



On a long enough timeline  
the survival rate for  
everyone drops to zero.

## Cheniere Energy Inc (United States)

CREDIT SNAPSHOT

11/11/09

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### LNG US Equity

equity ticker: LNG US

bond ticker: LNG

sector: Energy

subgroup: Oil Refining&Marketing

**company description:**

Cheniere Energy, Inc., through subsidiaries, develops liquefied natural gas terminals, and explores for oil and natural gas. The Company explores for oil and gas in the Gulf of Mexico.

Cheniere Energy Inc has 208 employees.

**capitalisation (USD in millions):**

stock price	USD 2.06
shares outstanding (million)	56.53
market capitalisation (USD mm)	116
total debt	3,029
cash + marketable securities	87
other capital	224
enterprise value (excl. cash)	3,282
current EV / TTM EBITDA	N/M

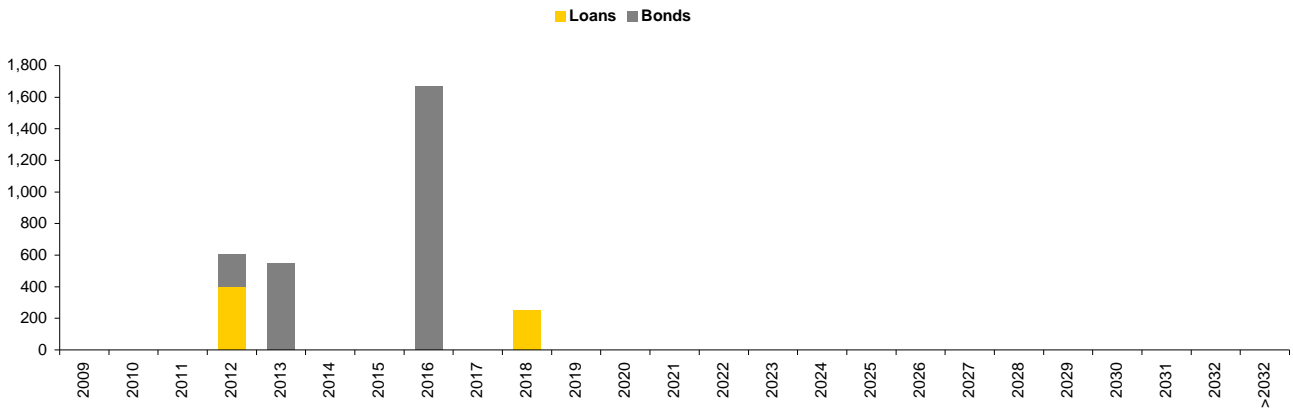
The company's next report is expected for 2/26/2010 (type: Estimated).

[www.cheniere.com](http://www.cheniere.com)

issuer	Rtg	debt type & details	coupon	mat	crncy	amount out (mm)	facility amount (mm)	issue date
CHENIERE SUBSIDIARY HOLDING	NA	Loan, secured, term, fixed		5/31/2012	USD	400	400	5/31/2007
CHENIERE COMMON UNITS HOLD	NA	Loan, secured, term, fixed		8/15/2018	USD	250	250	8/15/2008
CHENIERE ENERGY INC	NA	Bond, conv/call, sr unsecured, fixed	2.250%	8/1/2012	USD	205	-	10/21/2005
SABINE PASS LNG LP	B	Bond, callable, sr secured, fixed	7.250%	11/30/2013	USD	25	-	11/9/2006
SABINE PASS LNG LP	B	Bond, callable, sr secured, fixed	7.250%	11/30/2013	USD	525	-	8/7/2007
SABINE PASS LNG LP	B	Bond, callable, sr secured, fixed	7.500%	11/30/2016	USD	0	-	11/9/2006
SABINE PASS LNG LP	B	Bond, callable, sr secured, fixed	7.500%	11/30/2016	USD	1,482	-	8/7/2007
SABINE PASS LNG LP	B	Bond, at maturity, sr secured, fixed	7.500%	11/30/2016	USD	184	-	9/15/2008

DEBT DISTRIBUTION

Total amount out of instruments listed above (USD in MM)	3,070	Cash (MM)	87
Total debt (MM)	3,029	Total Number of Debt Instruments (for the issuer and its subs)	8



Moody's Ratings		
Outlook	N/A	
Issuer	WR	07/07/05
Senior Secured Debt	N/A	
LT Corp Family	WR	07/26/05
Bank Loan Debt	N/A	
Senior Unsecured Debt	WR	07/26/05
Subordinated Debt	N/A	
Short Term	N/A	

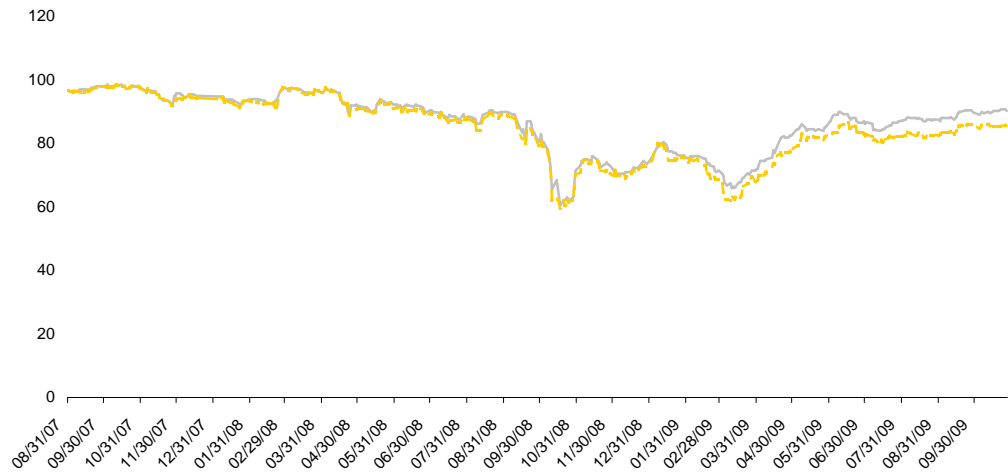
Standard & Poor's Ratings		
Outlook	STABLE	06/22/09
LT Foreign Currency Issuer	CCC+	05/09/08
LT Local Currency Issuer	CCC+	05/09/08
ST Foreign Currency Issuer	N/A	
ST Local Currency Issuer	N/A	

id	issuer	coupon	mat	currency	outstanding	S&P	MDY	ask px	yield	spread*	px date
785583AC	SABINE PASS LNG LP	7.250	11/30/13	USD	525,002,500	B+	B2	90.25	10.2	781	10/27/09
785583AF	SABINE PASS LNG LP	7.500	11/30/16	USD	1,481,970,375	B+	B2	85.25	10.5	727	10/27/09

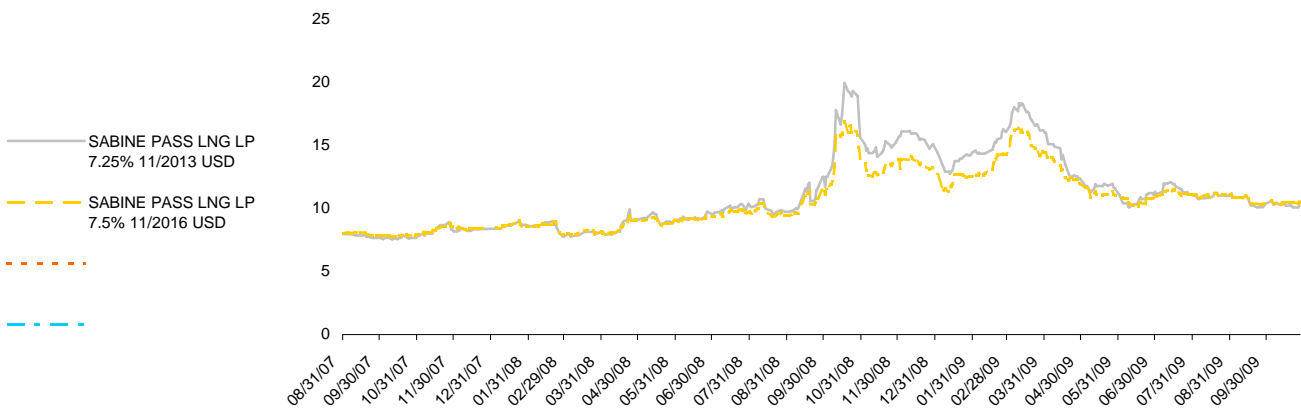
BONDS

Total Debt for the company currently stands at USD 3,028mm.

bond price



yield



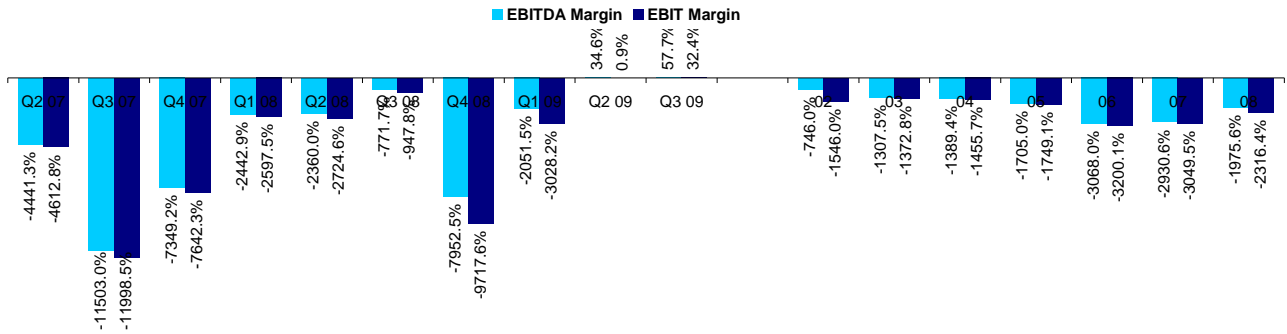
interpolated swap spread



Prices & yields bid side to 28/7/08 and ask side thereafter. Spread is Govt Bid Sprd to 28/7/08 and Interpol. Swap Ask Sprd then.

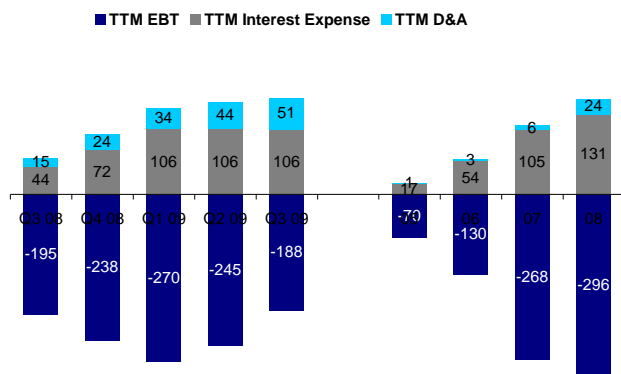
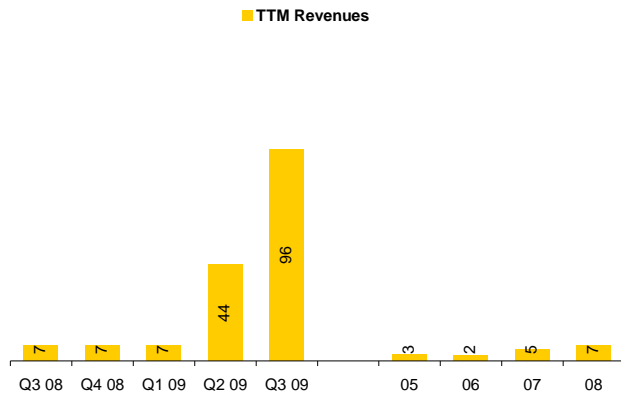
USD in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
Revenues	4	1	1	38	56	3	2	5	7
COGS	7	12	12	13	14	2	3	7	25
COGS % of Revenues	179.0%	1776.8%	983.7%	33.9%	25.6%	52.0%	142.0%	125.6%	346.4%
SG&A	36	52	26	25	24	54	75	163	148
SG&A % of Revenues	868.7%	8040.8%	2144.5%	65.2%	42.0%	1797.1%	3158.0%	3023.9%	2070.0%
EBITDA	-32	-52	-25	13	33	-51	-73	-158	-141
Interest Expense	0	53	53	0	0	17	54	105	131
EBT	-39	-116	-91	0	18	-70	-130	-268	-296
Net Income	-72	-107	-83	-13	-42	-30	-146	-182	-356
EBITDA Margin	-771.7%	-7952.5%	-2051.5%	34.6%	57.7%	-1705.0%	-3068.0%	-2930.6%	-1975.6%
EBIT Margin	-947.8%	-9717.6%	-3028.2%	0.9%	32.4%	-1749.1%	-3200.1%	-3049.5%	-2316.4%

INCOME STATEMENT



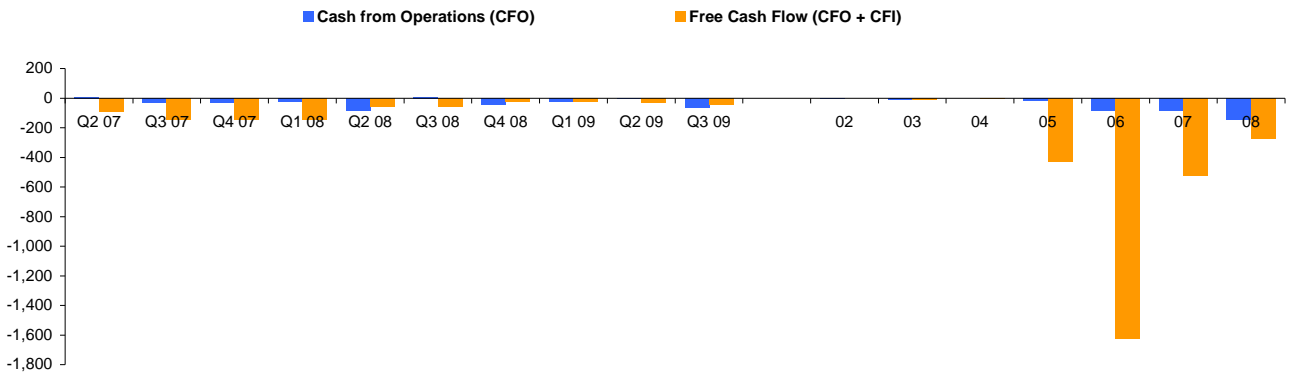
USD in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
TTM Revenues	7	7	7	44	96	3	2	5	7
TTM EBITDA	-136	-141	-130	-96	-32	-51	-73	-158	-141
TTM D&A	15	24	34	44	51	1	3	6	24
TTM EBIT	-151	-165	-165	-139	-82	-53	-76	-164	-165
TTM Interest Expense	44	72	106	106	106	17	54	105	131
TTM EBT	-195	-238	-270	-245	-188	-70	-130	-268	-296
TTM Net Income	-311	-365	-398	-274	-245	-30	-146	-182	-356

TTM INCOME STATEMENT

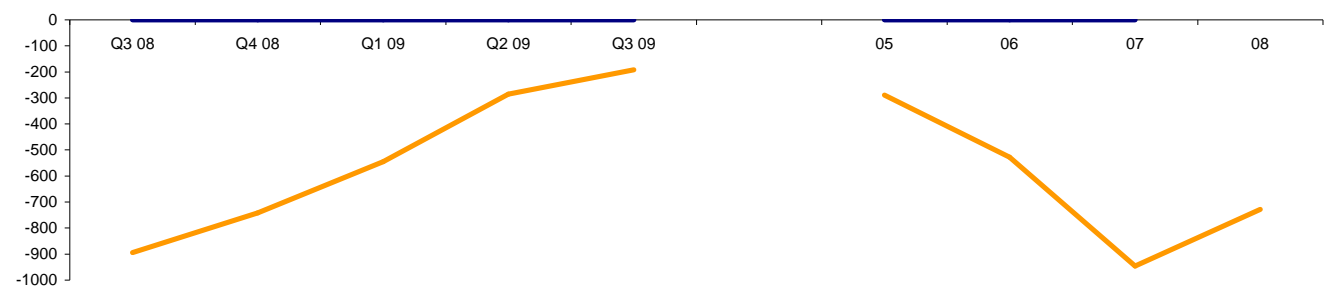
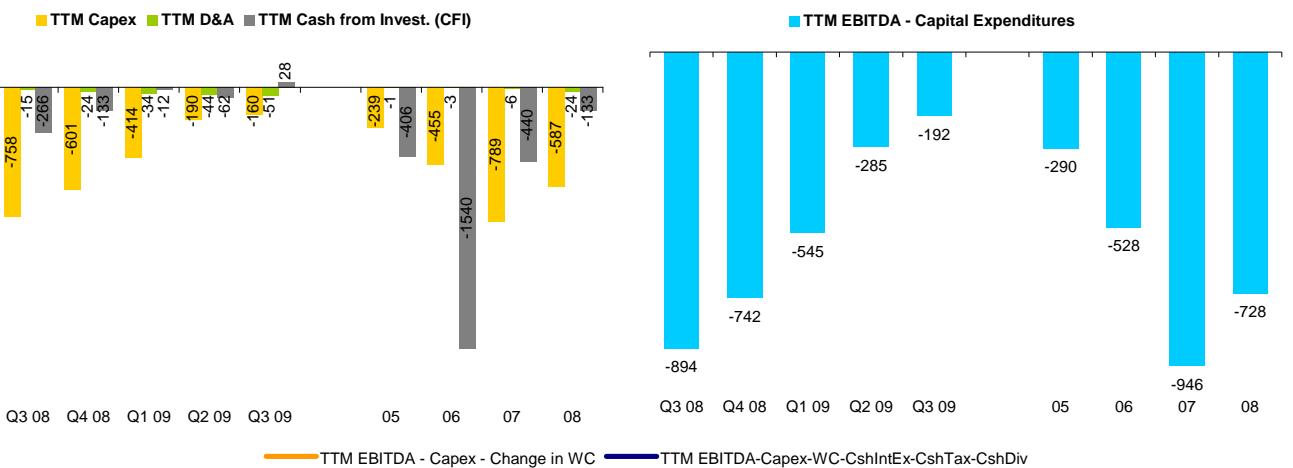


■ TTM EBT ■ TTM Interest Expense ■ TTM D&A

USD in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08	
		09/30/09					12/31/08				
<b>CASH FLOW</b>	Cash from Operations (CFO)	6	-41	-23	-5	-67	-19	-80	-84	-142	
	Cash from Investing (CFI)	-62	21	2	-23	27	-406	-1,540	-440	-133	
	Free Cash Flow (CFO + CFI)	-57	-20	-21	-28	-39	-425	-1,620	-524	-275	
	Cash from Financing Activities	22	-7	0	35	38	809	1,391	358	81	



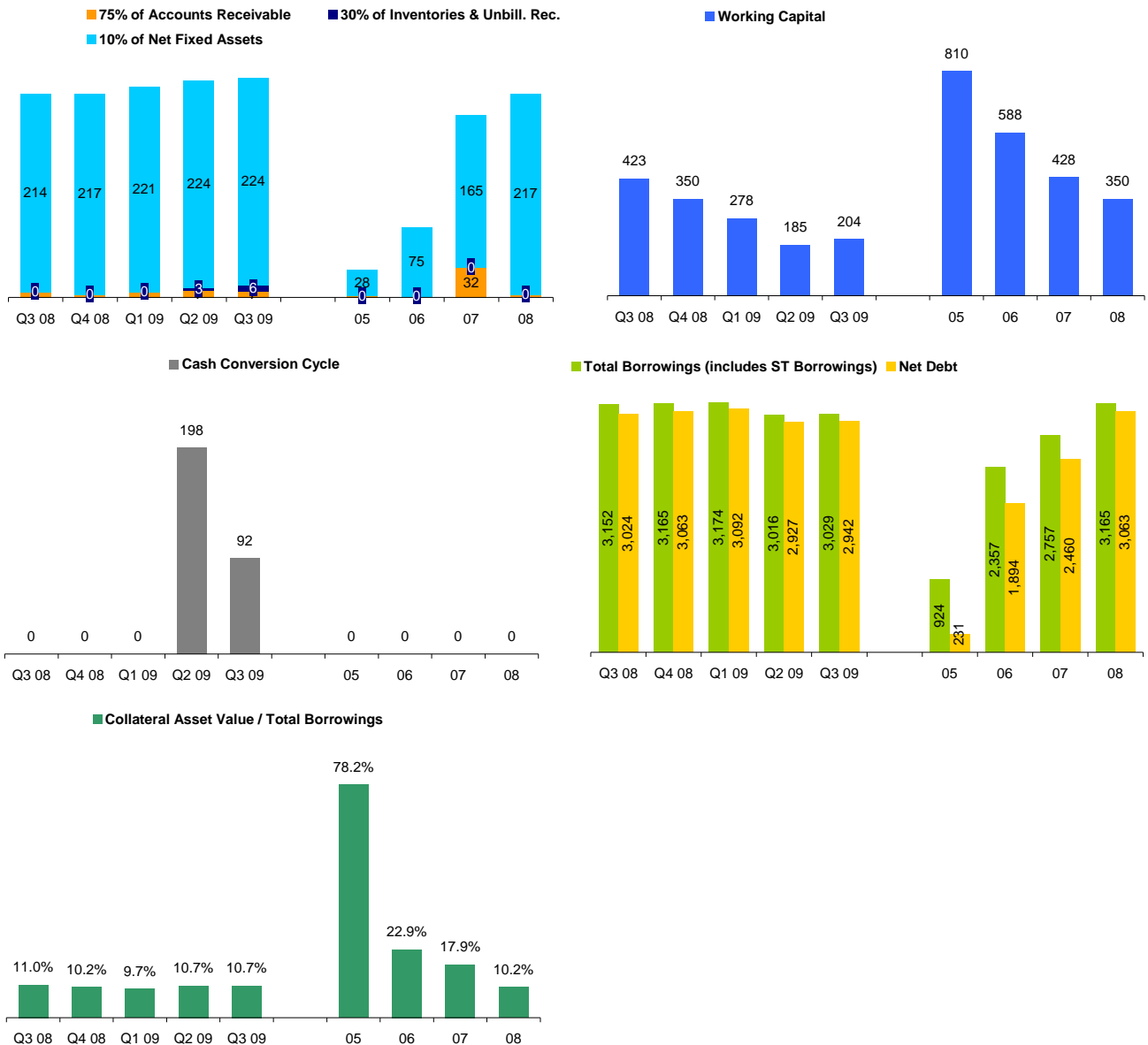
USD in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08	
		09/30/09					12/31/08				
<b>TTM CASH FLOW</b>	TTM Cash from Operations (CFO)	-134	-142	-140	-63	-135	-19	-80	-84	-142	
	TTM Cash from Invest. (CFI)	-266	-133	-12	-62	28	-406	-1,540	-440	-133	
	TTM Capex	-758	-601	-414	-190	-160	-239	-455	-789	-587	
	TTM D&A	-15	-24	-34	-44	-51	-1	-3	-6	-24	
	TTM Free Cash Flow (CFO + CFI)	-400	-275	-152	-124	-107	-425	-1,620	-524	-275	
	TTM Cash from Financing Activities	81	81	92	51	66	809	1,391	358	81	
	TTM CFO - Capital Expenditures	-892	-743	-554	-252	-295	-258	-535	-873	-729	
	TTM EBITDA - Capital Expenditures	-894	-742	-545	-285	-192	-290	-528	-946	-728	
	TTM EBITDA - Capex - Change in WC	-894	-742	-545	-285	-192	-290	-527	-946	-728	
	TTM EBITDA-Capex-WC-CshIntEx-CshTax-CshDiv										
	TTM CFO/Total Debt	-4.2%	-4.5%	-4.4%	-2.1%	-4.5%	-2.1%	-3.4%	-3.1%	-4.5%	
TTM FCF/Total Debt	-12.7%	-8.7%	-4.8%	-4.1%	-3.5%	-46.0%	-68.7%	-19.0%	-8.7%		



USD in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
<b>Cash</b>	128	102	81	89	87	693	463	297	102
<b>Marketable Securities / ST Investments</b>									
<b>Accounts &amp; Notes Receivable</b>	8	4	7	9	9	2	1	43	4
<b>Inventories &amp; Unbilled Receivables</b>				11	21				
<b>Net Fixed Assets</b>	2,138	2,170	2,212	2,236	2,238	280	749	1,645	2,170
<b>75% of Accounts Receivable</b>	6	3	5	7	7	1	1	32	3
<b>30% of Inventories &amp; Unbill. Rec.</b>				3	6				
<b>10% of Net Fixed Assets</b>	214	217	221	224	224	28	75	165	217
<b>Collateral (Liquidation) Asset Value</b>	348	322	308	323	324	722	539	493	322
<b>Working Capital</b>	423	350	278	185	204	810	588	428	350
<b>Cash Conversion Cycle</b>				198.0	92.2	#N/A	#N/A	#N/A	#N/A
<b>Total Borrowings (includes ST Borrowings)</b>	3,152	3,165	3,174	3,016	3,029	924	2,357	2,757	3,165
<b>Net Debt</b>	3,024	3,063	3,092	2,927	2,942	231	1,894	2,460	3,063
<b>Collateral Asset Value / Total Borrowings</b>	11.0%	10.2%	9.7%	10.7%	10.7%	78.2%	22.9%	17.9%	10.2%

BALANCE SHEET

explanations and definitions:  
 The approximation we use to calculate a company's total **Collateral (Liquidation) Asset Value** (for an asset based liquidation scenario) is calculated as the sum of Cash plus Marketable Securities / Short-Term Investments plus assets with the following valuation rates applied:  
 75% of stated Accounts Receivable  
 30% of stated Inventory  
 10% of stated Net Fixed Assets.  
 Although we acknowledge that some industries and individual situations demand clearly different assumptions we nevertheless think this is a useful approximation across all industries covered, if only as a starting point for further individual in-depth analysis.



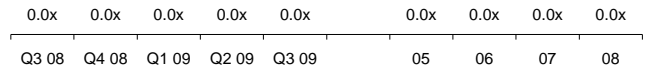
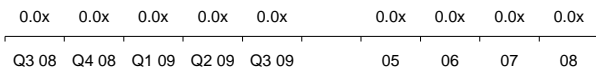
COVERAGE RATIOS	USD in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
						09/30/09				12/31/08
TTM EBITDA / TOTAL INTEREST		NM	NM	NM	NM	NM	NM	NM	NM	NM
TTM EBITDAR / TOTAL INTEREST+RENT		-	-	-	-	-	-	-	-	-
TTM EBITDA-CAPEX / TOTAL INTEREST		NM	NM	NM	NM	NM	NM	NM	NM	NM
TTM EBITDAR-CAPEX / TOTAL INTEREST+RENT		NM	NM	NM	NM	NM	NM	NM	NM	NM

explanations and definitions:

**TTM TOTAL INTEREST:** For all coverage ratio calculations we use the Total Interest figure which in addition to **Interest Expense** also includes **Capitalized Interest Expenses**. We think this gives a better view of the economic reality than the simple Interest Expense figure.

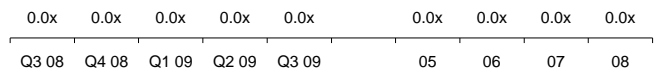
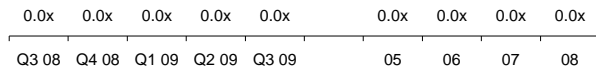
■ TTM EBITDA / TOTAL INTEREST

■ TTM EBITDAR / TOTAL INTEREST+RENT



■ TTM EBITDA-CAPEX / TOTAL INTEREST

■ TTM EBITDAR-CAPEX / TOTAL INTEREST+RENT



USD in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
<b>NET DEBT / TTM EBITDA</b>	NM	NM	NM	NM	NM	NM	NM	NM	NM
<b>TOTAL DEBT / TTM EBITDA</b>	NM	NM	NM	NM	NM	NM	NM	NM	NM
<b>TOTAL DEBT / TTM EBITDA-CAPEX</b>	NM	NM	NM	NM	NM	NM	NM	NM	NM
<b>Rentadj. TOT DEBT / TTM EBITDAR</b>									
<b>Rentadj. TOT DEBT / TTM EBITDAR-CAPEX</b>									
<b>HAIRCUT EBITDA MULTIPLE / TOTAL DEBT</b>	NM	NM	NM	NM	NM	NM	NM	NM	NM
<b>TOTAL DEBT / TTM EBIT</b>	NM	NM	NM	NM	NM	NM	NM	NM	NM

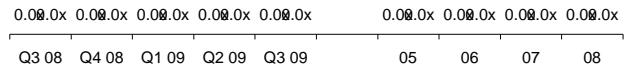
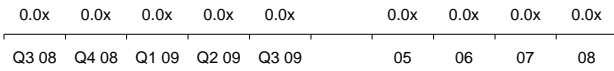
explanations and definitions:

**Rent adj. Total Debt/TTM EBITDAR:** This ratio is calculated by dividing the Rent Adjusted Total Debt figure (Total Debt plus 8 times TTM Rental Expenses) by EBITDAR (TTM EBITDA plus TTM Rental Expenses).

**HAIRCUT EBITDA MULTIPLE / TOTAL DEBT:** We adjust TTM EBITDA to 70% of its stated value, multiply the result with 4.5 as an assumed exit multiple and relate the resulting figure (the haircut EBITDA multiple) to the TOTAL DEBT number. This ratio should reflect the situation of an issuer's liquidation, whereby the assets can be sold at a reduced EBITDA multiple.

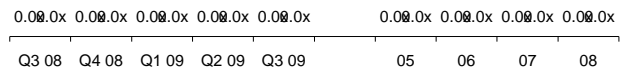
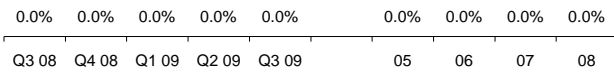
■ NET DEBT / TTM EBITDA

■ TOTAL DEBT / TTM EBITDA ■ TOTAL DEBT / TTM EBITDA-CAPEX

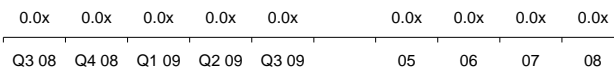


■ HAIRCUT EBITDA MULTIPLE / TOTAL DEBT

■ Rentadj. TOT DEBT / TTM EBITDAR  
■ Rentadj. TOT DEBT / TTM EBITDAR-CAPEX



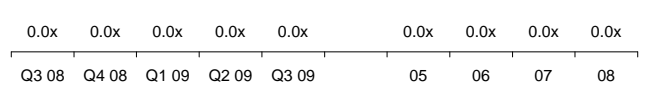
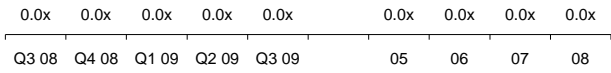
■ TOTAL DEBT / TTM EBIT



USD in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
ENTERPRISE VALUE	EV / TTM EBITDA									
	EV / TTM EBIT	NM	NM	NM	NM	NM	NM	NM	NM	NM
	Enterprise Value	3,399	3,462	3,554	3,324	3,332	2,260	3,488	4,304	3,462
	TOTAL DEBT	3,152	3,165	3,174	3,016	3,029	924	2,357	2,757	3,165
	Equity Market Cap	114	144	222	165	166	2,015	1,592	1,550	144

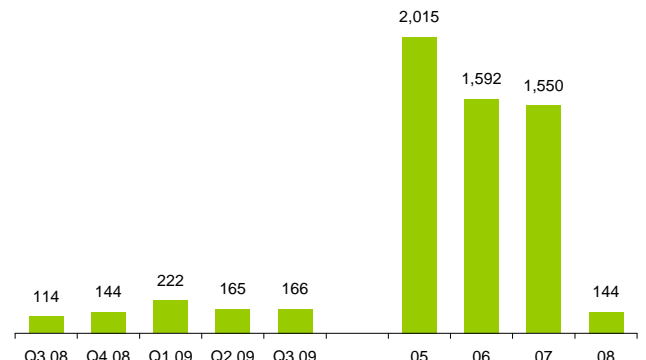
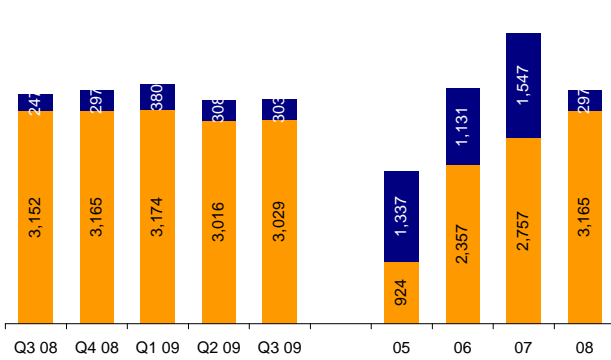
■ EV / TTM EBITDA

■ EV / TTM EBIT

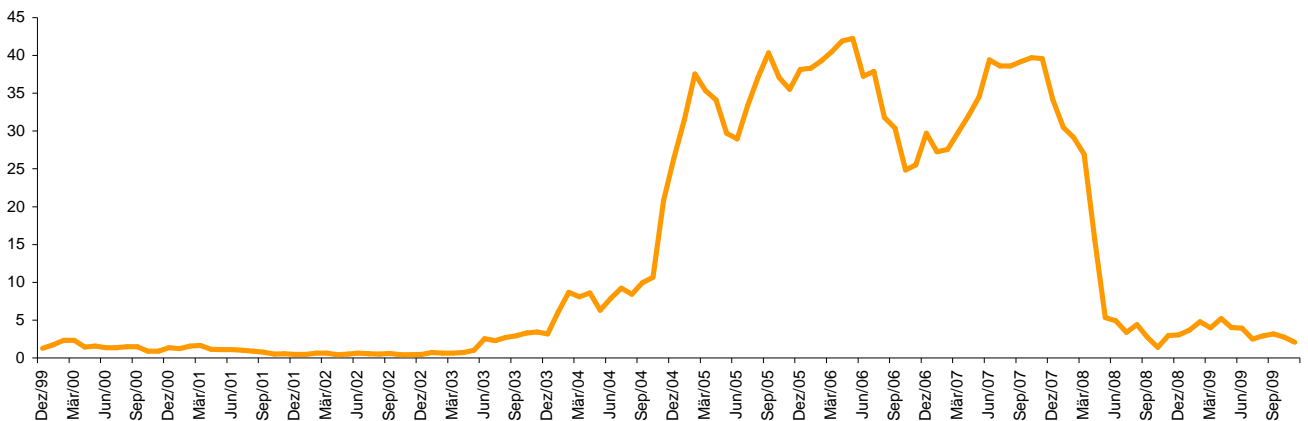


■ TOTAL DEBT ■ EV - TOTAL DEBT

■ Equity Market Cap



— LNG US stock closing price



USD in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
RETURN ON CAPITAL						09/30/09				12/31/08
	Adjusted Cap Rate	-3.05%	-3.27%	0	-2.89%	-1.77%	-1.39%	-1.33%	-2.41%	-3.03%
	Tangible Capital	2,675	2,625	2,564	2,480	2,451	423	1,956	2,347	2,625
	Total Intangibles	83	83	83	83	83	77	81	97	83
	Pre-tax ROIC	-5.6%	-6.3%	-6.4%	-5.6%	-3.4%	-12.4%	-3.9%	-7.0%	-6.3%
	After-tax ROIC (effective tax rate)	-5.6%	-6.3%	-6.4%	-5.6%	-3.4%		-3.9%	-7.0%	-6.3%
	After-tax ROIC (assumed tax rate)	-3.7%	-4.1%	-4.2%	-3.7%	-2.2%	-8.1%	-2.5%	-4.5%	-4.1%
WACD (Pre-tax)	1.4%	2.3%	3.3%	3.5%	3.5%	1.9%	2.3%	3.8%	4.1%	

explanations and definitions:

**Adjusted Cap Rate:** This ratio shows EBIT reduced by an assumed tax rate of 35% and adjusted for Net Non-Operating and Extraordinary Losses (Gains) - averaged over the last 5 years - divided by the Enterprise Value.

**Tangible Capital:** Starting with the Total Book Capital the Tangible Capital figure is calculated by subtracting Intangibles, Cash and Marketable Securities as well as Short Term Investments.

We calculate three different ROIC (Return on Invested Capital) figures:

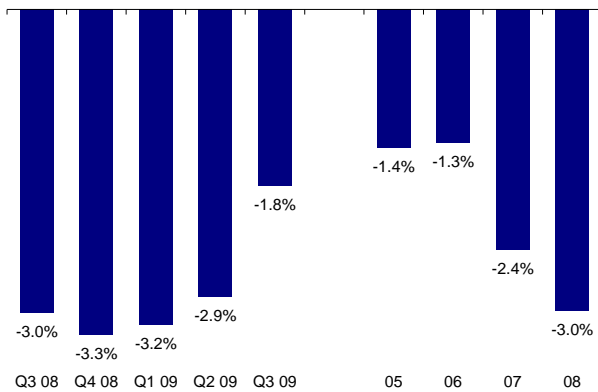
**Pre-Tax ROIC:** this ratio relates the trailing twelve months (TTM) EBIT to Tangible Capital as defined above.

**After-tax ROIC (effective tax rate):** here EBIT is corrected by the company's effective tax rate as stated in it's latest financials, giving an after-tax ROIC rate.

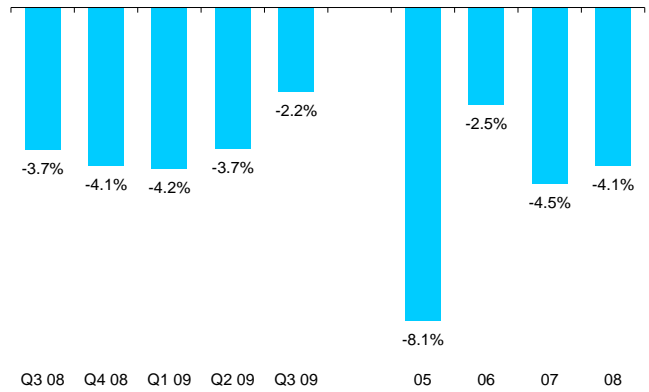
**After-tax ROIC (assumed tax rate):** here EBIT is corrected by an assumed tax rate of 35%, giving a modified after-tax ROIC rate.

**WACD (Pre-Tax):** This rate is defined as trailing twelve months (TTM) TOTAL INTEREST EXPENSE divided by Total Borrowings.

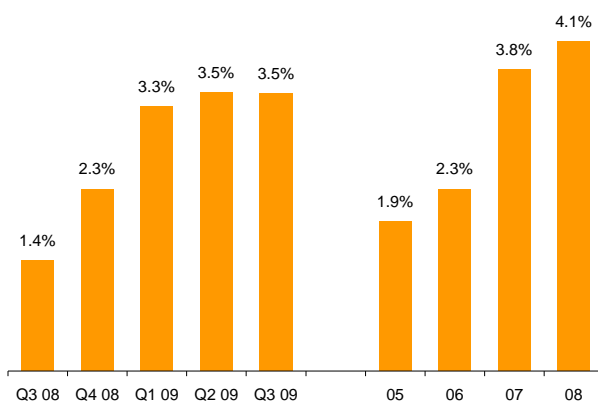
■ Adjusted Cap Rate



■ After-tax ROIC (assumed tax rate)



■ WACD (Pre-tax)



Average Bond Spread (in BPoints (1))	741
Estimated Bond Recovery Rate (2)	0.0%
Resulting Tolerable Default Rate (3)	7.4%

explanations and definitions:

We calculate estimated default and recovery rates to be used in other credit models (f.i. for the valuation of CDOs or similar structures) as follows:

(1) **Average Bond Spread:** Average Spread of all bonds listed on page 2 of this report.

(2) **Estimated Bond Recovery Rate:** To calculate this rate we first divide the total debt amount into bond debt and loan debt that is senior to bond debt. As an approximation for the total amount of bond debt we use the sum of the amounts outstanding of all bonds listed on page 1 of this report. The total debt figure is reduced by this sum, giving us an approximate figure for debt that is senior to bond debt. We then calculate a collateral asset coverage figure for the bond debt by starting with the Collateral Asset Value (as defined on page 5 of this report) which we reduce by the amount of senior debt ahead of the bonds. The remaining Collateral Asset Value is then divided by the approximate bond debt amount as defined above, giving an estimated recovery value on a collateral asset basis. We apply the same logic to an EBITDA multiple ratio (as on page 7 of this report) and get a second recovery estimate based on the EBITDA multiple. The higher of the 2 estimates is used as the "Estimated Bond Recovery Rate".

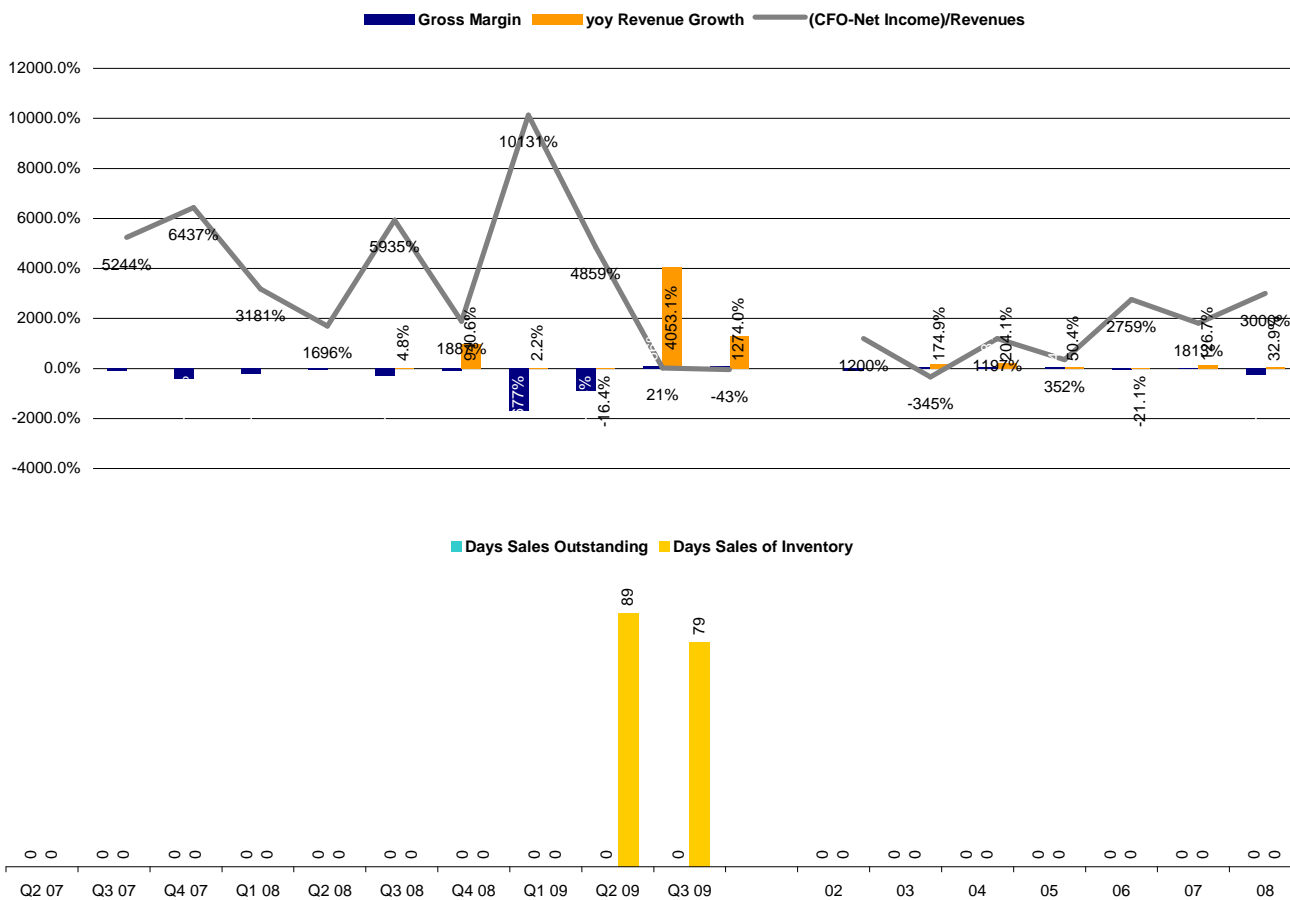
(3) **Resulting Tolerable Default Rate:** The implied default rate calculated using the Market Spread (1) and the Estimated Recovery Rate (2). With the given Market Spread and Estimated Recovery Rate it defines the maximum tolerable default probability for the risk premium paid in the form of Spread. Please note: This rate will only be displayed when it is greater than 0% and lower than 30% as we believe it is not meaningful ('NM') out of this range.

Although we acknowledge that the calculated results are by no means exact, we think they make for a good estimate in the valuation of credit structures when individual default and recovery rates for single issuers are to be used.

USD in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
<b>Total Assets</b>	3,049	2,922	2,892	2,786	2,789	1,290	2,604	2,962	2,922
<b>Total Liabilities</b>	3,315	3,277	3,337	3,150	3,197	1,022	2,461	2,979	3,277
<b>Total Intangibles</b>	83	83	83	83	83	77	81	97	83
<b>Tangible Net Worth</b>	-349	-437	-528	-447	-491	192	62	-114	-437
<b>Rent Debt (8x Annual Rental Expense)</b>									
<b>Underfunded Pension &amp; Post Ret. Liab.</b>									
<b>Discount on Hard Assets</b>	1,926	1,954	1,993	2,022	2,031	253	674	1,491	1,954
<b>Adjusted Tangible Net Worth</b>	-2,275	-2,391	-2,521	-2,470	-2,521	-61	-612	-1,605	-2,391

USD in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
(CFO-Net Income)/Revenues	1887.0%	10130.5%	4858.9%	21.5%	-42.8%	352.1%	2759.5%	1813.4%	3000.1%
yoy Revenue Growth	940.6%	2.2%	-16.4%	4053.1%	1274.0%	50.4%	-21.1%	126.7%	32.9%
Gross Margin	-79.0%	-1676.8%	-883.7%	66.1%	74.4%	48.0%	-42.0%	-25.6%	-246.4%
Days Sales Outstanding	388	186	384	78	34	211	200	2,901	186
Days Sales of Inventory	0	0	0	89	79	0	0	0	0
Soft Assets	775	646	591	440	434	316	1,391	914	646
Unbilled Receivables	-	-	-	-	-	-	-	-	-
Deferred / Unearned Revenue	-	-	-	-	-	-	-	-	-
Allowance for Doubtful Accounts	-	-	-	-	-	0	-	-	-
TTM Dividends Paid	0	0	0	0	0	0	0	0	0
TTM Preferred Dividends	-	-	-	-	-	0	0	0	0
Net Change in Capital Stock	0	-1	0	0	0	3	2	-20	-5
Non-Capex CFI (CFI less Capex)	-30	84	30	45	30	-167	-1,085	349	454

ACCOUNTING RED FLAGS



**Auditor Information:**

<b>Current auditor</b>	ERNST & YOUNG LLP (as of 26.2.2009)
<b>Auditor's opinion</b>	Unqualified
<b>Auditor's opinion - Definitions</b>	
Not Audited / Unaudited	No tests were performed to verify amounts in financial statements. Typically applied to interim statement.
Partially audited	Not all statements were audited. Auditor may specifically give opinion on one or two statements.
Unqualified	Auditor declares, without reservation, that the financial statements fairly represent the company's financial position at a point in time and that the statements conform in all material respects to GAAP.
Qualified: Limited Scope	An aspect of the company's financial statements could not be verified, such as a portion of inventory not counted.
Qualified: Inconsistent Standards	Accounting standards were not applied consistently between periods.
Qualified: not GAAP	Standard accounting principles for the country were not followed. Typically related to a unique line item and uses the phrase 'except for.'
Qualified: uncertainty	Doubt exists related to a material balance sheet item, such as value of investment or collectability of major receivable; or auditor doubts going concern ability of company. This opinion usually employs the phrase 'subject to.'
Disclaimer	Auditor refuses to state opinion on financial statements, typically due to lack of sufficient documentation provided by company and/or subsidiaries.

Quarterly Report (Form Type 10-Q)

end of period

Annual Report (Form Type 10-K)

end of period

Special Events & Material News (Form Type 8-K)

filing date

Prospectus (Form Type 42..)

filing date



On a long enough timeline  
the survival rate for  
everyone drops to zero.

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