

Kobiashvili Zurab S
Form 4
August 11, 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 *
Kobiashvili Zurab S

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)
08/10/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sen. V. Pres & General Counsel

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	08/10/2006		M		33,333 A \$ 6.18	71,825	D
Common Stock	08/10/2006		M		33,334 A \$ 6.92	105,159	D
Common Stock	08/10/2006		F		13,239 D \$ 33	91,920	D
Common Stock	08/10/2006		S		100 D \$ 32.26	91,820	D
Common Stock	08/10/2006		S		3,100 D \$ 32.27	88,720	D

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Common Stock	08/10/2006	S	228	D	\$ 32.5	88,492	D
Common Stock	08/10/2006	S	20,500	D	\$ 32.35	67,992	D
Common Stock	08/10/2006	S	600	D	\$ 32.36	67,392	D
Common Stock	08/10/2006	S	4,500	D	\$ 32.38	62,892	D
Common Stock	08/10/2006	S	1,700	D	\$ 32.45	61,192	D
Common Stock	08/10/2006	S	900	D	\$ 32.6	60,292	D
Common Stock	08/10/2006	S	9,800	D	\$ 32.55	50,492	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)	\$ 6.18	08/10/2006		M	33,333	05/10/2005	05/10/2009	Common Stock	33,333
Employee Stock Option (right to buy)	\$ 6.92	08/10/2006		M	33,334	05/26/2005	05/10/2009	Common Stock	33,334

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kobiashvili Zurab S 717 TEXAS AVENUE SUITE 3100 HOUSTON, TX 77002			Sen. V. Pres & General Counsel	

Signatures

Zurab S. Kobiashvili	08/11/2006
**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).

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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