

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): **February 22, 2023**



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))

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	NYSE American LLC
8.25% Senior Notes due 2028	TELZ	NYSE American LLC

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 2.02 Results of Operations and Financial Condition.

The information set forth in Item 7.01 is incorporated by reference in this item.

Item 7.01 Regulation FD Disclosure.

On February 22, 2023, Tellurian Inc. (the “Company”) 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 as of February 2023
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline XBRL document (included as Exhibit 101)

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.

Date: February 22, 2023

By: /s/ L. Kian Granmayeh

Name: L. Kian Granmayeh

Title: Executive Vice President and Chief Financial Officer

Tellurian Inc.

Corporate presentation

February 2023

TELLURIAN

Cautionary statements

Forward-looking statements

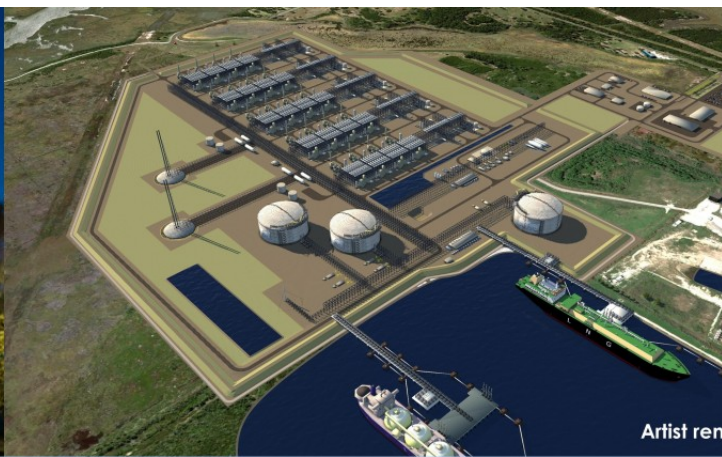
The information in this presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are forward-looking statements. 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, the benefits of the proposed integrated structure for Driftwood, Driftwood financing matters, capital structures, future development, costs, margins, cash flow, EBITDA, production, returns, wells, drilling and other development activities, commodity prices and demand (including the relationship between domestic and international gas/LNG prices), funding of current and future phases, liquefaction capacity additions, construction of LNG projects, Driftwood capacity, emissions, future demand and supply affecting LNG and general energy markets, future transactions 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, 2022, 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.

A full notice to proceed with construction of the Driftwood Project is subject to the completion of financing arrangements that may not be completed within the time frame expected or at all.

The financial information included on slides 8, 10-14 and 19 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.



The world is critically short natural gas

Demand for energy is projected to grow over 50% in the next 25 years as world population continues to grow and people strive to prosper.

Global LNG demand has grown ~7% annually over the last five years, with limited capacity additions on the horizon.

Tellurian's integrated model aims to connect low-cost U.S. gas with the global market

Tellurian will be the first integrated global gas pure-play in the U.S. with access to low-cost domestic resource and infrastructure.

Sources: BP Statistical Review, BP World Energy Outlook, Wood Mackenzie, IEA.
Note: Tellurian's integrated model creates a physical hedge from upstream operations for Driftwood's natural gas purchases.

Tellurian executive summary

Global gas market volatility showing impact of multi-year underinvestment in LNG

- 1
 - Nearly all global capacity under construction (~135 mtpa) is required to backfill Russian piped gas to Europe
 - Global natural gas shortage leading to widespread geopolitical and economic impact
 - Global CO₂ emissions and global coal consumption estimated to have reached all-time highs in 2022⁽¹⁾

TELL 4Q22 results demonstrate growing upstream momentum and operating cash flow growth

- 2
 - 4Q22 ending cash balance of ~\$474mm; 4Q22 upstream segment operating profit of \$47mm & adj. EBITDA of \$81mm⁽²⁾
 - Upstream QoQ: ~80% increase in production to 225 MMcf/d, ~24% increase in acreage to 27,689 net acres
 - Forecasted average production of ~225 MMcf/d in 2023

Driftwood Phase I is well underway with Bechtel having commenced construction in April 2022

- 3
 - Progressed limited notice to proceed projects with Bechtel in 2022, continuing into 2023
 - In 2022, cleared all Phase I critical areas, drove ~30% of Phase I piles and pouring Plant 1 compressor foundations
 - The advanced site work de-risks the project and provides acceleration options upon full notice to proceed

Economic momentum for U.S. LNG to fulfill global gas needs continues to grow

- 4
 - Integrated LNG production model allows for margins to expand to offset increased development costs
 - Driftwood is best placed among U.S. projects due to site, timeline, capacity and construction progress
 - Driftwood Phase I open capacity allows for strategic investors to directly invest at project level in low-cost U.S. LNG

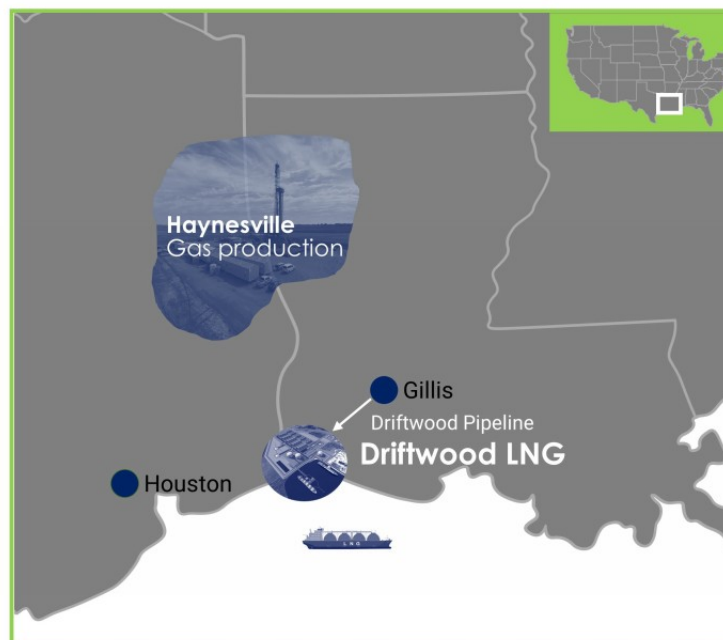
Source: Tellurian analysis.

Notes: (1) IEA World Energy Outlook 2022.

(2) Non-GAAP measure – see slide 21 for a definition and a reconciliation to the most comparable GAAP measure.

Tellurian: fully integrated, pure-play LNG

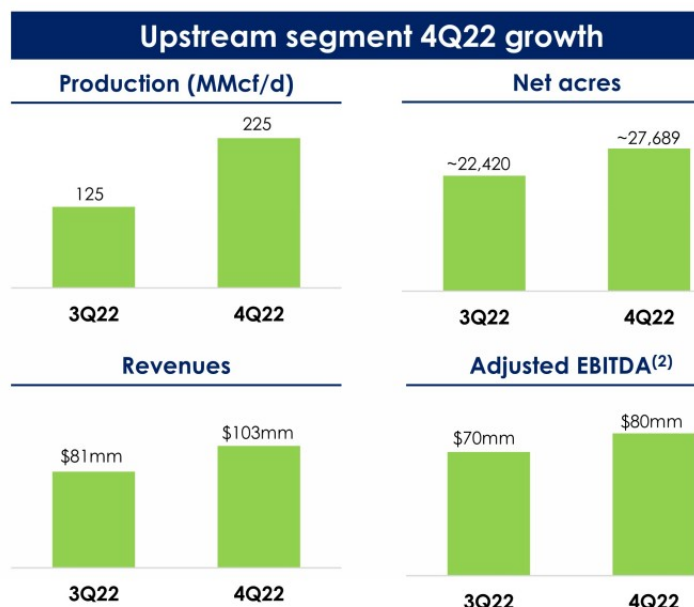
- **Low-cost, integrated business model:** upstream gas production in Haynesville⁽¹⁾, pipeline and LNG terminal in SW Louisiana
- **Pure-play, global gas producer:** monetizing U.S. domestic gas production into premium global gas markets; integration provides cost certainty of supply
- **Bechtel EPC execution:** best-in-class LNG execution; lump sum turnkey with ~30% of overall engineering complete
- **All critical permits secured:** all FERC and DOE permits secured for Driftwood LNG terminal and pipeline
- **Proven management track record:** Tellurian team has originated and executed ~79% of U.S. LNG capacity development and ~36% of global LNG capacity development across four continents
- **Critical role in energy transition:** significant ESG benefits and end-to-end emissions control from owning upstream



Note: (1) Tellurian's integrated model creates a physical hedge from upstream operations for Driftwood's natural gas purchases.

Upstream: significant production growth in 4Q

Tellurian Upstream overview ⁽¹⁾	
Acreage	<ul style="list-style-type: none"> ■ ~27,689 net acres primarily in DeSoto, Bossier, Caddo and Webster parishes ■ >60% of undeveloped acreage prospective for Bossier reserves ■ ~75% average operated working interest for operated locations
Well inventory	<ul style="list-style-type: none"> ■ >400 undeveloped, ~50% operated
Gas/ liquids mix	<ul style="list-style-type: none"> ■ 100% gas



Notes: (1) Inventory and reserves information as of December 31, 2022 (using December 30, 2022 NYMEX strip pricing) as prepared by Netherland, Sewell & Associates in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management System (PRMS).
 (2) Non-GAAP measure – see slide 21 for a definition and a reconciliation to the most comparable GAAP measure.

Driftwood LNG: construction in progress

Recent Driftwood development activities

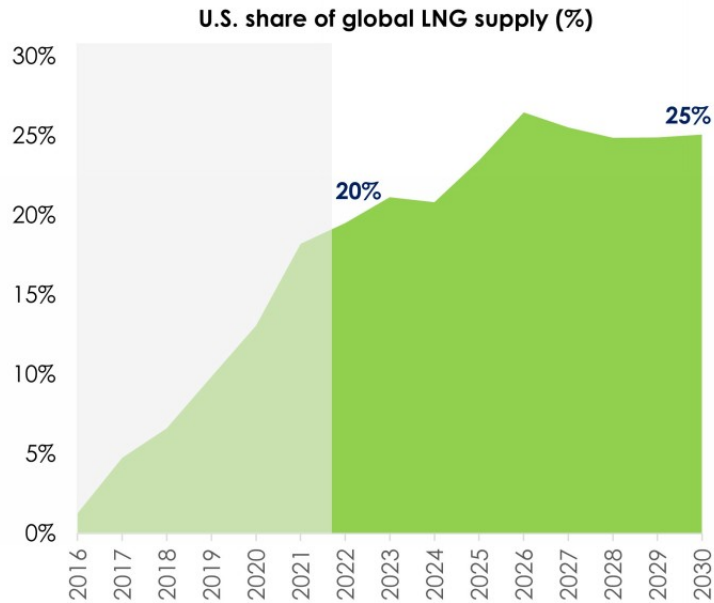
- Bechtel commenced construction in April 2022 and has:
 - Completed demolition of all existing land structures
 - Cleared and backfilled all critical Phase I areas
 - Driven over 30% of all Phase I piles
 - Commenced foundation work for Plant 1 compressors
- Substantially completed all critical Phase I owner's projects:
 - Pipeline relocation
 - Highway and road widening
 - Exercised options on the remaining terminal land leases
- In June 2022, Tellurian awarded Baker Hughes a contract for electric-drive, zero-emission pipeline compressors
- Currently planning additional site work that will significantly advance piling, pouring foundations, construction of marine offloading facilities and other work throughout 2023

Driftwood site and construction progress



Henry Hub will remain global gas price floor

International pricing / Henry Hub inversion is unsustainable due to U.S. market share on global basis



Source: Wood Mackenzie, Tellurian research.
Notes: Includes projects that are under construction, including Driftwood LNG.
(1) Excludes exports.

Price inversion scenario

If forward Henry Hub prices exceed global price, **~20-25% of the global LNG supply** becomes at risk of staying within the U.S. market.

2030 Expected Figures

U.S. LNG Supply: ~19 Bcf/d	% of U.S. gas consumption ⁽¹⁾ (~91 bcf/d)	~21%
	% of global LNG supply (~75 bcf/d)	~25%

Future Henry Hub-JKM/TTF pricing dynamics should ensure global gas markets are adequately supplied

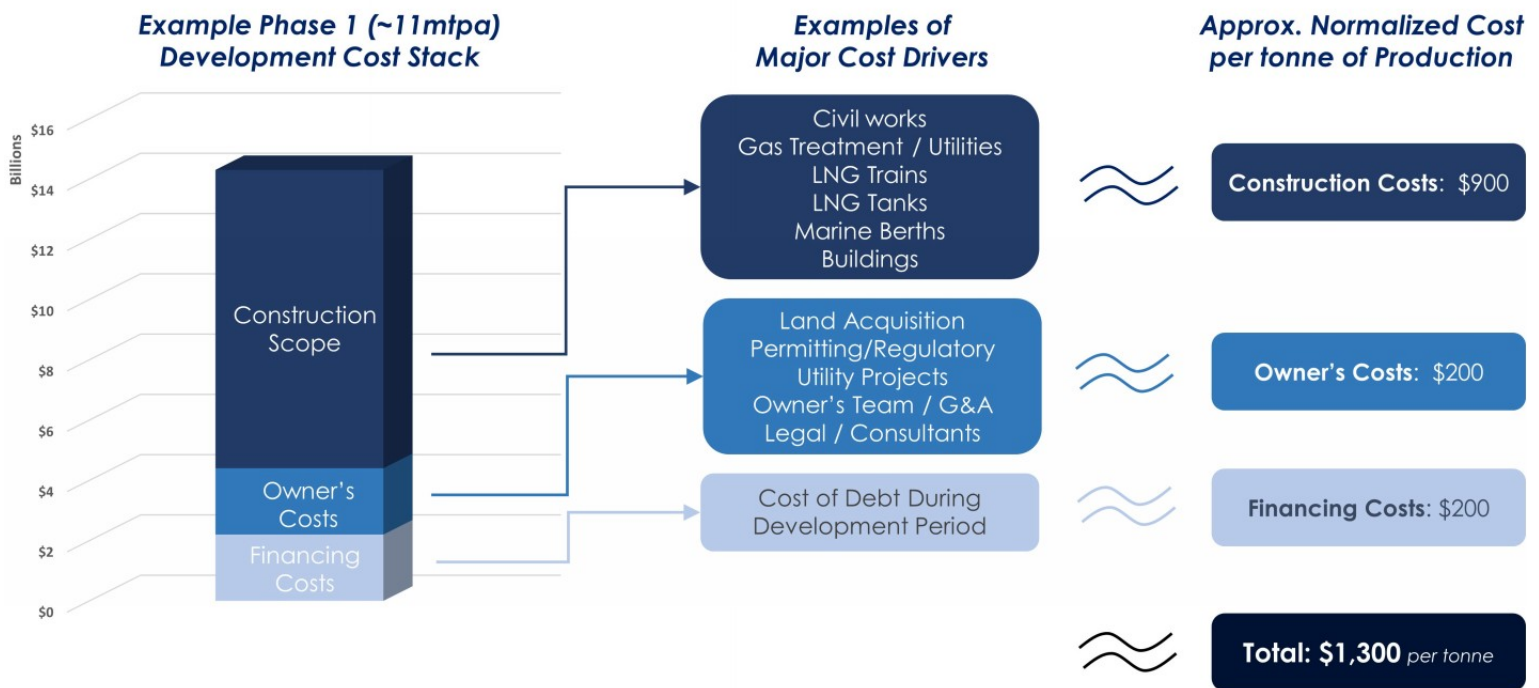
LNG demand exceeds supply growth

LNG supply vs. demand growth (mtpa)



Sources: Wood Mackenzie, Tellurian estimates.
Notes: (1) Based on Wood Mackenzie estimates that global LNG demand will grow 5% p.a. from 2021 to 2035.
(2) Includes supply from projects that have made FID, net number that includes capacity declines at legacy projects.
(3) Assumes a utilization factor of 85%.

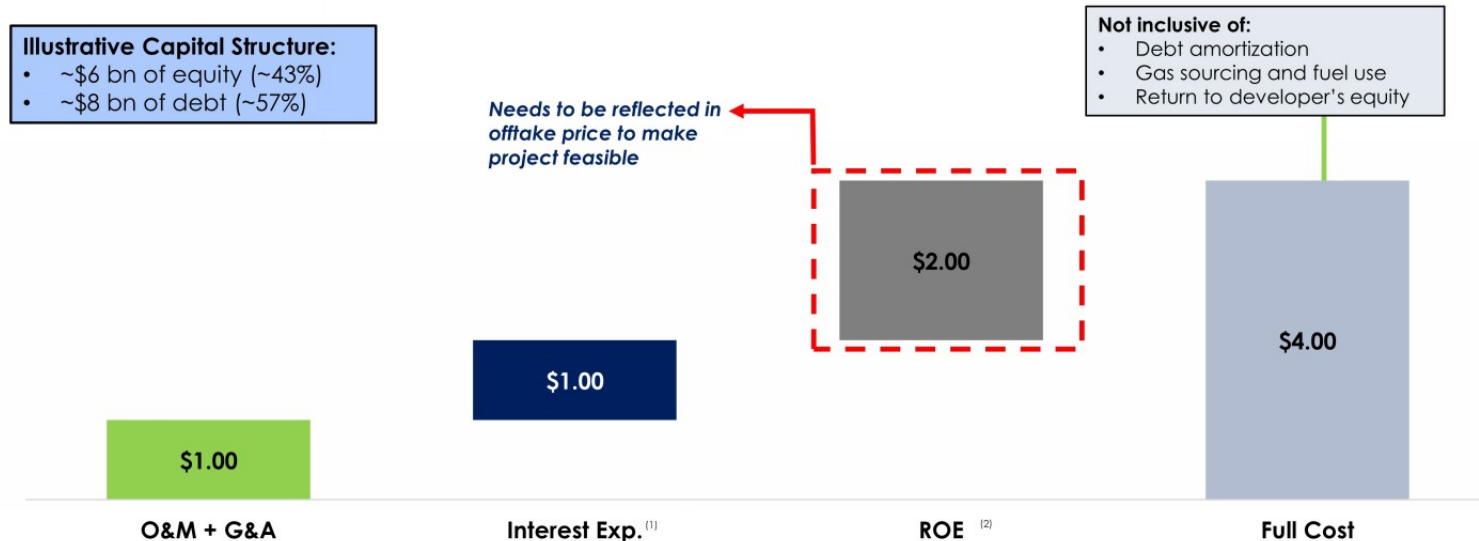
How much does a USGC LNG terminal cost?



Traditional LNG project economics

Illustrative LNG project cost stack (~11 mtpa)

\$/mmBtu



Notes: (1) Assumes 7% interest rate on \$8 bn of senior project debt.
(2) Assumes 11% internal rate of return on \$6 bn equity investment.

Driftwood LNG Phase I (2-plant, ~11 mtpa)



Note: Artist rendering of full 5-plant Driftwood LNG development

Total capacity
~11 mtpa LNG

Feedgas requirement
~550 Bcf/year

2-plant development costs (\$ bn)

■ LNG terminal⁽¹⁾ \$9.0

EPC cost/tonne (\$/tonne) \$815

■ Owner's cost⁽²⁾ 1.7

■ Pipeline⁽³⁾ 0.9

Capital cost/tonne (\$/tonne) \$1,059

■ Financing, interest and other⁽⁴⁾ 2.0

Total development costs \$13.6

Notes: (1) Phase I EPC contract is an estimate provided by Bechtel for the price as of July 2022, subject to refresh before full notice to proceed.

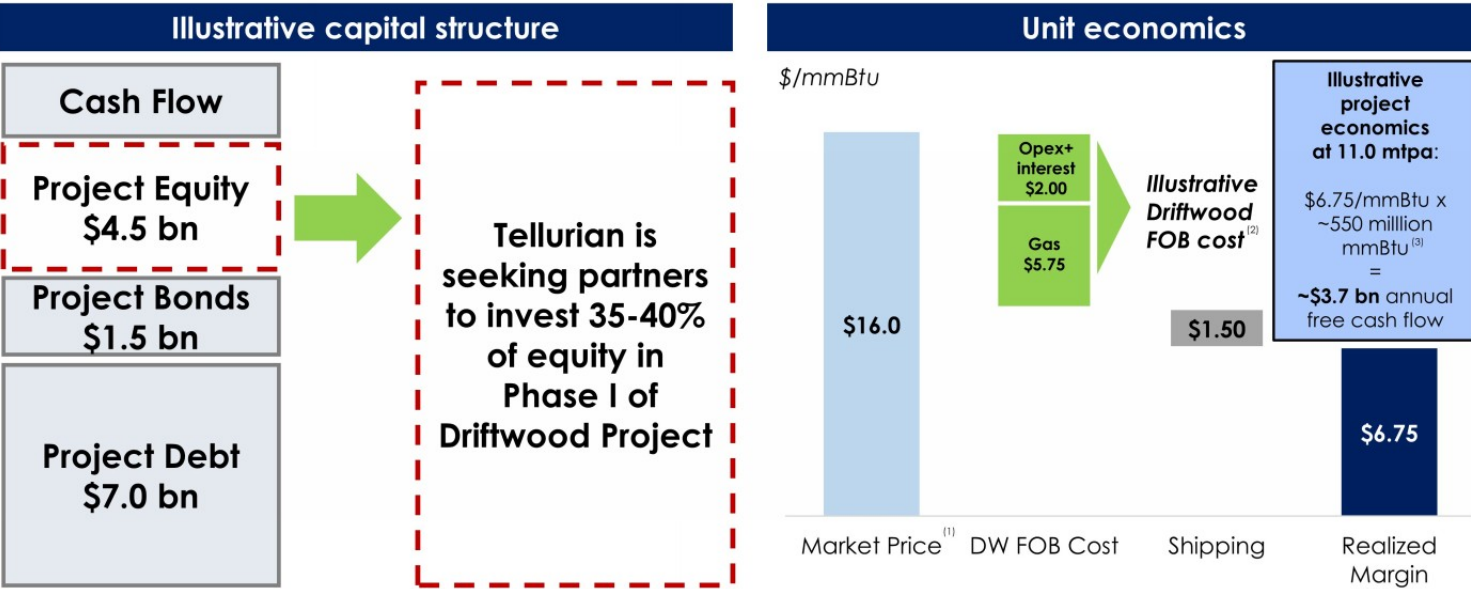
(2) Includes owner's costs, terminal labor, opex prior to LNG production and contingencies.

(3) Includes first phase of pipeline system and pipeline opex prior to LNG construction.

(4) "Other" includes management fee to Tellurian and G&A during construction; "interest" reflects secured overnight financing rates as of October 2022.

Driftwood capital structure & economics

Partner equity to supplement Tellurian's development expenditures to date



Illustrative cash flow at 2027 LNG pricing

		Phase I (Plants 1-2)	→	Full Development (Plants 1-5)
LNG sales price^(1,2) (less transportation, \$/mmBtu)		\$14.50		\$14.50
Gas sourcing⁽¹⁾ (\$/mmBtu)	-	\$5.75	-	\$5.75
Liquefaction and transport (\$/mmBtu)	-	\$1.00	-	\$1.00
Margin (\$/mmBtu)	=	\$7.75	=	\$7.75
Annual capacity	x	~550 Bcf	x	~1,380 Bcf
Illustrative annual operating cash flow to Driftwood LNG before interest expense	=	\$4.3 billion	=	\$10.7 billion

Plants 3-5 to be funded by cash flow from Phase I

Notes: (1) Assumes Brent parity based on 2027 IHS Markit LNG and Gas Price Forecast as of January 2023 (rounded for illustrative purposes).
(2) 50% Asia/50% Europe blend with transportation estimate of \$1.50/mmBtu.

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Appendix

A photograph of two construction workers at night. The worker on the left is wearing a white hard hat, glasses, and a high-visibility orange and yellow safety vest over a dark shirt. He is smiling and looking at a laptop held by the other worker. The worker on the right is wearing a yellow hard hat and a high-visibility yellow safety vest over a dark shirt. They are standing in front of a blurred background of city lights and industrial structures. A thin, curved white line runs across the bottom of the image.

TELLURIAN

Driftwood LNG's ideal site for exports



Access to pipeline infrastructure



Access to power and water



Support from local communities



Site size over 1,200 acres



Insulation from surge, wind and local populations



Berth over 45' depth with access to high seas



✓ Fully permitted

✓ EPC contract signed

✓ 30% engineering complete

✓ Shovel-ready project

Unmatched LNG development experience

Tellurian's management team has >80 years of combined LNG development experience globally

**Charif Souki**

Executive Chairman of the Board

- Co-founder of Tellurian
- Founded Cheniere in 1996, Chairman and CEO until 2015

**Martin Houston**

Vice Chairman

- Co-founder of Tellurian
- 32 years at BG Group, retired as COO in 2014

**Octávio Simões**

President & CEO

- Joined Tellurian in 2019 after 20 years at Semptra
- Former President & CEO of Semptra LNG & Midstream

**Samik Mukherjee**

EVP and President, Driftwood Assets

- Joined Tellurian in 2022
- Former EVP, COO of McDermott International, Ltd.



166 mtpa

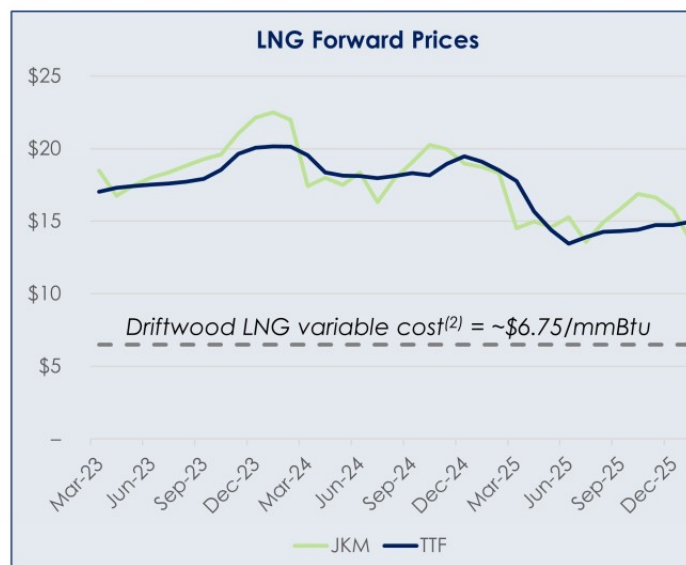
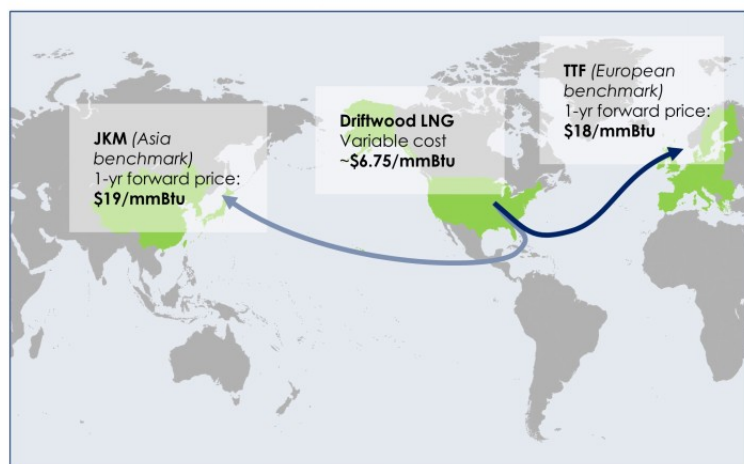
Tellurian management responsible for ~36% of the LNG in production today and 79% of U.S. LNG in production today

35 years

Tellurian management has delivered cost-leading LNG projects for >35 years

Low-cost U.S. supply provides global gas arbitrage

Access to premium global gas market generates up to \$11/mmBtu margin⁽¹⁾ at current forward prices

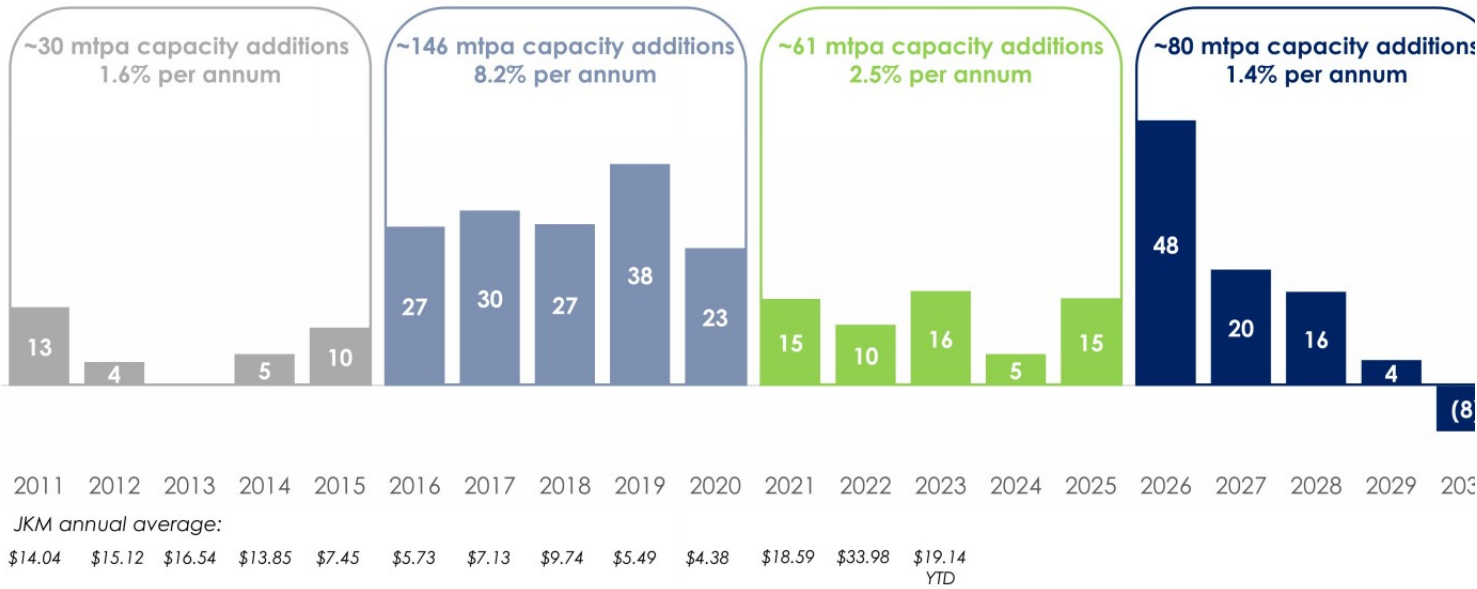


Sources: Wood Mackenzie, IHS Markit, Bloomberg and ICE data via Marketview.

Notes: (1) Assumes maximum netback from Asia or Europe based on 02/07/2023 12-month strip pricing for Henry Hub, TTF, and JKM, \$1.00/mmBtu for plant opex and G&A and \$1-\$1.70/mmBtu shipping, depending on the destination to Europe or Asia.
(2) Driftwood LNG variable cost assumes \$5.75/mmBtu for gas sourcing based on 2027 IHS Markit LNG and Gas Price Forecast as of January 2023 and \$1.00/mmBtu for plant opex and G&A.

Supply fails to keep pace with demand

Global liquefaction capacity additions (mtpa)



Sources: Wood Mackenzie, Platts via MarketView, Tellurian analysis.
Note: Capacity additions for projects that have reached FID only.

Explanation and Reconciliation of Non-GAAP Financial Measures

The Company reports its financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). However, management believes that upstream segment Adjusted EBITDA may provide financial statement users with additional meaningful comparisons between current results and the results of the Company's peers and of prior periods.

Upstream segment Adjusted EBITDA excludes certain charges or expenditures. Upstream segment Adjusted EBITDA is a supplemental measure of performance and should not be viewed as a substitute for any GAAP measure.

Management presents Upstream segment Adjusted EBITDA because (i) it is consistent with the manner in which the Company's position and performance are measured relative to the position and performance of its peers and (ii) it is more comparable to earnings estimates provided by securities analysts.

(in thousands)				
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Upstream segment Adjusted EBITDA:				
Upstream segment operating profit (loss)	\$47,493	\$(1,109)	\$130,663	\$(5,651)
Add back:				
Depreciation, depletion and amortization	\$21,525	\$2,661	\$43,966	\$11,080
Allocated corporate general and administrative	\$11,230	\$11,747	\$42,385	\$22,672
Upstream segment Adjusted EBITDA	<u>\$80,248</u>	<u>\$13,299</u>	<u>\$217,014</u>	<u>\$28,101</u>

(in thousands, unaudited)				
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Upstream segment Adjusted EBITDA:				
Upstream segment operating profit (loss)	\$40,071	\$3,491	\$83,170	\$(4,541)
Add back:				
Depreciation, depletion and amortization	12,762	3,635	22,441	8,419
Allocated corporate general and administrative	16,709	3,766	31,155	10,920
Upstream segment Adjusted EBITDA	<u>\$69,542</u>	<u>\$10,892</u>	<u>\$136,766</u>	<u>\$14,800</u>