

CHENIERE ENERGY INC
Form 4
January 05, 2006

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 *
SOUKI CHARIF

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
717 TEXAS AVENUE, SUITE 3100

3. Date of Earliest Transaction (Month/Day/Year)
01/03/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman & CEO

(Street)
HOUSTON, TX 77002

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

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

(City) (State) (Zip)

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 or Price | | |
| 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 (2) |
| Common Stock | 120,000 | I | By Children (3) |

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

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(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. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 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 buy) | \$ 0.625 | 01/03/2006 | | M | 33,333 | 12/19/2005 | 12/19/2007 | Common Stock | 33,333 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| SOUKI CHARIF 717 TEXAS AVENUE SUITE 3100 HOUSTON, TX 77002 | X | | Chairman & CEO | |

Signatures

Don A. Turkleson under POA by Charif Souki
01/05/2006

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 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.