

CHENIERE ENERGY INC  
Form 8-K  
March 08, 2017

**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): March 2, 2017**

**CHENIERE ENERGY, INC.**

**(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)**

**Delaware**  
**(State or other jurisdiction)**

**001-16383**  
**(Commission)**

**95-4352386**  
**(IRS Employer)**

<b>of incorporation)</b>	<b>File Number)</b>	<b>Identification No.)</b>
<b>700 Milam Street, Suite 1900, Houston, Texas</b> <b>(Address of principal executive offices)</b>		<b>77002</b> <b>(Zip Code)</b>
<b>Registrant's telephone number, including area code: (713) 375-5000</b>		

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 1.01 Entry into a Material Definitive Agreement.**

On March 2, 2017, Cheniere Energy, Inc. (CEI), entered into a \$750 million Revolving Credit Agreement among CEI, as borrower, Bank of America, N.A., Credit Suisse AG, Cayman Islands Branch, Goldman Sachs Bank USA, HSBC Bank USA, National Association, Mizuho Bank, Ltd., Morgan Stanley Senior Funding, Inc., Royal Bank of Canada, Société Générale and Sumitomo Mitsui Banking Corporation (collectively, the Lenders), as lenders and issuing banks, Goldman Sachs Bank USA, Morgan Stanley Senior Funding, Inc. and SG Americas Securities, LLC, as joint lead arrangers and joint bookrunners, and Société Générale, as administrative agent for the Lenders (the Revolving Credit Facility). The Lenders and their affiliates have provided and may provide, from time to time in the future, certain financial services to CEI and its affiliates, for which they may receive advisory or transaction fees, as applicable, of the nature and in amounts customary in the industry for these financial services.

The Revolving Credit Facility will be available to provide loans to, and the issuance of letters of credit on behalf of, CEI to fund, directly or indirectly, equity capital contributions to Cheniere CCH HoldCo II, LLC and its subsidiaries, as well as related fees and expenses, in connection with the development of the Corpus Christi natural gas liquefaction facilities and Corpus Christi natural gas pipeline and related facilities near Corpus Christi, Texas. Subject to the satisfaction of certain conditions as described below, loans in an amount of up to 20% of the aggregate commitments under the Revolving Credit Facility may also be used for CEI's general corporate purposes; *provided* that the amount of the Revolving Credit Facility available for general corporate purposes will increase if, and to the extent that, the amount of undrawn commitments under the Revolving Credit Facility exceeds the amount CEI is required to contribute to the Corpus Christi project under the equity contribution agreement it has entered into with one of its subsidiaries in respect of the Corpus Christi project (the ECA).

*Conditions Precedent to Extensions of Credit*

Advances and issuances of letters of credit under the Revolving Credit Facility are subject to customary conditions precedent, including the absence of defaults, the accuracy of certain representations and warranties, the perfection of security interests, and the payment of applicable fees and expenses. In addition, no advances or letters of credit under the Revolving Credit Facility will be available until either (i) CEI's unrestricted cash (calculated on a consolidated basis in accordance with U.S. generally accepted accounting principles (GAAP)) is less than \$500 million or (ii) the fourth liquefaction train of the Sabine Pass liquefaction project has achieved substantial completion. Furthermore, advances and issuances of letters of credit under the Revolving Credit Facility for general corporate purposes will be permitted only if the sum of CEI's unrestricted cash (calculated on a consolidated basis in accordance with GAAP) and the amount of undrawn commitments under the Revolving Credit Facility exceeds the amount CEI is required to contribute to the Corpus Christi project under the ECA.

*Interest and Fees*

Loans under the Revolving Credit Facility will bear interest at a variable rate *per annum* equal to LIBOR or the base rate (the highest of (a) the prime rate published in The Wall Street Journal, (b) the federal funds rate plus 0.50%, and (c) LIBOR for an interest period of one month plus 1.00%), plus the applicable margin. The applicable margin for LIBOR loans is 3.25% *per annum*, and the applicable margin for base rate loans is 2.25% *per annum*. Interest on LIBOR loans is due and payable at the end of each LIBOR period, and interest on base rate loans is due and payable at the end of each calendar quarter.

CEI will pay (i) a commitment fee on the average daily amount of undrawn commitments at an annual rate of 0.75%, payable quarterly in arrears, and (ii) a letter of credit fee at an annual rate equal to the applicable margin for LIBOR loans on the undrawn portion of all letters of credit issued under the Revolving Credit Facility. Draws on any letters of credit will bear interest at an annual rate equal to the base rate plus 2.0%.

Edgar Filing: CHENIERE ENERGY INC - Form 8-K

In connection with the Revolving Credit Facility, CEI is paying fees to the Lenders, as well as additional transaction fees and expenses. Annual administrative fees must also be paid to the administrative agent and collateral agent for the Revolving Credit Facility.

### *Repayments*

The Revolving Credit Facility matures on March 2, 2021. Subject to customary exceptions, CEI is required to make mandatory prepayments with respect to the Revolving Credit Facility using the net proceeds (less fees, expenses and other customary deductions) of: (a) the incurrence of indebtedness by CEI (other than indebtedness permitted under the terms of the Revolving Credit Facility) or (b) asset sales by CEI and its subsidiaries (to the extent the proceeds thereof are distributed to CEI), excluding any net proceeds that are reinvested in other assets useful in the business of CEI and its subsidiaries within 12 months of receipt thereof (or which are committed in writing to be reinvested within such period and are actually reinvested within 18 months of the receipt thereof). CEI is also required to prepay the outstanding borrowings under the Revolving Credit Facility in the event that certain change of control events occur in respect of certain of CEI's subsidiaries. All mandatory prepayments will be applied without penalty or premium.

### *Covenants and Events of Default*

The Revolving Credit Facility includes representations, warranties and affirmative and negative covenants customary for companies like CEI with lenders of the type participating in the Revolving Credit Facility, including, among others, covenants relating to compliance with laws, conditions to the making of restricted payments, including dividends (the making of such restricted payments is subject to, among other things, (i) the substantial completion of the fourth liquefaction train of the Sabine Pass liquefaction project, (ii) the aggregate principal amount of loans under the Revolving Credit Facility not exceeding 10% of the aggregate commitments thereunder and (iii) the sum of CEI's unrestricted cash (calculated on a consolidated basis in accordance with GAAP) and the amount of undrawn commitments under the Revolving Credit Facility exceeding the amount CEI is required to contribute to the Corpus Christi project under the ECA), and limitations on indebtedness, guarantees, hedging, liens, investments and affiliate transactions. These covenants are subject to certain materiality qualifiers, reasonableness standards, thresholds, grace periods and exceptions.

In addition, the Revolving Credit Facility contains a financial covenant requiring CEI to ensure at all times that the sum of its unrestricted cash (calculated on a consolidated basis in accordance with GAAP) and the amount of undrawn commitments under the Revolving Credit Facility is at least equal to the lesser of (a) 20% of the commitments under the Revolving Credit Facility and (b) \$100 million.

The Revolving Credit Facility also includes customary events of default (including non-payment, cross default to other indebtedness of CEI in excess of \$50 million, cross acceleration to indebtedness of certain subsidiaries of CEI in excess of \$250 million, breach of representations, warranties and covenants, unsatisfied judgments in excess of \$50 million, voluntary and involuntary bankruptcy events and change of control of CEI), which are subject to customary grace periods and materiality standards.

### *Collateral*

The Revolving Credit Facility is secured by a first priority security interest (subject to permitted liens and other customary exceptions) in substantially all of the assets of CEI, including the equity interests in CEI's direct subsidiaries (other than Cheniere CCH HoldCo II, LLC). The security interest securing the Revolving Credit Facility is evidenced by customary security documents.

The foregoing description of the Revolving Credit Facility does not purport to be complete and is qualified in its entirety by reference to the full text of the Revolving Credit Facility, which is filed as Exhibit 10.1 to this report and incorporated herein by reference.

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

**Item 9.01 Financial Statements and Exhibits.**

d) Exhibits

<b>Exhibit Number</b>	<b>Description</b>
10.1	The Revolving Credit Agreement, dated as of March 2, 2017, among Cheniere Energy, Inc., the Lenders and Issuing Banks party thereto, Goldman Sachs Bank USA, Morgan Stanley Senior Funding, Inc. and SG Americas Securities, LLC, as Joint Lead Arrangers and Joint Bookrunners, and Société Générale, as Administrative Agent.

**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, INC.

Dated: March 8, 2017

By: /s/ Michael J. Wortley  
Name: Michael J. Wortley  
Title: Executive Vice President and Chief Financial  
Officer



**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>
10.1	The Revolving Credit Agreement, dated as of March 2, 2017, among Cheniere Energy, Inc., the Lenders and Issuing Banks party thereto, Goldman Sachs Bank USA, Morgan Stanley Senior Funding, Inc. and SG Americas Securities, LLC, as Joint Lead Arrangers and Joint Bookrunners, and Société Générale, as Administrative Agent.