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March 30, 2012

Mr. John Anderson
Office of Fuels Programs, Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: In the Matter of Cheniere Marketing, LLC
FE Docket No. 12-36-LNG
Application For Blanket Authorization to Export Liquefied Natural Gas

Dear Mr. Anderson:

Enclosed for filing on behalf of Cheniere Marketing, LLC (“CMI”), please find an original and fifteen (15) copies of CMI’s application for blanket authorization to engage in short-term exports of up to 500 billion cubic feet (“Bcf”), on a cumulative basis, of liquefied natural gas (“LNG”) that has been imported into the U.S. from foreign sources, for a two-year period commencing on June 1, 2012.¹ CMI is seeking authorization to export previously imported LNG from the Sabine Pass LNG terminal, owned by Sabine Pass LNG, L.P., in Cameron Parish, Louisiana to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.

Should you have any questions about the foregoing, please feel free to contact the undersigned at (212) 318-3009.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Lisa M. Tonery".

Lisa M. Tonery
Tania S. Perez
Attorneys for
Cheniere Marketing, LLC

¹ A check in the amount of \$50.00 is enclosed as the filing fee stipulated by 10 C.F.R. § 590.207 (2011).

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

In The Matter Of:

CHENIERE MARKETING, LLC

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Docket No. 12-36-LNG

APPLICATION OF CHENIERE MARKETING, LLC
FOR BLANKET AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS

Pursuant to Section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. §717b, and Part 590 of the Department of Energy’s (“DOE”) regulations, 10 C.F.R. Part 590 (2011), Cheniere Marketing, LLC (“CMI”) hereby requests that DOE, Office of Fossil Energy (“FE”), issue an order granting blanket authorization for CMI to engage in short-term exports of up to 500 billion cubic feet (“Bcf”), on a cumulative basis (which is the equivalent of up to approximately 525 to 545 Trillion British Thermal units (“TBtus”)) of liquefied natural gas (“LNG”) that has been imported into the U.S. from foreign sources, for a two-year period commencing on June 1, 2012, which is the day following the date upon which CMI’s existing blanket re-export authorization is scheduled to expire. CMI is seeking authorization to export previously imported LNG from the Sabine Pass LNG terminal, owned by Sabine Pass LNG, L.P., in Cameron Parish, Louisiana to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.

In support of its application, CMI states as follows:

I.
DESCRIPTION OF THE APPLICANT

The exact legal name of CMI is Cheniere Marketing, LLC. CMI is a Delaware limited liability company with its principal place of business in Houston, Texas. CMI is a wholly-owned

subsidiary of Cheniere Energy, Inc. (“Cheniere Energy”), which is a Delaware corporation with its primary place of business in Houston, Texas. Cheniere Energy is a developer of LNG import and export terminals and natural gas pipelines on the Gulf Coast, including the Sabine Pass LNG terminal.

On June 1, 2010, in DOE Opinion and Order No. 2795 (“Order No. 2795”), FE authorized CMI to engage in short-term exports of up to 500 Bcf, on a cumulative basis, of LNG that has been imported into the United States from foreign sources to any country with the capacity to accept LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, for a two-year period commencing June 1, 2010.¹ On December 17, 2010, FE granted CMI blanket authorization to import LNG from various international sources.² Under the terms of the blanket authorization the LNG may be imported at any LNG receiving facility in the United States and its territories.

¹ *Cheniere Marketing, LLC*, DOE/FE Order No. 2795 (June 1, 2010).

² *Cheniere Marketing, LLC*, DOE/FE Order No. 2891 (Dec. 17, 2010). This authorization enables CMI to import and export natural gas from and to Canada and Mexico, to export LNG to Canada and Mexico by vessel and truck and to import LNG from various international sources, up to a combined total of 1,600 Bcf of natural gas for a two-year period beginning on January 29, 2011.

II.
COMMUNICATIONS AND CORRESPONDENCE

All correspondence and communications concerning this application, including all service of pleadings and notices, should be directed to the following persons:

Davis Thames
Cheniere Marketing, LLC
700 Milam Street, Suite 800
Houston, TX 77002
(713) 375-5000 (phone)
(713) 375-6000 (fax)
davis.thames@cheniere.com

Patricia Outtrim
Cheniere Energy, Inc.
700 Milam Street, Suite 800
Houston, TX 77002
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Lisa M. Tonery
Tania S. Perez
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Pursuant to Section 590.103(a) of the DOE regulations, 10 C.F.R. §590.103(a) (2011), CMI hereby certifies that the persons listed above and the undersigned are the duly authorized representatives of CMI.

III.
DESCRIPTION OF PROPOSAL

CMI requests blanket authorization to export previously imported LNG on a short-term or spot market basis up to 500 Bcf (the equivalent of approximately 525 to 545 TBtus) cumulatively over a two-year period commencing on June 1, 2012. CMI anticipates exporting previously-imported LNG to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. CMI is not seeking authorization to export domestically-produced natural gas or LNG. The LNG that is proposed to

be exported is derived from CMI's LNG importing activities and resides in LNG storage tanks at the Sabine Pass LNG terminal. That LNG will either be re-exported or regasified to be consumed in the domestic natural gas market contingent on U.S. and global market price signals. No additional physical modifications to the Sabine Pass LNG terminal are required to accommodate the export authorization requested herein. There are no other proceedings related to this application currently pending before DOE or any other federal agency.

IV. PUBLIC INTEREST

Pursuant to Section 3 of the NGA, FE is required to authorize exports to a foreign country unless there is a finding that such exports “will not be consistent with the public interest.”³ Section 3 thus creates a statutory presumption in favor of approval of this application which opponents bear the burden of overcoming.⁴ Further, in evaluating an export application, FE applies the principles described in DOE Delegation Order No. 0204-111, which focuses primarily on domestic need for the gas to be exported, and the Secretary's natural gas policy guidelines.⁵ As detailed below, CMI's proposal to export LNG to those countries with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is consistent with Section 3 of the NGA and FE's policy.

In Order No. 2795, which granted CMI blanket authorization to export up to 500 Bcf (cumulative) of previously imported foreign-sourced LNG, FE determined that the record showed sufficient supply of natural gas to satisfy domestic demand from multiple other sources at competitive prices without relying on the volumes of imported LNG that CMI would seek to

³ 15 U.S.C. 717b (2006).

⁴ In *Panhandle Producers and Royalty Owners Association v. ERA*, 822 F.2d 1105, 1111 (D.C. Cir. 1987), the court found that Section 3 of the NGA “requires an affirmative showing of inconsistency with the public interest to deny an application” and that a “presumption favoring ... authorization ... is completely consistent with, if not mandated by, the statutory directive.” See also *Independent Petroleum Association v. ERA*, 870 F.2d 168, 172 (5th Cir. 1989); *Panhandle and Royalty Owners Association v. ERA*, 847 F.2d 1168, 1176 (5th Cir. 1988).

⁵ See 49 Fed. Reg. 6684, February 22, 1984.

export.⁶ Most recently, in January 2012, FE made the same finding in granting Dominion Cove Point LNG, LP (“Dominion”) blanket authority to export 150 Bcf of previously imported LNG from the Cove Point LNG Terminal facilities in Calvert County, Maryland.⁷

Similarly, in November 2011, FE granted ConocoPhillips Company (“ConocoPhillips”) blanket authority to export from the Freeport LNG Development, L.P. Quintana Island terminal up to 500 Bcf of previously imported LNG.⁸ FE stated that “the record shows there is sufficient supply of natural gas to satisfy domestic demand from multiple other sources at competitive prices without drawing on the previously imported LNG which ConocoPhillips seeks to export...”⁹

In both the Dominion and ConocoPhillips DOE/FE orders granting blanket authorization to re-export foreign sourced LNG, as well as in other blanket authorizations issued in recent years,¹⁰ DOE/FE has taken administrative notice that a review of the data and analysis prepared by the Energy Information Administration (“EIA”) shows that over the last several years, domestic natural gas production has increased significantly. In this regard, DOE/FE stated that EIA indicates an increase in domestic shale gas production to 3.1 trillion cubic feet (“Tcf”) in 2009 compared to 2.1 Tcf and 1.3 Tcf in 2008 and 2007, respectively. DOE/FE also referenced the *Annual Energy Outlook 2011*, in which EIA projects that shale gas production increases to 7.2 Tcf compared to the 3.85 Tcf predicted for 2015 in the *Annual Energy Outlook 2010*. DOE/FE has found that this record of evidence supports the conclusion that the foreign-sourced LNG that the relevant applicants have sought to export are not needed to meet domestic demand.

⁶ *Cheniere Marketing, LLC*, DOE/FE Order No. 2795 at p. 11.

⁷ *See Dominion Cove Point LNG, LP*, DOE/FE Order No. 3055 at p. 11 (Jan. 9, 2012).

⁸ *ConocoPhillips Company*, DOE/FE Order No. 3038 (Nov. 22, 2011).

⁹ *Id.* at p. 8.

¹⁰ *See Freeport LNG Development, L.P.*, DOE/FE Order No. 2986 (July 19, 2011); *ENI USA Gas Marketing LLC*, DOE/FE Order No. 2923 (March 3, 2011); *Sempra LNG Marketing, LLC*, DOE/FE Order No. 2885 (Dec. 3, 2010); *Dow Chemical Company*, DOE/FE Order No. 2859 (Oct. 5, 2010).

Subsequent to DOE/FE's grant of re-export authorization to Dominion and ConocoPhillips, on January 23, 2012, EIA issued its *Annual Energy Outlook 2012* (Early Release) Reference case, in which it has increased its estimate of shale gas production to 8.1 Tcf for 2015.¹¹

CMI is requesting authorization, for itself and as agent for third parties, to periodically export LNG imported under DOE/FE Order No. 2891, as well as LNG of third parties, to any country with the capacity to import LNG via ocean-going vessel and with which trade is not prohibited by U.S. law or policy, should market conditions in the United States not support domestic sale of those supplies. Granting of CMI's short-term blanket authorization as requested herein would provide CMI with the necessary flexibility it requires to respond to changes in domestic and global markets for natural gas and LNG. The additional flexibility sought herein would further encourage CMI to obtain and store spot-market LNG cargoes, increasing the liquidity of supply available to the U.S. market. Natural gas derived from imported LNG would be available to supply local markets when conditions support greater domestic use, and would thereby serve to moderate U.S. gas price volatility. Furthermore, the ability to re-export previously imported LNG helps to encourage continued imports, which in turn helps to ensure that the Sabine Pass LNG terminal facilities will more efficiently remain in ready operating condition. As such, the requested export authorization is consistent with the public interest.

¹¹ See *Annual Energy Outlook 2012 Early Release Overview*, <http://www.eia.gov/forecasts/aeo/er/excel/overview.fig02.data.xls>. The *Annual Energy Outlook 2012* (Early Release) Reference case also projects the estimated unproved technically recoverable resource ("TRR") of shale gas for the U.S. to be 482 Tcf, substantially below the estimate of 827 Tcf in *Annual Energy Outlook 2011*. The decline largely reflects a decrease in the estimate for the Marcellus shale, from 410 Tcf to 141 Tcf. CMI respectfully submits that the record, inclusive of the *Annual Energy Outlook 2012* (Early Release), continues to evidence that the foreign-sourced LNG that CMI seeks to export from the Sabine Pass LNG terminal is not needed to meet domestic demand given the vast supply of domestic natural gas.

V.
ENVIRONMENTAL IMPACT

As reflected above, no changes to the Sabine Pass LNG terminal facilities would be required for CMI's proposed exportation of LNG. Consequently, granting this application will not be a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. §4231, *et seq.* Therefore, an environmental impact statement or environmental assessment is not required.

VI.
APPENDICES

The following appendices are attached hereto and incorporated by reference herein:

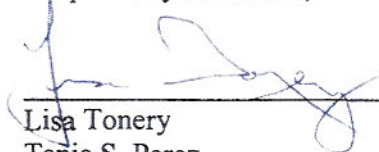
Appendix A: Verification

Appendix B: Opinion of Counsel

VII.
CONCLUSION

For the foregoing reasons, CMI respectfully requests that FE determine that CMI's request for blanket authorization as discussed herein to enable it to export foreign-sourced LNG from the Sabine Pass LNG terminal to any country with the ability to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, is not inconsistent with the public interest and grant such authorization as expeditiously as possible but no later than May 31, 2012, the date upon which CMI's existing blanket re-export authorization is scheduled to expire.

Respectfully submitted,



Lisa Toney
Tania S. Perez
Attorneys for
Cheniere Marketing, LLC

Fulbright & Jaworski L.L.P.
666 Fifth Avenue
New York, New York 10103
(212) 318-3009

Dated: March 30, 2012

Appendix A
VERIFICATION

VERIFICATION

State of Texas)
County of)

BEFORE ME, the undersigned authority, on this day personally appeared Davis Thames, who, having been by me first duly sworn, on oath says that he is the President for Cheniere Marketing, LLC and is duly authorized to make this Verification; that he has read the foregoing instrument and that the facts therein stated are true and correct to the best of his knowledge, information and belief.



Davis Thames

SWORN TO AND SUBSCRIBED before me on the 30th day of March, 2012.



Name: TERRI BACHAND

Title: Notary Public

My Commission expires:

8/16/2014



Appendix B

OPINION OF COUNSEL



Cheniere Energy, Inc.
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March 30, 2012

Office of Fuel Programs
Fossil Energy, U.S. Department of Energy
Docket Room 3F-056, FE50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 10585

**Re: Cheniere Marketing, LLC
Application For Blanket Authorization to Export Liquefied Natural Gas
Opinion of Counsel**

Dear Sir or Madam:

This opinion of counsel is provided in accordance with the requirements of Section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2011). I have examined the Limited Liability Company Agreement of Cheniere Marketing, LLC ("CMI") and other authorities as necessary, and have concluded that the proposed exportation of foreign-sourced liquefied natural gas from the Sabine Pass LNG, L.P. terminal to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is within its corporate powers. Further, CMI is authorized to do business in Texas and to engage in foreign commerce.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg Rayford", written over a horizontal line.

By: Greg Rayford, *Senior Vice President
and General Counsel*

Cheniere Energy, Inc.
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