

CHENIERE ENERGY INC

Form 4

July 29, 2005

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
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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 *
Kobiashvili Zurab S

(Last) (First) (Middle)

717 TEXAS AVENUE, SUITE 3100

(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)

07/27/2005

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Sen Vice Pres and Gen Couns

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Indirect Beneficial Ownership (Instr. 4)
			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 (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	Disposed of (D) (Instr. 3, 4, and 5)	(A)	(D)	Date Exercisable	Expiration Date	Title	Am Nun Sha
Stock Option (right to buy)	\$ 36.25	07/27/2005	D ⁽¹⁾		200,000		⁽¹⁾	03/14/2015	Common Stock	20
Stock Option (right to buy)	\$ 36.25	07/27/2005	A ⁽¹⁾	200,000			⁽²⁾	03/14/2015	Common Stock	20

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Kobiashvili Zurab S 717 TEXAS AVENUE SUITE 3100 HOUSTON, TX 77002	Sen Vice Pres and Gen Couns

Signatures

Zurab S.
Kobiashvili 07/28/2005

 Signature of Date
Reporting Person

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).
- The options were canceled by mutual agreement of the Reporting Person and the Issuer in consideration of the grant of replacement
- (1) options. The options were originally granted on March 14, 2005 and provided for vesting of 66,668 shares on March 14, 2009 and 66,666 shares on each of March 14, 2010 and March 14, 2011.
- (2) 66,666 shares vest on March 14, 2009 and 66,667 shares vest on each of March 14, 2010 and March 14, 2011.

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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