

CHENIERE ENERGY INC
Form 10-Q
April 30, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File No. 001-16383
CHENIERE ENERGY, INC.
(Exact name of registrant as specified in its charter)

Delaware 95-4352386
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

700 Milam Street, Suite 1900
Houston, Texas 77002
(Address of principal executive offices) (Zip code)
(713) 375-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 17, 2015, the issuer had 236,613,300 shares of Common Stock outstanding.

CHENIERE ENERGY, INC.
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DEFINITIONS

As commonly used in the liquefied natural gas industry, to the extent applicable, and as used in this quarterly report, the following terms have the following meanings:

Common Industry and Other Terms

Bcf/d	billion cubic feet per day
Bcf/yr	billion cubic feet per year
Bcfe	billion cubic feet equivalent
EPC	engineering, procurement and construction
FERC	Federal Energy Regulatory Commission
GAAP	generally accepted accounting principles in the United States
Henry Hub	the final settlement price (in USD per MMBtu) for the New York Mercantile Exchange's Henry Hub natural gas futures contract for the month in which a relevant cargo's delivery window is scheduled to begin
LIBOR	London Interbank Offered Rate
LNG	liquefied natural gas, a product of natural gas consisting primarily of methane (CH ₄) that is in liquid form at near atmospheric pressure
MMBtu	million British thermal units, an energy unit
mtpa	million metric tonnes per annum
SEC	Securities and Exchange Commission
SPA	LNG sale and purchase agreement
Train	a compressor train used in the industrial process to convert natural gas into LNG
TUA	terminal use agreement

Company Abbreviations

CCH HoldCo II	Cheniere CCH HoldCo II, LLC
CCL	Corpus Christi Liquefaction, LLC
Cheniere Holdings	Cheniere Energy Partners LP Holdings, LLC
Cheniere Investments	Cheniere Energy Investments, LLC
Cheniere Marketing	Cheniere Marketing, LLC
Cheniere Partners	Cheniere Energy Partners, L.P.
Cheniere Partners GP	Cheniere Energy Partners GP, LLC
Corpus Christi Holdings	Cheniere Corpus Christi Holdings, LLC
Cheniere Corpus Christi Pipeline	Cheniere Corpus Christi Pipeline, L.P.
CTPL	Cheniere Creole Trail Pipeline, L.P.
Sabine Pass LNG	Sabine Pass LNG, L.P.
SPL	Sabine Pass Liquefaction, LLC

Unless the context requires otherwise, references to "Cheniere," the "Company," "we," "us" and "our" refer to Cheniere Energy Inc. (NYSE MKT: LNG) and its consolidated subsidiaries, including our publicly traded subsidiaries, Cheniere Partners (NYSE MKT: CQP) and Cheniere Holdings (NYSE MKT: CQH).

PART I. FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS
CHENIERE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	March 31, 2015 (unaudited)	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	\$2,158,338	\$1,747,583
Restricted cash and cash equivalents	457,456	481,737
Accounts and interest receivable	32,503	4,419
LNG inventory	16,282	4,294
Prepaid expenses and other	38,480	20,844
Total current assets	2,703,059	2,258,877
Non-current restricted cash and cash equivalents		
Property, plant and equipment, net	1,856,524	550,811
Debt issuance costs, net	9,852,970	9,246,753
Non-current derivative assets	217,363	242,323
Goodwill	472	11,744
Other non-current assets	76,819	76,819
Total assets	215,840	186,356
	\$14,923,047	\$12,573,683
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$20,953	\$13,426
Accrued liabilities	255,815	169,147
Deferred revenue	26,653	26,655
Derivative liabilities	18,046	23,247
Total current liabilities	321,467	232,475
Long-term debt, net		
Non-current deferred revenue	12,117,880	9,806,084
Other non-current liabilities	12,500	13,500
	116,829	20,107
Commitments and contingencies		
Stockholders' equity		
Preferred stock, \$0.0001 par value, 5.0 million shares authorized, none issued	—	—
Common stock, \$0.003 par value		
Authorized: 480.0 million shares at March 31, 2015 and December 31, 2014		
Issued and outstanding: 236.7 million shares at March 31, 2015 and December 31, 2014	712	712
	(296,523) (292,752)

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Treasury stock: 10.7 million shares and 10.6 million shares at March 31, 2015 and December 31, 2014, respectively, at cost

Additional paid-in-capital	2,989,221	2,776,702
Accumulated deficit	(2,916,548)	(2,648,839)
Total stockholders' deficit	(223,138)	(164,177)
Non-controlling interest	2,577,509	2,665,694
Total equity	2,354,371	2,501,517
Total liabilities and equity	\$ 14,923,047	