
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): August 5, 2011

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 14d-2(b) 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 2.02 Results of Operations and Financial Condition.

On August 5, 2011, Cheniere Energy Partners, L.P. (the "Partnership") issued a press release announcing the Partnership's results of operations for the three and six months ended June 30, 2011. The press release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein in its entirety.

The information included in this Item 2.02 of Current Report on Form 8-K, including the attached Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

d) Exhibits

Exhibit**Number Description**

99.1* Press Release, dated August 5, 2011

* (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

By: /s/ MEG A. GENTLE
Meg A. Gentle
Senior Vice President and
Chief Financial Officer

Date: August 5, 2011

EXHIBIT INDEX

Exhibit

Number Description

99.1* Press Release, dated August 5, 2011

* (filed herewith).

CHENIERE ENERGY PARTNERS, L.P. NEWS RELEASE

Cheniere Energy Partners Reports Second Quarter 2011 Results

Houston, Texas - August 5, 2011 - For the three and six months ended June 30, 2011, Cheniere Energy Partners, L.P. ("Cheniere Partners") (NYSE Amex: CQP) reported a net loss of \$6.9 million and \$9.1 million, respectively, compared with net income of \$58.4 million and \$117.2 million for the same periods in 2010, respectively. For the three and six months ended June 30, 2011, affiliate revenues decreased \$57.3 million and \$116.5 million, respectively, primarily as a result of the assignment of the terminal use agreement ("TUA") from Cheniere Marketing, LLC ("Cheniere Marketing") to Cheniere Energy Investments, LLC ("Cheniere Investments"), our wholly owned subsidiary, which required us to eliminate for consolidated reporting purposes the TUA revenues under this contract to Sabine Pass LNG, L.P. ("Sabine Pass"), our wholly owned subsidiary. The assignment is not expected to have an impact on distributable cash flows available for common unitholders.

Overview of Significant 2011 Events

- In January 2011, Sabine Pass Liquefaction, LLC ("Sabine Liquefaction") and Sabine Pass, our wholly owned subsidiaries, submitted an application to the FERC requesting authorization to site, construct and operate liquefaction and export facilities at the Sabine Pass LNG terminal; and
- In May 2011, Sabine Liquefaction received an order from the U.S. Department of Energy ("DOE") with authorization to export domestically produced natural gas from the Sabine Pass LNG terminal as LNG to any country that has, or in the future develops, the capacity to import LNG and with which trade is permissible.

2011 Results

Cheniere Partners reported income from operations of \$36.9 million and \$78.1 million for the three and six months ended June 30, 2011, compared to income from operations of \$102.0 million and \$203.7 million for the comparable periods in 2010.

Total revenues for the three and six months ended June 30, 2011, were \$73.6 million and \$148.1 million, respectively, compared to total revenues of \$129.8 million and \$260.5 million for the comparable periods in 2010. Revenues primarily include capacity payments received from customers in accordance with their TUAs and incremental revenues from tug services and re-export fees. Revenues from affiliates for the three and six months ended June 30, 2011, decreased by \$57.3 million and \$116.5 million, respectively, when compared to the comparable periods in 2010 due to the assignment of Cheniere Marketing's TUA to Cheniere Investments, partially offset by revenues from the variable capacity rights agreement ("VCRA") with Cheniere Marketing.

Total operating costs and expenses for the three and six months ended June 30, 2011, were \$36.7 million and \$70.0 million, respectively, compared to \$27.8 million and \$56.8 million for the comparable periods in 2010. Development expense (including affiliate) increased \$11.3 million and \$18.5 million for the three and six months ended June 30, 2011, respectively, compared to the comparable periods in 2010, primarily due to expenses related to the proposed liquefaction project. Operating and maintenance expenses (including affiliate) decreased \$1.9 million and \$4.7 million for the three and six months ended June 30, 2011, respectively, compared to the comparable periods in 2010, primarily due to decreased fuel costs as a result of efficiencies in our LNG inventory management.

Liquefaction Project

We continue to make progress on our project to add liquefaction services at the Sabine Pass LNG terminal. The project is being designed and permitted for up to four LNG trains, each with a nominal production capacity of approximately 4.0 mtpa. We anticipate LNG export from the Sabine Pass LNG terminal could commence as early as 2015, and may be constructed in phases, with each LNG train commencing operations approximately six to nine months after the previous LNG train.

We intend for Sabine Liquefaction to enter into long-term contracts for at least 3.5 mtpa (approximately 0.5 Bcf/d) per LNG train, before reaching a final investment decision regarding the development of the LNG trains. We are in the process of negotiating definitive agreements with a number of potential customers.

We will contemplate making a final investment decision to commence construction of the liquefaction project upon, among other things, entering into acceptable commercial arrangements, receiving regulatory authorization to construct and operate the liquefaction assets and obtaining adequate financing.

Summary Liquefaction Project Timeline

| <u>Milestone</u> | <u>Estimated Completion</u> |
|----------------------------------|-----------------------------|
| Enter into definitive agreements | 2H2011 |
| EPC contract | 2H2011 |
| Financing commitments | 2H2011 |
| FERC construction authorization | 2012 |
| Commence construction | 2012 |
| Commence operations | 2015 |

Distributions

For the quarters ended on and after June 30, 2010, Cheniere Partners paid the initial quarterly distribution of \$0.425 to all common unitholders and 2% of the distributions to the general partner but did not make any distributions to the subordinated unitholders. Cash available for distributions to the common unitholders and the general partner is supported by payments made by Total and Chevron for their capacity under their TUAs.

The subordinated units will receive distributions only to the extent we have available cash above the minimum quarterly distributions required for our common unitholders and general partner along with certain reserves. Such available cash could be generated through new business development or fees received from Cheniere Marketing under the VCRA whereby Cheniere Marketing will pay Cheniere Investments 80% of the gross margin for each cargo it delivers to the Sabine Pass LNG terminal.

2011 Distributions

Cheniere Partners estimates that its annualized distribution to common unitholders for fiscal year 2011 will be \$1.70 per unit. Cheniere Partners will pay a cash distribution per common unit of \$0.425 to unitholders of record as of August 1, 2011, and the related general partner distribution on August 12, 2011.

Cheniere Partners owns 100 percent of the Sabine Pass LNG terminal located in western Cameron Parish, Louisiana on the Sabine Pass Channel. The terminal has sendout capacity of 4.0 Bcf/d and storage capacity of 16.9 Bcfe. Cheniere Partners is developing a project to add liquefaction and export capabilities to the existing infrastructure at the Sabine Pass LNG terminal. Additional information about Cheniere Partners may be found on its website: www.cheniereenergypartners.com.

This press release contains certain statements that may include “forward-looking statements” within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included herein are “forward-looking statements.” Included among “forward-looking statements” are, among other things, (i) statements regarding Cheniere Partners' business strategy, plans and objectives and (ii) statements expressing beliefs and expectations regarding the development of Cheniere Partners' LNG terminal business and liquefaction project. Although Cheniere Partners believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere Partners' actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere Partners' periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere Partners does not assume a duty to update these forward-looking statements.

(Financial Table Follows)

Cheniere Energy Partners, L.P.
Selected Financial Information
(in thousands, except per unit data)⁽¹⁾

| | Three Months Ended | | Six Months Ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | June 30, | | June 30, | |
| | 2011 ⁽²⁾ | 2010 ⁽²⁾ | 2011 ⁽²⁾ | 2010 ⁽²⁾ |
| Revenues | | | | |
| Revenues | \$ 67,177 | \$ 66,004 | \$ 136,845 | \$ 132,831 |
| Revenues—affiliate | 6,432 | 63,760 | 11,213 | 127,711 |
| Total revenues | 73,609 | 129,764 | 148,058 | 260,542 |
| Expenses | | | | |
| Operating and maintenance expense | 3,904 | 6,168 | 9,590 | 14,242 |
| Operating and maintenance expense—affiliate | 3,519 | 3,085 | 6,111 | 6,150 |
| Depreciation expense | 10,743 | 10,561 | 21,480 | 21,124 |
| Development expense | 11,163 | 407 | 17,780 | 613 |
| Development expense—affiliate | 958 | 365 | 1,823 | 485 |
| General and administrative expense | 1,430 | 2,059 | 3,201 | 3,799 |
| General and administrative expense—affiliate | 4,960 | 5,142 | 10,015 | 10,415 |
| Total expenses | 36,677 | 27,787 | 70,000 | 56,828 |
| Income from operations | 36,932 | 101,977 | 78,058 | 203,714 |
| Other income (expense) | | | | |
| Interest expense, net | (43,399) | (43,648) | (86,796) | (87,125) |
| Derivative gain (loss), net | (448) | (44) | (448) | 461 |
| Other | 47 | 86 | 108 | 145 |
| Total other expense | (43,800) | (43,606) | (87,136) | (86,519) |
| Net income (loss) | \$ (6,868) | \$ 58,371 | \$ (9,078) | \$ 117,195 |
| Basic and diluted net income per common unit | \$ 0.32 | \$ 0.43 | \$ 0.66 | \$ 0.85 |
| Basic and diluted net income (loss) per subordinated unit | \$ (0.11) | \$ 0.34 | \$ (0.20) | \$ 0.68 |
| Weighted average number of common units outstanding used for basic and diluted net income per common unit calculation | 26,754 | 26,416 | 26,592 | 26,416 |
| Weighted average number of subordinated units outstanding used for basic and diluted net income (loss) per subordinated unit calculation | 135,384 | 135,384 | 135,384 | 135,384 |

| | As of June 30, 2011 ⁽³⁾ | As of December 31, 2010 ⁽³⁾ |
|--|---------------------------------------|---|
| Cash and cash equivalents | \$ 55,327 | \$ 53,349 |
| Restricted cash and cash equivalents | 13,732 | 13,732 |
| LNG Inventory | 437 | 1,212 |
| Other current assets ⁽⁴⁾ | 8,657 | 10,360 |
| Non-current restricted cash and cash equivalents | 82,394 | 82,394 |
| Property, plant and equipment, net | 1,533,799 | 1,550,465 |
| Debt issuance costs, net | 19,831 | 22,004 |
| Other assets | 12,468 | 9,976 |
| Total assets | <u>\$ 1,726,645</u> | <u>\$ 1,743,492</u> |
| Current liabilities ⁽⁴⁾ | \$ 55,444 | \$ 52,134 |
| Long-term debt, net of discount | 2,190,071 | 2,187,724 |
| Deferred revenue, including affiliate | 39,766 | 39,313 |
| Other liabilities ⁽⁴⁾ | 322 | 329 |
| Total partners' deficit | (558,958) | (536,008) |
| Total liabilities and partners' deficit | <u>\$ 1,726,645</u> | <u>\$ 1,743,492</u> |

- (1) Please refer to Cheniere Energy Partners, L.P. Quarterly Report on Form 10-Q for the period ended June 30, 2011, filed with the Securities and Exchange Commission.
- (2) Consolidated operating results of Cheniere Energy Partners, L.P. and its consolidated subsidiaries for the three and six months ended June 30, 2011 and 2010.
- (3) Consolidated balance sheets of Cheniere Energy Partners, L.P. and its consolidated subsidiaries.
- (4) Amounts include transactions between Cheniere Partners and Cheniere Energy, Inc. or subsidiaries of Cheniere Energy, Inc.

CONTACTS:

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