

CHENIERE ENERGY INC
Form 4
October 31, 2008

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Teague R Keith

(Last) (First) (Middle)
700 MILAM, SUITE 800
(Street)

HOUSTON, TX 77002

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CHENIERE ENERGY INC [LNG]

3. Date of Earliest Transaction
(Month/Day/Year)
10/29/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. VP Asset Group

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	(A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
				Code	V					(A)
Employee Stock Option (right to buy)	\$ 8.6	10/29/2008		<u>D</u> ⁽¹⁾		28,334	<u>(1)</u>	02/09/2009	Common Stock	28,334
Employee Stock Option (right to buy)	\$ 8.6	10/29/2008		<u>A</u> ⁽¹⁾		28,334	<u>(1)</u>	02/09/2014	Common Stock	28,334
Employee Stock Option (right to buy)	\$ 8.6	10/29/2008		<u>D</u> ⁽²⁾		1,666	<u>(2)</u>	02/09/2009	Common Stock	1,666
Employee Stock Option (right to buy)	\$ 8.6	10/29/2008		<u>A</u> ⁽²⁾		1,666	<u>(2)</u>	02/09/2014	Common Stock	1,666

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Teague R Keith 700 MILAM SUITE 800 HOUSTON, TX 77002			Sr. VP Asset Group	

Signatures

R. keith Teague 10/31/2008

**Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The two reported transactions involved an amendment to an outstanding option granted under the Cheniere Energy, Inc. Amended and Restated 2003 Stock Incentive Plan, resulting in the deemed cancellation of the original option and a grant of a replacement option. The

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option was originally granted on February 9, 2004 and provided for vesting in 3 equal installments on February 9, 2005, 2006 and 2007.

- The two reported transactions involved an amendment to an outstanding option granted under the Cheniere Energy, Inc. Amended and Restated 1997 Stock Option Plan, resulting in the deemed cancellation of the original option and the grant of a replacement option. The option was originally granted on February 9, 2004 and provided for vesting in 3 equal installments on February 9, 2005, 2006 and 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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