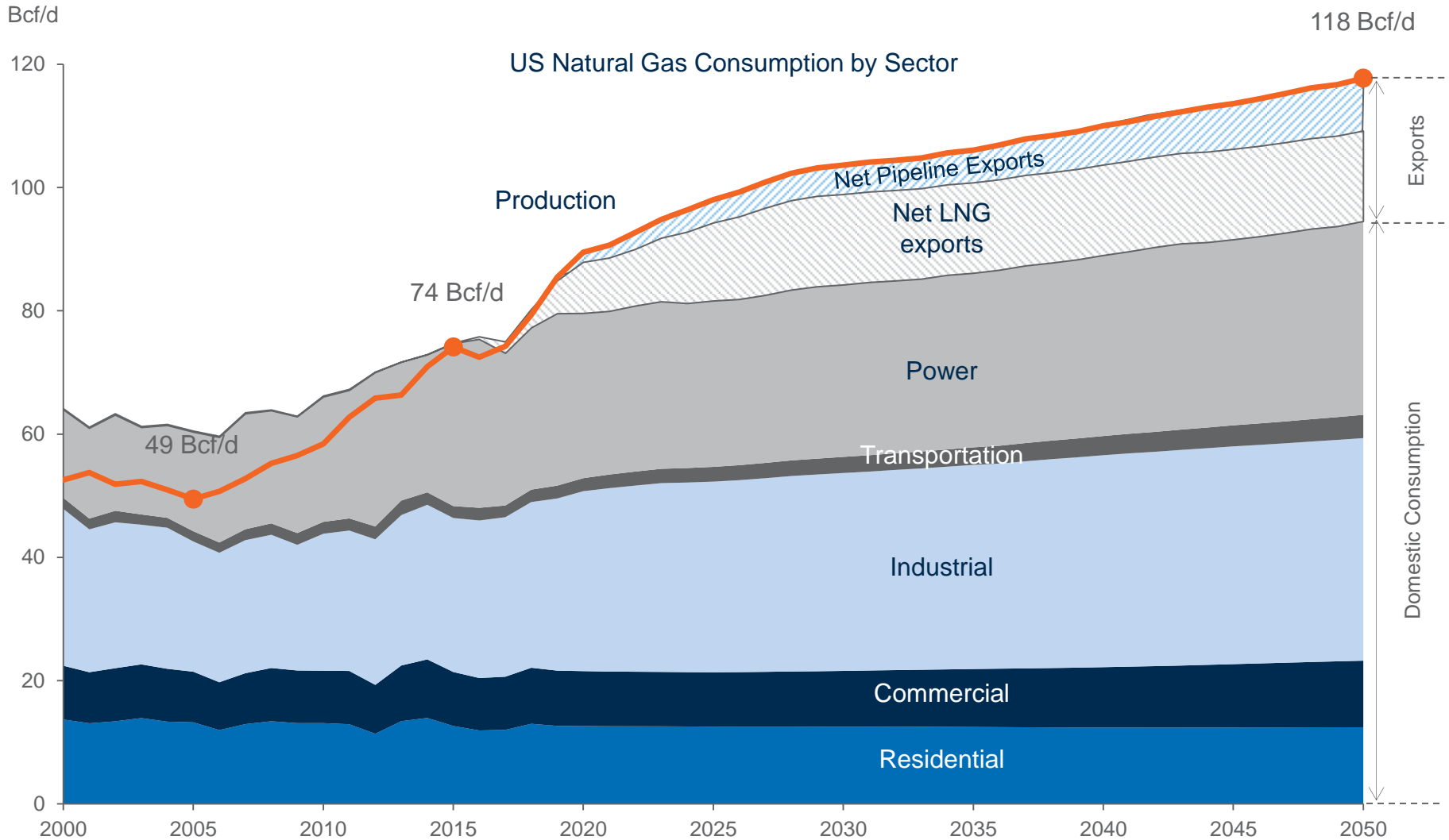
EIA Price Outlook for Henry Hub and WTI

Outlooks for oil shifted upwards in 2018, HH downwards.



US Gas Consumption By Sector

Domestic consumption set to grow by 21 Bcf/d to 2050. Exports set to grow by 23 Bcf/d

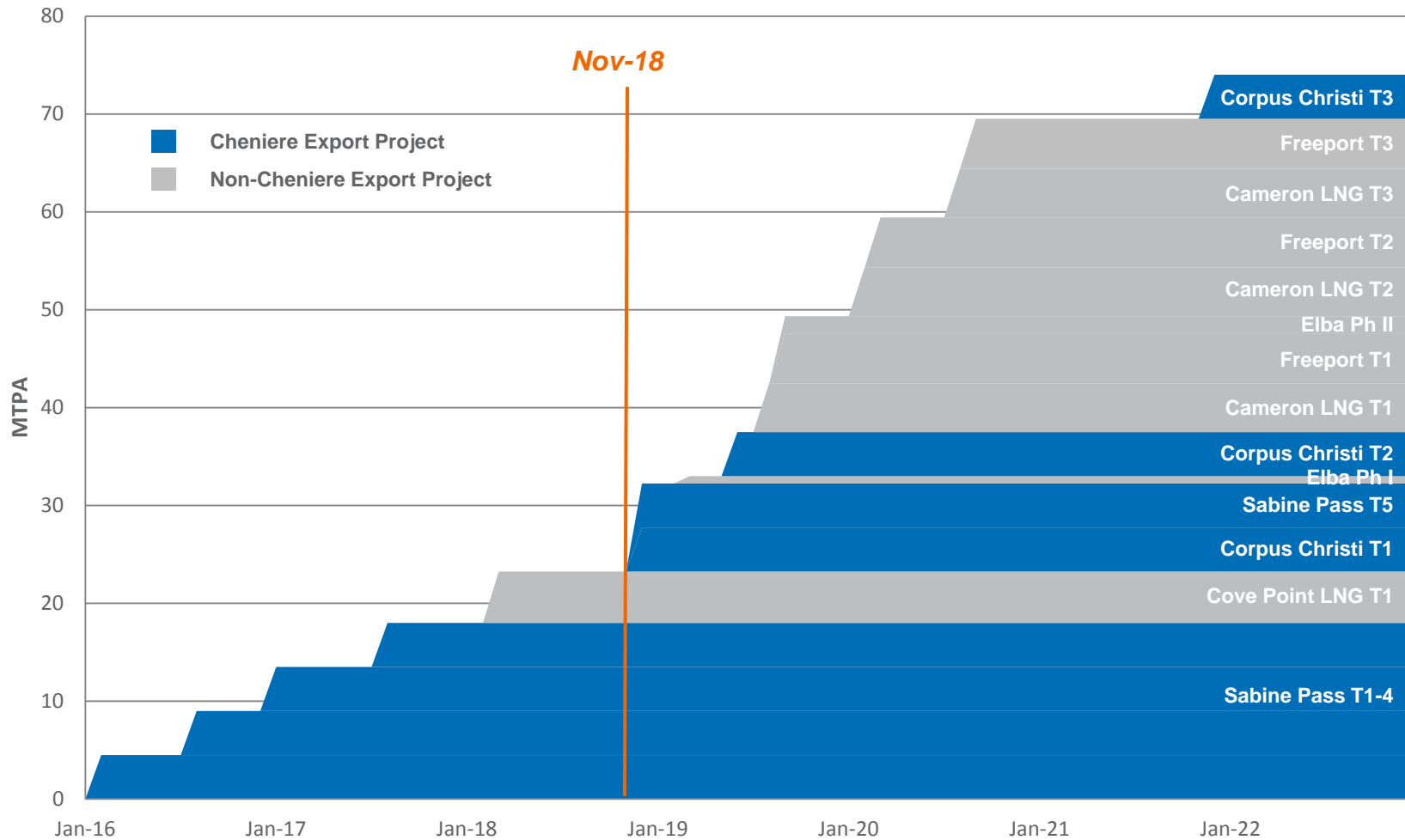


U.S. LNG Projects Overview



U.S. LNG Capacity : Operating and Under Construction

U.S. LNG capacity set to reach ~70 mtpa in 2020



Sabine Pass Terminal



Sabine Pass Terminal



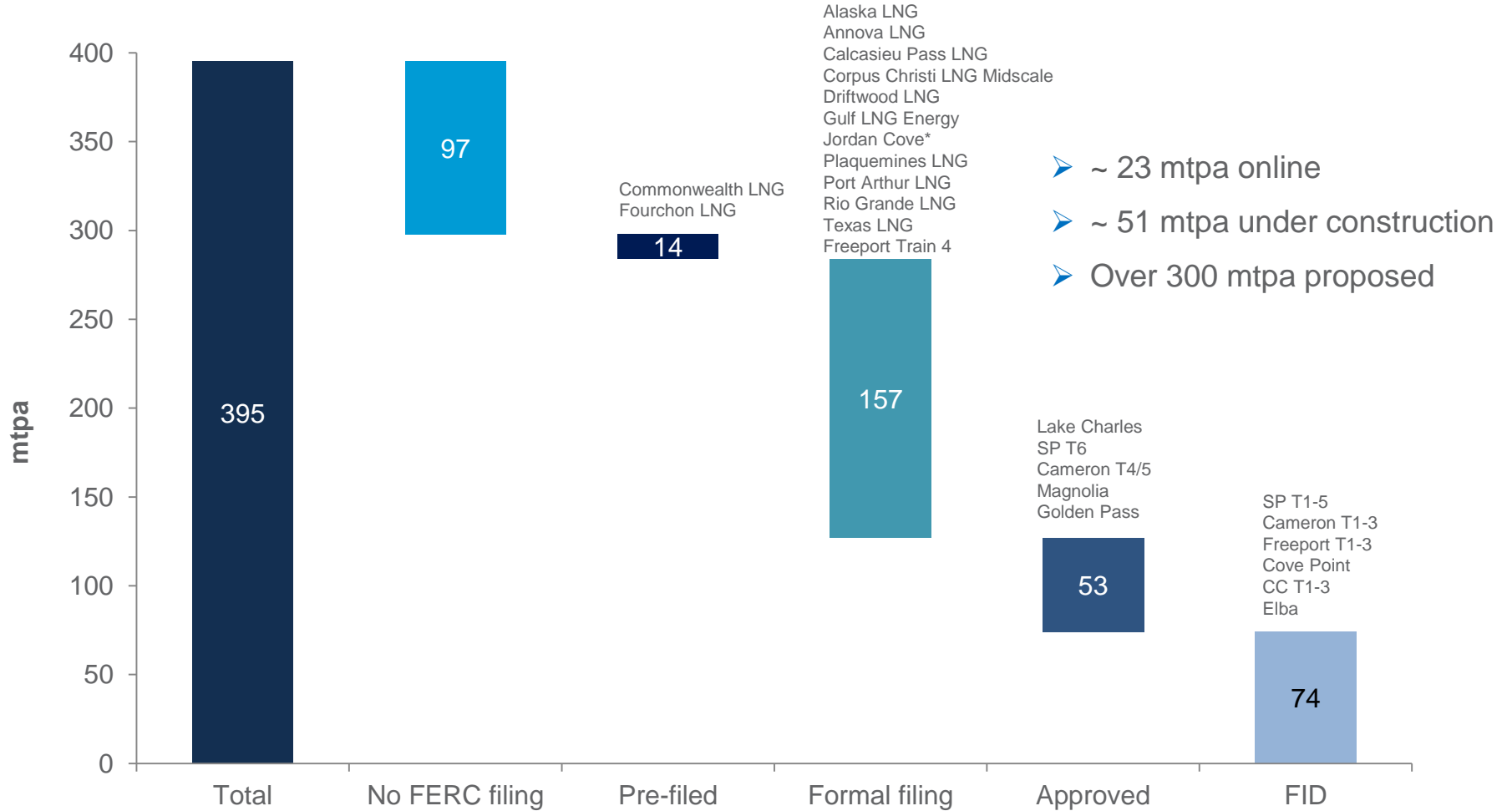
Corpus Christi Liquefaction Terminal



October 2018

US LNG Projects: Permitting Status

FERC Status (as of September 2018)



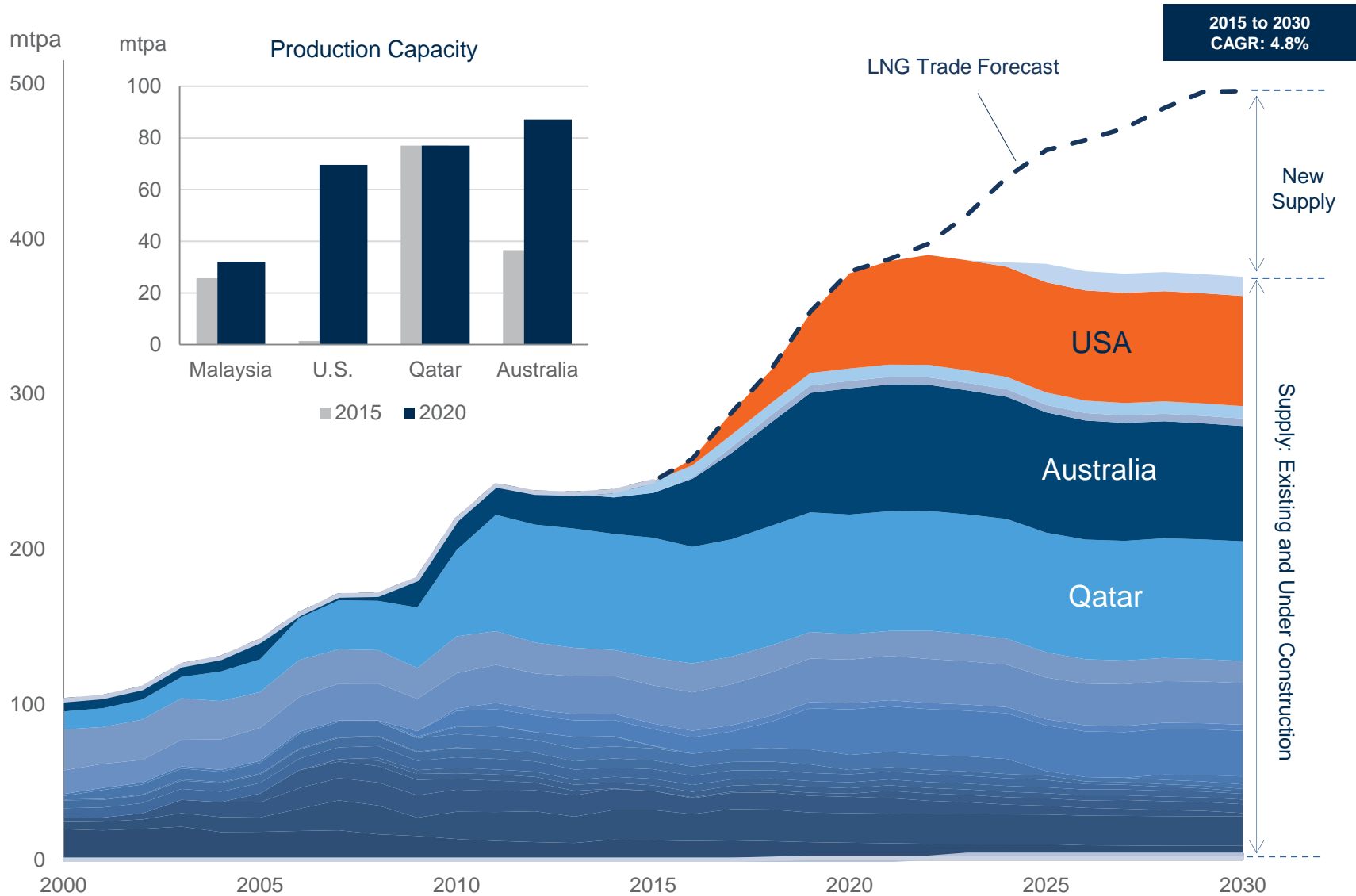
Sources: US FERC, US DOE, and press reports
Excludes Delfin LNG, which is outside FERC's jurisdiction

*Previously denied by FERC and had to re-file

LNG Demand Outlook



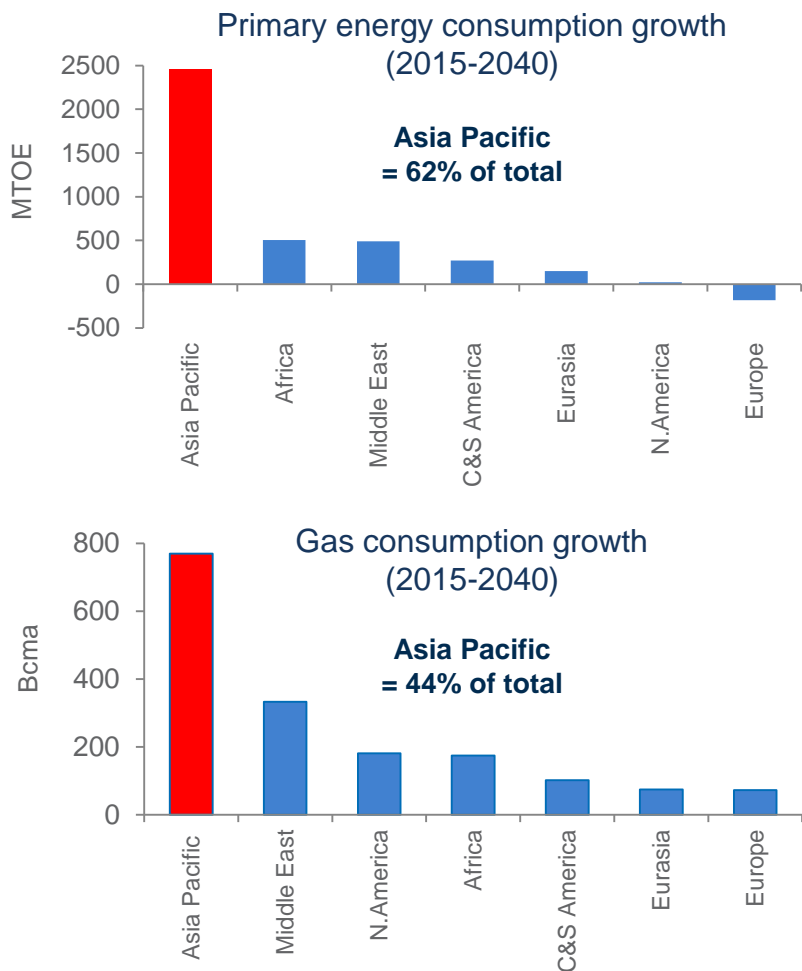
Supply / Demand Forecast Supports Project Growth



Source: Cheniere Research estimates; Wood Mackenzie for historical figures

Asian Market Context

A high growth region ...



Opportunities

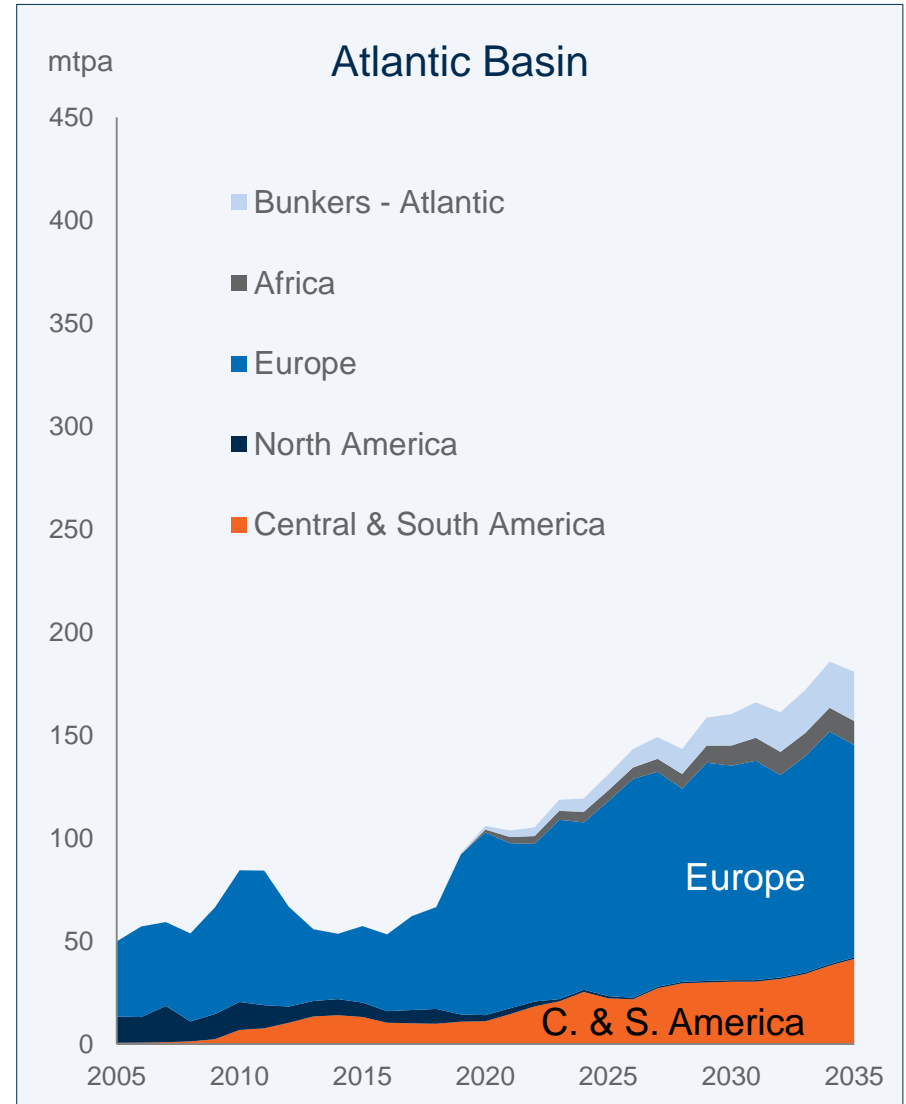
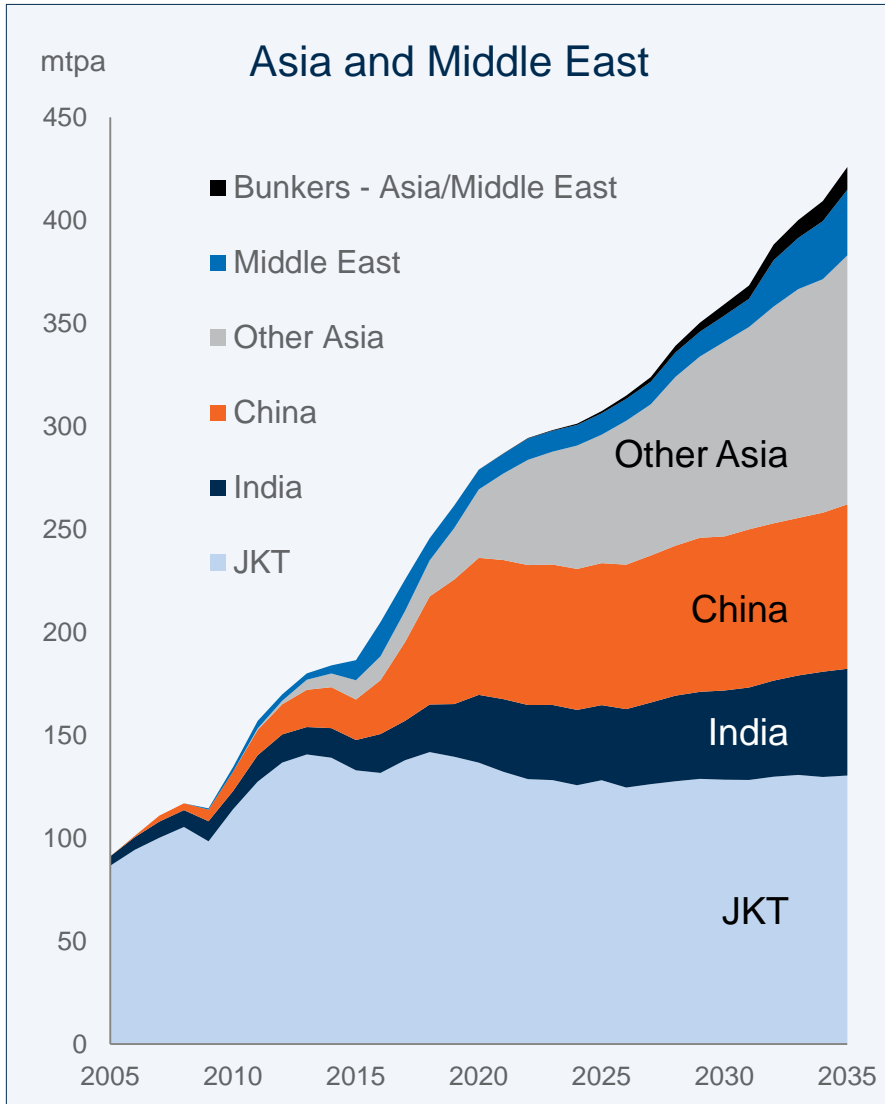
- Demand for gas in Asia Pacific region expected to double by 2040
- Forecast to become the largest gas consuming region by 2030
- New markets, new buyers and new demand segments for LNG are emerging
- A more liquid and more responsive global LNG trade will make gas more attractive
- But gas demand growth in Asia should not be taken for granted

Challenges

- Demand uncertainty a common theme across Asia as the energy transition and market liberalisations gather pace
- Regional import dependency forecast to increase from 23% in 2015 to 39% in 2040
- Although barriers to entry for LNG are reducing some new markets will require help with the commercial or technical aspects of LNG
- Coal likely to remain cheap – and tempting

Gas needs to remain affordable, reliable and secure

Forecast LNG Imports by Region



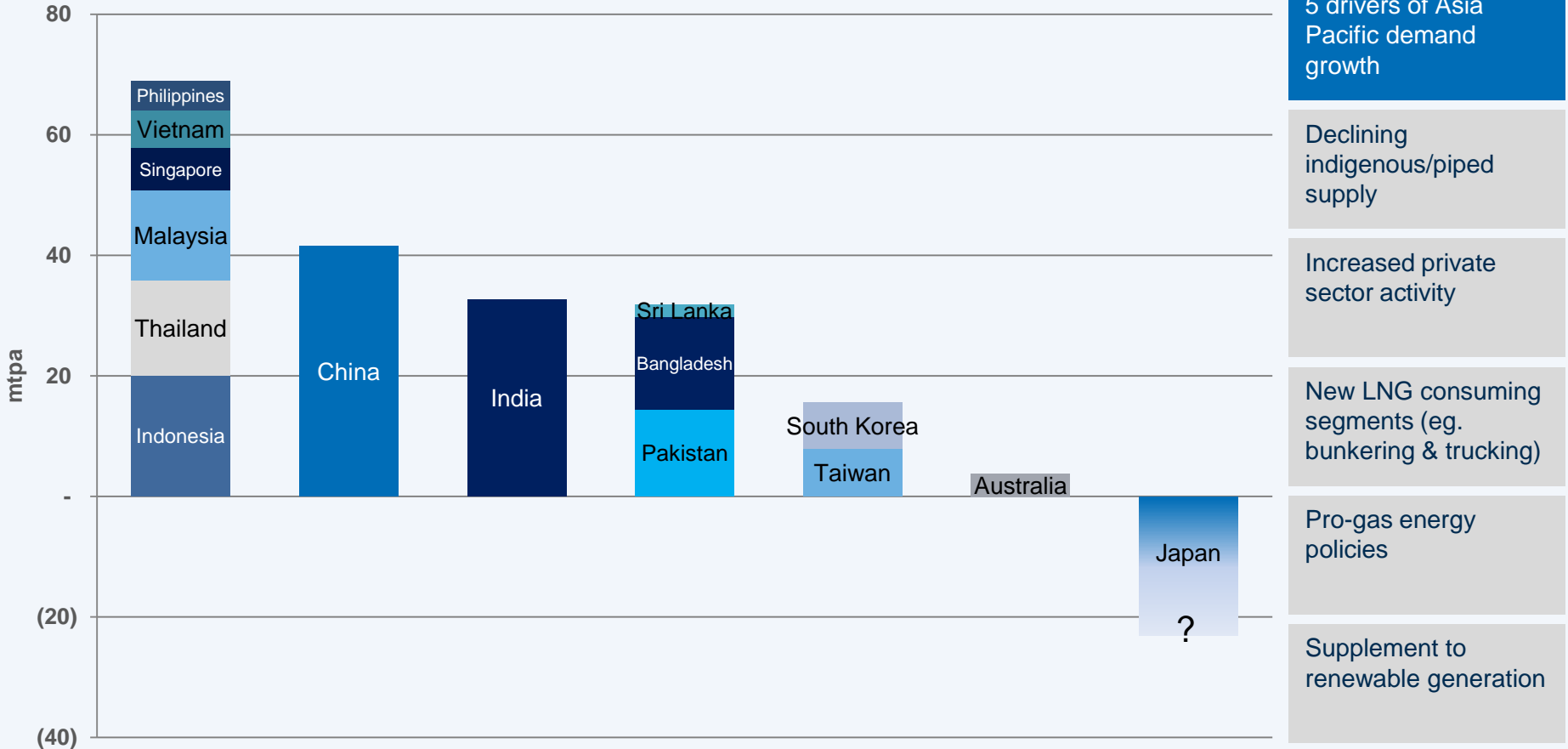
Source: Cheniere interpretation of Wood Mackenzie data (Q3 2018)

Focus on Asia Pacific Markets

China continues to dominate the headlines

But South East Asia important as a region – in terms of growth and new importers

LNG demand growth: 2017 to 2035



- 5 drivers of Asia Pacific demand growth
- Declining indigenous/piped supply
- Increased private sector activity
- New LNG consuming segments (eg. bunkering & trucking)
- Pro-gas energy policies
- Supplement to renewable generation

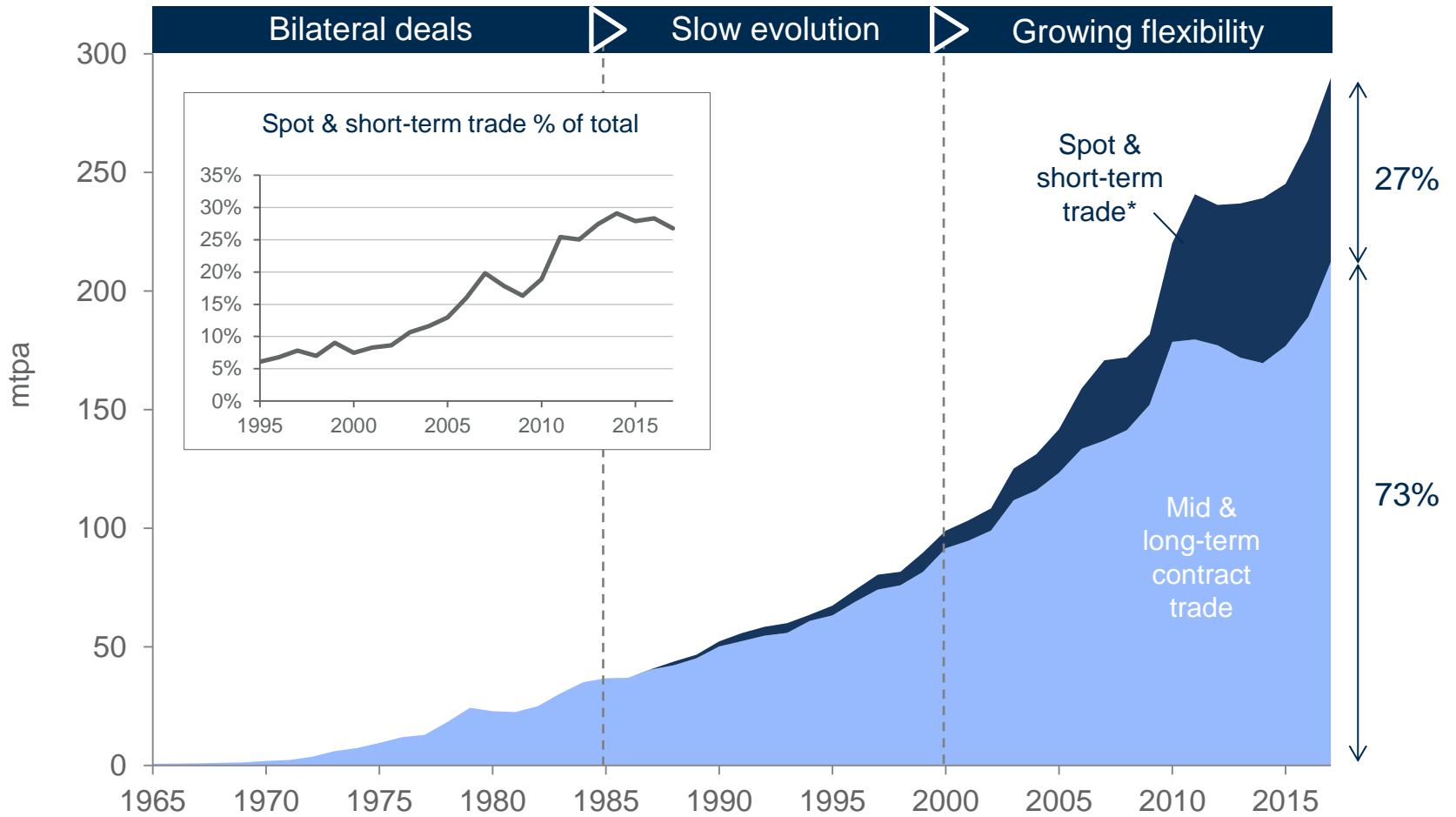
Source: Cheniere interpretation of Wood Mackenzie data (Q3 2018)

Impact of U.S. LNG



Commercial Evolution of LNG

LNG trade by contract length



* Contract duration of 4 years or less (GIIGNL)

Source: CEDIGAZ World Outlook for 1965 – 1985 (assumes no spot volume), *Poten and Partners (2001) 1985 to 2000, GIIGNL (2018) 2000 to 2018*

U.S. LNG Exports Driving Change in the Industry

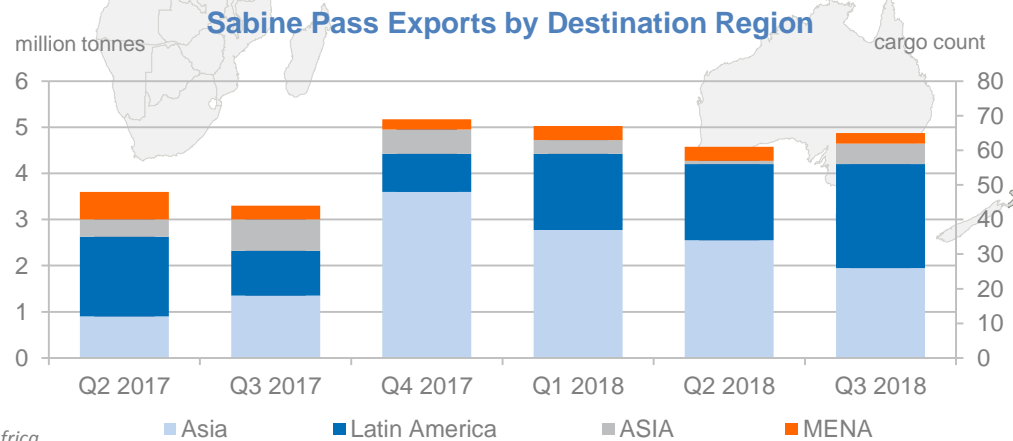
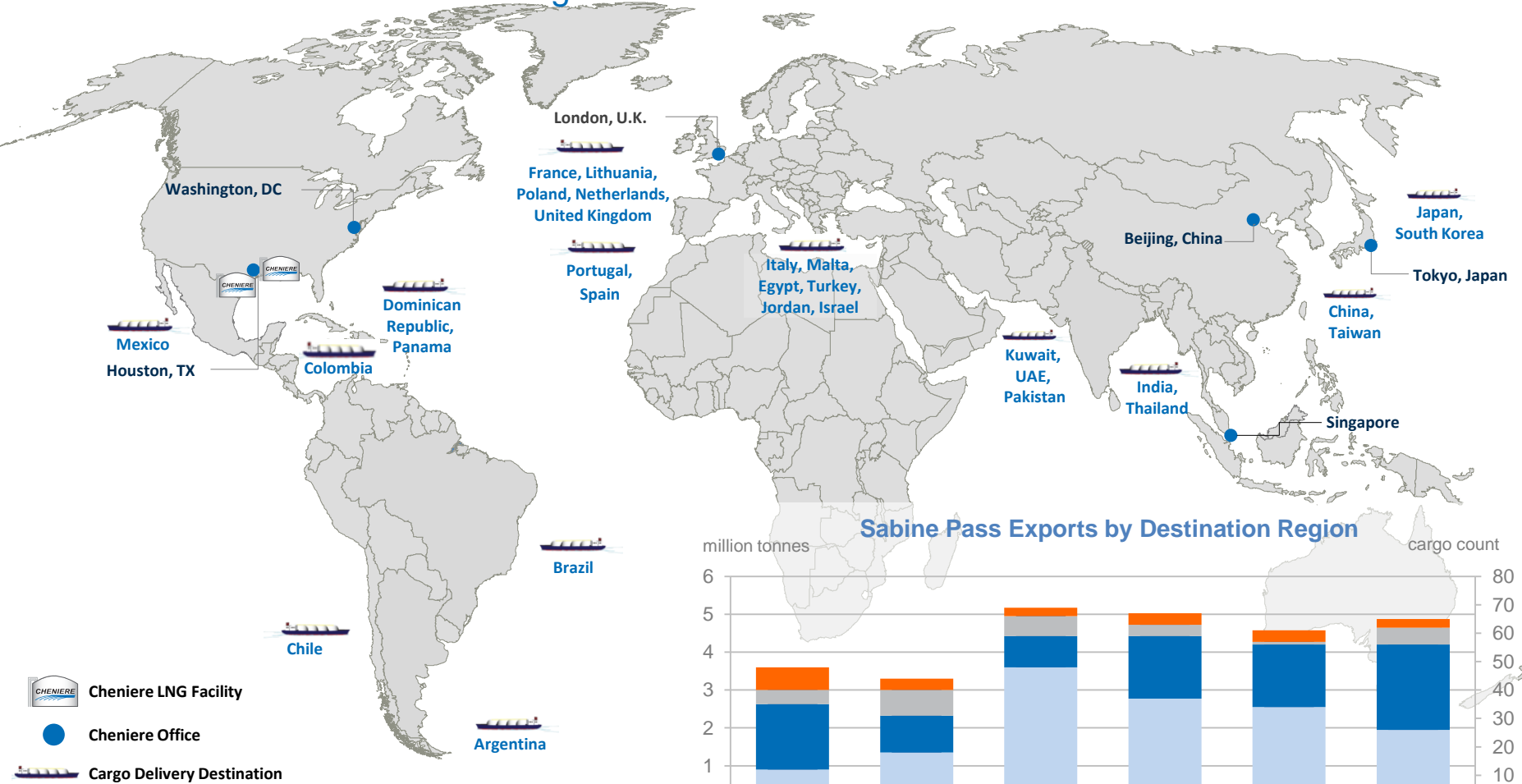


- Price diversity and greater price transparency
- Destination flexibility at buyer's direction
- Growing liquidity
- FOB and DES hub formation
- Sustainable low-cost supply over the long-run

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

Sabine Pass Cargo Destinations

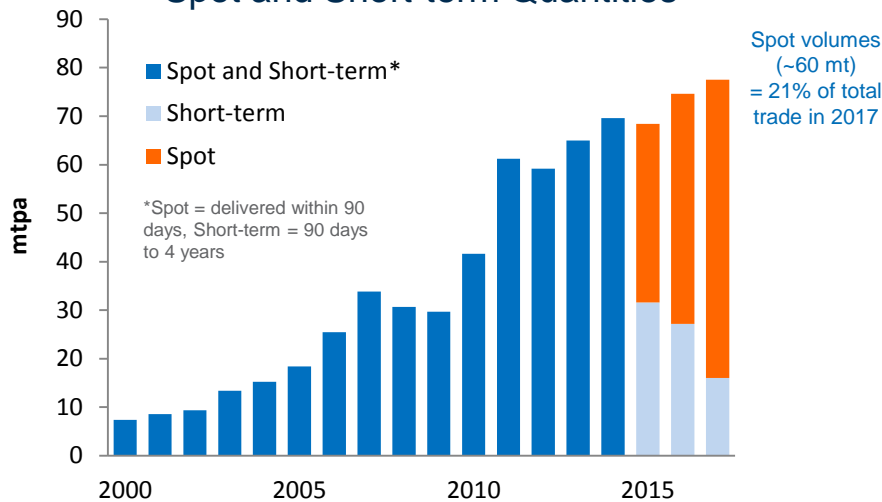
More Than 475 Cargoes (>1,700 TBtu) Exported from Sabine Pass Since Startup
Delivered to 29 Countries and Regions Across the Globe



Sources: Cheniere Research, Kpler
 Note: Cumulative cargoes and volumes as of October 31, 2018. MENA – Middle East & North Africa

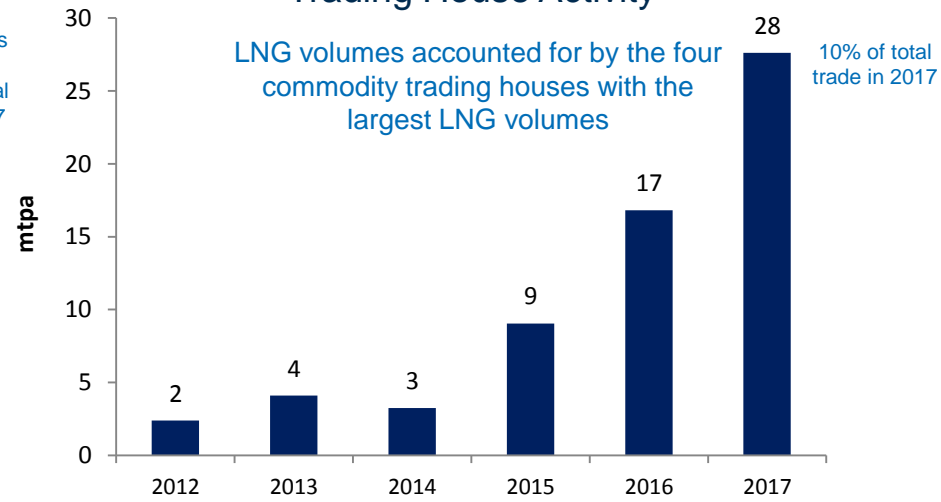
The LNG Trade is Evolving

Spot and Short-term Quantities



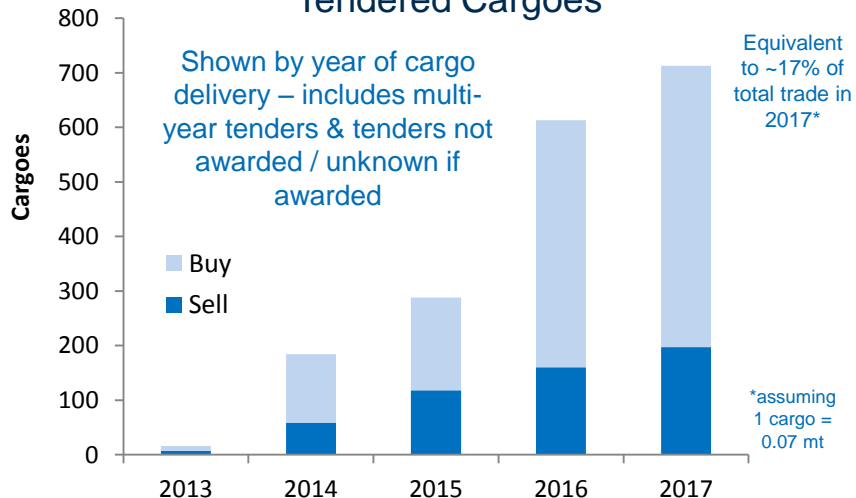
Source: GIIGNL Annual Reports.

Trading House Activity



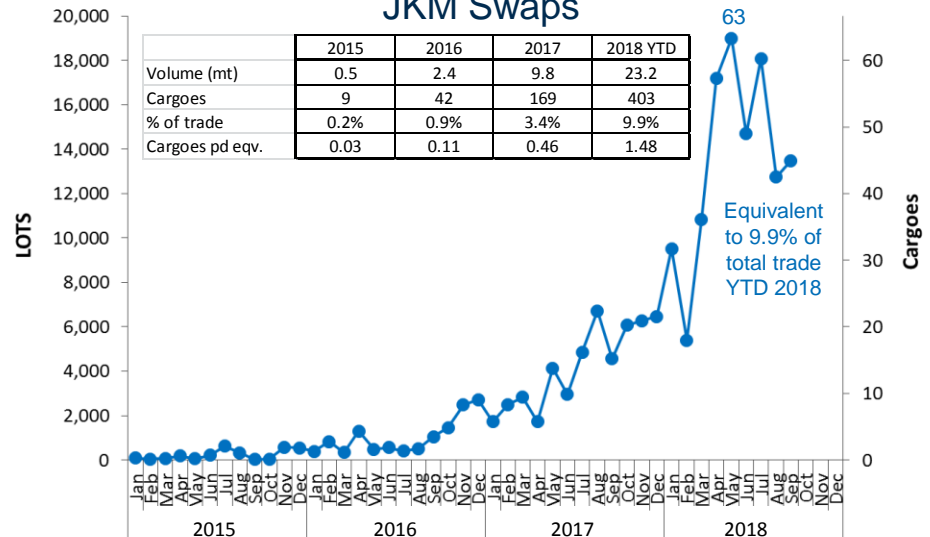
Source: Cheniere interpretation of Wood Mackenzie data (2018)

Tendered Cargoes



Source: Cheniere interpretation of ICIS Heren GLM publication (2013, 2014, 2015) and Wood Mackenzie LNG Tender Tracker (2016, 2017)

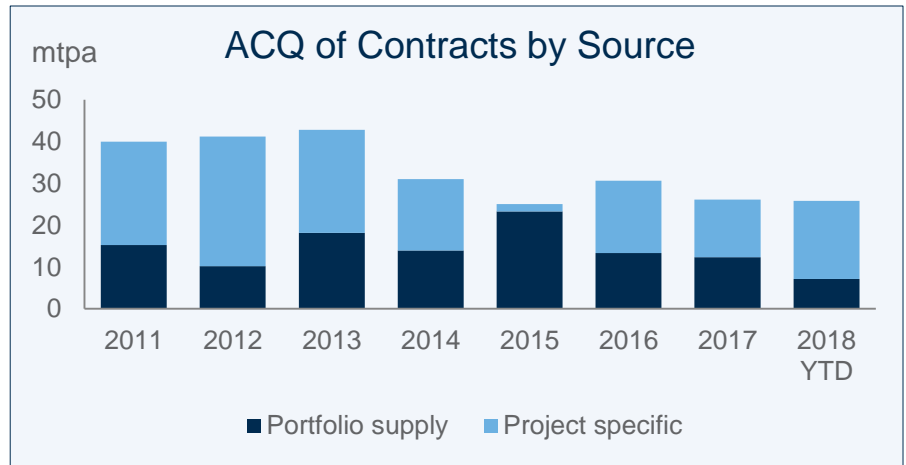
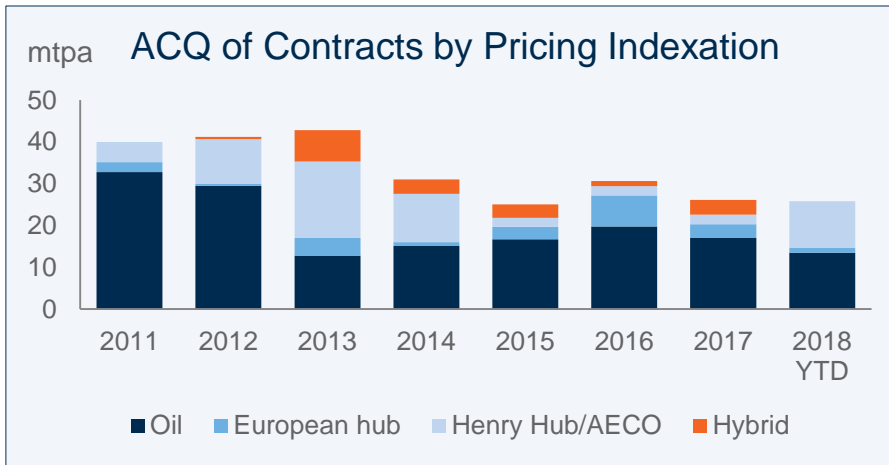
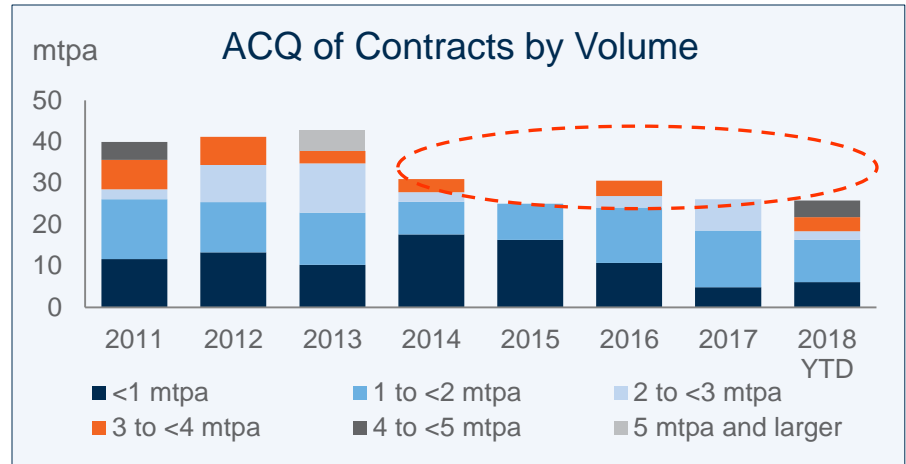
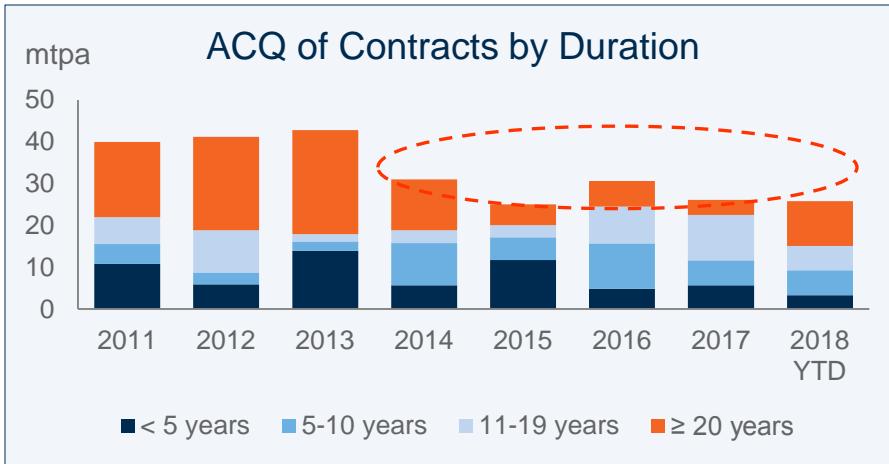
JKM Swaps



Source: Cheniere interpretation of Platts news reports (2018)

Contracting Behavior Reacting to Changing Market Environment

Perception that market was well supplied, wider supply choice, plus growing demand uncertainty resulted in increasing buyer focus on shorter-term / smaller volume contracts in recent years.



To what extent is this cyclical versus structural?

Cheniere's LNG Supply Projects

Sabine Pass Liquefaction Project (Louisiana)



Corpus Christi Liquefaction Project (Texas)



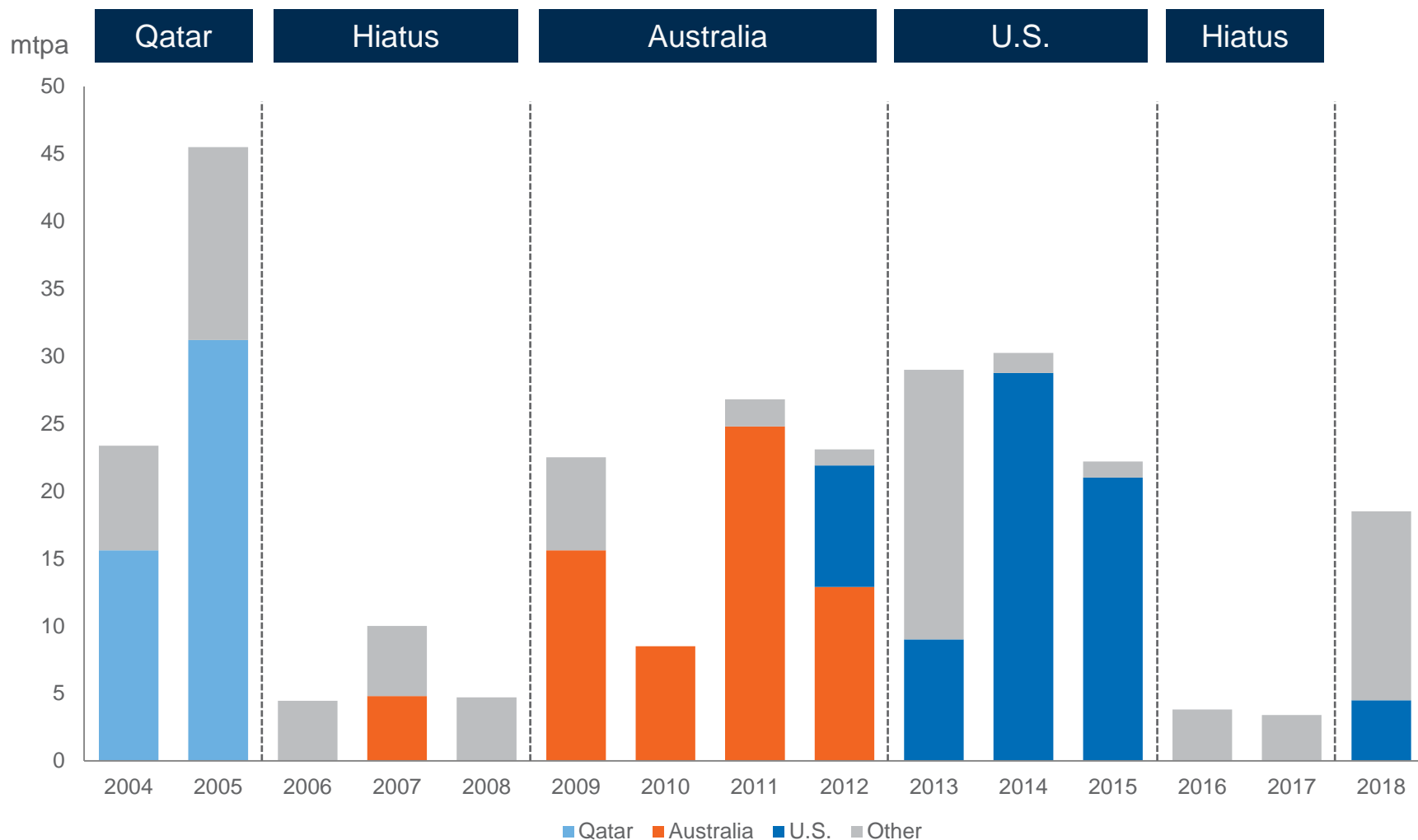
Our long-term customers



Building an industry leading LNG export platform along the U.S. Gulf Coast

Slowdown in LNG Supply Project FIDs Since 2015

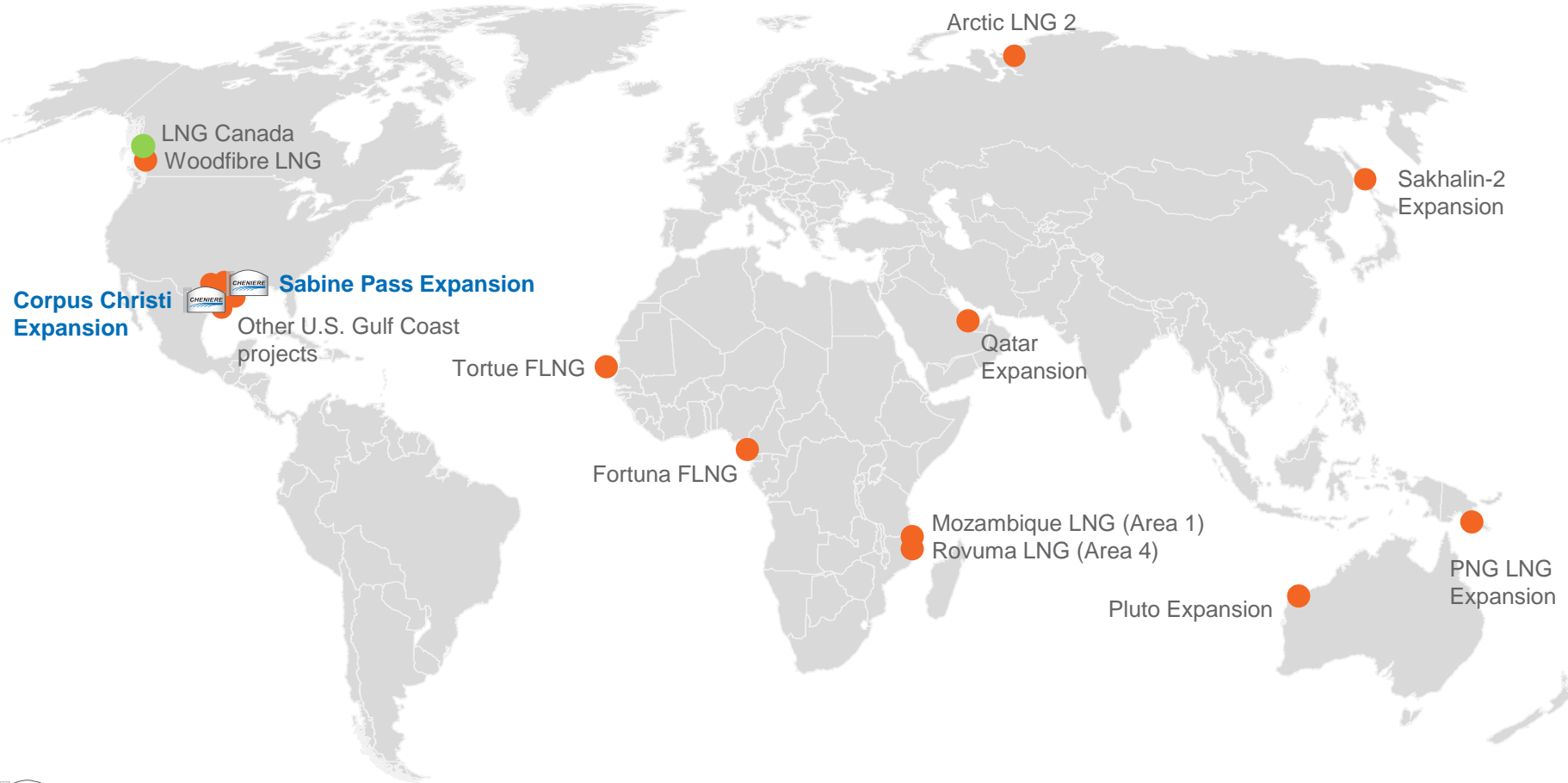
FIDs Per Annum (Total Volume)



Source: Cheniere interpretation of Wood Mackenzie data (Q3 2018)

Competing Supply

Multiple LNG Export Projects Competing for 2022+ Market Demand



Cheniere liquefaction project

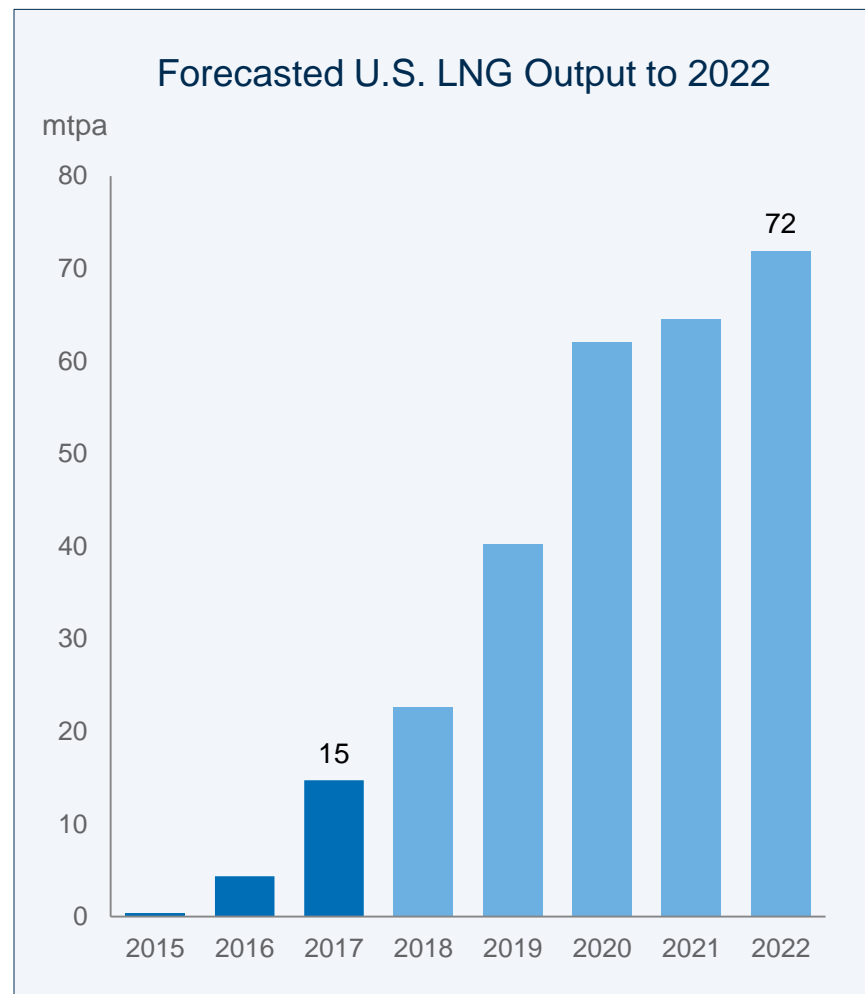
- Non-Cheniere liquefaction project (source Wood Mackenzie LNG FID Tracker Q3 2018 ⁽¹⁾)
- FID reached in October 2018

Notes: (1) FID Imminent or Building Momentum, Company FID Target 2020 or earlier, or Wood Mackenzie expect FID 2020 or earlier if no company date given

U.S. LNG: Changing the Industry

- U.S. LNG has already changed the industry
 - Price diversification and greater price transparency
 - Destination flexibility at buyer's direction
 - Increased supply availability and greater market competition
 - A sustainably low-cost supply over the long-run

- And is set to drive further change
 - Growing liquidity / hub formation / price discovery
 - Resulting in a more competitive and more resilient trade system



Source: Cheniere interpretation of Wood Mackenzie data (Q3 2018)

U.S. will be the third largest exporter by 2020

ありがとうございました

