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

FORM 10-Q

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

For the quarterly period ended March 31, 2021

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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common stock, par value $0.01 per share	**TELL**	**NASDAQ Capital Market**

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 every Interactive Data File required to be submitted 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 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.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not 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 April 30, 2021, there were 409,630,935 shares of common stock, $0.01 par value, issued and outstanding.

Tellurian Inc.

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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,” “continue,” “estimate,” “expect,” “forecast,” “initial,” “intend,” “likely,” “may,” “plan,” “potential,” “project,” “proposed,” “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 and our overall strategy;
- planned or estimated capital expenditures;
- availability of liquidity and capital resources;
- our ability to obtain additional financing as needed and the terms of financing transactions, including for the Driftwood Project;
- revenues and expenses;
- progress in developing our projects and the timing of that progress;
- future values of the Company’s projects or other interests, operations or rights; and
- government regulations, including our ability to obtain, and the timing of, necessary governmental permits and approvals.

Our forward-looking statements are based on assumptions and analyses 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 and LNG;
- 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;
- governmental interventions in the LNG industry, including increases in barriers to international trade;
- uncertainties regarding our ability to maintain sufficient liquidity and attract sufficient capital resources to implement our projects;
- 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;
- the potential discontinuation of LIBOR;
- changes in competitive factors, including the development or expansion of LNG, pipeline and other projects that are competitive with ours;
- development risks, operational hazards and regulatory approvals;

- our ability to enter into and consummate planned financing and other transactions;
- risks related to pandemics or disease outbreaks;
- risks of potential impairment charges and reductions in our reserves; 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.

DEFINITIONS

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

Bcf	Billion cubic feet of natural gas
Bcf/d	Bcf per day
DD&A	Depreciation, depletion and amortization
DES	Delivered ex-ship
DFC	Deferred financing costs
EPC	Engineering, procurement and construction
FID	Final investment decision as it pertains to the Driftwood Project
GAAP	Generally accepted accounting principles in the U.S.
JKM	Platts Japan Korea Marker index price for LNG
LNG	Liquefied natural gas
LSTK	Lump sum turnkey
MMBtu	Million British thermal units
Mtpa	Million tonnes per annum
Nasdaq	Nasdaq Capital Market
OTC	Over-the-counter
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
U.S.	United States
USACE	U.S. Army Corps of Engineers

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TELLURIAN INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts, unaudited)

	March 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 58,729	$ 78,297
Accounts receivable	3,584	4,500
Prepaid expenses and other current assets	1,411	2,105
Total current assets	63,724	84,902
Property, plant and equipment, net	59,671	61,257
Deferred engineering costs	110,626	110,499
Non-current restricted cash	3,443	3,440
Other non-current assets	32,806	32,897
Total assets	$ 270,270	$ 292,995
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 25,247	$ 23,573
Accounts payable due to related parties	450	910
Accrued and other liabilities	19,897	22,003
Borrowings	16,848	72,819
Total current liabilities	62,442	119,305
Long-term liabilities:		
Borrowings	—	38,275
Other non-current liabilities	25,922	26,325
Total long-term liabilities	25,922	64,600
Stockholders' equity:		
Preferred stock, $0.01 par value, 100,000,000 authorized: 6,123,782 and 6,123,782 shares outstanding, respectively	61	61
Common stock, $0.01 par value, 800,000,000 authorized: 401,037,076 and 354,315,739 shares outstanding, respectively	3,779	3,309
Additional paid-in capital	1,021,373	922,042
Accumulated deficit	(843,307)	(816,322)
Total stockholders' equity	181,906	109,090
Total liabilities and stockholders' equity	$ 270,270	$ 292,995

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	2021	**2020**
Natural gas sales	$ 8,706	$ 8,217
Operating costs and expenses:		
Cost of sales	2,406	2,879
Development expenses	8,141	11,183
Depreciation, depletion and amortization	2,652	5,832
General and administrative expenses	15,111	17,239
Severance and reorganization charges	—	5,505
Total operating costs and expenses	28,310	42,638
Loss from operations	(19,604)	(34,421)
Interest expense, net	(5,892)	(6,396)
Gain on extinguishment of debt, net	1,574	—
Other (expense) income, net	(3,063)	83
Loss before income taxes	(26,985)	(40,734)
Income tax	—	—
Net loss	$ (26,985)	$ (40,734)
Net loss per common share[(1)]:		
Basic and diluted	$ (0.08)	$ (0.18)
Weighted-average shares outstanding:		
Basic and diluted	356,676	221,133

(1) The numerator for both basic and diluted loss per share is net loss. The denominator for both basic and diluted loss per share is the weighted-average shares outstanding during the period.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	2021	**2020**
Total shareholders' equity, beginning balance	$ 109,090	$ 166,285
Preferred stock	61	61
Common stock:		
Beginning balance	3,309	2,211
Common stock issuances	387	23
Share-based compensation, net[(1)]	23	—
Settlement of Final Payment Fee	—	110
Warrant exercises	60	—
Ending balance	3,779	2,344
Additional paid-in capital:		
Beginning balance	922,042	769,639
Common stock issuances	88,776	13,238
Share-based compensation, net[(1)]	2,656	684
Share-based payments	—	111
Settlement of Final Payment Fee	—	9,036
Warrants issued in connection with Borrowings	—	(2,109)
Warrant exercises	8,117	—
Warrant cancellation	(218)	—
Ending balance	1,021,373	790,599
Accumulated deficit:		
Beginning balance	(816,322)	(605,626)
Net loss	(26,985)	(40,734)
Ending balance	(843,307)	(646,360)
Total shareholders' equity, ending balance	$ 181,906	$ 146,644

(1) Includes settlement of 2019 bonus that was accrued for in 2019.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Cash flows from operating activities:		
Net loss	$ (26,985)	$ (40,734)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, depletion and amortization	2,652	5,832
Amortization of debt issuance costs, discounts and fees	3,061	3,231
Share-based compensation	1,571	683
Share-based payments	—	111
Interest elected to be paid-in-kind	508	130
Loss (gain) on financial instruments not designated as hedges	1,080	(101)
Net gain on extinguishment of debt	(1,574)	—
Other	(80)	1,163
Net changes in working capital (Note 15)	9,292	9,191
Net cash used in operating activities	(10,475)	(20,494)
Cash flows from investing activities:		
Development of natural gas properties	(1,130)	(269)
Purchase of property, plant and equipment	(270)	—
Net cash used in investing activities	(1,400)	(269)
Cash flows from financing activities:		
Proceeds from common stock issuances	91,929	13,324
Equity issuance costs	(2,766)	(63)
Borrowing principal repayments	(102,725)	(2,000)
Tax payments for net share settlement of equity awards (Note 15)	(2,305)	—
Proceeds from warrant exercises	8,177	—
Other	(1)	42
Net cash (used in) provided by financing activities	(7,691)	11,303
Net decrease in cash, cash equivalents and restricted cash	(19,566)	(9,460)
Cash, cash equivalents and restricted cash, beginning of period	81,738	68,482
Cash, cash equivalents and restricted cash, end of period	$ 62,172	$ 59,022
Supplementary disclosure of cash flow information:		
Interest paid	$ 2,116	$ 2,905

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

NOTE 1 — GENERAL

The terms "we," "our," "us," "Tellurian" and the "Company" as used in this report refer collectively to Tellurian Inc. and its subsidiaries unless the context suggests otherwise. These terms are used for convenience only and are not intended as a precise description of any separate legal entity associated with Tellurian Inc.

Nature of Operations

We plan to develop, own and operate a global natural gas business and to deliver natural gas to customers worldwide. Tellurian is developing a portfolio of natural gas production, LNG marketing, and infrastructure assets, including an LNG terminal facility (the "Driftwood terminal") and an associated pipeline (the "Driftwood pipeline") in southwest Louisiana. Tellurian plans to develop the Driftwood pipeline as part of what we refer to as the "Pipeline Network." The Driftwood terminal, the Pipeline Network and required natural gas production assets are collectively referred to as the "Driftwood Project".

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with GAAP for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain notes and other information have been condensed or omitted. The accompanying interim financial statements reflect all normal recurring adjustments that are, in the opinion of management, necessary for the fair presentation of our Condensed Consolidated Financial Statements. These interim financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2020.

Certain reclassifications have been made to conform prior period information to the current presentation. The reclassifications did not have a material effect on our consolidated financial position, results of operations or cash flows.

Liquidity

Our Condensed Consolidated Financial Statements were prepared in accordance with GAAP, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business as well as the Company's ability to continue as a going concern. As of the date of the Condensed Consolidated Financial Statements, we have generated losses and negative cash flows from operations, and have an accumulated deficit. We have not yet established an ongoing source of revenues sufficient to satisfy our obligations and fund working capital needs.

We are planning to generate proceeds from our at-the-market program and have determined that it is probable that such proceeds will satisfy our obligations and fund our working capital needs for at least twelve months following the issuance of the financial statements. We also continue to evaluate generating additional proceeds from various other potential financing transactions, such as issuances of equity, equity-linked and debt securities, or similar transactions to fund our obligations and working capital needs.

Use of Estimates

To conform with GAAP, we make estimates and assumptions that affect the amounts reported in our Condensed Consolidated Financial Statements and the accompanying notes. Although these estimates and assumptions are based on our best available knowledge at the time, actual results may differ.

NOTE 2 — PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	March 31, 2021	December 31, 2020
Prepaid expenses	$ 1,064	$ 1,156
Deposits	100	100
Derivative asset	—	843
Other current assets	247	6
Total prepaid expenses and other current assets	$ 1,411	$ 2,105

NOTE 3 — PROPERTY, PLANT AND EQUIPMENT

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

	March 31, 2021	December 31, 2020
Land	$ 14,180	$ 13,808
Proved properties	62,889	62,227
Wells in progress	603	492
Corporate and other	3,477	3,476
Total property, plant and equipment at cost	81,149	80,003
Accumulated DD&A	(41,396)	(38,764)
Right of use asset — finance leases	19,918	20,018
Total property, plant and equipment, net	$ 59,671	$ 61,257

Land

We own land in Louisiana for the purpose of constructing the Driftwood Project.

NOTE 4 — DEFERRED ENGINEERING COSTS

Deferred engineering costs of approximately $110.6 million, represent detailed engineering services related to the planned construction of the Driftwood terminal as of March 31, 2021. The balance in this account will be transferred to construction in progress upon reaching an affirmative FID by the Company's Board of Directors.

NOTE 5 — OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following (in thousands):

	March 31, 2021	December 31, 2020
Land lease and purchase options	$ 6,040	$ 5,831
Permitting costs	13,345	13,092
Right of use asset — operating leases	11,469	11,884
Other	1,952	2,090
Total other non-current assets	$ 32,806	$ 32,897

Land Lease and Purchase Options

We hold lease and purchase option agreements (the "Options") for certain tracts of land and associated river frontage. Upon exercise of the Options, the leases are subject to maximum terms of 50 years (inclusive of various renewals, at the option of the Company). Costs of the Options will be amortized over the life of the lease once obtained, or capitalized into the cost of land if purchased.

Permitting Costs

Permitting costs primarily represent the purchase of wetland credits in connection with our permit application to the USACE in 2017 and 2018. These wetland credits will be applied to our permit in accordance with the Clean Water Act and the Rivers and Harbors Act, which require us to mitigate the potential impact to Louisiana wetlands that might be caused by the construction of the Driftwood Project. In May 2019, we received the USACE permit. The permitting costs will be transferred to construction in progress upon reaching an affirmative FID by the Company's Board of Directors.

NOTE 6 — FINANCIAL INSTRUMENTS

As discussed in Note 9, *Borrowings*, as part of entering into the senior secured term loan credit agreement in 2018, we are required to enter into and maintain certain hedging transactions. As a result, we use derivative financial instruments, namely OTC commodity swap instruments ("commodity swaps"), to maintain compliance with this covenant. We do not hold or issue derivative financial instruments for trading purposes.

Commodity swap agreements involve payments to or receipts from counterparties based on the differential between two prices for the commodity, and include basis swaps to protect earnings from undue exposure to the risk of geographic disparities in commodity prices, as required by the negative covenant of the senior secured term loan credit agreement. The fair value of our commodity swaps is classified as Level 2 in the fair value hierarchy and is based on standard industry income approach models that use significant observable inputs, including but not limited to New York Mercantile Exchange (NYMEX) natural gas forward curves and basis forward curves, all of which are validated against external sources at least monthly.

The Company recognizes all derivative instruments as either assets or liabilities at fair value on a net basis as they are with a single counterparty and subject to a master netting arrangement. The Company can net settle its derivative instruments at any time. As of March 31, 2021, we had a current liability, net of $ 0.1 million, and a non-current liability, net of $0.1 million, with respect to the fair value of the current and non-current portion of our commodity swaps.

We do not apply hedge accounting for our commodity swaps; therefore, all changes in fair value of the Company's derivative instruments are recognized within Other income, net, in the Condensed Consolidated Statements of Operations. For the three months ended March 31, 2021, we recognized a realized gain of $0.4 million, as well as an unrealized loss of $1.1 million related to the changes in fair value of the commodity swaps in our Condensed Consolidated Statements of Operations. Derivative contracts which result in physical delivery of a commodity expected to be used or sold by the Company in the normal course of business are designated as normal purchases and sales and are exempt from derivative accounting. OTC arrangements require settlement in cash. Settlements of commodity derivative instruments are reported as a component of cash flows from operations in the Condensed Consolidated Statements of Cash Flows.

With respect to the commodity swaps, the Company hedged 5.6 Bcf of its fixed price and basis exposure, which represents a portion of its expected sales of equity production as of March 31, 2021. The open positions as of March 31, 2021 had maturities extending through September 2022.

NOTE 7 — RELATED PARTY TRANSACTIONS

In conjunction with the dismissal of prior litigation, we agreed to reimburse the Vice Chairman of our Board of Directors, Martin Houston, for reasonable attorneys' fees and expenses he incurred during the litigation. As of March 31, 2021 a balance of approximately $0.5 million remained owed to Mr. Houston and has been classified within Accounts payable due to related parties on the Condensed Consolidated Balance Sheets.

NOTE 8 — ACCRUED AND OTHER LIABILITIES

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

	March 31, 2021	December 31, 2020
Project development activities	$ 2,709	$ 3,228
Payroll and compensation	10,313	9,454
Accrued taxes	1,056	1,057
Professional services (e.g., legal, audit)	2,023	1,004
Warrant liabilities	—	3,774
Lease liabilities	1,998	1,950
Other	1,798	1,536
Total accrued and other liabilities	$ 19,897	$ 22,003

NOTE 9 — BORROWINGS

The following tables summarize the Company's borrowings as of March 31, 2021, and December 31, 2020 (in thousands):

	March 31, 2021		
	Principal repayment obligation	Unamortized DFC and discounts	Carrying value
2018 Term Loan, due September 2021	$ 17,000	$ (152)	$ 16,848
2019 Term Loan	—	—	—
2020 Unsecured Note	—	—	—
Total borrowings	$ 17,000	$ (152)	$ 16,848

	December 31, 2020		
	Principal repayment obligation	Unamortized DFC and discounts	Carrying value
2018 Term Loan, due September 2021	$ 60,000	$ (805)	$ 59,195
2019 Term Loan, due March 2022 [(a)]	43,217	(4,942)	38,275
2020 Unsecured Note	16,000	(2,376)	13,624
Total borrowings	$ 119,217	$ (8,123)	$ 111,094

(a) Includes paid-in-kind interest on the 2019 Term Loan of $3.3 million.

Extinguishment of the 2019 Term Loan

On March 12, 2021 (the "Extinguishment Date"), we finalized a voluntary repayment of the remaining outstanding principal balance of the 2019 Term Loan. A total of approximately $43.7 million was repaid to the lender throughout the first quarter of 2021 to satisfy the outstanding borrowing obligation. The extinguishment of the 2019 Term Loan resulted in an approximately $2.1 million gain, which was recognized within Gain on extinguishment of debt, net, on our Condensed Consolidated Statement of Operations.

As a result of repaying the outstanding balance prior to its contractual maturity, an approximately $4.4 million in unamortized DFC and discount were included in the computation of the gain from the extinguishment of the 2019 Term Loan as of March 31, 2021.

The holder of the 2019 Term Loan held approximately 3.5 million unvested warrants that had a fair value of approximately $6.3 million as of the Extinguishment Date. Due to the extinguishment of the 2019 Term Loan, all the unvested warrants were contractually terminated (the "Terminated Warrants"), and their respective fair value was included in the computation of the gain on extinguishment of the 2019 Term Loan.

The fair value of the Terminated Warrants was determined using a Black-Scholes option pricing model.

Full Repayment of the 2020 Unsecured Note

On March 31, 2020, we made the final contractually required amortization payment of $4.0 million under the terms of the 2020 Unsecured Note, thereby satisfying all financial obligations under the 2020 Unsecured Note.

2018 Term Loan

On September 28, 2018 (the "Closing Date"), Tellurian Production Holdings LLC ("Production Holdings"), a wholly owned subsidiary of the Company, entered into a three-year senior secured term loan credit agreement (the "2018 Term Loan") in an aggregate principal amount of $60.0 million.

Our use of proceeds from the 2018 Term Loan is predominantly restricted to capital expenditures associated with certain development and drilling activities and fees related to the transaction itself. As of March 31, 2021, unused proceeds from the 2018 Term Loan totaled $ 3.4 million and were classified as Non-current restricted cash on our Condensed Consolidated Balance Sheets.

We have the right, but not the obligation, to make voluntary principal repayments starting six months following the Closing Date in a minimum amount of $5.0 million or any integral multiples of $1.0 million in excess thereof. If no voluntary principal repayments are made, the principal amount, together with any accrued interest, is payable at the maturity date of

September 28, 2021. The 2018 Term Loan can be terminated without penalty, with an early termination payment equal to the outstanding principal plus accrued interest.

Amounts borrowed under the 2018 Term Loan are guaranteed by Tellurian Inc. and each of Production Holdings' subsidiaries. The 2018 Term Loan is collateralized by a first priority lien on all assets of Production Holdings and its subsidiaries, including our proved natural gas properties.

On February 18, 2021, we voluntarily repaid approximately $43.0 million of the 2018 Term Loan outstanding principal balance. As a result of this voluntary repayment, we recognized an approximately $0.5 million loss, which was netted against the gain on extinguishment of the 2019 Term Loan, and presented within Gain on extinguishment of debt, net, on our Condensed Consolidated Statement of Operations on this partial extinguishment due to the pro-rata recognition of the unamortized DFC and discount associated with the 2018 Term Loan. See Note 16, *Subsequent Events*, for further information.

The carrying value of the 2018 Term Loan approximates its fair value.

Covenant Compliance

As of March 31, 2021, the Company was in compliance with all covenants under its credit agreement. Refer to Note 6, *Financial Instruments*, for details of hedging transactions, as of and for the period ended March 31, 2021, entered into as required by the 2018 Term Loan described above.

NOTE 10 — COMMITMENTS AND CONTINGENCIES

On April 23, 2019, we entered into a master LNG sale and purchase agreement and related confirmation notices (collectively, the "SPA") with an unrelated third-party LNG merchant. Pursuant to the SPA, we committed to purchase one cargo of LNG per quarter through October 2022. The volume of each cargo is expected to range from 3.3 to 3.6 million MMBtu, and each cargo will be purchased under DES terms. The price of each cargo will be based on the JKM price in effect at the time of each purchase.

NOTE 11 — STOCKHOLDERS' EQUITY

At-the-Market Program

We maintain an at-the-market equity offering program pursuant to which we may sell shares of our common stock from time to time on Nasdaq. For the three months ended March 31, 2021, we issued 38.7 million shares of our common stock under our at-the-market program for net proceeds of approximately $89.2 million. As of March 31, 2021, we had remaining availability under the at-the-market program to raise aggregate gross sales proceeds of up to approximately $241.9 million. See Note 16, *Subsequent Events*, for further information.

Common Stock Purchase Warrants

2019 Term Loan

During the first quarter of 2021, the lender of the 2019 Term Loan purchased approximately 6.0 million shares of our common stock for total proceeds of approximately $8.2 million. As discussed in Note 9, *Borrowings*, the 2019 Term Loan has been repaid in full and the lender no longer holds any warrants.

2020 Unsecured Note

In conjunction with the issuance of the 2020 Unsecured Note, we issued a warrant providing the lender with the right to purchase up to 20.0 million shares of our common stock at $1.542 per share (the "2020 Warrant"). The 2020 Warrant vested immediately and will expire in October 2025. The 2020 Warrant has been excluded from the computation of diluted loss per share because including it in the computation would have been antidilutive for the periods presented.

Preferred Stock

In March 2018, we entered into a preferred stock purchase agreement with BDC Oil and Gas Holdings, LLC ("Bechtel Holdings"), a Delaware limited liability company and an affiliate of Bechtel Oil, Gas and Chemicals, Inc., a Delaware corporation, pursuant to which we sold to Bechtel Holdings approximately 6.1 million shares of our Series C convertible preferred stock (the "Preferred Stock").

The holders of the Preferred Stock do not have dividend rights but do have a liquidation preference over holders of our common stock. The holders of the Preferred Stock may convert all or any portion of their shares into shares of our common stock on a one-for-one basis. At any time after "Substantial Completion" of "Project 1," each as defined in and pursuant to the LSTK EPC Agreement for the Driftwood LNG Phase 1 Liquefaction Facility, dated as of November 10, 2017, or at any time after March 21, 2028, we have the right to cause all of the Preferred Stock to be converted into shares of our common stock on a one-for-one basis. The Preferred Stock has been excluded from the computation of diluted loss per share because including it in the computation would have been antidilutive for the periods presented.

NOTE 12 — SHARE-BASED COMPENSATION

We have granted restricted stock and restricted stock units (collectively, "Restricted Stock"), as well as unrestricted stock and stock options, to employees, directors and outside consultants (collectively, the "grantees") under the Tellurian Inc. 2016 Omnibus Incentive Compensation Plan, as amended (the "2016 Plan"), and the Amended and Restated Tellurian Investments Inc. 2016 Omnibus Incentive Plan (the "Legacy Plan"). The maximum number of shares of Tellurian common stock authorized for issuance under the 2016 Plan is 40 million shares of common stock, and no further awards can be granted under the Legacy Plan.

Upon the vesting of restricted stock, shares of common stock will be released to the grantee. Upon the vesting of restricted stock units, the units will be converted into either cash, stock, or a combination thereof. As of March 31, 2021, there was no Restricted Stock that would be required to be settled in cash.

As of March 31, 2021, we had approximately 29.7 million shares of performance-based Restricted Stock outstanding, of which approximately 19.3 million shares will vest entirely at FID, as defined in the award agreements, and approximately 9.8 million shares will vest in one-third increments at FID and the first and second anniversaries of FID. The remaining shares of performance-based Restricted Stock, totaling approximately 0.6 million shares, will vest based on other criteria. As of March 31, 2021, no expense had been recognized in connection with performance-based Restricted Stock.

As of March 31, 2021, we had approximately 2.3 million shares of time-based Restricted Stock outstanding. They primarily represent the settlement of the 2019 employee bonuses, which were recognized as compensation expenses and included in our accrued liabilities balance as of December 31, 2019, and will vest in their entirety during 2021.

For the three months ended March 31, 2021, the recognized share-based compensation expenses related to all share-based awards totaled approximately $1.6 million. As of March 31, 2021, unrecognized compensation expenses, based on the grant date fair value, for all share-based awards totaled approximately $202.2 million. Further, the approximately 32.0 million shares of performance-based and time-based Restricted Stock, as well as approximately 11.2 million stock options outstanding, have been excluded from the computation of diluted loss per share because including them in the computation would have been antidilutive for the periods presented.

NOTE 13 — INCOME TAXES

Due to our cumulative loss position, historical net operating losses ("NOLs"), and other available evidence related to our ability to generate taxable income, we have recorded a full valuation allowance against our net deferred tax assets as of March 31, 2021 and December 31, 2020. Accordingly, we have not recorded a provision for federal, state or foreign income taxes during the three months ended March 31, 2021.

We experienced ownership changes as defined by Internal Revenue Code ("IRC") Section 382 in 2017, and an analysis of the annual limitation on the utilization of our NOLs was performed at that time. It was determined that IRC Section 382 will not limit the use of our NOLs over the carryover period. We will continue to monitor trading activity in our shares that may cause an additional ownership change, which may ultimately affect our ability to fully utilize our existing NOL carryforwards.

NOTE 14 — LEASES

Finance Leases

Our land leases are classified as financing leases and include one or more options to extend the lease term for up to 40 years, as well as to terminate the lease within five years, at our sole discretion. We are reasonably certain that those options will be exercised, and that our termination rights will not be exercised, and we have, therefore, included those assumptions within our right of use assets and corresponding lease liabilities. As of March 31, 2021, the weighted-average remaining lease term for our financing leases was approximately fifty years. As none of our finance leases provide an implicit rate, we have determined our own discount rate, which, on a weighted-average basis at March 31, 2021, was approximately 13%.

As of March 31, 2021, our financing leases had a corresponding right of use asset of approximately $19.9 million, which is recognized within Property, plant and equipment, net, and a total lease liability of approximately $13.5 million, which is recognized in Other non-current liabilities. For the three months ended March 31, 2021 and 2020, our finance lease costs, which are associated with the interest on our lease liabilities, were approximately $0.5 million and $0.3 million, respectively.

Operating Leases

Our office space leases are classified as operating leases and include one or more options to extend the lease term for up to 10 years, at our sole discretion. As we are not reasonably certain that those options will be exercised, none are recognized as part of our right of use assets and lease liabilities. As of March 31, 2021, our weighted-average remaining lease term for our operating leases was approximately five years. As none of our operating leases provide an implicit rate, we have determined our own discount rate, which, on a weighted-average basis at March 31, 2021, was approximately 8%.

As of March 31, 2021, our operating leases had a corresponding right of use asset of approximately $11.5 million, which is recognized within Other non-current assets, and a total lease liability of approximately $13.2 million which is recognized within Accrued and other liabilities (approximately $2.0 million) and Other non-current liabilities (approximately $11.2 million). For the three months ended March 31, 2021 and 2020, our operating lease costs were $0.7 million and $0.9 million, respectively. For the three months ended March 31, 2021 and 2020, we paid approximately $0.7 million, and $0.9 million, respectively, in cash for amounts included in the measurement of operating lease liabilities, all of which are presented within operating cash flows.

The table below presents a maturity analysis of our lease liability on an undiscounted basis and reconciles those amounts to the present value of the lease liability as of March 31, 2021 (in thousands):

Maturity of lease liability	**Operating**	**Finance**
2021	$ 2,231	$ 1,369
2022	3,006	1,826
2023	3,044	1,826
2024	3,081	1,826
2025	3,119	1,826
After 2025	1,861	82,368
Total lease payments	$ 16,342	$ 91,041
Less: discount	3,154	77,532
Present value of lease liability	$ 13,188	$ 13,509

NOTE 15 — ADDITIONAL CASH FLOW INFORMATION

The following table provides information regarding the net changes in working capital (in thousands):

	Three Months Ended March 31,	
	2021	**2020**
Accounts receivable	$ 916	$ 1,811
Prepaid expenses and other current assets	5	2,262
Accounts payable	1,674	3,280
Accounts payable due to related parties	(460)	—
Accrued liabilities	7,669	2,500
Other, net	(512)	(662)
Net changes in working capital	$ 9,292	$ 9,191

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

	Three Months Ended March 31,	
	2021	**2020**
Non-cash accruals of property, plant and equipment and other non-current assets	$ (356)	$ 2,174
Non-cash settlement of withholding taxes associated with the 2019 bonus and vesting of certain awards	2,305	—
Non-cash settlement of the 2019 bonus	3,258	—
Non-cash settlement of Final Payment Fee	—	8,539
Tradable equity securities	—	2,362

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Condensed Consolidated Balance Sheets that sum to the total of such amounts shown in the Condensed Consolidated Statements of Cash Flows (in thousands):

	Three Months Ended March 31,	
	2021	2020
Cash and cash equivalents	$ 58,729	$ 55,452
Non-current restricted cash	3,443	3,570
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	$ 62,172	$ 59,022

NOTE 16 — SUBSEQUENT EVENTS

At-the-Market Program

Subsequent to March 31, 2021, and through the date of this filing, we issued approximately7.9 million shares of common stock under our at-the-market equity offering program for total proceeds of approximately $15.2 million, net of approximately $0.5 million in fees and commissions. As of April 30, 2020, we have remaining capacity under our at-the-market program to raise aggregate gross sales proceeds of approximately $226.3 million.

2018 Term Loan Extinguishment

On April 23, 2021, we voluntarily repaid the outstanding principal balance of $17.0 million and all associated interest under the 2018 Term Loan, thereby satisfying all of our borrowing obligations under the 2018 Term Loan.

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

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
- Recent Accounting Standards

Our Business

Tellurian Inc. ("Tellurian," "we," "us," "our," or the "Company") intends to create value for shareholders by building a low-cost, global natural gas business, profitably delivering natural gas to customers worldwide (the "Business"). We are developing a portfolio of natural gas production, LNG marketing, and infrastructure assets that includes an LNG terminal facility (the "Driftwood terminal") and related pipelines (the "Pipeline Network"). We refer to the Driftwood terminal, the Pipeline Network and required natural gas production assets collectively as the "Driftwood Project." Our existing natural gas production assets consist of 9,704 net acres and interests in 72 producing wells located in the Haynesville Shale trend of northern Louisiana. Our Business may be developed in phases.

As part of our execution strategy, we will consider partnering with third parties across the natural gas value chain. We are also pursuing activities such as direct sales of LNG to global counterparties, the acquisition of additional upstream acreage, the drilling of new wells on our existing or newly acquired upstream acreage and trading LNG.

We continue to evaluate, and discuss with potential partners, the scope and other aspects of our Business in light of the evolving economic environment, needs of potential partners and other factors. How we execute our Business will be based on a variety of factors, including the results of our continuing analysis, changing business conditions and market feedback.

Overview of Significant Events

Debt Reductions

During the first quarter of 2021, we repaid a total of approximately $102.7 million in outstanding principal balance of our borrowing obligations. As of March 31, 2021, we had one term loan outstanding with an outstanding balance of $17.0 million. On April 23, 2021, the remaining outstanding principal balance was voluntarily repaid.

Liquidity and Capital Resources

Capital Resources

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. We are currently funding our operations, development activities and general working capital needs through our cash on hand. Our current capital resources consist of approximately $58.7 million of cash and cash equivalents as of March 31, 2021, on a consolidated basis, of which approximately $9.4 million is maintained at a wholly owned subsidiary of Tellurian Production Holdings LLC. We currently maintain an at-the-market equity offering program under which, as of the date of this filing, we have remaining availability to raise aggregate gross sales proceeds of approximately $226.3 million. Since January 1, 2021, and through April 30, 2021, we have sold approximately 46.5 million shares of common stock under our at-the-market program for total proceeds of approximately $104.3 million, net of approximately $3.2 million in fees and commissions. We plan to enter into a new at-the-market equity offering program shortly after the filing of this report.

As of March 31, 2021, we had total indebtedness of $17.0 million that is scheduled to be repaid within the next twelve months. We also had contractual obligations associated with our finance and operating leases totaling $107.4 million, of which $4.8 million is scheduled to be paid within the next twelve months.

On April 23, 2021, the remaining indebtedness balance of $17.0 million was voluntarily repaid.

We are planning to generate proceeds from our at-the-market program and have determined that it is probable that such proceeds will satisfy our obligations and fund our working capital needs for at least twelve months following the issuance of the financial statements. We also continue to evaluate generating additional proceeds from various other potential financing transactions, such as issuances of equity, equity-linked and debt securities, or similar transactions to fund our obligations and working capital needs.

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):

	Three Months Ended March 31,	
	2021	**2020**
Cash used in operating activities	$ (10,475)	$ (20,494)
Cash used in investing activities	(1,400)	(269)
Cash (used in) provided by financing activities	(7,691)	11,303
Net decrease in cash, cash equivalents and restricted cash	(19,566)	(9,460)
Cash, cash equivalents and restricted cash, beginning of the period	81,738	68,482
Cash, cash equivalents and restricted cash, end of the period	$ 62,172	$ 59,022
Net working capital	$ 1,282	$ 3,699

Cash used in operating activities for the three months ended March 31, 2021 decreased by approximately $10.0 million compared to the same period in 2020 due to an overall decrease in disbursements in the normal course of business.

Cash used in investing activities for the three months ended March 31, 2021 increased by approximately $1.1 million compared to the same period in 2020. This increase is predominantly driven by increased natural gas development activities.

Cash (used in) provided by financing activities for the three months ended March 31, 2021 decreased by approximately $19.0 million compared to the same period in 2020. This decrease primarily relates to approximately $102.7 million in principal repayments of our borrowings compared to $2.0 million in the prior period. This increase in principal repayments was offset by an increase in net proceeds of approximately $89.2 million from equity issuances compared to approximately $13.3 million in the prior period. See Note 9, *Borrowings*, of our Notes to the Condensed Consolidated Financial Statements for further information.

Borrowings

As of March 31, 2021, we had total indebtedness of approximately $17.0 million, all of which was secured indebtedness, and we were in compliance with the covenants under our credit agreement. On April 23, 2021, the remaining outstanding principal balance was voluntarily repaid. For additional details regarding our borrowing activity, refer to Note 9, *Borrowings*, of our Notes to the Condensed Consolidated Financial Statements.

Capital Development Activities

The activities we have proposed will require significant amounts of capital and are subject to risks and delays in completion. We have received all regulatory approvals and, as a result, our business success will depend to a significant extent upon our ability to obtain the funding necessary to construct assets on a commercially viable basis and to finance the costs of staffing, operating and expanding our company during that process.

We currently estimate the total cost of the Driftwood Project to be approximately $24.7 billion, including owners' costs, transaction costs and contingencies but excluding interest costs incurred during construction of the Driftwood terminal and other financing costs. We have entered into four LSTK EPC agreements currently totaling $15.5 billion, or $561 per tonne, with Bechtel Oil, Gas and Chemicals, Inc. ("Bechtel") for construction of the Driftwood terminal. The proposed Driftwood terminal will have a liquefaction capacity of up to approximately 27.6 Mtpa and will be situated on approximately 1,000 acres in Calcasieu Parish, Louisiana. The proposed Driftwood terminal will include up to 20 liquefaction Trains, three full containment LNG storage tanks and three marine berths.

In addition, part of our strategy involves acquiring additional natural gas properties, including properties in the Haynesville shale trend. We intend to pursue potential acquisitions of such assets, or public or private companies that own such assets, in 2021. We would expect to use stock, cash on hand, or cash raised in financing transactions to complete an acquisition of this type.

We anticipate funding our more immediate liquidity requirements relative to the detailed engineering work and other developmental costs, natural gas development costs, and general and administrative costs through the use of cash on hand, proceeds from operations, and proceeds from completed and future issuances of securities by us. Consistent with our overall financing strategy, the Company has considered, and in some cases discussed with investors, various potential financing transactions, including issuances of debt, equity and equity-linked securities or similar transactions, to support its short- and medium-term capital requirements. The Company will continue to evaluate its cash needs and business outlook, and it may execute one or more transactions of this type in the future.

We currently expect that our long-term capital requirements will be financed by proceeds from future debt, equity and/or equity-linked transactions.

Results of Operations

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

	Three Months Ended March 31,	
	2021	2020
Total revenue	$ 8,706	$ 8,217
Cost of sales	2,406	2,879
Development expenses	8,141	11,183
Depreciation, depletion and amortization	2,652	5,832
General and administrative expenses	15,111	17,239
Severance and reorganization charges	—	5,505
Loss from operations	(19,604)	(34,421)
Interest expense, net	(5,892)	(6,396)
Gain on extinguishment of debt, net	1,574	—
Other (expense) income, net	(3,063)	83
Income tax benefit	—	—
Net loss	$ (26,985)	$ (40,734)

Our consolidated net loss was approximately $27.0 million for the three months ended March 31, 2021, compared to a net loss of approximately $40.7 million during the same period in 2020. The decrease in net loss of approximately $13.7 million is primarily a result of the following:

- Decrease of approximately $5.5 million in severance and reorganization charges due to the lack of these activities during the current period.
- Decreases of approximately $2.1 million and approximately $3.0 million in general and administrative expenses and development expenses, respectively, due to an overall decrease in business activities during the quarter.
- Decrease of approximately $3.2 million in DD&A due to the lower net book value utilized in the calculation when compared to the prior period.

Recent Accounting Standards

We do not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on our Condensed Consolidated Financial Statements or related disclosures.

Critical Accounting Estimates

There were no changes made by management to the critical accounting policies in the three months ended March 31, 2021. Please refer to the Summary of Critical Accounting Estimates section within MD&A and Note 1 to the consolidated financial statements of our Annual Report on Form 10-K for the year ended December 31, 2020 for a discussion of our critical accounting estimates and accounting policies.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not believe that we hold, or are party to, instruments that are subject to market risks that are material to our Business.

ITEM 4. CONTROLS AND PROCEDURES

As indicated in the certifications in Exhibits 31.1 and 31.2 to this report, our Chief Executive Officer and Chief Financial Officer have evaluated our disclosure controls and procedures as of March 31, 2021. Based on that evaluation, these officers have concluded that our disclosure controls and procedures are effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to them in a manner that allows for timely decisions regarding required disclosures and are effective in ensuring that such information is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. There were no changes during our last fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as amended.

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

Recent Sales of Unregistered Securities

None that occurred during the three months ended March 31, 2021 that have not already been reported in a Current Report on Form 8-K.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None that occurred during the three months ended March 31, 2021.

ITEM 5. OTHER INFORMATION

Compliance Disclosure

Pursuant to Section 13(r) of the Exchange Act, if during the quarter ended March 31, 2021, we or any of our affiliates during the quarter 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 March 31, 2021, we did not engage in any transactions with Iran or with persons or entities related to Iran.

Although Total Delaware, Inc. and TOTAL SE (formerly known as TOTAL S.A.) beneficially owned more than 10% of the outstanding Tellurian common stock at the beginning of the quarter ended March 31, 2021, Total Delaware, Inc. and TOTAL SE beneficially owned approximately 8% of the outstanding Tellurian common stock as of March 31, 2021. Total Delaware, Inc. had the right to designate for election one member of Tellurian’s Board of Directors as long as its percentage ownership of Tellurian voting stock was at least 10%. On March 31, 2021, TOTAL SE included information in its Annual Report on Form 20-F for the year ended December 31, 2020 (the “Total 2020 Annual Report”) regarding activities during 2020 that require disclosure under the ITRSHRA. The relevant disclosures are reproduced in Exhibit 99.1 to this report 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 2020 Annual Report.

ITEM 6. EXHIBITS

Exhibit No.	Description
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
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, formatted in Inline XBRL

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* Filed herewith.
** Furnished herewith.

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: May 5, 2021 By: /s/ L. Kian Granmayeh
L. Kian Granmayeh
Chief Financial Officer
(as Principal Financial Officer)
Tellurian Inc.

Date: May 5, 2021 By: /s/ Khaled A. Sharafeldin
Khaled A. Sharafeldin
Chief Accounting Officer
(as Principal Accounting Officer)
Tellurian Inc.

Exhibit 31.1

CERTIFICATION BY CHIEF EXECUTIVE OFFICER

PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT

I, Octávio M.C. Simões, 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: May 5, 2021

/s/ Octávio M.C. Simões

Octávio M.C. Simões
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, L. Kian Granmayeh, 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: May 5, 2021

/s/ L. Kian Granmayeh

L. Kian Granmayeh
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 March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Octávio M.C. Simões, 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: May 5, 2021

/s/ Octávio M.C. Simões

Octávio M.C. Simões
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 March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, L. Kian Granmayeh, 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: May 5, 2021

/s/ L. Kian Granmayeh

L. Kian Granmayeh
Chief Financial Officer
(as Principal Financial Officer)
Tellurian Inc.

Section 13(r) Disclosure

TOTAL SE (formerly known as TOTAL S.A.), a company that until recently may have been considered an affiliate of Tellurian Inc., included in its Annual Report on Form 20-F for the year ended December 31, 2020 the disclosure reproduced below pursuant to Section 13(r) of the Securities Exchange Act of 1934, as amended, regarding certain Iran-related activities of the Group. The terms "TOTAL" and "Group" as used in this exhibit refer to TOTAL SE collectively with all of its direct and indirect consolidated companies located in or outside of France.

TOTAL believes that these activities are not subject to sanctions under applicable economic sanctions regimes, including those adopted by the United States and the European Union. The Group's operational activities related to Iran were stopped in 2018 following the withdrawal of the United States from the Joint Comprehensive Plan of Action ("JCPOA") in May 2018 and prior to the re-imposition of US secondary sanctions on the oil industry as of November 5, 2018. Statements in this section concerning affiliates of TOTAL SE intending or expecting to continue activities described below are subject to such activities continuing to be permissible under applicable international economic sanctions regimes.

Exploration & Production

The Tehran branch office of Total E&P South Pars S.A.S. (a wholly-owned subsidiary), which opened in 2017 for the purposes of the development and production of phase 11 of the South Pars gas field, ceased all operational activities prior to November 1, 2018. In addition, since November 2018, Total Iran BV maintains a local representative office in Tehran with four employees solely for non-operational functions.

Concerning payments to Iranian entities in 2020, Total Iran BV and Elf Petroleum Iran collectively made payments of approximately IRR 5.42 billion (approximately €115,007[1]) to the Iranian administration for taxes and social security contributions concerning the staff of this representative office. None of these payments were executed in US dollars.

Since November 30, 2018, Total E&P UK Limited ("TEP UK"), a wholly owned subsidiary, holds a 1% interest in a joint-venture relating to the Bruce field in the United Kingdom (the "Bruce Field Joint-Venture") with Serica Energy (UK) Limited ("Serica") (98%, operator) and BP Exploration Operating Company Limited ("BPEOC") (1%), following the completion of the sale of 42.25% of TEP UK's interest in the Bruce Field Joint-Venture on November 30, 2018 pursuant to a sale and purchase agreement dated August 2, 2018 entered into between TEP UK and Serica.

The Bruce Field Joint-Venture is party to an agreement governing certain transportation, processing and operation services provided to another joint-venture at the Rhum field in the UK (the "Bruce Rhum Agreement"). The licensees of the Rhum field are Serica (50%, operator) and the Iranian Oil Company UK Ltd ("IOC UK"), a subsidiary of NIOC (50%), an Iranian government-owned corporation. Under the terms of the Bruce Rhum Agreement, the Rhum field owners pay a proportion of the operating costs of the Bruce field facilities calculated on a gas throughput basis.

In November 2018, the US Treasury Department's Office of Foreign Asset Control ("OFAC") granted a conditional license to BPEOC and Serica authorizing provision of services to the Rhum field following the re-imposition of US secondary sanctions. The principal condition of the license is that the ownership of shares in IOC UK by Naftiran Intertrade Company Limited (the trading branch of the NIOC) are transferred into and held in a Jersey-based trust, thereby ensuring that the Iranian government does not derive any economic benefit from the Rhum field so long as US sanctions against these entities remain in place. IOC UK's interest is managed by an independent management company established by the trust and referred to as the "Rhum Management Company" ("RMC"). Where necessary TEP UK liaises with RMC in relation to the Bruce Rhum Agreement and TEP UK expects to continue liaising with RMC on the same basis in 2021.

In January 2021, OFAC renewed the conditional license to Serica authorizing the provision of services to the Rhum field, until January 31, 2023, subject to early termination if the trust arrangements described above should terminate. In addition, OFAC confirmed that, to the extent that the license remains valid and Serica represents that the conditions set out in the license are met, activities and transactions of non-US persons involving the Rhum field or the Bruce field, including in relation to the operation of the trust, IOC UK and RMC will not be exposed to US secondary sanctions with respect to Iran.

[1] Converted using the average exchange rate for fiscal year 2020, as published by the Central Bank of Iran.

IOC UK's share of costs incurred under the Bruce Rhum Agreement have been paid to TEP UK in 2020 by RMC. In 2020, based upon TEP UK's 1% interest in the Bruce Field Joint Venture and income from the net cash flow sharing arrangement with Serica, gross revenue to TEP UK from IOC UK's share of the Rhum field resulting from the Bruce Rhum Agreement was approximately £5.18 million. This amount was used to offset operating costs on the Bruce field and as such, generated no net profit to TEP UK. TEP UK expects to continue this activity in 2021.

TEP UK is also party to an agreement with Serica whereby TEP UK uses reasonable endeavors to evacuate Rhum NGL from the St Fergus Terminal (the "Rhum NGL Agreement"). TEP UK provides this service subject to Serica having title to all of the Rhum NGL to be evacuated and Serica having a valid license from OFAC for the activity. The service is provided on a cost basis, and TEP UK charges a monthly handling fee that generates an income of approximately £35,400 per annum relating to IOC UK's 50% stake in the Rhum field. After costs, TEP UK realizes little profit from this arrangement. TEP UK expects to continue this activity in 2021.

Gas, Renewables & Power

In 2020, Total Direct Energie, a wholly owned subsidiary, supplied electricity to the Iranian Embassy in Paris (France). This activity generated a gross turnover of €41,997 and a net margin of approximately €2,650 in 2020. The Group expects to continue this activity in 2021.

Marketing & Services

In 2020, Total Marketing France ("TMF"), a wholly owned subsidiary, provided fuel payment cards to be used in the Group's service stations to the Iranian embassy and the Iranian delegation to UNESCO located in Paris (France). This activity generated a gross turnover of approximately €17,500 and a net profit of approximately €1,900 in 2020. TMF does not expect to continue this activity in 2021.

In 2020, Total Belgium, a wholly owned subsidiary, provided fuel payment cards to be used in the Group's service stations to the Iranian embassy located in Brussels (Belgium). This activity generated a gross turnover of approximately €8,500 and a net profit of approximately €1,300 (without tax) in 2020. Total Belgium expects to continue this activity in 2021.

Patents & Trademarks

TOTAL paid approximately €5,000 to Iranian authorities related to various patents. These patents have since been abandoned so that no payment should be made in 2021. In addition, TOTAL could make small payments in 2021 to Iranian authorities related to the maintenance and protection of trademarks and designs in this country. These payments are made in accordance with US regulation (Section 560.509 of the Iranian Transactions and Sanctions Regulations).