
**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): **May 1, 2019**



Tellurian Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-5507

(Commission File Number)

06-0842255

(I.R.S. Employer
Identification No.)

1201 Louisiana Street, Suite 3100, Houston, TX

(Address of principal executive offices)

77002

(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 May 1, 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.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Tellurian Inc. Corporate Presentation dated May 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: May 1, 2019

Corporate presentation

May 2019



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, expected partners and customers, margins, returns and payback periods, future assets, cash flows and production, delivery of LNG, required infrastructure, future costs, prices, financial results, liquidity and financing, regulatory and permitting developments, construction and permitting of pipelines and other facilities, potential acquisition targets, reaching FID, 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, 2018, and our 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, Haynesville Global Access Pipeline and Delhi Connector 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 Total on the terms contemplated in the HOA discussed on slide 20, or with the other parties on slide 19 on the terms contemplated, or at all. Achieving FID will require substantial amounts of financing in addition to that contemplated by the HOA, the common stock purchase agreement and related agreements, and Tellurian believes that it may enter into discussions with potential sources of such financing and Total in order to achieve commercial terms acceptable to all parties. Accordingly, the definitive agreements contemplated by the HOA, if entered into, may have terms that differ significantly from those set forth in the HOA.

The financial information on slides 3, 9-11, 15, 22, 23, and 27 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.

Experience matters to deliver value

~\$550
per tonne

Fully wrapped LSTK EPC contract with Bechtel and final FERC order received

~50%
of Tellurian

Is owned by founders, directors, officers and other employees

~\$0.50
\$/mmBtu

Price of natural gas in West Texas today

~\$8
CF/share

Projected annual cash flow to Tellurian through the sale of low-cost LNG on the water



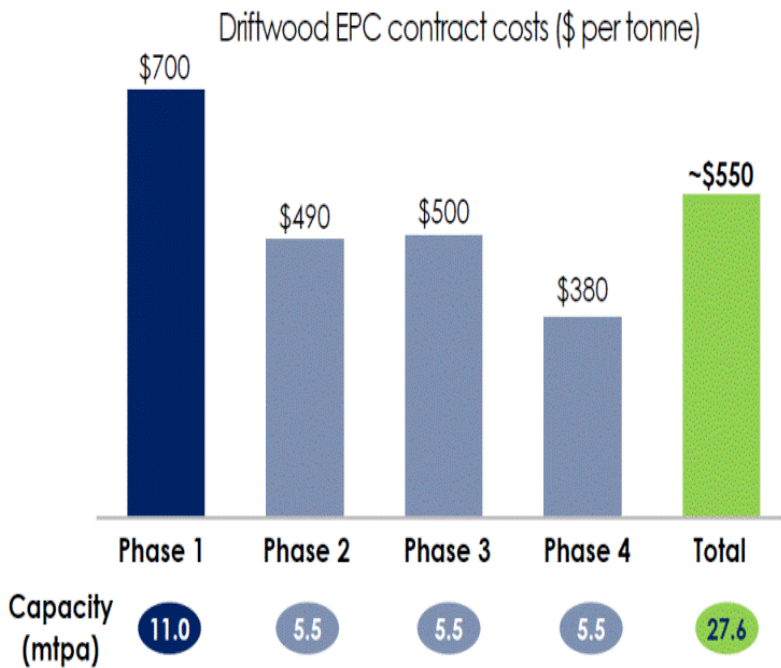
Total S.A. expected to be first partner in Driftwood Holdings at a transaction cost of \$500 per tonne

Final FERC permit complete



Received in April 2019 final FERC order granting authorization to construct and operate the Driftwood LNG terminal and pipeline

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, and ELNG.

Best team in the business

Our combination of talents sets us apart from every other developer. Our leadership is underpinned by a team with unmatched experience.

Experience by the numbers

79

mtpa, our team is responsible for over 15% of the LNG in production today

50

Our team has delivered cost-leading LNG projects for over 50 years

Sourcing low-cost gas from multiple basins



- Developing supply network to access gas from lowest-cost basins
- Direct connection to both the Haynesville shale and Permian basin
- Access to growing and diverse supply pool at Perryville/Delhi



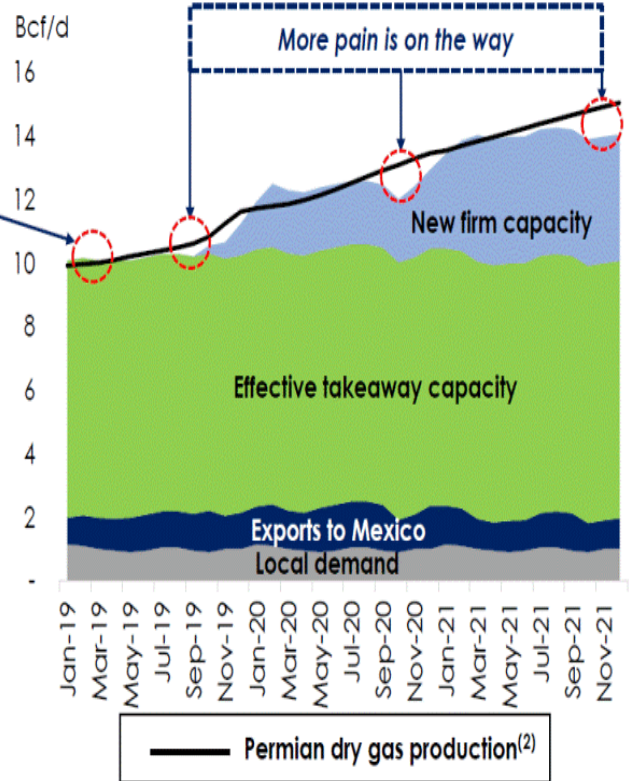
Note: Pipelines drawn are for illustrative purposes and are not intended to represent actual pipeline routes.

Depressed West Texas gas prices to persist

West Texas gas prices now sit on a razor's edge...



...with no long-term relief in sight



Sources: Platts, IHS Markit, Tellurian Research

Notes: (1) Reflects average daily Platts Waha cash prices from 3/25/19 through 4/23/19.

(2) Dry gas production forecast based on IHS Markit's 1H-2019 North American Long-Term Outlook.

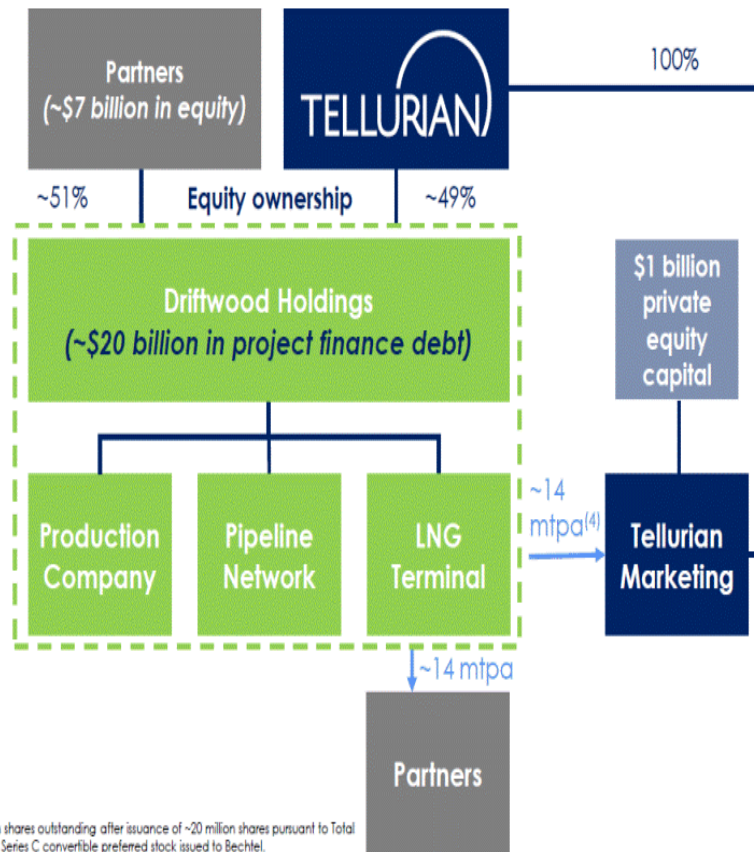
Tellurian projects annual ~\$8 cash flow/sh⁽¹⁾

- **Integrated model to produce low-cost LNG on the water**

- Variable and operating costs expected to be \$2.50-\$3.00/mmBtu FOB
- ~\$20 billion in project finance debt equates to \$1.00-\$1.50/mmBtu⁽²⁾

- **Tellurian retains ~14 mtpa and ~49% of the assets**

- Projected ~\$2 billion annual cash flow to Tellurian = \$8.00 per share^(1,3)



Notes: (1) Annual cash flow per share based on projected \$2.3 billion annual cash flow to Tellurian and ~267 million shares outstanding after issuance of ~20 million shares pursuant to Total common stock purchase agreement dated April 3, 2019 and conversion of ~6.1 million shares of existing Series C convertible preferred stock issued to Bechtel.
 (2) Based on various financing structures for principal, interest rate and amortization related to ~\$20.0 billion of project finance debt.
 (3) See slide 11 for estimated annual Tellurian cash flow at various assumed U.S. Gulf Coast netback prices and margin levels.
 (4) Includes 12 mtpa retained capacity and assumes Tellurian Marketing acquires 2 mtpa of capacity at Driftwood Holdings.

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	<u>mtpa</u>	<u>mtpa</u>	<u>mtpa</u>
– Partner	6.0	10.0	14.0
– Tellurian (purchased) ⁽⁷⁾	2.0	2.0	2.0
– Tellurian (retained)	3.0	4.6	11.6
	<u>%</u>	<u>%</u>	<u>%</u>
	~55%	~60%	~51%
	~18%	~12%	~7%
	~27%	~28%	~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.

(7) Assumes Tellurian Marketing acquires 2 mtpa of capacity at Driftwood Holdings, financed by \$1.0 billion of convertible debt with interest of ~11% and funded by private equity.

Value to Tellurian Inc.

USGC netback (\$/mmBtu)	Cost of LNG ⁽¹⁾ (\$/mmBtu)	Margin (\$/mmBtu)	2 Plants	3 Plants	5 Plants
			Cash flows ⁽²⁾⁽³⁾⁽⁴⁾ \$ millions (\$ per share)		
Tellurian capacity			5.0 mtpa	6.6 mtpa	13.6 mtpa
\$ 6.00	\$4.50	\$ 1.50	\$190 (\$0.71)	\$320 (\$1.20)	\$870 (\$3.26)
\$ 8.00	\$4.50	\$ 3.50	\$710 (\$2.66)	\$1,010 (\$3.79)	\$2,280 (\$8.55)
\$10.00	\$4.50	\$ 5.50	\$1,230 (\$4.61)	\$1,690 (\$6.34)	\$3,690 (\$13.84)
\$15.00	\$4.50	\$10.50	\$2,530 (\$9.49)	\$3,410 (\$12.79)	\$7,230 (\$27.11)

Tellurian expects to produce LNG as low as \$3.50/mmBtu. Every \$1.00 decrease in the cost of LNG generates an additional \$2.66 in cash flow per share in the 5-plant case

Notes: (1) \$4.50/mmBtu cost of LNG FOB Gulf Coast assumes \$2.25/mmBtu cost of gas at Drifwood LNG terminal. See appendix, slide 22 for additional details.

(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) Annual cash flow per share based on ~267 million shares outstanding after issuance of ~20 million shares pursuant to Total common stock purchase agreement dated April 3, 2019 and conversion of ~6.1 million shares of existing Series C convertible preferred stock issued to Bechtel.

(4) Assumes Tellurian Marketing acquires 2 mtpa of capacity at Drifwood Holdings, financed by \$1 billion in convertible debt funding with 11% paid-in-kind ("PIK") interest during construction and 11% cash interest after construction.

Final Investment Decision expected in 2019

Milestone	Target date
▪ Fully-wrapped EPC contract	✓ November 2017
▪ Draft FERC EIS	✓ September 2018
▪ Final FERC EIS	✓ January 2019
▪ Final FERC Order	✓ April 2019
▪ DOE license to export to non-FTA countries	Q2 2019
▪ Complete capital raise process <ul style="list-style-type: none"> - Partner & equity funding - Debt syndication 	} 2019
▪ Final Investment Decision	
▪ First LNG	2023

▪ Key regulatory agency approval to export LNG
 ▪ Approval for siting, construction and operation of liquefaction facilities

Contact us

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YouTube



Appendix

Key investment highlights

Regulatory certainty

- Received final FERC order in April 2019



Experienced management

- Management track record at Cheniere and BG Group
- ~50% of Tellurian owned by founders, directors, officers and other employees⁽¹⁾

Fixed-cost EPC contract

- Guaranteed lump sum turnkey contract with Bechtel
- \$15.2 billion for 27.6 mtpa capacity (~\$550 per tonne)

Access to low-cost natural gas

- Expect Permian associated gas prices to remain distressed, Waha currently ~\$0.50/mmBtu
- Continued improvements in Haynesville drilling efficiency

Commercial momentum

- Total S.A. expected to be first partner at \$500 per tonne transaction price

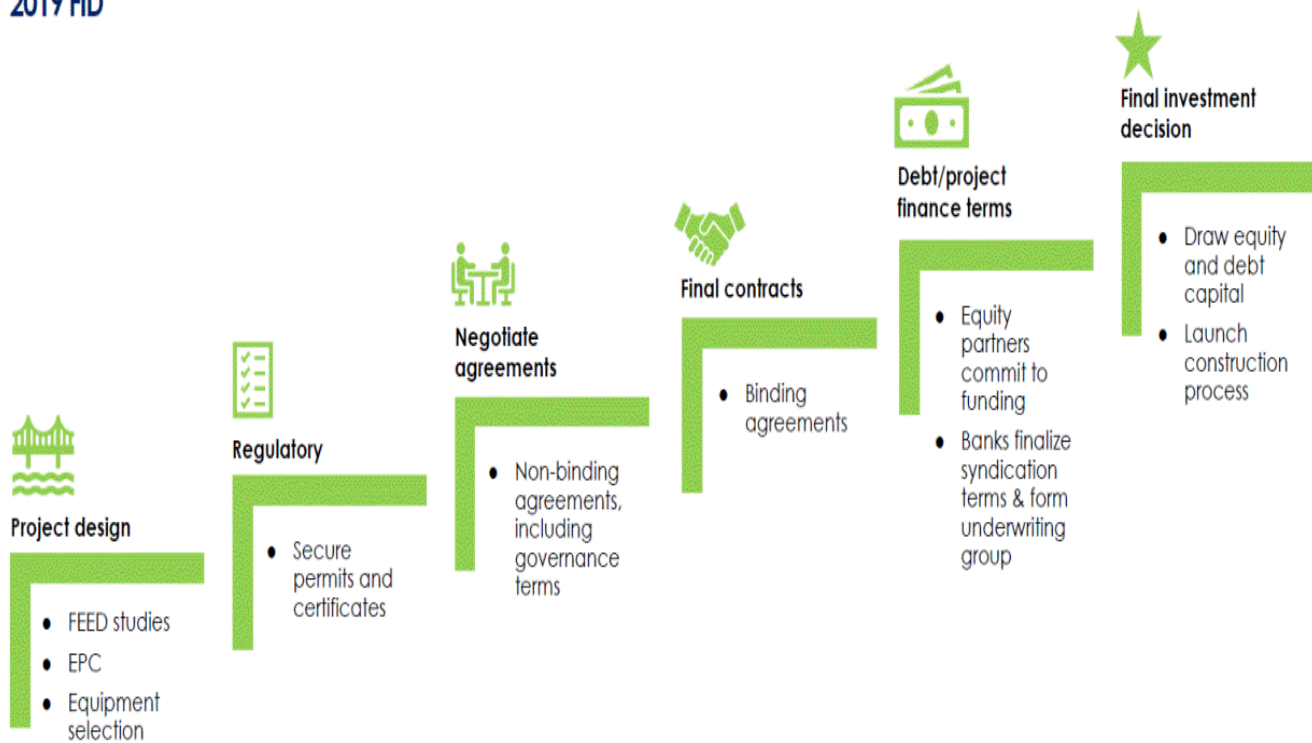


Tellurian developing ~\$30 billion of assets to generate ~\$8 cash flow per share annually

Note: (1) As of April 17, 2019.

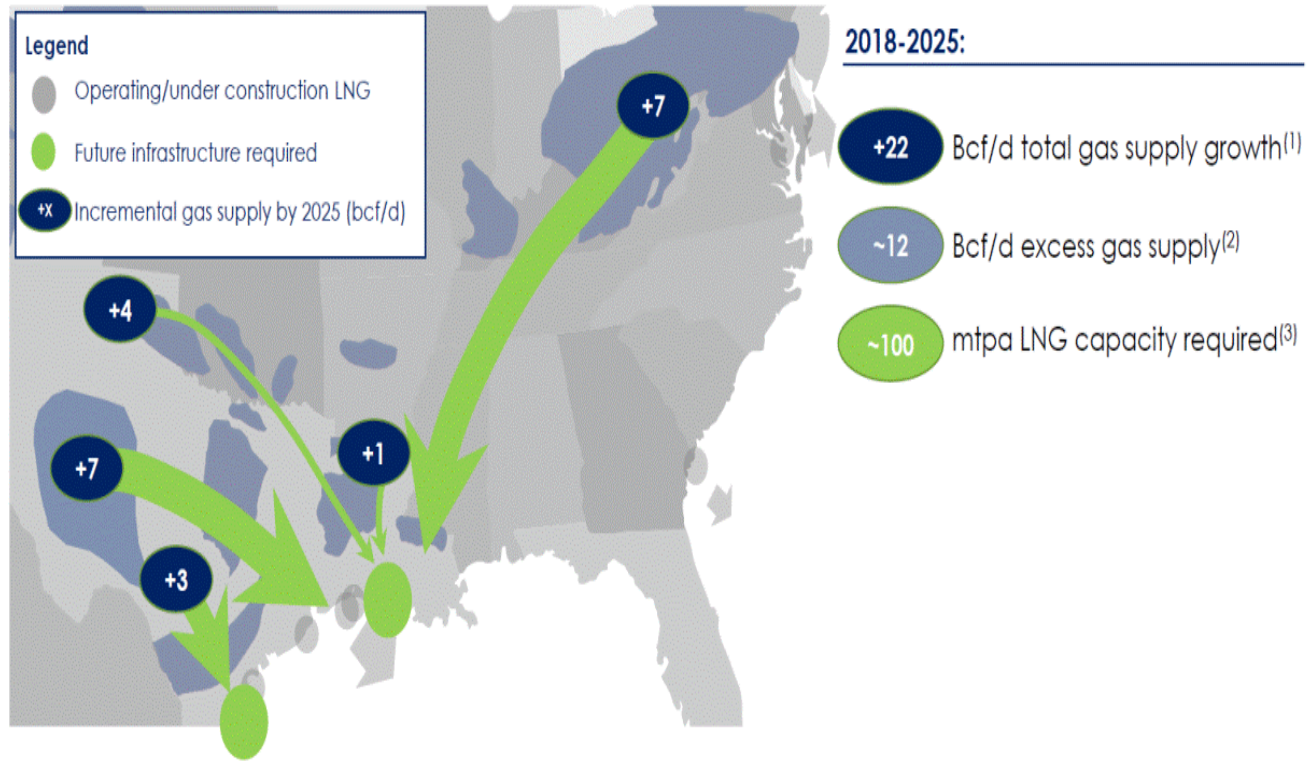
Steps towards final investment decision

2019 FID



Looming challenge of U.S. gas oversupply

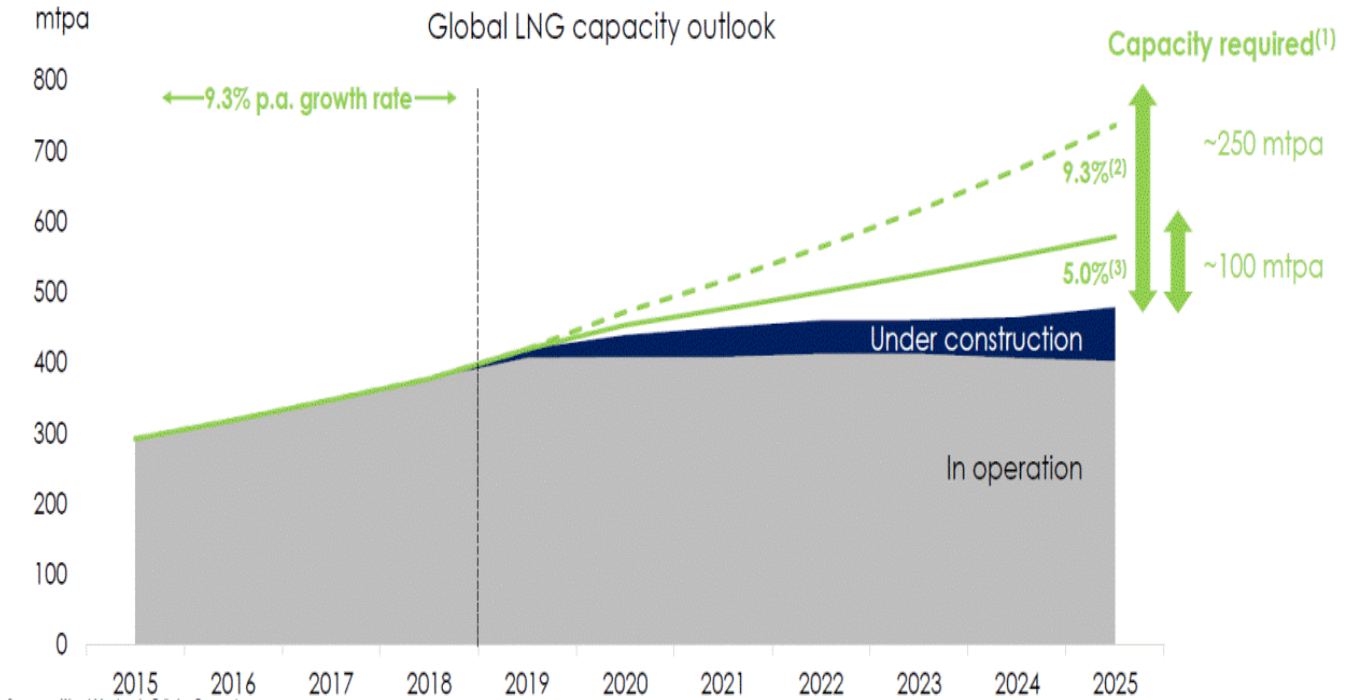
U.S. natural gas must be exported



Sources: DrillingInfo, EIA, Tellurian analysis.

Note: (1) Assumes \$70/bbl oil price and \$3/mmBtu Henry Hub price and that incremental supply comes from Permian, Scoop/Stack, Haynesville, Eagle Ford, and Appalachia.
(2) Assumes U.S. natural gas demand grows 0.6% p.a. and that the 7.4 bcf/d of LNG terminals under construction produce at a 90% utilization rate.
(3) Assumes new LNG terminals produce at a 90% utilization rate.

Global 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 ~9.3% p.a. post-2019.

(3) Conservative estimate of 5.0% p.a. demand growth rate post-2019.

Total expected to be first equity partner at \$500 per tonne

	Potential partner	Proposed off-take	Proposed volume	Credit rating ⁽¹⁾
Driftwood project		Equity investor	1.0 mtpa	A+/Aa3/AA-
		Equity investor	<i>Under review</i>	Baa2 <i>(Moody's)</i>
Tellurian Marketing		JKM linked	1.5 mtpa	A+/Aa3/AA-
		JKM linked <i>(Equity investment under review)</i>	1.5 mtpa	<i>Unrated</i>

Notes: (1) Parent credit ratings: denote S&P/Moody's/Fitch, unless noted otherwise.

Tellurian signs agreements with Total

Heads of Agreement (“HOA”) with Total

- Total Delaware, Inc. (“Total”) signs HOA to make \$500 million equity investment in Driftwood project and for Total to purchase 1 mtpa of LNG
- Total to purchase 1.5 mtpa of LNG from Tellurian Marketing's LNG offtake volumes from the Driftwood LNG export terminal
 - FOB, minimum term of 15 years
 - Price based on Platts Japan Korea Marker (“JKM”)

Common stock purchase agreement with Total

- Total to purchase ~20 million additional shares in Tellurian for \$200 million upon, among other customary conditions⁽¹⁾:
 - Shareholder approval
 - Final investment decision (“FID”)
 - Tellurian's purchase of 7.2% of Driftwood equity

Note: (1) Common stock purchase agreement executed with Total Delaware, Inc. at \$10.064/share.
(2) Tellurian Marketing to purchase 7.2% equity interest in Driftwood project.

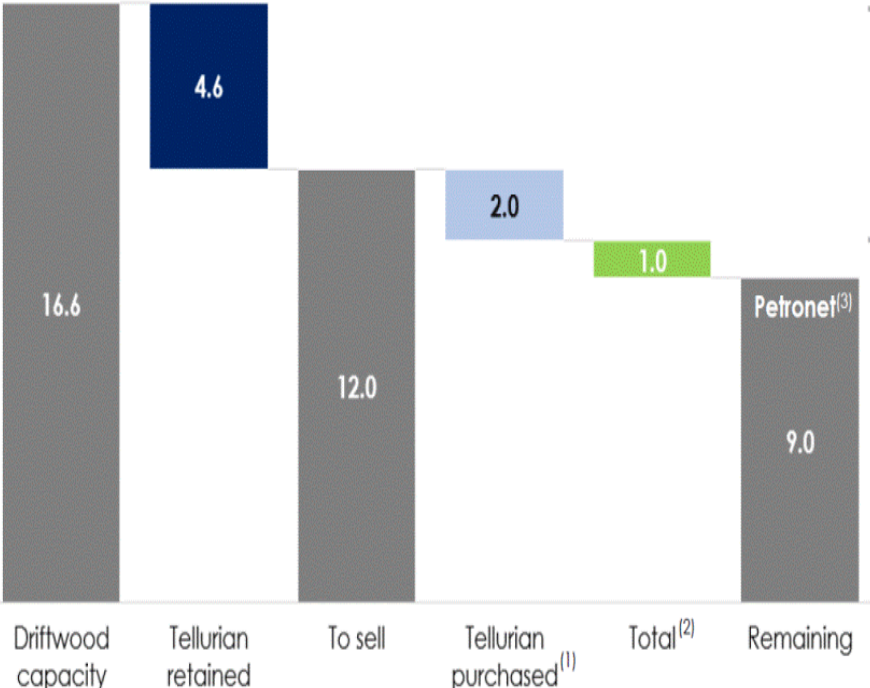
Project advancement

- Tellurian Marketing to purchase an equity interest⁽²⁾ in Driftwood project and 2 mtpa of LNG with anticipated private equity funding
 - Tellurian's LNG volumes from Driftwood project will increase to 13.6 mtpa at full development
- Tellurian anticipates reaching FID on Driftwood project in 2019

Commercial momentum to 3-plant FID

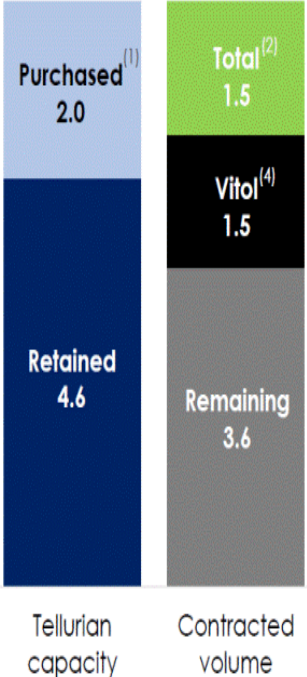
Driftwood Holdings volume

mtpa



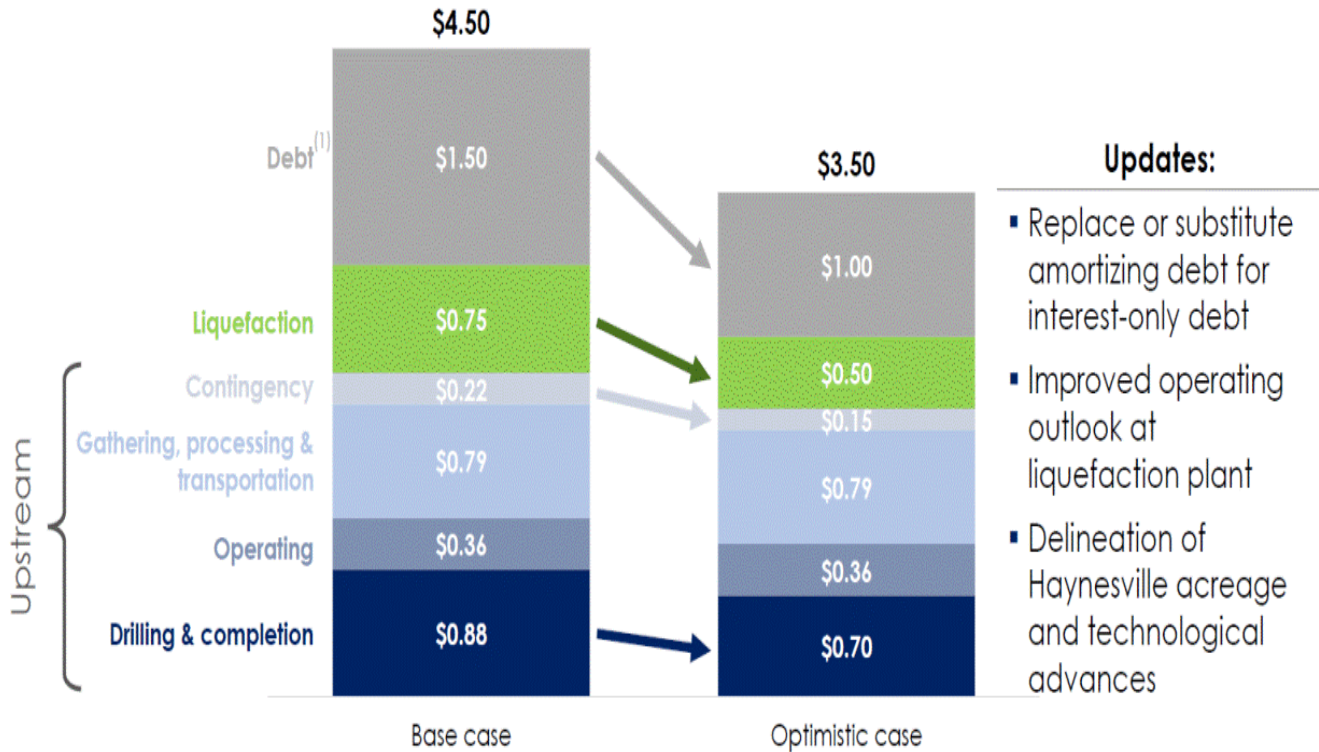
Tellurian Marketing volume

mtpa



Notes: (1) Represents required equity contribution at \$500/tonne.
 (2) Based on signed Heads of Agreement (HOA).
 (3) Based on signed Memorandum of Understanding (MOU) with volume to be determined.
 (4) Based on signed MOU.

Driftwood Holdings' operating costs



Sources: Wood Mackenzie, Tellurian Research.

Notes: (1) Based on debt service cost of principal and interest related to ~\$20.0 billion of project finance debt.

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)	\$(3.50)	\$(3.50)	\$(3.50)	\$(3.50)
▪ Margin (\$/mmBtu)	2.50	4.50	6.50	11.50
▪ Annual partner cash flow⁽¹⁾ (\$ millions per tonne)	130	235	340	600
▪ Cash on cash return⁽²⁾	26%	47%	68%	120%
▪ Payback⁽³⁾ (years)	4	2	~1	<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.

Owning infrastructure mitigates risk



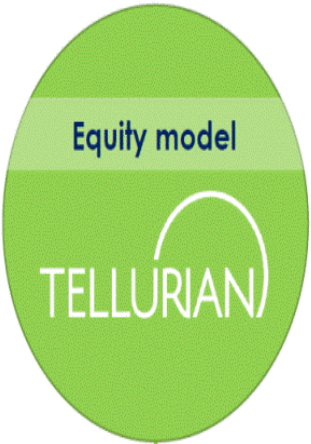
Customer incurs risk

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



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



Own the infrastructure

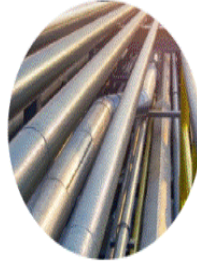
True **cost control** and **transparency** from equity ownership across the value chain

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

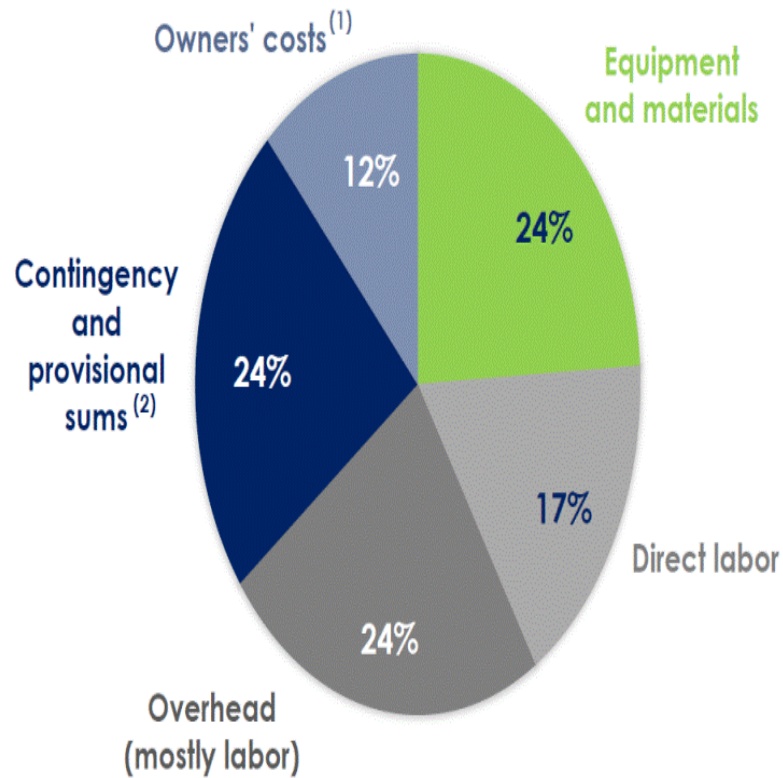
Driftwood LNG terminal

Driftwood LNG terminal	
Land	<ul style="list-style-type: none">▪ ~1,000 acres near Lake Charles, LA
Capacity	<ul style="list-style-type: none">▪ ~27.6 mtpa
Trains	<ul style="list-style-type: none">▪ Up to 20 trains of ~1.38 mtpa each▪ Chart heat exchangers▪ GE LM6000 PF+ compressors
Storage	<ul style="list-style-type: none">▪ 3 storage tanks▪ 235,000 m³ each
Marine	<ul style="list-style-type: none">▪ 3 marine berths
EPC Cost	<ul style="list-style-type: none">▪ ~\$550 per tonne▪ ~\$15.2 billion⁽¹⁾



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

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.

Bringing low-cost gas to SW Louisiana



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

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 complete

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	Binding open season pending

3 Permian Global Access Pipeline⁽¹⁾

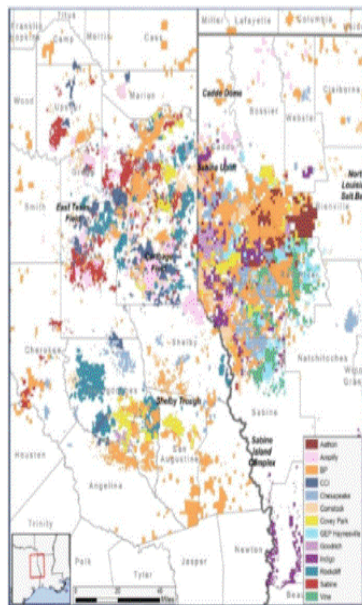
Capacity (Bcf/d)	2.0
Cost (\$ billions)	\$3.7
Length (miles)	625
Diameter (inches)	42
Compression (HP)	258,000
Status	Binding open season pending

4 Delhi Connector Pipeline

Capacity (Bcf/d)	2.0
Cost (\$ billions)	\$1.4
Length (miles)	180
Diameter (inches)	42
Compression (HP)	72,000
Status	Binding open season pending

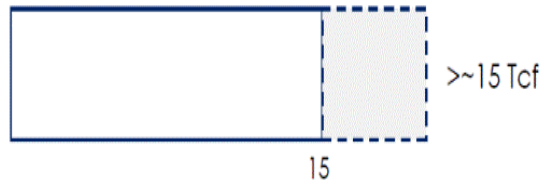
>100 Tcf available resources in Haynesville

Driftwood Holdings plans to fund and purchase 15 Tcf

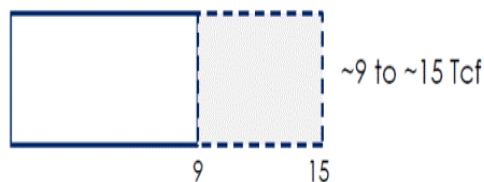


Potential acquisition targets: Range of resources per target (Tcf)⁽¹⁾:

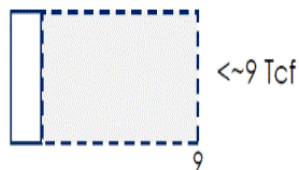
Large



Medium



Small



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

Building momentum to FID in 2019

