

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE CHENIERE ENERGY, INC. : C.A. No. 9766-VCL

IN RE CHENIERE ENERGY, INC. : C.A. No. 9710-VCL
STOCKHOLDERS LITIGATION :

**NOTICE OF PENDENCY OF CLASS AND DERIVATIVE ACTION, PROPOSED
SETTLEMENT OF CLASS AND DERIVATIVE ACTION, AND SETTLEMENT HEARING**

DERIVATIVE CLAIMS

TO: ALL PERSONS OR ENTITIES WHO HOLD SHARES OF THE COMMON STOCK OF CHENIERE ENERGY, INC. ("CHENIERE" OR THE "COMPANY") AT ANY TIME BETWEEN AND INCLUDING MARCH 2, 2011 AND THE EFFECTIVE DATE (AS DEFINED IN PARAGRAPH 35.G. BELOW).

CLASS CLAIMS

TO: ALL PERSONS OR ENTITIES WHO HELD SHARES OF THE COMMON STOCK OF CHENIERE, EITHER OF RECORD OR BENEFICIALLY, INCLUDING THEIR RESPECTIVE SUCCESSORS IN INTEREST, SUCCESSORS, PREDECESSORS IN INTEREST, PREDECESSORS, REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, ASSIGNS OR TRANSFEREES, IMMEDIATE AND REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER, ANY OF THEM, AND EACH OF THEM, TOGETHER WITH THEIR PREDECESSORS AND SUCCESSORS AND ASSIGNS, AT ANY TIME BETWEEN AND INCLUDING MARCH 2, 2011 AND THE EFFECTIVE DATE (AS DEFINED IN PARAGRAPH 35.G. BELOW).

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF A LAWSUIT AND CONTAINS IMPORTANT INFORMATION. YOUR RIGHTS WILL BE AFFECTED BY THESE LEGAL PROCEEDINGS IN THIS LITIGATION.

IF YOU WERE NOT THE BENEFICIAL HOLDER OF COMMON STOCK OF CHENIERE BUT HELD SUCH STOCK FOR A BENEFICIAL HOLDER, PLEASE TRANSMIT THIS DOCUMENT PROMPTLY TO SUCH BENEFICIAL HOLDER.

PLEASE NOTE: THERE IS NO PROOF OF CLAIM FORM FOR CLASS MEMBERS TO SUBMIT IN CONNECTION WITH THIS SETTLEMENT, AND CLASS MEMBERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RESPONSE TO THIS NOTICE.

WHAT IS THE PURPOSE OF THIS NOTICE?

1. The purpose of this Notice is to inform you of a proposed settlement (the "Settlement") of the above-captioned actions (which include class and derivative actions) pending before the Court of Chancery of the State of Delaware (the "Court"), and of a hearing to be held before the Court, in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 on March 16, 2015, at 10:00 a.m. (the "Settlement Hearing"). The purpose of the Settlement Hearing is to determine: (a) whether the Court should certify the Class (defined below) for purposes of the Settlement; (b) whether the Court should approve the proposed class action and derivative Settlement; (c) whether the Court should enter an Order and Final Judgment dismissing the claims asserted in the above-captioned actions with prejudice as against Plaintiffs, the Class and Cheniere stockholders who held Cheniere stock at any point between and including March 2, 2011 and the Effective Date, and effectuating the releases described below; (d) whether the Court should grant the application of Plaintiffs' counsel for an award of attorneys' fees and reimbursement of litigation expenses; and (e) such other matters as may properly come before the Court.
2. If you are a member of the Class or a Cheniere stockholder who held Cheniere stock at any point between and including March 2, 2011 and the Effective Date, this Notice will inform you of how, if you so choose, you may enter your appearance in the actions or object to the proposed Settlement and have your objection heard at the Settlement Hearing.

WHAT IS THIS CASE ABOUT?

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY CLAIMS OR DEFENSES BY ANY OF THE PARTIES. IT IS BASED ON STATEMENTS OF THE PARTIES AND IS SENT FOR THE SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THESE ACTIONS AND OF A HEARING ON A PROPOSED SETTLEMENT SO THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS YOU MAY, OR MAY NOT, WISH TO TAKE IN RELATION TO THESE ACTIONS.

3. On March 2, 2011, the Cheniere Energy, Inc. Board of Directors (the "Board") adopted the Cheniere Energy, Inc. 2011 Incentive Plan (the "2011 Plan") subject to approval of the Cheniere stockholders. The 2011 Plan provided that "the aggregate number of shares of Common Stock that may be issued with respect to Awards granted under the Plan shall not exceed 10,000,000."
4. On or about April 28, 2011, the Company issued a Proxy Statement in connection with an Annual Meeting of Cheniere stockholders scheduled for June 16, 2011. The 2011 Plan was among the items of business to be considered at the meeting (the "April 28, 2011 Proxy Statement"). At Cheniere's Annual Meeting held on June 16, 2011, Cheniere's stockholders approved the 2011 Plan.
5. On December 7, 2012, subject to stockholder approval, the Board adopted Amendment No. 1 to the 2011 Plan ("Amendment No. 1") which, among other things, increased the number of shares of common stock available for issuance under the 2011 Plan from 10 million shares to 35 million shares.
6. On or about December 31, 2012, Cheniere issued a Proxy Statement in connection with a Special Meeting of Cheniere stockholders scheduled for February 1, 2013 (the "December 31, 2012 Proxy Statement"). Amendment No. 1 was among the items of business to be considered at the meeting. A Special Meeting of Cheniere stockholders occurred on February 1, 2013, at which 77,011,739 shares were voted for Amendment No. 1, 57,907,345 shares were voted against Amendment No. 1 and 36,252,581 shares abstained.
7. At the time of the February 1, 2013 vote, Cheniere's Bylaws § 2.7 stated:

Each Stockholder shall be entitled to one vote for each Share held of record by such Stockholder. Except as otherwise provided by law or the Certificate of Incorporation, when a quorum is present at any meeting of Stockholders, the vote of the recordholders of a majority of the Shares entitled to vote thereat, present in person or by proxy, shall decide any question brought before such meeting.
8. In a Form 8-K filed with the United States Securities and Exchange Commission ("SEC") on or about February 5, 2013, Cheniere disclosed the vote results and announced that "[t]he stockholders voted in favor of Amendment No. 1 to the 2011 Plan" (the "February 5, 2013 Form 8-K").
9. On or about February 4, 2013, the NYSE Amex LLC (now the NYSE MKT LLC) approved for listing the 25 million shares of Cheniere common stock that were the subject of Amendment No. 1. On or about February 5, 2013, Cheniere filed a Form S-8 with the SEC registering the 25 million shares that were the subject of Amendment No. 1 (the "February 5, 2013 Form S-8").
10. As of October 7, 2014, Cheniere had granted to officers, directors, employees and consultants of the Company pursuant to the 2011 Plan (including Amendment No. 1) awards with respect to approximately 27,154,370 shares (subject to equitable adjustment in accordance with the terms of the 2011 Plan), which awards either had vested or were outstanding subject to vesting conditions (the "Existing Awards").
11. As of October 7, 2014, approximately 7,845,630 shares (subject to equitable adjustment in accordance with the terms of the 2011 Plan) of the 25 million shares listed with the NYSE MKT LLC and registered with the SEC subject to Amendment No. 1 either had not been awarded or had again become available for grant following the forfeiture or lapse of awards (the "Available Shares").
12. On January 30, 2014, the Cheniere Compensation Committee adopted the 2014-2018 Long-Term Incentive Compensation Program (the "2014-2018 LTIP"), subject to stockholder approval.
13. On April 3, 2014, the Board voted to amend and restate the Bylaws of the Company (the "Amended Bylaws"). Cheniere's Amended Bylaws § 2.8 stated:

Except as otherwise provided by the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share held by such stockholder which has voting power upon the matter in question. On any matter where a minimum or other vote of stockholders is provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, such minimum or other vote shall be the required vote on such matter (with the effect of abstentions and broker non-votes to be determined based on the vote required). All other matters presented to the stockholders at a meeting at which a quorum is present for which no minimum or other vote is called for by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, other than for the election of Directors, shall be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock entitled to vote on the matter, present in person or by proxy (with abstentions counting as votes against the matter and broker non-votes not counting as shares entitled to vote on the matter).

14. On April 3, 2014, subject to stockholder approval, the Board adopted Amendment No. 2 to the 2011 Plan ("Amendment No. 2") which, among other things, would increase the aggregate number of shares of common stock available for issuance under the 2011 Plan to a maximum of 65 million shares (inclusive of the original 10 million shares and the 25 million shares that were the subject of Amendment No. 1).
15. On or about April 28, 2014, Cheniere issued a Proxy Statement in connection with its Annual Meeting of Stockholders, which had been scheduled for June 12, 2014 (the "April 28, 2014 Proxy Statement"), and pursuant to which Amendment No. 2 and the 2014-2018 LTIP were to be presented for stockholder approval at this Annual Meeting of Stockholders.
16. On May 29, 2014, James B. Jones, on behalf of himself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Jones v. Souki, et al.*, C.A. No. 9710-VCL (the "Jones Action").
17. On May 30, 2014, Plaintiff Jones filed a brief in support of the motion to expedite proceedings that Plaintiff Jones had filed on May 29, 2014.
18. On June 6, 2014, Robert Maguire, on behalf of himself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Maguire v. Souki, et al.*, C.A. No. 9746-VCL (the "Maguire Action").
19. On June 13, 2014, Robert Shenker, on behalf of himself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Shenker v. Souki, et al.*, C.A. No. 9763-VCL (the "Shenker Action").
20. On June 11, 2014, the Court entered an Order that consolidated the Jones Action and the Maguire Action into *In re Cheniere Energy, Inc. Stockholders Litigation*, Consolidated C.A. No. 9710-VCL, and entered an Order on June 17, 2014 further consolidating the Shenker Action into the consolidated action. On June 19, 2014, the Court entered an Order that appointed Andrews & Springer LLC, Barrack Rodos & Bacine, Bernstein Litowitz Berger & Grossmann LLP and Grant & Eisenhofer P.A. as co-lead counsel for the class and for the derivative claims ("Plaintiffs' Lead Counsel").
21. On June 25, 2014, Kayann Davidoff, on behalf of herself and all other similarly situated stockholders of Cheniere, and derivatively on behalf of Cheniere, filed the class and derivative action captioned *Davidoff v. Souki, et al.*, C.A. No. 9825-VCL (the "Davidoff Action," and, with the Consolidated Action, the "Consolidated Stockholder Action").
22. Plaintiffs James B. Jones, Robert Maguire, Robert Shenker and Kayann Davidoff (collectively, the "Plaintiffs") in the Consolidated Stockholder Action allege, among other things, that a "majority of those present and entitled to vote" standard should have been applied to the stockholder vote on Amendment No. 1 and, had such a standard been applied, abstentions would have been counted as the functional equivalent of "no" votes, and further allege that as a consequence, Amendment No. 1 was not validly approved by stockholders; and Plaintiffs further allege that the Amended Bylaws are improper and that certain disclosures made by Cheniere concerning Amendment No. 1 were inaccurate.
23. On June 2, 2014, in a Form 8-K filed with the SEC, Cheniere announced that it had decided to postpone the 2014 Annual Meeting of Stockholders until September 11, 2014, "in light of a complaint that has been filed in the Delaware Court of Chancery of the State of Delaware styled *Jones v. Souki, et al.*, C.A. No. 9710-VCL (Del. Ch.) and plaintiff's request to expedite proceedings before the June 12th Annual Meeting."

24. On June 16, 2014, the Company commenced an action captioned *In re Cheniere Energy, Inc.*, C.A. No. 9766-VCL (the “205 Action,” and, with the Consolidated Stockholder Action, the “Actions”).
25. In the 205 Action, Cheniere contended that a “majority of the votes cast standard” applied to the stockholder vote on Amendment No. 1, that the votes were properly tallied and that as a consequence Amendment No. 1 was validly approved by the stockholders. In the alternative, the Company requested that the Court validate Amendment No. 1 and all shares awarded in the past or the future pursuant to Amendment No. 1 as permitted by 8 *Del. C.* § 205.
26. In a letter dated June 23, 2014, the Company advised the Court that the proposals seeking approval of the 2014-2018 LTIP and Amendment No. 2 would not be submitted to a stockholder vote at the Company’s annual meeting rescheduled for September 11, 2014.
27. On June 25, 2014, the Court of Chancery held a scheduling conference, following which the Court of Chancery entered an Order staying *In re Cheniere Energy, Inc. Stockholders Litigation*, Consolidated C.A. No. 9710-VCL, pending resolution of the 205 Action. The Court of Chancery entered Orders permitting James B. Jones, Robert Shenker and Robert Maguire (together, the “Intervenors”) to intervene in the 205 Action.
28. On or about July 25, 2014, the Company filed a Proxy Statement indicating that it had withdrawn Amendment No. 2 and the 2014-2018 LTIP from consideration at the 2014 Annual Stockholder Meeting.
29. On July 11, 2014, Cheniere filed a Motion for Judgment on Application I in the 205 Action (the “Motion for Judgment”), which it supported in briefs filed on July 11, August 1 and August 20, 2014.
30. The Intervenors opposed the Motion for Judgment in an opposition brief filed July 25, 2014 and in a sur-reply brief filed August 13, 2014. On August 26, 2014, the Court of Chancery held oral argument on the Motion for Judgment.
31. After extensive arm’s-length negotiations, Plaintiffs and defendants Charif Souki, Vicky A. Bailey, G. Andrea Botta, Nuno Brandolini, Keith F. Carney, John M. Deutch, David I. Foley, Randy A. Foutch, Paul J. Hoenmans, David B. Kilpatrick, Walter L. Williams, H. Davis Thames, Meg A. Gentle, R. Keith Teague, Greg W. Rayford and Jean Abiteboul (collectively, the “Individual Defendants”) and Cheniere (together with the Individual Defendants, the “Defendants”, and together with Plaintiffs, the “Parties”), reached an agreement-in-principle to settle the Actions, which was memorialized in a memorandum of understanding (the “MOU”) dated October 7, 2014.
32. Following the execution of the MOU, and as contemplated therein, Plaintiffs’ Lead Counsel conducted a further investigation of the facts and circumstances underlying the claims asserted in the Actions, which included, among other things, reviewing and analyzing documents produced by the Company, and conducting the depositions of David B. Kilpatrick, a director of the Company and Chairman of the Compensation Committee on November 20, 2014, and Greg W. Rayford, Senior Vice President and General Counsel on December 3, 2014.
33. Based on their investigation and prosecution of the Actions, and further confirmation through the confirmatory discovery taken as described herein, Plaintiffs and Plaintiffs’ Lead Counsel have determined that the terms and conditions of the Settlement are fair, reasonable, adequate, and in the best interests of the Plaintiffs, the other members of the Class, Cheniere and Cheniere’s stockholders.
34. On January 5, 2015, the Court entered a Scheduling Order providing for, among other things, the scheduling of the Settlement Hearing; the temporary certification, for settlement purposes only, of a non-opt out Class consisting of any and all record and beneficial owners of common stock of Cheniere, together with their successors, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under any of them, who held shares of Cheniere common stock at any time between and including March 2, 2011 and the Effective Date (defined below) (the “Class Period”), but excluding Defendants and their immediate family members, any entity controlled by any of the Defendants and any successors in interest thereto (the “Class”) (members of the Class are referred to herein as “Class Members”); a stay of the Actions pending a hearing on the proposed Settlement; and an injunction against the commencement or prosecution of any action by any member of the Class or Cheniere stockholders asserting any of the claims subject to the Settlement of the Actions.

WHAT ARE THE TERMS OF THE SETTLEMENT?

35. In consideration for the full settlement and release of all Released Plaintiffs' Claims (as defined herein) against the Released Defendant Persons (as defined herein) and the dismissal with prejudice of the Actions:
- A. The Parties will jointly request that the Court validate, pursuant to 8 *Del. C.* § 205, all Existing Awards (whether vested or unvested, provided however that all unvested shares shall remain subject to the terms of the award agreements) and all common stock issued or to be issued in connection with the Existing Awards, and further declare that current holders of the Existing Awards are entitled to ownership of such shares (subject to the terms and conditions of the award agreements, including any outstanding requirements for vesting) (the "Validation").
 - B. Except with respect to the stockholder vote concerning the Available Shares set forth in paragraph F below (paragraph 1.F. of the Stipulation), Cheniere will not seek stockholder approval for stock-based compensation beyond that which was the subject of Amendment No. 1 prior to January 1, 2017.
 - C. Except as permitted by paragraph F (paragraph 1.F. of the Stipulation) below (and subject to the following sentence), prior to January 1, 2017, Cheniere will not award stock-based compensation to Company executives, directors or consultants other than to the extent stockholders have already approved such compensation or such compensation was subject to the Validation. Notwithstanding the foregoing, authorized stock (unissued or treasury), other than the Available Shares, may be used to compensate new employees (inclusive of individuals who had a bona fide period of non-employment with the Company) without violating the preceding sentence; and a cash pay award (bonus, incentive, etc.) tied to the performance of the Company's stock shall not constitute stock-based compensation.
 - D. All compensation-related matters submitted by Cheniere to a stockholder vote on or before September 17, 2022 will be subject to a "majority of the shares present and entitled to vote" standard. For the avoidance of any doubt, pursuant to this standard, abstentions will be counted as the functional equivalent of "no" votes and broker non-votes will not be considered in determining the outcome of the resolution, but will be counted for purposes of establishing a quorum. Nothing set forth herein shall be interpreted as imposing an obligation on the Company to submit any matter to a stockholder vote.
 - E. The Compensation Committee of the Cheniere Board of Directors will be comprised exclusively of independent directors defined in accordance with the rules of the NYSE MKT (or the rules of the primary exchange on which the Company common stock is listed in the future).
 - F. With respect to the Available Shares, the Parties will jointly request that the Court enter an order, pursuant to 8 *Del. C.* § 205, as follows (the "Available Share Order" and together with the Validation, the "Section 205 Orders"):
 - 1. No earlier than 90 days after the Court's entry of the Judgment, the Company may hold a stockholder vote to approve or not approve the issuance of awards with respect to the Available Shares. Any such vote will be subject to a "majority of the shares present and entitled to vote" standard. For the avoidance of any doubt, pursuant to this standard, abstentions will be counted as the functional equivalent of "no" votes and broker non-votes will not be considered in determining the outcome of the resolution, but will be counted for purposes of establishing a quorum.
 - 2. The Company will not award any of the Available Shares pending a stockholder vote pursuant to this paragraph F (including its subparts) (which, until such approving vote and permitted use thereafter or termination of the 2011 Incentive Plan, shall be evidenced by an electronic reserve of approximately 7,845,630 shares solely for use pursuant to Amendment No. 1). If the shareholders do not approve the issuance of the awards with respect to the Available Shares, those shares shall be authorized but unissued shares and shall not be awarded under Amendment No. 1 or used for any other compensation purpose whatsoever.
 - 3. If the Cheniere stockholders approve the issuance of the awards with respect to the Available Shares pursuant to this paragraph F (including its subparts), the Available Shares shall be valid for compensation use and may be awarded pursuant to the terms of the 2011 Plan; provided, however, that no more than 1 million of the Available Shares (subject to equitable adjustment) may be awarded to Mr. Charif Souki, Cheniere's CEO.
 - G. The Settlement is conditioned upon the fulfillment of each of the following events, and the "Effective Date" of the Settlement shall be the first date by which all of the following events shall have occurred or have been waived:

- (i) the Judgment (defined below) is entered by the Court in the Consolidated Stockholder Action and the 205 Action without material alteration or, in the event of a material alteration, such alteration is consented to by the Parties;
- (ii) the Judgment becomes final; and
- (iii) the Consolidated Stockholder Action is dismissed with prejudice against all Defendants without the award of any damages, costs, fees or the grant of further relief except for the payments contemplated by the Stipulation.

WHAT ARE PLAINTIFFS' REASONS FOR THE SETTLEMENT?

36. Plaintiffs and Plaintiffs' Lead Counsel thoroughly considered the facts and law underlying the claims asserted in the Consolidated Stockholder Action. Although Plaintiffs and Plaintiffs' Lead Counsel believe that the claims asserted have merit, the Court could have found, among other things, that (a) the stockholder vote taken on February 1, 2013 had approved the proposal made in Amendment No. 1 to increase the number of shares in the 2011 Plan share reserve by 25 million shares, (b) there were no misrepresentations in the December 31, 2012 proxy statement or in subsequent proxy statements concerning the voting standard for or the result of the vote taken on February 1, 2013, and/or (c) even if the Court had concluded that abstentions should have been counted as "no" votes in connection with the February 1, 2013 vote, equitable factors supported a declaration under 8 Del. C. § 205 that any stock issued or to be issued pursuant to Amendment No. 1 was valid, and could have entered judgment for the Defendants dismissing Plaintiffs' claims. Plaintiffs and Plaintiffs' Lead Counsel also considered the expense and length of continued proceedings necessary to pursue the claims asserted through trial, as well as the uncertainty of appeals, and the fact that the relief provided for in the Settlement may not have been able to be achieved through judicial resolution.
37. As a result of the Settlement achieved herein, Plaintiffs and Plaintiffs' Lead Counsel have obtained Defendants' agreement: (i) to make certain restrictions on the use for compensation purposes of the 7.845 million Available Shares absent a new stockholder vote, which would be held under a voting standard of a majority of the shares present and entitled to vote; (ii) to make certain restrictions on the amount of stock Cheniere's CEO could receive of the Available Shares in the event of stockholder approval; (iii) to modify the voting standard for all compensation-related votes over approximately the next eight years; (iv) to defer seeking stockholder approval for any more stock-based compensation until 2017, irrespective of the outcome of the vote on the 7.845 million Available Shares; and (v) that the Compensation Committee of the Company will be comprised exclusively of independent directors.
38. In light of the valuable benefits that Plaintiffs and Plaintiffs' Lead Counsel believe are provided to the Class, Cheniere and its stockholders under the Settlement, and on the basis of information available to them, including but not limited to publicly available information and the additional discovery described above, Plaintiffs and Plaintiffs' Lead Counsel have determined that the proposed Settlement is fair, reasonable and adequate to the Class, Cheniere and its stockholders. Plaintiffs and Plaintiffs' Lead Counsel believe that the Settlement provides substantial immediate benefits to the Class, Cheniere and its stockholders without the risk that continued litigation could result in obtaining similar or lesser relief after continued extensive and expensive litigation, including trial and the appeals that were likely to follow.
39. Defendants each has denied, and continues to deny, that he, she, or it committed any breach of duty or contract, was unjustly enriched, breached any other law, or engaged in any of the wrongful acts alleged in the Consolidated Stockholder Action, and expressly maintains that he, she, or it diligently and scrupulously complied with his, her, or its fiduciary and other legal duties, to the extent such duties exist, and is entering into the Settlement solely to eliminate the burden, expense, and uncertainties inherent in further litigation.

WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD? DO I HAVE A RIGHT TO APPEAR AT THE SETTLEMENT HEARING?

40. The Settlement Hearing shall be held on March 16, 2015, at 10:00 a.m. in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 to: (a) determine whether the temporary class action certification should be made final; (b) determine whether the Settlement should be approved by the Court as fair, reasonable, adequate and in the best interests of the Class, Cheniere and its stockholders pursuant to Court of

Chancery Rules 23 and 23.1; (c) determine whether an Order and Final Judgment should be entered pursuant to the Stipulation; (d) consider Plaintiffs' Lead Counsel's application for an award of attorneys' fees and expenses (see paragraph 47 below); and (e) rule on such other matters as the Court may deem appropriate.

41. The Court reserves the right to adjourn the Settlement Hearing or any adjournment thereof, including the consideration of the application for attorneys' fees, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof.
42. The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the Parties to the Stipulation and without further notice to the Class or Cheniere stockholders.
43. Any Class Member or Cheniere stockholder who held Cheniere stock at any point during the Class Period who objects to the Settlement, the Judgment to be entered in the Actions, and/or Plaintiffs' Lead Counsel's application for attorneys' fees, or who otherwise wishes to be heard, may appear in person or by his attorney at the Settlement Hearing and present evidence or argument that may be proper and relevant; provided, however, that, except for good cause shown, no person shall be heard and no papers, briefs, pleadings or other documents submitted by any person shall be considered by the Court unless not later than twenty (20) calendar days prior to the Settlement Hearing, i.e., by February 24, 2015, such person files with the Court and serves upon counsel listed below: (a) a written notice of intention to appear; (b) a statement of such person's objections to any matters before the Court; (c) documentation evidencing that the objector held Cheniere common stock during the Class Period; and (d) the grounds for such objections and the reasons that such person desires to appear and be heard, as well as all documents or writings such person desires the Court to consider. Such filings shall be served upon the following counsel:

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and filed with the Register in Chancery, Court of Chancery in the State of Delaware, 500 North King Street, Wilmington, Delaware 19801.

44. Unless the Court otherwise directs, no person shall be entitled to object to the approval of the Settlement, any judgment entered thereon, the adequacy of the representation of the Class and Cheniere stockholders by Plaintiffs and Plaintiffs' Lead Counsel, any award of attorneys' fees or expenses, or otherwise be heard, except by serving and filing a written objection and supporting papers and documents as prescribed above. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding. Any Class Member or Cheniere stockholder who does not object to the Settlement or the request by Plaintiffs' Lead Counsel for an award of attorneys' fees and expenses (described below) or to any other matter stated above need not do anything.

WHAT WILL HAPPEN IF THE SETTLEMENT IS APPROVED? WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

45. If the Court determines that the Settlement, as provided for in the Stipulation, is fair, reasonable, adequate and in the best interests of Cheniere, its stockholders and the Class, the parties to the Actions will ask the Court to enter the Order and Final Judgment (the "Judgment"), which will, among other things:
- a. approve the Settlement as fair, reasonable, adequate and in the best interests of Cheniere, its stockholders and the Class and direct consummation of the Settlement in accordance with its terms and conditions;
 - b. permanently certify the Class as a non-opt out class pursuant to Delaware Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2) and designate Plaintiffs in the Consolidated Stockholder Action as the class representatives with Plaintiffs' Lead Counsel as Class counsel;
 - c. determine that the requirements of the rules of the Court and due process have been satisfied in connection with this Notice;
 - d. dismiss the Actions with prejudice on the merits and grant the releases more fully described below in accordance with the terms and conditions of the Stipulation;
 - e. enter the Section 205 Orders;
 - f. permanently bar and enjoin Plaintiffs, Cheniere stockholders and all Class Members from instituting, commencing or prosecuting any of the Released Plaintiffs' Claims against any of the Released Defendant Persons (as defined below); and
 - g. award any attorneys' fees and expenses to Plaintiffs' Lead Counsel.
46. The Stipulation provides that upon Final Approval of the Settlement and in consideration of the benefits provided by the Settlement:
- A. The Judgment shall, among other things, provide for the full and complete dismissal of the Consolidated Stockholder Action with prejudice and the entry of the Section 205 Orders.
 - B. Pursuant to the Judgment, upon the Effective Date of the Settlement, Plaintiffs, all other Class Members, Cheniere, and each and every other Cheniere stockholder who held stock at any time during the Class Period, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever, settled, released, relinquished, and discharged all Released Plaintiffs' Claims (defined below) against any or all of the Released Defendant Persons (defined below), and shall forever be enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any or all of the Released Defendant Persons.

"Released Plaintiffs' Claims" means any and all claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters and issues, including known claims and Unknown Claims (defined below), whether contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, that are, have been, could have been, could now be, or in the future could, can or might be asserted in any court, tribunal or proceeding (including but not limited to any claims arising under federal, state, foreign or common law, including the federal securities laws and any

state disclosure law), whether individual, direct, class, derivative, representative, legal, equitable, or any other type or in any other capacity, which have arisen, could have arisen, arise now or hereafter may arise out of, are based upon, relate in any way to, or involve, directly or indirectly: (1) the acts, events, facts, matters, transactions, occurrences, statements, representations, misrepresentations or omissions or any other matter whatsoever set forth in the allegations made by Plaintiffs in the Actions, including in the complaints filed in the Consolidated Stockholder Action or in the briefs filed in opposition to the Motion for Judgment in the 205 Action, and including without limitation those allegations concerning (i) compensation awarded or paid to any of the Company's officers, directors, employees or consultants (including stock-based awards and stock, restricted stock or options), (ii) the 2011 Plan (including the stockholder vote concerning the 2011 Plan), (iii) Amendment No. 1 (including the stockholder vote concerning Amendment No. 1), (iv) Amendment No. 2, (v) the Amended Bylaws, (vi) the April 28, 2011 Proxy Statement, the December 31, 2012 Proxy Statement, the February 5, 2013 Form 8-K, the February 5, 2013 Form S-8, the April 28, 2014 Proxy Statement and/or the proxy statements issued by the Company on or about April 19, 2012 and April 26, 2013 (including any preliminary proxies), (vii) the 2014-2018 LTIP, and (viii) the disclosures made in connection with any of the foregoing (including the adequacy and completeness of such disclosures); or (2) the institution, prosecution, defense, settlement or resolution of the Actions or any action consolidated therein or any assertion made in any of the Actions. For the avoidance of doubt, Released Plaintiffs Claims shall include any and all claims arising out of, based upon, relating in any way to, or involving, directly or indirectly the compensation awarded or paid to any of the Company's officers, directors, employees or consultants (including stock-based awards and stock, restricted stock or options). Notwithstanding anything contained herein to the contrary: (1) nothing contained herein shall modify, release, or otherwise affect any vesting requirements or other terms and conditions of any awards or compensation paid or payable to any of the Individual Defendants or any present or former officer, director, employee or consultant of the Company, which shall be unaffected by this Settlement and remain in full force and effect; and (2) the Released Plaintiffs' Claims shall not include: (i) any claims to enforce the Settlement; or (ii) any claims by Defendants against any insurer arising out of or related to the obligations of any insurer under any insurance policies applicable to the Actions; or (iii) any claims based on or arising out of the acts, events, facts matters, transactions, occurrences, statements, representations, misrepresentations or omissions or any matters whatsoever which occur after the Court of Chancery grants the Judgment.

"Released Defendant Persons" means the Defendants, any members of their immediate families, parent entities, controlling persons, affiliates and subsidiaries, insurers (except for claims by any Defendant against any insurer) and each and all of their respective past or present officers, directors, principals, representatives, employees, attorneys, advisors (including financial or investment advisors), consultants, accountants, agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, managers, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, in their capacities as such.

- C. Pursuant to the Judgment, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled, released, relinquished, and discharged all Released Defendants' Claims (defined below) against any or all of the Released Plaintiff Persons (defined below) and shall forever be enjoined from prosecuting any or all of the Released Defendants' Claims against any or all of the Released Plaintiff Persons.

"Released Defendants' Claims" means any and all claims, demands, rights, actions, causes of action, liabilities, damages, losses, obligations, judgments, duties, suits, costs, expenses, matters and issues, including known claims and Unknown Claims, whether contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, that have been, could have been, or in the future can or might be asserted in any court, tribunal or proceeding (including but not limited to any claims arising under federal, state, foreign or common law, including the federal securities laws and any state disclosure law) which have arisen, could have arisen, arise now or hereafter may arise out of or are based upon the institution, prosecution, settlement or resolution of the Consolidated Stockholder Action or any action consolidated therein or any assertion made in any of the Actions; provided, however, that the Released Defendants' Claims shall not include (i) any claims to enforce the Settlement; or (ii) any claims by Defendants against any insurer arising out of or related to the obligations of any insurer under any insurance policies applicable to the Actions.

"Released Plaintiff Persons" means Plaintiffs, all other Class Members, and any members of their immediate families, parent entities, controlling persons, affiliates and subsidiaries, and each and all of their respective past or present officers, directors, principals, representatives, employees, attorneys, advisors (including financial or investment advisors), consultants, accountants, agents, heirs, executors, trustees, general or limited partners or partnerships, limited liability companies, managers, joint ventures, personal or legal representatives, estates, administrators, predecessors, successors or assigns, in their capacities as such.

- D. Notwithstanding anything contained in the Stipulation to the contrary, nothing contained in the Stipulation shall constitute a release of any claims the Individual Defendants may have in their capacities as officers or directors of the Company, not as stockholders, against the Company, or any claims for advancement or indemnification the Individual Defendants may have against the Company.
- E. Plaintiffs and Defendants acknowledge, and each of the other Class Members and Cheniere stockholders by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true by them with respect to the Released Plaintiffs' Claims and the Released Defendants' Claims, but that it is the intention of Plaintiffs and by operation of law the intention of the other Class Members and Cheniere stockholders with respect to the Released Plaintiffs' Claims, and the intention of Defendants with respect to the Released Defendants' Claims, to completely, fully, finally and forever compromise, settle, release, discharge, extinguish, and dismiss any and all Released Plaintiffs' Claims and Released Defendants' Claims respectively, known or unknown, suspected or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Plaintiffs and Defendants acknowledge, and the other Class Members and Cheniere stockholders by operation of law shall be deemed to have acknowledged, that "Unknown Claims" (as defined below) are expressly included in the definition of "Released Plaintiffs' Claims" and "Released Defendants' Claims" and that such inclusion was expressly bargained for and was a key element of the Settlement and was relied upon by each and all of the Parties in entering into the Stipulation. "Unknown Claims" means (i) any claim that Cheniere, any Plaintiff, the other Class Members or the Cheniere stockholders do not know or suspect exists in his, her or its favor at the time of the release of the Released Plaintiffs' Claims as against the Released Defendant Persons, including without limitation those which, if known, might have affected the decision to enter into the Settlement; and (ii) any claim that any Defendant does not know or suspect exists in his, her or its favor at the time of the release of the Released Defendants' Claims as against the Released Plaintiff Persons, including without limitation those which, if known, might have affected the decision to enter into the Settlement.
- F. The Settlement is intended to extinguish all of the Released Plaintiffs' Claims and all of the Released Defendants' Claims. Consistent with such intention, upon the Effective Date of the Settlement, Plaintiffs and Defendants, and the other Class Members and Cheniere stockholders shall waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of any state, federal, or foreign law or principle of common law, which may have the effect of limiting the respective Released Plaintiffs' Claims and Released Defendant Claims. This shall include a waiver by Plaintiffs and Defendants, and the Class Members and Cheniere stockholders of any rights pursuant to Cal. Civ. Code § 1542 or any law of the United States or any state of the United States or territory of the United States, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs and Defendants acknowledge, and the other Class Members and Cheniere stockholders shall be deemed by operation of the entry of the order and final judgment approving the Settlement to have acknowledged, that the foregoing waiver was separately bargained for, is an integral element of the Settlement, and was relied upon by each of the Parties in entering into the Settlement.

HOW WILL PLAINTIFFS' COUNSEL BE PAID?

47. Plaintiffs' Lead Counsel will apply to the Court for a collective award of attorneys' fees and expenses to Plaintiffs' Lead Counsel and all other legal counsel who, at the direction and under the supervision of Plaintiffs' Lead Counsel, performed services on behalf of the Class and/or performed services derivatively on behalf of nominal defendant Cheniere in the Actions (collectively, "Plaintiffs' Counsel"). Plaintiffs' Lead Counsel's fee and expense application will not exceed 15% of the aggregate value of the Settlement as determined by Plaintiffs' experts in reports that Plaintiffs will be submitting to the Court in support of the Settlement and in support of Plaintiffs' Lead Counsel's fee and expense application. The filings will be made to the Court and will also be posted on the websites of Plaintiffs' Lead Counsel, as identified in paragraph 51 below, on or before February 10, 2015. Defendants agree to the entitlement of Plaintiffs' Lead Counsel to a fee, but Defendants reserve the right to contest the value of the Settlement and to oppose the amount of the award sought by Plaintiffs' Lead Counsel's application to the Court. Any attorneys' fees and expenses awarded by the Court to any Plaintiffs' Counsel shall be paid by the Company, its successors in interest, and/or its insurers.
48. Any failure of the Court to approve a request for attorneys' fees and expenses in whole or in part shall not affect the Settlement. No fees or expenses shall be paid to Plaintiffs' Lead Counsel pursuant to the Settlement in the absence of approval by the Court of the Settlement and entry of the Judgment. Class Members are not personally liable for any fees or expenses awarded by the Court and will not be required to make any payment of fees to Plaintiffs' Lead Counsel.

NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS

49. Brokerage firms, banks and/or other persons or entities who held shares of the common stock of Cheniere during the period from and including March 2, 2011 to the Effective Date, for the benefit of others, are requested promptly to send this Notice to all of their respective beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such copies may be made to: Cheniere Energy Stockholders Litigation Notice Administrators, P.O. Box 6177, Novato, CA 94948-6177 or CheniereEnergyStockholderLitigation@kccllc.com.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

50. The foregoing description of the Settlement Hearing, the Actions, the terms of the proposed Settlement and other matters described herein do not purport to be comprehensive. Accordingly, for more detailed information about the matters involved in the Actions, you are referred to the documents filed with the Court in the Actions. **PLEASE DO NOT WRITE OR CALL THE COURT.**
51. Inquiries or comments about the Settlement may be directed to the attention of Plaintiffs' Lead Counsel as follows:

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Dated: January 5, 2015

BY ORDER OF THE COURT OF CHANCERY
OF THE STATE OF DELAWARE