CHENIERE ENERGY INC

Form 4

January 05, 2006

FORM 4

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

January 31, Expires: 2005 Estimated average

OMB APPROVAL

Form 4 or Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

burden hours per 0.5 response...

may continue. See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reportin SOUKI CHARIF	ng Person *	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last) (First)	(Middle)	CHENIERE ENERGY INC [LNG] 3. Date of Earliest Transaction			
717 TEXAS AVENUE, SU	UITE 3100	(Month/Day/Year) 01/03/2006	_X_ Director10% Owner _X_ Officer (give title Other (specify below) Chairman & CEO		
(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person		
HOUSTON, TX 77002			Form filed by More than One Reporting Person		
(6:)	(7.)				

(City)	(State)	(Zip) Tabl	le I - Non-I	Derivative	Secur	ities Acqu	ired, Disposed of	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securities Acquired n(A) or Disposed of (D) (Instr. 3, 4 and 5) (A) or		5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	(D)	Price	(Instr. 3 and 4)		
Common Stock	01/03/2006		A	23,866	A	\$ 0 (1)	954,986	D	
Common Stock	01/03/2005		M	33,333	A	\$ 0.625	988,319	D	
Common Stock	01/05/2005		S	33,133	D	\$ 38.2	955,186	D	
Common Stock	01/05/2006		S	200	D	\$ 38.22	954,986	D	
Common Stock							149,500	I	By Wife

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Common Stock	1,600,000	I	By Trust
Common Stock	120,000	I	By Children

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. Number of 6. Date Exercisable and ionDerivative Expiration Date Securities (Month/Day/Year) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to	\$ 0.625	01/03/2006		M	33,333	12/19/2005	12/19/2007	Common Stock	33,333

Reporting Owners

buy)

Souki

Reporting Owner Name / Address	Relationships						
reporting 6 wher runne / runne ss	Director	10% Owner	Officer	Other			
SOUKI CHARIF 717 TEXAS AVENUE SUITE 3100 HOUSTON, TX 77002	X		Chairman & CEO				
Signatures							
Don A. Turkleson under POA		01/05/2006					

**Signature of Reporting Person Date

Reporting Owners 2

01/05/2006

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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 shares were issued as a restricted stock grant and therefore no consideration was given by the Reporting Person. The stock grant vests in three equal installments on January 3, 2007, 2008 and 2009.
- (2) These shares are owned of record by a trust of which the Reporting Person is the sole beneficiary and over which the Reporting Person has investment control.
- (3) These shares are held by the Reporting Person's three children who share the same household or are economically dependent on the Reporting Person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.