

Ostrover Douglas I
 Form 4
 July 20, 2011

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 *
GSO CAPITAL PARTNERS LP

(Last) (First) (Middle)

C/O GSO CAPITAL PARTNERS LP, 280 PARK AVENUE, 11TH FLOOR

(Street)

NEW YORK, NY 10017

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CHENIERE ENERGY INC [LNG]

3. Date of Earliest Transaction (Month/Day/Year)
07/18/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
 ___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___ Form filed by One Reporting Person
 ___X___ Form filed by More than One Reporting Person

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	(A) or (D)	Price
Common Stock					134,889	I	See Footnotes (1) (2) (3) (4) (5) (6) (7) (8)
Common Stock	07/18/2011		S		127,845	D	\$ 9.67 2,588,274 I See Footnotes (1) (2) (3) (4) (5) (6) (7) (8)
Common Stock	07/19/2011		S		338,434	D	\$ 9.63 2,249,840 I See Footnotes (1) (2) (3) (4)

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									(5)	(6)	(7)	(8)	
Common Stock	07/18/2011		S	111,922	D	\$ 9.67	2,265,903	I	See Footnotes	(1)	(2)	(3)	(4)
									(5)	(6)	(7)	(8)	
Common Stock	07/19/2011		S	296,281	D	\$ 9.63	1,969,622	I	See Footnotes	(1)	(2)	(3)	(4)
									(5)	(6)	(7)	(8)	
Common Stock	07/18/2011		S	207,206	D	\$ 9.67	4,194,968	I	See Footnotes	(1)	(2)	(3)	(4)
									(5)	(6)	(7)	(8)	
Common Stock	07/19/2011		S	548,519	D	\$ 9.63	3,646,449	I	See Footnotes	(1)	(2)	(3)	(4)
									(5)	(6)	(7)	(8)	
Common Stock	07/18/2011		S	5,427	D	\$ 9.67	111,245	I	See Footnotes	(1)	(2)	(3)	(4)
									(5)	(6)	(7)	(8)	
Common Stock	07/19/2011		S	14,366	D	\$ 9.63	96,879	I	See Footnotes	(1)	(2)	(3)	(4)
									(5)	(6)	(7)	(8)	

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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GSO CAPITAL PARTNERS LP C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017		X		
GSO COF Facility LLC C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017		X		
Goodman Bennett J C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017		X		
Smith J Albert III C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017		X		
Ostrover Douglas I C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017		X		
GSO Advisor Holdings L.L.C. C/O GSO CAPITAL PARTNERS LP 280 PARK AVENUE, 11TH FLOOR NEW YORK, NY 10017		X		

Signatures

/s/ Marisa J. Beeney, Authorized Signatory for GSO CAPITAL PARTNERS LP

07/20/2011

**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).

- GSO Special Situations Funds LP, GSO Special Situations Overseas Master Fund, Ltd., GSO COF Facility LLC and Blackstone
- (1) Distressed Securities Fund L.P. (collectively, the "GSO Funds") respectively hold 2,249,840, 1,969,622, 3,646,449, and 96,879 shares of Common Stock, par value \$0.003 per share, of the Issuer. GSO Capital Partners LP directly holds 134,889 shares of Common Stock.
 - (2) GSO Capital Partners LP is the investment manager or collateral manager of each of the GSO Funds (other than Blackstone Distressed Securities Fund L.P.), and in that respect holds discretionary investment authority for each of them, and, accordingly, may be deemed to be the beneficial owner of the shares held by the GSO Funds (other than Blackstone Distressed Securities Fund L.P.). GSO Advisor Holdings L.L.C. is the general partner of GSO Capital Partners LP, and, accordingly, may also be deemed to be the beneficial owner of

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the shares held by the GSO Funds (other than Blackstone Distressed Securities Fund L.P.). Blackstone Distressed Securities Advisors L.P. is the investment manager of Blackstone Distressed Securities Fund L.P., and in that respect holds discretionary investment authority for, and, accordingly, may be deemed to be the beneficial owner of the shares held by Blackstone Distressed Securities Fund L.P. (Continued in Footnote 3)

- (3) Blackstone DD Advisors L.L.C. is the general partner of Blackstone Distressed Securities Advisors L.P., and, accordingly, may also be deemed to be the beneficial owner of the shares held by Blackstone Distressed Securities Fund L.P.

Blackstone Holdings I L.P. is the sole member of each of GSO Advisor Holdings L.L.C. and Blackstone DD Advisors L.L.C., and, accordingly, may also be deemed to be the beneficial owner of the shares held by the GSO Funds. Blackstone Holdings I/II GP Inc. is the general partner of Blackstone Holdings I L.P., and, accordingly, may also be deemed to be the beneficial owner of the shares held by the

- (4) GSO Funds. The Blackstone Group L.P. is the controlling shareholder of Blackstone Holdings I/II GP Inc., and, accordingly, may also be deemed to be the beneficial owner of the shares held by the GSO Funds. Blackstone Group Management L.L.C. is the general partner of The Blackstone Group L.P., and, accordingly, may also be deemed to be the beneficial owner of the shares held by the GSO Funds. (Continued in Footnote 5)

Stephen A. Schwarzman is the founding member of Blackstone Group Management L.L.C., and, accordingly, may also be deemed to be the beneficial owner of the shares held by the GSO Funds. In addition, each of Bennett J. Goodman, J. Albert Smith III and Douglas I.

- (5) Ostrover may have shared investment control with respect to the shares held by the GSO Funds (other than Blackstone Distressed Securities Fund L.P.), and, accordingly, may also be deemed to be the beneficial owner of the shares held by the GSO Funds (other than Blackstone Distressed Securities Fund L.P.).

- (6) Due to the limitations of the electronic filing system, Blackstone Holdings I L.P., Blackstone Holdings I/II GP Inc., The Blackstone Group L.P., Blackstone Group Management L.L.C. and Stephen A. Schwarzman are filing a separate Form 4.

- (7) Information with respect to each of the Reporting Persons is given solely by such Reporting Persons, and no Reporting Person has responsibility for the accuracy or completeness of information supplied by another Reporting Person.

Each of the Reporting Persons, other than the GSO Funds and GSO Capital Partners LP, disclaims beneficial ownership of the shares held by each of the GSO Funds and GSO Capital Partners LP, except to the extent of such Reporting Person's pecuniary interest therein, and,

- (8) pursuant to Rule 16a-1(a)(4) under the Securities Exchange Act of 1934, each of the Reporting Persons, other than the GSO Funds and GSO Capital Partners LP, states that the inclusion of these shares in this report shall not be deemed an admission of beneficial ownership of all of the reported shares for purposes of Section 16 or for any other purpose.

Remarks:

Exhibit 99.1 - Joint Filer Information

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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