

Townsend Craig K
 Form 4
 April 16, 2007

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 *
 Townsend Craig K

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
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 04/12/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP & Chief Accounting Officer

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	(A) or (D)	Price
Common Stock	04/12/2007		M		56,664	A	\$ 7.1
Common Stock	04/12/2007		F		12,553	D	\$ 32.05
Common Stock	04/13/2007		S		10,500	D	\$ 32.17
Common Stock	04/13/2007		S		10,600	D	\$ 32.2
Common Stock	04/13/2007		S		300	D	\$ 32.18

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Common Stock	04/13/2007	S	11,411	D	\$ 32.16	30,857	D
Common Stock	04/13/2007	S	200	D	\$ 32.22	30,657	D
Common Stock	04/13/2007	S	700	D	\$ 32.21	29,957	D
Common Stock	04/13/2007	S	1,800	D	\$ 32.19	28,157	D
Common Stock	04/13/2007	S	2,700	D	\$ 32.15	25,457	D
Common Stock	04/13/2007	S	5,700	D	\$ 32.12	19,757	D
Common Stock	04/13/2007	S	200	D	\$ 32.14	19,557	D

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

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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)	\$ 7.1	04/12/2007		M	56,664	01/16/2007	01/16/2009	Common Stock	56,664

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other

Townsend Craig K
717 TEXAS AVENUE
SUITE 3100
HOUSTON, TX 77002

VP & Chief Accounting Officer

Signatures

/s/ Craig K.
Townsend

04/16/2007

**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).

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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