
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 29, 2007

CHENIERE ENERGY PARTNERS, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1-33366
(Commission File Number)

20-5913059
(I.R.S. Employer
Identification No.)

700 Milam Street
Suite 800
Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

Registrant's telephone number, including area code: (713) 375-5000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01 Entry into a Material Definitive Agreement.

On May 29, 2007, the Board of Directors (the "Board") of Cheniere Energy Partners GP, LLC (the "Company"), the general partner of Cheniere Energy Partners, L.P. (the "Partnership"), approved an annual payment of \$50,000 to each independent director of the Company for services as a director. An additional annual payment of \$30,000 was approved for the chairman of the Audit Committee as well as an annual payment of \$15,000 for the members of the Audit Committee other than the chairman. An additional annual payment of \$5,000 was approved for the chairman of the Conflicts Committee. In addition, on May 29, 2007 (the "Grant Date"), the Board granted each of the independent directors 12,000 phantom units pursuant to the terms of the Cheniere Energy Partners, L.P. Long-Term Incentive Plan. In addition, annually on the anniversary of the Grant Date, the independent directors will receive an additional 3,000 phantom units. Vesting will occur for one-fourth of the phantom units on each anniversary of the Grant Date beginning on the first anniversary of the Grant Date. Upon vesting, the phantom units will be payable in cash in an amount equal to the fair market value of a Partnership unit. A summary of the compensation to be paid to independent directors is attached hereto as Exhibit 10.1 and the form of Phantom Units Agreement is attached hereto as Exhibit 10.2.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Principal Accounting Officer On June 1, 2007, Craig K. Townsend, the Company's Vice President and Chief Accounting Officer, began a leave of absence. During Mr. Townsend's leave of absence, Don A. Turkleson, Director, Senior Vice President and Chief Financial Officer of the Company, will assume the responsibilities of the principal accounting officer. Information regarding Mr. Turkleson's business experience and any arrangements with Cheniere Energy, Inc. ("CEI") are reported in CEI's 2007 Proxy Statement.

Item 9.01 Financial Statements and Exhibits.

d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	Summary of Compensation to Independent Directors (filed herewith)
10.2	Form of Phantom Units Agreement (filed herewith)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHENIERE ENERGY PARTNERS, L.P.

By: CHENIERE ENERGY PARTNERS GP, LLC,
its general partner

Date: June 4, 2007

By: /s/ Don A. Turkleson
Name: Don A. Turkleson
Title: Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Summary of Compensation to Independent Directors (filed herewith)
10.2	Form of Phantom Units Agreement (filed herewith)

Summary of Compensation to Independent Directors

On May 29, 2007, the Board of Directors (the "Board") of Cheniere Energy Partners GP, LLC (the "Company"), the general partner of Cheniere Energy Partners, L.P. (the "Partnership"), approved an annual payment of \$50,000 to each independent director of the Company for services as a director. An additional annual payment of \$30,000 was approved for the chairman of the Audit Committee as well as an annual payment of \$15,000 for the members of the Audit Committee other than the chairman. An additional annual payment of \$5,000 was approved for the chairman of the Conflicts Committee. In addition, on May 29, 2007 (the "Grant Date"), the Board granted each of the independent directors 12,000 phantom units pursuant to the terms of the Cheniere Energy Partners, L.P. Long-Term Incentive Plan. In addition, annually on the anniversary of the Grant Date, the independent directors will receive an additional 3,000 phantom units. Vesting will occur for one-fourth of the phantom units on each anniversary of the Grant Date beginning on the first anniversary of the Grant Date. Upon vesting, the phantom units will be payable in cash in an amount equal to the fair market value of a Partnership unit.

Form of Phantom Units Agreement

PHANTOM UNITS AGREEMENT

*Pursuant to the terms of the
Cheniere Energy Partners, L.P. Long-Term Incentive Plan*

1. Grant of Phantom Units. Subject to and in accordance with the terms and conditions of this document, Cheniere Energy Partners GP, LLC, a Delaware limited liability company ("Company"), hereby awards to _____ ("Participant") [_____] phantom units, which are notional units of common units ("Units") of Cheniere Energy Partners, L.P. (the "Partnership") (the "Phantom Units"). This Phantom Units Agreement ("Phantom Units Agreement") is dated as of [_____] . The Phantom Units are awarded pursuant to and to implement in part the Cheniere Energy Partners, L.P. Long-Term Incentive Plan (as amended and in effect from time to time, the "Plan") and are subject to the restrictions, forfeiture provisions and other terms and conditions of the Plan, which is hereby incorporated herein and is made a part hereof, and this Phantom Units Agreement. By execution of this Phantom Units Agreement, Participant agrees to be bound by all of the terms, provisions, conditions and limitations of the Plan as implemented by the Phantom Units Agreement, together with all rules and determinations from time to time issued by the Committee pursuant to the Plan. All capitalized terms have the meanings set forth in the Plan unless otherwise specifically provided. All references to specified paragraphs pertain to paragraphs of this Phantom Units Agreement unless otherwise provided.

2. Risk of Forfeiture. Participant shall immediately forfeit all rights to any Phantom Units which have not vested and with respect to which the restrictions thereon have not lapsed in the event of the termination, resignation, or removal of Participant from employment or other services with Company and its Affiliates under circumstances that do not cause Participant to become fully vested, and the restrictions on such Phantom Units to lapse, under the terms of the Plan and this Phantom Units Agreement.

3. Restricted Period; Vesting. Subject to the provisions of this Phantom Units Agreement including, without limitation, the following provisions of this Paragraph 3, Participant shall vest in his or her rights to the Phantom Units and the restrictions imposed thereon shall lapse with respect to 25% of the Phantom Units on the first anniversary of the date hereof, and shall vest at 25% on the second anniversary of the date hereof with another 25% on the third anniversary of the date hereof and with the remainder of the Phantom Units vesting on the fourth anniversary of the date hereof.

The period from the date hereof until the Phantom Units have become one hundred percent (100%) vested and the restrictions thereon have lapsed shall be referred to as the "Restricted Period."

To the extent a Phantom Unit shall become fully vested and the restrictions imposed thereon shall have lapsed pursuant to this Paragraph 3, Participant shall receive an amount of cash equal to the Fair Market Value of a Unit. Such distribution shall occur as soon as practicable, but in no event later than the fifteenth (15th) day of the third (3rd) month following the date on which vesting occurs and the restrictions lapse. Should Participant die before

receiving all amounts payable under this Paragraph 3, the balance due shall be paid to his estate. Participant's right to any amounts described in this Paragraph 3 shall not rise above those of a general creditor of Company.

4. Transferability. Phantom Units shall not be transferable (by operation of law or otherwise) by Participant or any other person claiming through or under Participant, other than by Participant's will or the laws of descent or distribution. Any attempt to sell, assign, transfer, pledge, exchange, hypothecate, or otherwise dispose of any Phantom Units shall be void and unenforceable.

5. Ownership Rights and Distribution Equivalent Rights. A Phantom Unit is a notional Unit of the Partnership and, as a result, does not provide or give rise to any right to a Unit or to receive the Fair Market Value of a Unit except as specifically provided in the Plan and this Phantom Units Agreement. During the Restricted Period, any distribution in the form of cash paid or delivered by the Partnership on a Unit shall not entitle Participant to an equal amount of cash with respect to each Phantom Unit.

6. Termination of Employment; Change in Control. If Participant's service with Company and its Affiliates shall be terminated for any reason, any unvested Phantom Units outstanding at the time of such termination and all rights thereunder shall be forfeited without payment under Paragraph 3 or 5 and no further vesting shall occur; provided however, that any Phantom Units not then vested shall vest upon the death or Disability of Participant.

In the event of a Change in Control, then any Phantom Units not then vested shall vest in the event of the resignation or removal of a Participant from service with Company and its Affiliates for any reason within one (1) year from the effective date of such Change in Control.

7. Adjustment of Units. In the event of any distribution (whether in the form of cash, Common Units, other securities, or other property), recapitalization, split, reverse split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Units or other securities of Partnership, issuance of warrants or other rights to purchase Units or other securities of Partnership, or other similar transaction or event affects the Units, then the Committee shall, in such manner as it may deem equitable, make adjustments to the terms and provisions of this Phantom Units Agreement pursuant to Section 4(c) of the Plan in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

8. Certain Restrictions. By executing this Phantom Units Agreement, Participant agrees that Participant will enter into such written representations, warranties and agreements as Company may reasonably request in order to comply with the Securities Act of 1933 or any other securities law or with this Phantom Units Agreement. Participant agrees that Company shall not be obligated to take any affirmative action in order to cause the Phantom Units subject to this Phantom Units Agreement to comply with any law, rule or regulation.

9. Amendment and Termination. This Phantom Units Agreement may not be terminated by the Committee at any time without the written consent of Participant. This

Phantom Units Agreement may be amended in writing by Company and Participant, provided Company may amend this Phantom Units Agreement unilaterally (i) if the amendment does not adversely affect Participant's rights hereunder in any material respect, (ii) if Company determines that an amendment is necessary to comply with Rule 16b-3 under the Exchange Act or other applicable law, or (iii) if Company determines that an amendment is necessary to meet the requirements of the Code or to prevent adverse tax consequences to Participant. No amendment or termination of the Plan will adversely affect the rights and privileges of Participant under this Phantom Units Agreement or to the Phantom Units granted hereunder without the written consent of Participant.

10. No Guarantee of Service. Neither this Phantom Units Agreement nor the award of Phantom Units hereunder shall confer upon Participant any right with respect to continuance of employment or other service with Company or any Affiliate, nor shall it interfere in any way with any right Company or any Affiliate would otherwise have to terminate such Participant's employment or other service at any time.

11. Community Interest of Spouse. The community interest, if any, of any spouse of Participant in any Phantom Units shall be subject to all of the terms, conditions and restrictions of this Phantom Units Agreement and the Plan.

12. Severability. In the event that any provision of this Phantom Units Agreement shall be held illegal, invalid, or unenforceable for any reason, such provision shall be fully severable, but shall not affect the remaining provisions of this Phantom Units Agreement, and this Phantom Units Agreement shall be construed and enforced as of the illegal, invalid, or unenforceable provision had never been included herein.

13. Governing Law. This Phantom Units Agreement shall be construed in accordance with the laws of the State of Delaware to the extent federal law does not supersede and preempt Delaware law.

COMPANY:

CHENIERE ENERGY PARTNERS GP, LLC

By: _____

Printed Name: _____

Title: _____

PARTICIPANT:

By: _____

(Signature)