

PAULSON ENHANCED LTD  
Form 4  
October 29, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
PAULSON & CO INC

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)  
590 MADISON AVENUE,  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
10/27/2008

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

NEW YORK, NY 10022

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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)
Common Stock	10/27/2008		P	549 A	\$ 1.464 12,386	D	(1) (5) (6) (7)
Common Stock	10/27/2008		P	31,808 A	\$ 1.464 717,444	D	(2) (5) (6) (7)
Common Stock	10/27/2008		P	88,408 A	\$ 1.464 2,018,580	D	(3) (5) (6) (7)
Common Stock	10/27/2008		P	3,320 A	\$ 1.464 543,884	D	(4) (5) (6) (7)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not**

SEC 1474 (9-02)

required to respond unless the form displays a currently valid OMB control number.

**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 Owned Following Transaction (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PAULSON & CO INC 590 MADISON AVENUE NEW YORK, NY 10022		X		
Paulson John 590 MADISON AVENUE NEW YORK, NY 10022		X		
PAULSON PARTNERS LP 590 MADISON AVENUE NEW YORK, NY 10022		X		
Paulson Partners Enhanced L.P. 590 MADISON AVENUE NEW YORK, NY 10022		X		
Paulson International Ltd. C/O BNY ALT. INVESTMENT SERVICES LTD. 18 CHURCH STREET, SKANDIA HOUSE HAMILTON, D0 HM11		X		
Paulson Advantage Select Ltd. C/O BNY ALT. INVESTMENT SERVICES LTD. 18 CHURCH STREET, SKANDIA HOUSE HAMILTON, D0 HM11		X		
		X		

Paulson Advantage Master Ltd.  
C/O BNY ALT. INVESTMENT SERVICES LTD.  
18 CHURCH STREET, SKANDIA HOUSE  
HAMILTON, D0 HM11

Paulson Advantage Plus Master Ltd.  
C/O BNY ALT. INVESTMENT SERVICES LTD. X  
18 CHURCH STREET, SKANDIA HOUSE  
HAMILTON, D0 HM11

PAULSON ENHANCED LTD  
C/O BNY ALT. INVESTMENT SERVICES LTD. X  
18 CHURCH STREET, SKANDIA HOUSE  
HAMILTON, D0 HM11

## Signatures

Stuart L. Merzer, General Counsel and Chief Compliance Officer of Paulson & Co. Inc. 10/29/2008

\_\_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).

- (1) Reflects the securities of the issuer owned directly by Paulson Advantage Select Ltd. ("Advantage Select Ltd.").
- (2) Reflects the securities of the issuer owned directly by Paulson Advantage Master Ltd. ("Advantage Master").
- (3) Reflects the securities of the issuer owned directly by Paulson Advantage Plus Master Ltd. ("Advantage Plus Master").
- (4) Reflects the securities of the issuer held directly in accounts managed separately ("Separately Managed Accounts") by Paulson & Co. Inc. ("Paulson").

Paulson is an investment advisor registered under the Investment Advisors Act of 1940. Paulson is the investment manager of Paulson Partners L.P. ("Paulson Partners"), Paulson Partners Enhanced L.P. ("Enhanced L.P."), Paulson International Ltd. ("Paulson International"), Advantage Select Ltd., Advantage Master, Advantage Plus Master, Paulson Enhanced Ltd. ("Enhanced Ltd.") and the Separately Managed Accounts. Paulson is also the controlling person of Paulson Advisers LLC, the managing general partner of each of Paulson Partners and Enhanced L.P. John Paulson is the controlling person of Paulson.

- (6) Paulson Partners directly owns 276,939 shares of common stock, Enhanced L.P. directly owns 400,242 shares of common stock, Paulson International directly owns 1,011,912 shares of common stock, and Enhanced Ltd. directly owns 2,542,698 shares of common stock.

- (7) Each of Paulson and John Paulson may be deemed to indirectly beneficially own the securities directly owned by Paulson Partners, Enhanced L.P., Paulson International, Advantage Select Ltd., Advantage Master, Advantage Plus Master and Enhanced Ltd. (collectively, the "Funds") and the Separately Managed Accounts. For purposes of this Form 4, Paulson and John Paulson disclaim ownership of the shares of common stock owned by the Funds and accounts reporting on this Form 4 except to the extent of their pecuniary interest therein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.