# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **January 7, 2019**

## Tellurian Inc.

(Exact name of registrant as specified in its charter)

| | | |
|---|---|---|
| **Delaware** | **001-5507** | **06-0842255** |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

| | |
|---|---|
| **1201 Louisiana Street, Suite 3100, Houston, TX** | **77002** |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: **(832) 962-4000**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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. ☐

**Item 7.01 Regulation FD Disclosure.**

On January 7, 2019, Tellurian Inc. posted an updated corporate presentation to its website, www.tellurianinc.com. A copy of the presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Current Report on Form 8-K, including the information set forth in Exhibit 99.1, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| Exhibit No. | Description |
|---|---|
| 99.1 | Tellurian Inc. Corporate Presentation dated January 2019 |

## 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 hereunto duly authorized.

**TELLURIAN INC.**

| | |
|---|---|
| By: | /s/ Antoine J. Lafargue |
| Name: | Antoine J. Lafargue |
| Title: | Senior Vice President and Chief Financial Officer |

Date: January 7, 2019

Exhibit 99.1

# Cautionary statements

## Forward-looking statements

The information in this presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are forward-looking statements. The words "anticipate," "assume," "believe," "budget," "estimate," "expect," "forecast," "initial," "intend," "may," "model," "plan," "potential," "project," "should," "will," "would," and similar expressions are intended to identify forward-looking statements. The forward-looking statements in this presentation relate to, among other things, future contracts and contract terms, margins, returns and payback periods, future cash flows and production, delivery of LNG, future costs, prices, financial results, liquidity and financing, regulatory and permitting developments, construction and permitting of pipelines and other facilities, future demand and supply affecting LNG and general energy markets and other aspects of our business and our prospects and those of other industry participants.

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 numerous known and unknown risks and uncertainties which may cause actual results to be materially different from any future results or performance expressed or implied by the forward-looking statements. These risks and uncertainties include those described in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and of our Quarterly Report on Form 10Q for the quarter ended September 30, 2018, and other filings with the Securities and Exchange Commission, which are incorporated by reference in this presentation. Many of the forward-looking statements in this presentation relate to events or developments anticipated to occur numerous years in the future, which increases the likelihood that actual results will differ materially from those indicated in such forward-looking statements.

Plans for the Permian Global Access Pipeline and Haynesville Global Access Pipeline projects discussed herein are in the early stages of development and numerous aspects of the projects, such as detailed engineering and permitting, have not commenced. Accordingly, the nature, timing, scope and benefits of those projects may vary significantly from our current plans due to a wide variety of factors, including future changes to the proposals. Although the Driftwood pipeline project is significantly more advanced in terms of engineering, permitting and other factors, its construction, budget and timing are also subject to significant risks and uncertainties.

Projected future cash flows as set forth herein may differ from cash flows determined in accordance with GAAP.

We may not be able to enter into definitive agreements with Vitol on the terms contemplated in the MOU or at all.

The financial information on slides 4, 6, 7, 9, 19, 20, 22, 23, 29, and 33-35 is meant for illustrative purposes only and does not purport to show estimates of actual future financial performance. The information on those slides assumes the completion of certain acquisition, financing and other transactions. Such transactions may not be completed on the assumed terms or at all. Actual commodity prices may vary materially from the commodity prices assumed for the purposes of the illustrative financial performance information.

The forward-looking statements made in or in connection with this presentation speak only 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.

## Reserves and resources

Estimates of non-proved reserves and resources are based on more limited information, and are subject to significantly greater risk of not being produced, than are estimates of proved reserves.

# Introduction

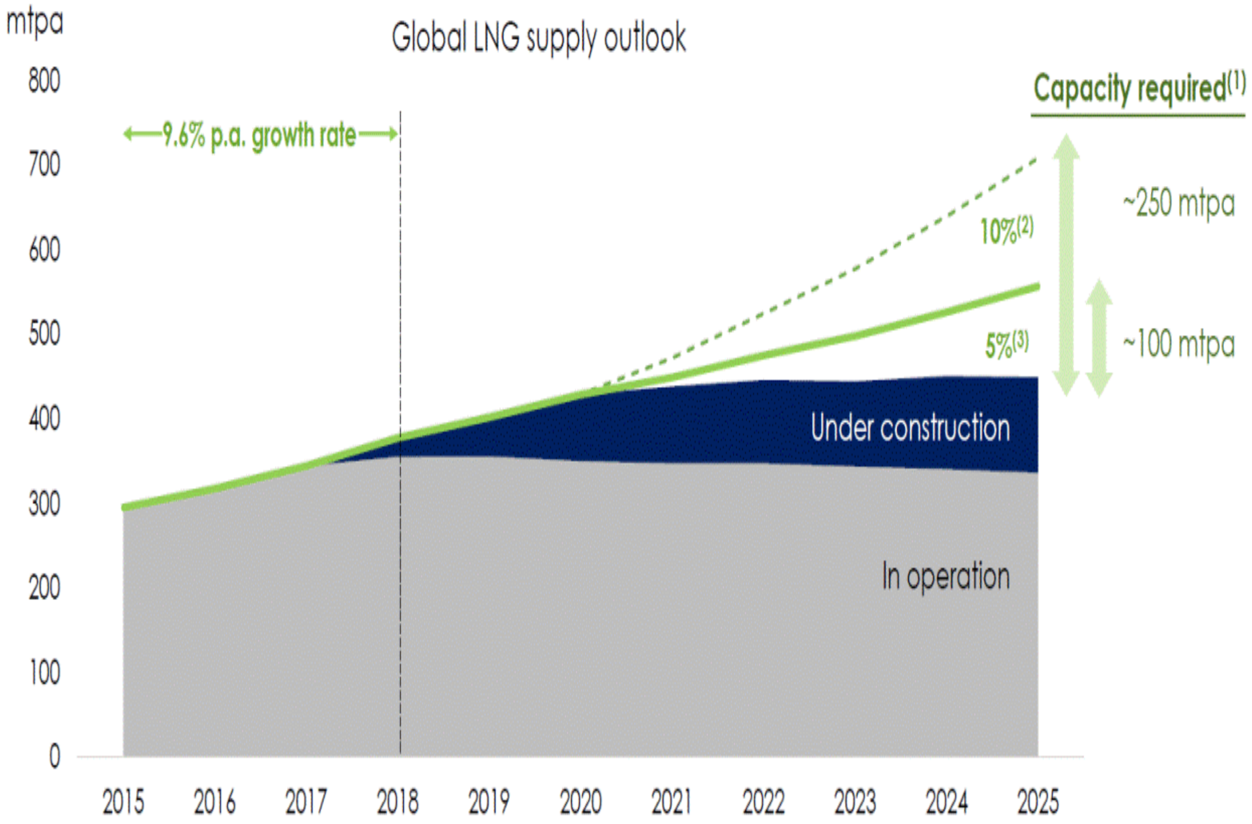
# Tellurian is capturing LNG value

Strong global fundamentals call for ~100 mtpa of additional U.S. LNG

Tellurian developing ~$30 billion of assets to generate ~$8 cash flow per share annually

Guaranteed EPC with Bechtel differentiates Tellurian and secures project execution

# New LNG capacity call: ~100-250 mtpa



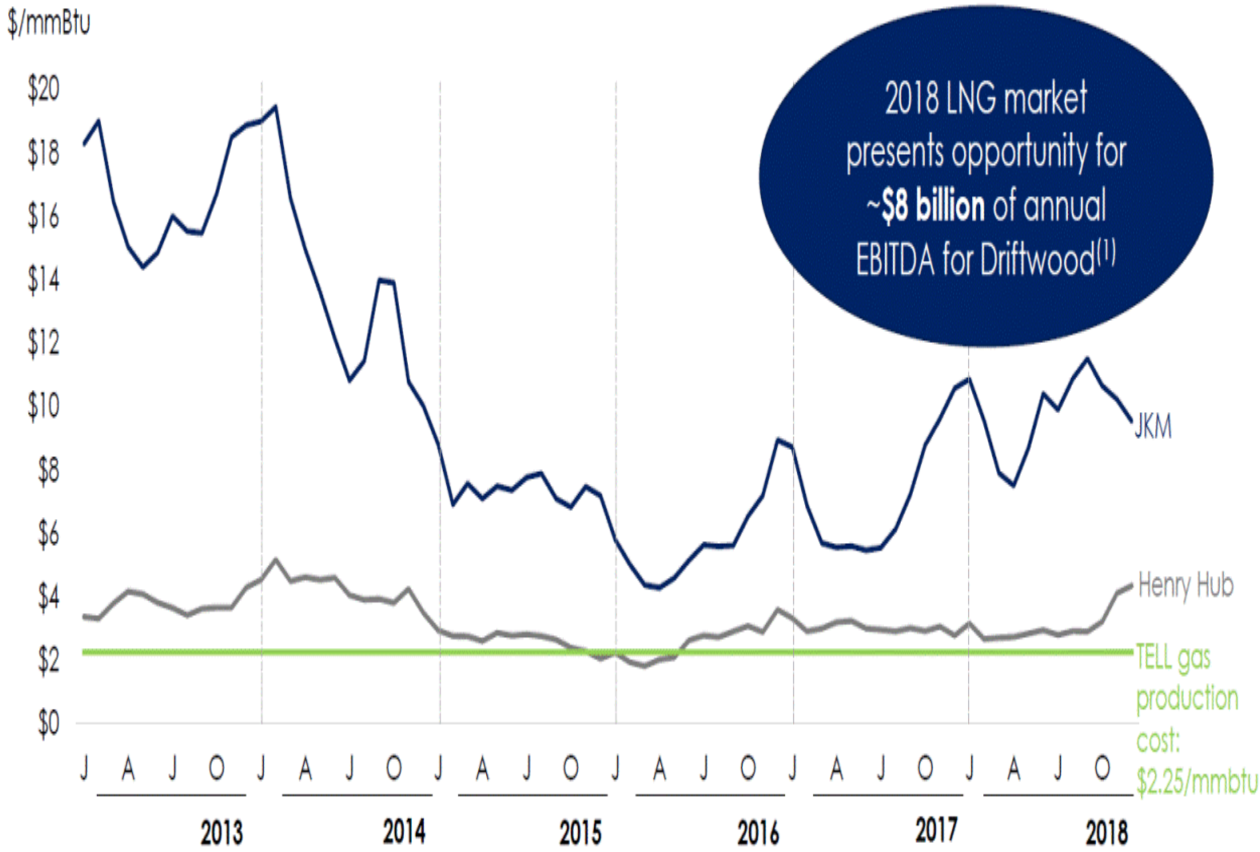

Sources: Wood Mackenzie, Tellurian Research.

Notes: (1) Assumes 85% utilization rate.

(2) Assuming sustained 2015-2018 demand growth rate of ~9.6% p.a. post-2020.

(3) Conservative estimate of 4.5% p.a. demand growth rate post-2020.

# 2018 LNG hub price ~$10/mmBtu = JKM

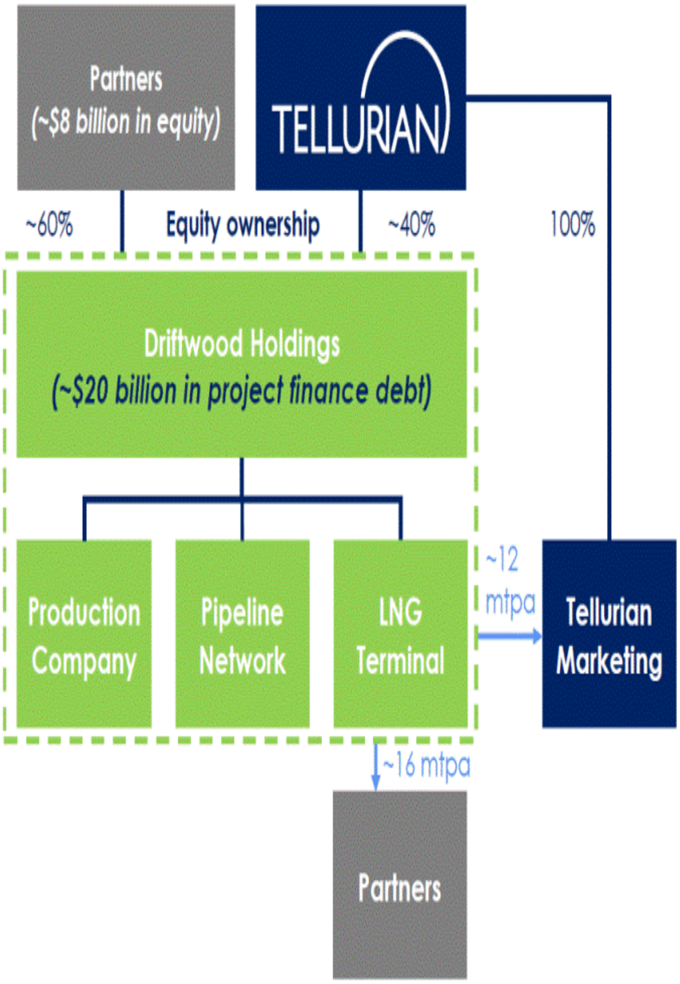



| | | | | | | |
|---|---|---|---|---|---|---|
| **Annual avg. JKM ($/mmBtu)** | **$16.58** | **$13.88** | **$7.45** | **$5.72** | **$7.14** | **$9.76** |

Sources: Platts, Tellurian research.
Note: (1) Based on full development of Driftwood LNG terminal, assuming JKM price of $10/mmBtu, a shipping rate of $1.50/mmBtu and a delivered FOB cost of $3.00/mmBtu.

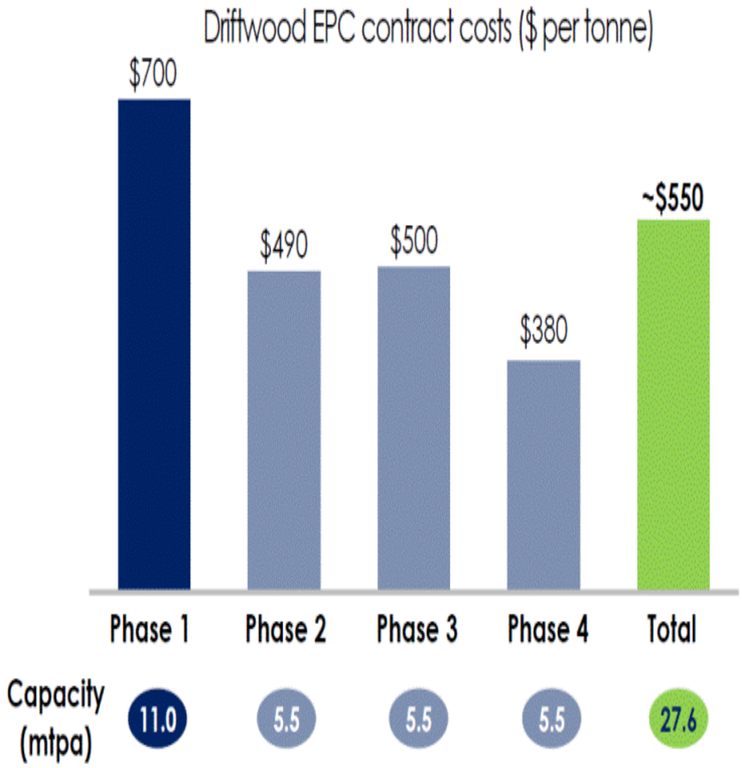
# Tellurian projects annual ~$8 cash flow/sh[1]

- **Integrated model**
  - Production Company, Pipeline Network, LNG Terminal
  - Variable and operating costs expected to be $3.00/mmBtu FOB
- **Financing**
  - ~$8 billion in Partners' capital through investment of $500 per tonne of LNG
  - ~$20 billion in project finance debt equates to $1.50/mmBtu with projected interest and amortization
- **Tellurian**
  - Tellurian will retain ~12 mpta and ~40% of the assets
  - Estimated $2 billion annual cash flow to Tellurian[2]




Notes: (1) Annual cash flow per share based on anticipated $2 billion annual cash flow to Tellurian and ~247 million shares outstanding.
(2) See slide 23 for estimated annual Tellurian cash flow at various assumed U.S. Gulf Coast netback prices and margin levels.

# Bechtel LSTK secures project execution




- Leading LNG EPC contractor
  - 44 LNG trains delivered to 18 customers in 9 countries
  - ~30% of global LNG liquefaction capacity (>125 mtpa)
- Tellurian and Bechtel relationship
  - 16 trains[1] delivered with Tellurian's executive team
  - Invested $50 million in Tellurian Inc.

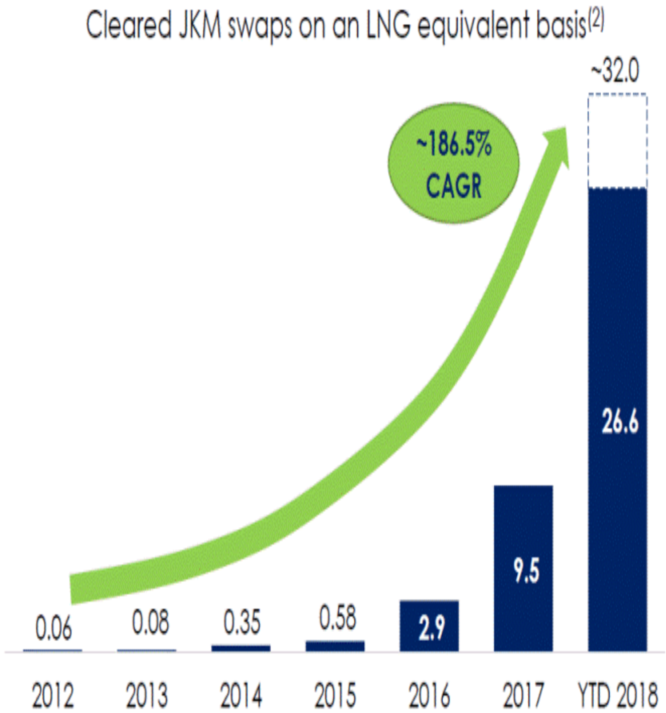
Source: Bechtel website.
Note: (1) Includes all trains from Sabine Pass LNG, Corpus Christi LNG, Atlantic LNG, QCLNG, ELNG.

# Tellurian and Vitol sign JKM-indexed MOU

## Summary of MOU agreement

- Tellurian to supply Vitol with 1.5 mtpa for a minimum of 15 years on an FOB basis
- Volumes derived from Tellurian's retained offtake capacity at Driftwood LNG
- ~$430 million annual EBITDA opportunity, ~$6.5 billion over 15 years[3]
- Agreement aligns with evolving commoditization of the LNG industry
- Vitol also considering potential equity investment in Driftwood Holdings

## JKM liquidity is increasing[1]




Sources: S&P Global Platts, ICE, CME.
Notes: (1) Based on year-to-date swaps through exchanges through October 2018.
(2) Assumes 1 lot = 10,000 mmBtu and 52 mmBtu per tonne of LNG.

(3) Assuming $10/mmBtu JKM price and a $5.50/mmBtu margin.



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# Final Investment Decision expected 1H 2019

| Milestone | Target date |
|---|---|
| Fully-wrapped EPC contract | ✓ November 2017 |
| Draft FERC EIS | ✓ September 2018 |
| Final FERC EIS | January 2019 |
| Final FERC Order | 1H 2019 |
| Final Investment Decision | 1H 2019 |
| Notice to Proceed to Bechtel | 1H 2019 |
| First LNG | 2023 |

# Tellurian differentiated to provide value

**Experienced management**

- Management track record at Cheniere and BG Group
- 43% of Tellurian owned by founders and management

**World-class partners**

TOTAL

BECHTEL

GE

**Fixed-cost EPC contract**

- Guaranteed lump sum turnkey contract with Bechtel
- $15.2 billion for 27.6 mtpa capacity

**Regulatory certainty**

- FERC scheduling notice indicates final EIS will be received by January 2019

**Unique business model**

- Integrated
  - Upstream reserves
  - Pipeline network
  - LNG terminal
- Low-cost
- Flexible

# Contact us


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**Social media**

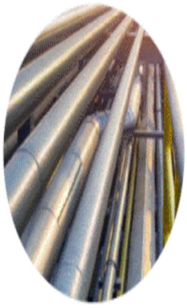
@TellurianLNG

# Project details

# Integrated to manage three risks

## Basin

10,800 Haynesville acres
1.4 Tcf of resource
Intend to acquire 15 Tcf



## Basis

~$7 billion of pipeline projects, providing access to Haynesville, Permian, & Appalachia supply

## Construction

~$15 billion liquefaction project in Louisiana

# Driftwood LNG terminal

| Driftwood LNG terminal | |
|---|---|
| Land | ▪ ~1,000 acres near Lake Charles, LA |
| Capacity | ▪ ~27.6 mtpa |
| Trains | ▪ Up to 20 trains of ~1.38 mtpa each<br>▪ Chart heat exchangers<br>▪ GE LM6000 PF+ compressors |
| Storage | ▪ 3 storage tanks<br>▪ 235,000 $m^3$ each |
| Marine | ▪ 3 marine berths |
| EPC Cost | ▪ ~$550 per tonne<br>▪ ~$15.2 billion[1] |



Artist rendition

Note: (1) Based on engineering, procurement, and construction agreements executed with Bechtel.



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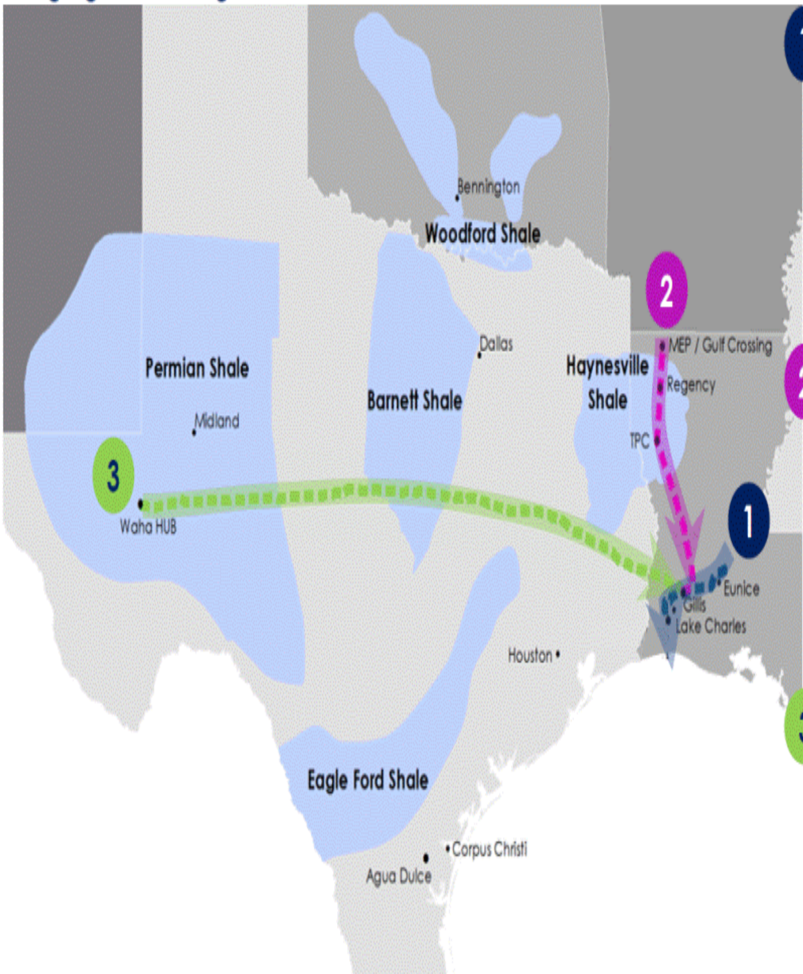
# Pipeline network

## Bringing low-cost gas to Southwest Louisiana




### 1 Driftwood Pipeline[1]

| | |
|---|---|
| Capacity (Bcf/d) | 4.0 |
| Cost ($ billions) | $2.2 |
| Length (miles) | 96 |
| Diameter (inches) | 48 |
| Compression (HP) | 274,000 |
| Status | FERC approval pending |

### 2 Haynesville Global Access Pipeline[1]

| | |
|---|---|
| Capacity (Bcf/d) | 2.0 |
| Cost ($ billions) | $1.4 |
| Length (miles) | 200 |
| Diameter (inches) | 42 |
| Compression (HP) | 23,000 |
| Status | Open season completed |

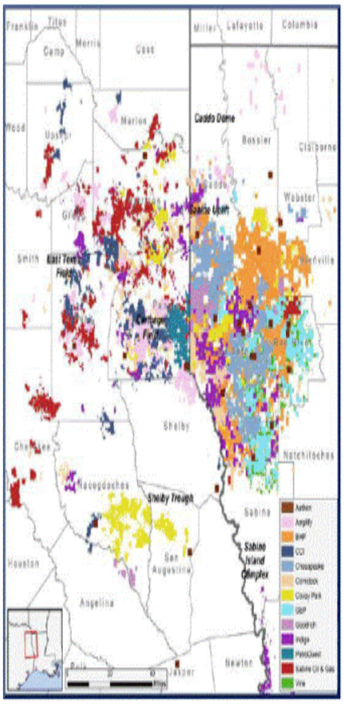
### 3 Permian Global Access Pipeline[1]

| | |
|---|---|
| Capacity (Bcf/d) | 2.0 |
| Cost ($ billions) | $3.7 |
| Length (miles) | 625 |
| Diameter (inches) | 42 |
| Compression (HP) | 258,000 |
| Status | Open season completed |

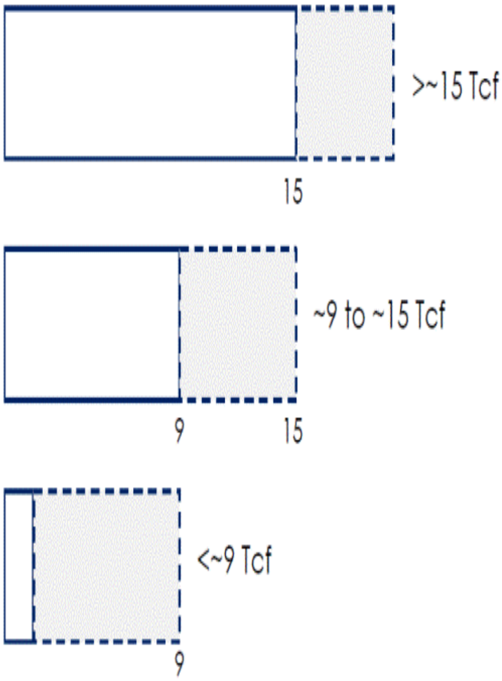
Note: (1) Included in Driftwood Holdings at full development; commercial and regulatory processes in progress and financial structuring under review.

# >100 Tcf available resources in Haynesville

## Driftwood Holdings plans to fund and purchase 15 Tcf



| Target size: | Potential acquisition targets: | Range of resources per target (Tcf)[1]: |
|---|---|---|
| ▪ Large | Indigo, Chesapeake Energy, Covey Park Energy | >~15 Tcf |
| ▪ Medium | CCI, Vine Oil & Gas, Aethon, GEP | ~9 to ~15 Tcf |
| ▪ Small | Comstock, Goodrich Petroleum Corporation, Sabine Oil & Gas, Amplify Energy, EXCO | <~9 Tcf |




Sources: IHS Enerdeq; 1Derrick; Investor presentations; Tellurian research.
Note: (1) Estimated resources based on acreage.

# Expecting to eliminate HH price risk

Henry Hub gas price (price index for most U.S LNG projects)
$/mmBtu


**Opportunities for further gas supply cost savings:**

- Buy Henry Hub gas when prices are lower than $2.25 (curtail Haynesville drilling)
- Acquire lower priced gas in other supply basins via Tellurian pipeline network

Source: CME via MarketView.



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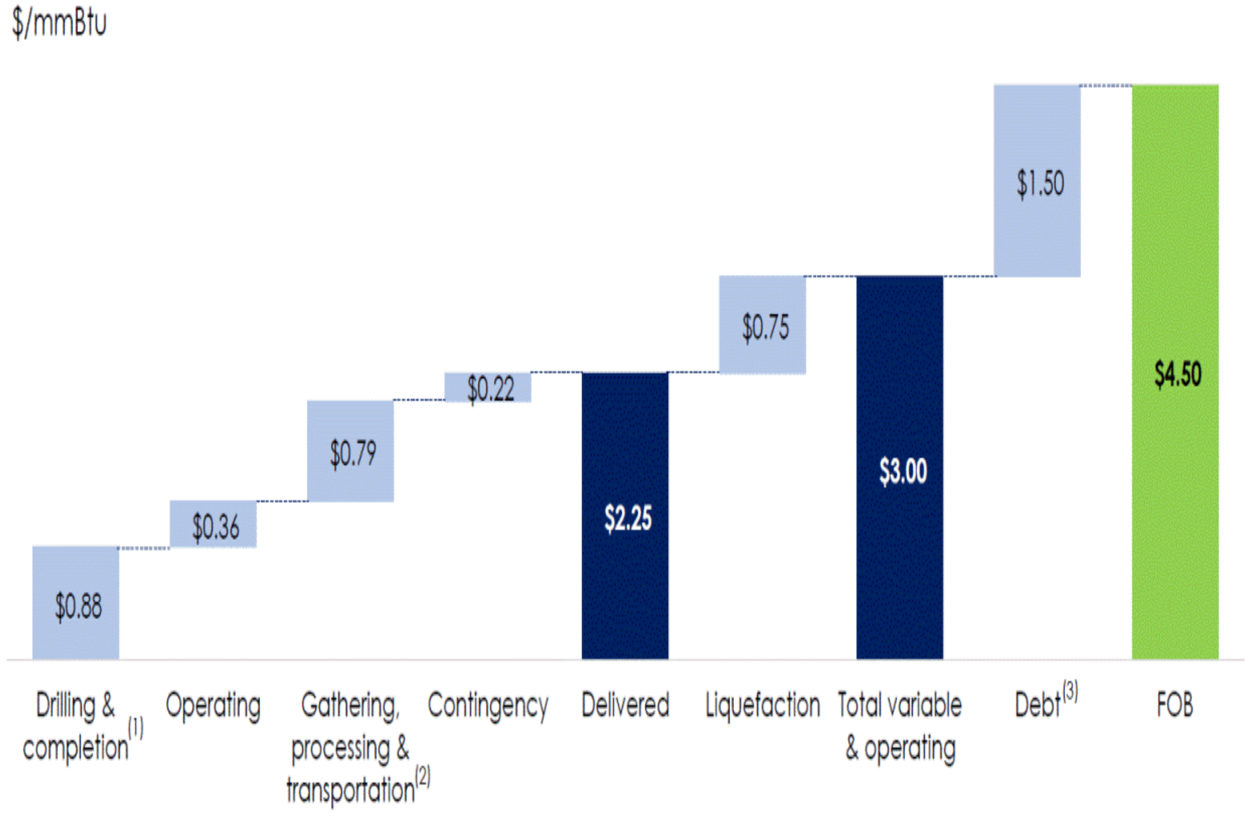
# Driftwood Holdings' financing

| | Full Development | |
|---|---|---|
| ▪ **Capacity (mtpa)** | **27.6** | |
| ▪ **Capital investment ($ billions)** | | |
| – Liquefaction terminal[1] | $ 15.2 | |
| – Owners' cost & contingency[2] | $ 1.9 | |
| – Driftwood pipeline[3] | $ 2.2 | |
| – HGAP | $ 1.4 | |
| – PGAP | $ 3.7 | |
| – Upstream | $ 2.2 | |
| – Fees[4] | $ 0.9 | |
| – Interest during construction | $ 7.5 | |
| ▪ **Total capital** | **$ 35.0** | |
| – Total capital ($ per tonne) | $ 1,270 | |
| | | |
| – Debt financing[5] | $ (20.0) | |
| – Pre-COD cash flows[6] | $ (7.0) | |
| ▪ **Net partners' capital** | **$ 8.0** | |
| | | |
| ▪ **Transaction price ($ per tonne)** | **$500** | |
| ▪ **Capacity split** | **mtpa** | **%** |
| – Partner | 16.0 | 58% |
| **– Tellurian** | **11.6** | **42%** |

Notes: (1) Based on engineering, procurement, and construction agreements executed with Bechtel.
(2) Approximately half of owners' costs represent contingency; the remaining amounts consist of cost estimates related to staffing prior to commissioning, estimated impact of inflation and foreign exchange rates, spare parts and other estimated costs.
(3) Represents estimated costs of development of Driftwood pipeline in phases.
(4) Preliminary estimate of certain costs associated with potential management fee to be paid by Driftwood Holdings to Tellurian and certain transaction costs.
(5) Project finance debt to be borrowed by Driftwood Holdings.
(6) Cash flows prior to commercial operations date of Plant 5.

# Driftwood Holdings' operating costs




Sources: Wood Mackenzie, Tellurian Research.

Notes: (1) Drilling and completion based on well cost of $10.2 million, 15.5 Bcf EUR, and 75.00% net revenue interest ("NRI") (8/8ths).
(2) Gathering processing and transportation includes transportation cost to Driftwood pipeline or to market.
(3) Based on debt service cost of principal and interest related to ~$20.0 billion of project finance debt.



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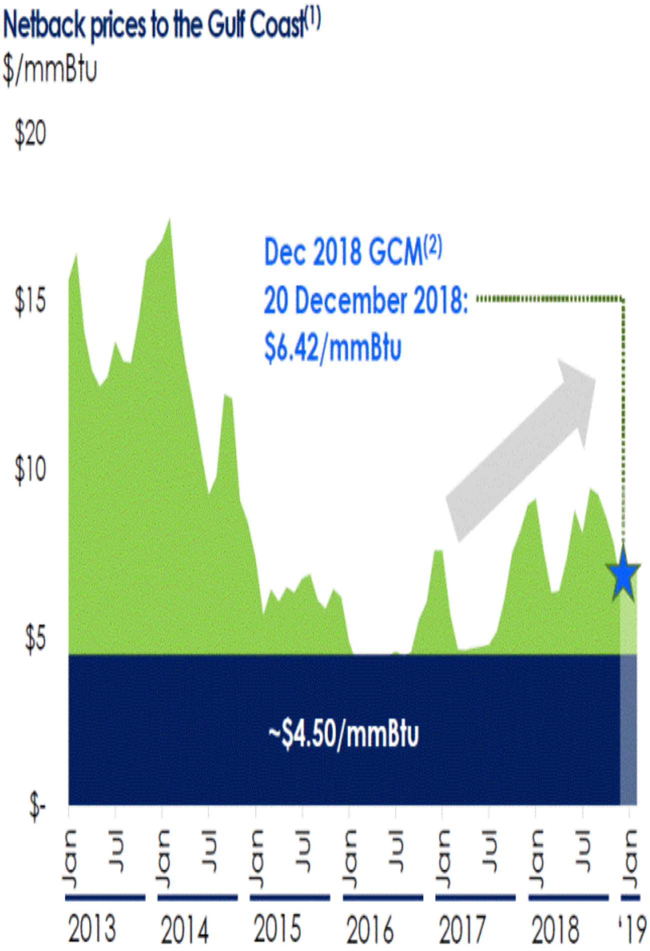
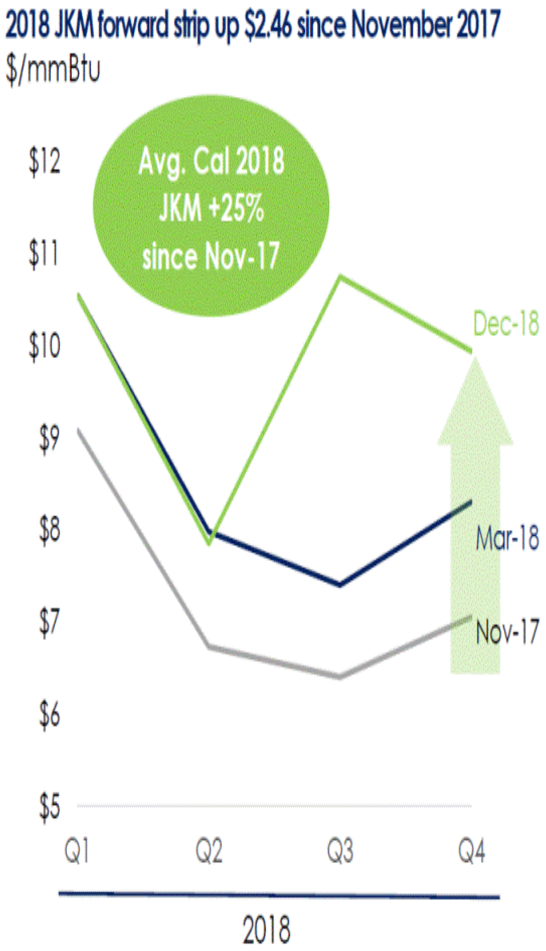
# Margins and price signals




Sources: Platts, CME, Tellurian Research.
Notes: (1) Forward prices for 2018 assuming $2.91/mmBtu shipping cost from USGC to East Asia using Platts JKM.
(2) Platts Gulf Coast Marker, month-to-date as of December 20, 2018.

# Returns to Driftwood Holdings' partners

| | U.S. Gulf Coast netback price ($/mmBtu) | | | |
|---|---|---|---|---|
| | $6.00 | $8.00 | $10.00 | $15.00 |
| **Driftwood LNG, FOB U.S. Gulf Coast** ($/mmBtu) | $(4.50) | $(4.50) | $(4.50) | $(4.50) |
| **Margin** ($/mmBtu) | 1.50 | 3.50 | 5.50 | 10.50 |
| **Annual partner cash flow**[1] ($ millions per tonne) | 80 | 180 | 290 | 550 |
| **Cash on cash return**[2] | 16% | 36% | 57% | 109% |
| **Payback**[3] (years) | 6 | 3 | 2 | 1 |

Notes: (1) Annual partner cash flow equals the margin multiplied by 52 mmBtu per tonne.
(2) Based on 1 mtpa of capacity in Driftwood Holdings; all estimates before federal income tax; does not reflect potential impact of management fees paid to Tellurian.
(3) Payback period based on full production.

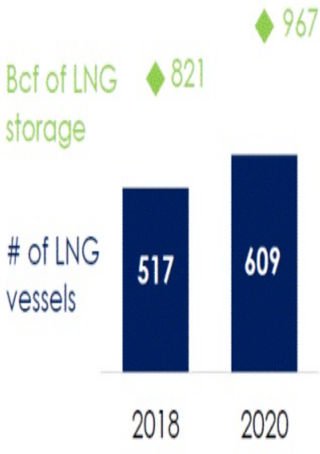
# Value to Tellurian Inc.

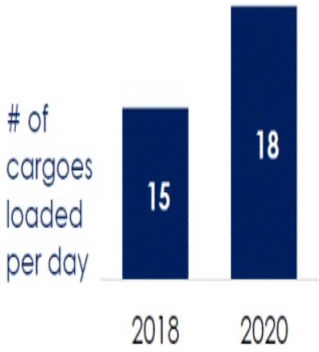
| | | 2 Plants | | 5 Plants | |
|---|---|---|---|---|---|
| USGC netback ($/mmBtu) | Margin[1] ($/mmBtu) | Annual cash flows[2] ($ millions) | Cash flow per share[3] ($/share) | Annual cash flows[2] ($/millions) | Cash flow per share[3] ($/share) |
| $ 6.00 | $ 1.50 | $ 235 | $ 0.95 | $ 905 | $ 3.66 |
| $ 8.00 | $ 3.50 | $ 545 | $ 2.21 | $2,110 | $ 8.55 |
| $10.00 | $ 5.50 | $ 860 | $ 3.47 | $3,320 | $13.43 |
| $15.00 | $10.50 | $1,640 | $ 6.63 | $6,335 | $25.64 |

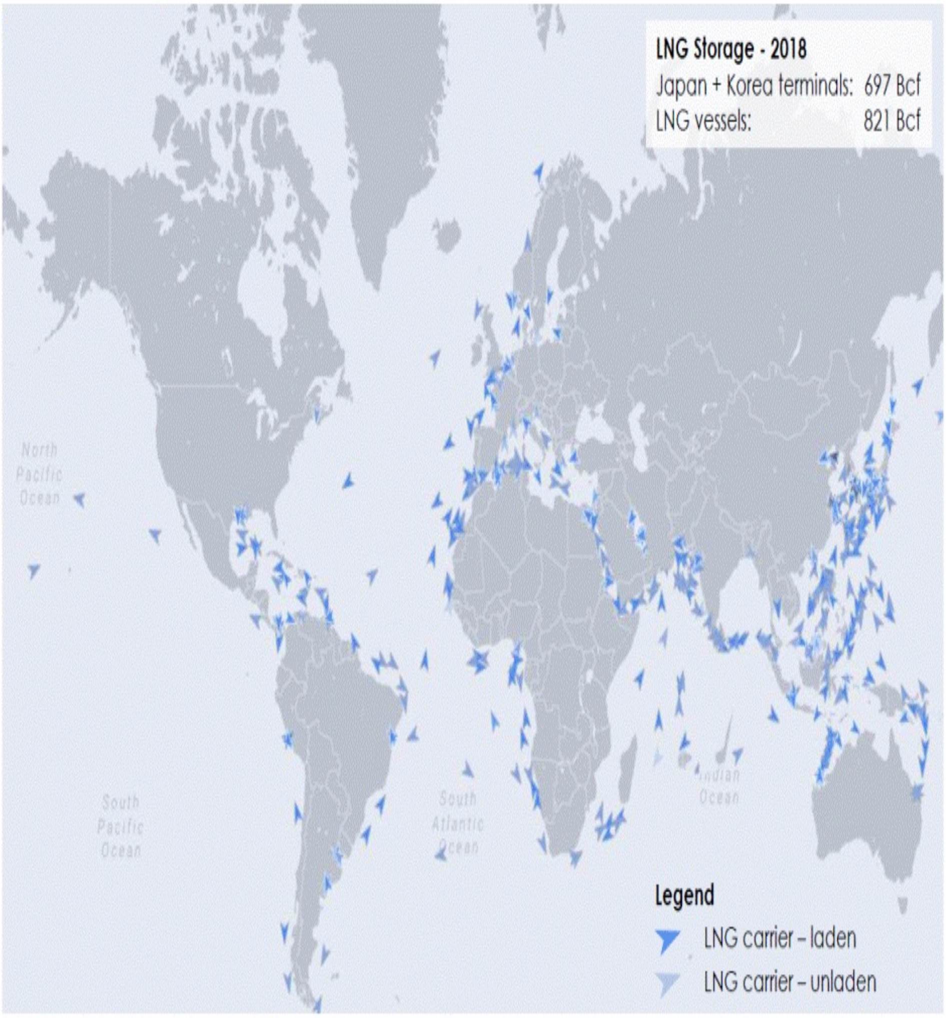
Notes: (1) $4.50/mmBtu cost of LNG FOB Gulf Coast.
(2) Annual cash flow equals the margin multiplied by 52 mmBtu per tonne; does not reflect potential impact of management fees paid to Tellurian nor G&A.
(3) Represents the fully diluted cash flow per share based on total outstanding shares of 241 million in common stock and 6 million shares of preferred stock as converted.

# Additional detail

# Global commodity requires low-cost solutions




Sources: Kpler, Maran Gas, IHS, Wood Mackenzie.

Notes: LNG storage assumes half of fleet is in ballast, 2.9 Bcf capacity per vessel. Average cargo size ~2.9 Bcf, assuming 150,000 $m^3$ ship. In 2017, approximately a third of all LNG cargoes are estimated to be spot volumes. Based on line of sight supply through 2020.



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# Owning pipeline infrastructure mitigates basis risk

## Tolling model

Cameron LNG
Dominion
FREEPORT LNG

### Customer incurs risk

**Competition between customers** for pipeline access leads to **hidden costs** and higher cost of LNG on the water

## SPA model

CHENIERE

### Developer incurs risk

Developer consolidates pipeline transport, but still **a price taker** for transportation services; developer only has 5% of Henry Hub price to pay for transport

## Equity model

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### Own the infrastructure

True **cost control** and **transparency** from owning and managing pipeline transportation

# Building a low-cost global gas business

## 2016

**April**
Management, friends and family **invest $60 million** in Tellurian

**December**
GE **invests $25** million in Tellurian

## 2017

**January**
TOTAL invests **$207 million** in Tellurian

**February**
**Merge** with Magellan Petroleum, gaining access to public markets

**June**
**Bechtel, Chart Industries and GE** complete the front-end engineering and design (FEED) study for Driftwood LNG

**November**
**Acquire Haynesville acreage**, production and ~1.4 Tcf

Execute **LSTK EPC contract** with Bechtel for ~$15 billion

**December**
Raise approximately **$100 million in public equity**

## 2018

**Feb/March**
Announce **open seasons** for Haynesville Global Access Pipeline and Permian Global Access Pipeline

**March**
Bechtel **invests $50 million** in Tellurian

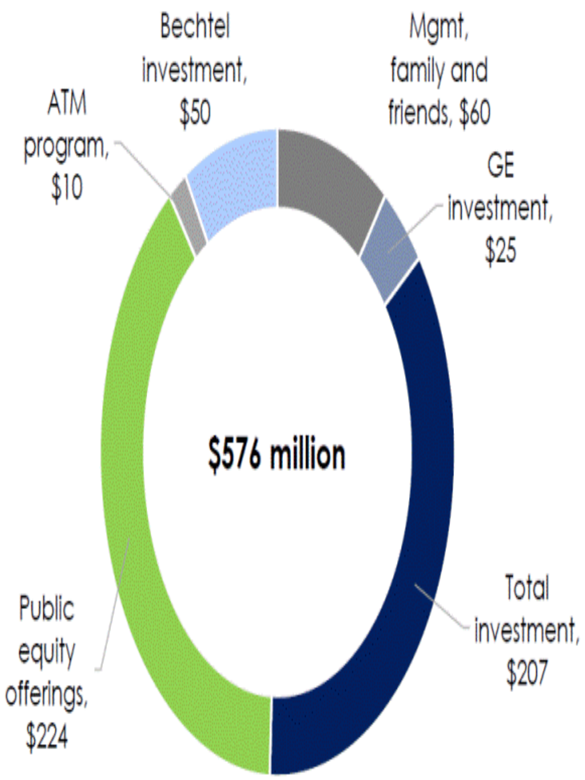
**June**
Raise approximately **$115 million in public equity**

**September**
Driftwood LNG receives **Draft Environmental Impact Statement** (DEIS) from FERC

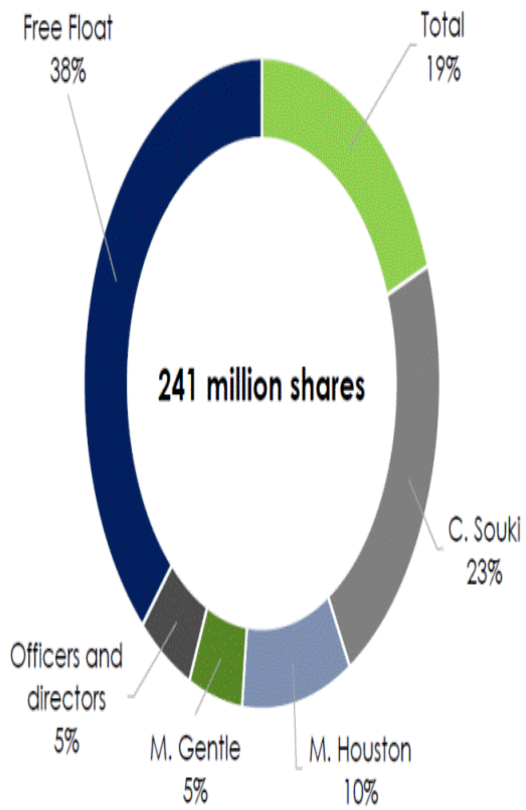
**December**
Announced **MOU for 1.5 mtpa for 15 years** with **Vitol**, based on Platts JKM

# Funding and ownership

**Sources[1] ($ millions)**




**Ownership[1][2] (%)**




Notes: (1) As of December 26, 2018.
(2) Excludes 6.1 million preferred shares outstanding.



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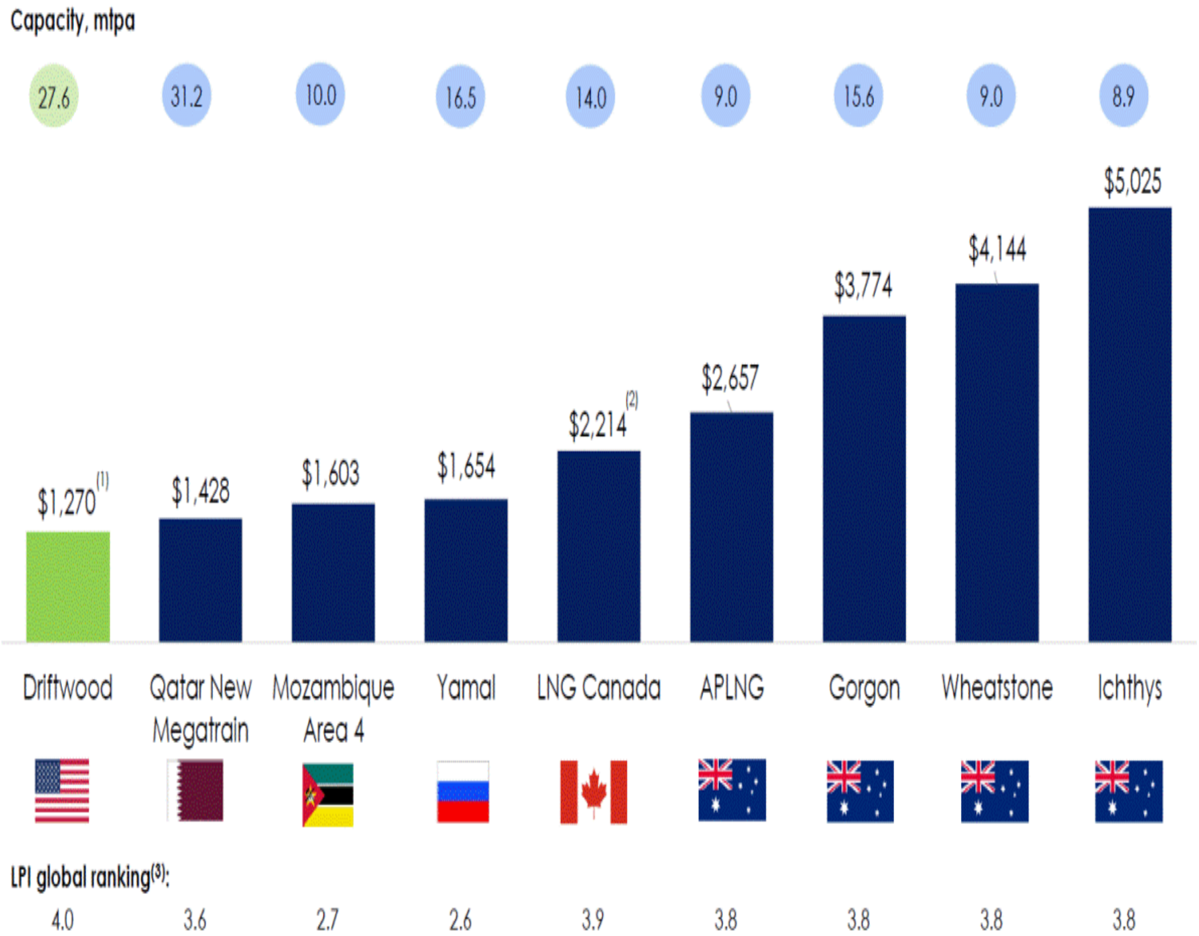
# Driftwood vs. competitors – cost per tonne




Sources: Wood Mackenzie, The World Bank, Tellurian Research.

Note: (1) Based on full development of Driftwood Holdings, inclusive of debt service cost.

(2) LNG Canada's cost per tonne is inclusive of TransCanada's capex estimate for Coastal GasLink .

(3) The World Bank bases the Logistics Performance Index (LPI) on surveys of operators to measure logistics "friendliness" in respective countries which is supplemented by quantitative data on the performance of components of the logistics chain.

# Integrated model prevalent internationally

IOC

NOC

Australasia

Europe

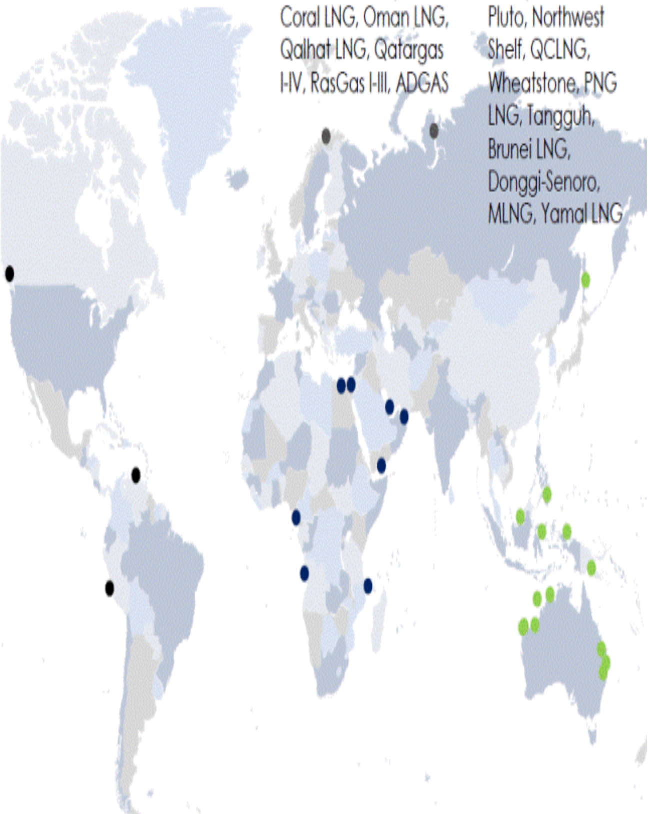
Projects include:

**Americas**
Atlantic LNG, Peru LNG, LNG Canada

**Europe**
Snohvit, Yamal LNG

**Mideast/Africa**
Angola LNG, EG LNG, Damietta, ELNG, Yemen LNG, Mozambique LNG, Coral LNG, Oman LNG, Qalhat LNG, Qatargas I-IV, RasGas I-III, ADGAS

**Australasia**
APLNG, Darwin, GLNG, Gorgon, Ichthys, NWS, Pluto, Northwest Shelf, QCLNG, Wheatstone, PNG LNG, Tangguh, Brunei LNG, Donggi-Senoro, MLNG, Yamal LNG



Source: IHS.

# Site characteristics determine long-run costs

- Access to **pipeline infrastructure**
- Access to **power** and water
- Support from **local communities**
- **Site size** over 1,000 acres
- **Insulated** from surge, wind, and local populations
- **Berth** over 45' depth with access to high seas

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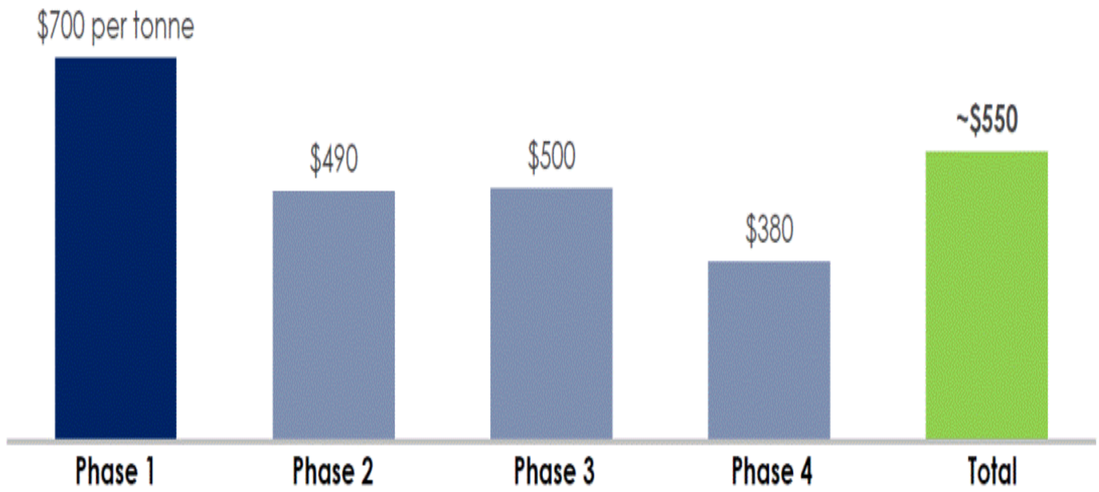
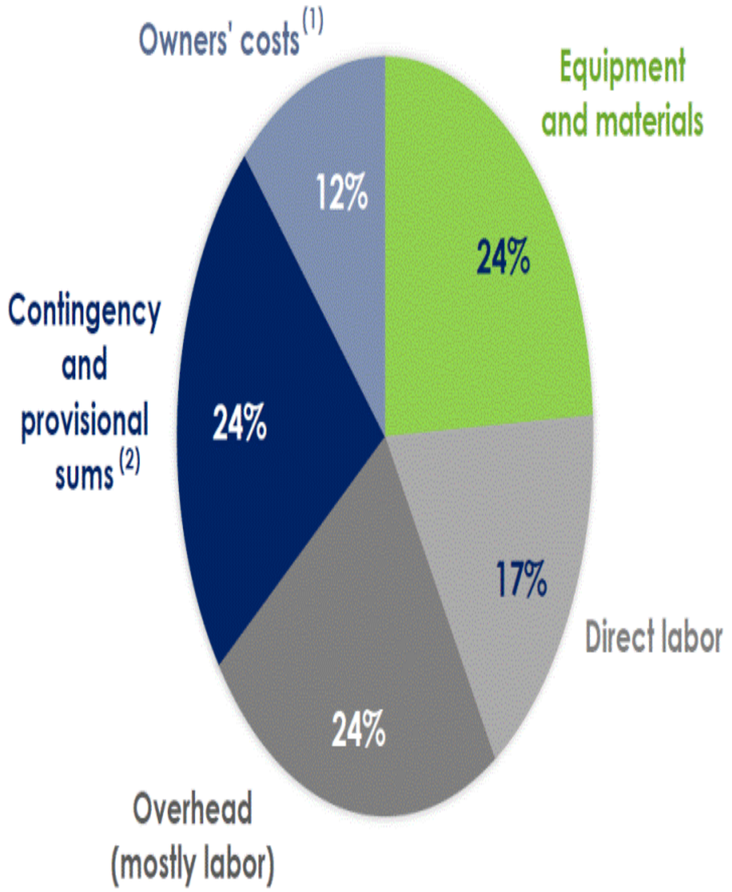
# Key terms of EPC agreements with Bechtel




| | Phase 1 | Phase 2 | Phase 3 | Phase 4 | Total |
|---|---|---|---|---|---|
| **Capacity** | 11.0 | 5.5 | 5.5 | 5.5 | 27.6 |
| ▪ Trains | 8 | 4 | 4 | 4 | 20 |
| ▪ Storage facilities | 2 | 0 | 1 | 0 | 3 |
| ▪ Berths | 1 | 1 | 1 | 0 | 3 |

# Construction budget breakdown




Notes: Based on Driftwood LNG full development.
(1) Includes additional contingency by developer and staffing prior to commencement of operations.
(2) Provisional sum includes escalation factor for inflation, insurance, foreign exchange, and other costs.

# Driftwood Holdings' financing

| | 2-Plant Case | | 3-Plant Case | | Full Development | |
|---|---|---|---|---|---|---|
| ▪ **Capacity (mtpa)** | **11.0** | | **16.6** | | **27.6** | |
| ▪ **Capital investment ($ billions)** | | | | | | |
| – Liquefaction terminal[1] | $ 7.6 | | $ 10.3 | | $ 15.2 | |
| – Owners' cost & contingency[2] | $ 1.1 | | $ 1.5 | | $ 1.9 | |
| – Driftwood pipeline[3] | $ 1.1 | | $ 1.5 | | $ 2.2 | |
| – HGAP[3] | $ - | | $ - | | $ 1.4 | |
| – PGAP[3] | $ - | | $ 3.7 | | $ 3.7 | |
| – Upstream | $ 2.2 | | $ 2.2 | | $ 2.2 | |
| – Fees[4] | $ - | | $ 0.9 | | $ 0.9 | |
| – Interest during construction | $ 2.5 | | $ 4.5 | | $ 7.5 | |
| ▪ **Total capital** | **$ 14.5** | | **$ 24.6** | | **$ 35.0** | |
| Total capital ($ per tonne) | $ 1,320 | | $ 1,480 | | $ 1,270 | |
| – Debt financing[5] | $ (8.0) | | $(15.0) | | $ (20.0) | |
| – Pre-COD cash flows[6] | $ (2.5) | | $ (3.6) | | $ (7.0) | |
| ▪ **Net equity** | **$ 4.0** | | **$ 6.0** | | **$ 8.0** | |
| ▪ **Transaction price** ($ per tonne) | **$ 500** | | **$ 500** | | **$ 500** | |
| ▪ **Capacity split** | **mtpa** | **%** | **mtpa** | **%** | **mtpa** | **%** |
| – Partner | 8.0 | ~73% | 12.0 | ~72% | 16.0 | ~58% |
| – Tellurian | 3.0 | ~27% | 4.6 | ~28% | 11.6 | ~42% |

Notes: (1) Based on engineering, procurement, and construction agreements executed with Bechtel.
(2) Approximately half of owners' costs represent contingency; the remaining amounts consist of cost estimates related to staffing prior to commissioning, estimated impact of inflation and foreign exchange rates, spare parts and other estimated costs.
(3) Represents estimated costs of development of Driftwood pipeline in phases, HGAP and PGAP.
(4) Preliminary estimate of certain costs associated with potential management fee to be paid by Driftwood Holdings to Tellurian and certain transaction costs.
(5) Project finance debt to be borrowed by Driftwood Holdings.
(6) Cash flow prior to commercial operations date of Plant 2, Plant 3, and Plant 5 in the 2-Plant, 3-Plant, and full development cases, respectively.

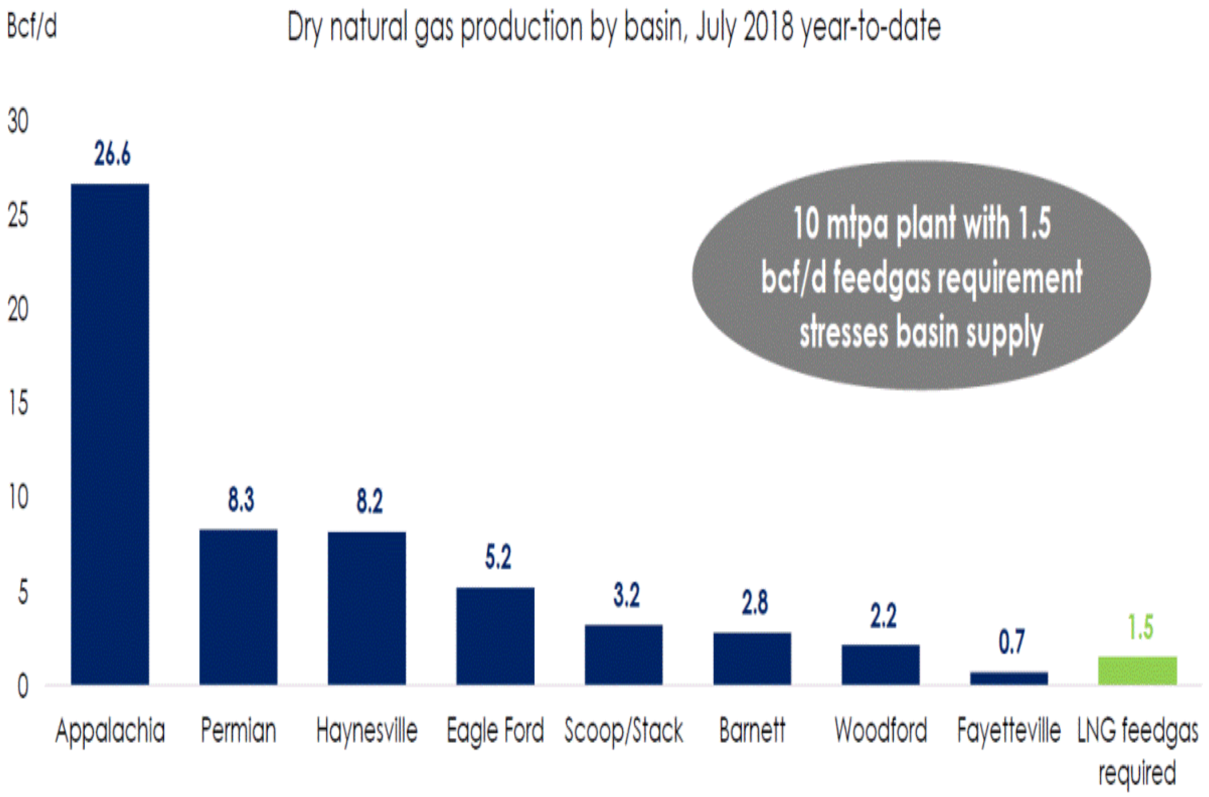
# Corpus Christi LNG and Driftwood LNG examples

| ($ billions) | Corpus Christi LNG | | | Driftwood LNG |
|---|---|---|---|---|
| | T1-2 | T3 | T1-3 | Plants 1-3 |
| ▪ Capacity (mtpa) | 9.0 | 4.5 | 13.5 | 16.6 |
| –EPC | $7.8 | $2.4 | $10.2 | $10.3 |
| –Pipeline | $0.4 | $0.0 | $ 0.4 | $ 1.5(1) |
| –Owners' cost, contingency & fees(2) | $1.4 | $0.5 | $ 1.9 | $ 2.4 |
| ▪ **Total cost** | **$9.6** | **$2.9** | **$12.5** | **$14.2** |
| ▪ **Unlevered cost** ($ per tonne) | **$1,070** | **$645** | **$925** | **$860** |

- **Does not include G&A to manage the project**
- **Cost of financing is ~$300-$400 per tonne(3)**
- **Delays cost $150 per tonne per year**

Sources: Cheniere Analyst Day presentation (2018) and Tellurian analysis.
Notes: (1) Includes approximately $0.4 billion in costs for additional compression on Driftwood pipeline in 3-plant case.
(2) For Corpus Christi LNG, combined owners' costs and contingency from page 18 of Cheniere Analyst Day presentation. For Driftwood LNG, half of owner's costs represent contingency; the remaining amounts consist of estimated costs related to staffing prior to commissioning, estimated impact of inflation and foreign exchange rates, spare parts and other estimated costs associated with the 3-plant case presented on slide 34.
(3) Assuming 70% debt at 6% interest and 30% equity at a 10% return for $1,000 per tonne over 5 years.

# LNG projects require supply optionality




Sources: IHS, DrillingInfo, EIA, Tellurian analysis.

# Production Company strategy

## Objectives

- Acquire and develop **long-life, low-cost natural gas resources**
  - Low geological risk
  - Scalable position
  - Production of ~**1.5 Bcf/d** starting in 2022
  - Total resources of ~15 Tcf for Phase 1
  - Operatorship
  - Low operating costs
  - Flexible development
- Initially focused on **Haynesville** basin; in close proximity to significant demand growth, low development risk, and favorable economics
- Target is to deliver gas for **$2.25/mmBtu**

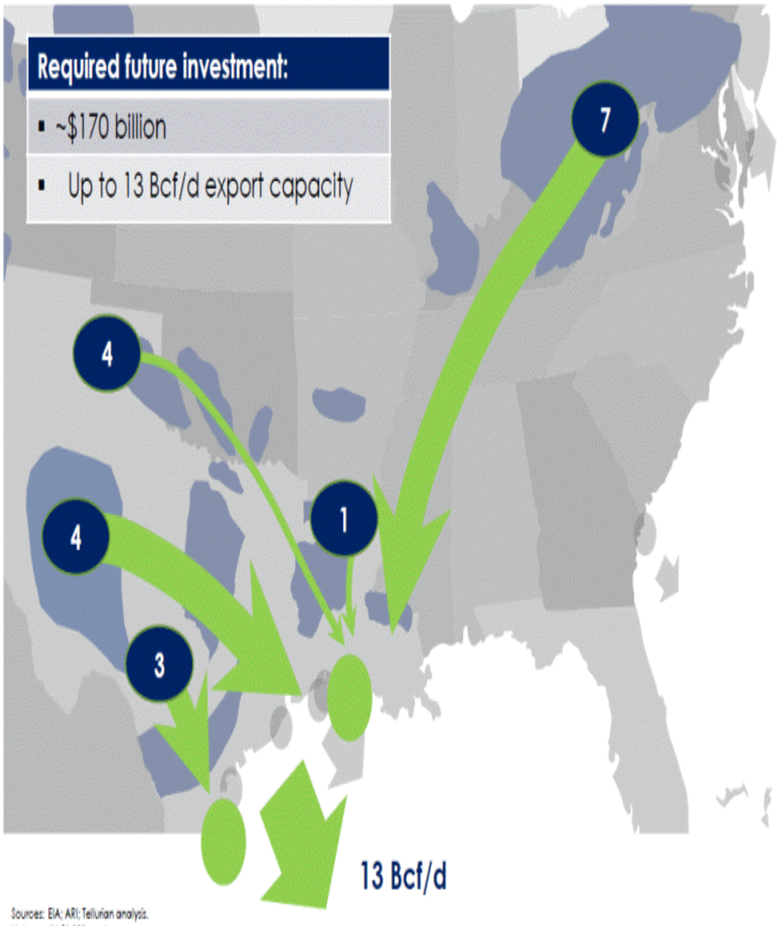
## Current assets[1]

- Tellurian has ~**10,800 net acres** in the Haynesville shale
- Primarily located in De Soto and Red River parishes
- Acreage is ~90% HBP (held by production)
- ~85% operated
- 100% gas
- Net production – ~3.3 mmcf/d
- Operated producing wells – 20
- Total net resource – **~1.4 Tcf** or ~10% of total resource required for Phase 1
- Goldman Sachs funded $60 million in September 2018 to support operated and non-operated drilling activity

Note: (1) As of September 30, 2018.

# U.S. natural gas needs global market access

**13 Bcf/d of incremental production; associated gas at risk of flaring without infrastructure investment**




LNG liquefaction terminal
- Operating/under construction
- Future
- Export capacity

**19** Total estimated 2018-2025 production growth, Bcf/d

- LNG export capacity required:
  - At least 100 mtpa: 13 Bcf/d (19 Bcf/d less ~6 under construction)
  - ~$100 billion[1]
- Pipeline capacity required:
  - Around 19 Bcf/d
  - ~$70 billion

Sources: EIA; ARI; Tellurian analysis.
Note: (1) $1,000 per tonne average.



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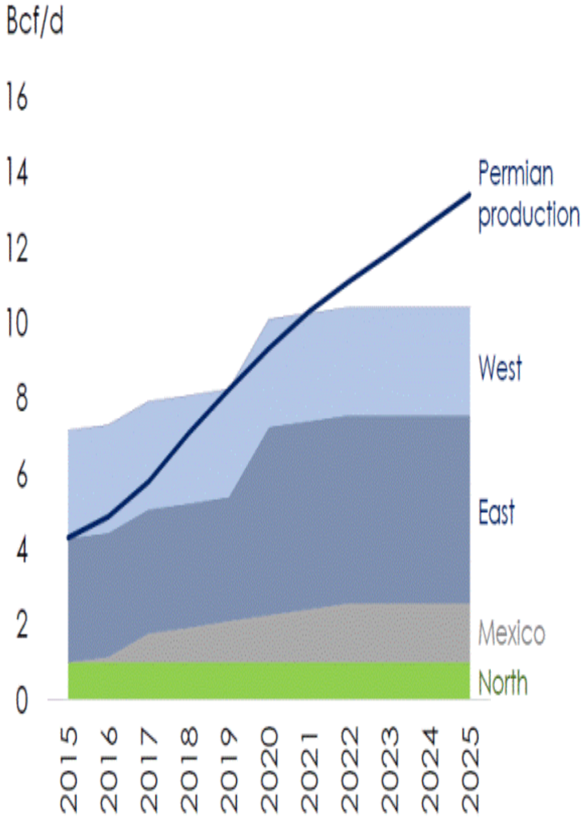
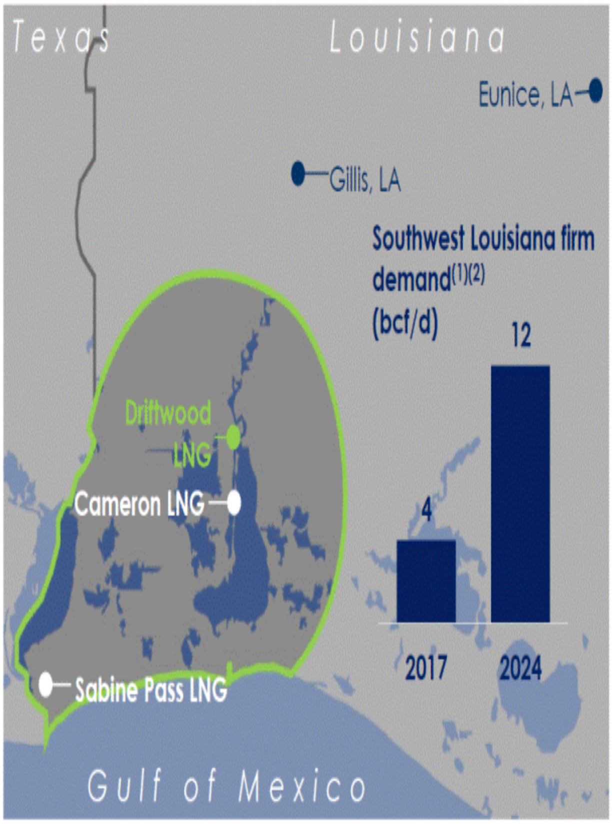
# PGAP connects constrained gas to SWLA

## Takeaway constraints in the Permian




## Southwest Louisiana demand




Sources: Company data, Goldman Sachs, Wells Fargo Equity Research, RBN Energy, Tellurian estimates.
Notes: (1) LNG demand based on ambient capacity
(2) Includes Driftwood LNG, Sabine Pass LNG T1-3, Cameron LNG T1-3, SASOL, Lake Charles CCGT, G2X Big Lake Fuels, LACC – Lotte and Westlake Chemical.