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 September 30, 2017

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 Number 001-5507

Tellurian Inc.

(Exact name of registrant as specified in its charter)

Delaware	**06-0842255**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1201 Louisiana Street, Suite 3100, Houston, TX	**77002**
(Address of principal executive offices)	**(Zip Code)**

(832) 962-4000
(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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth 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)		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 October 31, 2017, the issuer had 212,691,264 shares of common stock outstanding.

TELLURIAN INC. AND SUBSIDIARIES
Form 10-Q for the Three and Nine Months Ended September 30, 2017

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DEFINITIONS

To the extent applicable and as used in this quarterly report, the terms listed below have the following meanings:

Bcf/d	Billion cubic feet per day
DOE/FE	U.S. Department of Energy, Office of Fossil Energy
EPC	Engineering, procurement, and construction
FEED	Front-End Engineering and Design
FERC	U.S. Federal Energy Regulatory Commission
FTA countries	Countries with which the U.S. has a free trade agreement providing for national treatment for trade in natural gas
LNG	Liquefied natural gas, a form of natural gas consisting primarily of methane (CH4) that is in liquid form at near atmospheric pressure
LSTK	Lump Sum Turnkey
Mtpa	Million tonnes per annum
NASDAQ	NASDAQ Capital Market
NGA	Natural Gas Act of 1938, as amended
Non-FTA countries	Countries with which the U.S. does not have a free trade agreement providing for national treatment for trade in natural gas and with which trade is permitted
PSD	Prevention of Significant Deterioration
SEC	U.S. Securities and Exchange Commission
Train	An industrial facility comprised of a series of refrigerant compressor loops used to cool natural gas into LNG
USACE	U.S. Army Corps of Engineers
U.S.	United States
U.S. GAAP	Generally accepted accounting principles in the U.S.

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TELLURIAN INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(unaudited)

	September 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 138,023	$ 21,398
Accounts receivable	75	48
Accounts receivable due from related parties	2,668	1,333
Prepaid expenses and other current assets	2,837	1,964
Total current assets	143,603	24,743
Property, plant and equipment, net	25,216	10,993
Deferred engineering costs	9,000	—
Goodwill	1,190	1,190
Note receivable due from related party	—	251
Other non-current assets	11,213	1,901
Total assets	$ 190,222	$ 39,078
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 27,189	$ 24,403
Accounts payable due to related parties	323	323
Total current liabilities	27,512	24,726
Embedded derivative	—	8,753
Commitments and contingencies (Note 7)	1	
Stockholders' equity:		
Series A convertible preferred stock: par value $0.001 per share; zero and 5.5 million shares authorized and issued, respectively	—	5
Common stock: par value $0.01 and $0.001 per share, respectively; 400 million shares and 200 million shares authorized, respectively; 214.0 million shares and 109.6 million shares issued, respectively	1,943	101
Treasury stock: 1.3 million and zero shares, respectively, at cost	(828)	—
Additional paid-in capital	454,986	102,148
Accumulated deficit	(293,391)	(96,655)
Total stockholders' equity	162,710	5,599
Total liabilities and stockholders' equity	$ 190,222	$ 39,078

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these financial statements.

TELLURIAN INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Successor				Predecessor	
	Three Months Ended September 30,		Nine Months Ended September 30,			
	2017	2016	2017	2016	Nine Days Ended April 9, 2016	For the period from January 1, 2016 through April 9, 2016
Revenue	$ —	$ —	$ —	$ —	$ —	$ —
Revenue, related party	—	—	—	—	—	31
Total revenue	—	—	—	—	—	31
Costs and expenses:						
Development expenses	8,793	15,917	44,998	30,422	—	52
General and administrative	17,302	28,533	80,125	37,737	157	617
Goodwill impairment	—	—	77,592	—	—	—
Total costs and expenses	26,095	44,450	202,715	68,159	157	669
Loss from operations	(26,095)	(44,450)	(202,715)	(68,159)	(157)	(638)
Gain on preferred stock exchange feature	—	—	2,209	—	—	—
Other income, net	3,800	49	4,339	118	—	—
Loss before income taxes	(22,295)	(44,401)	(196,167)	(68,041)	(157)	(638)
Provision for income taxes	(569)	(4)	(569)	166	—	—
Net loss attributable to common stockholders	$ (22,864)	$ (44,405)	$(196,736)	$ (67,875)	$ (157)	$ (638)
Net loss per common share:						
Basic and diluted	$ (0.12)	$ (0.37)	$ (1.06)	$ (0.81)		
Weighted average shares outstanding						
Basic and diluted	192,405	120,128	186,143	83,979		

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these financial statements.

TELLURIAN INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Common Stock		Treasury Stock		Convertible Preferred Stock					
	Shares	Par Value Amount	Shares	Cost	Shares	Par Value Amount	Additional Paid-in Capital	Accum. Other Comp. Income	Accum. Deficit	Total Stockholders' Equity
Balance, January 1, 2016 (Successor)	—	$ —	—	$ —	—	$ —	$ —	$ —	$ —	$ —
Common stock issued for acquisition	500	1	—	—	—	—	999	—	—	1,000
Issuance of common stock	98,356	98	—	—	—	—	57,276	—	—	57,374
Restricted stock awards	5,075	—	—	—	—	—	—	—	—	—
Share-based compensation	1,905	2	—	—	—	—	24,228	—	—	24,230
Other comprehensive income	—	—	—	—	—	—	—	8	—	8
Net loss	—	—	—	—	—	—	—	—	(67,875)	(67,875)
Balance, September 30, 2016 (Successor)	105,836	$ 101	—	$ —	—	$ —	$ 82,503	$ 8	$ (67,875)	$ 14,737
Balance, January 1, 2017 (Successor)	109,609	$ 101	—	$ —	5,468	$ 5	$ 102,148	$ —	$ (96,655)	$ 5,599
Merger adjustments	51,540	1,390	(1,209)	—	—	—	86,533	—	—	87,923
Share-based compensation	1,231	12	—	—	—	—	18,986	—	—	18,998
Issuance of common stock	36,373	364	—	—	—	—	216,724	—	—	217,088
Restricted stock awards	8,060	4	—	—	—	—	2,953	—	—	2,957
Share-based payments	1,700	17	—	—	—	—	21,148	—	—	21,165
Reclass of embedded derivative	—	—	—	—	—	—	6,544	—	—	6,544
Treasury stock	—	—	(82)	(828)	—	—	—	—	—	(828)
Exchange from Series A preferred stock	—	—	—	—	(5,468)	(5)	—	—	—	(5)
Exchange to Series B preferred stock	—	—	—	—	5,468	55	(50)	—	—	5
Exchange from Series B to common stock	5,468	55	—	—	(5,468)	(55)	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	(196,736)	(196,736)
Balance, September 30, 2017 (Successor)	213,981	$ 1,943	(1,291)	$ (828)	—	$ —	$ 454,986	$ —	$(293,391)	$ 162,710

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these financial statements.

TELLURIAN INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Successor		Predecessor
	Nine Months Ended September 30,		For the period from January 1, 2016 through April 9, 2016
	2017	2016	
Cash flows from operating activities:			
Net loss	$ (196,736)	$ (67,875)	$ (638)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense	231	55	8
Goodwill impairment	77,592	—	—
Loss on disposal of assets	—	37	3
Provision for income tax benefit	—	(170)	—
Gain on Series A convertible preferred stock exchange feature	(2,209)	—	—
Gain on sale of securities	(3,481)	—	—
Share-based compensation	21,963	24,230	—
Share-based payments	19,397	—	—
Changes in operating assets and liabilities:			
Accounts receivable	(9)	(67)	1
Accounts receivable due from related parties	(1,334)	(243)	(32)
Prepaid expenses and other current assets	(797)	(2,074)	13
Accounts payable and accrued liabilities	(324)	17,519	281
Accounts payable due to related parties	—	63	253
Note receivable due from related party	251	—	—
Other, net	(711)	(787)	—
Net cash used in operating activities	(86,167)	(29,312)	(111)
Cash flows from investing activities:			
Cash received in acquisition	56	210	—
Deposit for acquisition	(8,515)	—	—
Deferred engineering costs	(9,000)	—	—
Purchase of property - land	—	(8,491)	—
Purchase of property and equipment	(1,101)	(708)	(268)
Proceeds from sale of available-for-sale securities	4,592	—	—
Net cash used in investing activities	(13,968)	(8,989)	(268)
Cash flows from financing activities:			
Proceeds from the issuance of common stock	218,195	58,886	—
Tax payments for net share settlement of equity awards	(828)	—	—
Equity offering costs	(607)	(1,512)	—
Net cash provided by financing activities	216,760	57,374	—
Effect of exchange rate changes on cash	—	8	—
Net increase (decrease) in cash and cash equivalents	116,625	19,081	(379)
Cash and cash equivalents, beginning of period	21,398	—	589
Cash and cash equivalents, end of period	$ 138,023	$ 19,081	$ 210

The Notes to the Condensed Consolidated Financial Statements (unaudited) are an integral part of these financial statements.

NOTE 1 — BACKGROUND AND BASIS OF PRESENTATION

Tellurian plans to develop, own and operate a global natural gas business and to deliver natural gas to customers worldwide. Tellurian is establishing a portfolio of natural gas production, LNG trading, and infrastructure including an LNG terminal facility (the "Driftwood terminal") and an associated pipeline (the "Driftwood pipeline") in Southwest Louisiana (the Driftwood terminal and the Driftwood pipeline collectively, the "Driftwood Project").

The accompanying unaudited Condensed Consolidated Financial Statements of Tellurian as of and for the period ended September 30, 2017, have been prepared in accordance with U.S. GAAP for interim financial information and with Rule 10-01 of Regulation S-X. Accordingly, the Condensed Consolidated Financial Statements do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In our opinion, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation, have been included.

The information included herein should be read in conjunction with the consolidated financial statements and the accompanying notes of Tellurian Investments Inc. ("Tellurian Investments") as of and for the fiscal year ended December 31, 2016. Such information was included in Tellurian's Current Report on Form 8-K/A filed with the SEC on March 15, 2017 following the completion of a merger (the "Merger") of Tellurian Investments with a subsidiary of Magellan Petroleum Corporation ("Magellan") on February 10, 2017 (the "Merger Date"). Magellan changed its corporate name to Tellurian Inc. shortly after completing the Merger.

The Merger was accounted for as a "reverse acquisition," with Tellurian Investments being treated as the accounting acquirer. As such, the historical condensed consolidated comparative information as of and for all periods in 2016 in this report relates to Tellurian Investments and its subsidiaries. Subsequent to the Merger Date, the information relates to the consolidated entities of Tellurian Inc., with Magellan reflected as the accounting acquiree. The Company continues to operate as a single operating segment for financial reporting purposes.

In connection with the Merger, each issued and outstanding share of Tellurian Investments common stock was exchanged for 1.3 shares of Magellan common stock. All share and per share amounts in the Condensed Consolidated Financial Statements and related notes have been retroactively adjusted for all periods presented to give effect to this exchange, including reclassifying an amount equal to the change in par value of common stock from additional paid-in capital.

On April 9, 2016, Tellurian Investments acquired Tellurian Services LLC ("Tellurian Services"), formerly known as Parallax Services LLC ("Parallax Services"). Under the financial reporting rules of the SEC, Parallax Services ("Predecessor") has been deemed to be the predecessor to Tellurian ("Successor") for financial reporting purposes.

Except where the context indicates otherwise, (i) references to "we," "us," "our," "Tellurian" or the "Company" refer, for periods prior to the completion of the Merger, to Tellurian Investments and its subsidiaries, and for periods following the completion of the Merger, to Tellurian Inc. and its subsidiaries and (ii) references to "Magellan" refer to Tellurian Inc. and its subsidiaries prior to the completion of the Merger.

Results of operations for the three and nine months ended September 30, 2017, are not necessarily indicative of the operating results that will be realized for the year ending December 31, 2017.

NOTE 2 — MERGER AND ACQUISITION

The Merger

As discussed in Note 1, *Background and Basis of Presentation*, Tellurian Investments merged with a subsidiary of Magellan on February 10, 2017. The Merger has been accounted for as a "reverse acquisition," with Tellurian Investments being treated as the accounting acquirer using the acquisition method.

The total consideration exchanged was as follows (in thousands, except share and per-share amounts):

Number of shares of Magellan common stock outstanding [1]	5,985,042	
Price per share of Magellan common stock [2]	$ 14.21	
Aggregate value of Tellurian common stock issued		$ 85,048
Fair value of stock options [3]		2,821
Net purchase consideration to be allocated		$ 87,869

(1) The number of shares of Magellan common stock issued and outstanding as of February 9, 2017.

(2) The closing price of Magellan common stock on the NASDAQ on February 9, 2017.

(3) The estimated fair value of Magellan stock options for pre-Merger services rendered.

We utilized estimated fair values at the Merger Date for the allocation of consideration to the net tangible and intangible assets acquired and liabilities assumed. The preliminary purchase price allocation to assets acquired and liabilities assumed in the transaction was as follows (in thousands):

Fair Value of Assets Acquired:	
Cash	$ 56
Securities available-for-sale	1,111
Other current assets	93
Unproved properties	13,000
Wells in progress	332
Land, buildings and equipment, net	67
Other long-term assets	19
Total assets acquired	14,678
Fair Value of Liabilities Assumed:	
Accounts payable and other liabilities	4,393
Notes payable	8
Total liabilities assumed	4,401
Total net assets acquired	10,277
Goodwill as a result of the Merger	$ 77,592

We valued our interests acquired in unproved oil and gas properties using a market approach based on commercial negotiations and bids received for the interests (see Note 6, *Property, Plant and Equipment,* for more information about the properties). The fair value of other property, plant and equipment and wells in progress was determined to be the carrying value of Magellan. Securities available-for-sale were valued based on quoted market prices. The carrying values of cash, other current assets, accounts payable and accrued liabilities and other non-current assets and liabilities approximated fair value at the Merger Date. The Company has determined that such fair value measures for the overall allocation are classified as Level 3 in the fair value hierarchy.

Goodwill initially recognized as a result of the Merger totaled $77.6 million, none of which is deductible for income tax purposes. Subsequent to the Merger, the Company determined that there is no evidence that we will recover the value of this goodwill. For purposes of determining the goodwill impairment, we utilized qualitative factors as well as the fair values determined when allocating consideration as of the Merger Date.

Parallax Services Acquisition

On April 9, 2016, Tellurian Investments acquired Parallax Services, which was renamed Tellurian Services, with equity consideration valued at $1 million. The transaction was accounted for using the acquisition method. As of September 30, 2017, goodwill of $1.2 million on our Condensed Consolidated Balance Sheet was entirely related to the acquisition of Parallax Services.

Pro Forma Results

The following table provides unaudited pro forma results for the three and nine months ended September 30, 2017 and 2016, as if the Merger occurred and Parallax Services had been acquired as of January 1, 2016 (in thousands, except per-share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Pro forma net loss	$ (22,864)	$ (45,874)	$ (200,478)	$ (80,086)
Pro forma net loss per basic share	$ (0.12)	$ (0.36)	$ (1.07)	$ (0.89)
Pro forma basic and diluted weighted average common shares outstanding	192,411	126,641	187,127	90,492

The unaudited pro forma results include adjustments for the historical net loss of Magellan and Parallax Services as well as an increase in compensation expense associated with the addition of three new directors. The pro forma information is provided for informational purposes only and is not necessarily indicative of what Tellurian's results of operation would have been if the Merger and acquisition of Parallax Services had occurred on January 1, 2016. Following the Merger Date, $0.6 million of net loss related to the acquired activities has been included in our Condensed Consolidated Financial Statements.

NOTE 3 — PREPAID AND OTHER CURRENT AND NON-CURRENT ASSETS

The components of prepaid expenses and other current assets consist of the following (in thousands):

	September 30, 2017	December 31, 2016
Subscriptions and deposits	$ 1,018	$ 968
Insurance	401	67
Prepaid rent	148	315
LNG vessel charges	651	—
Other	619	614
Total prepaid expenses and other current assets	$ 2,837	$ 1,964

The components of other non-current assets consist of the following (in thousands):

	September 30, 2017	December 31, 2016
Deposit for acquisition	$ 8,515	$ —
Lease and purchase options	2,264	1,345
Other	434	556
Total other non-current assets	$ 11,213	$ 1,901

Deposit for Acquisition

The deposit for acquisition is in connection with a purchase and sale agreement (the "PSA") with Rockcliff Energy Operating LLC ("Rockcliff"). See Note 6, *Property, Plant and Equipment,* for further information.

Land Lease and Purchase Options

Tellurian holds lease and purchase option agreements (the "Options") for certain tracts of land and associated river frontage that provide for four or five-year terms. In addition to the Options, the Company holds a ground lease for a port facility adjacent to a tract of land that was acquired in March 2016. The lease provides for a four-year term, subject to a 20-year extension and six five-year renewals. The ground lease is accounted for as an operating lease, with rental payments accounted for using the straight-line method.

Upon exercise of the Options, the leases are subject to maximum terms of 60 years (inclusive of various renewals) at the option of the Company. Lease and purchase option payments have been capitalized in other non-current assets. Costs of the lease and purchase options will be amortized over the life of the lease once obtained, or capitalized into the land if purchased. If no lease or land is obtained, the Options cost will be expensed.

Office Leases

The Company holds a ten-year lease for its corporate headquarters located in Houston, Texas as well as leases for other offices in the U.S., England and Singapore. The leases are accounted for as operating leases, with rental payments accounted for using the straight-line method. Where payments exceed or are less than the amount of rent expense recognized, prepaid rent or accrued rent, respectively, is recognized by Tellurian on the Condensed Consolidated Balance Sheets.

NOTE 4 — DEFERRED ENGINEERING COSTS

Deferred engineering costs of $9.0 million represent detailed engineering services related to the Driftwood Project. Such costs will be deferred until construction commences on the Driftwood Project, at which time they will be transferred to construction in progress.

NOTE 5 — RELATED PARTIES

Accounts Receivable and Payable with Related Parties

Tellurian's accounts receivable due from related parties primarily consists of tax indemnities and amounts due from employees who received share-based compensation. The Company withholds amounts from wages if the tax liability with respect to such share-based compensation is not paid directly by the employees. The accounts payable due to related parties pertains to agreements with entities which are partially owned by Martin Houston, a major shareholder and Vice Chairman of the Company.

Non-current Note Receivable Due from Related Party

In July 2017, the $251 thousand non-current note receivable due from Mr. Houston was repaid in full, and the demand note evidencing the receivable was canceled.

Other

During the three and nine months ended September 30, 2017, the Company incurred zero and $651 thousand, respectively, in legal fees to a law firm for advice associated with a lawsuit that was settled in April 2017. A member of our board of directors is a partner at such law firm.

NOTE 6 — PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is comprised of fixed assets and oil and gas properties, as shown below (in thousands):

	September 30, 2017	December 31, 2016
Fixed Assets		
Land	$ 9,491	$ 9,491
Buildings	549	549
Leasehold improvements	1,707	602
Computer, office equipment and fixtures	437	420
Accumulated depreciation	(300)	(69)
Total fixed assets, net	11,884	10,993
Oil and Gas Properties		
Unproved	13,000	—
Wells in progress	332	—
Total oil and gas properties	13,332	—
Total property, plant and equipment, net	$ 25,216	$ 10,993

Property, plant and equipment, excluding land, is depreciated using the straight-line method. Depreciation expense of $92 thousand and $231 thousand for the three and nine months ended September 30, 2017, respectively, and $31 thousand and $55 thousand for the three and nine months ended September 30, 2016, respectively, is recorded within development or general and administrative expenses, based on the nature of the asset, on the Condensed Consolidated Statement of Operations.

In February 2017, in connection with the Merger, the Company acquired interests in certain oil and gas properties. Unproved properties consist of oil and gas interests in the Weald Basin, United Kingdom and the Bonaparte Basin, Australia. In the United Kingdom, Tellurian holds non-operating interests in two licenses which expire in June and September 2021, respectively.

In Australia, Tellurian holds an operating interest in an exploration permit due to expire on November 12, 2017. The Company has applied for an extension of the exploration permit to the appropriate Australian regulatory authorities. There is no production and there are no reserves currently associated with any of our licenses. Accordingly, there is no depletion associated with them for the three and nine months ended September 30, 2017.

Purchase and Sale Agreement

Pursuant to and subject to the terms and conditions of the PSA, Tellurian has agreed to acquire from Rockcliff for $85.1 million in cash, subject to specified adjustments, certain assets in northern Louisiana, including, but not limited to, oil and gas leases, mineral interests, wells, facilities and equipment (the "Asset Purchase"). Subject to the closing of the PSA, the assets to be purchased would include developed and undeveloped acreage and 19 operated producing wells.

NOTE 7 — COMMITMENTS AND CONTINGENCIES

Vessel Charter

Tellurian entered into a charter agreement for an LNG vessel which will be used in connection with the Company's LNG marketing activities. The total commitment under this agreement is expected to be approximately $5.0 million throughout the upcoming year.

Litigation

In July 2017, Tellurian Investments, Driftwood LNG LLC ("Driftwood LNG"), Martin Houston, and three other individuals were named as third-party defendants in a lawsuit filed in state court in Harris County, Texas between Cheniere Energy, Inc. and one of its affiliates, on the one hand (collectively, "Cheniere"), and Parallax Enterprises and certain of its affiliates (not including Parallax Services, n/k/a Tellurian Services) on the other hand (collectively, "Parallax"). In October 2017, Driftwood Pipeline LLC ("Driftwood Pipeline") and Tellurian Services were also named by Cheniere as third-party defendants. Cheniere alleges that it entered into a note and a pledge agreement with Parallax. Cheniere claims that the third-party defendants tortiously interfered with the note and pledge agreement and aided in the fraudulent transfer of Parallax assets. We believe that Cheniere's claims against Tellurian Investments, Driftwood LNG, Driftwood Pipeline and Tellurian Services are without merit and do not expect the resolution of the suit to have a material effect on our results of operation or financial condition.

NOTE 8 — ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The components of accounts payable and accrued liabilities consist of the following (in thousands):

	September 30, 2017	December 31, 2016
Project development activities	$ 1,970	$ —
Front-end engineering and design	—	12,549
Payroll and compensation	16,043	6,311
Seismic survey cancellation	1,343	—
Accrued taxes	2,394	—
Professional services (e.g., legal, audit)	2,869	2,323
Other	2,570	3,220
Total accounts payable and accrued liabilities	$ 27,189	$ 24,403

Front-end Engineering and Design

In February 2016, Tellurian engaged Bechtel to perform a FEED study for the Driftwood terminal, and in June 2016, Tellurian engaged Bechtel to perform a FEED study for the Driftwood pipeline. Accounts payable and accrued liabilities for FEED costs relate primarily to our contracts for FEED services with Bechtel as well as subcontractors working on the project. The FEED studies for the Driftwood pipeline and the Driftwood terminal were completed in March 2017 and June 2017, respectively.

Seismic Survey

On March 31, 2017, the Company executed an Operations Services Agreement (the "OSA") with Santos Offshore Pty Ltd. ("Santos"). The OSA provides for Santos to perform certain services on behalf of the Company associated with the Company's exploration permit for our offshore block in Australia. On June 28, 2017, the Company executed a Cost Sharing Agreement (the "CSA") with Santos and Origin Energy Resources Limited ("Origin"). The CSA provides the basis upon which costs and expenses will be shared among the Company, Santos, and Origin for a 3-D seismic survey to be shot over our offshore block.

Pursuant to the OSA and CSA, with the Company's consent, Santos applied for regulatory approval, designed the seismic survey and engaged a contractor to perform the work. In July 2017, Santos informed the Company that Santos was unable to obtain regulatory approval and canceled the seismic survey. While the Company remains a party to the OSA and CSA, we are not currently committed to make any further expenditures under either agreement. A provision of $1.3 million has been included in our Condensed Consolidated Financial Statements in connection with the cancellation.

NOTE 9 — SHARE-BASED COMPENSATION

Tellurian has granted fully vested and restricted stock to employees, outside directors, and consultants under the Amended and Restated Tellurian Investments Inc. 2016 Omnibus Incentive Plan (the "Legacy Plan") and the Tellurian Inc. 2016 Omnibus Incentive Compensation Plan, as amended (the "Omnibus Plan"). As of September 30, 2017, 14.9 million shares were granted under the Legacy Plan and 7.5 million shares were granted under the Omnibus Plan. At a special meeting of stockholders on February 9, 2017, Magellan stockholders approved the Omnibus Plan, which replaced the Legacy Plan. No further awards can be made under the Legacy Plan.

The maximum number of shares of Tellurian common stock authorized for issuance under the Omnibus Plan is 40 million shares of common stock. During any calendar year, no employee may be granted more than 10 million shares of Tellurian common stock, or with respect to a grant of cash, an amount equal to the value of 10 million shares of Tellurian common stock at the time of settlement. The Omnibus Plan provides that shares subject to awards of options or stock appreciation rights will be counted as 0.4 shares for every share granted. As a result of this provision, the Company could ultimately issue more than 40 million shares of Tellurian common stock pursuant to awards granted under the Omnibus Plan, depending on the mix of common stock, options, stock appreciation rights, and other awards ultimately issued to participants.

During the three and nine months ended September 30, 2017, the Company granted unrestricted, service-based, and performance-based awards. Most of the performance-based awards vest based on a final investment decision by the Company's board of directors, as defined in the award agreements. A portion of the performance awards vest based on the achievement of certain project development activities.

During the three months ended September 30, 2017, the weighted average grant date fair value per share was $10.68 per share, and the total grant date fair value was $17.4 million for restricted awards. For the three and nine months ended September 30, 2017, Tellurian recognized $4.0 million and $22.0 million, respectively, as stock-based compensation expense for employees and directors, $2 million of which was issued in settlement of bonuses accrued at December 31, 2016. For the three and nine months ended September 30, 2016, Tellurian recognized $19.1 million and $24.2 million, respectively, as stock-based compensation expense for employees and directors.

NOTE 10 — SHARE-BASED PAYMENTS

For the three and nine months ended September 30, 2017, Tellurian recognized zero and $19.4 million, respectively, as share-based expense for vendors.

In February 2017, the Company issued 409,800 shares of Tellurian common stock, valued at $5.8 million, to a financial adviser in connection with the successful completion of the Merger. This cost has been included in general and administrative expenses in the Condensed Consolidated Statements of Operations. Additionally, on the Merger Date, the Company issued 90,350 shares of Tellurian common stock to settle a liability assumed in the Merger valued at $1.3 million.

In March 2017, the Company's board of directors approved the issuance of 1 million shares that were purchased at a discount by a commercial development consultant under the Omnibus Plan. The terms of the share purchase agreement did not contain performance obligations or similar vesting provisions; accordingly, the full amount of $11.4 million, representing the aggregate difference between the purchase price of $0.50 per share and the fair value on the date of issuance of $11.88 per share, was recognized on the date of the share purchase and has been included in general and administrative expenses in the Condensed Consolidated Statements of Operations.

Also in March 2017, the Company issued 200,000 shares under a management consulting arrangement for specified services from March 2017 through May 2017. The services were valued at $11.34 per share on the date of issuance. The total cost of $2.3 million was amortized to general and administrative expenses on a straight-line basis over the three-month service period in the Condensed Consolidated Statements of Operations.

NOTE 11 — INCOME TAXES

As of September 30, 2017, the Company has net operating loss ("NOL") carryforwards for federal, state and international income tax reporting purposes. The Company has established a full valuation allowance against its NOLs and has not recorded a net liability for federal or state income taxes in any of the periods included in the accompanying Condensed Consolidated Financial Statements.

The provision for income taxes recorded in the accompanying Condensed Consolidated Financial Statements is for foreign income taxes resulting from disposition proceeds on the Company's sale of available-for-sale securities. The taxable gain on the disposition will be included in Company's total profits chargeable to UK corporation income tax with no offsetting deduction for pre-trading expenditures as Tellurian has not yet become active or started trading for UK corporation income tax purposes.

Section 382 of the Internal Revenue Code (the "Code") contains rules that limit the ability of a company that undergoes an ownership change to utilize its NOL carryforwards, tax credits, and certain built-in-losses or deductions existing as of the date of an ownership change. Prior to the Merger, Magellan had NOL carryforwards available to reduce U.S. federal and state taxable income in future tax years. The Company performed a Section 382 ownership change analysis for Magellan to determine if there were any Section 382 limitations on the utilization of Magellan's pre-merger NOLs. Based on this analysis, the Company has determined that the Magellan pre-merger NOL carryforwards are subject to annual Section 382 limitations. Because of these limitations, it is expected that the vast majority of Magellan's NOL carryforwards generated prior to the Merger will expire unused.

In addition, we experienced an ownership change (as that term is defined within Section 382 of the Code) on April 20, 2017. An analysis of the annual limitation on the utilization of our NOLs was performed in accordance with the Code. It was determined that Section 382 will not materially limit the use of our NOLs over the carryover period. We will continue to monitor activity in the Company's shares which could cause an ownership change. If the Company experiences a Section 382 ownership change, it could further affect our ability to utilize our existing NOL carryforwards.

The Company remains subject to periodic audits and reviews by taxing authorities; however, we do not expect that these audits will have a material effect on the Company's tax provision. Magellan's federal tax returns for the years after June 30, 2014, remain open for examination.

NOTE 12 — STOCKHOLDERS' EQUITY

At-the-Market Program

The Company maintains an at-the-market equity offering program pursuant to which Tellurian may sell shares of its common stock from time to time on the NASDAQ or any other market for the common stock in the U.S., through Credit Suisse Securities (USA) LLC acting as sales agent, for aggregate sales proceeds of up to $200 million. For the nine months ended September 30, 2017, the Company issued 1.0 million shares of common stock under this program, for proceeds of $10.3 million, net of $0.5 million in fees and commissions.

TOTAL Investment

In January 2017, pursuant to a common stock purchase agreement dated as of December 19, 2016, between Tellurian Investments and TOTAL Delaware, Inc. ("TOTAL"), TOTAL purchased, and Tellurian Investments sold and issued to TOTAL, approximately 35.4 million shares of Tellurian Investments common stock for an aggregate purchase price of $207 million, net of offering costs. In connection with the Merger, the shares purchased by TOTAL were exchanged for approximately 46 million shares of Tellurian common stock.

In May 2017, Tellurian and TOTAL entered into a pre-emptive rights agreement pursuant to which TOTAL was granted a right to purchase its pro rata portion of any new equity securities that Tellurian may issue to a third party on the same terms and conditions as such equity securities are offered and sold to such party, subject to certain excepted offerings (the "Pre-emptive Rights Agreement"). Pursuant to the common stock purchase agreement dated as of December 19, 2016, between Tellurian Investments and TOTAL, the terms and conditions of the Pre-emptive Rights Agreement are similar to those contained in the pre-emptive rights agreement dated as of January 3, 2017, between Tellurian Investments and TOTAL, but the Pre-emptive Rights Agreement is subject to additional excepted offerings.

Tellurian Preferred Stock

In March 2017, GE Oil & Gas, Inc. (now known as GE Oil & Gas, LLC) ("GE"), as the holder of all 5.5 million outstanding shares of Tellurian Investments Series A convertible preferred stock (the "Tellurian Investments Preferred Shares"), exchanged those shares into an equal number of shares of Tellurian Inc. Series B convertible preferred stock (the "Series B Preferred Stock") pursuant to the terms of the Tellurian Investments Certificate of Incorporation (the "Preferred Share Exchange"). The terms of the Series B Preferred Stock were substantially similar to those of the Tellurian Investments Preferred Shares. The Series B Preferred Stock were exchangeable at any time into shares of the Company's common stock on a one-for-one basis, subject to anti-dilution adjustments in certain circumstances. In June 2017, GE, as the holder of all 5.5 million outstanding shares of Series B Preferred Stock exercised its right to convert all such shares of Series B Preferred Stock into 5.5 million shares of Tellurian common stock pursuant to and in accordance with the terms of the Series B Preferred Stock.

Embedded Derivative

The ability of GE to exchange the Tellurian Investments Preferred Shares into shares of Series B Preferred Stock or into shares of Tellurian common stock following the Merger required the fair value of such features to be bifurcated from the contract and recognized as an embedded derivative until the Merger Date.

The fair value of the embedded derivative was determined through the use of a model which utilizes certain observable inputs such as the price of Magellan common stock at various points in time and the volatility of Magellan common stock over an assumed half-year and one-year holding period from February 10, 2017 and December 31, 2016, respectively. At each valuation date, the model also included (i) unobservable inputs related to the weighted probabilities of certain Merger-related scenarios and (ii) a discount for the lack of marketability determined through the use of commonly accepted methods. We have therefore classified the fair value measurements of this embedded derivative as Level 3 inputs. On the Merger Date, the embedded derivative was reclassified to additional paid-in capital in accordance with U.S. GAAP.

The following table summarizes the changes in fair value for the embedded derivative (in thousands):

	February 10, 2017	December 31, 2016
Fair value at the beginning of period and initial fair value, respectively	$ 8,753	$ 5,445
(Gain) loss on exchange feature	(2,209)	3,308
Fair value at the end of the period and year, respectively	$ 6,544	$ 8,753

NOTE 13 — NET LOSS PER SHARE

The following table summarizes the computation of basic and diluted loss per share (in thousands, except per-share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net loss	$ (22,864)	$ (44,405)	$ (196,736)	$ (67,875)
Basic weighted average common shares outstanding	192,405	120,128	186,143	83,979
Loss per share:				
Basic and diluted	$ (0.12)	$ (0.37)	$ (1.06)	$ (0.81)

Basic loss per share is based upon the weighted average number of shares of common stock outstanding during the period. As of September 30, 2017 and 2016, the effect of 19.9 million and 6.6 million, respectively, of unvested restricted stock awards that could potentially dilute basic EPS in the future were not included in the computation of diluted EPS because to do so would have been antidilutive for the periods presented.

NOTE 14 — SUPPLEMENTAL CASH FLOW INFORMATION

The following table provides supplemental disclosure of cash flow information (in thousands):

	As of the Nine Months Ended	
	2017	2016
Property, plant and equipment non-cash accruals	$ —	$ 141
Land acquisition non-cash accruals	—	1,000
Net cash paid for income taxes	—	4

NOTE 15 — RECENT ACCOUNTING STANDARDS

The following table provides a description of recent accounting standards that had not been adopted by the Company as of September 30, 2017:

Standard	Description	Expected Date of Adoption	Effect on our Condensed Consolidated Financial Statements or Other Significant Matters
ASU 2014-09, *Revenue from Contracts with Customers (Topic 606), and subsequent amendments thereto*	This standard amends existing revenue recognition guidance and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard may be early adopted beginning January 1, 2017, and may be adopted either retrospectively to each prior reporting period presented or as a cumulative-effect adjustment as of the date of adoption.	January 1, 2018	The adoption of this new standard will not affect the amounts shown in our Condensed Consolidated Financial Statements and related disclosures as the Company currently has no revenues.
ASU 2016-02, *Leases (Topic 842)*	This standard requires a lessee to recognize leases on its balance sheet by recording a liability representing the obligation to make future lease payments and a right-of-use asset representing the right to use the underlying asset for the lease term. A lessee is permitted to make an election not to recognize lease assets and liabilities for leases with a term of 12 months or less. The standard also modifies the definition of a lease and requires expanded disclosures. This standard may be early adopted and must be adopted using a modified retrospective approach with certain available practical expedients.	January 1, 2019	We are currently evaluating the impact of the provisions of this guidance on our Condensed Consolidated Financial Statements and related disclosures.

Additionally, the following table provides a description of recent accounting standards that were adopted by the Company during the reporting period:

Standard	Description	Date of Adoption	Effect on our Condensed Consolidated Financial Statements or Other Significant Matters
ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*	This update clarifies the definition of a business to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses by providing a screen to determine when an integrated set of assets or activities is not a business.	January 1, 2017	The adoption of this guidance did not have a material impact on our Condensed Consolidated Financial Statements or disclosures.
ASU 2017-04, *Intangibles — Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*	This update eliminated Step 2 from the goodwill impairment test. Step 2 required entities to compute the implied fair value of goodwill if it was determined that the carrying amount of a reporting unit exceed its fair value. The goodwill impairment test now consists of comparing the fair value of a reporting unit with its carrying amount, and a company should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value.	January 1, 2017	The adoption of this guidance did not have a material impact on our Condensed Consolidated Financial Statements or disclosures.
ASU 2017-09, *Compensation — Stock Compensation (Topic 718): Scope of Modification Accounting*	This update clarifies what changes to the terms and conditions of share-based awards require an entity to apply modification accounting. Modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions.	April 1, 2017	The adoption of this guidance did not have a material impact on our Condensed Consolidated Financial Statements or disclosures.
ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*	This update requires that restricted cash be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows.	April 1, 2017	The adoption of this guidance did not have a material impact on our Condensed Consolidated Financial Statements or disclosures.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Information About Forward-Looking Statements

The information in this report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical facts, that address activity, events, or developments with respect to our financial condition, results of operations, or economic performance that we expect, believe or anticipate will or may occur in the future, or that address plans and objectives of management for future operations, are forward-looking statements. The words "anticipate," "assume," "believe," "budget," "estimate," "expect," "forecast," "initial," "intend," "may," "plan," "potential," "project," "should," "will," "would" and similar expressions are intended to identify forward-looking statements. These forward-looking statements relate to, among other things:

- our businesses and prospects;
- planned or estimated capital expenditures;
- availability of liquidity and capital resources;
- our ability to obtain additional financing as needed;
- revenues, expenses and projected cash burn rates;
- progress in developing Tellurian's principal project and the timing of that progress;
- our pending natural gas property acquisition;
- future values of the Company's principal project or other interests, operations or rights that Tellurian holds; and
- government regulations, including our ability to obtain necessary governmental permits and approvals.

Our forward-looking statements are based on assumptions and analysis made by us in light of our experience, and our perception of historical trends, current conditions, expected future developments and other factors that we believe are appropriate under the circumstances. These statements are subject to a number of known and unknown risks and uncertainties, which may cause our actual results and performance to be materially different from any future results or performance expressed or implied by the forward-looking statements. Factors that could cause actual results and performance to differ materially from any future results or performance expressed or implied by the forward-looking statements include, but are not limited to, the following:

- the uncertain nature of demand for and price of natural gas;
- risks related to shortages of LNG vessels worldwide;
- technological innovation which may render our anticipated competitive advantage obsolete;
- risks related to a terrorist or military incident involving an LNG carrier;
- changes in legislation and regulations relating to the LNG industry, including environmental laws and regulations that impose significant compliance costs and liabilities;
- uncertainties regarding our ability to maintain sufficient liquidity and capital resources to implement our projects or otherwise continue as a going concern;
- our limited operating history;
- our ability to attract and retain key personnel;
- risks related to doing business in, and having counterparties in, foreign countries;
- our reliance on the skill and expertise of third-party service providers;
- the ability of our vendors to meet their contractual obligations;
- risks and uncertainties inherent in management estimates of future operating results and cash flows;
- development risks, operational hazards and regulatory approvals;

- our ability to consummate our pending natural gas property acquisition; and
- risks and uncertainties associated with litigation matters.

The forward-looking statements in this report speak as of the date hereof. Although we may from time to time voluntarily update our prior forward-looking statements, we disclaim any commitment to do so except as required by securities laws.

Explanatory Note

On February 10, 2017 (the "Merger Date"), Tellurian Inc., which was formerly known as Magellan Petroleum Corporation ("Magellan"), completed the merger (the "Merger") contemplated by the previously announced Agreement and Plan of Merger, dated as of August 2, 2016, by and among Magellan, Tellurian Investments Inc. ("Tellurian Investments") and River Merger Sub, Inc. ("Merger Sub"), as amended (the "Merger Agreement"). At the effective time of the Merger, Merger Sub merged with and into Tellurian Investments, with Tellurian Investments continuing as the surviving corporation and a subsidiary of Magellan. Immediately following the completion of the Merger, Magellan amended its certificate of incorporation and bylaws to change its name to "Tellurian Inc." In connection with the Merger, each outstanding share of common stock of Tellurian Investments was exchanged for 1.300 shares of Magellan common stock. The Merger is accounted for as a "reverse acquisition" under U.S. GAAP. Therefore, Tellurian Investments is treated as the accounting acquirer in the Merger.

Except where the context indicates otherwise, (i) references to "we," "us," "our," "Tellurian" or the "Company" refer, for periods prior to the completion of the Merger, to Tellurian Investments and its subsidiaries, and for periods following the completion of the Merger, to Tellurian Inc. and its subsidiaries and (ii) references to "Magellan" refer to Tellurian Inc. and its subsidiaries prior to the completion of the Merger.

Introduction

The following discussion and analysis presents management's view of our business, financial condition and overall performance and should be read in conjunction with our Condensed Consolidated Financial Statements and the accompanying notes. This information is intended to provide investors with an understanding of our past development activities, current financial condition and outlook for the future organized as follows:

- Our Business
- Overview of Significant Events
- Liquidity and Capital Resources
- Capital Development Activities
- Results of Operations
- Off-Balance Sheet Arrangements
- Summary of Critical Accounting Estimates
- Recent Accounting Standards

Our Business

Tellurian intends to create value for shareholders by building a low-cost, global natural gas business, profitability delivering natural gas to customers worldwide. Tellurian is developing a portfolio of natural gas production, LNG trading, and infrastructure that includes an LNG terminal facility (the "Driftwood terminal") and an associated pipeline (the "Driftwood pipeline") in Southwest Louisiana (the Driftwood terminal and the Driftwood pipeline collectively, the "Driftwood Project").

The proposed Driftwood Project will have a liquefaction capacity of approximately 27.6 mtpa, situated on approximately 1,000 acres in Calcasieu Parish, Louisiana. The proposed terminal facility will include up to 20 liquefaction Trains, three full containment LNG storage tanks and three marine berths. In February 2016, Tellurian engaged Bechtel Oil, Gas and Chemicals, Inc. ("Bechtel") to perform a FEED study for the Driftwood terminal, which was completed in June 2017. Based on such FEED study, Tellurian estimates construction costs for the Driftwood terminal of approximately $500 to $600 per tonne ($13 to $16 billion) before owners' costs, financing costs and contingencies.

Tellurian is developing the proposed Driftwood pipeline, a new 96-mile large diameter pipeline which will interconnect with 13 existing interstate pipelines throughout Southwest Louisiana to secure adequate natural gas feedstock for the Driftwood terminal. The Driftwood pipeline will be comprised of 48-inch, 42-inch, 36-inch and 30-inch diameter pipeline segments and three compressor stations totaling approximately 270,000 horsepower, all as necessary to provide approximately 4.0 Bcf/d of average daily gas transportation service. In June 2016, Tellurian engaged Bechtel to perform a FEED study for the Driftwood pipeline, which was completed in March 2017. Based on such FEED study, Tellurian estimates construction costs for the Driftwood pipeline of approximately $1.6 to $2.0 billion before owners' costs, financing costs and contingencies.

In addition, as described under "Overview of Significant Events — Haynesville Purchase and Sale Agreement," Tellurian has recently entered into an agreement to acquire approximately 9,200 net acres of natural gas properties in Louisiana.

Overview of Significant Events

Significant corporate, developmental and capital events since January 1, 2017 and through the filing date of this Form 10-Q include the following:

TOTAL Investment. In January 2017, pursuant to a common stock purchase agreement (the "TOTAL SPA") dated as of December 19, 2016, between Tellurian Investments and TOTAL Delaware, Inc. ("TOTAL"), TOTAL purchased, and Tellurian Investments sold and issued to TOTAL, approximately 35.4 million shares of Tellurian Investments common stock (the "TOTAL Shares") for an aggregate purchase price of $207 million. In connection with the Merger, the TOTAL Shares were exchanged for approximately 46 million shares of Tellurian common stock. Tellurian and TOTAL entered into a pre-emptive rights agreement pursuant to which TOTAL was granted a right to purchase its pro rata portion of any new equity securities that Tellurian Investments may issue to a third party on the same terms and conditions as such equity securities are offered and sold to such party, subject to certain excepted offerings.

Development and Regulatory Events.

- In February 2017, the DOE/FE issued an order authorizing Tellurian to export up to 27.6 mtpa of LNG to FTA countries, on its own behalf and as agent for others, for a term of 30 years. Our application for authority to export LNG to non-FTA countries is currently pending before the DOE/FE and is expected to be ruled upon in the first quarter of 2018.
- In March 2017, Tellurian filed an application with FERC for authorization pursuant to Section 3 of the NGA to site, construct and operate the Driftwood terminal, and simultaneously sought authorization pursuant to Section 7 of the NGA for authorization to construct and operate interstate natural gas pipeline facilities. Each requested that FERC issue an order approving the facilities by the first quarter of 2018.
- Also in March 2017, the Driftwood Project submitted permit applications to the USACE under regulatory Section 404 of the Clean Water Act, and Sections 10 and 14 of the Rivers and Harbors Act for activities within the waters of the U.S. including dredging and wetland mitigation. Also submitted in March was the Title V and PSD air permit to the Louisiana Department of Environmental Quality under the Clean Air Act for air emissions relating to the Driftwood Project. The regulatory review and approval process for the USACE permit as well as the Title V and PSD permits is expected to be completed in March 2018, concluding the major environmental permitting for the Driftwood Project.
- The FEED studies for the Driftwood pipeline and the Driftwood terminal were completed in March 2017 and June 2017, respectively.
- Deferred engineering costs of $9 million represent detailed engineering services related to the Driftwood Project. Such costs will be deferred until construction commences on the Driftwood Project, at which time they will be transferred to construction in progress.

Haynesville Purchase and Sale Agreement. On September 6, 2017, Tellurian entered into a purchase and sale agreement (the "PSA") with Rockcliff Energy Operating LLC ("Rockcliff"). Pursuant to and subject to the terms and conditions of the PSA, Tellurian has agreed to acquire from Rockcliff for $85.1 million in cash (the "Base Purchase Price"), subject to specified adjustments, certain assets in northern Louisiana, including, but not limited to, oil and gas leases, mineral interests, wells, facilities and equipment (the "Rockcliff transaction" or the "Asset Purchase"). The assets to be purchased include approximately 9,200 net developed and undeveloped acres and 19 producing operated wells with net current production of approximately four million cubic feet per day of natural gas. The Asset Purchase will be given economic effect as of August 1, 2017 (the "Effective Date"). As a result, at closing, the Base Purchase Price will be subject to upward or downward adjustments based on certain revenues and costs attributable to the purchased assets prior to the closing date and after the Effective Date. Certain of the assets to be acquired are subject to preferential rights to purchase held by third parties and the purchase price and properties to be acquired could be adjusted as a result of such rights. Pursuant to the PSA, on the business day following the execution of the PSA, Tellurian made a cash deposit in the amount of $8.5 million (the "Deposit"), creditable against the amount required to be paid by it at the closing of the Asset Purchase. Rockcliff will retain the deposit if Tellurian fails to consummate, under certain conditions, the Asset Purchase.

Liquidity and Capital Resources

Capital Resources

The Company is currently funding the development of the Driftwood Project and general working capital needs through its cash on hand. Our current capital resources consist of approximately $138.0 million of cash and cash equivalents as of September 30, 2017 on a consolidated basis, which are primarily the result of issuances of common and preferred stock, including the issuance of preferred stock to GE in November 2016, the issuance of common stock to TOTAL in January 2017 and the issuance of common stock pursuant to our at-the-market program. Tellurian considers cash equivalents to be short-term, highly liquid

investments that are both readily convertible to known amounts of cash or so near to their maturity that they present insignificant risk of changes in value.

Sources and Uses of Cash

The following table summarizes the sources and uses of our cash and cash equivalents and costs and expenses for the periods presented (in thousands):

	Successor [1]			Predecessor [1]
	Nine Months Ended September 30,		Year Ended December 31, 2016	For the period from January 1, 2016 through April 9, 2016
	2017	2016		
Operating cash flows:				
Cash used in Driftwood Project activities	$ (48,977)	$ (17,847)	$ (30,675)	$ —
Cash used for employee costs	(14,345)	(2,433)	(6,208)	(64)
Other net cash used in development activities	(22,845)	(9,032)	(13,547)	(47)
Cash used in operating activities	(86,167)	(29,312)	(50,430)	(111)
Investing cash flows:				
Cash used in the acquisition of property, plant and equipment	(1,101)	(9,199)	(10,716)	(268)
Deposit for acquisition	(8,515)	—	—	—
Deferred engineering costs	(9,000)	—	—	—
Other net cash provided by investing activities	4,648	210	210	—
Cash used in investing activities	(13,968)	(8,989)	(10,506)	(268)
Financing cash flows:				
Private placements	—	58,886	59,015	—
Issuance of Tellurian Investments Preferred Shares [2]	—	—	25,000	—
Issuance of common shares to TOTAL	207,000	—	—	—
Issued under equity compensation plan	500	—	—	—
Issued under at-the-market program	10,695	—	—	—
Tax payments for net share settlement of equity awards	(828)	—	—	—
Offering costs	(607)	(1,512)	(1,681)	—
Cash provided by financing activities	216,760	57,374	82,334	—
Effect of exchange rate changes on cash	—	8	—	—
Net increase (decrease) in cash and cash equivalents	116,625	19,081	21,398	(379)
Cash and cash equivalents, beginning of the period	21,398	—	—	589
Cash and cash equivalents, end of the period	$ 138,023	$ 19,081	$ 21,398	$ 210
Net working capital (deficit)	$ 116,091	$ 1,777	$ 17	$ (784)

(1) On April 9, 2016, Tellurian Investments acquired Tellurian Services LLC ("Tellurian Services"), formerly known as Parallax Services LLC ("Parallax Services"). Parallax Services was primarily engaged in general and administrative support services. Under the financial reporting rules of the SEC, Parallax Services ("Predecessor") has been deemed to be the predecessor to Tellurian ("Successor") for financial reporting purposes.

(2) The Tellurian Investments Preferred Shares were exchanged in March 2017 for Series B Preferred Stock and the shares of Series B Preferred Stock were exchanged into common stock in June 2017, each in a cashless transaction.

Cash used in operating activities during the nine months ended September 30, 2017 and 2016 was $86.2 million and $29.3 million, respectively. The increase in cash used in operating activities in 2017 compared to 2016 primarily relates to one-time payments of $12 million related to EPC activities, $5 million of Merger-related expenses and $69 million of disbursements in the normal course of business. Disbursements in the normal course of business increased primarily due to the increased development activities relating to the Driftwood Project and a substantial increase in the number of Tellurian employees.

Capital Development Activities

We are primarily engaged in developing the Driftwood Project, which will require significant amounts of capital and is subject to risks and delays in completion. Even if successfully completed, the project will not begin to operate and generate significant cash flows until at least several years from now, which management currently anticipates being 2022. Construction of the Driftwood terminal and Driftwood pipeline facilities would begin after FERC issues an order granting the necessary authorizations under the NGA and once all required federal, state and local permits have been obtained. The Company expects to receive all regulatory approvals and commence construction in 2018, produce the first LNG in 2022 and achieve full operations in 2025. As a result, our business success will depend to a significant extent upon our ability to obtain the funding necessary to construct these LNG terminals, to bring them into operation on a commercially viable basis and to finance the costs of staffing, operating and expanding our company during that process.

Tellurian estimates construction costs of approximately $500 to $600 per tonne ($13 to $16 billion) for the Driftwood terminal and approximately $1.6 to $2.0 billion for the Driftwood pipeline, in each case before owners' costs, financing costs and contingencies. In addition, the natural gas production activities Tellurian is pursuing will require considerable capital resources. We anticipate funding our more immediate liquidity requirements relative to the RFS and other developmental and general and administrative costs for the Driftwood Project through the use of cash from the completed equity issuances discussed above and future issuances of equity securities by us.

We currently expect that our long-term capital requirements will be financed by proceeds from future debt and equity offerings. In addition, part of our financing strategy is expected to involve seeking equity investments by LNG customers at a subsidiary level. If the types of financing we expect to pursue are not available, we will be required to seek alternative sources of financing, which may not be available on acceptable terms, if at all.

Results of Operations

Successor

The following table summarizes costs and expenses for the periods presented (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	Change	2017	2016	Change
Total revenue	$ —	$ —	$ —	$ —	$ —	$ —
Development expenses	8,793	15,917	(7,124)	44,998	30,422	14,576
General and administrative expenses	17,302	28,533	(11,231)	80,125	37,737	42,388
Goodwill impairment	—	—	—	77,592	—	77,592
Loss from operations	(26,095)	(44,450)	18,355	(202,715)	(68,159)	(134,556)
Gain on preferred stock exchange feature	—	—	—	2,209	—	2,209
Other income, net	3,800	49	3,751	4,339	118	4,221
Provision for income taxes	(569)	(4)	(565)	(569)	166	(735)
Net loss	$ (22,864)	$ (44,405)	$ 21,541	$ (196,736)	$ (67,875)	$ (128,861)

Our consolidated net loss was $22.9 million, or $0.12 per share (basic and diluted), for the three months ended September 30, 2017, compared to a net loss of $44.4 million, or $0.37 per share (basic and diluted), for the three months ended September 30, 2016. This $21.5 million decrease in net loss was primarily a result of decreased development and general and administrative expenses discussed separately below.

Our consolidated net loss was $196.7 million, or $1.06 per share (basic and diluted), for the nine months ended September 30, 2017, compared to a net loss of $67.9 million, or $0.81 per share (basic and diluted), for the nine months ended September 30, 2016. This $128.9 million increase in net loss was primarily a result of (i) increased development and general and administrative expenses discussed separately below and (ii) an impairment charge of $77.6 million related to goodwill that was initially recognized as a result of the Merger in February 2017. The increase in net loss was partially offset by a gain of $2.2 million recognized in the first quarter of 2017 related to an exchange feature of the Tellurian Investments Preferred Shares and a $3.5 million gain on the sale of securities.

Development expenses for the three and nine months ended September 30, 2017 decreased $7.1 million and increased $14.6 million, respectively, compared to the same periods in 2016. The decrease of $7.1 million is primarily attributable to deferring engineering costs related to the Driftwood Project during three months ended September 30, 2017 when compared to the same period in 2016. The increase of $14.6 million is primarily attributable to an overall increase in activity associated with the Driftwood Project during the nine months ended September 30, 2017 when compared to the same period in 2016.

General and administrative expenses during the three and nine months ended September 30, 2017, decreased $11.2 million and increased $42.4 million, respectively, compared to the same periods in 2016. The decrease of $11.2 million is primarily attributable to a decrease in share-based compensation, partially offset by an increase in salary expense, during the three months ended September 30, 2017 when compared to the same period in 2016. The increase of $42.4 million is primarily attributable to non-cash share-based payment charges related to commercial development and management consulting contractors of $19.4 million which were not incurred in 2016. The remaining increase was driven by an increase in salaries and benefits due to a substantial increase in the number of employees and an increase in corporate marketing and investor development activities.

Successor vs. Predecessor

The following table summarizes costs and expenses of Parallax Services for the periods presented (in thousands):

	Nine Days Ended April 9, 2016	For the period from January 1, 2016 through April 9, 2016
Total revenue	$ —	$ 31
Development expenses	—	52
General and administrative expenses	157	617
Net loss	$ (157)	$ (638)

Total expenses and the net loss for Tellurian (as "Successor") were significantly greater than such items for Tellurian Services (formerly known as Parallax Services LLC, as "Predecessor") during the periods shown above due primarily to the matters discussed above. Tellurian's activities related to the development of the Driftwood Project are significantly larger in scope than the administrative and development activities of Tellurian Services prior to our acquisition of Tellurian Services.

Off-Balance Sheet Arrangements

As of September 30, 2017, we had no transactions that met the definition of off-balance sheet arrangements that may have a current or future material effect on our consolidated financial position or operating results.

Summary of Critical Accounting Estimates

The preparation of financial statements requires the use of judgments and estimates. Our critical accounting policies are described below to provide a better understanding of how we develop our assumptions and judgments about future events and related estimations and how they can impact our financial statements. A critical accounting estimate is one that requires our most difficult, subjective or complex judgments and assessments and is fundamental to our results of operations. We identified our most critical accounting estimates to be:

- purchase price allocation for acquired businesses;
- valuations of long-lived assets, including intangible assets and goodwill;
- share-based compensation issued prior to the Merger; and
- forecasting our effective income tax rate, including the realizability of deferred tax assets.

We base our estimates on historical experience and on various other assumptions we believe to be reasonable according to current facts and circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We believe the following are the critical accounting policies used in the preparation of our condensed consolidated financial statements, as well as the significant estimates and judgments affecting the application of these policies. This discussion and analysis should be read in conjunction with our Condensed Consolidated Financial Statements and related notes included in this report.

Accounting for LNG Development Activities

As we have been in the preliminary stage of developing our LNG receiving terminals, substantially all of the costs to date related to such activities have been expensed. These costs primarily include professional fees associated with FEED studies and obtaining an order from FERC authorizing construction of our terminals and other required permitting for the Driftwood Project.

Costs incurred in connection with a project to develop a facility or a capital asset shall generally be treated as development expenses until the project has reached the Notice-to-Proceed State ("NTP State") and the following criteria (the "NTP Criteria") have been achieved: (i) regulatory approval has been received, (ii) financing for the project is available and (iii) management has committed to commence construction, and management instructs the EPC contractor to begin construction. In addition to the above, certain costs incurred prior to achieving the NTP State shall be capitalized even though the NTP Criteria have not been

met. Costs to be capitalized prior to achieving the NTP State include land purchase costs, land improvement costs, preparation for facility use costs and any fixed structure construction costs (e.g., fence, storage areas, drainage, etc.). Furthermore, activities directly associated with detailed engineering and/or facility designs shall be capitalized.

Fair Value

When necessary or required by U.S. GAAP, we estimate the fair value of (i) long-lived assets for impairment testing, (ii) reporting units for goodwill impairment testing, (iii) assets acquired and liabilities assumed in business combinations and (iv) prior to the Merger, share-based compensation. When we are required to measure fair value and there is not a market-observable price for the asset or liability or a similar asset or liability, we use the cost, income, or market valuation approach depending on the quality of information available to support management's assumptions. The cost approach is based on management's best estimate of the current asset replacement cost. The income approach is based on management's best assumptions regarding expectations of projected cash flows and discounts the expected cash flows using a commensurate risk-adjusted discount rate. The market approach is based on management's best assumptions regarding prices and other relevant information from market transactions involving comparable assets. Such evaluations involve significant judgment and the results are based on expected future events or conditions, such as sales prices, estimates of future LNG production, development, construction and operating costs and the timing thereof, future net cash flows, economic and regulatory climates and other factors, most of which are often outside of management's control. However, assumptions used reflect a market participant's view of long-term prices, costs and other factors, and are consistent with assumptions used in our business plans and investment decisions.

Goodwill

Goodwill represents the excess of cost over fair value of the net assets of businesses acquired. We test goodwill for impairment annually during the fourth quarter, or more frequently as circumstances dictate. The first step in assessing whether an impairment of goodwill is necessary is an optional qualitative assessment to determine the likelihood of whether the fair value of the reporting unit is greater than its carrying amount. If we conclude that it is more likely than not that the fair value of the reporting unit exceeds the related carrying amount, further testing is not necessary. If the qualitative assessment is not performed or indicates that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, we compare the estimated fair value of the reporting unit to which goodwill is assigned to the carrying amount of the associated net assets, including goodwill. An impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value is then recognized.

A lower fair value estimate in the future for our Driftwood reporting unit could result in impairment of goodwill. Factors that could trigger a lower fair value estimate include significant negative industry or economic trends, cost increases, disruptions to our business and regulatory or political environment changes or other unanticipated events.

Share-Based Compensation

The assumptions used in calculating the fair value of share-based payment awards represent our best estimates, but these estimates involve inherent uncertainties and the application of management's judgment. As a result, if factors change and we use different assumptions, our share-based compensation expense could be materially different in the future.

Through May 2016, Tellurian Investments determined the fair value of share-based compensation using the price paid for private placements of stock. Beginning in June 2016 and through the date of the Merger, the fair value of share-based compensation was determined through the use of a model which utilizes certain observable inputs such as the price of Magellan common stock at various points in time as well as unobservable inputs related to the weighted probabilities of certain Merger-related scenarios at each valuation date. Prior to the Merger, the Company's method also considered a discount for the lack of marketability of Tellurian Investments common stock, which was determined through the use of commonly accepted methods. As the Company has only restricted shares outstanding related to unvested share-based compensation, awards issued after the Merger are based on the quoted market prices for Tellurian shares.

See Note 9, *Share-Based Compensation,* of our Notes to Condensed Consolidated Financial Statements for additional information regarding our share-based compensation.

Income Taxes

Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the tax basis of assets and liabilities and their reported amounts in the Condensed Consolidated Financial Statements. Deferred tax assets and liabilities are included in the Condensed Consolidated Financial Statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the current period's provision for income taxes. A full valuation allowance equal to our net deferred tax asset balance has been established due to the uncertainty of realizing the tax benefits related to our net deferred tax assets.

Recent Accounting Standards

For descriptions of recently issued accounting standards, see Note 15, *Recent Accounting Standards,* of our Notes to Condensed Consolidated Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

None.

ITEM 4. CONTROLS AND PROCEDURES

We maintain a set of disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports filed by us under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. As of the end of the period covered by this report, we evaluated, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures are effective.

Following the completion of the Merger, we have undertaken a variety of efforts to adapt our internal control over financial reporting to the nature and scope of our company following the Merger, including through the hiring of additional personnel with control responsibilities and expertise and the implementation and testing of new controls. Other than these activities, there have been no material changes in internal controls during the quarter ended September 30, 2017.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In July 2017, Tellurian Investments, Driftwood LNG, Martin Houston, and three other individuals were named as third-party defendants in a lawsuit filed in state court in Harris County, Texas between Cheniere Energy, Inc. and one of its affiliates, on the one hand (collectively, "Cheniere"), and Parallax Enterprises and certain of its affiliates (not including Parallax Services, n/k/a Tellurian Services) on the other hand (collectively, "Parallax"). In October 2017, Driftwood Pipeline and Tellurian Services were also named by Cheniere as third-party defendants. Cheniere alleges that it entered into a note and a pledge agreement with Parallax. Cheniere claims that the third-party defendants tortiously interfered with the note and pledge agreement and aided in the fraudulent transfer of Parallax assets. We believe that Cheniere's claims against Tellurian Investments, Driftwood LNG, Driftwood Pipeline and Tellurian Services are without merit and do not expect the resolution of the suit to have a material effect on our results of operation or financial condition.

ITEM 1A. RISK FACTORS

The following risk factors should be carefully considered when evaluating an investment in us. These risk factors and other uncertainties may cause our actual future results or performance to differ materially from any future results or performance expressed or implied in the forward-looking statements contained in this report.

The risk factors in this report supersede the risk factors disclosed in Exhibit 99.1 to our Current Report on Form 8-K/A filed on March 15, 2017 and are grouped into the following categories:

- Risks Relating to Financial Matters;
- Risks Relating to Our Common Stock;
- Risks Relating to Our LNG Business;
- Risks Relating to Our Potential Natural Gas Production Activities; and
- Risks Relating to Our Business in General.

Risks Relating to Financial Matters

Tellurian does not expect to generate sufficient cash to pay dividends until the completion of construction of the Driftwood Project.

Tellurian's directly and indirectly held assets currently consist primarily of cash held for certain start-up and operating expenses, applications for permits from regulatory agencies relating to the Driftwood Project and certain real property interests related to that project. Tellurian's cash flow, and consequently its ability to distribute earnings, is solely dependent upon the cash flow its subsidiaries receive from the Driftwood Project and its other operations. Tellurian's ability to complete the Driftwood Project, as discussed further below, is dependent upon its subsidiaries' ability to obtain necessary regulatory approvals and raise the capital necessary to fund the development of the project. We expect that cash flows from our operations will be reinvested in the business rather than used to fund dividends. Further, we expect that pursuing our strategy will require substantial amounts of capital, and that the required capital will exceed cash flows from operations for a significant period of time.

Tellurian's ability to pay dividends in the future is uncertain and will depend on a variety of factors, including limitations on the ability of it or its subsidiaries to pay dividends under applicable law and/or the terms of debt or other agreements, and the judgment of the board of directors or other governing body of the relevant entity.

Tellurian will be required to seek additional debt and equity financing in the future to complete the Driftwood Project and to grow its other operations, and may not be able to secure such financing on acceptable terms, or at all.

Tellurian will be unable to generate any revenue from the Driftwood Project for multiple years, and expects cash flow from any other lines of business to be modest for an extended period of time as it focuses on the development and growth of these operations. Tellurian will therefore need substantial amounts of additional financing to execute its business plan.

There can be no assurance that Tellurian will be able to raise sufficient capital on acceptable terms, or at all. If such financing is not available on satisfactory terms, or is not available at all, Tellurian may be required to delay, scale back or eliminate the development of business opportunities, and its operations and financial condition may be adversely affected to a significant extent. Tellurian intends to pursue a variety of potential financing transactions, including sales of equity to purchasers of its LNG. We do not know whether, and to what extent, LNG purchasers and other potential sources of financing will find the terms we propose acceptable.

Debt financing, if obtained, may involve agreements that include liens on Tellurian's assets and covenants limiting or restricting our ability to take specific actions, such as paying dividends or making distributions, incurring additional debt, acquiring or disposing of assets and increasing expenses. Debt financing would also be required to be repaid regardless of Tellurian's operating results.

In addition, the ability to obtain financing for the proposed Driftwood Project may depend in part on Tellurian's ability to enter into sufficient commercial agreements prior to the commencement of construction. To date, Tellurian has not entered into any definitive third-party agreements for the proposed Driftwood Project, and it may not be successful in negotiating and entering into such agreements.

We have no operating history and expect to incur losses for a significant period of time.

We have no current operations. Although Tellurian's current directors, managers and officers have prior professional and industry experience, our businesses are in the early stages of their development, or in some cases are still in the planning stage. Accordingly, there is a limited prior history, track record and historical financial information upon which you may evaluate prospects.

Tellurian has not yet commenced the construction of the Driftwood Project. Accordingly, Tellurian expects to incur significant additional costs and expenses through completion of development and construction of the Driftwood Project. It also expects to devote substantial amounts of capital to the growth and development of its natural gas production activities and other complementary lines of business. Tellurian expects that operating losses will increase substantially in the remainder of 2017 and thereafter, and expects to continue to incur operating losses and to experience negative operating cash flow through at least 2022.

Tellurian's exposure to the performance and credit risks of counterparties under agreements may adversely affect its operating results, liquidity and access to financing.

Our operations will involve our entering into various purchase and sale, hedging, supply and other transactions with numerous third parties. In such arrangements, we will be exposed to the performance and credit risks of our counterparties, including the risk that one or more counterparties fails to perform its obligation to make deliveries of commodities, to make payments or to satisfy other obligations. Some of these risks may increase during periods of commodity price volatility. In some cases, we will be dependent on a single counterparty or a small group of counterparties, all of whom may be similarly affected by changes in economic and other conditions. Defaults by suppliers and other counterparties may adversely affect our operating results, liquidity and access to financing.

Changes in tax laws or exposure to additional income tax liabilities could have a material impact on our financial condition, results of operations and liquidity.

We are subject to income taxes as well as non-income based taxes in the various jurisdictions in which we operate. Tax authorities may disagree with certain positions we have taken and assess additional taxes. We regularly assess the likely outcomes of these audits to determine the appropriateness of our tax provision. However, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes could have a material impact on our net income or financial condition.

Changes in tax laws or tax rulings could materially impact our effective tax rate. For example, the Trump Administration has called for substantial change to fiscal and tax policies, inclusive of proposed changes to the U.S. federal tax treatment of foreign operations, the current tax depreciation system and the deductibility of interest expense, in connection with comprehensive U.S. federal tax reform. Similarly, proposals are made from time to time in various jurisdictions to change tax rules applicable to natural gas production activities. If enacted, any change in law may affect our tax position, including the amount of taxes we are

required to pay, and could have a significant impact on our future results of operations, profitability and financial condition, including the size of our expected net operating losses. However, until we know what changes are enacted, we will not know whether in total we will benefit from, or be negatively affected by, the proposed changes.

Risks Relating to Our Common Stock

The price of our common stock has been and may continue to be highly volatile, which may make it difficult for shareholders to sell our common stock when desired or at attractive prices.

The market price of our common stock is highly volatile, and we expect it to continue to be volatile for the foreseeable future. Adverse events could trigger a significant decline in the trading price of our common stock, including, among others, failure to obtain necessary permits, unfavorable changes in commodity prices or commodity price expectations, adverse regulatory developments, loss of a relationship with a partner, litigation and departures of key personnel. Furthermore, general market conditions, including the level of, and fluctuations in, the trading prices of equity securities generally could affect the price of our stock. The stock markets frequently experience price and volume volatility that affects many companies' stock prices, often in ways unrelated to the operating performance of those companies. These fluctuations may affect the market price of our common stock.

The market price of our common stock could be adversely affected by sales of substantial amounts of our common stock by us or our major shareholders.

Sales of a substantial number of shares of our common stock in the market by us or any of our major shareholders, or the perception that these sales may occur, could cause the market price of our common stock to decline. In addition, the sale of these shares in the public market, or the possibility of such sales, could impair our ability to raise capital through the sale of additional equity securities. Our insider trading policy permits our officers and directors, some of whom own substantial percentages of our outstanding common stock, to pledge shares of stock that they own as collateral for loans subject to certain requirements. Some of our officers and directors have pledged shares of stock in accordance with this policy. In some circumstances, such pledges could result in large amounts of shares of our stock being sold in the market in a short period of time, which would be expected to have a significant adverse effect on the trading price of the common stock. In addition, in the future, we may issue shares of our common stock in connection with acquisitions of assets or businesses. If we use our shares for this purpose, the issuances could have a dilutive effect on the market value of shares of our common stock, depending on market conditions at the time of an acquisition, the price we pay, the value of the business or assets acquired, our success in exploiting the properties or integrating the businesses we acquire and other factors.

Risks Relating to Our LNG Business

Various economic and political factors could negatively affect the development, construction and operation of LNG facilities, including the Driftwood Project, which could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Commercial development of an LNG facility takes a number of years, requires substantial capital investment and may be delayed by factors such as:

- increased construction costs;
- economic downturns, increases in interest rates or other events that may affect the availability of sufficient financing for LNG projects on commercially reasonable terms;
- decreases in the price of LNG, which might decrease the expected returns relating to investments in LNG projects;
- the inability of project owners or operators to obtain governmental approvals to construct or operate LNG facilities; and
- political unrest or local community resistance to the siting of LNG facilities due to safety, environmental or security concerns.

Our failure to execute our business plan in a timely manner could materially adversely effect our business, financial condition, operating results, liquidity and prospects.

Tellurian's estimated costs for the Driftwood Project may not be accurate and are subject to change due to various factors.

Tellurian currently estimates that construction costs will be between approximately (i) $13 and $16 billion for the Driftwood terminal and (ii) $2 and $3 billion for the Driftwood pipeline. However, cost estimates are only an approximation of the actual costs of construction and are before owners' costs, financing costs and contingencies. Moreover, cost estimates may change due to various factors, such as the final terms of any definitive request for services with its EPC service provider, as well as cost overruns, change orders, delays in construction, legal and regulatory requirements, site issues, increased component and

material costs, escalation of labor costs, labor disputes, changes in commodity prices, increased spending to maintain Tellurian's construction schedule and other factors.

Our failure to achieve our cost estimates could materially adversely affect our business, financial condition, operating results, liquidity and prospects.

If third-party pipelines and other facilities interconnected to our LNG facilities become unavailable to transport natural gas, this could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

We will depend upon third-party pipelines and other facilities that will provide gas delivery options to our LNG facilities. If the construction of new or modified pipeline connections is not completed on schedule or any pipeline connection were to become unavailable for current or future volumes of natural gas due to repairs, damage to the facility, lack of capacity or any other reason, our ability to meet our LNG sale and purchase agreement obligations and continue shipping natural gas from producing regions or to end markets could be restricted, thereby reducing our revenues. This could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

Tellurian's ability to generate cash is substantially dependent upon it entering into contracts with third party customers and the performance of those customers under those contracts.

Tellurian has not yet entered into, and may never be able to enter into, satisfactory commercial arrangements with third-party customers for products and services at the Driftwood Project.

Tellurian's business strategy may change regarding how and when the proposed Driftwood Project's export capacity is marketed. Also, Tellurian's business strategy may change due to an inability to enter into agreements with customers or based on a variety of factors including the future price outlook, supply and demand of LNG, natural gas liquefaction capacity, and worldwide regasification capacity. If our efforts to market the proposed Driftwood Project and the LNG it will produce are not successful, Tellurian's business, results of operations, financial condition and prospects may be materially and adversely affected.

We may not be able to purchase, receive or produce sufficient natural gas to satisfy our delivery obligations under our LNG sale and purchase agreements, which could have an adverse effect on us.

Under LNG sale and purchase agreements with our customers, we will be required to make available to them a specified amount of LNG at specified times. However, we may not be able to purchase, receive or produce sufficient quantities of natural gas or LNG to satisfy those obligations, which may provide affected customers with the right to terminate their LNG sale and purchase agreements. Our failure to purchase, receive or produce sufficient quantities of natural gas or LNG in a timely manner could have an adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

The construction and operation of the Driftwood Project remains subject to further approvals, and some approvals may be subject to further conditions, review and/or revocation.

The design, construction and operation of LNG export terminals is a highly regulated activity. The approval of FERC under Section 3 of the Natural Gas Act, as well as several other material governmental and regulatory approvals and permits, is required in order to construct and operate an LNG terminal. Even if the necessary authorizations initially required to operate our proposed LNG facilities are obtained, such authorizations are subject to ongoing conditions imposed by regulatory agencies, and additional approval and permit requirements may be imposed.

Tellurian will be required to obtain governmental approvals and authorizations to implement its proposed business strategy, which includes the construction and operation of the Driftwood Project. In particular, authorization from FERC and DOE/FE is required to construct and operate our proposed LNG facilities. In addition to seeking approval for export to FTA countries, Tellurian will seek to obtain approval for export to non-FTA countries. There is no assurance that Tellurian will obtain and maintain these governmental permits, approvals and authorizations, and failure to obtain and maintain any of these permits, approvals or authorizations could have a material adverse effect on its business, results of operations, financial condition and prospects.

Tellurian will be dependent on third-party contractors for the successful completion of the Driftwood Project, and these contractors may be unable to complete the Driftwood Project.

There is limited recent industry experience in the United States regarding the construction or operation of large-scale LNG facilities. The construction of the Driftwood Project is expected to take several years, will be confined to a limited geographic area and could be subject to delays, cost overruns, labor disputes and other factors that could adversely affect financial performance or impair Tellurian's ability to execute its scheduled business plan.

Timely and cost-effective completion of the Driftwood Project in compliance with agreed-upon specifications will be highly dependent upon the performance of third-party contractors pursuant to their agreements. However, Tellurian has not yet entered into definitive agreements with certain of the contractors, advisors and consultants necessary for the development and construction of the Driftwood Project. Tellurian may not be able to successfully enter into such construction contracts on terms or at prices that are acceptable to it.

Further, faulty construction that does not conform to Tellurian's design and quality standards may have an adverse effect on Tellurian's business, results of operations, financial condition and prospects. For example, improper equipment installation may lead to a shortened life of Tellurian's equipment, increased operations and maintenance costs or a reduced availability or production capacity of the affected facility. The ability of Tellurian's third-party contractors to perform successfully under any agreements to be entered into is dependent on a number of factors, including force majeure events and such contractors' ability to:

- design, engineer and receive critical components and equipment necessary for the Driftwood Project to operate in accordance with specifications and address any start-up and operational issues that may arise in connection with the commencement of commercial operations;
- attract, develop and retain skilled personnel and engage and retain third-party subcontractors, and address any labor issues that may arise;
- post required construction bonds and comply with the terms thereof, and maintain their own financial condition, including adequate working capital;
- adhere to any warranties the contractors provide in their EPC contracts; and
- respond to difficulties such as equipment failure, delivery delays, schedule changes and failure to perform by subcontractors, some of which are beyond their control, and manage the construction process generally, including engaging and retaining third-party contractors, coordinating with other contractors and regulatory agencies and dealing with inclement weather conditions.

Furthermore, Tellurian may have disagreements with its third-party contractors about different elements of the construction process, which could lead to the assertion of rights and remedies under the related contracts, resulting in a contractor's unwillingness to perform further work on the relevant project. Tellurian may also face difficulties in commissioning a newly constructed facility. Any significant project delays in the development of the Driftwood Project could materially and adversely affect Tellurian's business, results of operations, financial condition and prospects.

Tellurian's construction and operations activities are subject to a number of development risks, operational hazards, regulatory approvals and other risks, which could cause cost overruns and delays and could have a material adverse effect on its business, results of operations, financial condition, liquidity and prospects.

Siting, development and construction of the Driftwood Project will be subject to the risks of delay or cost overruns inherent in any construction project resulting from numerous factors, including, but not limited to, the following:

- difficulties or delays in obtaining, or failure to obtain, sufficient debt or equity financing on reasonable terms;
- failure to obtain all necessary government and third-party permits, approvals and licenses for the construction and operation of any of our proposed LNG facilities;
- difficulties in engaging qualified contractors necessary to the construction of the contemplated Driftwood Project or other LNG facilities;
- shortages of equipment, material or skilled labor;
- natural disasters and catastrophes, such as hurricanes, explosions, fires, floods, industrial accidents and terrorism;
- unscheduled delays in the delivery of ordered materials;
- work stoppages and labor disputes;
- competition with other domestic and international LNG export terminals;
- unanticipated changes in domestic and international market demand for and supply of natural gas and LNG, which will depend in part on supplies of and prices for alternative energy sources and the discovery of new sources of natural resources;
- unexpected or unanticipated need for additional improvements; and
- adverse general economic conditions.

Delays beyond the estimated development periods, as well as cost overruns, could increase the cost of completion beyond the amounts that are currently estimated, which could require Tellurian to obtain additional sources of financing to fund the activities until the proposed Driftwood Project is constructed and operational (which could cause further delays). Any delay in completion of the Driftwood Project may also cause a delay in the receipt of revenues projected from the Driftwood Project or cause a loss of one or more customers. As a result, any significant construction delay, whatever the cause, could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

Technological innovation may render Tellurian's anticipated competitive advantage or its processes obsolete.

Tellurian's success will depend on its ability to create and maintain a competitive position in the natural gas liquefaction industry. In particular, although Tellurian plans to construct the Driftwood Project using proven technologies that it believes provide it with certain advantages, Tellurian does not have any exclusive rights to any of the technologies that it will be utilizing. In addition, the technology Tellurian anticipates using in the Driftwood Project may be rendered obsolete or uneconomical by legal or regulatory requirements, technological advances, more efficient and cost-effective processes or entirely different approaches developed by one or more of its competitors or others, which could materially and adversely affect Tellurian's business, results of operations, financial condition, liquidity and prospects.

Cyclical or other changes in the demand for and price of LNG and natural gas may adversely affect Tellurian's LNG business and the performance of our customers and could lead to reduced development of LNG projects worldwide.

Tellurian's plans and expectations regarding its business and the development of domestic LNG facilities and projects are generally based on assumptions about the future price of natural gas and LNG and the conditions of the global natural gas and LNG markets. Natural gas and LNG prices have been, and are likely to remain in the future, volatile and subject to wide fluctuations that are difficult to predict. Such fluctuations may be caused by factors including, but not limited to, one or more of the following:

- competitive liquefaction capacity in North America;
- insufficient or oversupply of natural gas liquefaction or receiving capacity worldwide;
- insufficient or oversupply of LNG tanker capacity;
- weather conditions;
- reduced demand and lower prices for natural gas;
- increased natural gas production deliverable by pipelines, which could suppress demand for LNG;
- decreased oil and natural gas exploration activities, which may decrease the production of natural gas;
- cost improvements that allow competitors to offer LNG regasification services or provide natural gas liquefaction capabilities at reduced prices;
- changes in supplies of, and prices for, alternative energy sources such as coal, oil, nuclear, hydroelectric, wind and solar energy, which may reduce the demand for natural gas;
- changes in regulatory, tax or other governmental policies regarding imported or exported LNG, natural gas or alternative energy sources, which may reduce the demand for imported or exported LNG and/or natural gas;
- political conditions in natural gas producing regions; and
- cyclical trends in general business and economic conditions that cause changes in the demand for natural gas.

Adverse trends or developments affecting any of these factors could result in decreases in the price of LNG and/or natural gas, which could materially and adversely affect the performance of our customers, and could have a material adverse effect on our business, contracts, financial condition, operating results, cash flows, liquidity and prospects.

Failure of exported LNG to be a competitive source of energy for international markets could adversely affect our customers and could materially and adversely affect our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Operations of the Driftwood Project will be dependent upon the ability of our LNG sale and purchase agreement customers to deliver LNG supplies from the United States, which is primarily dependent upon LNG being a competitive source of energy internationally. The success of our business plan is dependent, in part, on the extent to which LNG can, for significant periods and in significant volumes, be supplied from North America and delivered to international markets at a lower cost than the cost of alternative energy sources. Through the use of improved exploration technologies, additional sources of natural gas may be discovered outside the United States, which could increase the available supply of natural gas outside the United States and could result in natural gas in those markets being available at a lower cost than that of LNG exported to those markets.

Additionally, our liquefaction projects will be subject to the risk of LNG price competition at times when we need to replace any existing LNG sale and purchase contract, whether due to natural expiration, default or otherwise, or enter into new LNG sale and purchase contracts. Factors relating to competition may prevent us from entering into a new or replacement LNG sale and purchase contract on economically comparable terms as prior LNG sale and purchase contracts, or at all. Factors which may negatively affect potential demand for LNG from our liquefaction projects are diverse and include, among others:

- increases in worldwide LNG production capacity and availability of LNG for market supply;

- increases in demand for LNG but at levels below those required to maintain current price equilibrium with respect to supply;
- increases in the cost to supply natural gas feedstock to our liquefaction projects;
- decreases in the cost of competing sources of natural gas or alternate sources of energy such as coal, heavy fuel oil, diesel, nuclear, hydroelectric, wind and solar energy;
- decreases in the price of non-U.S. LNG, including decreases in price as a result of contracts indexed to lower oil prices;
- increases in capacity and utilization of nuclear power and related facilities;
- increases in the cost of LNG shipping; and
- displacement of LNG by pipeline natural gas or alternate fuels in locations where access to these energy sources is not currently available.

Political instability in foreign countries that import natural gas, or strained relations between such countries and the United States, may also impede the willingness or ability of LNG suppliers, purchasers and merchants in such countries to import LNG from the United States. Furthermore, some foreign purchasers of LNG may have economic or other reasons to obtain their LNG from non-U.S. markets or from our competitors' liquefaction facilities in the United States.

As a result of these and other factors, LNG may not be a competitive source of energy in the United States or internationally. The failure of LNG to be a competitive supply alternative to local natural gas, oil and other alternative energy sources in markets accessible to our customers could adversely affect the ability of our customers to deliver LNG from the United States on a commercial basis. Any significant impediment to the ability to deliver LNG from the United States generally, or from the Driftwood Project specifically, could have a material adverse effect on our customers and on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

There may be shortages of LNG vessels worldwide, which could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

The construction and delivery of LNG vessels requires significant capital and long construction lead times, and the availability of the vessels could be delayed to the detriment of Tellurian's business and customers due to a variety of factors, including, but not limited to, the following:

- an inadequate number of shipyards constructing LNG vessels and a backlog of orders at these shipyards;
- political or economic disturbances in the countries where the vessels are being constructed;
- changes in governmental regulations or maritime self-regulatory organizations;
- work stoppages or other labor disturbances at the shipyards;
- bankruptcies or other financial crises of shipbuilders;
- quality or engineering problems;
- weather interference or catastrophic events, such as a major earthquake, tsunami, or fire; or
- shortages of or delays in the receipt of necessary construction materials.

Any of these factors could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

We will rely on third-party engineers to estimate the future capacity ratings and performance capabilities of the Driftwood Project, and these estimates may prove to be inaccurate.

We will rely on third parties for the design and engineering services underlying our estimates of the future capacity ratings and performance capabilities of the Driftwood Project. Any of our LNG facilities, when actually constructed, may not have the capacity ratings and performance capabilities that we intend or estimate. Failure of any of our LNG facilities to achieve our intended capacity ratings and performance capabilities could prevent us from achieving the commercial start dates under our future LNG sale and purchase agreements and could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

The Driftwood Project will be subject to a number of environmental laws and regulations that impose significant compliance costs, and existing and future environmental and similar laws and regulations could result in increased compliance costs, liabilities or additional operating restrictions.

We will be subject to extensive federal, state and local environmental regulations and laws, including regulations and restrictions related to discharges and releases to the air, land and water and the handling, storage, generation and disposal of hazardous materials and solid and hazardous wastes in connection with the development, construction and operation of our LNG facilities. These regulations and laws, which include the Clean Air Act ("CAA"), the Oil Pollution Act, the Clean Water Act ("CWA") and the Resource Conservation and Recovery Act ("RCRA"), and analogous state and local laws and regulations, will restrict, prohibit or otherwise regulate the types, quantities and concentration of substances that can be released into the environment in connection with the construction and operation of our facilities. These laws and regulations, including the National Environmental Protection Act ("NEPA"), will require Tellurian to obtain and maintain permits with respect to our LNG facilities, prepare environmental impact assessments, provide governmental authorities with access to its facilities for inspection and provide reports related to compliance. Federal and state laws impose liability, without regard to fault or the lawfulness of the original conduct, for the release of certain types or quantities of hazardous substances into the environment. As the owner and operator of the Driftwood Project, Tellurian could be liable for the costs of investigating and cleaning up hazardous substances released into the environment and for damage to natural resources. Violation of these laws and regulations could lead to substantial liabilities, fines and penalties, the denial or revocation of permits necessary for our operations, governmental orders to shut down our facilities or capital expenditures related to pollution control equipment or remediation measures that could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

Changes in legislation and regulations relating to the LNG industry could have a material adverse impact on Tellurian's business, results of operations, financial condition, liquidity and prospects.

Future legislation and regulations, such as those relating to the transportation and security of LNG exported from our proposed LNG facilities through the Calcasieu Ship Channel, could cause additional expenditures, restrictions and delays in connection with the proposed LNG facilities and their construction, the extent of which cannot be predicted and which may require Tellurian to limit substantially, delay or cease operations in some circumstances. Revised, reinterpreted or additional laws and regulations that result in increased compliance costs or additional operating costs and restrictions could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

Our LNG operations will be subject to significant risks and hazards, one or more of which may create significant liabilities and losses that could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

We will face numerous risks in developing and conducting our LNG business. For example, the plan of operations for the proposed Driftwood Project is subject to the inherent risks associated with LNG operations, including explosions, pollution, release of toxic substances, fires, hurricanes and other adverse weather conditions, and other hazards, each of which could result in significant delays in commencement or interruptions of operations and/or result in damage to or destruction of the proposed Driftwood Project or damage to persons and property. In addition, operations at the proposed Driftwood Project and vessels of third parties on which Tellurian's operations are dependent face possible risks associated with acts of aggression or terrorism.

In 2005, 2008 and 2017 hurricanes damaged coastal and inland areas located in the Gulf Coast area, resulting in disruption and damage to certain LNG terminals located in the area. Future storms and related storm activity and collateral effects, or other disasters such as explosions, fires, floods or accidents, could result in damage to, or interruption of operations at, the Driftwood Project or related infrastructure, as well as delays or cost increases in the construction and the development of the Driftwood Project or other facilities. Storms, disasters and accidents could also damage or interrupt the activities of vessels that we or third parties operate in connection with our LNG business. Changes in the global climate may have significant physical effects, such as increased frequency and severity of storms, floods and rising sea levels; if any such effects were to occur, they could have an adverse effect on our coastal operations.

Our LNG business will face other types of risks and liabilities as well. For instance, our LNG trading activities will expose us to possible financial losses and various regulatory risks.

Tellurian does not, nor does it intend to, maintain insurance against all of these risks and losses and many risks are not insurable. Tellurian may not be able to maintain desired or required insurance in the future at rates that it considers reasonable. The occurrence of a significant event not fully insured or indemnified against could have a material adverse effect on Tellurian's business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Risks Relating to Our Potential Natural Gas Production Activities

If the Rockcliff transaction is completed, our business would be subject to risks which may materially impact our results and create losses which may materially impact our results of operations and ability to finance the Driftwood Project. We plan to pursue

acquisitions of additional assets as part of our strategy to grow our natural gas production. Most or all of the risks described below will apply to future acquisitions as well.

If completed, the Rockcliff transaction may not achieve its intended results and may result in us assuming unanticipated liabilities. To date, we have conducted only limited diligence regarding the assets and liabilities we would assume in the transaction.

We expect that the Rockcliff transaction, if completed, will provide us with various benefits, growth opportunities and synergies. Achieving the anticipated benefits of the transaction is subject to a number of risks and uncertainties. Under the PSA, we have the opportunity to conduct customary environmental and title due diligence, but our diligence efforts have not been comprehensive. As a result, we may discover title defects or adverse environmental or other conditions of which we are currently unaware. Environmental, title and other problems could reduce the value of the properties to us, and, depending on the circumstances, we could have limited or no recourse to Rockcliff with respect to those problems. We would assume substantially all of the liabilities associated with the acquired properties and would be entitled to indemnification in connection with those liabilities in only limited circumstances and in limited amounts. We cannot assure that such potential remedies will be adequate for any liabilities we incur, and such liabilities could be significant. In addition, certain of the properties to be acquired are subject to consents to assign and preference rights. If all applicable waivers cannot be obtained, we may not be able to acquire certain properties as originally contemplated and our expected benefits of the acquisition may be adversely affected.

The success of the Rockcliff transaction will depend on, among other things, the accuracy of our assessment of the potential reserves and drilling locations associated with the acquired properties, future natural gas prices and operating costs and various other factors. These assessments are necessarily inexact. The drilling locations we acquire may be less productive than we expect or may cost more than we expect to drill or operate. As a result, we may not recover the purchase price of the acquisition from the sale of production from the property or recognize an acceptable return from such sales. The fact that substantially all of the properties to be acquired are currently undeveloped increases the risk that our operations on those properties will not be successful.

In addition, the integration of operations following the completion of the Rockcliff transaction will require the attention of our management and other personnel, which may distract their attention from our day-to-day business and operations and prevent us from realizing benefits from the transaction or from other opportunities. These issues may be particularly challenging for us because we have no current natural gas production. Further, our senior management will not be able to focus on the integration and development of our natural gas assets to the exclusion of our other operations. Completing the integration process may be more expensive than anticipated, and we cannot assure that we will be able to effect the integration of these operations smoothly or efficiently or that the anticipated benefits of the transaction will be achieved.

Natural gas prices fluctuate widely, and lower prices for an extended period of time may have a material adverse effect on the profitability of our natural gas production activities.

The revenues, operating results and profitability of natural gas production activites will depend significantly on the prices we receive for the natural gas we sell. We will require substantial expenditures to replace reserves, sustain production and fund our business plans. Low natural gas prices can negatively affect the amount of cash available for acquisitions and capital expenditures and our ability to raise additional capital and, as a result, could have a material adverse effect on our revenues, cash flow and reserves. In addition, low prices may result in ceiling test write-downs of our natural gas properties.

Historically, the markets for natural gas have been volatile, and they are likely to continue to be volatile. Wide fluctuations in natural gas prices may result from relatively minor changes in the supply of or demand for natural gas, market uncertainty and other factors that are beyond our control. The volatility of the energy markets makes it extremely difficult to predict future natural gas price movements and we will be unable to fully hedge our exposure to natural gas prices.

Significant capital expenditures will be required to grow our natural gas production activities in accordance with our plans.

Our planned development and acquisition activities will require substantial capital expenditures. We intend to fund our capital expenditures for our natural gas production activities through cash on hand and financing transactions that may include public or private debt or equity offerings or borrowings under a revolving credit facility. We currently have no cash flows from operations and expect to generate only modest cash flows for a significant period of time from the properties we may acquire in the Rockcliff transaction. Our ability to generate operating cash flow in the future will be subject to a number of risks and variables, such as the level of production from existing wells, the price of natural gas, our success in developing and producing new reserves and the other risk factors discussed herein. If we are unable to fund our capital expenditures for natural gas production activities as planned, we could experience a curtailment of our development activity and a decline in our natural gas production, that could affect our ability to pursue our overall strategy.

Drilling and producing operations can be hazardous and may expose us to liabilities.

Natural gas and oil operations are subject to many risks, including well blowouts, cratering and explosions, pipe failures, fires, formations with abnormal pressures, uncontrollable flows of oil, natural gas, brine or well fluids, leakages or releases of

high-sulphur (or "sour") gas, severe weather, natural disasters, groundwater contamination and other environmental hazards and risks. Some of these risks or hazards could materially and adversely affect our revenues and expenses by reducing production from wells, causing wells to be shut in or otherwise negatively impacting the projected economic performance of our prospects. For our non-operated properties, we will be dependent on the operator for operational and regulatory compliance. If any of these risks occurs, we could sustain substantial losses as a result of:

- injury or loss of life;
- severe damage to or destruction of property, natural resources or equipment;
- pollution or other environmental damage;
- facility or equipment malfunctions and equipment failures or accidents, including acceleration of deterioration of our facilities and equipment due to the highly corrosive nature of sour gas we produce;
- clean-up responsibilities;
- regulatory investigations and administrative, civil and criminal penalties; and
- injunctions resulting in limitation or suspension of operations.

A material event such as those described above could expose us to liabilities, monetary penalties or interruptions in our business operations. We may not maintain insurance against such risks, and some risks are not insurable. Even when we are insured, our insurance may not be adequate to cover casualty losses or liabilities. Also, in the future we may not be able to obtain insurance at premium levels that justify its purchase. The occurrence of a significant event against which we are not fully insured may expose us to liabilities.

Our natural gas production activities will be subject to complex laws and regulations relating to environmental protection that can adversely affect the cost, manner and feasibility of doing business, and further regulation in the future could increase costs, impose additional operating restrictions and cause delays.

Our natural gas production activities and properties will be subject to numerous federal, regional, state and local laws and regulations governing the release of pollutants or otherwise relating to environmental protection. These laws and regulations govern the following, among other things:

- conduct of drilling, completion, production and midstream activities;
- amounts and types of emissions and discharges;
- generation, management, and disposition of hazardous substances and waste materials;
- reclamation and abandonment of wells and facility sites; and
- remediation of contaminated sites.

In addition, these laws and regulations may impose substantial liabilities for our failure to comply or for any contamination resulting from our operations, including the assessment of administrative, civil and criminal penalties; the imposition of investigatory, remedial, and corrective action obligations or the incurrence of capital expenditures; the occurrence of delays in the development of projects; and the issuance of injunctions restricting or prohibiting some or all of our activities in a particular area. Future environmental laws and regulations imposing further restrictions on the emission of pollutants into the air, discharges into state or U.S. waters, wastewater disposal and hydraulic fracturing, or the designation of previously unprotected species as threatened or endangered in areas where we operate, may negatively impact our natural gas production. We cannot predict the actions that future regulation will require or prohibit, but our business and operations could be subject to increased operating and compliance costs if certain regulatory proposals are adopted. In addition, such regulations may have an adverse impact on our ability to develop and produce our reserves.

Federal and state legislative and regulatory initiatives relating to hydraulic fracturing could result in increased costs and additional operating restrictions or delays.

Several states are considering adopting regulations that could impose more stringent permitting, public disclosure and/or well construction requirements on hydraulic fracturing operations. In addition to state laws, some local municipalities have adopted or are considering adopting land use restrictions, such as city ordinances, that may restrict or prohibit the performance of well drilling in general and/or hydraulic fracturing in particular. There are also certain governmental reviews either underway or being proposed that focus on deep shale and other formation completion and production practices, including hydraulic fracturing. These studies assess, among other things, the risks of groundwater contamination and earthquakes caused by hydraulic fracturing and other exploration and production activities. Depending on the outcome of these studies, federal and state legislatures and agencies may seek to further regulate or even ban such activities, as some state and local governments have already done. We cannot predict whether additional federal, state or local laws or regulations applicable to hydraulic fracturing will be enacted in the future and,

if so, what actions any such laws or regulations would require or prohibit. If additional levels of regulation or permitting requirements were imposed on hydraulic fracturing operations, our business and operations could be subject to delays, increased operating and compliance costs and process prohibitions. Among other things, this could adversely affect the cost to produce natural gas, either by us or by third-party suppliers, and therefore LNG.

If the Rockcliff transaction is completed, we expect to drill the locations we acquire over a multi-year period, making them susceptible to uncertainties that could materially alter the occurrence or timing of drilling.

Our management team has identified certain well locations on the properties we may acquire in the Rockcliff transaction. Our ability to drill and develop these locations depends on a number of uncertainties, including natural gas prices, the availability and cost of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, gathering system and pipeline transportation constraints, access to and availability of water sourcing and distribution systems, regulatory approvals and other factors. Because of these factors, we do not know if the well locations we have identified will ever be drilled or if we will be able to produce natural gas from these or any other potential locations.

The unavailability or high cost of additional drilling rigs, equipment, supplies, personnel and services could adversely affect our ability to execute our development plans within budgeted amounts and on a timely basis.

The demand for qualified and experienced field and technical personnel to conduct our operations can fluctuate significantly, often in correlation with hydrocarbon prices. The price of services and equipment may increase in the future and availability may decrease. In addition, it is possible that oil prices could increase without a corresponding increase in natural gas prices, which could lead to increased demand and prices for equipment, facilities and personnel without an increase in the price at which we sell our natural gas to third parties. In this scenario, necessary equipment, facilities and services may not be available to us at economical prices. Any shortages in availability or increased costs could delay us or cause us to incur significant additional expenditures, which could have a material adverse effect on the competitiveness of the natural gas we sell and therefore on our business, financial condition or results of operations.

Our natural gas production may be adversely affected by pipeline and gathering system capacity constraints.

Our natural gas production activities will rely on third parties to meet our needs for midstream infrastructure and services. Capital constraints could limit the construction of new infrastructure by third parties. We may experience delays in producing and selling natural gas from time to time when adequate midstream infrastructure and services are not available. Such an event could reduce our production or result in other adverse effects on our business.

Risks Relating to Our Business in General

We are pursuing a strategy of participating in multiple aspects of the natural gas business, which exposes us to risks.

We plan to to develop, own and operate a global natural gas business and to deliver natural gas to customers worldwide. We may not be successful in executing our strategy in the near future, or at all. Our management will be required to understand and manage a diverse set of business opportunities, which may distract their focus and make it difficult to be successful in increasing value for shareholders.

Tellurian will be subject to risks related to doing business in, and having counterparties based in, foreign countries.

Tellurian may engage in operations or make substantial commitments and investments, or enter into agreements with counterparties, located outside the United States, which would expose Tellurian to political, governmental, and economic instability and foreign currency exchange rate fluctuations.

Any disruption caused by these factors could harm Tellurian's business, results of operations, financial condition, liquidity and prospects. Risks associated with operations, commitments and investments outside of the United States include but are not limited to risks of:

- currency fluctuations;
- war or terrorist attack;
- expropriation or nationalization of assets;
- renegotiation or nullification of existing contracts;
- changing political conditions;
- changing laws and policies affecting trade, taxation, and investment;
- multiple taxation due to different tax structures;
- general hazards associated with the assertion of sovereignty over areas in which operations are conducted; and

- the unexpected credit rating downgrade of countries in which Tellurian's LNG customers are based.

Because Tellurian's reporting currency is the United States dollar, any of the operations conducted outside the United States or denominated in foreign currencies would face additional risks of fluctuating currency values and exchange rates, hard currency shortages and controls on currency exchange. In addition, Tellurian would be subject to the impact of foreign currency fluctuations and exchange rate changes on its financial reports when translating its assets, liabilities, revenues and expenses from operations outside of the United States into U.S. dollars at then-applicable exchange rates. These translations could result in changes to the results of operations from period to period.

Tellurian Investments, Driftwood LNG, Driftwood Pipeline and Tellurian Services (collectively , the "Tellurian Defendants") are defendants in a lawsuit that could result in equitable relief and/or monetary damages that could have a material adverse effect on Tellurian's operating results and financial condition.

The Tellurian Defendants, along with Tellurian director Martin Houston and three other individuals as well as certain entities in which each of them owned membership interests, as applicable, have been named as defendants in a lawsuit. Although the Tellurian Defendants believe the plaintiffs' claims are without merit, the Tellurian Defendants may not ultimately be successful and any potential liability they may incur is not reasonably estimable. Moreover, even if the Tellurian Defendants are successful in the defense of this litigation, they could incur costs and suffer both an economic loss and an adverse impact on their reputations, which could have a material adverse effect on their business. In addition, any adverse judgment or settlement of the litigation could have an adverse effect on our operating results and financial condition.

Potential legislative and regulatory actions addressing climate change could significantly impact us.

Various state governments and regional organizations have considered enacting new legislation and promulgating new regulations governing or restricting the emission of greenhouse gases from stationary sources such as oil and natural gas production equipment and facilities. At the federal level, the EPA has already made findings and issued regulations that will require us to establish and report an inventory of greenhouse gas emissions. Additional legislative and/or regulatory proposals for restricting greenhouse gas emissions or otherwise addressing climate change could require us to incur additional operating costs. The potential increase in our operating costs could include new or increased costs to obtain permits, operate and maintain our equipment and facilities, install new emission controls on our equipment and facilities, acquire allowances to authorize our greenhouse gas emissions, pay taxes related to our greenhouse gas emissions and administer and manage a greenhouse gas emissions program. Even without federal legislation or regulation of greenhouse gas emissions, states may pursue the issue either directly or indirectly.

In addition, the United States was actively involved in the United Nations Conference on Climate Change in Paris, which led to the creation of the Paris Agreement. The Paris Agreement will require countries to review and "represent a progression" in their nationally determined contributions, which set emissions reduction goals, every five years. The Paris Agreement could further drive regulation in the United States. Restrictions on emissions of methane or carbon dioxide that have been or may be imposed in various states or at the federal level could adversely affect us. We note that some scientists have concluded that increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that have significant physical effects, such as higher sea levels, increased frequency and severity of storms, droughts, floods, and other climatic events. If any such effects were to occur, they could have an adverse effect on our financial condition and results of operations.

A major health and safety incident relating to our business could be costly in terms of potential liabilities and reputational damage.

Tellurian will be subject to extensive federal, state and local health and safety regulations and laws. Health and safety performance is critical to the success of all areas of our business. Any failure in health and safety performance may result in personal harm or injury, penalties for non-compliance with relevant laws and regulations or litigation, and a failure that results in a significant health and safety incident is likely to be costly in terms of potential liabilities. Such a failure could generate public concern and have a corresponding impact on our reputation and our relationships with relevant regulatory agencies and local communities, which in turn could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

A terrorist attack, including cyberterrorism, or military incident could result in delays in, or cancellation of, construction or closure of our proposed LNG facilities or other disruption to our business.

A terrorist, including a cyberterrorist, incident or military incident could disrupt our business. For example, an incident involving an LNG carrier or LNG facility may result in delays in, or cancellation of, construction of new LNG facilities, including our proposed LNG facilities, which would increase Tellurian's costs and decrease its cash flows. A terrorist incident may also result in temporary or permanent closure of Tellurian facilities or operations, which could increase costs and decrease cash flows, depending on the duration of the closure. Our operations could also become subject to increased governmental scrutiny that may result in additional security measures at a significant incremental cost. In addition, the threat of terrorism and the impact of military campaigns may lead to continued volatility in prices for natural gas that could adversely affect Tellurian's business and customers,

including the ability of Tellurian's suppliers or customers to satisfy their respective obligations under Tellurian's commercial agreements.

Failure to retain and attract key executive officers, key advisors such as Tellurian's Chairman, Vice Chairman or other skilled professional and technical employees could have an adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

The success of Tellurian's business relies heavily on its executive officers and key advisors such as its Chairman and Vice Chairman. Should Tellurian's executive officers be unable to perform their duties on behalf of Tellurian, or should Tellurian be unable to retain or attract other members of management, Tellurian's business, results of operations, financial condition, liquidity and prospects could be materially impacted.

Additionally, we are dependent upon an available labor pool of skilled employees. We will compete with other energy companies and other employers to attract and retain qualified personnel with the technical skills and experience required to construct and operate our facilities and to provide our customers with the highest quality service. A shortage in the labor pool of skilled workers or other general inflationary pressures or changes in applicable laws and regulations could make it more difficult for us to attract and retain qualified personnel and could require an increase in the wage and benefits packages that we offer, thereby increasing our operating costs. Any increase in our operating costs could materially and adversely affect our business, financial condition, operating results, liquidity and prospects.

Competition is intense in the energy industry and some of Tellurian's competitors have greater financial, technological and other resources.

Tellurian plans to operate in various aspects of the natural gas business and will face intense competition in each area. Depending on the area of operations, competition may come from independent, technology-driven companies, large, established companies and others.

For example, many competing companies have secured access to, or are pursuing development or acquisition of, LNG facilities to serve the North American natural gas market, including other proposed liquefaction facilities in North America. Tellurian may face competition from major energy companies and others in pursuing its proposed business strategy to provide liquefaction and export products and services at its proposed Driftwood Project. In addition, competitors have developed and are developing additional LNG terminals in other markets, which will also compete with our proposed LNG facilities.

As another example, our business will face competition in, among other things, buying and selling reserves and leases and obtaining goods and services needed to operate and market natural gas. Competitors include multinational oil companies, independent production companies and individual producers and operators.

Many of our competitors have longer operating histories, greater name recognition, larger staffs and substantially greater financial, technical and marketing resources than Tellurian currently possesses. The superior resources that some of these competitors have available for deployment could allow them to compete successfully against Tellurian, which could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table summarizes the surrender to the Company of shares of common stock to pay withholding taxes in connection with the vesting of employee restricted stock:

	Total Number of Shares Purchased [1]	Average Price Paid per Share
July 2017	—	$ —
August 2017	50,304	7.76
September 2017	3,516	10.88
Total	53,820	

(1) Reflects the surrender to the Company of shares of common stock to pay withholding taxes in connection with the vesting of restricted stock issued to employees pursuant to the Omnibus Plan.

ITEM 5. OTHER INFORMATION

Compliance Disclosure

Pursuant to Section 13(r) of the Exchange Act, if during the quarter ended September 30, 2017, we or any of our affiliates had engaged in certain transactions with Iran or with persons or entities designated under certain executive orders, we would be

required to disclose information regarding such transactions in our quarterly report on Form 10-Q as required under Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (the "ITRSHRA"). Disclosure is generally required even if the activities were conducted outside the United States by non-U.S. entities in compliance with applicable law. During the quarter ended September 30, 2017, we did not engage in any transactions with Iran or with persons or entities related to Iran.

TOTAL and TOTAL S.A. have beneficial ownership of over 20% of the outstanding Tellurian common stock. TOTAL has the right to designate for election one member of Tellurian's board of directors, and Jean Jaylet is the current TOTAL designee. TOTAL will retain this right for so long as its percentage ownership of Tellurian voting stock is at least 10%. On March 17, 2017, TOTAL S.A. included information in its Annual Report on Form 20-F for the year ended December 31, 2016 (the "TOTAL 2016 Annual Report") regarding activities during 2016 that require disclosure under the ITRSHRA. The relevant disclosures were reproduced in Exhibit 99.1 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 filed with the SEC on May 10, 2017 and are incorporated by reference herein. We have no involvement in or control over such activities, and we have not independently verified or participated in the preparation of the disclosures made in the TOTAL 2016 Annual Report.

Amendment to Director Nomination Procedures

Effective September 20, 2017, the Company amended the advance notice provisions of its bylaws; as amended, the bylaws generally require a stockholder seeking to propose a candidate for election as a director or other business at an annual meeting of stockholders to provide notice to the Company not earlier than 120 days nor later than 90 days prior to the first anniversary of the preceding year's annual meeting.

ITEM 6. EXHIBITS

Exhibit No.	Description
2.1*	Purchase and Sale Agreement, dated as of September 6, 2017, by and between Rockcliff Energy Operating LLC and Tellurian Production LLC
3.1*	Amended and Restated Certificate of Incorporation of Tellurian Inc.
3.2*	Amended and Restated Bylaws of Tellurian Inc.
10.1†	Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 22, 2017)
10.2*†	2017 - 2021 Long Term Incentive Compensation Program (LTIP) under the Amended and Restated 2016 Tellurian Inc. 2016 Omnibus Incentive Compensation Plan
10.3*†	Form of Restricted Stock Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (U.S. Selected Senior Management)
10.4*†	Form of Restricted Stock Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (U.S. Employees)
10.5*†	Form of Stock Option Grant Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (U.S. Selected Senior Management)
10.6*†	Form of Stock Option Grant Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (U.S. Employees)
10.7*†	Form of Indemnification Agreement (Officers)
31.1*	Certification by Chief Executive Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act
31.2*	Certification by Chief Financial Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act
32.1**	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Section 13(r) Disclosure (incorporated by reference to Exhibit 99.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017)
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan or arrangement.

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, thereunto duly authorized.

TELLURIAN INC.

Date: November 9, 2017 By: /s/ Antoine J. Lafargue

Antoine J. Lafargue
Senior Vice President and Chief Financial Officer
(as Principal Financial Officer)
Tellurian Inc.

Date: November 9, 2017 By: /s/ Khaled Sharafeldin

Khaled Sharafeldin
Chief Accounting Officer
(as Principal Accounting Officer)
Tellurian Inc.

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

ROCKCLIFF ENERGY OPERATING LLC

(“SELLER”)

AND

TELLURIAN PRODUCTION LLC

(“BUYER”)

DATED TO BE EFFECTIVE AS OF

AUGUST 1, 2017

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PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is dated as of this 6th day of September, 2017 (the "Execution Date") but to be effective as of the Effective Time, by and between Rockcliff Energy Operating LLC, a Texas limited liability company, whose address is 1301 McKinney Street, Suite 1300, Houston, Texas 77010 ("Seller"), and Tellurian Production LLC, a Delaware limited liability company, whose address is 1201 Louisiana Street, Suite 3100, Houston, Texas 77002 ("Buyer"). Buyer and Seller may sometimes be referred to in this Agreement individually as a "Party" or, collectively, as the "Parties".

WHEREAS, Buyer desires to purchase the Assets (as defined below) from Seller, and Seller desires to sell the Assets to Buyer on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

ARTICLE 1
DEFINITIONS

"Accounting Referee" has the meaning set forth in Section 19.4(b).

"Additional Interest" has the meaning set forth in Section 7.2.

"Additional Interest Notice" has the meaning set forth in Section 7.2. "Advisor" means Jefferies LLC.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, another Person. The term "control" and its derivatives with respect to any Person mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the Preamble.

"Allocated Values" has the meaning set forth in Section 3.5.

"Allocation Schedule" has the meaning set forth in Section 3.6.

"Antitrust Laws" means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, any state antitrust or unfair competition law and all other national, federal, state, foreign or multinational laws, including any antitrust, competition or trade regulation laws, that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization, attempted monopolization, restraint of trade, lessening of competition, or abusing or maintaining a dominant position. "Antitrust Law" also includes any law that requires one or more parties to a transaction to submit a notification to Governmental Authority

with the authority to review certain transactions to determine if such transactions violate any Antitrust Law.

"Applicable Employees" has the meaning set forth in Section 4.4(a).

"Arbitration Panel" has the meaning set forth in Section 19.4(a).

"Asset" or "Assets" has the meaning set forth in Article 2.

"Asset Credit Obligation" has the meaning set forth in Section 14.5.

"Asset Taxes" means ad valorem, property, excise, severance, production, sales, use, and similar Taxes based upon or measured by the ownership or operation of the Assets or the production of Hydrocarbons or the receipt of proceeds therefrom, but excluding, for the avoidance of doubt, income, franchise and similar Taxes and Transfer Taxes.

"Assumed Litigation" means the litigation matters expressly designated as Assumed Litigation on Schedule 5.6, which shall constitute an "Assumed Obligation" for all purposes under this Agreement from and after the Closing.

"Assumed Obligations" has the meaning set forth in Section 15.1(a).

"Base Purchase Price" has the meaning set forth in Section 3.1.

"Benefit Plan" means any pension, benefit, retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock-based, change in control, retention, severance, vacation, paid time off, welfare, fringe-benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not tax-qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by Seller or by any trade or business, whether or not incorporated, that together with Seller would be deemed a "single employer" within the meaning of Section 414 of the Code or Section 4001(b) of ERISA (an "ERISA Affiliate"), or under which Seller or any of its ERISA Affiliates has or may have any liability, or with respect to which Buyer or any of its Affiliates would reasonably be expected to have any liability, contingent or otherwise.

"Bossier Shale Formation" means the subsurface depths covered by the geological formations that are generally known as the Bossier Shale Formations, which generally include with respect to the Inventory Locations identified as being included within Area #1 on Exhibit "B-2", the depths and formations found in the Wood 30-1H Well (API#17-081-20997), with the (i) top at the correlative stratigraphic equivalent to that point found at a measured depth of 10,715 feet on the log of such well and (ii) the base at the correlative stratigraphic equivalent to that point found at a measured depth of 12,630 feet on the log of such well, recognizing that the actual depths will vary across the lands.

"Business Day" means any day, other than Saturday or Sunday, on which commercial banks are open for commercial business with the public in Tulsa, Oklahoma.

"Buyer" has the meaning set forth in the Preamble.

"Buyer's Auditor" has the meaning set forth in Section 14.8.

"Buyer Group" has the meaning set forth in Section 15.2.

"Casualty Defect" has the meaning set forth in Article 16.

"Claim Notice" has the meaning set forth in Section 15.7(b).

"Claims" means any and all claims, rights, demands, causes of action, liabilities (including civil fines), damages, losses, fines, penalties, sanctions of every kind and character including reasonable fees and expenses of attorneys, technical experts and expert witnesses, judgments or proceedings of any kind or character whatsoever, whether arising or founded in law, equity, statute, contract, tort, strict liability or voluntary settlement and all reasonable expenses, costs and fees (including reasonable attorneys' fees) in connection therewith.

"Closing" has the meaning set forth in Section 10.4.

"Closing Date" has the meaning set forth in Section 10.4.

"Closing Settlement Statement" has the meaning set forth in Section 10.3.

"COBRA Beneficiaries" has the meaning set forth in Section 4.4(e).

"COBRA Coverage" has the meaning set forth in Section 4.4(e).

"Code" means the Internal Revenue Service Code of 1986, as amended.

"Complete Remediation" means, with respect to an Environmental Defect, a remediation or cure of such Environmental Defect that is substantially completed in accordance with the Lowest Cost Response.

"Confidentiality Agreement" has the meaning set forth in Section 19.2.

"Consents" means any consent, approval, authorizations or permit of, or filing with or notification to, any Governmental Authorities or any other Person which are required to be obtained, made or complied with for or in connection with the sale, assignment or transfer of any Assets in connection with the transactions contemplated hereunder.

"Contracts" means all contract rights directly relating to the Assets, including, but not limited to, any operating agreements, joint venture agreements, unit agreements, orders and decisions of state, tribal and federal regulatory authorities establishing units, unit operating agreements, farm-in and/or farmout agreements, pooling or unitization or commoditization agreements, processing

agreements, transportation agreements, gathering and processing agreements, enhanced recovery and injection agreements, balancing agreements, options, drilling agreements, exploration agreements, area of mutual interest agreements, oil and/or gas production sales or marketing agreements, and assignments of operating rights, working interests, subleases and rights above or below certain footage depths or geological formations, to the extent the same are directly related to the Assets; *provided*, *however*, that the term "Contract" shall not include any (a) master service contract, (b) other contract or agreement containing or that is otherwise subject to a Required Consent for which Seller does not secure such Required Consent (or a waiver thereof) prior to the Closing from the applicable holder thereof, (c) other contract or agreement containing or that is otherwise subject to a Customary Consent for which Seller does not secure such Customary Consent (or a waiver thereof) prior to the Closing from the applicable holder thereof, and such Contract is excluded from the Assets to be conveyed to Buyer at Closing pursuant to Section 9.1 or (d) Lease, Easement, Surface Agreement, Permit or other instrument creating or evidencing an interest in the Assets or any real or immovable property related to or used in connection with the operation of any Assets.

"Conveyances" means the one or more conveyances, assignments, bills of sale and deeds, in form and substance mutually agreed to by Buyer and Seller, conveying the Assets to Buyer in accordance with the terms of this Agreement, to be executed and delivered in accordance with the provisions of Section 10.5(b).

"Cotton Valley Formation" means the subsurface depths covered by the geological formations that are generally known as the Cotton Valley Formations, which generally include with respect to the Inventory Locations identified as being included within Area #1 on Exhibit "B-2", the depths and formations found in the Wood 30-1H Well (API#17-081-20997), with the (i) top at the correlative stratigraphic equivalent to that point found at a measured depth of 9,590 feet on the log of such well and (ii) the base at the correlative stratigraphic equivalent to that point found at a measured depth of 10,715 feet on the log of such well, recognizing that the actual depths will vary across the lands.

"Cure Period" has the meaning set forth in Section 7.4.

"Customary Consent" means any Consent to (or that is otherwise applicable to and/or triggered by) the assignment or conveyance of all or any part of any of the Assets (including any of the applicable interests, assets or properties or interests included therein) in connection with the transactions contemplated by this Agreement that (a) is not required to be obtained from, or waived by, the applicable Person (including, for purposes of clarity, any Governmental Authority) that is the holder thereof prior to the Closing (or that is or may be customarily obtained thereafter) and/or (b) cannot be unreasonably withheld, conditioned and/or delayed.

"Deductible Amount" has the meaning set forth in Section 7.6.

"Deeds" means the one or more deeds, in form and substance mutually agreed to by Buyer and Seller, conveying the Assets to Buyer in accordance with the terms of this Agreement, to be executed and delivered in accordance with the provisions of Section 10.5(c).

"Defensible Title" means such title of Seller with respect to the Wells and Inventory Locations, which may be imperfect of record and may require investigation of matters outside of record title to be validated but which, in a reasonable Person's judgment, can be successfully defended against a claim made by a third party, and that, as of the Execution Date and, subject to Permitted Encumbrances:

(a) with respect to each Well or Inventory Location, entitles Seller to receive not less than the Net Revenue Interest set forth on **Exhibit "B-1"** for such Well or **Exhibit "B2 "** for such Inventory Location in the applicable Target Formation for such Inventory Location, except (i) decreases in connection with those operations in which Seller or its successors or assigns may from and after the Execution Date elect to be a non-consenting co-owner, (ii) decreases resulting from the establishment or amendment from and after the Execution Date of pools, units or multi-unit well allocations, (iii) decreases required to allow other Working Interest owners to make up past underproduction or pipelines to make up past under deliveries, and (iv) as otherwise set forth on **Exhibit "B-1"** or **Exhibit "B-2"**, as applicable;

(b) with respect to each Well or Inventory Location, obligates Seller to bear not more than the Working Interest set forth on **Exhibit "B-1"** for such Well or **Exhibit "B-2"** for such Inventory Location in the applicable Target Formation for such Inventory Location, except (i) increases resulting from contribution requirements with respect to defaulting co-owners under applicable operating agreements, (ii) increases to the extent that such increases are accompanied by a proportionate increase in Seller's Net Revenue Interest, and (iii) as otherwise set forth on **Exhibit "B-1"** or **Exhibit "B-2"**, as applicable;

(c) is free and clear of all Encumbrances (other than Permitted Encumbrances).

"Deposit" has the meaning set forth in Section 3.2.

"Due Diligence Period" has the meaning set forth in Section 7.1.

"Easements" means rights-of-way, easements, permits, licenses, approvals, servitudes and franchises specifically acquired for, or used in connection with, operations for the exploration and production of oil, gas or other minerals on or from the Interests or otherwise in connection with the Wells, Facilities and Equipment, any gathering system(s) (whether used for the gathering of Hydrocarbons or non-Hydrocarbon substances produced in association therewith, including produced water and saltwater), including, without limitation, the rights to permits and licenses of any nature owned, held or operated in connection with said operations.

"Effective Time" means 12:02 a.m. local time where the Assets are located on August 1, 2017.

"Encumbrance" means any lien, mortgage, security interest, pledge, charge or similar encumbrance.

"Environmental Adjustment" has the meaning set forth in Section 8.2(a).

"Environmental Condition" means (a) a condition existing upon the expiration of the Due Diligence Period with respect to the air, soil, subsurface, surface waters, ground waters and/or sediments that causes a Well, Inventory Location, Facilities and Equipment or Lease (or Seller or any of the Samson Seller Group with respect to a Well, Inventory Location, Facilities and Equipment or Lease) to be in violation of any Environmental Law or (b) the existence as of the expiration of the Due Diligence Period with respect to the Wells, Inventory Locations, Facilities and Equipment and/or Leases or their operation thereof of any environmental pollution, contamination or degradation where remedial or corrective action is presently required (or if known, would be presently required) under Environmental Laws.

"Environmental Defect" means the existence of an Environmental Condition with respect to a Well, Inventory Location, Facilities and Equipment or Lease.

"Environmental Defect Notice" has the meaning set forth in Section 8.1(b).

"Environmental Defect Value" means, with respect to an Environmental Defect, the present value as of the date on which the Due Diligence Period expires (using an annual discount rate of ten percent (10%)) (net to Seller's interest prior to the consummation of the transaction contemplated by this Agreement) of the Lowest Cost Response for such Environmental Defect.

"Environmental Laws" means any and all present and future laws, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, licenses or determinations issued, or promulgated by any Governmental Authority now or hereafter in effect, and in each case, as amended or supplemented from time to time, and any applicable administrative or judicial interpretation thereof, pertaining to (a) use, storage, emission, discharge, clean-up, release, or threatened release of pollutants, contaminants, NORM, chemicals, or industrial, toxic or hazardous substances (collectively, "Pollutants") on or into the environment or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation or handling of Pollutants, (b) health, (c) the environment, or (d) wildlife or natural resources applicable to the Assets and in effect in or for the jurisdiction in which the Assets are located, including the Clean Air Act (Air Pollution Control Act), the Clean Water Act (CWA), the Federal Water Pollution Act, the Rivers and Harbors Act, the Safe Drinking Water Act, the National Environmental Policy Act of 1969 (NEPA), the Endangered Species Act (ESA), the Fish and Wildlife Conservation Act of 1980, the Fish and Wildlife Coordination Act (FWCA), the Oil Pollution Act, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Superfund Amendments and Reauthorization Act of 1986 (SARA), the Resources Conservation and Recovery Act (RCRA), the Toxic Substance Control Act, the Emergency Planning and Community Right-To-Know Act (EPCRA), the Hazardous Materials Transportation Act, the Hazardous and Solid Waste Amendments of 1984 (HSWA), and any and all other applicable present and future federal, state and local laws, statutes, regulations, rules, orders, ordinances, codes, plans, requirements, criteria, standards, decrees, judgments, injunctions, notices, demand letters, licenses or determinations whose purpose is to regulate Pollutants or to conserve or protect health, the environment, wildlife or natural resources as any of the foregoing are now existing or may hereafter be amended or interpreted. Notwithstanding the foregoing, the term "Environmental Laws" does not include (i) good or desirable operating

practices or standards that may be employed or adopted by other oil and gas well operators or recommended by a Governmental Authority, or (ii) the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651 *et seq*., as amended, or any other law governing worker health or safety.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" has the meaning set forth in the definition of "Benefit Plan".

"Escrow Agent" has the meaning set forth in Section 3.2.

"Exchange Act" has the meaning set forth in Section 14.8.

"Excluded Advisor Records" means all (a) agreements and correspondence between any Seller and any Advisor and their respective representatives relating to the transactions contemplated hereby, (b) lists of prospective purchasers for such transactions compiled by or on behalf of Seller or any Advisor, (c) bids submitted by other prospective purchasers of the Assets, (d) analyses by Seller or any Advisor, or any of their respective representatives, of any bids submitted by any prospective purchaser of the Assets, (e) correspondence and confidentiality agreements between or among any Seller or any Advisor, or any of their respective representatives, and any prospective purchaser (other than Buyer), (f) correspondence between or among Seller or any Advisor, or any of their respective representatives, with respect to any of the bids, the prospective purchasers, the engagement or activities of any Advisor or the transactions contemplated in this Agreement, and (g) any offering materials prepared by any Advisor and circulated to prospective purchasers.

"Excluded Records" has the meaning set forth in Section 2.9.

"Execution Date" has the meaning set forth in the Preamble.

"Facilities and Equipment" has the meaning set forth in Section 2.3.

"Filings" has the meaning set forth in Section 14.8.

"Final Settlement Statement" has the meaning set forth in Section 11.3.

"Final Suspense Account Statement" has the meaning set forth in Section 11.6.

"Governmental Authority" or "Governmental Authorities" means any court or tribunal (including an arbitrator or arbitral panel) in any jurisdiction (domestic or foreign) or any federal, tribal, state, county, parish, municipal or other governmental or quasi-governmental body, agency, authority, department, board, commission, bureau, official or other authority or instrumentality.

"Haynesville Shale Formation" means the subsurface depths covered by the geological formations that are generally known as the Haynesville Shale Formations, which generally include with respect to the Inventory Locations identified as being included within Area #1 on Exhibit "B-2", the depths and formations found in the Wood 30-1H Well (API#17-081-20997), with the (i) top at the correlative stratigraphic equivalent to that point found at a measured depth of 12,630 feet on the log of such well and (ii) the base at the correlative stratigraphic equivalent to that point found

at a measured depth of 12,775 feet on the log of such well, recognizing that the actual depths will vary across the lands.

"Hedge Contracts" means any contract to which Seller or any of its Affiliates is a party with respect to any swap, forward, future or derivative transaction or option or similar agreement, whether exchange traded, "over-the-counter" or otherwise, involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Hydrocarbons" has the meaning set forth in Section 2.4.

"Imbalance" or "Imbalances" means any over-production, under-production, over-delivery, under-delivery or similar imbalance of Hydrocarbons produced from or allocated to the Assets, regardless of whether such over-production, under-production, over-delivery under-delivery or similar imbalance arises at the wellhead, pipeline, gathering system, transportation system, processing plant or any other location.

"Inactive Employee" has the meaning set forth in Section 4.4(a)

"Indemnified Party" has the meaning set forth in Section 15.7(a).

"Indemnifying Party" has the meaning set forth in Section 15.7(a).

"Individual Environmental Defect Threshold" has the meaning set forth in Section 8.1(b).

"Individual Title Defect Threshold" has the meaning set forth in Section 7.5(c).

"Interests" has the meaning set forth in Section 2.1(b).

"Inventory Locations" means those certain inventory locations set forth on **Exhibit "B-2"**.

"James Lime Formation" means the subsurface depths covered by the geological formations that are generally known as the James Lime Formations, which generally include with respect to the Inventory Locations identified as being included within Area #1 on Exhibit "B-2", the depths and formations found in the Wood 30-1H Well (API#17-081-20997), with the (i) top at the correlative stratigraphic equivalent to that point found at a measured depth of 5,525 feet on the log of such well and (ii) the base at the correlative stratigraphic equivalent to that point found at a measured depth of 5,815 feet on the log of such well, recognizing that the actual depths will vary across the lands.

"JPMorgan Mortgage" has the meaning set forth in the definition of Permitted Encumbrances.

"Knowledge" means (a) with respect to Seller, the actual knowledge (without any duty of inquiry)of the following Persons: Alan L. Smith, J. Boyd Heath III, Christopher J. Simon and Mandel Selber III and (b) with respect to Buyer, the actual knowledge (without any duty of inquiry) of the following Persons: John Howie and Ami Arief.

"Leasehold Interests" has the meaning set forth in Section 2.1(a).

"Leases" means, collectively, those certain oil, gas and/or mineral leases described on the attached **Exhibit "A"**.

"Lowest Cost Response" means the response required or allowed under Environmental Laws that addresses the Environmental Defect at the lowest cost as compared to any other response that is required or allowed under any Environmental Laws in effect on the Execution Date.

"Material Contracts" means (a) all area of mutual interests agreements, partnership (other than tax partnerships), joint operating agreements, joint venture and/or exploration, farmout or development program agreements relating to Wells and Leases or otherwise included in the Assets, (b) all of the oil and/or gas production sales, marketing and processing agreements relating to the Wells and Leases, other than such agreements which are terminable by Seller without penalty on sixty (60) or fewer days' notice, (c) any Contract that constitutes a non-competition agreement or any agreement that purports to restrict, limit or prohibit the manner in which Seller conducts business, (d) any Contract that could reasonably be expected to result in aggregate payments or receipts of revenues by Seller or Buyer with respect to the Assets of more than Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) (net to Seller's interest) during the current or any subsequent year (based solely on the terms thereof and without regard to any expected increase in volumes or revenues), and (e) all Contracts between Seller and an Affiliate of Seller that relate to the Wells and Leases and that will be binding on Buyer after the Closing.

"Mineral Interests" has the meaning set forth in Section 2.1(b).

"Mutual Termination Threshold" has the meaning set forth in Section 7.7(a).

"Net Revenue Interest" means, with respect to any Well set forth in **Exhibit "B-1"** or Inventory Location set forth in **Exhibit "B-2"**, the interest in and to all Hydrocarbons produced, saved and sold from or allocated to such (a) Well (limited to the applicable currently producing formation as described in **Exhibit "B-1"** and subject to any reservations, limitations or depth restrictions described in **Exhibit "B-1"**), or (b) Inventory Location (limited to the applicable Target Formation as described in **Exhibit "B-2"** and subject to any reservations, limitations or depth restrictions described in **Exhibit "B-2"**) after satisfaction of all other royalties, overriding royalties, nonparticipating royalties, net profits interests or other similar burdens on or measured by production of Hydrocarbons.

"NORM" means naturally occurring radioactive material.

"Notice Period" has the meaning set forth in Section 15.7(c).

"Open Matter" has the meaning set forth in Section 7.5(c).

"Outside Date" has the meaning set forth in Section 18.1(b).

"Party" or "Parties" has the meaning set forth in the Preamble.

"Party Affiliate" has the meaning set forth in Section 19.16.

"Permits" has the meaning set forth in Section 2.8.

"Permitted Encumbrances" means: (a) any third party consents to assignment and similar agreements with respect to which waivers or consents are obtained prior to the Closing or which are typically obtained after the Closing (including any applicable approval(s) from Governmental Authorities and any Customary Consents); (b) easements, rights of way, servitudes, franchises, licenses and permits on, over, across or in respect of any of the Assets which do not materially interfere with the use, operation or development of the Assets; (c) rights reserved to or vested in any Governmental Authority to control or regulate any of the Assets in any manner, and all obligations and duties under all applicable laws, rules and orders of any such Governmental Authority or under any franchise, grant, license or permit issued by any such Governmental Authority; (d) materialmen's, mechanics', repairmen's, employees', contractors', operators', tax and other similar liens or charges arising in the ordinary course of business incidental to the construction, maintenance or operation of any of the Assets which have not yet become due and payable or payment is being withheld as provided by law or are being contested in good faith in the ordinary course of business by appropriate action; (e) any other Encumbrances, contracts, agreements, instruments, Leases, obligations, defects or irregularities of any kind whatsoever affecting the Assets that do not operate to reduce the Net Revenue Interest below that set forth on the applicable Exhibit(s) hereto for such interest or increase the Working Interest above that set forth on the applicable Exhibit(s) hereto without at least a proportionate increase in the corresponding Net Revenue Interest; (f) defects or irregularities arising out of the lack of recorded powers of attorney from any Person to execute and deliver documents on their behalf; (g) defects or irregularities arising out of improper or incomplete acknowledgement, witness, or attestation; (h) any of the matters disclosed on any Exhibit or any Schedule to this Agreement; (i) all approvals or rights to consent by, required notices to, filings with or other actions by Governmental Authorities in connection with the sale or conveyance of oil and gas leases or interests therein if they are customarily obtained subsequent to the sale or conveyance (including, for purposes of clarity, any Customary Consents); (j) Preferential Purchase Rights, which are subject to Article 9; (k) Required Consents, which are subject to Article 9; (l) conventional rights of reassignment, including those triggered by Seller's (or, after the Closing, Buyer's) express indication of its intention to release or abandon its interest prior to expiration of the primary term or other termination of such interest; (m) conventional rights of reassignment arising in connection with a payout, risk penalty, recoupment period or similar obligation where Seller's Net Revenue Interest, after reassignment, or Seller's after-payout interest is reflected on **Exhibit "B-1"**; (n) any maintenance of uniform interest provision; (o) any UCC-1 filing; (p) any Mortgage, Assignment of As-Extracted Collateral, Security Agreement, Fixture Filing and/or Financing Statement from Samson Credit Group to and for the benefit of JPMorgan Chase Bank, N.A. (each, a "JPMorgan Mortgage"); (s) defects or irregularities that would customarily be waived by a reasonably prudent purchaser, owner or operator

of oil and gas properties in the same geographic area where the Assets are located; (r) for the Inventory Locations, any decrease to the Net Revenue Interest set forth on **Exhibit "B-2"** for such Inventory Location, so long as the net revenue interest of Seller in the corresponding Pooled Unit is equal to or exceeds Seller's Net Revenue Interest in such Inventory Location; (q) for the Inventory Locations, any increase to the Working Interest set forth on **Exhibit "B-2"** not accompanied by at least a proportionate increase to the corresponding Net Revenue Interest for such Inventory Location, so long as (i) there is at least a proportionate increase in the net revenue interest of Seller in the corresponding Pooled Unit or (ii) the working interest of Seller in the corresponding Pooled Unit is equal to or less than Seller's Working Interest in such Inventory Location; (t) any other Encumbrance, obligations, defects or irregularities of any kind whatsoever affecting the Assets as a result of or otherwise related to any re-survey or re-platting of any of the Assets (including, for purposes of clarity, any lands covered thereby, attributable or related thereto or otherwise derived therefrom) at any time from and after the Effective Time; and (u) such other defects or irregularities of title as Buyer may have waived in writing or by which Buyer shall be deemed to have waived pursuant to the provisions of Section 6.3 and Section 7.3.

"Person" means any individual, partnership, joint venture, corporation, trust, limited liability company, unincorporated organization, government or department or agency thereof, or any other entity.

"Pettet Formation" means the subsurface depths covered by the geological formations that are generally known as the Pettet Formations, which generally include with respect to the Inventory Locations identified as being included within Area #1 on Exhibit "B-2", the depths and formations found in the Wood 30-1H Well (API#17-081-20997), with the (i) top at the correlative stratigraphic equivalent to that point found at a measured depth of 5,980 feet on the log of such well and (ii) the base at the correlative stratigraphic equivalent to that point found at a measured depth of 6,660 feet on the log of such well, recognizing that the actual depths will vary across the lands.

"Phase I Environmental Site Assessment" means a Phase I environmental property assessment of the Assets that satisfies the basic assessment requirements set forth under the current ASTM International Standard Practice for Environmental Site Assessments (Designation E1527-13) or any other visual site assessment or review of records, reports or documents.

"Pipeline Imbalances" has the meaning set forth in Section 13.4.

"Pollutants" has the meaning set forth in the definition of Environmental Laws.

"Pooled Unit" means the lands, formations and depths included within a unit that has been formed pursuant to or under a Contract, or has otherwise been approved by any applicable Governmental Authority.

"Preferential Purchase Right" has the meaning set forth in Section 5.13.

"Property Costs" means (a) all operating, lifting, production, transportation and marketing expenses (including, for purposes of clarity, costs of insurance and regulatory and legal compliance, costs of delay rentals, shut-in payments, royalty payments, and other expenses related to

maintenance, ownership or perpetuation of a Lease, Easement, Surface Agreement, Permit or other instrument creating or evidencing an interest in the Assets or any real or immovable property related to or used in connection with the operation of any Assets, title examination and curative actions, Asset Taxes, and gathering, processing and transportation costs in respect of Hydrocarbons produced from the Assets) and capital expenditures (including, for purposes of clarity, bonuses, broker fees and other lease acquisition costs, costs of drilling, completing, reworking, working over and plugging and abandoning wells and costs of acquiring related services, labor and equipment) incurred in the ownership and operation of the Assets in the ordinary course of business (including, for purposes of clarity, pre-paid costs and expenses) and (b) overhead costs (both operated and non-operated) charged to the Assets. Notwithstanding the foregoing, "Property Costs" shall not include any liabilities, losses, costs, and expenses attributable to (i) Claims directly or indirectly arising out of or resulting from actual or claimed personal injury or death, property damage, environmental damage or contamination, other torts, or violations of any laws, (ii) depletion, depreciation, amortization and other noncash accounting entries, (iii) any Claims for indemnification, contribution or reimbursement from any third party with respect to liabilities, losses, costs and expenses of the type described in the preceding subsections (i) and (ii), (iv) Claims of improper calculation or payment of royalties (including overriding royalties and similar burdens on production), (v) curative costs for title and environmental matters and (vi) any costs incurred by a Party in connection with any indemnification obligations hereunder.

"Record Access Date" has the meaning set forth in Section 4.1.

"Records" has the meaning set forth in Section 2.9.

"Records Period" has the meaning set forth in Section 14.8.

"Required Consent" means any Consent that expressly provides in the applicable Lease, Contract or law that the sale or transfer of any applicable Asset without compliance with the terms of such applicable Lease, Contract or law would result in the express termination of all rights of Seller (or Buyer, as Seller's successor-in-interest) in relation to such Asset; *provided*, *however*, that, for purposes of clarity, "Required Consent" shall not include any Customary Consent.

"Retained Assets" has the meaning set forth in Section 2.10.

"Retained Litigation" means all suits, actions, demands, proceedings, lawsuits or other litigation that, as of the Effective Time or the Closing Date, are pending with respect to Seller and that relate to the Assets, including without limitation those litigation matters expressly designated as Retained Litigation on Schedule 5.6, but excluding the Assumed Litigation.

"Retained Obligations" shall mean:

(a) any and all obligations in any way relating to the Retained Assets or any Assets retained by Seller pursuant to this Agreement, including, but not limited to, the Retained Assets;

(b) all Property Costs which are for the account of Seller and relating to the time period prior to the Effective Time;

(c) all Seller Taxes;

(d) the Retained Litigation;

(e) any liability of Seller to third parties for personal injury, death or property damage (excluding, for the avoidance of doubt, Environmental Conditions) to the extent occurring before the Closing Date and relating to the ownership and/or operation of the Assets;

(f) all obligations and liabilities of Seller related to the underpayment of royalties, overriding royalties, net profits interests, production payments and other similar burdens on production attributable to the sale, prior to the Effective Time, of Hydrocarbons produced from or allocable to the Assets, except for such obligations expressly assumed by Buyer as Assumed Obligations;

(g) any liability of Seller arising prior to Closing under any unclaimed property law or escheat statute;

(h) any liability for the offsite disposal or transportation by Seller, or by Seller's agents or representatives of any hazardous substance or Pollutants from the Assets and attributable to the time prior to Closing; and

(i) subject to Section 4.4, all obligations attributable to or arising out of (i) Seller's or its Affiliates' employees, (ii) Seller's or its Affiliates' respective Benefit Plans or (iii) Seller's or its Affiliates' responsibilities arising under ERISA in respect of any Benefit Plans applicable to any of their respective employees.

"Rockcliff Assumed Obligations" means all of the obligations and liabilities relating to the Assets, including Seller's ownership or operation thereof, known or unknown, arising from, with respect to, or otherwise associated with or related to the Assets, whether arising or in existence before, on or after the Effective Time (except as expressly provided in this Agreement, including, without limitation, the Retained Obligations), and whether attributable to actions, occurrences or operations conducted before, on or after, the Effective Time (except as expressly provided in this Agreement). The defined terms used in the previous sentence in the definition of Rockcliff Assumed Obligations shall have the meaning set forth in the Samson PSA. Notwithstanding anything in the definition of Rockcliff Assumed Obligations to the contrary, the definition of Rockcliff Assumed Obligations shall only apply to the extent relating to the Assets subject to this Agreement.

"Rodessa Formation" means the subsurface depths covered by the geological formations that are generally known as the Rodessa Formations, which generally include with respect to the Inventory Locations identified as being included within Area #1 on Exhibit "B-2", the depths and formations found in the Wood 30-1H Well (API#17-081-20997), with the (i) top at the correlative stratigraphic equivalent to that point found at a measured depth of 4,945 feet on the log of such well and (ii) the base at the correlative stratigraphic equivalent to that point found at a measured

depth of 5,300 feet on the log of such well, recognizing that the actual depths will vary across the lands.

"Samson PSA" means that Purchase and Sale Agreement dated as of August 1, 2017 by and among Samson Contour Energy E&P, LLC, Samson Lone Star, LLC, Samson Resources Company, Geodyne Resources, Inc., and SGH Enterprises, Inc., collectively as seller and Rockcliff Energy Operating LLC, as buyer.

"Samson Seller Group" means Samson Contour Energy E&P, LLC, Samson Lone Star, LLC, Samson Resources Company, Geodyne Resources, Inc., and SGH Enterprises, Inc., collectively.

"Samson Credit Group" means Samson Contour Energy E&P, LLC, Samson Lone Star, LLC, Samson Resources Company, Geodyne Resources, Inc., and SGH Enterprises, Inc., collectively.

"Samson Operator" shall mean the applicable member of the Samson Seller Group that is serving as operator of particular Assets.

"Scheduled Closing Date" has the meaning set forth in Section 10.4.

"Securities Act" has the meaning set forth in Section 14.8.

"Seller" has the meaning set forth in the Preamble.

"Seller Fundamental Representations" means the representations and warranties of Seller set forth in Section 5.1, Section 5.2, Section 5.11 and Section 5.15.

"Seller Group" has the meaning set forth in Section 15.2.

"Seller Taxes" means any (a) Asset Taxes allocated to Seller under Section 12.1(a) (except to the extent such Asset Taxes are paid by Seller pursuant to Section 12.1(b)), (b) income, franchise or similar Taxes of Seller or any of its Affiliates, (c) Taxes attributable to the Retained Assets, and (d) any other Taxes imposed on or with respect to the ownership or operation of the Assets or the production of Hydrocarbons or the receipt of proceeds therefrom that are attributable to any Tax period (or portion thereof) ending prior to the Effective Time.

"Seller Termination Threshold" has the meaning set forth in Section 7.7(b). "Settlement Submission Date" has the meaning set forth in Section 11.3.

"Site Access Agreement" means that certain Site Access Agreement by and between Buyer and Seller entered into concurrently with the execution of this Agreement.

"Straddle Period" means any Tax period beginning before and ending after the Effective Time.

"Surface Agreements" means any contracts, rights, permits, permissions or licenses to use of the surface estate as related to the Assets, including any surface leases, surface use rights or

agreements or any similar surface rights, agreements or licenses relating to the Assets; *provided*, *however*, that the term "Surface Agreements" shall not include any agreement containing, or that is otherwise subject to, a Required Consent for which Seller does not secure such Required Consent (or a waiver thereof) prior to the Closing from the applicable holder thereof.

"Suspense Accounts" has the meaning set forth in Section 11.6.

"Target Formation" means, as applicable, the Bossier Shale Formation, the Cotton Valley Formation, the Haynesville Shale Formation, the James Lime Formation, the Pettet Formation, the Rodessa Formation, or the Travis Peak (Hosston) Formation.

"Tax" or "Taxes" means all federal, state, local and foreign income, profits, franchise, sales, use, ad valorem, property, severance, production, excise, stamp, documentary, real property transfer or gain, gross receipts, goods and services, registration, capital, transfer or withholding taxes or other governmental fees or charges imposed by any taxing authority, including any interest, penalties or additional amounts which may be imposed with respect thereto.

"Tax Deferred Exchange" has the meaning set forth in Section 12.5.

"Tax Returns" means any report, return, information statement, payee statement or other information, or any amendment thereof, required to be provided to any Governmental Authority with respect to Taxes, including any return of an affiliated, combined or unitary group, and any and all work papers relating thereto.

"Title Defect" means any Encumbrance, defect or other matter as of Closing that causes Seller not to have Defensible Title in and to the Wells or Inventory Locations, without duplication; *provided*, that the following shall not constitute or give rise to Title Defects:

(a) defects arising out of the lack of corporate or other entity authorization and results in another Person's actual and superior claim of title to the relevant Asset;

(b) defects based on a gap in Seller's chain of title in the applicable federal, state, county or parish records, unless such gap is affirmatively shown to exist in such records by an abstract of title, title opinion or landman's title chain which documents shall be included in a Title Defect Notice;

(c) with respect to state and federal Leases, defects based upon the failure to record any Lease, Lease memorandum or any assignments of interests in such Leases in applicable county or parish records;

(d) defects based on the failure to recite marital status in a document or omission of successors or heirship or estate proceedings;

(e) Intentionally deleted;

(f) defects based upon (i) the exercise of any Preferential Purchase Rights, (ii) failure to obtain any Required Consents, or (iii) the expiration of any Lease in accordance with its terms following the Execution Date;

(g) defects arising from any prior oil and gas lease relating to the lands covered by a Lease not being surrendered of record, unless Buyer provides affirmative evidence that such prior oil and gas lease is still in effect and results in another Person's actual and superior claim of title to the relevant Lease, Inventory Location or Well;

(h) defects that affect only which Person has the right to receive royalty payments rather than the amount or the proper payment of such royalty payment;

(i) defects based solely on: (i) lack of information in Seller's files; (ii) references to an unrecorded document(s) if such document is dated earlier than January 1, 1960 and is not in Seller's files; or (iii) Tax assessment, Tax payment or similar records (or the absence of such activities or records);

(j) Intentionally deleted;

(k) defects arising out of lack of survey, unless a survey is expressly required by applicable laws, Lease or applicable Contract;

(l) defects that have been cured by applicable laws of limitations, prescription or presumptions;

(m) defects arising from any change in applicable law after the Execution Date;

(n) defects or irregularities resulting from or related to probate proceedings or the lack thereof, which defects or irregularities have been outstanding for ten (10) years or more;

(o) minor defects or irregularities in title which for a period of five (5) years or more have not delayed or prevented Seller from receiving its Net Revenue Interest share of the proceeds of production and have not caused Seller to bear a share of expenses and costs greater than its Working Interest share from each Well; and

(p) defects or irregularities that are cured or for which there is a rebuttable presumption that such defects or irregularities have been cured, in each case, pursuant to the applicable title examination standards or applicable law, unless Buyer provides affirmative evidence of a superior claim of title by another Person as a result of such defect or irregularity.

"Title Defect Amount" means the amount by which the Allocated Value of any Well, or Inventory Location is reduced as a result of the existence of a Title Defect affecting such Well or Inventory Location (net to Seller's interest therein), as determined in accordance with Section 7.5.

"Title Defect Notice" has the meaning set forth in Section 7.1.

"Transfer Taxes" has the meaning set forth in Section 12.2.

"Transition Services Agreement" means the form of Transition Services Agreement executed by the Parties at the Closing, an unexecuted copy of which is attached hereto as Exhibit "I".

"Travis Peak (Hosston) Formation" means the subsurface depths covered by the geological formations that are generally known as the Travis Peak (Hosston) Formations, which generally include with respect to the Inventory Locations identified as being included within Area #1 on Exhibit "B-2", the depths and formations found in the Wood 30-1H Well (API#17-081-20997), with the (i) top at the correlative stratigraphic equivalent to that point found at a measured depth of 6,660 feet on the log of such well and (ii) the base at the correlative stratigraphic equivalent to that point found at a measured depth of 9,590 feet on the log of such well, recognizing that the actual depths will vary across the lands.

"Treasury Regulations" means the rules and regulations promulgated by the U.S. Treasury Department.

"Wells" has the meaning set forth in Section 2.2.

"Working Interest" means, with respect to any Well set forth in **Exhibit "B-1"** or Inventory Location set forth in **Exhibit "B-2"** as of Closing, the interest in and to such Well or Inventory Location that is burdened with the obligation to bear and pay costs and expenses of maintenance, development and operations on or in connection with such (a) Well (in each case, limited to the applicable currently producing formation as described in **Exhibit "B-1"** and subject to any reservations, limitations or depth restrictions described in **Exhibit "B-1"**), or (b) Inventory Location (limited to the applicable Target Formation as described in **Exhibit "B-2"** and subject to any reservations, limitations or other depth restrictions described in **Exhibit "B2"**) but without regard to the effect of any burdens

ARTICLE 2
PURCHASE AND SALE

Subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller, effective as of the Effective Time for the consideration recited and subject to the terms and conditions set forth in this Agreement, all of Seller's right, title and interest in the following (such right, title and interest, less and except the Retained Assets, collectively referred to as the "Assets"), conditioned upon and subject to the closing of the Samson PSA:

2.1 Interests.

(a) Leasehold Interests. All of the Leases (including the Inventory Locations), together with all other rights, titles and interests of Seller insofar as the same pertain to the right to explore for, develop, and/or produce oil and/or gas, in the Leases and any other lands or interests covered thereby, associated therewith or pooled, unitized or communitized therewith, including all working interests, royalty interests, overriding royalty interests, net profits interests, production payments, forced pooled interests, and interests pertaining to the right to explore for, develop, and/or produce oil and/or gas acquired under contracts or otherwise in the lands covered by the Leases, and any other lands or interests pooled, unitized or communitized therewith; *provided*, *however*,

that all of the foregoing are subject to the limitations described in **Exhibit "A"** (the Leases, the lands and the depths covered thereby and other interests therein (but excluding, for purposes of clarity, any Mineral Interests) are collectively referred to in this Agreement as the "Leasehold Interests").

(b) Mineral Interests. All fee mineral interests or mineral servitudes in which Seller owns an interest, (whether legal or equitable, vested or contingent) that are separately described and identified in **Exhibit "A"**, as applicable (collectively, the "Mineral Interests" and, together with the Leasehold Interests, collectively, the "Interests").

2.2 Wells. All of the oil and gas wells, salt water disposal wells, injection wells, monitoring wells, water wells, plugged wells, temporarily abandoned wells, and any other wells and wellbores located on or attributable to the Interests or on lands pooled, unitized or communitized with any portion thereof, or on lands located within any governmental drilling and/or spacing unit (if applicable) which includes any portion thereof, or on portions thereof associated with proved undeveloped reserves whether producing, plugged or unplugged, shut-in, or permanently or temporarily abandoned, including, but not limited to, the wells identified on the attached **Exhibit "B-1"** (the "Wells").

2.3 Facilities and Equipment. All personal property, fixtures and improvements and facilities, spare parts and inventory, equipment, pipelines, pipeline laterals, well pads, tank batteries, well heads, treating equipment, compressors, power lines, casing, tubing, pumps, motors, gauges, meters, valves, heaters, treaters, and separators appurtenant to the Interests or Wells or used in connection with the ownership or operation of the Interests or Wells or the production, gathering, transportation, storage, treatment, sale or disposal of Hydrocarbons, including, but not limited to, facilities, plants, treating and processing systems, casing, pipelines and flow lines; in each case insofar as the same are located on the Interests or to the extent the same are primarily used or held for use in connection with the operation of the Assets or the production of Hydrocarbons therefrom including, but not limited to, the facilities and equipment identified on **Exhibit "C"** (collectively, the "Facilities and Equipment").

2.4 Production. All of the oil, natural gas, condensate, casinghead gas, products or other minerals, attributable or allocable to the Interests or Wells (a) from and after the Effective Time, (b) which are in storage above the pipeline connection as of the Effective Time and for which Seller receives an upward adjustment to the Base Purchase Price, or (c) with regard to any over-produced or under-produced volumes of Seller attributable to any Imbalance(s) (the foregoing collectively referred to as "Hydrocarbons").

2.5 Intentionally Deleted.

2.6 Easements and Surface Agreements. All Easements and Surface Agreements.

2.7 Intentionally Deleted.

2.8 Contract Rights and Permits. All Contracts, all environmental and other governmental (whether federal, tribal, state or local) permits, permissions, licenses, orders,

authorizations, franchises and related instruments or rights to the extent the aforementioned can be assigned and to the extent relating to the ownership, operation or use of the Interests, Wells, Facilities and Equipment, Hydrocarbons, Easements and Surface Agreements (collectively, "Permits").

2.9 Files and Records. All of the files, records and data in their present form and in the possession of Seller, or which subsequently come into the possession of Seller prior to Closing, directly relating to the items and interests described in Section 2.1 through Section 2.8 above including, without limitation, land and lease files, well files, title records including abstracts of title, title opinions, title insurance reports/policies, property ownership reports, division order and right-of-way files, contracts, production records, all logs including electric logs, core data, pressure data and decline curves and graphical production curves, operational records, technical records, production and processing records, and contract files, and all related materials in the possession of Seller (subject to the exclusions hereinafter set forth, the "Records"), **less and except** (a) the general corporate files and records of Seller insofar as they relate to Seller's business generally and are not required for the future ownership or operation of the Assets, (b) all legal files and records (other than legal files and records included in, or are part of, the above-referenced files and records), (c) Seller's federal or state income, franchise or similar Tax files and records, (d) employee files, (e) reserve evaluation information or economic projections (other than reserve evaluation or economic projection materials and files previously made available to Buyer), (f) the Excluded Advisor Records, (g) proprietary data information and data under contractual restrictions on assignment or disclosure, (h) privileged information, (i) intellectual property, (j) all other seismic, geophysical, geological or other similar information or data, proprietary or otherwise, and (k) any other files or records to the extent constituting Retained Assets (collectively, the "Excluded Records").

2.10 Retained Assets. Notwithstanding anything to the contrary in Section 2.1 through Section 2.9 or elsewhere herein, the Assets do not include the following (collectively, the "Retained Assets"):

(a) Subject to Article 16, all rights and interests of Seller (i) under any policy or agreement of insurance or indemnity, (ii) under any bond or (iii) to any insurance or condemnation proceeds or awards arising, in each case, from acts, omissions or events related to, or damage to or destruction of, the Assets occurring or accrued prior to the Effective Time;

(b) All claims of Seller for refunds of, credits attributable to, loss carry forwards with respect to, or similar Tax assets relating to (i) Asset Taxes attributable to the Assets for any period (or portion thereof) ending prior to the Effective Time, (ii) income, franchise or similar Taxes, (iii) Taxes attributable to the Retained Assets and (iv) any other Taxes imposed on or with respect to the ownership or operation of the Assets or the production of Hydrocarbons or the receipt of proceeds therefrom that are attributable to any Tax period (or portion thereof) ending prior to the Effective Time;

(c) All proceeds, income, revenues, claims, cause of action, lien rights, receivables, refunds or other benefits (including any benefit attributable to any current or future laws or regulations in respect of "royalty relief" or other similar measures) not otherwise enumerated above, prior to the Effective Time as well as any security or other deposits made, attributable to (i) the Assets for any period prior to the Effective Time or (ii) any other Retained Assets;

(d) All claims, rights, defenses and causes of action of Seller arising under or with respect to the Retained Litigation;

(e) All claims, rights, defenses and causes of action under any Contracts to the extent (i) they are attributable to any period of time prior to the Effective Time, except to the extent related to any of the Assumed Obligations or (ii) they are attributable to any period of time after the Effective Time, but only to the extent related to any of the Retained Assets or any matters for which Seller has an indemnification obligation under this Agreement;

(f) All documents and instruments of Seller relating to the Assets that may be protected by an attorney-client or attorney-work product privilege, but not including title opinions and similar title related documents and instruments;

(g) All audit rights arising under any of the Contracts or otherwise with respect to any period prior to the Effective Time or to any Retained Assets;

(h) Originals of all data, information and records relating to Tax and accounting matters and copies of all other Records;

(i) The Hedge Contracts;

(j) The Excluded Records;

(k) The assets, interests, equipment, inventory or personal property identified on Schedule 2.10; and

(l) Those items more particularly identified and described elsewhere in this Agreement as being excluded and retained by Seller.

ARTICLE 3
PURCHASE PRICE AND ALLOCATION

3.1 Base Purchase Price. Buyer agrees to pay Seller for the Assets the total sum of Eighty-Five Million One Hundred Thousand Dollars ($85,100,000.00) ("Base Purchase Price") to be paid by direct bank deposit or wire transfer in same day funds at the Closing, subject only to the price adjustments set forth in this Agreement.

3.2 Deposit. Not later than 10:00 a.m. central prevailing time on the Business Day following the Execution Date, Buyer shall pay to Wells Fargo Bank, N.A. ("Escrow Agent"), pursuant to that certain escrow agreement by and among Seller, Buyer and Escrow Agent, a deposit in the amount of Eight Million Five Hundred Ten Thousand Dollars ($8,510,000.00) (the "Deposit"), such amount representing Ten Per Cent (10%) of the Base Purchase Price. Subject to Sections 3.2(a) and 3.2(b), if applicable, at the Closing, the Parties shall cause the Escrow Agent to release the Deposit (along with any interest earned thereon) to Seller, and the Deposit (along with any interest earned thereon) shall be credited against the amount required to be paid by Buyer to Seller at the Closing.

(a) If this Agreement is terminated by Seller prior to the Closing pursuant to Section 18.1(d), or the conditions to the obligations of Buyer to consummate the Closing set forth in Section 10.2 shall have been satisfied or waived by Buyer, but Buyer shall have failed to consummate the transactions contemplated hereunder at the Closing, then, Seller shall be entitled to terminate this Agreement and receive the Deposit (along with any interest earned thereon), and the Parties shall cause the Escrow Agent to release the Deposit (along with any interest earned thereon) to Seller within two (2) Business Days of such termination. In the event of any such termination, Seller and Buyer acknowledge and agree that (x) Seller's actual damages upon the event of such a termination are difficult to ascertain with any certainty, (y) the Deposit (along with any interest earned thereon) is a fair and reasonable estimate by the Parties of such aggregate actual damages of Seller and (z) such liquidated damages do not constitute a penalty.

(b) If this Agreement is terminated prior to the Closing and Seller is not entitled to receive the Deposit under Section 3.2(a), then the Parties shall cause the Escrow Agent to release the Deposit (along with any interest earned thereon) to Buyer within two (2) Business Days of such termination.

3.3 Upward Adjustments to the Base Purchase Price . The Base Purchase Price shall be adjusted upward for the following, without duplication:

(a) all Property Costs paid or incurred by Seller in connection with the ownership and operation of the Assets, attributable to the periods from and after the Effective Time, but excluding broker fees and other lease acquisition fees or cost to cure title;

(b) all proceeds and revenues received by Buyer attributable to the sale of Hydrocarbons produced from or attributable to the Assets prior to the Effective Time (net of applicable royalties, overriding royalties (other than overriding royalties that are conveyed as part of the Assets), processing and transportation costs, Taxes and other burdens on Seller's share of production not otherwise accounted for hereunder);

(c) the amount of all Asset Taxes allocated to Buyer in accordance with Section 12.1 but paid or otherwise economically borne by Seller or any of its Affiliates;

(d) all positive adjustments, if any, regarding Additional Interests, as provided in Section 7.2;

(e) the net aggregate Imbalances (other than Pipeline Imbalances), if any, owed by third parties to Seller as of the Effective Time multiplied by a price equal to Three Dollars ($3.00) per MMBtu;

(f) all adjustments for all oil in storage above the pipeline connection, as provided in Section 13.1;

(g) adjustments for over-delivered Pipeline Imbalances (volumes owed to Seller) as provided in Section 13.4;

(h) all royalty overpayment amounts and/or future deductions as royalty offsets associated with the Assets as of the Effective Time;

(i) the sum equal to the product of the number of producing Wells to be conveyed to Buyer multiplied by Seven Hundred Dollars ($700) per month (prorated on a daily basis for any partial month) (as an agreed reimbursement in lieu of actual general and administrative overhead) for the period between the Effective Time and the Closing Date; and

(j) any other upward adjustments to the Base Purchase Price specified in this Agreement or otherwise agreed to in writing by the Parties.

3.4 Downward Adjustments to the Base Purchase Price . The Base Purchase Price shall be adjusted downward for the following, without duplication:

(a) except as otherwise provided in this Agreement, all Property Costs (other than Taxes) paid or incurred by Buyer in connection with the Assets and attributable to periods prior to the Effective Time;

(b) except as otherwise provided in this Agreement, all proceeds and revenues received by Seller attributable to the sale of Hydrocarbons produced from or attributable to the Assets after the Effective Time (net of applicable royalties, overriding royalties (other than overriding royalties that are conveyed as part of the Assets), processing and transportation costs, Taxes and other burdens on Seller's (or Buyer's, as Seller's successor-in-interest) share of production not otherwise accounted for hereunder);

(c) all downward adjustments regarding Title Defects, as determined in accordance with the provisions of Article 7;

(d) all downward adjustments regarding Environmental Defects, as determined in accordance with the provisions of Article 8;

(e) all adjustments regarding exercised Preferential Purchase Rights or Required Consents not obtained, as contemplated in Article 9;

(f) the net aggregate Imbalances (other than Pipeline Imbalances), if any, owed by Seller to third parties as of the Effective Time multiplied by a price equal to Three Dollars ($3.00) per MMBtu;

(g) adjustments for under-delivered Pipeline Imbalances (volumes owed by Seller to third parties), as provided in Section 13.4;

(h) an amount equal to the amounts held in the Suspense Accounts as of the Closing, as contemplated in Section 11.6; and

(i) any other downward adjustments to the Base Purchase Price as specifically provided for under the terms of this Agreement or otherwise agreed to in writing by the Parties.

3.5 Allocation of Base Purchase Price. Seller and Buyer agree that the Base Purchase Price shall be allocated among the Assets as set forth on the attached **Exhibit "E-1"**, **Exhibit "E-2"** and **Exhibit "E-4"** (the "Allocated Values") for the purpose of (a) providing notices, or obtaining waivers, of any Preferential Purchase Rights affecting any Assets(s), (b) determining the Title Defect Amount applicable to a Title Defect (and setting a cap for Environmental Defect Values), and (c) handling those instances for which the Base Purchase Price is to be adjusted pursuant to this Agreement. Buyer and Seller agree that such allocation is reasonable, and shall not take any position inconsistent therewith.

3.6 Allocation of Base Purchase Price for Tax Purposes. Within thirty (30) days after the Closing Date, Seller shall deliver a schedule allocating the Base Purchase Price (including any Assumed Obligations treated as consideration for the Assets for Tax purposes) among the Assets (the " Allocation Schedule"). The Allocation Schedule shall be prepared in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder. The Allocation Schedule shall be prepared in a manner consistent with the Allocated Values. If Seller and Buyer are able to agree on the Allocation Schedule, then (a) Seller and Buyer agree to file their respective IRS Forms 8594 and all federal, state and local Tax Returns in accordance with the Allocation Schedule and (b) neither Buyer nor Seller shall take any position (whether in audits, Tax Returns or otherwise) that is inconsistent with such allocation unless required to do so by applicable law. The Allocation Schedule shall be deemed final unless Buyer notifies Seller in writing that Buyer objects to one or more items reflected in the Allocation Schedule within fifteen (15) days after delivery of the Allocation Schedule to Buyer. In the event of any such objection, Seller and Buyer shall negotiate in good faith to resolve such dispute; *provided*, *however*, that if Seller and Buyer are unable to resolve any dispute with respect to the Allocation Schedule within thirty (30) days after the delivery of the Allocation Schedule to Buyer, either Party shall thereafter have the right to refer the matters in dispute to the Accounting Referee for review and final determination pursuant to Section 19.4(b). The Allocation Schedule will be revised to reflect adjustments to the Base Purchase Price.

ARTICLE 4
ACCESS TO RECORDS; DISCLAIMERS; GOVERNMENTAL REVIEWS

4.1 Access to Records. On and from the date of closing of the transactions contemplated by the Samson PSA with respect to the Assets until expiration of the Due Diligence Period, Seller shall provide Buyer reasonable access to the Records, to the extent the same are in Seller's or its representatives' possession and relate to the Assets; *provided*, *however*, (i) that Seller shall have no obligation to provide Buyer access to any interpretative or predictive data or information which Seller considers confidential or proprietary or which Seller believes in good faith it cannot provide Buyer because of third-party restrictions, and (ii) that Seller is subject to confidentiality and disclosure restrictions with respect to the Samson PSA which restrict access to lands covered by the Leases and Records and prevent the disclosure of certain information until after closing of the Samson PSA. The date that access to Records is first made available by Seller to Buyer shall be deemed the "Record Access Date."

4.2 Disclaimer. Buyer specifically understands and acknowledges the following:

(a) Title. Subject to the other provisions contained in this Agreement, title to the Assets shall be transferred and conveyed from Seller to Buyer at the Closing with a "by, through and under" special warranty of Defensible Title, and shall otherwise be conveyed in accordance with the terms of this Agreement and the Conveyances.

(b) Disclaimer of Warranty. EXCEPT AS EXPRESSLY PROVIDED FOR OTHERWISE IN THIS AGREEMENT, IN THE CONVEYANCES, IN THE DEEDS, OR IN ANY CERTIFICATE TO BE DELIVERED AT THE CLOSING PURSUANT TO SECTION 10.5(a), SELLER EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION, COVENANT OR WARRANTY, EXPRESS OR IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE, RELATING TO THE TITLE OR CONDITION OF THE ASSETS AND ANY PERSONAL PROPERTY, FACILITIES AND EQUIPMENT, FIXTURES AND ITEMS OF MOVABLE PROPERTY COMPRISING ANY PART OF THE ASSETS, INCLUDING: (i) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE OR WARRANTY OF MERCHANTABILITY; (ii) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS; (iii) ANY RIGHTS OF BUYER UNDER APPLICABLE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE; (iv) ANY CLAIM BY BUYER FOR DAMAGES BECAUSE OF DEFECTS OR OTHER VICES, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LATENT OR PATENT; (v) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT OR INFRINGEMENT OF ANY OTHER INTELLECTUAL PROPERTY RIGHT; (vi) ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT INCLUDING, WITHOUT LIMITATION, NATURALLY OCCURRING RADIOACTIVE MATERIAL OR ASBESTOS, OR PROTECTION OF THE ENVIRONMENT OR HEALTH; OR (vii) ANY IMPLIED OR EXPRESS WARRANTY REGARDING TITLE TO ANY OF THE ASSETS. UPON THE OCCURRENCE OF THE CLOSING, IT IS THE EXPRESS INTENTION OF BUYER AND SELLER THAT, EXCEPT AS EXPRESSLY PROVIDED FOR OTHERWISE IN THIS AGREEMENT, IN THE CONVEYANCES, IN THE DEEDS, OR IN ANY CERTIFICATE TO BE DELIVERED AT THE CLOSING PURSUANT TO SECTION 10.5(a), THE PERSONAL PROPERTY, FACILITIES AND EQUIPMENT, FIXTURES AND ITEMS AND THE CONDITION OF THE ASSETS ARE BEING CONVEYED TO BUYER "AS IS, WHERE IS," WITH ALL FAULTS, AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR AND BUYER WAIVES ANY CLAIM(S) FOR BREACH OF WARRANTY UNDER THE CONVEYANCES, WHICH WERE NOT ASSERTED BY BUYER IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT. AS ONE OF ITS CONDITIONS TO CLOSING, BUYER ACKNOWLEDGES, AGREES AND REPRESENTS TO SELLER THAT, AS OF THE CLOSING, BUYER WILL HAVE BEEN GIVEN THE OPPORTUNITY TO MAKE OR CAUSE TO BE MADE SUCH INSPECTIONS AS BUYER DEEMS APPROPRIATE.

(c) Additional Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, IN THE CONVEYANCES, IN THE DEEDS, OR IN

ANY CERTIFICATE TO BE DELIVERED AT THE CLOSING PURSUANT TO SECTION 10.5(a), SELLER HEREBY EXPRESSLY NEGATES AND DISCLAIMS, AND BUYER HEREBY WAIVES AND ACKNOWLEDGES THAT SELLER HAS NOT MADE AND BUYER HAS NOT RELIED UPON, ANY WARRANTY, REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OR MATERIALITY OF ANY FILES, RECORDS, DATA, INFORMATION, OR MATERIALS (WHETHER WRITTEN, ORAL OR OTHERWISE, AND WHETHER TRANSMITTED IN PERSON, THROUGH CONVERSATIONS, WEBINARS OR OTHER ELECTRONIC MEDIUMS) HERETOFORE OR HEREAFTER FURNISHED TO BUYER IN CONNECTION WITH THE ASSETS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSETS OR THE ABILITY OF THE ASSETS TO PRODUCE HYDROCARBONS. ANY AND ALL SUCH FILES, RECORDS, DATA, INFORMATION, AND OTHER MATERIALS FURNISHED BY SELLER OR ANY ADVISOR, WHETHER MADE AVAILABLE PURSUANT TO THIS ARTICLE 4 OR OTHERWISE, ARE PROVIDED TO BUYER AS A CONVENIENCE AND ACCOMMODATION, AND ANY RELIANCE UPON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK.

ARTICLE 5
SELLER'S REPRESENTATIONS

Subject to the matters specifically listed or disclosed in the Schedules to this Agreement (as may be added, supplemented or amended pursuant to Section 14.7), Seller represents the following to Buyer as of the Execution Date:

5.1 Existence. It is an entity duly organized and validly existing and in good standing under the laws of its state of formation, and is duly qualified to carry on its business and to own and operate oil and gas properties in each jurisdiction in which the Assets owned by it are located.

5.2 Authority. Seller has all requisite power and authority to carry on its business as presently conducted, to enter into this Agreement and to perform its obligations under this Agreement. Furthermore, the execution, delivery and performance by Seller of this Agreement have been duly and validly authorized and approved by all necessary board of directors and/or other company action on the part of Seller. This Agreement constitutes the legal, valid and binding obligation of Seller and is enforceable against Seller in accordance with its terms, subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application with respect to creditors, (b) general principles of equity, and (c) the power of a court to deny enforcement of remedies generally based upon public policy.

5.3 Taxes. Except as set forth on Schedule 5.3, to Seller's Knowledge, (a) all Asset Taxes that have become due and payable have been paid, other than such Taxes that are being contested in good faith in appropriate proceedings, and (b) none of the Assets are subject to any tax partnership agreement or are otherwise treated, or required to be treated, as held in an arrangement requiring a partnership income Tax Return to be filed under Subchapter K of Chapter 1 of Subtitle A of the Code.

5.4 Material Contracts. To Seller's Knowledge, except as set forth on Schedule 5.4, (a) Seller and the members of the Samson Seller Group are in material compliance with all Material Contracts, and no event has occurred that with notice or lapse of time, or both, would constitute a material default of any Material Contract by Seller or any member of the Samson Seller Group, (b) neither Seller nor any member of the Samson Seller Group has received written notice of its breach or default under any Material Contract, and (c) no other party to any Material Contract is in breach thereof or in default thereunder, excluding individual account receivable balances of less than Fifty Thousand and No/100 U.S. Dollars ($50,000.00).

5.5 Permits. To Seller's Knowledge, (a) Neither Seller nor any member of the Samson Seller Group have received written notice of its default under any Permit, and (b) with respect to Assets currently operated by Seller, any member of the Samson Seller Group or any of its or their Affiliates, each Permit is in full force and effect. Notwithstanding the foregoing, Seller makes no representation or warranty, express or implied, under this Section 5.5 relating to any Environmental Laws, Environmental Conditions, or environmental liabilities.

5.6 Litigation and Claims. To Seller's Knowledge, except as set forth on Schedule 5.6, no suit, action, demand, proceeding, lawsuit or other litigation is pending with respect to Seller or any member of the Samson Seller Group that relates to the Assets or that could reasonably be expected to materially and adversely affect the ownership, operation or value of the Assets.

5.7 Sale Contracts. To Seller's Knowledge, except for (a) contracts governing Seller's or the Samson Seller Group's sale of Hydrocarbons in the ordinary course of business, (b) the disposition of equipment no longer suitable for oil and gas field operations in the ordinary course of business, or (c) this Agreement, there are no Material Contracts outstanding for the sale, exchange or transfer of Seller's or Samson Seller Group's interest in Hydrocarbon production from the Assets or any portion thereof.

5.8 Take-or-Pay. To Seller's Knowledge, except as set forth on Schedule 5.8, neither Seller or Samson Seller Group is obligated, under a take-or-pay or similar arrangement, to allow its Hydrocarbons to be sold, without receiving full payments at the time of delivery in an amount that corresponds to the Net Revenue Interest in the Hydrocarbons attributable to any Lease or Well described in **Exhibit "A"** or **Exhibit "B-1"**, as applicable (other than with regard to certain obligations relative to Pipeline Imbalances, as contemplated under Section 13.4).

5.9 Production Imbalances. To Seller's Knowledge, except as set forth on Schedule 5.9, there are no gas or other Hydrocarbon production Imbalances existing as of the Effective Time with respect to any of the Wells or Leases.

5.10 Outstanding Obligations. To Seller's Knowledge, except as otherwise described in Schedule 5.10, as of the Execution Date, there are no outstanding authorizations for expenditures in excess of Two Hundred Fifty Thousand and No/100 U.S. Dollars ($250,000.00), net to Seller's or the Samson Seller Group's interest, or other written commitments of Seller or any member of the Samson Seller Group to make capital expenditures to conduct operations on the Assets.

5.11 Brokers. Neither Seller nor to Seller's Knowledge any member of the Samson Seller Group has incurred any liability, contingent or otherwise, for broker's or finder's fees in respect of this Agreement or the transactions contemplated hereby for which Buyer shall have any responsibility whatsoever.

5.12 Consents. To Seller's Knowledge, other than (a) the Required Consents set forth on Schedule 5.12, (b) the Preferential Purchase Rights and (c) Customary Consents, there are no Consents that Seller or any member of the Samson Seller Group is required to obtain in connection with the conveyance of the Assets from any member of the Samson Seller Group to Seller or from Seller to Buyer under the terms of this Agreement or the Samson PSA.

5.13 Preferential Purchase Rights. To Seller's Knowledge, except as set forth on Schedule 5.13, there are no Preferential Purchase Rights to which the Assets are subject, which would be triggered by this Agreement, and to which a notice would be required under the terms thereof due to the Parties entering into this Agreement (each, a "Preferential Purchase Right").

5.14 Compliance with Laws. To Seller's Knowledge, except as set forth on Schedule 5.14, there is no material uncured violation by Seller or any member of the Samson Seller Group of any laws with respect to Seller's or any member of the Samson Seller Group's ownership and operation of the Assets. Notwithstanding the foregoing, Seller makes no representation or warranty, express or implied, under this Section 5.14 relating to any Environmental Laws, Environmental Conditions, or environmental liabilities, which subject matter is addressed separately in Section 5.18.

5.15 Bankruptcy. There are no bankruptcy, reorganization or receivership proceedings pending, being contemplated by or, to Seller's Knowledge, threatened in writing against Seller, or any member of the Samson Seller Group or any of its or their Affiliates.

5.16 Knowledge Qualifier for Non-Operated Assets. To the extent that Seller has made any representations in this Article 5 in connection with matters relating to Assets operated by Persons other than Seller, any member of the Samson Seller Group or an Affiliate of Seller or any member of the Samson Seller Group, each and every such representation shall be deemed to be qualified by the phrase "To Seller's Knowledge".

5.17 Compliance with Leases. To Seller's Knowledge, except as set forth on Schedule 5.17, there is no material uncured breach by Seller or any member of the Samson Seller Group of any Leases.

5.18 No Notice of Violation of Environmental Laws. Neither Seller nor, to Seller's Knowledge, any member of the Samson Seller Group has received written notice from any Governmental Authority or other Person asserting the violation of Environmental Laws, the existence of Environmental Conditions, or environmental liabilities of either Seller or any member of the Samson Seller Group relating to the Assets.

5.19 Closing. The effective time of the Samson PSA is 12:01 am local time where the assets are located on August 1, 2017.

5.20 Disclosures with Multiple Applicability; Materiality. If any fact, condition or matter disclosed in Seller's disclosure Schedules applies to more than one Section of this Article 5, a single disclosure of such fact, condition or matter on Seller's disclosure Schedules shall constitute disclosure with respect to all sections of this Article 5 to which such fact, condition or other matter applies, regardless of the section of Seller's disclosure Schedules in which such fact, condition or other matter is described. Inclusion of a matter on Seller's disclosure Schedules with respect to a representation or warranty that is qualified by "material" or any variant thereof shall not necessarily be deemed an indication that such matter does, or may, be material. Matters may be disclosed on a Schedule to this Agreement for purposes of information only.

ARTICLE 6
BUYER'S REPRESENTATIONS

Buyer represents the following to Seller as of the Execution Date:

6.1 Information. Buyer is a sophisticated purchaser, knowledgeable in the evaluation of oil and gas properties of the nature being acquired by Buyer hereunder and has performed due diligence on the Assets and performed all necessary tasks involved in evaluating the Assets, to Buyer's complete satisfaction. EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, BUYER REPRESENTS AND WARRANTS THAT IT HAS FULLY INSPECTED THE ASSETS AND UPON THE OCCURRENCE OF THE CLOSING, BUYER WILL ACCEPT THE ASSETS AT CLOSING IN THEIR PRESENT CONDITION, "AS IS, WHERE IS AND WITH ALL FAULTS." BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, IN THE CONVEYANCES, IN THE DEEDS AND IN THE CERTIFICATE TO BE DELIVERED AT THE CLOSING BY SELLER PURSUANT TO SECTION 10.5(a), SELLER HAS MADE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WRITTEN, ORAL, OR OTHERWISE, AS TO THE ACCURACY OR COMPLETENESS OF THE BACKGROUND MATERIALS OR ANY OTHER INFORMATION RELATING TO THE ASSETS FURNISHED BY OR ON BEHALF OF SELLER OR TO BE FURNISHED TO BUYER OR ITS REPRESENTATIVES, INCLUDING, WITHOUT LIMITATION, SELLER'S INTERNAL APPRAISALS AND/OR INTERPRETIVE DATA. Buyer acknowledges and affirms that it has relied and will rely solely upon the terms of this Agreement and on its own independent analysis, evaluation and investigation of, and judgment (and not that of Seller's, any Advisor's or any of their respective representatives') with respect to, the business, economic, legal, tax or other consequences of this transaction, including its own estimate and appraisal of the extent and value of the oil, natural gas, natural gas liquids, and other reserves associated with the Assets.

6.2 Knowledge and Experience. Buyer (a) is engaged in the business of exploring for and/or producing oil and gas or other valuable minerals as an ongoing business and (b) is purchasing the Assets for its own account for investment purposes and not with the intent to resell the Assets in violation of any federal or state securities laws. Buyer is an experienced and knowledgeable investor in oil and gas properties, is knowledgeable with respect to the tax ramifications associated therewith and herewith, and has the financial and business expertise to fully evaluate the merits and risks of the transactions covered by this Agreement and has relied solely upon the basis of its own

(and not that of Seller's, any Advisor's or any of their respective representatives') independent investigation of the Assets for all purposes (including the geologic and geophysical characteristics of the Assets, the estimated Hydrocarbon reserves recoverable therefrom, and the price and expense assumptions applicable thereto). In acquiring the Assets, Buyer is acting in the conduct of its own business and not under any specific contractual commitment to any third party, or any specific nominee agreement with any third party, to transfer to, or to hold title on behalf of, such third party, with respect to all or any part of the Assets. Buyer acknowledges that it has had the opportunity to seek the advice of Persons it deemed appropriate concerning the consequences of the provisions of this Agreement and hereby waives any and all rights to claim that it is an unsophisticated investor in oil and gas properties.

6.3 No Warranty other than Special Warranty . Seller shall provide Buyer a special warranty of Defensible Title to be set forth in the Conveyances and Deeds. Buyer acknowledges that, except as expressly provided for otherwise in this Agreement, in the Conveyances, in the Deeds or in the certificates to be delivered at the Closing pursuant to Section 10.5(a), Seller has not made any representation, covenant or warranty, express or implied, at common law, by statute or otherwise, relating to the title or condition (whether environmental or otherwise) of the Assets, including, without limitation, any implied or express warranty of merchantability, of fitness for any particular purpose, or of conforming to models or samples of materials as to any personal property, fixtures or structures conveyed pursuant to this Agreement. Buyer further acknowledges that no Claim(s) may be asserted nor may any proceeding be commenced by Buyer against Seller arising out of or related to a breach of any warranty of Seller pursuant to this Agreement (including any warranty of Seller set forth in the Conveyances) for which Buyer fails to deliver a written notice to Seller in accordance with the terms and conditions of this Agreement. In addition to the special warranty to be provided above, Seller shall assign to Buyer all of Seller's rights, title and interests in and to the special warranty of Defensible Title in respect of the Assets provided by the Samson Seller Group to Seller pursuant to the Samson PSA.

6.4 Existence. Buyer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, and it or an Affiliate is duly qualified to carry on its business in the State(s) where the Assets are located.

6.5 Authority. Buyer has all requisite power and authority to carry on its business as presently conducted, to enter into this Agreement and to perform its obligations under this Agreement. Furthermore, the execution, delivery and performance by Buyer of this Agreement have been duly and validly authorized and approved by all necessary board of director and/or other company actions on the part of Buyer. This Agreement constitutes the legal, valid and binding obligation of Buyer and is enforceable against Buyer in accordance with its terms, subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application with respect to creditors, (b) general principles of equity, and (c) the power of a court to deny enforcement of remedies generally based upon public policy.

6.6 Liability for Broker's Fees. Buyer has not incurred any liability, contingent or otherwise, for broker's or finder's fees relating to the transactions contemplated by this Agreement for which Seller shall have any responsibility whatsoever.

6.7 Financial Resources. Buyer or its Affiliates have all funds necessary to timely pay the Base Purchase Price and any other amounts contemplated by this Agreement. Buyer's ability to consummate the transactions contemplated hereby is not contingent on its ability to secure financing or to complete any public or private placement of securities prior to or upon the occurrence of the Closing.

6.8 Qualification to Assume Operatorship . Buyer or an Affiliate is, or as of the Closing will be, qualified to own and assume operatorship of oil, gas and mineral leases, including the Assets, in all jurisdictions where the Assets are located, and the consummation of the transactions contemplated in this Agreement will not cause Buyer to be disqualified as such an owner or operator. To the extent required by any Governmental Authorities with jurisdiction over the Assets or otherwise required under any applicable operating agreement or law, Buyer currently has, as of Closing will have, and will continue to maintain, any required lease bonds, area-wide bonds, or any other surety bonds or insurance policies.

6.9 Consents. No consent, approval, authorization or permit of, or filing with or notification to, any Person is required for or in connection with the execution and delivery of this Agreement by Buyer or for or in connection with the consummation of the transactions and performance of the terms and conditions contemplated hereby by Buyer.

6.10 Litigation. There is no suit, action, demand, proceeding, lawsuit or other litigation by any Person or Governmental Authority pending or, to Buyer's Knowledge, threatened against Buyer that impedes or is likely to impede Buyer's ability to consummate the transactions contemplated by this Agreement and to assume the liabilities to be assumed by Buyer under this Agreement.

6.11 Bankruptcy. There are no bankruptcy, reorganization or receivership proceedings pending, being contemplated by or, to Buyer's Knowledge, threatened in writing against Buyer or any of its Affiliates.

ARTICLE 7
TITLE MATTERS

7.1 General Disclaimer of Title Warranties; Title Defects . Except for the special warranty of Defensible Title prescribed in Section 6.3 above and set forth in the Conveyances, and without limiting Buyer's remedies for Title Defects set forth in this Article 7, Seller makes no warranty or representation, express, implied, statutory or otherwise, with respect to Seller's title to any of the Assets, and Buyer hereby acknowledges and agrees that Buyer's sole remedy for any defect of title, including any Title Defect, with respect to any of the Assets (a) before the expiration of the Due Diligence Period, shall be set forth in this Article 7 with respect to any Title Defect (i) identified as then-existing pursuant to an effective Title Defect Notice delivered in accordance with this Article 7 and/or (ii) of which Buyer obtains Knowledge of prior to the expiration of the Due Diligence Period and (b) after the expiration of the Due Diligence Period, shall be pursuant to the special warranty of Defensible Title prescribed in Section 6.3 above and set forth in the Conveyances. Buyer shall deliver to Seller written notice of any Title Defect (each, a "Title Defect Notice") with respect to any Well or Lease no later than thirty three (33) days following the Record Access Date

(the "Due Diligence Period"). Notwithstanding the foregoing, to give Seller the opportunity to commence reviewing and curing Title Defects, Buyer agrees to use reasonable efforts to deliver to Seller, on or before the end of each calendar week prior to the expiration of the Due Diligence Period, Title Defect Notices with respect to all alleged Title Defects discovered by Buyer during the preceding calendar week, which Title Defect Notice may be preliminary in nature and supplemented prior to the expiration of the Due Diligence Period.

7.2 Additional Interests. During the Due Diligence Period, Seller and Buyer shall promptly notify the other Party in writing (each, an "Additional Interest Notice") if either determines (or is made aware of the possibility) that Seller has (a) a lesser Working Interest (without a proportionate decrease in the corresponding Net Revenue Interest) with respect to all or any part of any Well than is shown on **Exhibit "B-1"**, (b) a greater Net Revenue Interest with respect to all or any part of any Well than is set forth in **Exhibit "B-1"**, (c) a lesser Working Interest (without a proportionate decrease in the corresponding Net Revenue Interest) with respect to all or any part of any Inventory Location in the applicable Target Formation for such Inventory Location than is shown on **Exhibit "B-2"**, and (d) a greater Net Revenue Interest with respect to all or any part of any Inventory Location in the applicable Target Formation for such Inventory Location than is set forth in **Exhibit "B-2"** (collectively, such items shall be referred to as an "Additional Interest"). In addition, at any point during the Due Diligence Period, Seller may deliver an Additional Interest Notice to Buyer with respect to any Additional Interest. Provided, however, after execution of this Agreement, Seller shall not acquire any Additional Interests that are to be conveyed to Buyer hereunder without the written consent of Buyer if the acquisition by Seller of such Additional Interest(s) would result in an upward adjustment to the Base Purchase Price pursuant to the terms of this Agreement.

7.3 Notices. Any Title Defect Notice or Additional Interest Notice shall include appropriate documentation to substantiate the applicable position and the estimated value of the Title Defect or Additional Interest, as applicable. To be effective, a Title Defect Notice or Additional Interest Notice, as applicable, must be asserted in good faith, delivered in writing, and include (a) a description of the alleged Title Defect or Additional Interest, as applicable, in existence as of such time as to the affected Inventory Location and corresponding Leases or Well, (b) the Allocated Value of the affected Inventory Location or Well, as well as the alleged amount of the Title Defect or Additional Interest, as applicable, being claimed in good faith, (c) a reasonably detailed description of the matter constituting the asserted Title Defect or Additional Interest, as applicable, and the basis for such Title Defect or Additional Interest, (d) the computations for such Title Defect amount or Additional Interest amount, as applicable, (e) to the extent the claiming Party then has Knowledge thereof, the necessary curative action for each Title Defect or documentation or evidence verifying such Additional Interest, as applicable, and (f) supporting documentation reasonably necessary for the Party to whom such Title Defect Notice or Additional Interest Notice, as applicable, has been delivered (as well as any title attorney or examiner hired thereby) to verify the existence of such asserted Title Defect or Additional Interest. If any such Title Defect Notice or Additional Interest Notice (i) is not timely delivered or (ii) does not meet the requirements set forth in clauses (a) through (f) above, such Title Defect Notice or Additional Interest Notice, as applicable, shall not be effective and the applicable claimant shall thereafter be deemed to have forever waived and shall

have no right to assert any Title Defect or Additional Interest as the basis for an adjustment to the Base Purchase Price hereunder.

7.4 Seller's Right to Cure. Subject to Section 19.17, Seller shall have the right, but not the obligation, to attempt, at its sole cost, to cure at any time prior to one hundred eighty (180) days after the applicable Closing (the "Cure Period"), any Title Defects of which it has been advised by Buyer. During the period of time from the applicable Closing to the expiration of the Cure Period, Buyer agrees to afford Seller and its officers, employees and other authorized representatives reasonable access, during normal business hours, to the Assets and all Records in Buyer's or any of its Affiliates' possession in order to facilitate Seller's attempt to cure any such Title Defects. An election by Seller to attempt to cure a Title Defect shall be without prejudice to its rights hereunder, and shall not constitute an admission against interest or a waiver of Seller's right to dispute the existence, nature or value of, or cost to cure, the alleged Title Defect.

7.5 Adjustments to Base Purchase Price. Subject to Section 19.17, upon timely delivery of a valid Title Defect Notice or an Additional Interests Notice pursuant to Section 7.1 or 7.2, as applicable, either by Buyer or by Seller, Buyer and Seller shall meet on or before forty (40) days following the Record Access Date and use their reasonable commercial efforts to agree upon the validity of any claims for Title Defects or Additional Interests and the amount of any Base Purchase Price adjustment (if any) using the following criteria:

(a) Liquidated Charges. If the adjustment is based upon a lien, Encumbrance, or other charge upon an Inventory Location or Well which is liquidated in amount or which can be estimated with reasonable certainty, then the adjustment shall be the sum necessary to be paid to the obligee to remove the Encumbrance from the affected Inventory Location or Well.

(b) Ownership Variance. If the adjustment is based upon Seller owning a lesser or greater Net Revenue Interest with a corresponding proportionate lesser or greater Working Interest in a Well than that shown on **Exhibit "B-1"** or in an Inventory Location than that shown on **Exhibit "B-2"**, then the adjustment shall be proportionate to the Allocated Value of the affected Well on **Exhibit "E-1"** or the Allocated Value of the affected Inventory Location on **Exhibit "E-2"** (as applicable). If the adjustment is based upon a lesser or greater Net Revenue Interest without a corresponding proportionate lesser or greater Working Interest in a Well than that shown on **Exhibit "B-1"** or in an Inventory Location than that shown on **Exhibit "B-2"**, then the Parties shall use their best efforts to agree upon a mutually acceptable Base Purchase Price adjustment based upon the Allocated Value for such Well as set forth on **Exhibit "E-1"** or the Allocated Value of the affected Inventory Location on **Exhibit "E-2"** (as applicable).

(c) Valuation of Title Defects and Additional Interests. If the adjustment is for an item other than as set forth in Section 7.5(a) or 7.5(b) above, Buyer and Seller shall endeavor to mutually agree on the amount of the Base Purchase Price adjustment, taking into account the Allocated Value of the affected Asset, the portion of the Asset affected by the Title Defect, the legal effect of the Title Defect, the values placed upon the Title Defect by Buyer and Seller, and such other reasonable factors as are necessary to make a proper evaluation; *provided, however*, that if such Title Defect is reasonably capable of being cured, the Title Defect amount shall not be greater than the reasonable cost and expense of curing such Title Defect. If the Parties cannot agree to the

existence of a Title Defect or Additional Interest or the applicable adjustment, the matter shall be resolved in accordance with the dispute resolution provisions in Section 19.4. Any such item shall be referred to as an " Open Matter". Notwithstanding any of the preceding provisions of this Article 7, all adjustments applicable to Title Defects or Additional Interests shall be made prior to the Closing, which Closing shall be extended until resolution of any disputes relating to the Title Defects or Additional Interests; *provided*, *however*, that if adjustments for alleged Title Defects and Environmental Defects, in each case that are alleged in good faith and not otherwise cured by Seller, do not, in the aggregate, exceed fifteen percent (15%) of the Base Purchase Price (subject to Seller's rights pursuant to Section 7.7(b)), then the Closing shall occur as to the other Assets that are not subject to the dispute (with the portion of the Assets subject to the dispute being excluded, and the Base Purchase Price reduced for the entire Allocated Values thereof) and the Closing shall subsequently occur with respect to the Assets made the subject of the dispute within thirty (30) days following the final resolution of the dispute unless Seller elects exclusion of the affected Assets; *provided*, that the Closing may also be delayed at Seller's election in the event that Buyer seeks to terminate the Agreement in accordance with Section 7.7.

Notwithstanding anything to the contrary herein, the amount of any Base Purchase Price adjustment for any Title Defect shall be determined without duplication of any costs or losses included in any other adjustments for Title Defects hereunder, or for which Buyer otherwise receives a downward adjustment in the Base Purchase Price. Further, the aggregate sum of all Title Defect Amounts attributable to the effects of all Title Defects upon any Asset shall not exceed the lesser of the Allocated Value of the affected Asset and the reasonable cost to cure such Title Defects. For all Title Defects and Additional Interests, Seller shall (i) in the case of Title Defects, elect to either: (1) cure the applicable Title Defect on or prior to the Closing; (2) sell to Buyer the entire Well(s), Inventory Location(s) (along with the corresponding Lease(s)) affected by the Title Defect but reduce the Base Purchase Price by the agreed-upon Title Defect Amount associated with such Title Defect; *provided*, *however*, that if Seller is able to cure the applicable Title Defect(s) on or before the expiration of the Cure Period, then Seller shall include an upward adjustment in the Final Settlement Statement (or in an updated version thereof if cured after the Final Settlement Statement has been finalized pursuant to Section 11.3) equal to the agreed-upon Title Defect Amount associated with such Title Defect(s); *provided*, *further*, *however*, that if the Title Defect Amount as finally decided between the Parties or pursuant to Section 19.4, as applicable, is less than the Title Defect Amount used for the Base Purchase Price adjustment in the Closing Settlement Statement, then Seller shall include an upward adjustment in the Final Settlement Statement (or in an updated version thereof if finally determined or resolved after the Final Settlement Statement has been finalized pursuant to Section 11.3) equal to the amount that the applicable Title Defect Amount (as set forth in the Closing Settlement Statement) exceeds the applicable Title Defect Amount, as finally determined; (3) exclude from this transaction any Well or Lease affected by the Title Defect and reduce the Base Purchase Price by the entire Allocated Value of the Well(s), Inventory Location(s) (due to the exclusion of the corresponding Lease(s)) so excluded; or (4) if the Asset is excluded from this transaction pursuant to clause (3) above and Seller cures the Title Defect prior to expiration of the Cure Period, Buyer shall purchase such excluded Asset for its Allocated Value as of the Effective Time; or (ii) in the case of an Additional Interest, sell to Buyer the entire Well(s), Inventory Location(s) (along with the corresponding Lease(s)) affected by the Additional Interest at the original Allocated Value set forth on either **Exhibit "E-1"** or **Exhibit "E-2"**, as applicable, attributable to

such Wells and/or Inventory Locations, increased by the agreed-upon amount associated with such Additional Interest. If, after the end of the Cure Period, Seller and Buyer are unable to agree upon the existence or extent of any Title Defect (or cure thereof), Additional Interest or the amounts to be attributable thereto, such dispute(s) shall be exclusively and finally resolved in accordance with the dispute provisions of Section 19.4. Notwithstanding anything herein to the contrary, in no event shall there be any adjustments to the Base Purchase Price or other remedies provided by Seller for any individual Title Defect for which the Title Defect Amount does not exceed Seventy-Five Thousand and No/100 Dollars ($75,000.00) (the "Individual Title Defect Threshold").

7.6 Deductible for Title and Environmental Defects. Notwithstanding the provisions set forth above, and without limitation of Sections 7.1 and 8.1, no individual Title Defect or Environmental Defect shall result in an adjustment to the Base Purchase Price unless the aggregate net value of the sum (applied as a deductible and not a threshold) of (a) all Title Defects Amounts agreed to by the Parties that exceed the Individual Title Defect Threshold and (b) all Environmental Defects Values agreed to by the Parties that exceed the Individual Environmental Defect Threshold are greater than 2.875% of the Base Purchase Price (the "Deductible Amount"). In such event, the Base Purchase Price on the Closing shall be adjusted by the aggregate net value of the sum of (x) all Title Defect Amounts attributable to all uncured Title Defects and (y) all Environmental Defect Values attributable to all unremediated Environmental Defects that collectively exceed the Deductible Amount.

7.7 Termination Thresholds for Defects.

(a) If, because of agreed Title Defects and Environmental Defects, in the aggregate, the Base Purchase Price is to be adjusted downward by an amount exceeding fifteen percent (15%) of the Base Purchase Price (the "Mutual Termination Threshold"), either Party may, upon written notice to the other Party, terminate this Agreement; *provided*, that in the event the Mutual Termination Threshold is met, subject to Seller's right to exclude an Asset under Section 7.5, Seller may elect to delay the Closing for a period of up to thirty (30) days and elect to cure Open Matters during such thirty (30) day period or submit Open Matters to arbitration in accordance with Section 19.4. In such instance, the arbitrator's determination shall be made within fifteen (15) days after submission of any such Open Matters and shall be final and binding upon both Parties.

(b) Notwithstanding anything to the contrary contained in this Agreement, if, without giving effect to the Deductible Amount or the Individual Title Defect Threshold, the aggregate sum of the asserted Title Defect Amounts for all Title Defects that are asserted by Buyer pursuant to Article 7 equals or exceeds an amount that is equal to seven and one-half percent (7.5%) of the Base Purchase Price (the "Seller Termination Threshold"), then Seller shall have the right, but not the obligation, to elect (in its sole discretion) to terminate this Agreement by delivering written notice to Buyer of such election prior to the Closing Date.

7.8 Special Warranty of Defensible Title. Buyer is not entitled to protection under Seller's special warranty of Defensible Title contained in any of the Conveyances against any Title Defect that is asserted by Buyer in a Title Defect Notice in accordance with this Article 7, regardless of the outcome of such assertion and whether such assertion is subsequently withdrawn or otherwise. As to any Title Defect claim by a third party after Closing that properly invokes the Special Warranty

of Defensible Title provided by Seller under any of the Conveyances, Buyer may file a claim against Seller to enforce its rights thereunder. Recovery by Buyer for any breach by Seller of the special warranty of Defensible Title contained in any of the Conveyances, together with any downward adjustments to the Base Purchase Price by the applicable Title Defect Amount, shall not exceed the Allocated Value of the affected Well and/or Inventory Location. To assert a claim for breach of Seller's special warranty of Defensible Title contained in any of the Conveyances, Buyer shall be required to provide a Title Defect Notice to Seller meeting the requirements of Section 7.3, which shall set forth the matters asserted to have resulted in such a breach. Seller shall have a reasonable opportunity (but not the obligation) to cure any breach of Seller's special warranty of Defensible Title set forth in the Conveyances asserted by Buyer pursuant to this Section 7.8, and Buyer shall reasonably cooperate with any such curative attempt by Seller.

ARTICLE 8
ENVIRONMENTAL MATTERS; ENVIRONMENTAL INDEMNITY

8.1 Environmental Assessment; Environmental Defect Notice.

(a) Beginning on the closing of the Samson transaction and ending at the expiration of the Due Diligence Period, Buyer shall, subject to, and without limitation of, the terms of the Site Access Agreement, have the right, at its sole cost, risk, liability, and expense, to conduct a Phase I Environmental Site Assessment of the Wells, Inventory Locations, Facilities and Equipment and Leases. Subject to, and without limitation of the terms of the Site Access Agreement, during Seller's regular hours of business and after providing Seller with written notice of any such activities no less than two (2) Business Days in advance (which written notice shall include the written permission of the operator (if other than Seller) and any applicable third party operator or other third party whose permission is legally required, which Seller shall reasonably cooperate with Buyer in securing, but which Buyer acknowledges and agrees may not ultimately be secured), Buyer and its representatives shall be permitted to enter upon the Assets, inspect the same, review all of Seller's files and records (other than those for which Seller has an attorney-client privilege) relating to the Wells, Inventory Locations, Facilities and Equipment and Leases, and generally conduct visual, non-invasive tests, examinations, and investigations. No sampling or other invasive inspections of the Wells, Inventory Locations, Facilities and Equipment or Leases may be conducted prior to the Closing without Seller's prior written consent. Buyer agrees to provide Seller promptly, but in no event more than five (5) days after receipt or creation, copies of all final reports and test results prepared by Buyer or any of Buyer's representatives which contain data collected or generated from Buyer's due diligence with respect to the Wells, Inventory Locations, Facilities and Equipment and Leases. Seller shall not be deemed by its receipt of any said documents to have made any representation or warranty, express, implied or statutory, as to the condition of the Wells, Inventory Locations, Facilities and Equipment or Leases or to the accuracy of said documents or the information contained therein. Subject to, and without limitation of, the terms and conditions of the Site Access Agreement, during all periods that Buyer or any of Buyer's representatives are accessing the Assets, Buyer will maintain, at its sole expense, reasonably adequate policies of insurance that includes each member of the Seller Group as additional insureds thereunder. Upon Buyer's receipt of written request by Seller, Buyer will provide evidence of such insurance to Seller (or any third party designated by Seller) prior to entering upon the Assets. Buyer acknowledges that Seller is

subject to the confidentiality requirements of the Samson PSA and cannot provide the access contemplated this Section 8.1(a) until the closing of the transactions contemplated by the Samson PSA with respect to the Assets.

(b) Prior to the expiration of the Due Diligence Period, Buyer shall give Seller written notice (an "Environmental Defect Notice") of any Environmental Defect. Notwithstanding anything herein to the contrary, the following shall not constitute or otherwise give rise to any Environmental Defect: any condition, contamination, liability, loss, cost, expense or claim related to NORM, asbestos, and all losses, obligations and liabilities for plugging, decommissioning, removal of equipment, abandonment and restoration obligations that arise by contract, lease terms, Environmental Laws or requested by Governmental Authorities .Each Environmental Defect will be addressed as a single incident or condition, and the Environmental Defects shall not be aggregated on a per condition basis or otherwise (i.e., a condition found at all of the Wells shall not be aggregated, but instead, shall be evaluated on a site-by-site basis). Notwithstanding anything herein to the contrary, in no event shall there by any adjustments to the Base Purchase Price or other remedies provided by Seller for any individual Environmental Defect for which the Environmental Defect Value does not exceed One Hundred Ten Thousand and No/100 Dollars ($110,000.00) (the "Individual Environmental Defect Threshold"). To be effective, an Environmental Defect Notice must be asserted in good faith, delivered in writing, and: (i) must be received by Seller as soon as reasonably practical after discovery of the Environmental Defect by Buyer, but in any event on or before expiration of the Due Diligence Period; (ii) must be based on credible and probative evidence substantiated by Buyer's environmental representatives (which may include internal employees or personnel of Buyer, its Affiliates or third parties); (iii) the evidence referred to in Section 8.1(b)(ii) must be fully described and in the case of documentary evidence, enclosed; (iv) must describe the Wells, Inventory Locations, Facilities and Equipment and/or Leases affected, and shall reasonably describe the remediation and/or restoration required to remedy the Environmental Defect, as recommended in good faith by Buyer's environmental representatives; and (v) must state Buyer's good faith estimate of the Environmental Defect Value with respect to the applicable Environmental Defect. If an Environmental Defect Notice (A) is not timely delivered with respect to an Environmental Defect or (B) does not meet the requirements set forth in clauses (i) – (v) above, such Environmental Defect Notice shall not be effective and Buyer shall thereafter be deemed to have accepted such Well, Facilities and Equipment and/or Lease in its current condition and to have forever waived Buyer's right to assert an Environmental Defect with respect thereto.

8.2 Remedy for Environmental Defects. If Buyer provides a valid Environmental Defect Notice in accordance with Section 8.1, Seller may provide for one of the remedies set forth in this Section 8.2 with respect to the Environmental Defect that is subject to such Environmental Defect Notice, but, for the avoidance of doubt, each such remedy, and the aggregate of all remedies, shall be limited in accordance with, and subject to in all respects, Sections 7.6 and 8.1.

(a) Remedy. If Buyer timely delivers a valid Environmental Defect Notice to Seller, Seller, at its election, shall have the option of (i) remediating or otherwise curing the Environmental Defect to the extent of the Lowest Cost Response on or before expiration of the Cure Period, (ii) contesting the existence of an Environmental Defect or Buyer's estimate of the Environmental Defect Value pursuant to Section 8.2(c), (iii) paying Buyer's good faith estimate of

the Environmental Defect Value in the form of a reduction to the Base Purchase Price (an " Environmental Adjustment"), or (iv) excluding the affected Well, Inventory Location, Facilities and Equipment and/or Lease pursuant to Section 8.2(b). For the avoidance of doubt, Seller shall not have waived its right to contest the existence of an Environmental Defect or the Environmental Defect Value by electing the remedy set forth in Section 8.2(d)(i).

(b) Exclusion of Affected Well, Inventory Location and/or Lease . At Seller's sole option, an exclusion adjustment may be made in an amount equal to the Allocated Value of the Well, Inventory Location, Facilities and Equipment and/or Lease which is the subject of a valid Environmental Defect Notice. In such event, Seller shall retain the affected Well, Inventory Location, Facilities and Equipment and/or Lease, and the Base Purchase Price shall be reduced by the Allocated Value of such Well, Inventory Location, Facilities and Equipment and/or Lease, as applicable.

(c) Contested Environmental Defects. If Seller contests the existence of any Environmental Defect or Buyer's estimate of the applicable Environmental Defect Value, Seller shall notify Buyer no later than five (5) Business Days after Seller's receipt of the applicable Environmental Defect Notice. In such instance, Buyer and Seller shall meet on or before forty (40) days following the Record Access Date and use their reasonable commercial efforts to, prior to the Closing, either: (i) agree to reject the Environmental Defect, in which case Buyer shall waive the Environmental Defect; or (ii) agree on the validity of the Environmental Defect and the Environmental Defect Value, in which case Seller shall have the options described in Section 8.2(a) (except the right to contest). If Seller and Buyer cannot agree on either option (i) or (ii) in the preceding sentence, the Environmental Defect or the Environmental Defect Value shall be resolved in accordance with the dispute resolution provisions set forth in Section 19.4. Notwithstanding any of the preceding provisions of this Section 8.2(c), all Environmental Adjustments shall be made prior to the Closing, which Closing shall be extended until resolution of any disputes relating to the Environmental Defects; *provided*, *however*, that if adjustments for alleged Title Defects and Environmental Defects do not, in the aggregate, exceed the Mutual Termination Threshold and Seller has not exercised its termination right under Section 7.7(b), then the Closing shall occur as to the other Assets that are not subject to the dispute (with the portion of the Assets subject to the dispute being excluded, and the Base Purchase Price reduced for the entire Allocated Values thereof) and the Closing shall subsequently occur with respect to the Assets made the subject of the dispute within thirty (30) days following the final resolution of the dispute unless Seller elects exclusion of the affected Assets.

(d) Remediation. If Seller elects to pursue remediation or cure as set forth in this Section 8.2(d), Seller shall implement such remediation or cure in a manner that is in compliance with all applicable laws in a reasonably prompt fashion for the type of remediation or cure. If Seller elects to pursue remediation or cure and:

(i) completes a Complete Remediation of an Environmental Defect prior to the Closing Date, the affected Lease(s), Inventory Location(s) and/or Well(s) shall be included in the Assets conveyed at the Closing, and no Base Purchase Price adjustment will be made for such Environmental Defect;

(ii) does not complete a Complete Remediation prior to the Closing, unless Seller elects to exclude such Well(s), Inventory Location(s), Facilities and Equipment or Lease(s) in accordance with Section 8.2(a), then Seller shall convey the affected Well(s), Inventory Location(s), Facilities and Equipment or Lease(s) to Buyer and Buyer shall pay for the affected Well(s), Inventory Location(s), Facilities and Equipment or Lease(s) at the Closing and the Base Purchase Price will be adjusted downward in an amount equal to the Environmental Defect Value for such Well(s), Inventory Location(s), Facilities and Equipment or Lease(s); *provided, however*, that if Seller is able to complete a Complete Remediation on or before expiration of the Cure Period, then Seller shall include an upward adjustment in the Final Settlement Statement (or in an updated version thereof if completed after the Final Settlement Statement has been finalized pursuant to Section 11.3) equal to the Environmental Defect Value for such Well(s), Inventory Location(s), Facilities and Equipment or Lease(s); *provided, further, however*, that if the Environmental Defect Value as finally decided between the Parties or pursuant to Section 19.4, as applicable, is less than the Environmental Defect Value used for the Base Purchase Price adjustment set forth in the Closing Settlement Statement, then Seller shall include an upward adjustment in the Final Settlement Statement (or in an updated version thereof if finally determined or resolved after the Final Settlement Statement has been finalized pursuant to Section 11.3) equal to the amount that the Environmental Defect Value (as set forth in the Closing Settlement Statement) exceeds the Environmental Defect Value, as finally determined.

8.3 Acceptance of Environmental Condition. **SUBJECT TO THE OTHER TERMS AND PROVISIONS SET FORTH IN THIS AGREEMENT, UPON THE OCCURRENCE OF THE CLOSING, BUYER AGREES TO ACCEPT THE ENVIRONMENTAL CONDITION OF THE ASSETS CONVEYED AT THE CLOSING (OR ANY OTHER SUBSEQUENT CLOSING PURSUANT TO THE TERMS OF THIS AGREEMENT), INCLUDING, BUT NOT LIMITED TO, COSTS TO CLEAN UP OR REMEDIATE; AND SUBJECT TO THE OTHER TERMS AND PROVISIONS SET FORTH IN THIS AGREEMENT, BUYER HEREBY AGREES TO RELEASE SELLER FROM ANY AND ALL LIABILITY AND RESPONSIBILITY THEREFOR AND AGREES TO INDEMNIFY, DEFEND, AND HOLD SELLER HARMLESS FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, FINES, EXPENSES, COSTS, LOSSES, AND LIABILITIES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS) IN CONNECTION WITH THE ENVIRONMENTAL CONDITION OR BUYER'S FAILURE TO PROPERLY REMEDIATE THE CONDITION. BUYER ACKNOWLEDGES AND AFFIRMS THAT THE ASSETS CONVEYED AT THE CLOSING (OR ANY OTHER SUBSEQUENT CLOSING PURSUANT TO THE TERMS OF THIS AGREEMENT) HAVE BEEN UTILIZED FOR THE PURPOSE OF EXPLORATION, PRODUCTION AND DEVELOPMENT OF OIL AND GAS, AND EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, AT CLOSING, THE ASSETS WILL BE ACQUIRED IN THEIR "AS IS, WHERE IS" ENVIRONMENTAL CONDITION. BUYER HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE PHYSICAL AND ENVIRONMENTAL CONDITION OF THE ASSETS, TO THE EXTENT BUYER DEEMS NECESSARY OR APPROPRIATE AND PERMITTED BY THE SITE ACCESS AGREEMENT AND ANY OTHER ACCESS AGREEMENT ENTERED INTO BY THE PARTIES.**

8.4 NORM. Buyer acknowledges that the Assets have been used for exploration, development and production of oil, gas and water and that there may be petroleum, produced water, wastes or other materials located on, under or associated with the Interests. Facilities and Equipment and sites included in the Assets may contain NORM. NORM may affix or attach itself to the inside of wells, materials and equipment as scale, or in other forms; the wells, materials and equipment located on or included in the Assets may contain NORM and other wastes or hazardous substances/materials; and NORM containing material and other wastes or hazardous substances/materials may have been buried, come in contact with the soil or otherwise been disposed of on or around the Assets. Special procedures may be required for the remediation, removal, transportation or disposal of wastes, asbestos, hazardous substances/materials, including hydrogen sulfide gas and NORM from the Assets. From and after the Closing, Buyer shall assume responsibility for the control, storage, handling, transporting and disposing of or discharge of all materials, substances and wastes from the Assets (including produced water, hydrogen sulfide gas, drilling fluids, NORM and other wastes), whether present before or after the Effective Time, in a safe and prudent manner and in accordance with all applicable Environmental Laws.

8.5 Environmental Indemnities. **WITHOUT LIMITATION OF THE TERMS OF THE SITE ACCESS AGREEMENT, FROM AND AFTER THE CLOSING, SUBJECT TO THE OTHER TERMS AND PROVISIONS SET FORTH IN THIS AGREEMENT, BUYER SHALL BE LIABLE TO SELLER FOR AND SHALL, IN ADDITION, INDEMNIFY, DEFEND, RELEASE AND HOLD SELLER HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, IN FAVOR OF ANY THIRD PARTY OR ENTITY FOR INJURY, ILLNESS OR DEATH OF ANY PERSON(S) OR FOR DAMAGE, LOSS, POLLUTION OR CONTAMINATION OF ANY REAL OR PERSONAL PROPERTY, GROUNDWATER OR THE ENVIRONMENT ATTRIBUTABLE TO THE ENVIRONMENTAL CONDITION OF THE ASSETS, INCLUDING, WITHOUT LIMITATION, CLAIMS ARISING UNDER ENVIRONMENTAL LAWS OR, FOR ANY OTHER CLAIMS ARISING DIRECTLY OR INDIRECTLY FROM, OR INCIDENT TO, THE USE, OCCUPATION, OWNERSHIP, OPERATION, CONDITION (WHETHER LATENT OR PATENT), MAINTENANCE OR ABANDONMENT OF ANY OF THE ASSETS AND WHETHER ARISING FROM OR CONTRIBUTED TO BY THE ACTIVE, PASSIVE, JOINT, SOLE OR CONCURRENT NEGLIGENCE, OR STRICT LIABILITY OF SELLER, OR SELLER'S CONTRACTORS OR SUBCONTRACTORS OR THE OFFICERS, DIRECTORS, AGENTS OR EMPLOYEES OF SELLER'S CONTRACTORS OR SUBCONTRACTORS, INCLUDING ANY STRICT LIABILITY UNDER ENVIRONMENTAL LAWS, REGARDLESS OF WHETHER ANY SUCH CLAIMS RESULT FROM ANY CONDITIONS, EVENTS, ACTIONS OR INACTIONS ARISING, OCCURRING OR ACCRUING PRIOR TO, ON OR AFTER THE EFFECTIVE TIME**. Buyer and Seller shall treat all information regarding any environmental conditions as confidential and shall not make any contact with any Governmental Authority or third party regarding same without the prior express written consent from the other Party unless such contact is required by applicable law.

8.6 Exclusive Remedies. The rights and remedies granted to Buyer in this Agreement are the exclusive rights and remedies against Seller related to any Environmental Condition or damages related thereto. **BUYER EXPRESSLY WAIVES AND RELEASES SELLER GROUP**

FROM ANY AND ALL OTHER RIGHTS AND REMEDIES IT MAY HAVE UNDER ENVIRONMENTAL LAWS AGAINST SELLER REGARDING ENVIRONMENTAL CONDITIONS, WHETHER FOR CONTRIBUTION, INDEMNITY OR OTHERWISE. The foregoing is a specifically bargained for allocation of risk between the Parties, which the Parties agree and acknowledge satisfies the express negligence rule and conspicuousness requirement under applicable law.

ARTICLE 9
CONSENTS; PREFERENTIAL PURCHASE RIGHTS

9.1 Consents. With respect to each Required Consent (a) that is set forth in Schedule 5.12 or (b) of which Seller otherwise obtains Knowledge prior to the Closing, Seller, prior to the Closing, shall send to the holder of each such Required Consent a notice in material compliance with the contractual provisions and/or law applicable to such Required Consent seeking such holder's consent (or waiver thereof) to the transactions contemplated hereby. If Seller fails to obtain a Required Consent (or waiver thereof) prior to the Closing, then, in each case, the Asset(s) (or portion(s) thereof) affected by such un-obtained Required Consent shall be excluded from the Assets to be assigned to Buyer at the Closing, and the Base Purchase Price shall be reduced by the Allocated Value of such Asset (or portion thereof) so excluded. In the event that a Required Consent with respect to any Asset (or portion thereof) excluded pursuant hereto that was not obtained (or waived) prior to the Closing is obtained (or waived) within one hundred eighty (180) days following the Closing, then, within ten (10) days after such Required Consent is obtained (or waived), Buyer shall purchase the Asset(s) (or portion(s) thereof) that were so excluded as a result of such previously un-obtained Required Consent and pay to Seller the amount by which the Base Purchase Price was reduced at the Closing with respect to the Asset(s) (or portion(s) thereof) so excluded (subject to adjustment as set forth in Sections 3.3 and 3.4), and Seller shall assign to Buyer the Asset(s) (or portion(s) thereof) so excluded at the Closing pursuant to an instrument in substantially the same form as the applicable Conveyance and/or Deed (in which case, the applicable Lease and/or Contract shall not constitute a Retained Asset). If Seller fails to obtain a Customary Consent (or waiver thereof) prior to the Closing and the failure to obtain such Customary Consent would not cause (i) the assignment to Buyer of any Asset (or portion thereof) affected thereby to Buyer to be void, (ii) the termination of a Lease or Contract under the express terms thereof, or (iii) result in a penalty or monetary obligation, then the Asset (or portion thereof) subject to such un-obtained Customary Consent shall nevertheless be assigned by Seller to Buyer at the Closing as part of the Assets and Buyer shall have no claim against, and Seller shall have no liability for, the failure to obtain such Customary Consent. Prior to the Closing, Seller and Buyer shall use their commercially reasonable efforts to obtain all Required Consents and Customary Consents (or waivers thereof); *provided, however*, that neither Party shall be required to incur any liability or pay any money in order to obtain any such Required Consent or Customary Consent (or waiver thereof). Without limitation of the foregoing, Buyer agrees to provide Seller with any information or documentation that may be reasonably requested by Seller and/or the third party holder(s) of any Required Consent in order to facilitate the process of obtaining such Required Consent (or waiver thereof).

9.2 Preferential Purchase Rights. With respect to each Preferential Purchase Right set forth in Schedule 5.13, Seller, prior to the Closing, shall send to the holder of each such Preferential

Purchase Right a notice in material compliance with the contractual provisions applicable to such Preferential Purchase Right. If, prior to the Closing, any holder of a Preferential Purchase Right notifies Seller that such holder intends to consummate the purchase of the Asset(s) (or portion(s) thereof) to which its Preferential Purchase Right applies, or the time for responding has not yet expired and the right has not been waived by the holder thereof, then the Asset subject to such Preferential Purchase Right shall be excluded from the Assets to be assigned to Buyer at the Closing (but only to the extent of the portion of such Asset affected by the Preferential Purchase Right), and the Base Purchase Price shall be reduced by the Allocated Value of the Asset (or portion thereof) so excluded. Seller shall be entitled to all proceeds paid by any Person exercising a Preferential Purchase Right prior to the Closing. If such holder of such Preferential Purchase Right thereafter fails to consummate the purchase of the Asset (or portion thereof) covered by such Preferential Purchase Right on or before sixty (60) days following the Closing Date, (a) Seller shall so notify Buyer, (b) Buyer shall purchase, on or before ten (10) days following receipt of such notice, such Asset (or portion thereof) that was so excluded from the Assets to be assigned to Buyer at the Closing, under the terms of this Agreement and for a price equal to the amount by which the Base Purchase Price was reduced at the Closing with respect to the Asset(s) (or portion(s) thereof) so excluded (subject to adjustment as set forth in Sections 3.3 and 3.4) and (c) Seller shall assign to Buyer the Asset (or portion thereof) so excluded at the Closing pursuant to an instrument in substantially the same form as the applicable Conveyance. If, as of the Closing, the time for exercising a Preferential Purchase Right has not expired and such Preferential Purchase Right has not been exercised or waived, then the Asset subject to such Preferential Purchase Right shall not be included in the Assets to be assigned to Buyer at the Closing. However, if the time for exercising a Preferential Purchase Right thereafter expires with the holder of such Preferential Purchase Right failing to purchase the affected Asset on or before sixty (60) days following the Closing Date, (i) Seller shall so notify Buyer, (ii) Buyer shall purchase, on or before ten (10) days following receipt of such notice, such Asset (or portion thereof) that was so excluded from the Assets to be assigned to Buyer at the Closing, under the terms of this Agreement and for a price equal to the amount by which the Base Purchase Price was reduced at the Closing with respect to the Asset(s) (or portion(s) thereof) so excluded (subject to adjustment as set forth in Sections 3.3 and 3.4) and (iii) Seller shall assign to Buyer the Asset (or portion thereof) so excluded at the Closing pursuant to an instrument in substantially the same form as the applicable Conveyance. For any Assets excluded from the Closing due to a Preferential Purchase Right and retained by Seller, the Parties shall execute a mutually agreeable Contract Operating form, whereby Buyer shall agree, until the assignment of each affected Asset to Buyer or six (6) months after the Closing Date, whichever is earlier, to serve as contract operator on behalf of Seller for all such Assets. All Assets for which any applicable Preferential Purchase Right has been waived prior to the Closing shall be sold to Buyer at the Closing pursuant to the provisions of this Agreement. Notwithstanding anything to the contrary herein, the Parties acknowledge and agree that Seller desires to sell all of the Assets and would not have entered into this Agreement but for Buyer's agreement to purchase all of the Assets as herein provided. Accordingly, it is expressly understood and agreed that Seller shall have no obligation of any kind to consummate the sale, transfer and/or conveyance of any Asset(s) (or any portion(s) thereof) to any holder of any Preferential Purchase Right applicable thereto (regardless of whether such holder has notified Seller prior to the Closing Date that such holder intends to consummate the purchase of the Asset(s) to which its Preferential Purchase Right applies) unless and until the Closing of the

transactions contemplated by this Agreement has been consummated in accordance with the terms and conditions of this Agreement.

ARTICLE 10
CONDITIONS TO CLOSING; SETTLEMENT STATEMENT; CLOSING

10.1 Seller's Conditions to Closing. The obligations of Seller at the Closing are subject to the satisfaction at or prior to the Closing, or waiver in writing by Seller, of the following conditions:

(a) All representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects (without regard to materiality or similar qualifiers), in each case as if such representations and warranties were made at and as of the Closing Date (except to the extent such representations and warranties are made as of a specified date, in which case such representations and warranties shall be true and correct as of the specified date); and Buyer shall have performed and satisfied in all material respects all covenants and agreements required to be performed and satisfied by it under this Agreement at or prior to the Closing.

(b) No injunction, order or award enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement shall have been issued by a Governmental Authority and remain in force.

(c) All material consents and approvals required of Governmental Authorities in order to sell and transfer the Assets to Buyer and otherwise close and consummate the transactions contemplated by this Agreement, except consents and approvals of assignments by Governmental Authorities that are customarily obtained after the Closing (including, for purposes of clarity, Customary Consents), shall have been received or waived in writing, or the necessary waiting period shall have expired, or early termination of the waiting period shall have been granted.

(d) Buyer shall have provided Seller evidence satisfactory to Seller that Buyer, as of the Closing (i) is qualified to do business and to own and operate the Assets in all jurisdictions in which the Assets are located and (ii) has posted all bonds and obtained all insurance required by any Governmental Authority or other body to own and operate the Assets or by any applicable operating agreement.

(e) The aggregate adjustments to the Base Purchase Price attributable to Title Defects and Environmental Defects shall not have exceeded the Mutual Termination Threshold and Seller has not exercised its termination right under Section 7.7(b).

(f) Buyer shall have performed its obligations set forth in Section 10.5.

(g) The transaction contemplated by the Samson PSA with respect to the Assets shall have closed.

10.2 Buyer's Conditions to Closing. The obligations of Buyer at the Closing are subject to the satisfaction at or prior to the Closing, or waiver in writing by Buyer, of the following conditions:

(a) All representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects (without regard to materiality or similar qualifiers) as if such representations and warranties were made at and as of the Closing Date (except to the extent such representations and warranties are made as of a specified date, in which case such representations and warranties shall be true and correct as of the specified date), and Seller shall have performed and satisfied in all material respects all covenants and agreements required to be performed and satisfied by it under this Agreement at or prior to the Closing**.**

(b) No injunction, order or award enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement shall have been issued by a Governmental Authority and remain in force.

(c) All material consents and approvals required of Governmental Authorities in order to sell and transfer the Assets to Buyer and otherwise close and consummate the transactions contemplated by this Agreement, except consents and approvals of assignments by Governmental Authorities that are customarily obtained after the Closing (including, for purposes of clarity, Customary Consents), shall have been received or waived in writing, or the necessary waiting period shall have expired, or early termination of the waiting period shall have been granted.

(d) The aggregate adjustments to the Base Purchase Price attributable to finally resolved Title Defects and alleged Environmental Defects shall not have exceeded the Mutual Termination Threshold and Seller has not exercised its termination right under Section 7.7(b).

(e) Seller shall have performed its obligations set forth in Section 10.5.

(f) The transactions contemplated by the Samson PSA with respect to the Assets shall have closed.

10.3 Closing Settlement Statement. No later than three (3) Business Days prior to Closing, Seller shall provide Buyer with a closing settlement statement covering the adjustments, without duplication, to the Base Purchase Price to be made at the Closing under this Agreement (the "Closing Settlement Statement"). To the extent available, actual numbers shall be used. If not available, Seller shall use good faith estimates of the same, which estimates shall be adjusted to take into account actual numbers in connection with the Final Settlement Statement described in Section 11.3 below. In preparing the Closing Settlement Statement, Seller shall have no obligation to make an accrual for revenues not received as of the Closing. Within two (2) Business Days after receipt of the Closing Settlement Statement, Buyer will deliver to Seller a written report containing all changes, with explanations therefor, that Buyer proposes to be made to the Closing Settlement Statement. The Parties shall in good faith attempt to agree on the Closing Settlement Statement as soon as possible after Seller's receipt of Buyer's written report. The Closing Settlement Statement, as agreed upon by the Parties, will be used to adjust the Base Purchase Price at the Closing; *provided*, that if the Parties do not agree upon an adjustment set forth in the Closing Settlement Statement, then the amount of such adjustment used to adjust the Base Purchase Price at the Closing shall be that amount set forth in the draft Closing Settlement Statement delivered by Seller to Buyer pursuant to this Section 10.3.

10.4 Scheduled Closing Date and Place. Subject to the satisfaction of the conditions set forth in Sections 10.1 and 10.2 (other than those conditions that by their nature are to be satisfied by actions taken at the Closing or can only be satisfied as of the Closing), the closing of the transactions contemplated by this Agreement shall be held on the later of November 15, 2017 or forty seven (47) days following the Records Access Date, or such other date occurring on or before the Outside Date as Buyer and Seller may agree upon in writing (the "Scheduled Closing Date"), at the office of Locke Lord LLP, 600 Travis, Suite 2800, Houston, Texas 77002, or at such other time and place as the Parties mutually agree (the "Closing"); *provided*, that if the Closing is not held on the Scheduled Closing Date, it shall occur as soon thereafter as such conditions have been satisfied or waived, subject to the termination rights of the Parties set forth in Article 18. The date on which the Closing occurs shall be the "Closing Date".

10.5 Closing Activities. The following actions shall take place at the Closing:

(a) Certificates. Each Party shall deliver to the other Party a certificate in a form reasonably satisfactory to the other Party, dated as of the Closing, and executed by a duly authorized officer, partner, attorney-in-fact or owner, as appropriate, of such Party, certifying that the conditions to Closing as set forth in Section 10.1(a) or Section 10.2(a), as the case may be, have been met.

(b) Conveyance. Seller and Buyer shall execute, acknowledge and deliver two (2) counterpart copies of the Conveyance (substantially in the form set forth as **Exhibit "F"** attached hereto) to be filed in each respective County/Parish where the Assets are located, assigning and conveying the Assets to Buyer, as well as the requisite number of applicable governmental assignment forms.

(c) Deeds. Seller and Buyer shall execute, acknowledge and deliver two (2) counterpart copies of each of the Deeds (substantially in the form set forth as **Exhibit "G"**, attached hereto) to be filed in each respective County/Parish where the applicable Mineral Interests or other relevant Assets are located, assigning and conveying such Assets to Buyer, as well as the requisite number of applicable governmental assignment forms.

(d) Payment. Buyer shall deliver to an account designated in writing by Seller by wire transfer of same day funds the amount as set forth on the Closing Settlement Statement.

(e) Joint Written Instructions. Seller and Buyer shall execute and deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to release and deliver to Seller by wire transfer of same day funds an amount that is equal to the Deposit and all interest accrued thereon.

(f) Additional Documents. Buyer shall (i) furnish to Seller such evidence (including evidence of satisfaction of all applicable bonding or insurance requirements) as Seller may reasonably require demonstrating that Buyer is qualified with the applicable Governmental Authorities or pursuant to any operating agreement to succeed Seller as the owner and, where applicable, the operator of the Assets, (ii) with respect to Assets operated by Seller where Buyer is to succeed Seller as operator, execute and deliver to Seller appropriate evidence reflecting change of operator as required by applicable Governmental Authorities, (iii) execute and deliver to Seller

such forms as Seller may reasonably request for filing with applicable Governmental Authorities to reflect Buyer's assumption of plugging and abandonment liabilities with respect to all of the Assets, and (iv) execute and deliver to Seller any other agreements, instruments and documents that are required by other terms of this Agreement to be executed and/or delivered at the Closing.

(g) Possession. Seller shall (subject to the terms of any applicable operating agreements and to the other provisions hereof) deliver to Buyer possession of the Assets to be conveyed at the Closing.

(h) Letters-in-Lieu. Seller and Buyer shall execute and deliver to Buyer the letters-in-lieu or transfer orders provided for in Section 13.3.

(i) Release of JPMorgan Mortgage. Seller shall deliver to Buyer copies of duly executed releases of the JPMorgan Mortgage encumbering the Samson Credit Group's interest in the Assets.

(j) Closing Settlement Statement. Seller and Buyer shall execute and deliver to the other Party the Closing Settlement Statement.

(k) FIRPTA Certificate. Seller (or, if Seller is classified as an entity disregarded as separate from another Person, then such Person) shall deliver to Buyer an executed statement that meets the requirements set forth in Treasury Regulation §1.1445-2(b)(2).

(l) Transition Services Agreement. Seller and Buyer shall execute and deliver to the other Party the Transition Services Agreement.

ARTICLE 11
POST-CLOSING OBLIGATIONS

Seller and Buyer agree to the following post-Closing obligations:

11.1 Recordation and Filing of Documents. After the Closing, Buyer shall file or record the Conveyances in the appropriate county, parish and governmental records. Buyer shall provide a copy of same, including recording date, to Seller, all at the sole cost of Buyer.

11.2 Records. Seller shall use commercially reasonable efforts to furnish Buyer with the Records in the form and format as maintained by Seller or the Samson Seller Group as applicable within ten (10) calendar days of the Closing; *provided,* that Seller shall not be required to conduct processing, conversion, compiling or any similar work with respect to the furnishing of the Records. All costs associated with delivering or copying the Records shall be borne solely by Buyer. Insofar as Seller reasonably believes the Records may be needed or useful in connection with federal, tribal, state or local regulatory or Tax matters or resolution of disputes, litigation, or contract compliance issues, Buyer (for a period of seven (7) years after the Closing) shall further make available to Seller or its Affiliates (at the location of such Records in Buyer's organization) access to the Records during normal business hours, upon not less than two (2) Business Days' prior written request by Seller, and Seller shall have the right to copy at its own expense and retain such copies of the Records

as Seller, in good faith, believes may be useful or needed in connection with the above-described matters. If, however, Buyer elects to destroy any of the Records prior to the expiration of the seven (7) year period, Buyer shall give to Seller written notice of such intent at least thirty (30) days prior to such destruction and Seller shall have the option, at its expense, of having such Records delivered to it.

11.3 Final Settlement Statement. Seller shall issue a final settlement statement covering all adjustments, without duplication, to the Base Purchase Price that were not included (or otherwise were only included as an estimate) in the Closing Settlement Statement (the "Final Settlement Statement") within one hundred twenty (120) days after the Closing (the "Settlement Submission Date"). Buyer shall respond with objections and proposed corrections within thirty (30) days of the date of Seller's issuance of the Final Settlement Statement. If Buyer does not respond with objections and the support therefor to the Final Settlement Statement in writing within thirty (30) days of the issuance of the Final Settlement Statement, said Final Settlement Statement shall be deemed approved by Buyer. In the event that Buyer does respond and objects within this time period, the Parties shall meet within fifteen (15) days following Seller's receipt of Buyer's objections and attempt to resolve the disputed items. If the Parties are unable to resolve the disputed items by the end of such fifteen (15) day period, the dispute shall be resolved in accordance with the dispute resolution provisions set forth in Section 19.4. After approval by both Parties (or after final resolution of the same under Section 19.4), the net adjustment due pursuant to the Final Settlement Statement for the Assets conveyed shall be summarized and a net check or invoice shall be sent to Buyer or Seller, as the case may be. Buyer or Seller, as the case may be, agrees to promptly pay any such invoice within ten (10) days after receipt thereof. Notwithstanding the foregoing, if any matters relating to Title Defects, Additional Interests or Environmental Defects are finally determined or otherwise resolved after the Final Settlement Statement has been finalized and the net adjustment has been paid, Seller shall issue an updated version of the Final Settlement Statement that reflects such final determination or resolution, and as promptly as reasonably practicable thereafter, a net check or invoice shall be sent to Buyer or Seller, as the case may be.

11.4 Cooperation with Seller's Retained Assets . Buyer agrees to use reasonable efforts to cooperate in connection with Seller's removal of all personal property associated with the Retained Assets (to the extent applicable).

11.5 Buyer Cooperation.

(a) After the Closing, if Seller receives proceeds attributable to a Retained Asset hereunder, but also associated with the Assets conveyed to Buyer, and further, if Seller desires to make distributions to third parties of their proportionate share of such proceeds received, the Parties acknowledge and agree that Seller will not have, and will not be under any obligation to maintain, updated ownership records related to the Assets. Accordingly, Buyer agrees to use commercially reasonable efforts to assist Seller in making such distributions to third parties under such circumstances including, but not limited to, taking possession of and distributing such proceeds to be distributed; *provided, however*, that Seller has provided to Buyer adequate detail to support the amount of proceeds to be so distributed.

(b) After the Closing, if Seller receives notice from any Person or Governmental Authority related to an Asset that is not listed on **Exhibit "A"**, **Exhibit "B-1"**, or **Exhibit "C"**, but that is included within the definition of Assets hereunder (and was otherwise conveyed to Buyer at the Closing), Buyer, along with its successors and assigns, shall take all reasonable steps necessary to modify property and/or regulatory records to reflect Buyer's ownership of such Asset including, but not limited to, executing necessary Conveyances and submitting applicable governmental forms related thereto.

11.6 Suspense Accounts. As set forth and itemized on Schedule 11.6 attached hereto, Seller currently maintains suspense accounts pertaining to oil and gas heretofore produced comprising monies payable to royalty owners, mineral owners and other Persons with an interest in production associated with the Assets that Seller has been unable to pay (the "Suspense Accounts"). As identified in the Closing Settlement Statement, a downward adjustment to the Base Purchase Price will be made at the Closing to reflect the Suspense Accounts as of the Closing Date and the Suspense Accounts shall be further adjusted, if necessary, in the Final Settlement Statement. Subject to the other provisions hereof, Buyer shall assume full and complete responsibility and liability for proper payment of the funds comprising the Suspense Accounts as set forth on the "Final Suspense Account Statement" (which shall be provided by Seller to Buyer with the Final Settlement Statement required in Section 11.3), but only to the extent such Suspense Accounts (a) are delivered to Buyer or (b) otherwise result in a downward adjustment to the Base Purchase Price (including any liability that arises after Closing under any unclaimed property law or escheat statute), all of which shall constitute "Assumed Obligations" for all purposes under this Agreement from and after the Closing.

11.7 Further Assurances. Buyer and Seller further agree that each shall, from time to time and upon reasonable request, use reasonable efforts to execute, acknowledge, and deliver in proper form, any instrument of conveyance, assignment, transfer, or other instruments reasonably necessary for transferring title in the Assets to Buyer or otherwise to implement the transactions contemplated herein.

11.8 Successor Operator. Buyer acknowledges and agrees that Seller cannot and does not covenant or warrant that Buyer shall become successor operator of the Assets (or portions thereof), including, without limitation, those Assets that the Samson Operator (or its Affiliates) may presently operate, or that Seller may become operator of after the Samson PSA closing, because such Assets (or portions thereof), may be subject to operating or other agreements that control the appointment of a successor operator. Seller agrees, however, that as to the Assets that are operated the Samson Operator or Seller or any of its Affiliates, Seller shall use commercially reasonable efforts to support Buyer's efforts to become successor operator of such Assets (to the extent permitted under any applicable operating agreement) effective as of the Closing (at Buyer's sole cost and expense) and to designate or appoint, to the extent legally possible and permitted under any applicable operating agreement, Buyer as successor operator of such Assets, effective as of the Closing.

ARTICLE 12
TAXES

12.1 Asset Taxes.

(a) Seller shall be allocated and bear all Asset Taxes attributable to the Assets with respect to (i) any Tax period ending prior to the Effective Time and (ii) the portion of any Straddle Period ending immediately prior to the Effective Time, and Buyer shall be allocated and bear all Asset Taxes attributable to the Assets with respect to (x) any Tax period beginning at or after the Effective Time and (y) the portion of any Straddle Period beginning at the Effective Time.

(b) For purposes of determining the allocations described in Section 12.1(a), (i) Asset Taxes that are attributable to the severance or production of Hydrocarbons shall be allocated to the period in which the severance or production giving rise to such Asset Taxes occurred, (ii) Asset Taxes that are based upon or related to sales or receipts or imposed on a transactional basis (other than such Asset Taxes described in clause (i) above or (iii) below), shall be allocated to the period in which the transaction giving rise to such Asset Taxes occurred, and (iii) Asset Taxes that are ad valorem, property or other Asset Taxes imposed on a periodic basis pertaining to a Straddle Period shall be allocated between the portion of such Straddle Period ending immediately prior to the Effective Time and the portion of such Straddle Period beginning at the Effective Time by prorating each such Asset Tax based on the number of days in the applicable Straddle Period that occur before the date on which the Effective Time occurs, on the one hand, and the number of days in such Straddle Period that occur on or after the date on which the Effective Time occurs, on the other hand. Buyer shall send to Seller a statement that apportions each Asset Tax pursuant to this Section 12.1(b) based upon the amount of Asset Taxes actually invoiced and paid to the applicable Governmental Authority by Buyer. Such statement shall be accompanied by proof of Buyer's actual payment of such Asset Taxes. Within ten (10) business days of receipt of each such statement and proof of payment, Seller shall reimburse Buyer for Seller's allocated portion of such Asset Taxes.

12.2 Transfer Taxes. To the extent that any sales, purchase, transfer, stamp, documentary stamp, registration, use or similar taxes ("Transfer Taxes") are payable by reason of the sale of the Assets under this Agreement, such Transfer Taxes shall be borne and timely paid by Buyer. Seller will determine, and Buyer will cooperate with Seller in determining the amount of any such Transfer Taxes, if any, that are due in connection with the transactions contemplated by this Agreement and Buyer will pay any such Transfer Tax to Seller and Seller shall remit such Transfer Taxes to the appropriate Governmental Authority and any such payment shall not be considered a reduction in the Purchase Price. Any state or local Tax specified above, inclusive of any penalty and interest, assessed at a future date against Seller with respect to the transaction covered herein shall be paid by Buyer or, if paid by Seller, Buyer shall promptly reimburse Seller therefor.

12.3 Payment of Taxes; Filing of Tax Returns . After the Closing Date, (a) Buyer shall, subject to its indemnification rights under Section 15.4, be responsible for paying all Taxes with respect to the Assets that become due and payable after the Closing Date and shall file with the appropriate Governmental Authority any and all Tax Returns required to be filed after the Closing Date with respect to such Taxes, (b)Buyer shall submit each such Tax Return that relates to a Tax period ending on or before the Effective Time or that includes the Effective Time to Seller for its review and comment reasonably in advance of the due date therefor, and (c) Buyer shall timely file any such Tax Return, incorporating any comments received from Seller prior to the due date therefor.

12.4 Tax Cooperation. The Parties shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns and any audit, litigation or other proceeding with respect to Taxes relating to the Assets. Such cooperation shall include the retention and (upon another Party's request) the provision of records and information that are relevant to any such Tax Return or audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided under this Agreement. Seller and Buyer agree to retain all books and records with respect to Tax matters pertinent to the Assets relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations of the respective taxable periods and to abide by all record retention agreements entered into with any Governmental Authority.

12.5 Exchange Provision. Each of Seller and Buyer shall have the right, prior to the Closing, to elect to effect a tax-deferred exchange under Internal Revenue Code Section 1031 (a "Tax Deferred Exchange") for the Assets. If a Party elects to effect a Tax Deferred Exchange, the other Party agrees to reasonably cooperate in completing such exchange, including executing escrow instructions, documents, agreements or instruments to effect the exchange; *provided*, *however*, that the other Party shall incur no additional costs, expenses, fees or liabilities as a result of or connected with the Tax Deferred Exchange. Each of Seller and Buyer, as the case may be, may assign any of its rights and delegate performance of any of its duties under this Agreement in whole or in part to a third party in order to effect such an exchange; *provided*, *however*, that each of Seller and/or Buyer shall remain responsible to the other Party for the full and prompt performance of its respective delegated duties. The electing Party shall indemnify and hold the other Party and its affiliates harmless from and against all claims, expenses (including reasonable attorneys' fees), loss and liability resulting from its participation in any exchange undertaken pursuant to this Section 12.5 pursuant to the request of the electing Party.

ARTICLE 13
OWNERSHIP OF ASSETS

13.1 Distribution of Production. All marketable oil in storage above the pipeline connection or marketable gas beyond the meters at the Effective Time shall be credited to Seller, less applicable royalties. With respect to Assets operated by Samson Operator or Seller, the applicable operator shall have gauged the oil in storage and read all gas meter charts as of the Effective Time, but shall not include unmarketable sludge or linefill. For Seller non-operated Assets, the quantity of such oil in storage or gas beyond the meters shall be determined on the same basis as that used for Seller-operated Assets based on operator reports or applicable state regulatory agency production reports or records, but shall not include unmarketable sludge or linefill. As part of the Closing Settlement Statement, the price for such oil in storage shall be at the price that Seller has contracted to sell the oil at the Effective Time. If there is no such price, the price shall be the average of the two highest prices that are posted at the Effective Time (plus any premium) by other purchasing companies, as determined by Seller in the field or locality where the Assets are located for oil of like grade and gravity. Subject to the occurrence of the Closing, title to the oil in storage for both Seller-operated and Seller non-operated Assets shall pass to Buyer as of the Effective Time, and an upward adjustment shall be made to the Base Purchase Price due at the Closing, less applicable royalties, lease burdens and other adjustment set forth in Section 3.4(b).

13.2 Proration of Income and Expenses. Subject to, and without limitation of, the terms and conditions of this Agreement and any applicable transition services agreement, including the Transition Services Agreement, and subject to the occurrence of the Closing, (a) Seller shall be entitled to all proceeds (including, without limitation, proceeds held in suspense or escrow and COPAS overhead from third parties), receipts, credits, and income attributable to the Assets (or otherwise earned with respect thereto or in connection therewith) for all periods of time prior to the Effective Time, which amounts are received by either Party prior to, on or after the Closing Date, (b) subject to, and without limitation of Section 13.3, Buyer shall be entitled to all proceeds (including, without limitation, proceeds held in suspense or escrow and COPAS overhead from third parties), receipts, credits, and income attributable to the Assets (or otherwise earned with respect thereto or in connection therewith) for all periods of time from and after the Effective Time, which amounts are received by either Party prior to, on or after the Closing Date, (c) Seller shall be responsible for and promptly pay or reimburse Buyer, as applicable, for all Property Costs (and Seller shall be entitled to any refunds and indemnities with respect thereto) with respect to Seller's interests in the Assets that are incurred prior to the Effective Time (or that are otherwise related to any pre-Effective Time period), (d) Buyer shall be responsible for and promptly pay or reimburse Seller (if paid or incurred by Seller or any of its Affiliates), as applicable, for (i) all Property Costs (and Buyer shall be entitled to any refunds and indemnities with respect thereto) with respect to the Assets that are incurred any time from and after the Effective Time.

13.3 Notice to Third Parties. Buyer shall be responsible for informing all purchasers of production or other remitters to pay Buyer and obtain from the remitter revenues accrued after the Effective Time. Similarly, Buyer shall be responsible for informing all vendors, operators or other third party billers to request payment from Buyer and to make such payments for all costs and Claims attributable to periods from and after the Effective Time. Third parties shall be informed by Buyer via letters-in-lieu of transfer orders or such other reasonable documents which remitter may require and Seller agrees, pursuant to Section 10.5(h), to execute, such forms upon request.

13.4 Pipeline and Other Non-Wellhead Imbalances. To the extent there exists any Imbalances attributable to Hydrocarbons produced from the Assets as of the Effective Time with respect to any gas pipeline, storage or processing facility (the "Pipeline Imbalances"), at the Closing, the Base Purchase Price shall be adjusted upward or downward, as appropriate, to reflect the value of said Pipeline Imbalance. The value of said Pipeline Imbalance shall be calculated by summing the product(s) obtained by multiplying the volume of each net over-position or under-position, as the case may be, measured in the same manner as it is measured by the pipeline, storage or processing facility, as applicable, by the value at which the Pipeline Imbalance was either cashed out, made up or sold, or if otherwise undeterminable, then using the existing fair market value of, or price for, said Hydrocarbons. Buyer shall be solely responsible for any liability and solely entitled to any benefit from such Pipeline Imbalances relating to the Assets from and after the Effective Time. If the Pipeline Imbalance cannot be determined by the Closing or if the pipeline storage or processing facility makes any adjustments attributable to any period prior to the Effective Time after the Closing but before the Final Settlement Statement, then the value adjustment associated with any such Imbalance will be made in connection with the Final Settlement Statement.

ARTICLE 14
INTERIM OPERATIONS

14.1 Interim Covenants. During the period from the Execution Date to the Closing, Seller shall use commercially reasonable efforts to continue to operate as it has prior to entering into this Agreement, and to: (a) except for emergency action taken in the face of risk to life, property or the environment, not, without the prior written consent of Buyer (which shall not be unreasonably withheld, conditioned or delayed) approve or authorize any AFEs or capital expenditures over Two Hundred Fifty Thousand and No/100 U.S. Dollars ($250,000.00), net to the interest of Seller, which is received by Seller with respect to any Assets, or incur costs for discretionary expenditures for operations in excess of Two Hundred Fifty Thousand and No/100 U.S. Dollars ($250,000.00), net to the interest of Seller, for which AFEs are not prepared; (b) not transfer, sell, hypothecate, encumber, abandon or otherwise dispose of any portion of the Assets (other than the replacement or disposition of Facilities and Equipment or the sale of Hydrocarbons, in each case, in the ordinary course of business or as required in connection with the exercise by third-parties of Preferential Purchase Rights); (c) not execute, terminate, cancel, extend or materially amend or modify any Material Contract or Lease, other than the execution or extension of a Material Contract for the sale, exchange, transportation, gathering, treating or processing of Hydrocarbons terminable without penalty on ninety (90) days' or shorter notice; and (d) not waive, compromise or settle any material right or claim if such waiver, compromise or settlement would adversely affect the use, ownership or operation of any of the Assets in any material respect.

14.2 Liability of Operator. Notwithstanding Section 14.1, Seller shall not be liable to Buyer for any claims, demands, causes of action, damages, or liabilities arising out of operation of the Assets after the Effective Time, insofar as the Samson Operator or Seller continues to operate and maintain the Assets in accordance with the terms of this Agreement (including, without limitation, Section 14.1 above), and insofar as no such Claims, demands, causes of action, damages, or liabilities relating to such interim operation are the direct result of the gross negligence or willful misconduct of Samson Operator or Seller. If and to the extent that any covenant of Seller set forth in this Agreement is made with respect to an Asset for which Samson Operator or Seller is not the operator, then Seller shall not be in breach of any such covenant so long as Seller is acting in a commercially reasonable manner to exercise its rights under the applicable operating agreement to cause the relevant operator of such Assets to comply with such covenant.

14.3 Removal of Signs. Buyer shall promptly, but no later than the earlier to occur of (a) the date that is required by applicable rules and regulations or (b) thirty (30) days thereafter, remove any signs and references to Samson Seller Group or Seller and any Affiliate of Samson Seller Group or Seller, and shall erect or install all signs complying with any applicable governmental rules and regulations, including, but not limited to, those reflecting Buyer (or its designated Affiliate) as operator of the affected Assets.

14.4 Third-Party Notifications. Buyer shall make all notifications to all Governmental Authorities, "one call services" and similar groups associated with the operation of the Assets within ten (10) days of the Closing. A copy of all such notifications shall be provided to Seller pursuant to the notice provisions contained in Article 17 hereof.

14.5 Seller Credit Obligations. The Parties understand that none of the bonds, letters of credit, guarantees and insurance, if any, posted or owned by Samson Seller Group or Seller with any Governmental Authority or third party and relating to the Assets conveyed to Buyer (each, an "Asset Credit Obligation") are to be transferred to Buyer. On or before the Closing Date, Buyer shall obtain, or cause to be obtained in the name of Buyer, replacements for such Asset Credit Obligations. If any such Asset Credit Obligation remains outstanding as of the Closing Date, Buyer shall indemnify each member of the Seller Group and hold them harmless from and against any losses that the Seller Group may incur under any such Asset Credit Obligation from and after the Effective Time.

14.6 Notification of Breaches. Buyer will notify Seller promptly after Buyer, any Affiliate of Buyer, or any of their respective officers or representatives obtains Knowledge that any representation or warranty of Seller contained in this Agreement is, becomes or will be untrue in any material respect on or before the Closing Date. No breach of any representation, warranty, covenant, agreement or condition of this Agreement shall be deemed to be a breach of this Agreement for any purpose under this Agreement, and none of Buyer or any Affiliate of Buyer shall have any claim or recourse against Seller or any Affiliate of Seller, or their respective directors, officers, employees, buyers, controlling Persons, agents, advisors or representatives with respect to such breach, if Buyer or any Affiliate of Buyer, or any of their respective directors, officers, employees, controlling Persons, agents, advisors or representatives, had Knowledge prior to the Execution Date of such breach or of the threat of such breach or the circumstances giving rise to such breach.

14.7 Amendment to Disclosure Schedules. Buyer agrees that, with respect to the representations of Seller contained in this Agreement, Seller shall have the continuing right until the Closing to add (including the addition of disclosure Schedules that are responsive to the representations of Seller contained herein, but for which a disclosure Schedule is not contemplated as of the Execution Date), supplement or amend the disclosure Schedules thereto with respect to any matter hereafter arising or discovered which, if existing on the Execution Date or thereafter, would have been required to be set forth or described in such disclosure Schedules. For all purposes of this Agreement, including for purposes of determining whether the conditions set forth in Section 10.2 have been fulfilled, the disclosure Schedules to Seller's representations contained in this Agreement shall be deemed to include only that information contained therein on the Execution Date and shall be deemed to exclude all information contained in any addition, supplement or amendment thereto; provided, however, that if the Closing shall occur, then, (a) with respect to any such matters first arising on or after the Execution Date and disclosed pursuant to any such addition, supplement or amendment at or prior to the Closing, all such matters shall be waived and Buyer shall not be entitled to make a claim with respect thereto pursuant to the terms of this Agreement or otherwise and (b) with respect to any such matters first arising prior to the Execution Date and disclosed pursuant to any such addition, supplement or amendment at or prior to the Closing, such matters shall not be included in any such addition, supplement or amendment if they adversely impact Buyer unless Buyer expressly agrees in writing to such additions, supplements or amendments, and if so made, all such matters shall be waived and Buyer shall not be entitled to make a claim with respect thereto pursuant to the terms of this Agreement.

14.8 Covenant Regarding Certain Records. From and after the Closing Date until the date that is two (2) years after the Closing Date (the "Records Period"), Seller shall, and shall cause its Affiliates and their respective officers, directors, managers, employees, agents and representatives to, provide reasonable cooperation to Buyer, its Affiliates and their agents and representatives to assist Buyer and its auditors in obtaining all financial information related to the Assets for any period(s) prior to the Closing Date that is necessary for Buyer to prepare and obtain financial statements, and audits thereof, relating to the Assets to the extent required to be filed (such filings, the "Filings") by Buyer or its Affiliates with the SEC pursuant to the Securities Act of 1933, as amended ("Securities Act"), and the rules and regulations thereunder or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder. During the Records Period, Seller agrees to make available to Buyer and its Affiliates and their agents and representatives any and all non-privileged (with respect to Seller) books, records, information and documents that are attributable to the Assets in Seller's or its Affiliates' possession or control and access to Seller's and its Affiliates' personnel, in each case as reasonably required by Buyer, its Affiliates and their agents and representatives in order to prepare, if required, in connection with the Filings and corresponding financial statements, along with any documentation attributable to the Assets required to complete any audit associated with such financial statements. During the Records Period, Seller shall, and shall cause its Affiliates to, provide reasonable cooperation to the independent auditors chosen by Buyer ("Buyer's Auditor") in connection with any audit by Buyer's Auditor of any financial statements of Seller or its Affiliates with respect to the Assets that Buyer or any of its Affiliates requires to comply with the requirements of the Securities Act or Exchange Act with respect to any Filings. During the Records Period, Seller and its Affiliates shall retain all books, records, information and documents in its possession that would reasonably be expected to be necessary in connection with the preparation and audit of financial statements with respect to the Assets as provided in this Section 14.8. Buyer shall indemnify, defend and reimburse Seller and Seller's representatives and agents for its reasonable out-of-pocket costs, including fees of any independent auditor or consultants, incurred by Seller in complying with the provisions of this Section. Buyer acknowledges that if Seller performs the obligations imposed upon Seller by this Section 14.8 in a commercially reasonable manner Seller shall have no liability to Buyer or any third party pursuant to this Section 14.8.

ARTICLE 15
RETENTION AND ASSUMPTION OF LIABILITY AND GENERAL INDEMNIFICATION

15.1 Seller's Retained Obligations and Buyer's Assumption of Obligations.

(a) If the Closing occurs, Seller shall retain the Retained Obligations. Subject to the Closing occurring, and further subject to Seller's indemnification provisions of Section 15.4, and unless expressly provided for otherwise hereunder, and except for the Retained Obligations, Buyer hereby assumes and agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid or discharged) all of the obligations and liabilities relating to the Assets, including (i) Seller's ownership or operation thereof, known or unknown, arising from, with respect to, or otherwise associated with or related to the Assets, whether arising or in existence before, on or after the Effective Time (except as expressly provided herein, including, without limitation, the Retained

Obligations), and whether attributable to actions, occurrences or operations conducted before, on or after, the Effective Time (except as expressly provided herein) and, (ii) those arising out of, or with respect to, the Rockcliff Assumed Obligations for which Seller is responsible pursuant to the Samson PSA; provided that Buyer shall not assume or be responsible for any matter for which the Samson Seller Group has agreed to indemnify Seller under the Samson PSA or for any matter that is a Retained Obligation as defined in the Samson PSA, REGARDLESS OF WHETHER ANY OF SUCH OBLIGATIONS, LIABILITIES OR CLAIMS MAY BE ATTRIBUTABLE, IN WHOLE OR IN PART, TO THE STRICT LIABILITY OR NEGLIGENCE OF SELLER GROUP, BUYER OR THIRD PARTIES, WHETHER SUCH NEGLIGENCE IS ACTIVE OR PASSIVE, JOINT, CONCURRENT OR SOLE (collectively, the " Assumed Obligations"). The Assumed Obligations include, without limitation, the payment and/or performance of all Taxes, leasehold and equipment rentals and release payments, royalties, excess royalties, in-lieu royalties, overriding royalty interests, production payments, net profit obligations, carried working interests, and any other matters with which the Assets may be burdened, whether arising or attributable to the periods before, on or after the Effective Time. Subject to Seller's Retained Obligations and the indemnification provisions of Section 15.4:

(i) THE ASSUMED OBLIGATIONS SHALL INCLUDE, AND BUYER, FROM AND AFTER THE CLOSING ACCEPTS SOLE RESPONSIBILITY FOR AND AGREES TO PAY, ALL COSTS AND EXPENSES INCURRED FROM AND AFTER THE EFFECTIVE TIME AND ASSOCIATED WITH PLUGGING AND ABANDONMENT OF ALL WELLS, DECOMMISSIONING OF ALL FACILITIES AND PLATFORMS, AND CLEARING AND RESTORATION OF ALL SITES, IN EACH CASE INCLUDED IN, OR ASSOCIATED WITH, THE ASSETS, AND BUYER MAY NOT CLAIM THE FACT THAT PLUGGING AND ABANDONMENT, DECOMMISSIONING, SITE CLEARANCE OR RESTORATION OPERATIONS ARE NOT COMPLETE OR THAT ADDITIONAL COSTS AND EXPENSES ARE REQUIRED TO COMPLETE ANY SUCH OPERATIONS AS A BREACH OF SELLER'S REPRESENTATIONS OR WARRANTIES MADE HEREUNDER OR THE BASIS FOR ANY OTHER REDRESS AGAINST SELLER.

(ii) SUBJECT TO ARTICLE 8, THE ASSUMED OBLIGATIONS SHALL INCLUDE, AND BUYER, FROM AND AFTER THE CLOSING ACCEPTS SOLE RESPONSIBILITY FOR AND AGREES TO PAY, ANY AND ALL COSTS AND EXPENSES ARISING OUT OF ENVIRONMENTAL LAWS (INCLUDING, WITHOUT LIMITATION, ANY COMPLIANCE OR NON-COMPLIANCE THEREWITH, ANY ADVERSE ENVIRONMENTAL CONDITIONS, AND THE DISPOSAL, RELEASE, DISCHARGE OR EMISSION OF HYDROCARBONS, HAZARDOUS SUBSTANCES, HAZARDOUS WASTES, HAZARDOUS MATERIALS, SOLID WASTES OR POLLUTANTS INTO THE ENVIRONMENT), KNOWN OR UNKNOWN, WITH RESPECT TO THE ASSETS, REGARDLESS OF WHETHER SUCH OBLIGATIONS OR LIABILITIES AROSE PRIOR TO, ON, OR AFTER THE EFFECTIVE TIME. BUYER EXPRESSLY AGREES TO ASSUME THE RISK THAT THE ASSETS MAY CONTAIN WASTE MATERIALS, INCLUDING, WITHOUT LIMITATION, NORM, HAZARDOUS SUBSTANCES, HAZARDOUS WASTES, HAZARDOUS MATERIALS, SOLID WASTES, OR OTHER POLLUTANTS, BUT SUCH ASSUMPTION SHALL NOT OTHERWISE LIMIT OR IMPAIR BUYER'S REMEDIES UNDER ARTICLE 8 OF THIS AGREEMENT.

(b) Buyer covenants and agrees that it shall not attempt to avoid the effect of the indemnification made by it above by later arguing that at the time of the indemnification it did not fully appreciate the extent of any such claims.

15.2 Definitions. For purposes of this Article 15 and all other provisions of this Agreement which contain an indemnification provision, the term "Buyer Group" shall be deemed to include Buyer and its Affiliates, all successors, heirs and assigns of Buyer and its Affiliates, and the officers, directors, shareholders, employees, representatives, co-owners, contractors, subcontractors, or agents of any of the foregoing. For purposes of this Article 15 and all other provisions of this Agreement which contain an indemnification provision, the term "Seller Group" shall be deemed to include Seller, its direct parent, and all subsidiaries and Affiliates thereof, all successors, heirs and assigns of any of the foregoing, and each of their respective officers, directors, shareholders, employees, representatives, co-owners, contractors, subcontractors, or agents of any of the foregoing.

15.3 Buyer's General Indemnity. Buyer shall, upon the occurrence of the Closing, defend, indemnify, release and hold Seller Group harmless from and against any and all Claims in favor of any third party to the extent arising from or relating to:

(a) Buyer's breach of any of its representations and warranties in this Agreement;

(b) Buyer's breach of any of its covenants or agreements in and under this Agreement; and

(c) the Assumed Obligations.

15.4 Seller's General Indemnity. Seller shall, upon the occurrence of the Closing, subject to the limitations set forth in Sections 15.5, 15.6, and elsewhere in this Agreement, defend, indemnify, release and hold Buyer Group harmless from and against any and all Claims in favor of any third party to the extent arising from or related to:

(a) Seller's breach of any of its representations and warranties in this Agreement, *excluding* any Claims relating to title or environmental, other than Seller's special warranty.

(b) Seller's breach of any of its covenants or agreements in and under this Agreement; and

(c) the Retained Obligations;

REGARDLESS OF WHETHER ANY OF SUCH CLAIMS MAY BE ATTRIBUTABLE, IN WHOLE OR IN PART, TO THE STRICT LIABILITY OR NEGLIGENCE OF BUYER GROUP, SELLER OR THIRD PARTIES, WHETHER SUCH NEGLIGENCE IS ACTIVE OR PASSIVE, JOINT, CONCURRENT OR SOLE; PROVIDED, HOWEVER, THAT SELLER'S OBLIGATION TO INDEMNIFY BUYER PURSUANT TO SECTION 15.4(a) and SECTION 15.4(b), INCLUDING SELLER'S SPECIAL WARRANTY OF TITLE, SHALL APPLY ONLY FOR A PERIOD OF ONE (1) YEAR FOLLOWING THE CLOSING

DATE; PROVIDED, HOWEVER, SUCH INDEMNITY SHALL NOT INCLUDE INDEMNITY FOR BUYER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND PROVIDED, FURTHER, HOWEVER THAT SELLER'S OBLIGATION TO INDEMNIFY BUYER PURSUANT TO SECTION 15.4(c) WITH RESPECT TO SELLER TAXES SHALL SURVIVE THE CLOSING ONLY UNTIL THE DATE THAT IS THIRTY (30) DAYS FOLLOWING THE EXPIRATION OF THE APPLICABLE STATUTE(S) OF LIMITATION.

15.5 Limitation on Indemnification.

(a) Notwithstanding anything to the contrary contained herein, Seller shall have no obligation to indemnify Buyer unless, and then only to the extent that, (a) any individual Claim exceeds One Hundred Thousand and No/100 U.S. Dollars ($100,000.00) per item and (b) without limitation of the foregoing clause (a), the aggregate losses to which Buyer would be entitled to indemnification (but for the provision of this Section 15.5(a)) exceed a deductible (and not a threshold) equal to two percent (2%) of the Base Purchase Price. Notwithstanding anything to the contrary contained herein, Seller's aggregate liability for the indemnification under Sections 15.4(a) and (b) above shall not exceed twenty percent (20%) of the Base Purchase Price. Such limitations set forth in this Section 15.5(a) on liability shall not apply to Claims related to the Retained Obligations or the Seller Fundamental Representations.

(b) Notwithstanding anything to the contrary herein, Seller's aggregate liability under Sections 15.4(a) through (c) above, including, for purposes of clarity, with respect to Claims related to the Retained Obligations and the Seller Fundamental Representations, shall not exceed one hundred percent (100%) of the Base Purchase Price.

15.6 Further Limitation on Indemnification. Neither Party shall have any obligation under this Article 15 with respect to any amount which has already been taken into account and applied to or against the Base Purchase Price in the Closing Settlement Statement or the Final Settlement Statement, *provided*, that such Party has paid all amounts due pursuant to this Agreement.

15.7 Indemnification Procedures.

(a) General. All claims for indemnification under this Agreement shall be asserted and resolved pursuant to this Section 15.7. Any Person claiming indemnification hereunder is hereinafter referred to as the "Indemnified Party" and any Person against whom such claims are asserted hereunder is hereinafter referred to as the "Indemnifying Party."

(b) Claim Notice. In the event that a Party wishes to assert a claim for indemnity hereunder, such Party shall with reasonable promptness provide to the Indemnifying Party a written notice of the indemnity claim it wishes to assert on behalf of itself or another Indemnified Party, including the specific details of and specific basis under this Agreement for its indemnity claim (a "Claim Notice"). To the extent any Claims for which indemnification is sought are asserted against or sought to be collected from an Indemnified Party by a third party, such Claim Notice shall include a copy of all papers served on the applicable Indemnified Party with respect to such claim.

(c) Notice Period. The Indemnifying Party shall have thirty (30) days from the personal delivery or receipt of the Claim Notice (the "Notice Period") to notify the Indemnified Party (i) whether or not it disputes its liability hereunder with respect to such Claims and (ii) with respect to any Claims arising out of, associated with, or relating to third party claims, whether or not it desires, at the sole cost and expense of the Indemnifying Party, to defend the Indemnified Party against any such Claims. In the event that the Indemnifying Party notifies the Indemnified Party within the Notice Period that it desires to defend the Indemnified Party against such Claims, the Indemnifying Party shall have the right to defend all appropriate proceedings with counsel of its own choosing. If the Indemnified Party desires to participate in, but not control, any such defense or settlement it may do so at its sole cost and expense.

(d) Cooperation. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting any Claims that the Indemnifying Party elects to contest; *provided*, that the Indemnifying Party will not be required to submit any counterclaim or cross-complaint on the Indemnified Party's behalf. Such cooperation shall include the retention and provision to the Indemnifying Party of all records and other information that are reasonably relevant to the Claims at issue.

(e) Settlement. No third party claim that is the subject of indemnification hereunder may be settled or otherwise compromised without the prior written consent of the Indemnifying Party. No such claim may be settled or compromised by the Indemnifying Party without the prior written consent of the Indemnified Party unless such settlement or compromise (i) entails a full and unconditional release of the Indemnified Party (and any other members of the Indemnified Party's group, i.e., all Seller Indemnified Parties or all Buyer Indemnified Parties) without any admission or finding of fault or liability and (ii) does not impose on the Indemnified Party any material non-financial obligation or any financial obligation that is not fully paid by the Indemnifying Party.

15.8 Remedies. The Parties agree that the sole and exclusive post-Closing remedy of any Party to this Agreement, any Indemnified Party or their respective Affiliates with respect to this Agreement or any other claims relating to the events giving rise to this Agreement and the transactions provided for in this Agreement or contemplated by this Agreement or by any other such claims relating to the Assets shall be limited to the provisions contained in this Agreement and the special warranty of Defensible Title contained in the Conveyances.

15.9 Waiver of Right to Rescission. The Parties acknowledge that, following the Closing, the payment of money, as limited by the terms of this Agreement, shall be adequate compensation for breach of any representation, warranty, covenant or agreement contained herein or for any other claim arising in connection with or with respect to the transactions contemplated by this Agreement. As the payment of money shall be adequate compensation, following the Closing, Buyer and Seller waive any right to rescind this Agreement or any of the transactions contemplated hereby.

15.10 Tax Treatment of Indemnification Payments. For all Tax purposes, the Parties agree to treat (and will cause each of their respective Affiliates to treat) any indemnification payment made under this Article 15 as an adjustment to the Base Purchase Price.

15.11 Non-Compensatory Damages. None of the Buyer Group nor the Seller Group shall be entitled to recover from Seller or Buyer, as applicable, or any of their respective Affiliates, any special, indirect, consequential, punitive, exemplary, remote or speculative damages (including damages for lost profits of any kind) arising under or in connection with this Agreement or the transactions contemplated hereby, except to the extent any such Party suffers such damages to a third party, which damages (including costs of defense and reasonable attorneys' fees incurred in connection with defending against such damages) shall not be excluded by this provision as to recovery hereunder. Subject to the preceding sentence, each of Buyer, on behalf of each member of the Buyer Group, and Seller, on behalf of each member of the Seller Group, waives any right to recover any special, indirect, consequential, punitive, exemplary, remote or speculative damages (including damages for lost profits of any kind) arising in connection with or with respect to this Agreement or the transactions contemplated hereby.

15.12 Disclaimer of Application of Anti-Indemnity Statutes. The Parties acknowledge and agree that the provisions of any anti-indemnity statute relating to oilfield services and associated activities shall not be applicable to this Agreement and/or the transactions contemplated hereby.

ARTICLE 16
CASUALTY LOSS

Notwithstanding anything herein to the contrary, from and after the Effective Time, if the Closing occurs, Buyer shall assume all risk of loss with respect to production of Hydrocarbons through normal depletion (including watering out of any Well, collapsed casing or sand infiltration of any Well) and the depreciation of Facilities and Equipment due to ordinary wear and tear, in each case, with respect to the Assets, and Buyer shall not assert such matters as Casualty Defects hereunder. If, prior to the Closing, any of the Assets are substantially damaged or destroyed by fire or other casualty, or are taken in condemnation or under right of eminent domain (each, a "Casualty Defect"), Seller shall notify Buyer promptly after Seller obtains Knowledge of such event. Seller shall have the right, but not the obligation, to cure any such Casualty Defect by repairing such damage or, in the case of Facilities and Equipment, replacing the damaged Facilities and Equipment with reasonably equivalent items, no later than the Closing, insofar as the same are done to Buyer's reasonable satisfaction. Upon the occurrence of the Closing, Seller shall pay to Buyer all sums paid to Seller by third parties by reason of any Casualty Defect to the extent related to the Assets and shall assign, transfer and set over to Buyer or subrogate Buyer to all of Seller's right, title and interest (if any) in insurance claims, unpaid awards, and other rights against third parties arising out of such Casualty Defect insofar as with respect to the Assets; *provided, however*, that Seller shall reserve and retain (and Buyer shall assign to Seller) all right, title, interest and claims against third parties for the recovery of Seller's costs and expenses incurred prior to the Closing in repairing such Casualty Defect and/or pursuing or asserting any such insurance claims or other rights against third parties.

ARTICLE 17
NOTICES

All communications between Buyer and Seller required or permitted under this Agreement shall be in writing and addressed as set forth below. Any communication or delivery hereunder must be given by personal delivery (if signed for receipt), by certified or registered United States mail

(postage prepaid, return receipt requested), by a nationally recognized overnight delivery service for next day delivery, transmitted via electronic mail or by facsimile transmission shall be deemed to have been made and the receiving Party charged with notice, when received except that if received after 5:00 p.m. (in the recipient's time zone) on a Business Day or if received on a day that is not a Business Day, such notice, request or communication will not be effective until the next succeeding Business Day. All notices shall be addressed as follows:

SELLER

ROCKCLIFF ENERGY OPERATING LLC

1301 McKinney Street, Suite 1300
Houston, Texas 77010
Attention: Christopher J. Simon
Phone: 713-351-0570
Fax: 713-351-0501
Email: csimon@rockcliffenergy.com

with copies (which shall not constitute notice) to:

Locke Lord LLP
600 Travis, Suite 2800 Houston, Texas 77002
Attention: David Patton
Phone: (713) 226-1254
Email: dpatton@lockelord.com

BUYER

TELLURIAN PRODUCTION LLC

1201 Louisiana, Suite 3100
Houston, Texas 77002
Attention: John K. Howie
Phone: 832-962-4000
Email: john.howie@tellurianinc.com

with copies (which shall not constitute notice) to:

Porter Hedges LLP
1000 Main Street, Suite 3600
Houston, Texas 77002
Attention: C. Randy King
Phone: (713) 226-6603
Fax: (713)226-6203
Email: rking@porterhedges.com

Either Party may change their contact information for notice by giving written notice to the other Party in the manner provided in this Article 17.

ARTICLE 18
TERMINATION

18.1 Termination. This Agreement and the transactions contemplated hereby may be terminated at any time prior to the Closing:

(a) by the mutual written agreement of Buyer and Seller;

(b) by written notice from either Buyer or Seller if the Closing has not occurred on or before December 15, 2017 (the "Outside Date"); *provided*, *further*, *however*, that no Party may terminate this Agreement pursuant to this Section 18.1(b) if such Party's breach of its representations and warranties or its failure to comply with its obligations or covenants under this Agreement caused the Closing not to occur on or before the Outside Date;

(c) by Buyer, upon written notice to Seller, if there has been a breach by Seller of any representation, warranty or covenant contained in this Agreement that has prevented the satisfaction of any condition to the Closing in Section 10.2 (or is of such a magnitude or effect that

it will not be possible for any such condition to be satisfied) and, if such breach is of a character that it is capable of being cured, such breach has not been cured by Seller to the reasonable satisfaction of Buyer on or before the Outside Date;

(d) by Seller, upon notice to Buyer, if there has been a breach by Buyer of any representation, warranty or covenant contained in this Agreement that has prevented the satisfaction of any condition to the Closing in Section 10.1 (or is of such a magnitude or effect that it will not be possible for any such condition to be satisfied) and, if such breach is of a character that it is capable of being cured, such breach has not been cured by Buyer to the reasonable satisfaction of Seller on or before the Outside Date;

(e) by either Buyer or Seller, upon notice to the other Party, if any Governmental Authority having competent jurisdiction has issued a final, non-appealable order, decree, ruling or injunction (other than a temporary restraining order) or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such injunction shall have become final and non-appealable;

(f) by written notice from either Buyer or Seller if the aggregate sum of (i) the Title Defect Amounts for all uncured Title Defects timely and properly asserted in good faith pursuant to Article 7, and (ii) the Environmental Defect Values of all unremediated Environmental Defects timely and properly asserted in good faith pursuant to Article 8, exceed the Mutual Termination Threshold; in each case subject to Section 7.7; or

(g) by Seller, pursuant to Section 7.7(b).

18.2 Return of Documentation and Confidentiality . Upon termination of this Agreement, Buyer shall return to Seller all title, engineering, geological and geophysical data, environmental assessments and/or reports, maps and other information furnished by or on behalf of Seller to Buyer or prepared by or on behalf of Buyer in connection with its due diligence investigation of the Assets, in each case in accordance with the Confidentiality Agreement, and an officer of Buyer shall certify same to Seller in writing.

ARTICLE 19
MISCELLANEOUS

19.1 Entire Agreement. This Agreement and all Exhibits and Schedules attached hereto and incorporated herein constitute the entire agreement between the Parties. Any previous negotiations or communications between the Parties are merged herein.

19.2 Confidentiality. The Parties understand and agree that the terms and provisions of that certain Nondisclosure Agreement dated as of August 26, 2017 by and between Buyer and Seller (the "Confidentiality Agreement") shall remain in full force and effect until the Closing of the transactions contemplated by this Agreement. Notwithstanding the foregoing, with respect to the Retained Assets (including, for purposes of clarity, any documents, data, instruments, records or information included therein or otherwise related thereto) the Confidentiality Agreement, including, for purposes of clarity, all covenants, agreements and obligations set forth therein, shall remain in

full force and effect in accordance with its terms from and after Closing. In the event of termination of this Agreement pursuant to Article 18, Buyer agrees to keep all of the terms of this transaction confidential for a period equal to the later of the date of termination of the Confidentiality Agreement or two (2) years following termination of this Agreement. Furthermore, any additional information obtained as a result of Buyer's access to the Assets which does not specifically relate to the Assets shall continue to be treated as confidential for a period of two (2) years following the Execution Date and shall not be disclosed by Buyer without the prior written consent of Seller. The above restrictions on disclosure and use of information obtained pursuant to this Agreement shall not apply to information to the extent it: (a) is or becomes publicly available through no act or omission of Buyer or any of its consultants or advisors; (b) is subsequently obtained lawfully from a third party, where Buyer has made reasonable efforts to insure that such third party is not a party to or bound by any confidentiality agreement with Seller; or (c) is already in Buyer's possession at the time of disclosure, without restriction on disclosure. If Buyer employs consultants, advisors or agents to assist in its review of the Assets, Buyer shall be responsible to Seller for ensuring that such consultants, advisors and agents comply with the restrictions on the use and disclosure of information set forth in this Section 19.2.

19.3 Survival. This Agreement shall be binding upon and shall inure to the benefit of the undersigned, their successors, heirs, assigns and corporate successors and may be supplemented, altered, amended, modified, or revoked by writing only, signed by both Parties. The representations made by Seller and Buyer under Article 5 and Article 6 shall continue in full force and effect for a period of one (1) year from and after the Closing Date.

19.4 Arbitration. The following matters as to which the Parties cannot reach an agreement shall be settled by arbitration as set forth below:

(a) Title and Environmental Arbitration. All disputes arising out of, or in connection with, Article 7 or Article 8 above shall be settled by arbitration to be held in Houston, Texas. For each matter to be submitted to arbitration, such matter shall be determined by a single arbitrator (an "Arbitration Panel"), unless otherwise agreed by the Parties. The same arbitrator need not determine all matters submitted to arbitration. The arbitrator shall be (i) in the case of any title dispute arising under Article 7, a Person with at least ten (10) years' experience examining oil and gas titles in the state where the applicable Assets are located, who shall not have worked as an employee, outside counsel or as a consultant for any Party or its Affiliates during the five (5) year period preceding the arbitration or have any financial interest in the dispute, and (ii) in the case of any environmental dispute arising under Article 8, a Person with at least ten (10) years' experience in environmental corrective actions involving oil and gas properties in the state where the applicable Assets are located, who shall not have worked as an employee, outside counsel or as a consultant for any Party or its Affiliates during the five (5) year period preceding the arbitration or have any financial interest in the dispute and shall be appointed as follows. Within ten (10) Business Days of the request for arbitration, each Party shall exchange lists of five (5) acceptable, qualified arbitrators for the Arbitration Panel. Within two (2) Business Days following the exchange of lists of proposed arbitrators, the Parties shall select by mutual agreement one (1) arbitrator from the combined lists for the Arbitration Panel. If no such agreement is reached, each Party shall, by 5:00 pm Central Time of the second Business Day, identify a single arbitrator from their original list of

five (5) acceptable arbitrators for the Arbitration Panel. The two (2) selected arbitrators shall then together select a third arbitrator for the respective Arbitration Panel within two (2) Business Days following their selection. Such third arbitrator shall serve as the appointed Arbitration Panel. If the two (2) party-appointed arbitrators are unable to agree, then the Houston office of the American Arbitration Association shall appoint the arbitrator under such conditions as the American Arbitration Association, in its sole discretion, deems necessary or advisable.

The Arbitration Panel shall resolve such disputed matters based on this Agreement and the application of the law of the situs of the Assets in dispute. The arbitration shall be conducted in accordance with the Texas Rules of Civil Procedure, as adjusted in the arbitrator's good faith and reasonable discretion. Notwithstanding the Arbitration Panel's ability to request documents from either Party in its reasonable discretion, neither Party shall have the right to demand discovery on the other Party. Any award by the arbitrator shall be final, binding and non-appealable, and judgment may be entered thereon in any court of competent jurisdiction. The Arbitration Panel shall act as an expert solely to determine the specific disputed matters, including the value of any Additional Interest, the Title Defect Amount attributable to any Title Defect and/or the Environmental Defect Value attributable to any Environmental Defect, as applicable. The Arbitration Panel may not award either Party any consequential damages, interest, costs, attorney's fees, expenses, penalties, or injunctive relief. The fees charged by the Arbitration Panel for the arbitration, along with the costs and expenses of the Arbitration Panel, shall be paid one-half (1/2) by Buyer and one-half (1/2) by Seller. All information exchanged and any offers, promises, counter-offers, statements, or conduct displayed, whether such be written or oral, that is presented or made in the course of arbitration under this Section 19.4(a) shall be considered confidential and may not be used publicly or in any proceeding involving the Parties. Notwithstanding anything to the contrary in this Agreement, if Seller is not finally determined to be the prevailing party in any dispute settled pursuant to this Section 19.4(a), Seller shall have the right to elect to exclude from the transactions contemplated by this Agreement any Asset(s) affected by any such dispute(s) and reduce the Base Purchase Price by the Allocated Value of any such Asset(s) by delivering written notice to Buyer of such election within ten (10) Business Days following Seller's receipt of written notice of the Arbitration Panel's final resolution of any such disputed matter(s).

(b) Accounting Arbitration. If the Parties are unable to resolve a dispute as to the Purchase Price within thirty (30) days after Buyer's receipt of Seller's proposed Final Settlement Statement and/or Allocation Schedule, as applicable, the Parties shall submit the dispute to a nationally-recognized, United States-based independent public accounting firm on which the Parties mutually agree in writing (the "Accounting Referee"); *provided*, *however*, that the Accounting Referee shall not have performed any material work for any Party or its respective Affiliates within three (3) years of the Execution Date. The Parties shall send a written request to serve to the Accounting Referee and the Accounting Referee shall have five (5) Business Days to agree to serve. In the event the Accounting Referee is unable or unwilling to serve, absent agreement by the Parties as to a replacement for such Accounting Referee within two (2) Business Days after such notification, the Accounting Referee shall be a nationally recognized accounting firm not materially associated with Seller or Buyer as selected by the Houston, Texas, office of the American Arbitration Association. Within five (5) Business Days after the Accounting Referee has agreed to serve as such or has been appointed by the Parties or the Houston, Texas office of the American Arbitration

Association, as applicable, each Party shall summarize its position with regard to the disputed adjustments and/or allocations, as applicable, in a written document of ten (10) pages or less and submit such summaries to the Accounting Referee, together with the Final Settlement Statement and/or Allocation Schedule, as applicable, Buyer's written report containing its objections thereto and any other documentation such Party may desire to submit. Seller shall also furnish the Accounting Referee with a copy of this Agreement. The Parties shall instruct the Accounting Referee that, within fifteen (15) Business Days after receiving the Parties' respective submissions, the Accounting Referee shall render a decision with respect to each disputed adjustment and/or allocation, as applicable, based on the terms of the Agreement and the materials described above. The Accounting Referee, however, may not render a decision with respect to any disputed adjustment and/or allocation, as applicable, in excess of the highest value for such disputed adjustment and/or allocation, as applicable, as claimed by the Parties or lower than the lowest value for such disputed adjustment as claimed by the Parties. The Accounting Referee shall calculate only the disputed adjustments and/or allocations, as applicable, addressed by Buyer in its written report regarding the Final Settlement Statement and/or Allocation Schedule, as applicable, that are not otherwise resolved and agreed upon in writing by Seller and Buyer after the initiation of the procedures contained in this Section 19.4(b). Each decision with respect to any disputed adjustment to the Final Settlement Statement and/or any disputed allocation set forth in the Allocation Schedule, as applicable, that is rendered by the Accounting Referee in accordance with this Section 19.4(b) shall be final, conclusive and binding on Seller and Buyer and shall be enforceable against each of the Parties in any court of competent jurisdiction. The costs and expenses of such Accounting Referee shall be borne one-half (1/2) by Buyer and one-half (1/2) by Seller. The Accounting Referee shall be authorized to resolve only the specific disputed aspects of the Final Settlement Statement and/or Allocation Schedule, as applicable, submitted by the Parties as provided above and may not award damages, interest or penalties to any Party with respect to any matter. All information exchanged and any offers, promises, counter-offers, statements, or conduct displayed, whether such be written or oral, that is presented or made in the course of arbitration under this Section 19.4(b) shall be considered confidential and may not be used publicly or in any proceeding involving the Parties.

(c) Enforcement; Remedies. A Party may, prior to the appointment of an arbitrator under this Section 19.4, seek temporary injunctive relief from any court of competent jurisdiction in order to prevent irreparable harm; *provided*, that (i) the Party seeking such relief shall (if arbitration has not already been commenced and to the extent not inconsistent with the other terms of this Agreement) simultaneously commence arbitration, and (ii) any temporary injunctive relief shall automatically terminate upon the final decision of an arbitrator hereunder.

19.5 Choice of Law. THIS AGREEMENT AND ITS PERFORMANCE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY RULES OR PRINCIPLES OF CONFLICTS OF LAW THAT MIGHT OTHERWISE REFER TO THE LAWS OF ANOTHER JURISDICTION. ANY SUIT OR PROCEEDING HEREUNDER SHALL BE BROUGHT EXCLUSIVELY IN HARRIS COUNTY, TEXAS AND EACH PARTY CONSENTS TO THE PERSONAL JURISDICTION OF THE COURTS, STATE AND FEDERAL, LOCATED THEREIN. EACH PARTY AGREES TO WAIVE ANY OBJECTION THAT THE STATE OR FEDERAL COURTS OF HARRIS COUNTY, TEXAS ARE AN INCONVENIENT FORUM.

19.6 Assignment. Except as set forth in this Section 19.6, the rights and obligations under this Agreement may not be assigned by any Party without the prior written consent of the other Party, with the exception that Buyer may assign such rights and obligations to an Affiliate prior to Closing. In addition, Buyer shall have the right to designate an Affiliate as an assignee for all or part of the Assets to be conveyed at Closing. Notwithstanding the foregoing, no such assignment or designation by Buyer to an Affiliate shall relieve Buyer of any of its obligations or liabilities under this Agreement.

19.7 No Admissions. Neither this Agreement, nor any part hereof, nor any performance under this Agreement shall constitute or be construed as a finding, evidence of, or an admission or acknowledgment of any liability, fault, or past or present wrongdoing, or violation of any law, rule, regulation, or policy, by either Seller or Buyer or by their respective officers, directors, employees, or agents.

19.8 Waivers and Amendments. Except for waivers specifically provided for in this Agreement, this Agreement may not be amended nor any rights hereunder waived except by an instrument in writing signed by the Party to be charged with such amendment or waiver and delivered by such Party to the other Party claiming the benefit of such amendment or waiver.

19.9 Counterparts. This Agreement may be executed by Buyer and Seller in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute one and the same instrument. Execution can be evidenced by facsimile or email transmission of signature pages with original signature pages to promptly follow in due course.

19.10 Third-Party Beneficiaries. Neither this Agreement nor any performances hereunder by Seller or Buyer shall create any right, claim, cause of action, or remedy on behalf of any Person not a Party hereto. Any claim for indemnification hereunder on behalf of any Party entitled to indemnity hereunder must be administered by a Party.

19.11 Specific Performance. Seller acknowledges that Buyer would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by Seller could not be adequately compensated in all cases by monetary damages alone. Accordingly, prior to Closing, in addition to any other right or remedy to which Buyer may be entitled, at law or in equity, Buyer shall be entitled to enforce any provision of this Agreement by a decree of specific performance. Additionally, after Closing, in addition to any other right or remedy to which either Party may be entitled, at law or in equity, each Party shall be entitled to enforce any provision of this Agreement by a decree of specific performance. Neither Party shall be required to provide any bond or other security in connection with seeking an injunction or injunctions to enforce specifically the terms and provisions of this Agreement.

19.12 Public Communications. After the Execution Date, either Party may make a press release or public communication concerning this transaction with the exception that any such communication shall not include the name of the non-disclosing Party without their prior written consent; *provided*, *however*, that any such press release or public communication is subject to the other Party's prior review and approval (which shall not be unreasonably withheld, conditioned or

delayed); *provided*, *further*, *however*, that, notwithstanding the foregoing, prior to or after the Closing, if Buyer (including any of its parent entities), on the one hand, or Seller (including any of its parent entities), on the other hand, is required to make any statement, declaration, or public announcement regarding this Agreement or the transactions contemplated hereunder (a) pursuant to (i) law, (ii) applicable rules or regulations of any national securities exchange, or (iii) the terms of such Party's (including such Party's respective parent entities) indentures, loan agreements, credit agreements or other similar debt agreements or financial instruments or (b) to any Governmental Authority or third party holding a Preferential Purchase Right, Consent right or any other similar right that may be applicable to the transactions contemplated by this Agreement as may be reasonably necessary to provide notices to such Persons and/or seek waivers, amendments or terminations of such any such rights or to seek any such Consents, then the same may be made without the approval of the other Party, but only to the extent the name of Seller is omitted from such statement, declaration, or announcement if permitted by such law, rules, regulations or terms.

19.13 Headings. The headings of the Articles and Sections of this Agreement are for guidance and convenience of reference only and shall not limit or otherwise affect any of the terms or provisions of this Agreement.

19.14 Expenses. Except as otherwise provided in this Agreement, each of the Parties hereto shall pay its own fees and expenses incident to the negotiation and preparation of this Agreement and consummation of the transactions contemplated by this Agreement, including brokers' fees. Buyer shall be responsible for the cost of all fees for the recording of the Conveyances relating to the Assets. All other costs shall be borne by the Party incurring them.

19.15 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree shall remain in force and effect to the extent not held invalid or unenforceable.

19.16 No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement or any document, agreement, or instrument delivered contemporaneously herewith, and notwithstanding the fact that any Party may be a partnership or limited liability company, each Party, by its acceptance of the benefits of this Agreement, covenants, agrees and acknowledges that no Persons other than the Parties shall have any obligation hereunder and that it has no rights of recovery hereunder against, and no recourse hereunder or under any documents, agreements, or instruments delivered contemporaneously herewith or in respect of any oral representations made or alleged to be made in connection herewith or therewith shall be had against, any former, current or future director, officer, agent, Affiliate, manager, assignee, incorporator, controlling Person, fiduciary, representative or employee of any Party (or any of their successors or permitted assignees), against any former, current, or future general or limited partner, manager, stockholder or member of any Party (or any of their successors or permitted assignees) or any Affiliate thereof or against any former, current or future director, officer, agent, employee, Affiliate, manager, assignee, incorporator, controlling Person, fiduciary, representative, general or limited partner, stockholder, manager or member of any of the foregoing, but in each case not including the Parties (each, but excluding for the avoidance of doubt, the Parties, a "Party Affiliate"), whether by or through

attempted piercing of the corporate veil, by or through a claim (whether in tort, contract or otherwise) by or on behalf of such party against the Party Affiliates, by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, or otherwise; it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on, or otherwise be incurred by any Party Affiliate, as such, for any obligations of the applicable Party under this Agreement or the transactions contemplated hereby, under any documents or instruments delivered contemporaneously herewith, in respect of any oral representations made or alleged to be made in connection herewith or therewith, or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, such obligations or their creation.

19.17 Matters Related to Samson PSA . The Parties acknowledge that as of the execution of this Agreement the Assets are owned by one or more members of the Samson Seller Group and are subject to the Samson PSA pursuant to which Seller has the right to purchase the Assets, along with other assets, on the terms and conditions set forth therein. To address the contingencies that exist because closing of the Samson PSA has not occurred, notwithstanding anything to the contrary in this Agreement (even if such other provision of the Agreement provides that it governs notwithstanding anything to the contrary in this Agreement), the Parties agree as follows:

a. The closing of the Samson PSA is a condition precedent to the obligations of the Parties to the Closing of the transaction contemplated herein.

b. The closing of the Samson PSA is extended for any reason (e.g. an extension under a provision in the Samson PSA similar to Section 7.5(c) above), then the Closing under this Agreement shall be extended so as to cause the Closing hereunder to be not less than forty seven (47) days after the Records Access Date.

c. If Closing hereunder does not occur for any reason other than Buyer not having satisfied its conditions to close or Buyer being in breach under the Agreement on or before the Outside Date, then this Agreement may be terminated by Buyer in its sole discretion and the obligations of the Parties hereunder shall be of no further force and effect other than the obligation of Seller and Buyer to notify the Escrow Agent to return the Deposit to Buyer and any mutually agreed to obligations of the Parties in respect of any shared due diligence costs.

d. In the event that the transaction contemplated under the Samson PSA closes, but certain of the Assets are excluded from the Assets actually conveyed to Seller by the Samson Seller Group at such closing (whether as a result of a permanent exclusion or as a result of such Assets being temporarily excluded, set aside or withheld, those Assets will be excluded from the Assets at Closing and the Purchase Price shall be reduced by the Allocated Value of such excluded Assets. In the event that any such exclusion, set aside or withholding was temporary and as and when Seller later acquires such affected Assets from Samson, Buyer will have the obligation to acquire the affected Assets

from Seller under the terms otherwise provided for in this Agreement (including without limitation Buyer's right to conduct its title and environmental due diligence in respect of such Assets and to assert Title and Environmental Defects in respect of such Assets, to identify and resolve consents to assign and Preferential Rights in respect of such Assets and to exercise and observe Buyer's and Seller's rights, obligations and conditions under this Agreement such as the right and obligations to cure, remediate exclude, dispute and arbitrate Defects and the related Assets within 180 days of any subsequent Closing). Subject to the terms prescribed above, such subsequent Closing with respect to each such affected Asset will be conducted within twenty (20) days of Seller's acquisition of the applicable affected Asset. Any such Asset not acquired by Buyer will become an Excluded Asset. Buyer shall provide notice of any Defects to Seller no later than three (3) days prior to such subsequent Closing.

e. In the event that the transaction contemplated under the Samson PSA closes, but pursuant to the terms of the Samson PSA certain of the Assets are conveyed to Seller subject to the rights or obligations of Seller or the Samson Seller Group to cure, remediate or dispute Title or Environmental Defects affecting such Assets or to subsequently exclude such Assets from the Samson transaction, those Assets will be excluded from the Assets at Closing and the Purchase Price shall be reduced by the Allocated Value of such excluded Assets. As and when the such Defects resolution matters are finally resolved among Seller and the Samson Seller Group, Buyer will have the obligation to acquire the affected Assets from Seller under the terms otherwise provided for in this Agreement (including without limitation Buyer's right to conduct its title and environmental due diligence in respect of such Assets and to assert Title and Environmental Defects in respect of such Assets, to identify and resolve consents to assign and Preferential Rights in respect of such Assets and to exercise and observe Buyer's and Seller's rights, obligations and conditions under this Agreement such as the right and obligations to cure, remediate, exclude, dispute and arbitrate Defects and the related Assets within 180 days of any subsequent Closing). Subject to the terms prescribed above, such subsequent Closing with respect to each such affected Asset will be conducted within twenty (20) days of Seller's acquisition of the applicable affected Asset. Any such Asset not acquired by Buyer will become an Excluded Asset. Buyer shall provide notice of any Defects to Seller no later than three (3) days prior to such subsequent Closing.

19.18 Interpretation. In this Agreement, unless a clear contrary intention appears: (a) the singular form includes the plural form and vice versa; (b) reference to any Person includes such Person's successors and assigns but only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually; (c) reference to any gender includes each other gender; (d) reference to any agreement (including this Agreement), document, or instrument means, unless specifically

provided otherwise, such agreement, document, or instrument as amended or modified and in effect from time to time in accordance with the terms thereof; (e) reference to any law means, unless specifically provided otherwise, such law as amended, modified, codified, replaced, or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any law means, unless specifically provided otherwise, that provision of such law from time to time in effect and constituting the substantive amendment, modification, codification, replacement, or reenactment of such section or other provision; (f) reference in this Agreement to any Article, Section, Schedule, or Exhibit means such Article or Section hereof or Schedule or Exhibit hereto; (g) "hereunder", "hereof", "hereto", and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section, or other provision thereof; (h) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; (i) "or" is not exclusive; (j) relative to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding"; (k) the Schedules and Exhibits attached to this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein; *provided*, that in the event a word or phrase defined in this Agreement is expressly given a different meaning in any Schedule or Exhibit, such different definition shall apply only to such Schedule or Exhibit defining such word or phrase independently, and the meaning given such word or phrase in this Agreement shall control for purposes of this Agreement, and such alternative meaning shall have no bearing or effect, on the interpretation of this Agreement; (l) all references to "Dollars" means United States Dollars; (m) references to "days" shall mean calendar days, unless the term "Business Days" is used; and (n) except as otherwise provided herein, all actions which any Person may take and all determinations which any Person may make pursuant to this Agreement may be taken and made at the sole and absolute discretion of such Person; (o) the phrase "make available" and words of similar import means that Buyer or one of its Affiliates and/or representatives has had the opportunity, prior to the Execution Date (or such other relevant date as may be determined by the context in which such phrase or other similar words are used) to review any applicable documents or materials (i) at the offices of Seller or one of its Affiliates and/or representatives and/or (ii) electronically by (A) virtue of such documents or materials being contained in the virtual data room maintained by the Advisors, including the facts and circumstances underlying the same or (B) any other electronic means provided by Seller or one of its Affiliates and/or representatives.

[*Signature pages follow*]

IN WITNESS WHEREOF, Seller has executed this Agreement on the Execution Date.

“SELLER”

ROCKCLIFF ENERGY OPERATING LLC

By: /s/ Alan Smith
Name: Alan L. Smith
Title: President & Chief Executive Officer

IN WITNESS WHEREOF, Buyer has executed this Agreement on the Execution Date.

“BUYER”

TELLURIAN PRODUCTION LLC

By: /s/ John Howie
Name: John Howie
Title: President

Exhibit 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF TELLURIAN INC.

Tellurian Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies that:

1. The present name of the Corporation is Tellurian Inc. The Corporation was incorporated under the name "Magellan Petroleum Corporation" by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on August 17, 1967.

2. This Amended and Restated Certificate of Incorporation of the Corporation, which restates and integrates and also further amends the provisions of the Corporation's Certificate of Incorporation, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware (the "DGCL").

3. The Certificate of Incorporation of the Corporation is hereby amended, integrated and restated to read in its entirety as follows:

FIRST: The name of the Corporation is Tellurian Inc.

SECOND: The address of its registered office in the State of Delaware is 1675 South State Street, Suite B, in the City of Dover, County of Kent, 19001. The name of its registered agent at such address is Capitol Services, Inc.

THIRD: The nature of the business, and objects or purposes proposed to be transacted, promoted or carried on, is to engage in any lawful acts and activities for which corporations may be organized under the DGCL.

FOURTH:

(a) The total number of shares of stock which the Corporation shall have authority to issue is five hundred million (500,000,000), of which four hundred million (400,000,000) shares shall be common stock, par value of one cent ($0.01) per share (the "Common Stock"), and one hundred million (100,000,000) shares shall be preferred stock, par value of one cent ($0.01) per share (the "Preferred Stock").

(b) The board of directors of the Corporation (the "Board of Directors") is hereby expressly authorized, by resolution or resolutions thereof, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the voting powers (if any) of the shares of such series, and the preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding.

(c) Except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate of Incorporation (including any Certificate of Designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation (including any Certificate of Designations relating to any series of Preferred Stock) or pursuant to the DGCL.

FIFTH:

(a) The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time solely by resolution of the Board of Directors.

(b) The directors are divided into three classes, as nearly equal in number as possible. At each annual meeting of stockholders, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election and until their respective successors are duly elected and have qualified or upon their earlier death, resignation or removal. Notwithstanding the foregoing, directors elected by holders of Preferred Stock, if any, shall not be assigned to classes, but shall be subject to election and removal, and shall have terms of office, as specified herein. In case of any increase or decrease, from time to time, in the number of directors (other than directors elected by holders of Preferred Stock, if any), the number of directors in each class shall be apportioned as nearly equal as possible.

(c) Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director so chosen shall hold office until the next election of the class for which such director shall have been chosen and until his successor shall be elected and qualified. No decrease in the number of directors shall shorten the term of any incumbent director.

(d) Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, any director, or the entire Board, may be removed from office at any time, but only for cause and only by the affirmative vote of at least a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

SIXTH: No action that is required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting of stockholders, unless the action to be effected by written consent of stockholders and the taking of such action by such written consent have expressly been approved in advance by the Board of Directors.

SEVENTH: In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to make, alter, amend and repeal the By-Laws of the Corporation.

In addition to the powers and authorities herein or by statute expressly conferred upon them, the Board of Directors may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the express provisions of the DGCL, this Certificate of Incorporation and the By-Laws of the Corporation.

EIGHTH: Elections of directors need not be by written ballot unless the By-Laws of the Corporation shall so provide.

NINTH: The By-Laws of this Corporation may be altered, amended or repealed by the Board of Directors. Notwithstanding any other provision in the Certificate of Incorporation to the contrary, and subject to the rights of the holders of any series of Preferred Stock then outstanding, the By-Laws of this Corporation may also be altered, amended or repealed by the stockholders by the affirmative vote of the holders of sixty-six and two-thirds percent (66 2⁄3%) of the voting power of all outstanding voting stock of the Corporation generally entitled to vote on the matter.

TENTH: A director of this Corporation shall not be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL hereafter is amended, changed or modified in any way to further eliminate or limit the liability of directors to the Corporation or its stockholders or third parties, then directors of the Corporation, in addition to the circumstances in which directors are not personally liable as set forth in the preceding sentence, shall also not be personally liable to the Corporation or its stockholders or third parties for monetary damages to such further extent permitted by such amendment, change or modification.

Any amendment, repeal or modification of the foregoing paragraph shall not adversely affect the rights of any director of the Corporation relating to claims arising in connection with events which took place prior to the date of such amendment, repeal or modification.

ELEVENTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, this Certificate of Incorporation or the By-Laws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article ELEVENTH.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this Amended and Restated Certificate of Incorporation as of this 20th day of September, 2017.

TELLURIAN INC.

By: /s/ Meg Gentle
Name: Meg Gentle
Title: President and Chief Executive Officer

AMENDED AND RESTATED BYLAWS

OF

TELLURIAN INC.

Effective as of September 20, 2017

TABLE OF CONTENTS

AMENDED AND RESTATED BY-LAWS

OF

TELLURIAN INC.

ARTICLE I

Offices

SECTION 1. Registered Office.

The registered office of the corporation shall be as set forth in the Certificate of Incorporation of the corporation, as it may be amended from time to time (the "Certificate of Incorporation").

SECTION 2. Other Offices.

The corporation may also have other offices at such other places within or without the State of Delaware as the board of directors may from time to time determine.

ARTICLE II

Meetings of Stockholders

SECTION 1. Place of Meetings.

All meetings of the stockholders of the corporation may be held at such place, if any, within or without the State of Delaware, as the board of directors may from time to time determine.

The board of directors may, in its sole discretion, determine that any meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication in accordance with the General Corporation Law of the State of Delaware (the "DGCL"). If authorized by the board of directors in its sole discretion, and subject to such guidelines and procedures as the board of directors may adopt, stockholders and proxy holders not physically present at a meeting of stockholders may, by means of remote communication (a) participate in a meeting of stockholders; and (b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder; (ii) the corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (iii) if any stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

SECTION 2. Annual Meeting.

The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held on such date and time as the board of directors shall fix. The date, hour and place, if any, of each annual meeting and the means

of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting shall be specified in the notice of annual meeting. Unless otherwise required law, such notice shall be given not less than ten (10) nor more than sixty (60) days before the date of the annual meeting to each stockholder entitled to vote at the meeting as of the record date for determining stockholders entitled to notice of the meeting. The board of directors may postpone, reschedule, adjourn, recess or cancel any annual meeting of stockholders previously scheduled by the board of directors.

At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors, (b) brought by or at the direction of the board of directors or any duly authorized committee thereof, or (c) brought by a stockholder of the corporation who was a stockholder of record of the corporation at the time the notice provided for in this Section 2 is delivered to the secretary of the corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2. For any business (other than nominations of persons for election to the board of directors, which is provided for in Section 3 of Article II of these By-Laws) to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of the preceding sentence, the stockholder must have given timely notice thereof in writing to the secretary of the corporation and any such proposed business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be delivered to the secretary of the corporation at the principal executive offices of the corporation, not later than the close of business on the ninetieth (90^{th}) day nor earlier than the close of business on the one hundred and twentieth (120^{th}) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, for notice by the stockholder to be timely it must be so delivered not earlier than the close of business on the one hundred and twentieth (120^{th}) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90^{th}) day prior to such annual meeting or the tenth (10^{th}) day following the day on which public disclosure of the date of such meeting is first made by the corporation. For purposes of this Section 2 and Sections 3 and 4 of Article II of these By-Laws, public disclosure shall include disclosure in a press release reported by the Dow Jones News Services, Associated Press, Reuters Information Services, Inc. or other national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

A stockholder's notice to the secretary of the corporation shall set forth the following as to each matter the stockholder proposes to bring before the annual meeting:

(a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting;

(b) the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event such business includes a proposal to amend the By-Laws of the corporation, the language of the proposed amendment); and

(c) any material interest in such business of such stockholder and the beneficial owner, if

any, on whose behalf the proposal is made.

A stockholder's notice to the secretary of the corporation shall set forth the following as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made:

(a) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner;

(b) the class or series and number of shares of the corporation which are owned beneficially and of record by the stockholder and the beneficial owner;

(c) a description of any agreement, arrangement or understanding with respect to the proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing;

(d) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder and such beneficial owner, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner, with respect to securities of the corporation;

(e) a representation that the stockholder is a holder of record of capital stock of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such business;

(f) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding capital stock required to approve or adopt the proposal and/or (ii) otherwise to solicit proxies or votes from stockholders in support of such proposal; and

(g) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the proposal pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder.

Notwithstanding anything in the By-Laws to the contrary and except as otherwise expressly provided in Rule 14a-8 of the Exchange Act, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 2. The presiding officer of an annual meeting shall, if the facts warrant, determine and declare at the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 2, and if the presiding officer should so determine, the presiding officer shall so declare at the meeting and any such business not properly brought before the meeting shall not be transacted. Notwithstanding the foregoing provisions of this Section 2, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the corporation to present the proposed business, such proposed business shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may

have been received by the corporation. For purposes of this Section 2 and Sections 3 and 4 of Article II of these By-Laws, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

Notwithstanding the foregoing provisions of this Section 2, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 2; provided, however, that any references in these By-Laws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to proposals of business to be considered pursuant to this Section 2, and compliance with this Section 2 shall be the exclusive means for a stockholder to submit business other than nominations (other than business brought properly under and in compliance with Rule 14a-8 of the Exchange Act, as may be amended from time to time). Nothing in this Section 2 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 of the Exchange Act.

SECTION 3. Notice of Stockholder Nominees.

Only persons who are nominated in accordance with the procedures set forth in these By-Laws shall be eligible for election as directors. Nominations of persons for election to the board of directors of the corporation may be made at an annual meeting of stockholders only (a) by or at the direction of the board of directors or any duly authorized committee thereof or (b) by any stockholder of the corporation who was a stockholder of record of the corporation at the time the notice provided for in this Section 3 is delivered to the secretary of the corporation, who is entitled to vote for the election of directors at the meeting and who complies with the notice procedures set forth in this Section 3. Nominations by stockholders shall be made pursuant to timely notice in writing to the secretary of the corporation. To be timely, a stockholder's notice shall be delivered to the secretary of the corporation at the principal executive offices of the corporation not later than the close of business on the ninetieth (90^{th}) day, nor earlier than the close of business on the one hundred and twentieth (120^{th}) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred and twentieth (120^{th}) day and not later than the close of business on the later of the ninetieth (90^{th}) day prior to such annual meeting or the tenth (10^{th}) day following the day on which public disclosure of the date of such meeting was first made by the corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

A stockholder's notice to the secretary of the corporation shall set forth the following as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made:

(a) the name and address of such stockholder, as they appear on the corporation's books, and the name and address of such beneficial owner;

(b) the class or series and number of shares of the corporation which are owned beneficially and of record by the stockholder and the beneficial owner;

(c) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder and such beneficial owners, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner, with respect to securities of the corporation;

(d) a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to make the nomination;

(e) a description of any agreement, arrangement or understanding with respect to the nomination between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, including the nominee;

(f) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding capital stock required to elect the nominee and/or (ii) otherwise to solicit proxies or votes from stockholders in support of such nomination; and

(g) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder.

In addition, the corporation may require any proposed nominee to furnish such other information as the corporation may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the corporation.

A stockholder's notice to the secretary of the corporation shall set forth the following as to each person the stockholder proposes to nominate for election as a director:

(a) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with the Exchange Act, and the rules and regulations promulgated thereunder, and

(b) such person's written consent to being named in a proxy statement and to serving as a director of the corporation if elected.

Notwithstanding anything in the first paragraph of this Section 3 to the contrary, in the event that the number of directors to be elected to the board of directors of the corporation at the annual meeting is increased effective after the time period for which nominations would otherwise be due under the first paragraph of this Section 3 and there is no public disclosure by the corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 3 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the secretary of the corporation at the principal executive offices of the corporation not later than the close of business on the tenth (10th) day following the day on which such public disclosure is first made by the corporation.

No person shall be eligible for election as a director of the corporation at an annual meeting unless nominated in accordance with the procedures set forth in these By-Laws. The presiding officer of the meeting shall, if the facts warrant, determine and declare at the meeting that nomination was not made in accordance with the procedures prescribed by these By-Laws, and if the presiding officer should so determine, the presiding officer shall so declare at the meeting and the defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 3, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the corporation to present a nomination, such nomination shall be disregarded and such nomination shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the corporation.

Notwithstanding the foregoing provisions of this Section 3, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 3; provided, however, that any references in these By-Laws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations to be considered pursuant to this Section 3, and compliance with Section 3 shall be the exclusive means for a stockholder to make nominations at an annual meeting of stockholders. Nothing in this Section 3 shall be deemed to affect any rights of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

SECTION 4. Special Meetings; Notice.

Special meetings of the stockholders for any purpose or purposes may be called at any time by the chairman of the board of directors, or by the President of the corporation, or by the board of directors pursuant to a resolution approved by a majority of the entire board of directors. Unless otherwise required by law, notice of every special meeting, stating the date, time and place, if any, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and the purpose or purposes of such meeting, shall be given not less than ten (10) days nor more than sixty (60) days before each such meeting to each stockholder of the corporation entitled to vote at the meeting as of the record date for determining stockholders entitled to notice of the meeting. The board of directors may postpone, reschedule, adjourn, recess or cancel any special meeting previously scheduled by the board of directors.

Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting. Nominations of persons for election to the board of directors may be made at a special meeting of stockholders at which directors are to be selected pursuant to the notice of meeting (a) by or at the direction of the board of

directors or any duly authorized committee thereof or (b) provided that the board of directors has determined that directors shall be elected at such meeting, by any stockholder of the corporation who is a stockholder of record at the time the notice provided for in this Section 4 is delivered to the secretary of the corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 4. In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the board of directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the corporation's notice of meeting, if the stockholder's notice required by Article II, Section 3 of these By-Laws shall be delivered to the secretary of the corporation at the principal executive offices of the corporation not earlier than the close of business on the one hundred and twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10 th) day following the day on which public disclosure is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

No person shall be eligible for election as a director of the corporation at a special meeting unless nominated in accordance with the procedures set forth in these By-Laws. The presiding officer of the meeting shall, if the facts warrant, determine and declare at the meeting that the nomination was not made in accordance with the procedures prescribed by these By-Laws, and if the presiding officer should so determine, the presiding officer shall so declare at the meeting and the defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 4, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the special meeting of stockholders of the corporation to present a nomination, such nomination shall be disregarded and such nomination shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the corporation.

Notwithstanding the foregoing provisions of this Section 4, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 4; provided, however, that any references in these By-Laws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations to be considered pursuant to this Section 4, and compliance with Section 4 shall be the exclusive means for a stockholder to make nominations at a special meeting of stockholders. Nothing in this Section 4 shall be deemed to affect any rights of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

SECTION 5. Waiver of Notice of Meetings.

Any waiver of notice given by a stockholder entitled to notice of a meeting, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a stockholder at a meeting shall constitute a waiver of notice thereof, except when the stockholder attends a meeting for the express purposes of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any annual or special meeting of the stockholders need be specified in a waiver of notice.

SECTION 6. Quorum.

The holders of at least thirty-three and one-third percent (33⅓%) in voting power of the total number of shares of stock issued and outstanding and entitled to be voted at the meeting, present in person or by proxy, shall constitute a quorum for the transaction of business. In the absence of a quorum, the person presiding at the meeting of stockholders or the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in accordance with applicable law until a quorum shall be present. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted by a quorum of the stockholders at the meeting as originally convened.

SECTION 7. Voting at Stockholders' Meetings.

Except as otherwise provided by or pursuant to the provisions of the Certificate of Incorporation, at all meetings of the stockholders, each holder of stock of the corporation having the right to vote at such meeting shall be entitled to one vote for each share of stock registered in his, her or its name on the record date for such meeting.

SECTION 8. Proxies and Voting.

At any meeting of the stockholders, every stockholder entitled to vote may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Except as otherwise provided by these By-Laws, each director shall be elected by the vote of the majority of the votes cast with respect to that director's election at any meeting for the election of directors at which a quorum is present, provided that if, as of the tenth (10th) day preceding the date the corporation first mails its notice of meeting for such meeting to the stockholders of the corporation, the number of nominees exceeds the number of directors to be elected (a "Contested Election"), the directors shall be elected by the vote of a plurality of the votes cast. For purposes of this Section 8, a majority of the votes cast shall mean that the number of votes cast "for" a director's election exceeds the number of votes cast "against" that director's election (with "abstentions" and "broker non-votes" not counted as a vote cast either "for" or "against" that director's election). All other elections and questions presented to the stockholders at a meeting at which a quorum is present shall be decided by a majority of the votes cast with respect thereto (and abstentions shall not be considered votes cast), unless a different or minimum vote is required or provided by the Certificate of Incorporation, these By-Laws, the rules or regulations of any stock exchange applicable to the corporation, or any law or regulation applicable to the corporation or its securities, in which case such different or minimum vote shall be the applicable vote on the matter.

SECTION 9. Manner of Voting.

In the election of directors and in voting on any question on which a vote by written ballot is required by law or is demanded by any stockholder, the voting shall be by written ballot; on all other questions, voting may, but need not, be conducted by written ballot.

SECTION 10. Stock Register.

The corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, that if the record date for determining the stockholders entitled to vote is less than ten (10) days before

the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting at least ten (10) days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (b) during ordinary business hours at the principal place of business of the corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 10 or to vote in person or by proxy at any meeting of the stockholders.

SECTION 11. Record Date for Meetings of Stockholders.

In order that the corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

SECTION 12. Record Date for Stockholder Action by Written Consent.

If the board of directors determines that an action be submitted to stockholders for adoption by written consent in lieu of a meeting of stockholders pursuant to Article Sixth of the Certificate of Incorporation, in order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors within ten (10) days of the date on which the board of directors approves the taking of such action by written consent in lieu of a meeting of stockholders, the record date for

determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the board of directors adopts the resolution approving the taking of such action.

SECTION 13. Presiding Officer and Secretary; Conduct of Business.

The chairman of the board of directors, or in the chairman's absence, the president, shall call meetings of the stockholders to order and shall act as chairman of the meetings; but in the absence of the chairman and the president, the board of directors may appoint any person to act as the chairman of the meeting, and, in the absence of such an appointment by the board of directors of a chairman, the stockholders may elect a chairman to preside at the meeting. The secretary of the corporation shall act as secretary of all meetings of the stockholders, but in the secretary's absence the presiding officer may appoint any person to act as secretary of the meeting.

The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting by the person presiding over the meeting. The board of directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the board of directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the board of directors or prescribed by the presiding person of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare at the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare at the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the board of directors or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

ARTICLE III

Board of Directors

SECTION 1. Number and Election of Directors.

The powers of the corporation shall be exercised by the board of directors, except such as are by law or by the Certificate of Incorporation or by the By-Laws of the corporation reserved to the stockholders. The number of directors shall be fixed in the manner provided in the Certificate of Incorporation. Directors shall be elected as set forth in the Certificate of Incorporation.

SECTION 2. Quorum.

A majority of the total number of directors shall constitute a quorum of the board of directors for the conduct of business of the corporation. In the absence of a quorum the director or directors present in person, at the time and place at which the meeting shall have been called, may adjourn the meeting from time to time, and from place to place until a quorum shall be present. The act of a majority of the directors present in person at a meeting at which a quorum is present shall be the act of the board of directors.

SECTION 3. Voting by Proxy.

Directors may not be represented and may not vote by proxy at directors' meetings.

SECTION 4. Regular Meetings.

Regular meetings of the board may be held upon such notice, or without notice, as the board of directors may by resolution from time to time determine.

SECTION 5. Special Meetings.

Special meetings of the board shall be held whenever called by the chairman of the board of directors, the president or a majority of the entire board of directors. Notice of special meetings of the board of directors shall be given by the person or persons calling the meeting in person or by mail, telephone or electronic transmission at least twenty-four (24) hours before the special meeting. Special meetings of the board may be held for any purpose, without notice, whenever all of the directors are present in person (except when a director attends for the express purposes of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened), or shall waive notice thereof.

SECTION 6. Place of Meeting.

Any meeting of the board of directors may be held at such place or places as may from time to time be established by resolution of the board, or as may be fixed in the notice of such meeting.

SECTION 7. Compensation.

The board of directors shall have authority to fix fees of directors in compensation for their service as directors and as members of special or standing committees of the board of directors, including reasonable allowance of expenses actually incurred in connection with their duties.

SECTION 8. Committees.

The corporation hereby elects to be governed by Section 142(c)(2) of the DGCL. The board of directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business

and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

SECTION 9. Chairman of the Board of Directors.

The board of directors shall elect from among its members a chairman of the board of directors. The chairman, if present, shall preside over all meetings of the stockholders and meetings of the board of directors. The chairman shall have such other duties as determined by the board of directors and, if not so determined, as generally pertain to the chairman of the board of directors of a corporation.

ARTICLE IV

Officers

SECTION 1. Election, Term and Vacancies.

The board of directors shall annually elect the officers of the corporation which shall include a president, a secretary and a treasurer and which may include such other officers as the board of directors may deem necessary. Such officers shall have such authority and perform such duties as may from time to time be prescribed by the board of directors, and, to the extent not so prescribed, as generally pertain to their respective offices, subject to the control of the board of directors. Officers shall hold office for one year or until their successors are elected and qualified, provided, that any officer may be removed at any time by the board of directors. Vacancies occurring in the offices of the corporation shall be filled by the board of directors. No officer need be a director and any person may hold two or more offices, except those of president and vice president.

SECTION 2. President.

The president shall be the chief executive officer of the corporation. In the absence of the chairman of the board of directors, the president shall preside at all meetings of the directors (assuming that the president is also a director of the corporation) and stockholders at which the president is present. The president shall have general management of the business of the corporation, subject to the board of directors, and shall see that all orders and resolutions of the board are carried into effect. The president shall execute contracts and other obligations authorized by the board, and may, without previous authority of the board, make such contracts as the ordinary business of the corporation shall require. The president shall have the usual powers and duties vested in the office of president of a corporation, but may delegate any of such powers to one or more of the vice presidents. The president shall have power to appoint all other officers and agents of the corporation except for the secretary, the treasurer, and such other officers as may be elected by the board of directors. The president shall have power to remove any officers and agents appointed by the president, and to make new appointments to fill vacancies in any such offices.

SECTION 3. Vice Presidents.

The vice presidents of the corporation, if any, shall be vested with such powers and duties as the board of directors may from time to time decide.

SECTION 4. Secretary.

The secretary shall attend all meetings of the stockholders, of the board of directors and of any

committees of the board of directors, and record the votes and proceedings of such meetings in books to be kept for that purpose. The secretary shall keep the corporate seal in safe custody and affix it to any instrument requiring the same. The secretary shall attend to the giving and serving of notices of meetings, and shall have charge of such books and papers as properly belong to such office, or as may be committed to the secretary's care by the board of directors or any committee thereof. The secretary shall also perform such other duties as pertain to the office or as may be required by the board of directors, or as may be delegated to the secretary from time to time by the president.

SECTION 5. Treasurer.

The treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in banks belonging to the corporation, and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors. The treasurer shall disburse the funds of the corporation as may be ordered by the board of directors or the president, taking proper vouchers for such disbursements, and shall render to the president or board of directors, whenever they require it, an account of all the treasurer's transactions as treasurer and of the financial condition of the corporation.

SECTION 6. Assistant Secretary and Assistant Treasurer.

The assistant secretary shall perform such duties as may be delegated to the assistant secretary by the secretary, or as may be required by the board of directors, and shall in the absence of the secretary perform all the functions and have all the duties and responsibilities of secretary. The assistant treasurer shall perform such duties as may be delegated to the assistant treasurer by the treasurer, and shall also perform such other duties as may be required by the board of directors. In the absence of the treasurer, the assistant treasurer shall have all the powers and all the duties and responsibilities of the treasurer. One person may hold the offices of assistant secretary and assistant treasurer.

SECTION 7. Oaths and Bonds.

The board of directors may by resolution require any officers, agents or employees of the corporation to give oaths or to furnish bonds for the faithful performance of their respective duties.

SECTION 8. Signatures.

All checks, drafts or orders for the payment of money, and all acceptances, bills of exchange and promissory notes may be signed by any officer or officers of the corporation, or by any other person designated by resolution of the board of directors.

SECTION 9. Delegation of Duties.

In the event of death, resignation, retirement, disqualification, disability, sickness, absence, removal from office or refusal to act of any officer or agent of the corporation, or for any reason that the board of directors may deem sufficient, the board of directors may delegate the powers and duties of such officer or agent to any other officer or agent, or to any director, for the time being.

ARTICLE V

Shares of Stock

SECTION 1. Stock Certificates; Uncertificated Stock.

The shares of the corporation's capital stock shall be certificated provided that the board of directors may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated shares. Except as otherwise provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificated shares of the same class and series shall be identical. Each holder of stock represented by certificates shall be entitled to a certificate of the capital stock of the corporation in such form, not inconsistent with law and the Certificate of Incorporation of the corporation, as may be approved by the board of directors. Certificates shall be signed by or in the name of the corporation by any two authorized officers of the corporation, including, but not limited to, the chairperson of the board of directors, the vice-chairperson of the board of directors, the president, a vice-president, the treasurer, an assistant treasurer, the secretary or an assistant secretary of the corporation. Any or all the signatures on the certificate may be a facsimile. Certificates shall be consecutively numbered, and the names of the persons owning the shares represented thereby, together with the number of such shares and the date of issue, shall be entered on the books of the corporation. Every certificate for shares of stock which are subject to any restriction on transfer shall contain such legend with respect thereto as is required by law. The corporation shall be permitted to issue fractional shares.

SECTION 2. Registered Stockholders.

The corporation shall be entitled to treat the holder of record of any share or shares of stock in this corporation as the holder in fact thereof, and shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

SECTION 3. Replacement of Certificates; Lost Certificates.

In case of the alleged loss, destruction or mutilation of a certificate of stock, a new certificate may be issued in place thereof, upon such terms as the board of directors may prescribe; provided, however, that if such class or series of shares have ceased to be certificated, a new uncertificated share may be issued upon such terms as the board of directors may prescribe. Any owner of such shares, or such owner's legal representative, shall make an affidavit or affirmation of that fact, and shall advertise the same in such manner as the board of directors may require, and shall, if the board of directors so requires, give the corporation a bond of indemnity in such sum as they may direct.

SECTION 4. Transfer of Shares.

Subject to applicable law and any restrictions on transfer and unless otherwise provided by the board of directors, shares of stock may be transferred only on the books of the corporation, if such shares are certificated, by the surrender to the corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, or upon proper instructions from the holder of uncertificated shares, in each case with such proof of the authenticity of signature as the corporation or its transfer agent may reasonably require.

SECTION 5. Addresses of Stockholders.

Notices may be sent to stockholders at their last known address, except as otherwise provided in these By-Laws or by applicable law.

SECTION 6. Transfer Agents; Rules and Regulations.

The board of directors may appoint a transfer agent or one or more co-transfer agents and a registrar or one or more co-registrars and may make, or may authorize such agents and registrars to make, all such rules and regulations, subject to applicable law, as they may deem expedient governing the issue, transfer and registration of the certificates for shares of the capital stock of the corporation.

SECTION 7. Voting Securities Held by the Corporation.

Unless otherwise provided by resolution adopted by the board of directors, the president may from time to time cast the votes which the corporation may be entitled to cast as the holder of stock or other securities in any other corporation or other entity, any of whose stock or other securities may be held by the corporation, at meetings of the holders of the stock or other securities of such other corporation or other entity, or to consent in writing, in the name of the corporation as such holder, to any action by such other corporation or other entity, and may execute or cause to be executed in the name and on behalf of the corporation and under its corporate seal or otherwise, all such written proxies or other instruments as the president may deem necessary or proper. The voting and other rights set forth in this Section 7 may be delegated by the president to a duly authorized officer or an attorney or agent.

ARTICLE VI

Indemnification and Advancement of Expenses

SECTION 1. Right to Indemnification.

The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article VI, the corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the board of directors of the corporation. For purposes of this Article VI only, an officer is any person holding a title specified in Article IV of these By-Laws.

SECTION 2. Advancement of Expenses.

The corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VI or otherwise.

SECTION 3. Claims.

If a claim for indemnification under this Article VI (following the final disposition of such proceeding) is not paid in full within sixty (60) days after the corporation has received a claim therefor by the Covered Person, or if a claim for any advancement of expenses under this Article VI is not paid in full within thirty (30) days after the corporation has received a statement or statements requesting such amounts to be advanced, the Covered Person shall thereupon (but not before) be entitled to file suit to recover the unpaid amount of such claim. If successful in whole or in part, the Covered Person shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action, the corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law. With respect to claims for indemnification, neither the failure of the corporation (including by its directors, independent legal counsel or stockholders) to have made a determination prior to the commencement of any action that indemnification is proper in the circumstances because the Covered Person has met the applicable standard of conduct, nor an actual determination by the corporation (including by its directors, independent legal counsel or its stockholders) that the Covered Person has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Covered Person has not met the applicable standard of conduct.

SECTION 4. Non-exclusivity of Rights.

The rights conferred on any Covered Person by this Article VI shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these By-Laws, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 5. Other Sources.

The corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

SECTION 6. Amendment or Repeal.

Any right to indemnification or to advancement of expenses of any Covered Person arising hereunder shall not be eliminated or impaired by an amendment to or repeal of these By-Laws after the occurrence of the act or omission that is the subject of the action, suit or proceeding for which indemnification or advancement of expenses is sought.

SECTION 7. Other Indemnification and Advancement of Expenses.

This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

SECTION 8. Agreements for Indemnification and Advancement of Expenses.

The corporation may enter into agreements with its directors and officers (and with such other employees and agents as the board of directors deems appropriate in its sole and exclusive discretion)

both to indemnify such directors and officers (and such other employees and agents, if any) and to advance to such directors and officers (and such other employees and agents, if any) the funds for litigation expenses to the fullest extent permitted by the laws of the State of Delaware, as the same presently exist or may hereafter be amended, changed or modified.

ARTICLE VII

Dividends

SECTION 1. Dividends and Reserves.

Before payment of any dividend, the board of directors may set aside out of the surplus or net profits of the corporation, such sum or sums as in their absolute discretion they may deem proper as a reserve fund for depreciation, renewal, repair and maintenance or for such other purposes as the directors shall think conducive to the interests of the corporation. Dividends upon the issued and outstanding stock of the corporation may be declared by the board of directors in accordance with applicable law.

SECTION 2. Stock Dividends.

When the directors shall so determine, dividends may be paid in stock of the corporation; provided the stock requisite for such purpose shall be authorized and provided that the capital of the corporation shall equal at least the aggregate par value of all of the issued shares of stock of the corporation.

SECTION 3. Record Date for Payment of Dividends and Other Rights.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action not otherwise addressed in these By-Laws, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

ARTICLE VIII

Fiscal Year

The fiscal year of the corporation shall end on the last day of December in each year or as otherwise determined by resolution of the board of directors.

ARTICLE IX

Seal

The corporate seal is, and until otherwise ordered and directed by the board of directors shall be, an impression upon paper or wax, bearing the name of the corporation, the year of its organization and the words “Corporate Seal Delaware.”

ARTICLE X

Amendments

These By-Laws may be altered, amended or repealed by the board of directors. Notwithstanding any other provision in these By-Laws to the contrary and subject to the rights of the holders of any series of Preferred Stock then outstanding, these By-Laws may also be altered, amended or repealed by the stockholders by the favorable vote of sixty-six and two-thirds percent (66⅔%) of the voting power of all outstanding voting stock of the corporation generally entitled to vote on the matter.

Exhibit 10.2

TELLURIAN INC.

2017-2021 Long Term Incentive Compensation Program

(As adopted by Board of Directors on September 20, 2017 upon the recommendation of the Compensation Committee on September 20, 2017)

Purpose

Tellurian Inc. (the "Company") hereby establishes and adopts this 2017-2021 Long Term Incentive Compensation Program (the "Program") to provide long term incentive award opportunities to incentivize and retain employees and selected independent contractors, as recommended by senior management to the Committee (as defined below), of the Company and its Affiliates, contingent upon meeting certain performance goals. Upon approval by the stockholders of the Company of the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan, this Program shall immediately become effective.

Overview

The Program is structured as a sub-plan under the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan, as amended from time to time (the "Plan"). The Program sets forth the terms of the Company's long-term equity incentive program for the 2017 through 2021 Performance Periods.

Awards under the Program for any Performance Period (as defined below) depend upon total shareholder return during the applicable Performance Period and cumulatively over the life of the Program.

Unless otherwise defined in this Program, capitalized terms used herein shall have the meanings assigned to them in the Plan; provided, however, that with respect to Awards issued under the Program, capitalized terms shall have the meanings as may be set forth and otherwise defined in the Restricted Stock Award Agreement.

Performance Period

The term of the Program (the " Term") will commence as of January 1, 2017 (the " Program Start Date") and will consist of five consecutive annual performance periods.

Each annual performance period during the Term (each, a " Performance Period") will commence on January 1 (as applicable, the "Period Start Date") and continue through December 31 of the calendar year in which the Period Start Date occurs (as applicable, the "Period End Date").

Administration of the Program

The Program shall be administered by the Compensation Committee (the " Committee") of the Board of Directors of the Company (the "Board") in accordance with the terms of the Plan and pursuant to the Committee's authority under the Plan. The Committee shall not delegate any matters

involving compensation of the "Executive Officer Group," which, for purposes of any Performance Period during the Term, will include the Company's Chief Executive Officer (the "CEO"), the Chief Financial Officer of the Company ("CFO"), and any "officer" of the Company or any Affiliate within the meaning of Section 16 of the Exchange Act (the "Executive Officers") and other employees of the Company and its Affiliates who the Committee determines, in its sole discretion, could be a "Covered Employee" under Code Section 162(m) as of the end of the fiscal year in which the Awards under the Program are issued for such Performance Period.

The Program is (and Awards granted hereunder are) subject to all of the provisions of the Plan, together with all of the rules and determinations from time to time issued by the Committee and by the Board pursuant to the Plan; provided, however, that in the event of a conflict between any provision of the Plan and the Program, the provisions of the Program shall control but only to the extent such conflict is permitted under the Plan.

Eligibility

Except as otherwise delegated by the Committee in accordance with the Plan and applicable law, the Committee shall determine the employees and, taking into account the recommendations of senior management to the Company, selected independent contractors eligible to participate in the Program for any Performance Period (the "Participants").

Prior to the end of each Performance Period, except as otherwise delegated by the Committee in accordance with the Plan and applicable law, the Committee, in its sole discretion but taking into account the recommendations of senior management, shall select and identify the Participants that will be eligible to participate in the Program. Notwithstanding the foregoing, to the extent that the Committee intends that Awards to the Executive Officer Group Participants for any Performance Period qualify as "performance-based compensation" within the meaning of the Plan and performance-based compensation as described in Section 162(m)(4)(C) of the Code ("Performance-Based Awards"), the determination and identification of the Executive Officer Group for the Performance Period shall be made by the Committee on a timely basis in accordance with the regulations under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

For purposes of any Performance Period during the Term, the " Employee Group" will include the Participants who are not in the Executive Officer Group and who are selected and identified by the Committee (or its delegate in accordance with the Plan and applicable law) as eligible to participate in the Program.

Annual Share Pools

The aggregate long-term equity incentive pool (the " Aggregate Share Pool") allocable for each Performance Period will be a number of restricted shares of the Company's Common Stock equal to (x) 0.085 *multiplied by* (y) the TSV Growth and *divided by* (z) the Average Closing Stock Price. The components of the Aggregate Share Pool shall be calculated according to the following definitions:

- “Average Closing Stock Price” means, as to any Performance Period, the simple average of the closing prices of the Company’s Common Stock as reported on the primary stock exchange on which the Company’s Common Stock is traded (as of the date of adoption of this Program, the Nasdaq Stock Market) (the “Primary Exchange”) for the final ten (10) days of the Performance Period. The calculation of the Average Closing Stock Price shall not include any price for any day that is a weekend, holiday or any other day in which the Company’s Common Stock was not traded during such day on the Primary Exchange. For the avoidance of doubt in the application of this section, the program start price will be $10.07, which is the 10-day average share price from December 21, 2016 through December 30, 2016.

- “Market Capitalization” means, as to any Performance Period, (i) the Average Closing Stock Price multiplied by (ii) the number of outstanding shares of the Company’s Common Stock as of the last day of the Performance Period.

- “Program Start Date TSV” means $2,014,000,000.

- “Total Shareholder Value” means, as to any Performance Period, (i) the Market Capitalization for such Performance Period; plus (ii) the aggregate amount paid by the Company for all repurchases of the Company’s Common Stock made by the Company since the effective date of the Program (not including the repurchase of any shares issued under the Plan, including this Program, for the net settlement of taxes owed by employees); minus (iii) the aggregate value of all stock issuances (not including any shares issued under the Plan, including this Program) since the effective date of the Program; plus (iv) the aggregate amount of all dividends paid to holders of the Company’s Common Stock since the effective date of the Program.

- “TSV Growth” means, as to any Performance Period, a positive amount equal to: (i) the Total Shareholder Value for such Performance Period; minus (ii) the greater of (x) the highest Total Shareholder Value achieved in any prior Performance Period and (y) the Program Start Date TSV. If the TSV Growth is not a positive amount in excess of 0, then the TSV Growth will be deemed to be 0.

For any Performance Period, the amount of the Aggregate Share Pool, and all calculations and determinations in respect thereof, shall be prepared as soon as practicable after the end of the Performance Period (consistent with generally accepted accounting principles and/or as identified in the Company’s financial statements, notes to the financial statements, management’s discussion and analysis, or other Securities and Exchange Commission filings) and subject to the approval of the Committee.

Pool Allocations and Sharing Percentages

For purposes of this Program, any allocation of the Aggregate Share Pool to a Participant shall be referred to as his or her “Pool Allocation”, and a Participant’s Pool Allocation expressed as a percentage of the Aggregate Share Pool shall be referred to as his or her “Sharing Percentage.”

Prior to, during or as soon as practicable after the end of a Performance Period, the Committee (or its delegate) shall determine the Pool Allocation and/or Sharing Percentage, if any, to be allocated to each Participant in respect of such Performance Period. At any time, the Committee (or its delegate) may also determine the Sharing Percentage for any Participant for any or all future Performance Periods during the Term of the Program.

Notwithstanding the foregoing, the Committee may not delegate the responsibility for making allocations in respect of Participants in the Executive Officer Group, and to the extent Awards to such Participants in the Executive Officer Group for any such Performance Period are intended by the Committee to qualify as Performance-Based Awards, such determination shall be made by the Committee in writing on a timely basis in accordance with applicable Section 162(m) regulation.

At any time following the determination of any allocation of the Aggregate Share Pool to a Participant for any Performance Period or Performance Periods, the Committee (or its delegate) may in its sole discretion communicate to such Participant the Pool Allocation and/or Sharing Percentages allocated to such Participant in writing promptly following the determination thereof (such written notice, an "Allocation Notice").

Any Sharing Percentage or Pool Allocation allocated to a Participant in the Executive Officer Group for any Performance Period who forfeits his or her right to receive an Award under the Program for such Performance Period may not be reallocated to any other Participant in the Executive Officer Group or otherwise result in an increase to any Pool Allocation or Sharing Percentages for any other Participant in the Executive Officer Group for such Performance Period, in each case, to the extent Awards to such other Participants in the Executive Officer Group under the Program for the Performance Period are intended to be Performance-Based Awards; provided, however, that nothing herein shall limit the ability of the Committee to reallocate any such forfeited Sharing Percentage or Pool Allocation (or to issue Restricted Shares in respect of any such reallocated Pool Allocation or Sharing Percentage) to any Participant within the first 90 days of the Performance Period, or at any time prior to payment with respect to a Participant who is not in the Executive Officer Group.

The Pool Allocations for Participants in the Employee Group and the Executive Officer Group, in the aggregate for any Performance Period, may not exceed the Aggregate Share Pool, and the Sharing Percentages for Participants in the Employee Group and the Executive Officer Group, in the aggregate for any Performance Period, may not exceed one hundred percent (100%).

Except as provided below with respect to a Performance Period in which a Change of Control occurs, the Committee may determine, in its sole discretion, for any Performance Period, to reduce the Aggregate Share Pool, or to make total Pool Allocations to all Participants in an aggregate amount that is less than the Aggregate Share Pool and/or to establish total Sharing Percentages for all Participants in an aggregate percentage that is less than one hundred percent (100%), based on such factors as it determines to be appropriate, including, but not limited to, established Performance Goals, Company-wide or business-unit performance against budgeted financial goals, measures of internal controls and compliance initiatives, and assessments of individual performance.

Determination of Individual Awards

Following the determination of the Aggregate Share Pool for a Performance Period, the Company shall issue awards of restricted shares of the Company's Common Stock ("Restricted Shares") under the Program pursuant to a written Restricted Stock Grant agreement.

The number of Restricted Shares issued under an Award to any Participant in respect of any Performance Period shall be in an amount equal to the Participant's Pool Allocation (and in the case of a Pool Allocation expressed in a Sharing Percentage, equal to the product of (i) the Participant's Sharing Percentage, as the case may be, and (ii) the Aggregate Share Pool),

Notwithstanding the foregoing, (A) the total number of shares of Common Stock that may be granted subject to Awards under the Program during the Term, in the aggregate, shall not exceed the number of shares of Common Stock reserved for issuance under Section 5 of the Plan, inclusive of all previously approved and unallocated shares; and (B) no more than the maximum number of shares of Common Stock that may be granted to any individual in any calendar year under Section 5 of the Plan may be granted to any Participant in any calendar year, including Awards granted under the Program or otherwise. For purposes of the annual limits with respect to grants of Awards covering or relating to shares of Common Stock under Section 5 of the Plan, Awards issued under the Program shall only be deemed granted on the date of issuance of the Restricted Shares pursuant to a Restricted Stock Award Agreement.

Terms and Conditions of Awards

All Restricted Shares issued pursuant to the Program will be awarded no later than March 15 of the year following the last day of the applicable Performance Period, subject to the Participant's continued employment in good standing through the date of grant. A Participant whose employment terminates for any reason (or no reason) prior to the date of issuance of Awards for the applicable Performance Period will not receive an Award of Restricted Shares under the Program for the applicable Performance Period.

Restricted Shares issued under the Program will be granted pursuant to a Restricted Stock Award Agreement having terms and conditions as set forth below, unless otherwise determined by the Committee and set forth in the applicable Restricted Stock Award Agreement:

- Vesting. The Restricted Shares shall vest and the forfeiture restrictions shall lapse as follows, in each case, subject to the Participant's continued employment in good standing through the applicable vesting date: (i) 25% of the Restricted Shares will be vested as of the date of grant; and (ii) 25% of the Restricted Shares will vest on each of the first, second and third calendar years following the year in which the applicable Performance Period ends (e.g., for awards granted in respect of the initial Performance Period ending December 31, 2017, 25% would be vested on the date of grant in early 2018, and an additional 25% would vest on the anniversaries of the date of grant in each of 2019, 2020 and 2021). Except as otherwise set forth below, upon the termination of a Participant's employment with the Company and its Affiliates, all unvested Restricted Shares not then vested as of the date of termination shall not vest (except as otherwise provided herein) and shall be forfeited back to the Plan.

- Termination of Employment due to Death or Disability . If the Participant's employment with the Company or an Affiliate is terminated due to the death of the Participant or by the Company or an Affiliate due to the Disability of the Participant, then the Restricted Shares shall become vested and the forfeiture restrictions shall lapse as of the date of such termination as to all unvested Restricted Shares, provided that in the case of a termination due to Disability, such vesting is subject to the Participant's continued compliance with all confidentiality obligations and restrictive covenants to which the Participant is subject.

- Termination of Employment without Cause . If the Participant's employment with the Company or an Affiliate is terminated by the Company or an Affiliate without "Cause," then the Restricted Shares shall become vested and the forfeiture restrictions shall lapse as of the date of such termination as to all unvested Restricted Shares, subject to (x) the Participant's timely execution and delivery to the Company (without revocation) of a general release of all claims of any kind that Participant has or may have against the Company and its Affiliates and their respective affiliates, officers, directors, employees, shareholders, agents and representatives, in a form satisfactory to the Company, within sixty (60) days following the date of termination, and (y) Participant's continued compliance with all confidentiality obligations and restrictive covenants to which the Participant is subject.

The terms "Cause" and "Disability" as applied to any Award under the Program shall have the meaning set forth in the Plan, unless otherwise determined by the Committee and set forth in the applicable Restricted Stock Award Agreement.

Change of Control

In the event that a Change of Control (as defined in the Plan) occurs during a Performance Period, then the TSV Growth for such Performance Period shall be determined as of such Change of Control, assuming for purposes of such determination that (i) the Period End Date for such Performance Period was the date of consummation of the Change of Control and (ii) the Average Closing Stock Price as of the last day of the Performance Period was equal to the aggregate consideration paid in such Change of Control divided by the number of shares of the Company's Common Stock outstanding as of immediately prior to the consummation of the Change of Control. The consideration paid in such Change of Control shall be deemed to be: (A) in the case of a sale, exchange or purchase of the Company's equity securities, the total consideration paid for such securities (including the amount of any dividends paid to holders of the Company's Common Stock in connection with such Change of Control) and (B) in the case of a sale or disposition by the Company of all or substantially all of the Company's assets, the total consideration paid for such assets, net of any required repayment of indebtedness by the Company in connection with such sale, plus the net value of any current assets and liabilities not sold by the Company.

Notwithstanding anything in the Program to the contrary, prior to the consummation of a Change of Control, the Committee, taking into account the recommendations of senior management, shall fully allocate the Aggregate Share Pool for the Performance Period in which the Change of Control

occurs among eligible Participants, such that the aggregate Sharing Percentages for all Participants for such Performance Period shall equal one hundred percent (100%). Following the determination of the Aggregate Share Pool for such Performance Period, subject to and effective as of the Change of Control, the Company shall issue awards of Restricted Shares under the Program for such Performance Period that are fully vested and not subject to forfeiture restrictions as of the date of grant.

Amendment and Termination

The Committee may at any time alter, amend, suspend, modify, restate, supplement or terminate the Program, including during a Performance Period; provided, however, that no such amendment, suspension or termination shall adversely affect any Awards previously granted under the Program to a Participant or any allocation of a Sharing Percentage communicated to a Participant pursuant to an Allocation Notice, and no amendment shall be made without the approval of the Company's stockholders if the effect of such amendment would be to cause outstanding or pending Awards that are intended to be Performance-Based Awards to cease to qualify for the performance-based compensation exception to Section 162(m) of the Code. The Company and its Affiliates shall be under no obligation to continue the Program after the 2021 Performance Period or to offer any other annual bonus program in any future period. Notwithstanding anything herein to the contrary, the Committee may suspend, amend or terminate the Program and any Sharing Percentage and/or Allocation Notice following a Change of Control with respect to any or all future Performance Periods.

Taxes

The Company shall have the right to take any action as may be necessary or appropriate to satisfy any federal, state, local or any other tax withholding obligations or national insurance/social security obligations as it determines are necessary in relation to Awards under this Program and/or arising from the issuance, vesting or disposal of Awards acquired under the Program and/or the Plan. Unless otherwise agreed to in writing by the Participant and the Company, or pursuant to the establishment by the Committee of an alternate procedure, (a) for a Participant who is an "officer" under Section 16 of the Exchange Act at the time of vesting, required withholding will be implemented through a net settlement of shares or (b) for a Participant who is not an "officer" under Section 16 of the Exchange Act at the time of vesting, required withholding will be required to be implemented through the Participant executing a "sell to cover" transaction through a broker designated or approved by the Company.

Participants shall be solely responsible for and liable for any tax consequences (including but not limited to any interest or penalties) as a result of participation in the Program. None of the Board, the Company or the Committee makes any commitment or guarantee that any federal, state or local tax treatment will apply or be available to any person participating or eligible to participate hereunder and assumes no liability whatsoever for the tax consequences to the participants.

All Awards under the Program are intended to be exempt from or to comply with the requirements of Section 409A of the Code and shall be interpreted accordingly. The Company makes no commitment or guarantee to Participants that any federal or state tax treatment will apply or be

available to any person eligible for benefits under an Award and in no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed as a result of Section 409A or any damages for failing to comply with Section 409A.

The Company makes no commitment or guarantee to Participants that any particular United Kingdom tax treatment will apply or be available to any person eligible for benefits under an Award and in no event whatsoever shall the Company be liable for any tax, interest or penalty that may be imposed under any applicable United Kingdom employment tax legislation. The Participant agrees to enter into any tax election that the Company requires that the Participant enter into with the Company or any Subsidiary (including the Employer) within any time period requested by the Company. If the Company so requires as a condition of the Award, the Participant shall (i) enter into a joint election with the Employer under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the Restricted Stock within 14 days after the date of grant and (ii) appoint the Company as the Participant's attorney to make any joint election and related arrangements. Upon the making of such election, the Company and/or the Participant's Employer shall have the right to take any action as may be necessary to comply with related reporting obligations and withholding obligations in respect of income tax and National Insurance Contributions which may arise from the making of such election.

Miscellaneous

The obligations of the Company under the Program shall be binding upon any successor corporation or organization (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business and/or assets of the entity.

No right or benefit under the Program shall be subject to alienation, sale, assignment, pledge, encumbrance, garnishment, execution or levy of any kind or charge, and any attempt to alienate, sell, assign, pledge, encumber and, to the extent permitted by applicable law, garnish, execute upon or levy upon the same, shall be void and shall not be recognized or given effect by the Company.

The Program and all determinations made and actions taken thereunder shall be governed by the laws of the State of Delaware.

No person shall have any claim or right to participate in the Program or to receive any allocation or be issued any Award in the Program, in each case, except as otherwise determined by the Committee. An allocation of a Sharing Percentage shall not confer on any Participant a right to continued employment with the Company. The Company expressly reserves the right to terminate the employment or services of any Participant at any time. Any Award granted to any Participant shall remain subject to the terms thereof, including without limitation and as applicable, the Plan and any award agreement to which such Award may be subject.

The Program is not funded and any obligations under the Program arising from, or relating to, any Award shall constitute a general unsecured claim.

TELLURIAN INC.

RESTRICTED STOCK AGREEMENT
PURSUANT TO THE
TELLURIAN INC.
AMENDED AND RESTATED 2016 OMNIBUS INCENTIVE COMPENSATION PLAN

This RESTRICTED STOCK AGREEMENT ("**Agreement**") is effective as of [_____] [__], 20[17] (the " **Grant Date**"), between Tellurian Inc., a Delaware corporation (the " **Company**"), and [INSERT NAME] (the " **Participant**").

Terms and Conditions

The Participant is hereby granted, as an eligible Employee of the Company or a Subsidiary, as of the Grant Date, pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (as it may be amended and/or restated from time to time, the "**Plan**"), the number of Shares of the Company's Common Stock set forth in Section 1 below. Except as otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan. A copy of the Plan and the prospectus with regard to the shares under an effective registration on Form S-8 have been delivered or made available to the Participant. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and the prospectus and agrees to comply with the Plan, this Agreement and all applicable laws and regulations.

Accordingly, the parties hereto agree as follows:

1 . **Grant of Shares**. Subject in all respects to the Plan and the terms and conditions set forth herein and therein, effective as of the Grant Date, the Company hereby awards to the Participant [_____] shares of its Common Stock (the "**Shares**"). Such Shares are subject to certain vesting and forfeiture restrictions set forth in Section 2 hereof, which restrictions shall lapse at the times provided under Section 2 hereof. For the period during which such restrictions are in effect, the Shares subject to such restrictions are referred to herein as the "**Restricted Stock**." The Restricted Stock, in the sole discretion of the Plan Administrator, shall be evidenced by a certificate or be credited to a book entry account maintained by the Company (or its designee) on behalf of the Participant and such certificate or book entry (as applicable) shall be noted appropriately to record the restrictions on the Restricted Stock imposed hereby.

2. **Restricted Stock**.

(a) **Rights as a Stockholder.** The Participant shall have the rights of a stockholder with respect to the shares of Restricted Stock as, and only as, set forth in Section 10.4 of the Plan and herein. Solely with respect to unvested shares of Restricted Stock, (i) dividends or other distributions (collectively, "dividends") on such unvested shares of Restricted Stock shall be withheld, in each case, while such unvested shares of Restricted Stock are subject to restrictions, and (ii) in no event shall dividends or other distributions payable thereunder be paid unless and until such unvested shares of Restricted Stock to which they relate no longer are subject to a risk

of forfeiture hereunder. Dividends that are not paid currently shall be credited to bookkeeping accounts on the Company's records for purposes of the Plan and shall not accrue interest. Such dividends shall be paid to the Participant in the same form as paid on the Common Stock promptly upon the lapse of the restrictions.

(b) **Vesting**. Subject to Sections 2(c) and 2(d) below, the Restricted Stock shall only vest, and the forfeiture restrictions shall lapse, as follows (and there shall be no proportionate or partial vesting in the periods prior to the applicable vesting date(s) and all vesting shall occur only on the applicable vesting date(s)), subject to the Participant's continued employment or other service to the Company and its Affiliates through the applicable vesting date:

Percentage of Restricted Stock	Vesting Date
[25%]	[Grant Date]
[25%]	[One-year anniversary of the Grant Date]
[25%]	[Two-year anniversary of the Grant Date]
[25%]	[Three-year anniversary of the Grant Date]

(c) **Termination of Service.** Except as otherwise provided in this Section 2(c), in the event the Participant experiences a Termination of Service for any reason, the Participant shall forfeit to the Company, without compensation, any Shares of Restricted Stock that are unvested and/or subject to forfeiture restrictions as of the date of such Termination of Service; provided, that in the event the Participant experiences (i) a Termination of Service due to his or her death or Disability or (ii) a Termination of Service by the Company without Cause, all unvested Shares of Restricted Stock shall immediately vest in full and all forfeiture restrictions thereon shall lapse as of the date of such Termination of Service, subject to and conditioned upon (A) in the case of a Termination of Service by the Company without Cause or due to Disability, the Participant's continued compliance with all confidentiality obligations and restrictive covenants to which the Participant is subject, and (B) in the case of a Termination of Service by the Company without Cause, the Participant's timely execution and delivery (without revocation) to the Company of a general release of all claims of any kind that Participant has or may have against the Company and its Affiliates and their respective affiliates, officers, directors, employees, shareholders, agents and representatives, in a form satisfactory to the Company, within twenty-one (21) days (or such longer period as may be required by law) after delivery of the form of release by the Company.

(d) **Change of Control**. In the event of a Change of Control (as defined in the Plan), all outstanding and unvested Shares of Restricted Stock shall immediately vest in full and all forfeiture restrictions thereon shall lapse as of the date of such Change of Control.

(e) **Section 83(b).** If the Participant properly elects (as permitted by Section 83(b) of the Code) within thirty (30) days after the issuance of the Restricted Stock to include in gross income for federal income tax purposes in the year of issuance the fair market value of such Restricted Stock, the Participant shall deliver to the Company a signed copy of such election within 10 days after the making of such election, and shall pay to the Company or make arrangements

satisfactory to the Company to pay to the Company upon such election, any federal, state, local or other taxes of any kind that the Company is required to withhold with respect to the Restricted Stock. **The Participant acknowledges that it is his or her sole responsibility, and not the Company's, to file timely and properly the election under Section 83(b) of the Code and any corresponding provisions of state tax laws if he or she elects to utilize such election.**

(f) **Certificates.** If, after the Grant Date, certificates are issued with respect to the shares of Restricted Stock, such issuance and delivery of certificates shall be made in accordance with the applicable terms of the Plan.

3. **Delivery Delay**. The delivery of any certificate representing the Restricted Stock may be postponed by the Company for such period as may be required for it to comply with any applicable foreign, federal, state or provincial securities law, or any national securities exchange listing requirements and the Company is not obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such Shares shall constitute a violation by the Participant or the Company of any provisions of any applicable foreign, federal, state or provincial law or of any regulations of any governmental authority or any national securities exchange. If the Participant is currently a resident or is likely to become a resident in the United Kingdom at any time during the period that the Shares are subject to restriction, the Participant acknowledges and understands that the Company intends to meet its delivery obligations in Common Stock with respect to the shares of Restricted Stock, except as may be prohibited by law or described in this Agreement or supplementary materials.

4. **Certain Legal Restrictions**. The Plan, this Agreement, the granting and vesting of the Restricted Stock, and any obligations of the Company under the Plan and this Agreement, shall be subject to all applicable federal, state and local laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required, and to any rules or regulations of any exchange on which the Common Stock is listed.

5. **Withholding of Taxes**. The Company shall have the right to deduct from any payment to be made pursuant to this Agreement and the Plan, or to otherwise require, prior to the issuance, delivery or vesting of any shares of Common Stock, payment by the Participant of, any federal, state or local taxes required by law to be withheld. Unless otherwise agreed to in writing by the Participant and the Company, or pursuant to the establishment by the Plan Administrator of an alternate procedure, (i) if the Participant is an "officer" under Section 16 of the Exchange Act at the time of vesting or other applicable tax event, required withholding will be implemented through a net settlement of shares (any such shares valued at Fair Market Value on the applicable date), or (ii) if the Participant is not an "officer" under Section 16 of the Exchange Act at the time of vesting or other applicable tax event, required withholding will be required to be implemented through the Participant executing a "sell to cover" transaction through a broker designated or approved by the Company.

6. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Plan Administrator and as may be in effect from time to time. The Plan is incorporated herein by

reference. If and to the extent that any provision of this Agreement conflicts or is inconsistent with the terms set forth in the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

7. **Restrictions on Transfer.** The Participant shall not sell, transfer, pledge, hypothecate, assign or otherwise dispose of the Shares, except as permitted in the Plan or Agreement. Any attempted sale, transfer, pledge, hypothecation, assignment or other disposition of the Shares in violation of the Plan or this Agreement shall be void and of no effect and the Company shall have the right to disregard the same on its books and records and to issue "stop transfer" instructions to its transfer agent.

8. **Recoupment Policy**. The Participant acknowledges and agrees that the Restricted Stock shall be subject to the terms and provisions of any "clawback" or recoupment policy that may be adopted by the Company from time to time or as may be required by any applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and rules and regulations thereunder).

9. **No Right to Employment or Consultancy Service.** This Agreement is not an agreement of employment or to provide consultancy services. None of this Agreement, the Plan or the grant of the Restricted Stock hereunder shall (a) guarantee that the Company will employ or retain the Participant as an employee or consultant for any specific time period or (b) modify or limit in any respect the Company's right to terminate or modify the Participant's employment, consultancy arrangement or compensation. Moreover, this Agreement is not intended to and does not amend any existing employment or consulting contract between the Participant and the Company or any of its Affiliates.

10. **Section 409A**. Subject to and without limitation on Section 19.3 of the Plan, it is intended that the Restricted Stock be exempt from Code Section 409A, and this Agreement shall be construed and interpreted in accordance with such intent.

11. **Notices.** Any notice or communication given hereunder shall be in writing or by electronic means and, if in writing, shall be deemed to have been duly given: (a) when delivered in person or by electronic means; (b) three days after being sent by United States mail; or (c) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, in each case, to the appropriate party at the following address (or such other address as the party shall from time to time specify): (i) if to the Company, to Tellurian Inc. at its then current headquarters; and (ii) if to the Participant, to the address on file with the Company.

12. **Mode of Communications**. The Participant agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in connection with this grant of Restricted Stock and any other grants offered by the Company, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. The Participant further agrees that electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system.

13. **Governing Law**. All matters arising out of or relating to this Agreement and the transactions contemplated hereby, including its validity, interpretation, construction, performance and enforcement, shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to principles of conflict of laws which would result in the application of the laws of any other jurisdiction.

14. **Successors**. The Company will require any successors or assigns to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. The terms of this Agreement and all of the rights of the parties hereunder will be binding upon, inure to the benefit of, and be enforceable by, the Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

15. **WAIVER OF JURY TRIAL . EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT.**

16. **Construction**. All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement. Wherever any words are used in this Agreement in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply. As used herein, (a) "or" shall mean "and/or" and (b) "including" or "include" shall mean "including, without limitation." Any reference herein to an agreement in writing shall be deemed to include an electronic writing to the extent permitted by applicable law.

17. **Severability of Provisions**. If at any time any of the provisions of this Agreement shall be held invalid or unenforceable, or are prohibited by the laws of the jurisdiction where they are to be performed or enforced, by reason of being vague or unreasonable as to duration or geographic scope or scope of the activities restricted, or for any other reason, such provisions shall be considered divisible and shall become and be immediately amended to include only such restrictions and to such extent as shall be deemed to be reasonable and enforceable by the court or other body having jurisdiction over this Agreement, and the Company and the Participant agree that the provisions of this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provisions had not been included.

18. **No Waiver**. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

19. **Entire Agreement**. This Agreement, together with the Plan, contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

20. **Data Protection**. By accepting this Agreement (whether by electronic means or otherwise), the Participant hereby consents to the holding and processing of personal data provided by him to the Company for all purposes necessary for the operation of the Plan. These include, but are not limited to administering and maintaining Participant records; providing information to any registrars, brokers or third party administrators of the Plan; and providing information to future purchasers of the Company or the business in which the Participant works.

21. **Acceptance.** To accept the grant of the Restricted Stock, the Participant must execute and return the Agreement by [_____] (the "**Acceptance Deadline**"). By accepting this grant, the Participant will have agreed to the terms and conditions set forth in this Agreement and the terms and conditions of the Plan. The grant of the Restricted Stock will be considered null and void, and acceptance thereof will be of no effect, if the Participant does not execute and return the Agreement by the Acceptance Deadline.

22. **Counterparts**. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one instrument. Execution and delivery of this Agreement by facsimile or other electronic signature is legal, valid and binding for all purposes.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

TELLURIAN INC.

By: _____
Name:
Title:

PARTICIPANT

By: _____
Name:

[Signature Page to Restricted Stock Agreement]

TELLURIAN INC.

RESTRICTED STOCK AGREEMENT
PURSUANT TO THE
TELLURIAN INC.
AMENDED AND RESTATED 2016 OMNIBUS INCENTIVE COMPENSATION PLAN

This RESTRICTED STOCK AGREEMENT ("**Agreement**") is effective as of [_____] [__], 2017 (the " **Grant Date**"), between Tellurian Inc., a Delaware corporation (the " **Company**"), and [INSERT NAME] (the " **Participant**").

Terms and Conditions

The Participant is hereby granted, as an eligible Employee of the Company or a Subsidiary, as of the Grant Date, pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (as it may be amended and/or restated from time to time, the "**Plan**"), the number of Shares of the Company's Common Stock set forth in Section 1 below. Except as otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan. A copy of the Plan and the prospectus with regard to the shares under an effective registration on Form S-8 have been delivered or made available to the Participant. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and the prospectus and agrees to comply with the Plan, this Agreement and all applicable laws and regulations.

Accordingly, the parties hereto agree as follows:

1 . **Restricted Stock**. Subject in all respects to the Plan and the terms and conditions set forth herein and therein, effective as of the Grant Date, the Company hereby awards to the Participant [_____] shares of its Common Stock (the "**Shares**"). Such Shares are subject to certain vesting and forfeiture restrictions set forth in Section 2 hereof, which restrictions shall lapse at the times provided under Section 2 hereof. For the period during which such restrictions are in effect, the Shares subject to such restrictions are referred to herein as the "**Restricted Stock**." The Restricted Stock, in the sole discretion of the Plan Administrator, shall be evidenced by a certificate or be credited to a book entry account maintained by the Company (or its designee) on behalf of the Participant and such certificate or book entry (as applicable) shall be noted appropriately to record the restrictions on the Restricted Stock imposed hereby.

2. **Restricted Stock**.

(a) **Rights as a Stockholder.** The Participant shall have the rights of a stockholder with respect to the shares of Restricted Stock as, and only as, set forth in Section 10.4 of the Plan and herein. Solely with respect to unvested shares of Restricted Stock, (i) dividends or other distributions (collectively, "dividends") on such unvested shares of Restricted Stock shall be withheld, in each case, while such unvested shares of Restricted Stock are subject to restrictions, and (ii) in no event shall dividends or other distributions payable thereunder be paid unless and until such unvested shares of Restricted Stock to which they relate no longer are subject to a risk

of forfeiture hereunder. Dividends that are not paid currently shall be credited to bookkeeping accounts on the Company's records for purposes of the Plan and shall not accrue interest. Such dividends shall be paid to the Participant in the same form as paid on the Common Stock promptly upon the lapse of the restrictions.

(b) **Vesting**. Subject to Section 2(c) below, the Restricted Stock shall only vest, and the forfeiture restrictions shall lapse, as follows (and there shall be no proportionate or partial vesting in the periods prior to the applicable vesting date(s) and all vesting shall occur only on the applicable vesting date(s)), subject to the Participant's continued employment or other service to the Company and its Affiliates through the applicable vesting date:

Percentage of Restricted Stock	Vesting Date
[25%]	[Grant Date]
[25%]	[One-year anniversary of the Grant Date]
[25%]	[Two-year anniversary of the Grant Date]
[25%]	[Three-year anniversary of the Grant Date]

(c) **Termination of Service.** Except as otherwise provided in this Section 2(c), in the event the Participant experiences a Termination of Service for any reason, the Participant shall forfeit to the Company, without compensation, any Shares of Restricted Stock that are unvested and/or subject to forfeiture restrictions as of the date of such Termination of Service; provided, that in the event the Participant experiences (i) a Termination of Service due to his or her death or Disability or (ii) a Termination of Service by the Company without Cause, all unvested Shares of Restricted Stock shall immediately vest in full and all forfeiture restrictions thereon shall lapse as of the date of such Termination of Service, subject to and conditioned upon (A) in the case of a Termination of Service by the Company without Cause or due to Disability, the Participant's continued compliance with all confidentiality obligations and restrictive covenants to which the Participant is subject, and (B) in the case of a Termination of Service by the Company without Cause, the Participant's timely execution and delivery (without revocation) to the Company of a general release of all claims of any kind that Participant has or may have against the Company and its Affiliates and their respective affiliates, officers, directors, employees, shareholders, agents and representatives, in a form satisfactory to the Company, within twenty-one (21) days (or such longer period as may be required by law) after delivery of the form of release by the Company.

(d) **Change of Control**. In the event of a Change of Control while any outstanding Shares of Restricted Stock are unvested and/or subject to forfeiture restrictions, such unvested Shares shall remain outstanding and subject to vesting and forfeiture as set forth in Section 2(b), subject to Section 2(c) above and the Change of Control provisions in the Plan.

(e) **Section 83(b).** If the Participant properly elects (as permitted by Section 83(b) of the Code) within thirty (30) days after the issuance of the Restricted Stock to include in gross income for federal income tax purposes in the year of issuance the fair market value of such Restricted Stock, the Participant shall deliver to the Company a signed copy of such election within

10 days after the making of such election, and shall pay to the Company or make arrangements satisfactory to the Company to pay to the Company upon such election, any federal, state, local or other taxes of any kind that the Company is required to withhold with respect to the Restricted Stock. **The Participant acknowledges that it is his or her sole responsibility, and not the Company's, to file timely and properly the election under Section 83(b) of the Code and any corresponding provisions of state tax laws if he or she elects to utilize such election.**

(f) **Certificates.** If, after the Grant Date, certificates are issued with respect to the shares of Restricted Stock, such issuance and delivery of certificates shall be made in accordance with the applicable terms of the Plan.

3. **Delivery Delay**. The delivery of any certificate representing the Restricted Stock may be postponed by the Company for such period as may be required for it to comply with any applicable foreign, federal, state or provincial securities law, or any national securities exchange listing requirements and the Company is not obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such Shares shall constitute a violation by the Participant or the Company of any provisions of any applicable foreign, federal, state or provincial law or of any regulations of any governmental authority or any national securities exchange. If the Participant is currently a resident or is likely to become a resident in the United Kingdom at any time during the period that the Shares are subject to restriction, the Participant acknowledges and understands that the Company intends to meet its delivery obligations in Common Stock with respect to the shares of Restricted Stock, except as may be prohibited by law or described in this Agreement or supplementary materials.

4. **Certain Legal Restrictions**. The Plan, this Agreement, the granting and vesting of the Restricted Stock, and any obligations of the Company under the Plan and this Agreement, shall be subject to all applicable federal, state and local laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required, and to any rules or regulations of any exchange on which the Common Stock is listed.

5. **Withholding of Taxes**. The Company shall have the right to deduct from any payment to be made pursuant to this Agreement and the Plan, or to otherwise require, prior to the issuance, delivery or vesting of any shares of Common Stock, payment by the Participant of, any federal, state or local taxes required by law to be withheld. Unless otherwise agreed to in writing by the Participant and the Company, or pursuant to the establishment by the Plan Administrator of an alternate procedure, (i) if the Participant is an "officer" under Section 16 of the Exchange Act at the time of vesting or other applicable tax event, required withholding will be implemented through a net settlement of shares (any such shares valued at Fair Market Value on the applicable date), or (ii) if the Participant is not an "officer" under Section 16 of the Exchange Act at the time of vesting or other applicable tax event, required withholding will be required to be implemented through the Participant executing a "sell to cover" transaction through a broker designated or approved by the Company.

6. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Plan

Administrator and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that any provision of this Agreement conflicts or is inconsistent with the terms set forth in the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

7. **Restrictions on Transfer.** The Participant shall not sell, transfer, pledge, hypothecate, assign or otherwise dispose of the Shares, except as permitted in the Plan or Agreement. Any attempted sale, transfer, pledge, hypothecation, assignment or other disposition of the Shares in violation of the Plan or this Agreement shall be void and of no effect and the Company shall have the right to disregard the same on its books and records and to issue "stop transfer" instructions to its transfer agent.

8. **Recoupment Policy**. The Participant acknowledges and agrees that the Restricted Stock shall be subject to the terms and provisions of any "clawback" or recoupment policy that may be adopted by the Company from time to time or as may be required by any applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and rules and regulations thereunder).

9. **No Right to Employment or Consultancy Service.** This Agreement is not an agreement of employment or to provide consultancy services. None of this Agreement, the Plan or the grant of the Restricted Stock hereunder shall (a) guarantee that the Company will employ or retain the Participant as an employee or consultant for any specific time period or (b) modify or limit in any respect the Company's right to terminate or modify the Participant's employment, consultancy arrangement or compensation. Moreover, this Agreement is not intended to and does not amend any existing employment or consulting contract between the Participant and the Company or any of its Affiliates.

10. **Section 409A**. Subject to and without limitation on Section 19.3 of the Plan, it is intended that the Restricted Stock be exempt from Code Section 409A, and this Agreement shall be construed and interpreted in accordance with such intent.

11. **Notices.** Any notice or communication given hereunder shall be in writing or by electronic means and, if in writing, shall be deemed to have been duly given: (a) when delivered in person or by electronic means; (b) three days after being sent by United States mail; or (c) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, in each case, to the appropriate party at the following address (or such other address as the party shall from time to time specify): (i) if to the Company, to Tellurian Inc. at its then current headquarters; and (ii) if to the Participant, to the address on file with the Company.

12. **Mode of Communications**. The Participant agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in connection with this grant of Restricted Stock and any other grants offered by the Company, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. The Participant further agrees that electronic delivery of a document may be

made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system.

13. **Governing Law**. All matters arising out of or relating to this Agreement and the transactions contemplated hereby, including its validity, interpretation, construction, performance and enforcement, shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to principles of conflict of laws which would result in the application of the laws of any other jurisdiction.

14. **Successors**. The Company will require any successors or assigns to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. The terms of this Agreement and all of the rights of the parties hereunder will be binding upon, inure to the benefit of, and be enforceable by, the Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

15. **WAIVER OF JURY TRIAL . EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT.**

16. **Construction**. All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement. Wherever any words are used in this Agreement in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply. As used herein, (a) "or" shall mean "and/or" and (b) "including" or "include" shall mean "including, without limitation." Any reference herein to an agreement in writing shall be deemed to include an electronic writing to the extent permitted by applicable law.

17. **Severability of Provisions**. If at any time any of the provisions of this Agreement shall be held invalid or unenforceable, or are prohibited by the laws of the jurisdiction where they are to be performed or enforced, by reason of being vague or unreasonable as to duration or geographic scope or scope of the activities restricted, or for any other reason, such provisions shall be considered divisible and shall become and be immediately amended to include only such restrictions and to such extent as shall be deemed to be reasonable and enforceable by the court or other body having jurisdiction over this Agreement, and the Company and the Participant agree that the provisions of this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provisions had not been included.

18. **No Waiver**. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy

consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

19. **Entire Agreement**. This Agreement, together with the Plan, contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

20. **Data Protection**. By accepting this Agreement (whether by electronic means or otherwise), the Participant hereby consents to the holding and processing of personal data provided by him to the Company for all purposes necessary for the operation of the Plan. These include, but are not limited to administering and maintaining Participant records; providing information to any registrars, brokers or third party administrators of the Plan; and providing information to future purchasers of the Company or the business in which the Participant works.

21. **Acceptance.** To accept the grant of the Restricted Stock, the Participant must execute and return the Agreement by [_____] (the "**Acceptance Deadline**"). By accepting this grant, the Participant will have agreed to the terms and conditions set forth in this Agreement and the terms and conditions of the Plan. The grant of the Restricted Stock will be considered null and void, and acceptance thereof will be of no effect, if the Participant does not execute and return the Agreement by the Acceptance Deadline.

22. **Counterparts**. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one instrument. Execution and delivery of this Agreement by facsimile or other electronic signature is legal, valid and binding for all purposes.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

TELLURIAN INC.

By: _____
Name:
Title:

PARTICIPANT

By: _____
Name:

(U.S. Selected Senior Management) **Exhibit 10.5**

SCHEDULE A

TELLURIAN INC.

Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan
Stock Option Grant Agreement

GRANT NOTICE

Participant Name: _____

Company: Tellurian Inc.

Notice: The terms of your grant of a non-qualified stock option (the " Option") to purchase shares of the Company's Common Stock (the "Shares") are set out in this notice (the " Grant Notice") but subject always to the terms of the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (as amended and/or restated, the "Plan") and the attached Stock Option Award Agreement (the " Agreement"). In the event of any inconsistency between the terms of this Grant Notice and the terms of the Agreement, the terms of the Agreement shall control. Except as otherwise indicated, any capitalized term used but not defined herein or in the Agreement shall have the meaning ascribed to such term in the Plan.

You have been granted an Option to purchase Shares in accordance with the terms of the Plan and the Stock Option Award Agreement attached hereto. Details of the Option are provided to you in this Grant Notice.

Type of Award: Non-Qualified Stock Option

Plan: Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan

Grant: Grant Date: [**_____**]

Option Price per Share: **$[_____]**

Number of Shares subject to the Option: [**_____**] Shares

Exercisability: Subject to the terms of the Plan and this Agreement, your Option may be exercised on and after the vesting dates indicated below, subject to your continued employment or other service to the Company and its Affiliates through the applicable vesting date, as to the portion of Shares subject to your Option set forth below opposite each such date, plus any Shares as to which your Option could have been exercised previously but was not so exercised, but in no event following the Expiration Date as described below and subject to earlier termination as set forth herein and in the Agreement. There shall be no proportionate or partial vesting in the periods prior to the applicable vesting date(s) and all vesting shall occur only on the applicable vesting date(s).

Upon a Change of Control, any portion of the Option not then vested shall fully vest as of the date of such Change of Control.

Upon a Termination of Service, you will forfeit to the Company, without compensation, any portion of the Option that is unvested; provided, however, that:

(i) upon your Termination of Service as a result of your death or Disability, any portion of the Option not then vested shall fully vest (subject, in the case of a Termination of Service as a result of Disability, to your continued compliance with all confidentiality obligations and restrictive covenants to which you are subject); and

(ii) upon your Termination of Service by the Company without Cause, a pro-rata portion of the Option (based on the number of days through the date of termination) shall become vested and exercisable as of the date of such Termination of Service, subject to (x) your timely execution and delivery to the Company (without revocation) of a general release of claims and (y) your continued compliance with all confidentiality obligations and restrictive covenants to which you are subject.

Expiration Date: Except as explained below, the Option will remain exercisable until the tenth anniversary of the Grant Date (the "Expiration Date"), at which time your Option will lapse.

Upon a Termination of Service by reason of your death or Disability, your Option will remain exercisable for a period of twelve (12) months following the date of such Termination of Service (but in no event beyond the Expiration Date), by your designated beneficiary, your legal representatives, your heirs, or your legatees, as applicable, in accordance with the terms of the Plan. You can name a designated beneficiary on a form approved by the Company.

Upon a Termination of Service by the Company without Cause or by you for any reason, your Option will remain exercisable for a period of ninety (90) days following the date of such Termination of Service (but in no event beyond the Expiration Date); provided, however, that upon a termination by the Company without Cause within one (1) year following a Change of Control, the Option will remain exercisable until the Expiration Date.

Upon a Termination of Service by the Company for Cause, your Option will immediately lapse and no portion thereof will be exercisable.

Acceptance: To accept the grant of this Option, please execute and return the Agreement by [_____] (the "Acceptance Deadline"). By accepting your Option, you will have agreed to the terms and conditions set forth in this Agreement and the terms and conditions of the Plan. If you do not accept your grant you will be unable to exercise your Option. The grant of this Option will be considered null and void, and acceptance thereof will be of no effect, if you do not execute and return the Agreement by the Acceptance Deadline.

Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan
Stock Option Award Agreement

This Stock Option Award Agreement (this " Agreement"), dated as of the Grant Date set forth in the Notice of Option Grant attached as Schedule A hereto (the "Grant Notice"), is made between Tellurian Inc. (the "Company") and the Participant set forth in the Grant Notice. The Grant Notice is included in and made part of this Agreement.

In this Agreement and each Grant Notice, unless the context otherwise requires, words and expressions shall have the meanings given to them in the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (as amended and/or restated, the "Plan") except as herein defined.

Terms

1. Grant of the Option.

(a) Subject to the provisions of this Agreement and the provisions of the Plan, the Company hereby grants to the Participant, pursuant to the Plan, the right and option (the "Option") to purchase all or any part of the number of shares of $0.01 par value Common Stock of the Company ("Shares") set forth in the Grant Notice at the Option Price per Share (the "Purchase Price") and on the other terms as set forth in the Grant Notice.

(b) The Option is intended to be a Non-Qualified Stock Option. No part of the Option granted hereby is intended to qualify as an "incentive stock option" under Section 422 of the Code.

2. Exercisability of the Option.

(a) The Option shall vest and become exercisable in accordance with the exercisability schedule and other terms set forth in the Grant Notice, subject to the Participant's continued employment or other service to the Company and its Affiliates through the applicable vesting date. The Option shall terminate on the Expiration Date (the "Expiration Date") set forth in the Grant Notice, subject to earlier termination as set forth in the Plan and this Agreement.

(b) Except as expressly provided for herein or in the Plan, during the lifetime of the Participant, only the Participant may exercise the Option or any portion thereof. After the Disability or death of the Participant, any exercisable portion of the Option may, prior to the Expiration Date, be exercised by the Participant's legatees, personal representatives, or distributees.

(c) Any exercisable portion of the Option, or the entire Option if then wholly exercisable, may be exercised in whole or in part at any time prior to the Expiration Date (or such earlier termination of the Option in accordance with the Grant Notice); provided however, that any partial exercise shall be for whole Shares only.

3. Method of Exercise of the Option. The Participant may exercise any exercisable portion of the Option, or the entire Option if then wholly exercisable, in whole or in part, by (a) delivery to the Company of notice in writing signed by the Participant, or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Plan Administrator; and (b) Participant's full payment of the Purchase Price in cash, by check, in Shares (any such Shares valued at Fair Market Value on the date of exercise, or as of any other date required by applicable law) that the Participant has held for at least six months (or such lesser period of time as may be required by the Company's accountants), through the withholding of Shares (any such Shares valued at Fair Market Value on the date of exercise, or as of any other date required by applicable law) otherwise issuable upon the exercise of the Option, or a combination of the foregoing methods, subject to applicable law and Section 7.3(d) of the Plan.

4. Non-Transferability of the Option.

The Participant shall not sell, transfer, pledge, hypothecate, assign or otherwise dispose of the Option, except as permitted in the Plan or this Agreement. Any attempted sale, transfer, pledge, hypothecation, assignment or other disposition of the Option in violation of the Plan or this Agreement shall be void and of no effect.

5. No Rights as a Shareholder.

The Participant shall have no rights as a stockholder with respect to any Shares covered by the Option unless and until the Participant has become the holder of record of such Shares, and no adjustments shall be made for dividends (whether in cash, in kind or other property), distributions or other rights in respect of any such Shares, except as otherwise specifically provided for in the Plan.

6. Taxes and Withholdings.

The Company shall have the right to deduct from any payment to be made pursuant to this Agreement and the Plan, or to otherwise require, prior to the issuance, delivery or vesting of any Shares, payment by the Participant of, any federal, state or local taxes required by applicable law to be withheld, in accordance with Section 18.10 of the Plan. Unless as otherwise agreed in writing by the Participant and the Company or determined pursuant to the establishment by the Plan Administrator of an alternate procedure, (i) if the Participant is an executive officer of the Company or an individual subject to Rule 16b-3 at the time of exercise, such tax withholding obligations will be effectuated by the Company withholding a number of Shares otherwise issuable upon the exercise of the Option (any such Shares valued at Fair Market Value on the date of exercise), subject to Section 18.10 of the Plan and applicable law, and (ii) if the Participant is not an "officer" under Section 16 of the Exchange Act at the time of exercise, required withholding will be required to be implemented through the Participant executing a "sell to cover" transaction through a broker designated or approved by the Company.

7. Certificates; Compliance with Laws and Regulations .

(a) If, after the exercise of the Option, certificates are issued with respect to the Shares received pursuant to such exercise, such issuance and delivery of certificates shall be made in accordance with the applicable terms of the Plan. After exercise of the Option, the delivery of any Shares or certificate representing the Shares acquired by exercise of the Option may be postponed by the Company for such period as may be required for it to comply with any applicable foreign, federal, state or provincial securities law, or any national securities exchange listing requirements, and the Company will not be obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such Shares or certificate representing the Shares shall constitute a violation by the Participant or the Company of any provisions of any applicable foreign, federal, state or provincial law or of any regulations of any governmental authority or any national securities exchange. Moreover, the Option may not be exercised if its exercise, or the receipt of Shares pursuant thereto, would be contrary to applicable law. If at any time the Company determines, in its discretion, that the listing, registration, or qualification of Shares upon any national securities exchange or under any state or Federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable, the Company shall not be required to deliver any Shares or any certificates for Shares to the Participant or any other person pursuant to this Agreement unless and until such listing, registration, qualification, consent, or approval has been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company.

(b) It is intended that the Shares received upon the exercise of the Option shall have been registered under the Securities Act. If the Participant is an "affiliate" of the Company, as that term is defined in Rule 144 under the Securities Act ("Rule 144"), the Participant may not sell the Shares received except in compliance with Rule 144. Certificates representing Shares issued to an "affiliate" of the Company may bear a legend setting forth such restrictions on the disposition or transfer of the Shares as the Company deems appropriate to comply with Federal and state securities laws.

(c) If at the time of exercise of all or part of the Option, the Shares are not registered under the Securities Act, and/or there is no current prospectus in effect under the Securities Act with respect to the Shares, the Participant shall execute, prior to the delivery of any Shares to the Participant by the Company pursuant to this Agreement, an agreement (in such form as the Company may specify) in which the Participant represents and warrants that the Participant is purchasing or acquiring the shares acquired under this Agreement for the Participant's own account, for investment only and not with a view to the resale or distribution thereof, and represents and agrees that any subsequent offer for sale or distribution of any kind of such Shares shall be made only pursuant to either (i) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the Shares being offered or sold, or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Participant shall, prior to any offer for sale of such Shares, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the applicability of such exemption thereto.

8. No Right to Continued Employment or Consultancy Service .

This Agreement is not an agreement of employment or to provide consultancy services. None of this Agreement, the Plan or the grant of the Option hereunder shall (a) guarantee that the Company will employ or retain the Participant as an employee or consultant for any specific time period or (b) modify or limit in any respect the Company's right to terminate or modify the Participant's employment, consultancy arrangement or compensation. Moreover, this Agreement is not intended to and does not amend any existing employment or consulting contract between the Participant and the Company or any of its Affiliates.

9. Other Plans.

The Participant acknowledges that any income derived from the exercise of the Option shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company or any Affiliate.

10. The Plan.

This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Plan Administrator and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that any provision of this Agreement conflicts or is inconsistent with the terms set forth in the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

11. Governing Law.

All matters arising out of or relating to this Agreement and the transactions contemplated hereby, including its validity, interpretation, construction, performance and enforcement, shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to principles of conflict of laws which would result in the application of the laws of any other jurisdiction.

12. Section 409A.

Subject to and without limitation on Section 19.3 of the Plan, it is intended that this Option be exempt from Code Section 409A, and this Agreement shall be construed and interpreted in accordance with such intent.

13. Recoupment.

The Participant acknowledges and agrees that the Option and any Shares issued upon exercise thereof shall be subject to the terms and provisions of any "clawback" or recoupment policy that may be adopted by the Company from time to time or as may be required by any applicable

law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and rules and regulations thereunder).

14. Notices.

Any notice or communication given hereunder shall be in writing or by electronic means and, if in writing, shall be deemed to have been duly given: (a) when delivered in person or by electronic means; (b) three days after being sent by United States mail; or (c) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, in each case, to the appropriate party at the following address (or such other address as the party shall from time to time specify): (i) if to the Company, to Tellurian Inc. at its then current headquarters; and (ii) if to the Participant, to the address on file with the Company.

15. Successors.

The Company will require any successors or assigns to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. The terms of this Agreement and all of the rights of the parties hereunder will be binding upon, inure to the benefit of, and be enforceable by, the Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

16. Waiver of Jury Trial.

EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT.

17. Construction.

All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement. Wherever any words are used in this Agreement in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply. As used herein, (a) "or" shall mean "and/or" and (b) "including" or "include" shall mean "including, without limitation." Any reference herein to an agreement in writing shall be deemed to include an electronic writing to the extent permitted by applicable law.

18. Severability.

If at any time any of the provisions of this Agreement shall be held invalid or unenforceable, or are prohibited by the laws of the jurisdiction where they are to be performed or enforced, by reason of being vague or unreasonable as to duration or geographic scope or scope of the activities restricted, or for any other reason, such provisions shall be considered divisible and shall become and be immediately amended to include only such restrictions and to such extent as shall be deemed to be reasonable and enforceable by the court or other body having jurisdiction over this Agreement, and the Company and the Participant agree that the provisions of this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provisions had not been included.

19. No Waiver.

No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

20. Entire Agreement.

This Agreement, together with the Plan, contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

21. Mode of Communications .

The Participant agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in connection with this Option grant and any other grants offered by the Company, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. The Participant further agrees that electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system.

22. Data Protection.

By accepting this Agreement (whether by electronic means or otherwise), the Participant hereby consents to the holding and processing of personal data provided by him to the Company for all purposes necessary for the operation of the Plan. These include, but are not limited to administering and maintaining Participant records; providing information to any registrars, brokers or third party administrators of the Plan; and providing information to future purchasers of the Company or the business in which the Participant works.

23. Counterparts.

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one instrument. Execution and delivery of this Agreement by facsimile or other electronic signature is legal, valid and binding for all purposes.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year identified in the Grant Notice appended hereto.

TELLURIAN INC.

By: _____
Name:
Title:

PARTICIPANT

By: _____
Name:

[Signature Page to Option Agreement]

SCHEDULE A

TELLURIAN INC.

Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan
Stock Option Grant Agreement

GRANT NOTICE

Participant Name: _____

Company: Tellurian Inc.

Notice: The terms of your grant of a non-qualified stock option (the " Option") to purchase shares of the Company's Common Stock (the "Shares") are set out in this notice (the " Grant Notice") but subject always to the terms of the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (as amended and/or restated, the "Plan") and the attached Stock Option Award Agreement (the " Agreement"). In the event of any inconsistency between the terms of this Grant Notice and the terms of the Agreement, the terms of the Agreement shall control. Except as otherwise indicated, any capitalized term used but not defined herein or in the Agreement shall have the meaning ascribed to such term in the Plan.

You have been granted an Option to purchase Shares in accordance with the terms of the Plan and the Stock Option Award Agreement attached hereto. Details of the Option are provided to you in this Grant Notice.

Type of Award: Non-Qualified Stock Option

Plan: Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan

Grant: Grant Date: [**_____**]

Option Price per Share: **$[_____]**

Number of Shares subject to the Option: [**_____**] Shares

Exercisability: Subject to the terms of the Plan and this Agreement, your Option may be exercised on and after the vesting dates indicated below, subject to your continued employment or other service to the Company and its Affiliates through the applicable vesting date, as to the portion of Shares subject to your Option set forth below opposite each such date, plus any Shares as to which your Option could have been exercised previously but was not so exercised, but in no event following the Expiration Date as described below and subject to earlier termination as set forth herein and in the Agreement. There shall be no proportionate or partial vesting in the periods prior to the applicable vesting date(s) and all vesting shall occur only on the applicable vesting date(s).

Upon a Termination of Service, you will forfeit to the Company, without compensation, any portion of the Option that is unvested; provided, however, that:

(i) upon your Termination of Service as a result of your death or Disability, any portion of the Option not then vested shall fully vest (subject, in the case of a Termination of Service as a result of Disability, to your continued compliance with all confidentiality obligations and restrictive covenants to which you are subject); and

(ii) subject to clause (iii) below, upon your Termination of Service by the Company without Cause, a pro-rata portion of the Option (based on the number of days through the date of termination) shall become vested and exercisable as of the date of such Termination of Service, subject to (x) your timely execution and delivery to the Company (without revocation) of a general release of claims and (y) your continued compliance with all confidentiality obligations and restrictive covenants to which you are subject;

(iii) upon your Termination of Service by the Company without Cause within one (1) year following a Change of Control, any portion of the Option not then vested shall fully vest as of the date of such Termination of Service, subject to (x) your timely execution and delivery to the Company (without revocation) of a general release of claims and (y) your continued compliance with all confidentiality obligations and restrictive covenants to which you are subject.

Subject to the foregoing clause (iii), in the event of a Change of Control, the Option will be subject to the Change of Control provisions of the Plan.

Expiration Date:

Except as explained below, the Option will remain exercisable until the tenth anniversary of the Grant Date (the "Expiration Date"), at which time your Option will lapse.

Upon a Termination of Service by reason of your death or Disability, your Option will remain exercisable for a period of twelve (12) months following the date of such Termination of Service (but in no event beyond the Expiration Date), by your designated beneficiary, your legal representatives, your heirs, or your legatees, as applicable, in accordance with the terms of the Plan. You can name a designated beneficiary on a form approved by the Company.

Upon a Termination of Service by the Company without Cause or by you for any reason, your Option will remain exercisable for a period of ninety (90) days following the date of such Termination of Service (but in no event beyond the Expiration Date); provided, however, that upon a termination by the Company without Cause within one (1) year following a Change of Control, the Option will remain exercisable until the Expiration Date.

Upon a Termination of Service by the Company for Cause, your Option will immediately lapse and no portion thereof will be exercisable.

Acceptance: To accept the grant of this Option, please execute and return the Agreement by [_____] (the "Acceptance Deadline"). By accepting your Option, you will have agreed to the terms and conditions set forth in this Agreement and the terms and conditions of the Plan. If you do not accept your grant you will be unable to exercise your Option. The grant of this Option will be considered null and void, and acceptance thereof will be of no effect, if you do not execute and return the Agreement by the Acceptance Deadline.

Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan
Stock Option Award Agreement

This Stock Option Award Agreement (this " Agreement"), dated as of the Grant Date set forth in the Notice of Option Grant attached as Schedule A hereto (the "Grant Notice"), is made between Tellurian Inc. (the "Company") and the Participant set forth in the Grant Notice. The Grant Notice is included in and made part of this Agreement.

In this Agreement and each Grant Notice, unless the context otherwise requires, words and expressions shall have the meanings given to them in the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (as amended and/or restated, the "Plan") except as herein defined.

Terms

1. Grant of the Option.

(a) Subject to the provisions of this Agreement and the provisions of the Plan, the Company hereby grants to the Participant, pursuant to the Plan, the right and option (the "Option") to purchase all or any part of the number of shares of $0.01 par value Common Stock of the Company ("Shares") set forth in the Grant Notice at the Option Price per Share (the "Purchase Price") and on the other terms as set forth in the Grant Notice.

(b) The Option is intended to be a Non-Qualified Stock Option. No part of the Option granted hereby is intended to qualify as an "incentive stock option" under Section 422 of the Code.

2. Exercisability of the Option.

(a) The Option shall vest and become exercisable in accordance with the exercisability schedule and other terms set forth in the Grant Notice, subject to the Participant's continued employment or other service to the Company and its Affiliates through the applicable vesting date. The Option shall terminate on the Expiration Date (the "Expiration Date") set forth in the Grant Notice, subject to earlier termination as set forth in the Plan and this Agreement.

(b) Except as expressly provided for herein or in the Plan, during the lifetime of the Participant, only the Participant may exercise the Option or any portion thereof. After the Disability or death of the Participant, any exercisable portion of the Option may, prior to the Expiration Date, be exercised by the Participant's legatees, personal representatives, or distributees.

(c) Any exercisable portion of the Option, or the entire Option if then wholly exercisable, may be exercised in whole or in part at any time prior to the Expiration Date (or such earlier termination of the Option in accordance with the Grant Notice); provided however, that any partial exercise shall be for whole Shares only.

3. Method of Exercise of the Option. The Participant may exercise any exercisable portion of the Option, or the entire Option if then wholly exercisable, in whole or in part, by (a) delivery to the Company of notice in writing signed by the Participant, or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Plan Administrator; and (b) Participant's full payment of the Purchase Price in cash, by check, in Shares (any such Shares valued at Fair Market Value on the date of exercise, or as of any other date required by applicable law) that the Participant has held for at least six months (or such lesser period of time as may be required by the Company's accountants), through the withholding of Shares (any such Shares valued at Fair Market Value on the date of exercise, or as of any other date required by applicable law) otherwise issuable upon the exercise of the Option, or a combination of the foregoing methods, subject to applicable law and Section 7.3(d) of the Plan.

4. Non-Transferability of the Option.

The Participant shall not sell, transfer, pledge, hypothecate, assign or otherwise dispose of the Option, except as permitted in the Plan or this Agreement. Any attempted sale, transfer, pledge, hypothecation, assignment or other disposition of the Option in violation of the Plan or this Agreement shall be void and of no effect.

5. No Rights as a Shareholder.

The Participant shall have no rights as a stockholder with respect to any Shares covered by the Option unless and until the Participant has become the holder of record of such Shares, and no adjustments shall be made for dividends (whether in cash, in kind or other property), distributions or other rights in respect of any such Shares, except as otherwise specifically provided for in the Plan.

6. Taxes and Withholdings.

The Company shall have the right to deduct from any payment to be made pursuant to this Agreement and the Plan, or to otherwise require, prior to the issuance, delivery or vesting of any Shares, payment by the Participant of, any federal, state or local taxes required by applicable law to be withheld, in accordance with Section 18.10 of the Plan. Unless as otherwise agreed in writing by the Participant and the Company or determined pursuant to the establishment by the Plan Administrator of an alternate procedure, (i) if the Participant is an executive officer of the Company

or an individual subject to Rule 16b-3 at the time of exercise, such tax withholding obligations will be effectuated by the Company withholding a number of Shares otherwise issuable upon the exercise of the Option (any such Shares valued at Fair Market Value on the date of exercise), subject to Section 18.10 of the Plan and applicable law, and (ii) if the Participant is not an "officer" under Section 16 of the Exchange Act at the time of exercise, required withholding will be required to be implemented through the Participant executing a "sell to cover" transaction through a broker designated or approved by the Company.

7. Certificates; Compliance with Laws and Regulations .

(a) If, after the exercise of the Option, certificates are issued with respect to the Shares received pursuant to such exercise, such issuance and delivery of certificates shall be made in accordance with the applicable terms of the Plan. After exercise of the Option, the delivery of any Shares or certificate representing the Shares acquired by exercise of the Option may be postponed by the Company for such period as may be required for it to comply with any applicable foreign, federal, state or provincial securities law, or any national securities exchange listing requirements, and the Company will not be obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such Shares or certificate representing the Shares shall constitute a violation by the Participant or the Company of any provisions of any applicable foreign, federal, state or provincial law or of any regulations of any governmental authority or any national securities exchange. Moreover, the Option may not be exercised if its exercise, or the receipt of Shares pursuant thereto, would be contrary to applicable law. If at any time the Company determines, in its discretion, that the listing, registration, or qualification of Shares upon any national securities exchange or under any state or Federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable, the Company shall not be required to deliver any Shares or any certificates for Shares to the Participant or any other person pursuant to this Agreement unless and until such listing, registration, qualification, consent, or approval has been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company.

(b) It is intended that the Shares received upon the exercise of the Option shall have been registered under the Securities Act. If the Participant is an "affiliate" of the Company, as that term is defined in Rule 144 under the Securities Act ("Rule 144"), the Participant may not sell the Shares received except in compliance with Rule 144. Certificates representing Shares issued to an "affiliate" of the Company may bear a legend setting forth such restrictions on the disposition or transfer of the Shares as the Company deems appropriate to comply with Federal and state securities laws.

(c) If at the time of exercise of all or part of the Option, the Shares are not registered under the Securities Act, and/or there is no current prospectus in effect under the Securities Act with respect to the Shares, the Participant shall execute, prior to the delivery of any Shares to the Participant by the Company pursuant to this Agreement, an agreement (in such form as the Company may specify) in which the Participant represents and warrants that the Participant is purchasing or acquiring the shares acquired under this Agreement for the Participant's own account, for investment only and not with a view to the resale or distribution thereof, and represents and agrees that any subsequent offer for sale or distribution of any kind of such Shares shall be made

only pursuant to either (i) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the Shares being offered or sold, or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Participant shall, prior to any offer for sale of such Shares, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the applicability of such exemption thereto.

8. No Right to Continued Employment or Consultancy Service .

This Agreement is not an agreement of employment or to provide consultancy services. None of this Agreement, the Plan or the grant of the Option hereunder shall (a) guarantee that the Company will employ or retain the Participant as an employee or consultant for any specific time period or (b) modify or limit in any respect the Company's right to terminate or modify the Participant's employment, consultancy arrangement or compensation. Moreover, this Agreement is not intended to and does not amend any existing employment or consulting contract between the Participant and the Company or any of its Affiliates.

9. Other Plans.

The Participant acknowledges that any income derived from the exercise of the Option shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company or any Affiliate.

10. The Plan.

This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Plan Administrator and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that any provision of this Agreement conflicts or is inconsistent with the terms set forth in the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

11. Governing Law.

All matters arising out of or relating to this Agreement and the transactions contemplated hereby, including its validity, interpretation, construction, performance and enforcement, shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to principles of conflict of laws which would result in the application of the laws of any other jurisdiction.

12. Section 409A.

Subject to and without limitation on Section 19.3 of the Plan, it is intended that this Option be exempt from Code Section 409A, and this Agreement shall be construed and interpreted in accordance with such intent.

13. Recoupment.

The Participant acknowledges and agrees that the Option and any Shares issued upon exercise thereof shall be subject to the terms and provisions of any "clawback" or recoupment policy that may be adopted by the Company from time to time or as may be required by any applicable law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and rules and regulations thereunder).

14. Notices.

Any notice or communication given hereunder shall be in writing or by electronic means and, if in writing, shall be deemed to have been duly given: (a) when delivered in person or by electronic means; (b) three days after being sent by United States mail; or (c) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, in each case, to the appropriate party at the following address (or such other address as the party shall from time to time specify): (i) if to the Company, to Tellurian Inc. at its then current headquarters; and (ii) if to the Participant, to the address on file with the Company.

15. Successors.

The Company will require any successors or assigns to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. The terms of this Agreement and all of the rights of the parties hereunder will be binding upon, inure to the benefit of, and be enforceable by, the Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

16. Waiver of Jury Trial.

EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT.

17. Construction.

All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement. Wherever any words are used in this Agreement in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply. As used herein, (a) "or" shall mean "and/or" and (b)

"including" or "include" shall mean "including, without limitation." Any reference herein to an agreement in writing shall be deemed to include an electronic writing to the extent permitted by applicable law.

18. Severability.

If at any time any of the provisions of this Agreement shall be held invalid or unenforceable, or are prohibited by the laws of the jurisdiction where they are to be performed or enforced, by reason of being vague or unreasonable as to duration or geographic scope or scope of the activities restricted, or for any other reason, such provisions shall be considered divisible and shall become and be immediately amended to include only such restrictions and to such extent as shall be deemed to be reasonable and enforceable by the court or other body having jurisdiction over this Agreement, and the Company and the Participant agree that the provisions of this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provisions had not been included.

19. No Waiver.

No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

20. Entire Agreement.

This Agreement, together with the Plan, contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

21. Mode of Communications .

The Participant agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in connection with this Option grant and any other grants offered by the Company, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. The Participant further agrees that electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system.

22. Data Protection.

By accepting this Agreement (whether by electronic means or otherwise), the Participant hereby consents to the holding and processing of personal data provided by him to the Company for all purposes necessary for the operation of the Plan. These include, but are not limited to administering and maintaining Participant records; providing information to any registrars,

brokers or third party administrators of the Plan; and providing information to future purchasers of the Company or the business in which the Participant works.

23. Counterparts.

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one instrument. Execution and delivery of this Agreement by facsimile or other electronic signature is legal, valid and binding for all purposes.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year identified in the Grant Notice appended hereto.

TELLURIAN INC.

By: _____
Name:
Title:

PARTICIPANT

By: _____
Name:

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("**Agreement**"), dated as of _____, is by and between Tellurian Inc., a Delaware corporation (the "**Company**"), and _____ (the "**Indemnitee**").

WHEREAS, Indemnitee is an officer of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against officers of public companies;

WHEREAS, the board of directors of the Company (the " **Board**") has determined that enhancing the ability of the Company to retain and attract as officers the most capable persons is in the best interests of the Company and that the Company therefore should seek to assure such persons that indemnification and insurance coverage is available; and

WHEREAS, in recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee's continued service as an officer of the Company and to enhance Indemnitee's ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company's certificate of incorporation or bylaws (collectively, the "**Constituent Documents**"), any change in the composition of the Board or any change in control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of, and the advancement of Expenses (as defined in Section 1.(f) below) to, Indemnitee as set forth in this Agreement and to the extent insurance is maintained for the continued coverage of Indemnitee under the Company's directors' and officers' liability insurance policies.

NOW, THEREFORE, in consideration of the foregoing and the Indemnitee's agreement to continue to provide services to the Company, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "**Beneficial Owner**" has the meaning given to the term "beneficial owner" in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**").

(b) "**Change in Control**" means the occurrence after the date of this Agreement of any of the following events:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of the Company's then outstanding Voting Securities unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors;

(ii) the consummation of a reorganization, merger or consolidation, unless immediately following such reorganization, merger or consolidation, all of the Beneficial Owners of the Voting Securities of the Company immediately prior to such transaction beneficially own, directly or indirectly, more than 51% of the combined voting power of the outstanding Voting Securities of the entity resulting from such transaction;

(iii) during any period of two consecutive years, not including any period prior to the execution of this Agreement, individuals who at the beginning of such period constituted the Board (including for this purpose any new directors whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved) cease for any reason to constitute at least a majority of the Board; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(c) "**Claim**" means:

(i) any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to federal, state or other law; or

(ii) any inquiry, hearing or investigation that the Indemnitee determines might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism.

(d) "**Delaware Court**" shall have the meaning ascribed to it in Section 8.(e) below.

(e) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee.

(f) "**Expenses**" means any and all expenses, including attorneys' and experts' fees, court costs, transcript costs, travel expenses, duplicating, printing and binding costs, telephone charges, and all other costs and expenses incurred in connection with investigating, defending, being a witness in, providing documents or testimony for or participating in (including on appeal), or preparing to defend, be a witness, provide documents or testimony or participate in, any Claim. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Claim, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 4 only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "**Expense Advance**" means any payment of Expenses advanced to Indemnitee by the Company pursuant to Section 3 or Section 4 hereof.

(h) "**Indemnifiable Event**" means any event or occurrence, whether occurring before, on or after the date of this Agreement, related to the fact that Indemnitee is or was a director, officer, employee or agent of the Company or any subsidiary of the Company, or is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise (collectively with the Company, "**Enterprise**") or by reason of an action or inaction by Indemnitee in any such capacity (whether or not serving in such capacity at the time any Loss is incurred for which indemnification can be provided under this Agreement).

(i) "**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently performs, nor in the past five years has performed, services for either: (i) the Company or Indemnitee (other than in connection with matters concerning Indemnitee under this Agreement or of other indemnitees under similar agreements) or (ii) any other party to the Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(j) "**Losses**" means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other), ERISA excise taxes, amounts paid or payable in settlement, including any interest, assessments, and all other charges paid or payable in connection with investigating, defending, being a witness in, providing documents or testimony for or participating in (including on appeal), or preparing to defend, be a witness, provide documents or testimony or participate in, any Claim.

(k) "**Person**" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental

entity or other entity and includes the meaning set forth in Sections 12(d) and 14(d) of the Exchange Act.

(l) "**Standard of Conduct Determination**" shall have the meaning ascribed to it in Section 8.(b) below.

(m) "**Voting Securities**" means any securities of the Company that vote generally in the election of directors.

2. Indemnification. Subject to Section 8 and Section 9 of this Agreement, the Company shall indemnify Indemnitee, to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof, or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Losses if Indemnitee was or is or becomes a party to or participant in, or is threatened to be made a party to or participant in, any Claim by reason of or arising in part out of an Indemnifiable Event, including, without limitation, Claims brought by or in the right of the Company, Claims brought by third parties, and Claims in which the Indemnitee is solely required to provide documents or testimony or serve as a witness.

3. Advancement of Expenses. Indemnitee shall have the right to advancement by the Company, prior to the final disposition of any Claim by final adjudication to which there are no further rights of appeal, of any and all Expenses actually and reasonably paid or incurred by Indemnitee in connection with any Claim arising out of an Indemnifiable Event, including, without limitation, Claims brought by or in the right of the Company, Claims brought by third parties, and Claims in which the Indemnitee is solely required to provide documents or testimony or serve as a witness. Indemnitee's right to such advancement is not subject to the satisfaction of any standard of conduct. Without limiting the generality or effect of the foregoing, within 30 days after any request by Indemnitee, the Company shall, in accordance with such request, (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses. In connection with any request for Expense Advances, Indemnitee shall not be required to provide any documentation or information to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. In connection with any request for Expense Advances, Indemnitee shall execute and deliver to the Company an undertaking (which shall be accepted without reference to Indemnitee's ability to repay the Expense Advances), in the form attached hereto as Exhibit A, to repay any amounts paid, advanced, or reimbursed by the Company for such Expenses to the extent that it is ultimately determined, following the final disposition of such Claim, that Indemnitee is not entitled to indemnification hereunder. Indemnitee's obligation to reimburse the Company for Expense Advances shall be unsecured and no interest shall be charged thereon.

4. Indemnification for Expenses in Enforcing Rights. To the fullest extent allowable under applicable law, the Company shall also indemnify against, and, if requested by Indemnitee, shall advance to Indemnitee subject to and in accordance with Section 3, any Expenses actually and reasonably paid or incurred by Indemnitee in connection with any action or proceeding by Indemnitee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Claims relating to Indemnifiable

Events, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company. However, in the event that Indemnitee is ultimately determined not to be entitled to such indemnification or insurance recovery, as the case may be, then all amounts advanced under this Section 4 shall be repaid. Indemnitee shall be required to reimburse the Company in the event that a final judicial determination is made that such action brought by Indemnitee was frivolous or not made in good faith.

5. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Losses in respect of a Claim related to an Indemnifiable Event but not for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

6. Notification and Defense of Claims .

(a) Notification of Claims . Indemnitee shall notify the Company in writing as soon as practicable of any Claim which could relate to an Indemnifiable Event or for which Indemnitee could seek Expense Advances, including a brief description (based upon information then available to Indemnitee) of the nature of, and the facts underlying, such Claim. The failure by Indemnitee to timely notify the Company hereunder shall not relieve the Company from any liability hereunder unless the Company's ability to participate in the defense of such claim was materially and adversely affected by such failure.

(b) Defense of Claims . The Company shall be entitled to participate in the defense of any Claim relating to an Indemnifiable Event at its own expense and, except as otherwise provided below, to the extent the Company so wishes, it may assume the defense thereof with counsel reasonably satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election to assume the defense of any such Claim, the Company shall not be liable to Indemnitee under this Agreement or otherwise for any Expenses subsequently directly incurred by Indemnitee in connection with Indemnitee's defense of such Claim other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ its own legal counsel in such Claim, but all Expenses related to such counsel incurred after notice from the Company of its assumption of the defense shall be at Indemnitee's own expense; provided, however, that if (i) Indemnitee's employment of its own legal counsel has been authorized by the Company, (ii) Indemnitee has reasonably determined that there may be a conflict of interest between Indemnitee and the Company in the defense of such Claim, (iii) after a Change in Control, Indemnitee's employment of its own counsel has been approved by the Independent Counsel or (iv) the Company shall not in fact have employed counsel to assume the defense of such Claim, then Indemnitee shall be entitled to retain its own separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any such Claim) and all Expenses related to such separate counsel shall be borne by the Company.

7. Procedure upon Application for Indemnification . In order to obtain indemnification pursuant to this Agreement, Indemnitee shall submit to the Company a written request therefor, including in such request such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is

entitled to indemnification following the final disposition of the Claim. Indemnification shall be made insofar as the Company determines Indemnitee is entitled to indemnification in accordance with Section 8 below.

8. Determination of Right to Indemnification .

(a) Mandatory Indemnification; Indemnification as a Witness.

(i) To the extent that Indemnitee shall have been successful on the merits or otherwise in defense of any Claim relating to an Indemnifiable Event or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, Indemnitee shall be indemnified against all Losses relating to such Claim in accordance with Section 2 to the fullest extent allowable by law, and no Standard of Conduct Determination (as defined in Section 8.(b)) shall be required.

(ii) To the extent that Indemnitee's involvement in a Claim relating to an Indemnifiable Event is to prepare to serve and serve as a witness or to provide documents and testimony, and not as a party, the Indemnitee shall be indemnified against all Losses incurred in connection therewith to the fullest extent allowable by law and no Standard of Conduct Determination (as defined in Section 8.(b)) shall be required.

(b) Standard of Conduct. To the extent that the provisions of Section 8.(a) are inapplicable to a Claim related to an Indemnifiable Event that shall have been finally disposed of, any determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law that is a legally required condition to indemnification of Indemnitee hereunder against Losses relating to such Claim and any determination that Expense Advances must be repaid to the Company (a "**Standard of Conduct Determination**") shall be made as follows:

(i) if no Change in Control has occurred, (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum or (C) if there are no such Disinterested Directors, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee; and

(ii) if a Change in Control shall have occurred, (A) if the Indemnitee so requests in writing, by a majority vote of the Disinterested Directors, even if less than a quorum of the Board or (B) otherwise, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee.

The Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within 30 days of such request, any and all Expenses incurred by

Indemnitee in cooperating with the person or persons making such Standard of Conduct Determination.

(c) Making the Standard of Conduct Determination . The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 8.(b) to be made as promptly as practicable. If the person or persons designated to make the Standard of Conduct Determination under Section 8.(b) shall not have made a determination within 30 days after the later of (A) receipt by the Company of a written request from Indemnitee for indemnification pursuant to Section 7 (the date of such receipt being the "**Notification Date**") and (B) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, then Indemnitee shall be deemed to have satisfied the applicable standard of conduct; provided that such 30-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person or persons making such determination in good faith requires such additional time to obtain or evaluate information relating thereto. Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of any Claim.

(d) Payment of Indemnification. If, in regard to any Losses:

(i) Indemnitee shall be entitled to indemnification pursuant to Section 8.(a);

(ii) no Standard Conduct Determination is legally required as a condition to indemnification of Indemnitee hereunder; or

(iii) Indemnitee has been determined or deemed pursuant to Section 8.(b) or Section 8.(c) to have satisfied the Standard of Conduct Determination,

then the Company shall pay to Indemnitee, within five days after the later of (A) the Notification Date or (B) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) is satisfied, an amount equal to such Losses.

(e) Selection of Independent Counsel for Standard of Conduct Determination . If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 8.(b)(i), the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 8.(b)(ii), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within five days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of "Independent Counsel" in

Section 1.(i), and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit; and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences, the introductory clause of this sentence and numbered clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 8.(e) to make the Standard of Conduct Determination shall have been selected within 20 days after the Company gives its initial notice pursuant to the first sentence of this Section 8.(e) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 8.(e), as the case may be, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware ("**Delaware Court**") to resolve any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or to appoint as Independent Counsel a person to be selected by the Court or such other person as the Court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel's determination pursuant to Section 8.(b).

(f) Presumptions and Defenses.

(i) Indemnitee's Entitlement to Indemnification. In making any Standard of Conduct Determination, the person or persons making such determination shall presume that Indemnitee has satisfied the applicable standard of conduct and is entitled to indemnification, and the Company shall have the burden of proof to overcome that presumption and establish that Indemnitee is not so entitled. Any Standard of Conduct Determination that is adverse to Indemnitee may be challenged by the Indemnitee in the Delaware Court. No determination by the Company (including by its directors or any Independent Counsel) that Indemnitee has not satisfied any applicable standard of conduct may be used as a defense to any legal proceedings brought by Indemnitee to secure indemnification or reimbursement or advance payment of Expenses by the Company hereunder or create a presumption that Indemnitee has not met any applicable standard of conduct.

(ii) Reliance as a Safe Harbor. For purposes of this Agreement, and without creating any presumption as to a lack of good faith if the following circumstances do not exist, Indemnitee shall be deemed to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company if Indemnitee's actions or omissions to act are taken in

good faith reliance upon the records of the Company, including its financial statements, or upon information, opinions, reports or statements furnished to Indemnitee by the officers or employees of the Company or any of its subsidiaries in the course of their duties, or by committees of the Board or by any other Person (including legal counsel, accountants and financial advisors) as to matters Indemnitee reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company. In addition, the knowledge and/or actions, or failures to act, of any director, officer, agent or employee of the Company shall not be imputed to Indemnitee for purposes of determining the right to indemnity hereunder.

(iii) No Other Presumptions. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any applicable standard of conduct or have any particular belief, or that indemnification hereunder is otherwise not permitted.

(iv) Defense to Indemnification and Burden of Proof. It shall be a defense to any action brought by Indemnitee against the Company to enforce this Agreement (other than an action brought to enforce a claim for Losses incurred in defending against a Claim related to an Indemnifiable Event in advance of its final disposition) that it is not permissible under applicable law for the Company to indemnify Indemnitee for the amount claimed. In connection with any such action or any related Standard of Conduct Determination, the burden of proving such a defense or that the Indemnitee did not satisfy the applicable standard of conduct shall be on the Company.

9. Exclusions from Indemnification and Advancement of Expenses. Notwithstanding anything in this Agreement to the contrary, the Company shall not be obligated to:

(a) indemnify or advance funds to Indemnitee for Expenses or Losses with respect to proceedings initiated by Indemnitee, including any proceedings against the Company or its directors, officers, employees or other indemnitees and not by way of defense, except:

(i) proceedings referenced in Section 4 above (unless a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such proceeding was not made in good faith or was frivolous); or

(ii) where the Company has joined in or the Board has consented to the initiation of such proceedings.

(b) indemnify Indemnitee if a final decision by a court of competent jurisdiction determines that such indemnification is prohibited by applicable law.

(c) indemnify or advance funds to Indemnitee for the disgorgement of profits arising from the purchase or sale by Indemnitee of securities of the Company in violation of Section 15(b) of the Exchange Act, or any similar successor statute.

(d) indemnify or advance funds to Indemnitee for Indemnitee's reimbursement to the Company of any bonus or other incentive-based or equity-based compensation previously received by Indemnitee or payment of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements under Section 304 of the Sarbanes-Oxley Act of 2002 in connection with an accounting restatement of the Company or the payment to the Company of profits arising from the purchase or sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act).

(e) indemnify or advance funds to Indemnitee for Expenses or Losses determined by the Company to have arisen out of Indemnitee's breach or violation of his or her obligations under (i) any employment agreement between the Indemnitee and the Company or (ii) the Company's Code of Business Conduct and Ethics (as amended from time to time).

(f) indemnify or advance funds to Indemnitee for Expenses or Losses arising out of Indemnitee's personal tax matters.

10. Settlement of Claims. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Claim related to an Indemnifiable Event effected without the Company's prior written consent, which shall not be unreasonably withheld; provided, however, that if a Change in Control has occurred, the Company shall be liable for indemnification of the Indemnitee for amounts paid in settlement if an Independent Counsel has approved the settlement. The Company shall not settle any Claim related to an Indemnifiable Event in any manner that would impose any Losses on the Indemnitee without the Indemnitee's prior written consent.

11. Duration. All agreements and obligations of the Company contained herein shall continue during the period that Indemnitee is an officer of the Company (or is serving at the request of the Company as a director, officer, employee, member, trustee or agent of another Enterprise) and shall continue thereafter (i) so long as Indemnitee may be subject to any possible Claim relating to an Indemnifiable Event (including any rights of appeal thereto) and (ii) throughout the pendency of any proceeding (including any rights of appeal thereto) commenced by Indemnitee to enforce or interpret his or her rights under this Agreement, even if, in either case, he or she may have ceased to serve in such capacity at the time of any such Claim or proceeding.

12. Non-Exclusivity. The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Constituent Documents, the General Corporation Law of the State of Delaware, any other contract or otherwise (collectively, "**Other Indemnity Provisions**"); provided, however, that (a) to the extent that Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will be deemed to have such greater right hereunder and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of

the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to any of the Constituent Documents the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification under this Agreement or any Other Indemnity Provision.

13. Liability Insurance. For the duration of Indemnitee's service as an officer of the Company, and thereafter for so long as Indemnitee shall be subject to any pending Claim relating to an Indemnifiable Event, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to continue to maintain in effect policies of directors' and officers' liability insurance providing coverage that is at least substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. In all policies of directors' and officers' liability insurance maintained by the Company, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are provided to the most favorably insured of the Company's officers by such policy. Upon request, the Company will provide to Indemnitee copies of all directors' and officers' liability insurance applications, binders, policies, declarations, endorsements and other related materials.

14. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Losses to the extent Indemnitee has otherwise received payment under any insurance policy, the Constituent Documents, Other Indemnity Provisions or otherwise of the amounts otherwise indemnifiable by the Company hereunder.

15. Subrogation. In the event of payment to Indemnitee under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee. Indemnitee shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

16. Amendments. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless in the form of a writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company), assigns, spouses, heirs and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part of the business and/or assets of the Company, by written agreement in form and substances satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and

to the same extent that the Company would be required to perform if no such succession had taken place.

18. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any portion thereof) are held by a court of competent jurisdiction to be invalid, illegal, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

19. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed, by postage prepaid, certified or registered mail:

(a) if to Indemnitee, to the address set forth on the signature page hereto.

(b) if to the Company, to:

Tellurian Inc.
Attn: Daniel Belhumeur, General Counsel
1201 Louisiana Street, Suite 3100
Houston, Texas 77002

Notice of change of address shall be effective only when given in accordance with this Section. All notices complying with this Section shall be deemed to have been received on the date of hand delivery or on the third business day after mailing.

20. Governing Law and Forum. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state without giving effect to its principles of conflicts of laws. The Company and Indemnitee hereby irrevocably and unconditionally: (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court and not in any other state or federal court in the United States, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, Capitol Services, Inc., 1675 S. State St., Suite B, Dover, Delaware 19901 as its agent in the State of Delaware for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware and (d) waive, and agree not to plead or make, any claim that the Delaware Court lacks venue or that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

21. Headings. The headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction or interpretation thereof.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original, but all of which together shall constitute one and the same Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement as of the date first above written.

TELLURIAN INC.

By: _____

Name:

Title:

INDEMNITEE

_____

Name:

Address: _____

_____

_____

EXHIBIT A

FORM OF UNDERTAKING TO REPAY ADVANCEMENT OF EXPENSES

_____, 20___

Tellurian Inc.
Attn: Daniel Belhumeur, General Counsel
1201 Louisiana Street, Suite 3100
Houston, Texas 77002

Re: Undertaking to Repay Advancement of Expenses.

Ladies and Gentlemen:

This undertaking is being provided pursuant to that certain Indemnification Agreement, dated [DATE], by and between Tellurian Inc., a Delaware corporation (the "**Company**"), and the undersigned as Indemnitee (the "**Indemnification Agreement**"). Terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indemnification Agreement. Pursuant to the Indemnification Agreement, among other things, I am entitled to the advancement of Expenses paid or incurred in connection with Claims relating to Indemnifiable Events.

I have become subject to [DESCRIPTION OF PROCEEDING] (the " **Proceeding**") based on my status as [an officer/[TITLE OF OFFICER]] of the Company/alleged actions or failures to act in my capacity as [an officer/[TITLE OF OFFICER]] of the Company. This undertaking also constitutes notice to the Company of the Proceeding pursuant to Section 6 of the Indemnification Agreement. The following is a brief description of the [current status of the] Proceeding:

[DESCRIPTION OF PROCEEDING]

[Pursuant to Section 3 of the Indemnification Agreement, the Company can (a) pay such Expenses on my behalf, (b) advance funds in an amount sufficient to pay such Expenses, or (c) reimburse me for such Expenses. Pursuant to Section 3 of the Indemnification Agreement, I hereby request an Expense Advance in connection with the Proceeding. The Expenses for which advances are requested are as follows:]

[DESCRIPTION OF EXPENSES]

In connection with the request for Expense Advances [set out above/delivered to the Company separately on [DATE]], I hereby undertake to repay any amounts paid, advanced or reimbursed by the Company for such Expense Advances to the extent that it is ultimately determined that I am not entitled to indemnification under the Indemnification Agreement.

This undertaking shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of laws thereof.

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

Name:

[Title:]

Exhibit 31.1

CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT

I, Meg A. Gentle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tellurian Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ Meg A. Gentle

Meg A. Gentle
Chief Executive Officer
(as Principal Executive Officer)
Tellurian Inc.

Exhibit 31.2

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT

I, Antoine J. Lafargue, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tellurian Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ Antoine J. Lafargue

Antoine J. Lafargue
Senior Vice President and Chief Financial Officer
(as Principal Financial Officer)
Tellurian Inc.

Exhibit 32.1

CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Tellurian Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Meg A. Gentle, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2017

/s/ Meg A. Gentle

Meg A. Gentle
Chief Executive Officer
(as Principal Executive Officer)
Tellurian Inc.

Exhibit 32.2

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Tellurian Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Antoine J. Lafargue, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2017

/s/ Antoine J. Lafargue

Antoine J. Lafargue
Senior Vice President and Chief Financial Officer
(as Principal Financial Officer)
Tellurian Inc.