
**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): September 6, 2017



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 1.01. Entry into a Material Definitive Agreement.

On September 6, 2017, Tellurian Production LLC (“**Tellurian Production Company**”), an indirect wholly owned subsidiary of Tellurian Inc. (the “**Company**”), entered into a purchase and sale agreement (the “**PSA**”) with an unrelated third party (the “**Seller**”). Pursuant to and subject to the terms and conditions of the PSA, Tellurian Production Company has agreed to acquire from the Seller for \$85,100,000 in cash (the “**Base Purchase Price**”), subject to specified adjustments, certain assets in northern Louisiana, including, but not limited to, oil and gas leases, mineral interests, wells, facilities and equipment (the “**Asset Purchase**”). The assets to be purchased include approximately 9,200 net developed and undeveloped acres and 19 producing operated wells with net current production of approximately four million cubic feet per day of natural gas. The Asset Purchase will be given economic effect as of August 1, 2017 (the “**Effective Date**”). As a result, at closing, the Base Purchase Price will be subject to upward or downward adjustments based on certain revenues and costs attributable to the purchased assets prior to and after the Effective Date. Certain of the assets to be acquired are subject to preferential rights to purchase held by third parties and the purchase price and properties to be acquired could be adjusted as a result of such rights. Pursuant to the PSA, on the business day following the execution of the PSA, Tellurian Production Company will be obligated to make a cash deposit in the amount of \$8,510,000 (the “**Deposit**”), creditable against the amount required to be paid by it at the closing of the Asset Purchase. The Seller will be entitled to receive the Deposit if Tellurian Production Company fails to consummate the Asset Purchase under certain conditions.

The PSA contains various representations, warranties, covenants, and indemnification obligations of Tellurian Production Company and the Seller that are customary in transactions of this type. The closing of the Asset Purchase is subject to satisfaction or waiver of customary closing conditions, including, among others, (i) the accuracy of each party’s representations and warranties contained in the PSA and each party’s compliance with its covenants and agreements contained in the PSA in all material respects and (ii) the closing of the transactions contemplated by a purchase and sale agreement between an affiliate of the Seller and the current owner of the assets to be acquired pursuant to which, among other things, the Seller will acquire the assets subject to the PSA. In addition, the PSA contains certain customary termination rights for Tellurian Production Company and the Seller, including the right of either party to terminate in the event that the Asset Purchase has not been completed by December 15, 2017.

Item 7.01 Regulation FD Disclosure.

On September 6, 2017, the Company issued a press release and posted an investor presentation to its website relating to the Asset Purchase. A copy of the press release and the investor presentation are attached hereto as Exhibits 99.1 and 99.2, respectively.

The information set forth in Item 7.01 of this Current Report on Form 8-K, including the information set forth in Exhibits 99.1 and 99.2, 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.

See Exhibit Index.

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: September 6, 2017

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|-------------------------------|---|
| 99.1 | <u>Press Release, dated as of September 6, 2017</u> |
| 99.2 | <u>Investor Presentation, dated as of September 6, 2017</u> |



NEWS RELEASE – for immediate release Wednesday, 6 September 2017

Tellurian enters into agreement to acquire core Haynesville acreage, production and midstream assets

HOUSTON, Texas – (Marketwired September 6, 2017) A wholly-owned subsidiary of Tellurian Inc. (Tellurian) (NASDAQ: TELL) has entered into an agreement with a private seller to acquire natural gas producing assets and undeveloped acreage in northern Louisiana for \$85.1 million. The transaction is scheduled to close by the end of November 2017 subject to customary closing conditions.

The assets are located in Red River, DeSoto and Natchitoches Parishes, and include:

- 9,200 net acres with up to 138 operated Haynesville and Bossier drilling locations
- Approximately 1.3 trillion cubic feet (Tcf) of total natural gas resource potential
- 19 producing operated wells with net current production of four million cubic feet per day (MMcfd)
- Associated natural gas gathering and processing facilities with substantial additional capacity

The assets are 100% held by production and 92% operated, allowing Tellurian to control the pace of development for its multi-year drilling inventory.

President and CEO Meg Gentle said, “Acquisition of natural gas producing assets is integral to our growing business. We expect our full cycle cost of production and transport to markets will be approximately \$2.25 per MMBtu, which represents a significant savings to natural gas we will purchase at Henry Hub and other regional liquidity points. Platts LNG Daily reported the price of LNG in the Gulf of Mexico was \$5.67 per MMBtu yesterday, providing the price signal to construct additional liquefaction capacity.”

Covering more than five million acres, the Haynesville shale is one of the most prolific resource plays in the United States with over 13 Tcf of historical production, more than 44 active drilling rigs, access to multiple pipelines and close proximity to Gulf Coast consumers and exporters.

About Tellurian Inc.

Tellurian was founded by Charif Souki and Martin Houston and is led by President and CEO Meg Gentle. Tellurian plans to build a natural gas business that includes development of the Driftwood LNG terminal, an ~ 26 mtpa LNG export facility, and an associated pipeline. Tellurian intends to create value for shareholders by developing low-cost natural gas-related infrastructure, profitably delivering natural gas to customers worldwide and pursuing value-enhancing, complementary business lines in the energy industry. Tellurian is based in Houston, Texas, and its common stock is listed on the Nasdaq Capital Market under the symbol “TELL”.

For more information, please visit www.tellurianinc.com.

Follow us on Twitter at twitter.com/TellurianLNG



CAUTIONARY INFORMATION ABOUT FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of U.S. federal securities laws. The words “anticipate,” “assume,” “believe,” “budget,” “estimate,” “expect,” “forecast,” “initial,” “intend,” “may,” “plan,” “potential,” “project,” “should,” “will,” “would,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements herein relate to, among other things, the closing of the transaction to acquire the Haynesville acreage, production and midstream assets, the natural gas total resource potential related to such assets, the expected cost to produce natural gas from the Haynesville field, and Tellurian’s strategy to secure low-cost gas supply. These statements involve a number of known and unknown risks, which may cause actual results to differ materially from expectations expressed or implied in the forward-looking statements. These risks include uncertainties about Tellurian’s ability to complete the acquisition of the Haynesville assets, the development and performance of the Driftwood LNG terminal and associated pipeline, and other matters discussed in the “Risk Factors” section of Exhibit 99.1 to the Current Report on Form 8-K/A filed by Tellurian with the Securities and Exchange Commission (the “SEC”) on March 15, 2017, and other filings with the SEC, all of which are incorporated by reference herein. In addition, the acquisition, exploration and development of natural gas properties involve numerous risks and uncertainties, including the risks that Tellurian will assume unanticipated liabilities associated with the assets to be acquired and that the performance of the assets will not meet Tellurian’s expectations due to operational, geologic, regulatory, midstream or other issues. The forward-looking statements in this press release speak as of the date of this release. Although Tellurian may from time to time voluntarily update its prior forward-looking statements, it disclaims any commitment to do so except as required by securities laws.

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Core Haynesville Acquisition

September 2017



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," "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, our business and prospects, future costs, prices, financial results, liquidity and financing, and the closing of, and the achievement of anticipated benefits from, our natural gas property acquisition.

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 Exhibit 99.1 to our Current Report on Form 8-K/A filed with the Securities and Exchange Commission (the "SEC") on March 15, 2017 and other filings with the SEC, which are incorporated by reference in this presentation. In addition, the acquisition, exploration and development of natural gas properties involve numerous risks and uncertainties, including the risks that we will assume unanticipated liabilities associated with the assets to be acquired and that the performance of the assets will not meet our expectations due to operational, geologic, regulatory, midstream or other issues. It is possible that the acquisition will not be completed on the terms or at the time expected, or at all.

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.

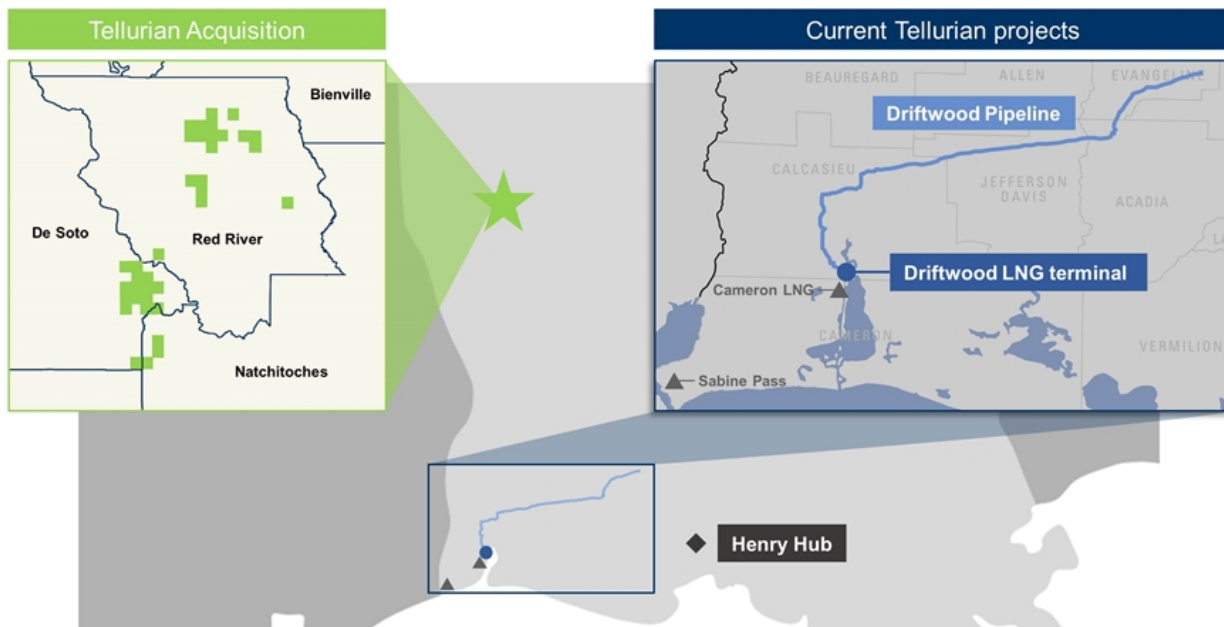
Reserves and resources

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

Investment summary

Tellurian has signed a PSA with a private seller for the purchase of 9,200 net acres in the Haynesville and Mid-Bossier shale for an aggregate purchase price of \$85.1 million in cash

- Acquiring acreage in basin with prolific wells, low development risk, favorable economics and close proximity to growing export hub



Acquisition highlights

Strategic overview

- Acquisition showcases Tellurian's strategy to become the leading global natural gas company
- Expected full cycle cost of production and transport to markets of \$2.25 per MMBtu, which represents a significant savings to natural gas we will purchase at Henry Hub and other regional liquidity points
- Leverage Tellurian's ability to sell U.S. natural gas into global markets
- Expected closing end of November 2017

Asset highlights

- 9,200 net acres in core of the highly economic Haynesville shale in De Soto and Red River parishes
- 1.3 Tcf total net resource from up to 138 operated Haynesville and Bossier drilling locations
- 100% held by production and 92% operated allows for maximum development flexibility
- Existing midstream assets provide ability to cost effectively gather and deliver to market

Financing

- Interim plan is to fund Haynesville acquisition with cash on hand
- Driftwood LNG project will require incremental capital to support development
- Exploring options to minimize dilution while accessing lowest cost funding

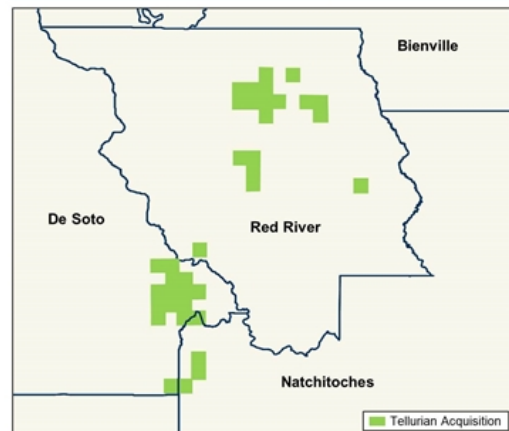
Key metrics

Tellurian is uniquely positioned to develop these highly-attractive Haynesville and Mid-Bossier development locations and sell natural gas to the global marketplace

Asset profile

- ✓ **Quality rock**
 - Thick Haynesville and Mid-Bossier geologic formations in De Soto and Red River Parishes
 - Recent offset development has substantially delineated the acreage position
- ✓ **Deep inventory**
 - Up to 138 horizontal drilling locations
 - Stacked pay/multiple zones, blocky acreage
 - 6 wells per section at current spacing
- ✓ **Low manufacturing costs**
 - Established shale play with leading single well economics and proximity to demand
 - Existing midstream infrastructure allows for immediate development
 - Full cycle cost of production and transport to market of \$2.25 per MMBtu

Transaction map

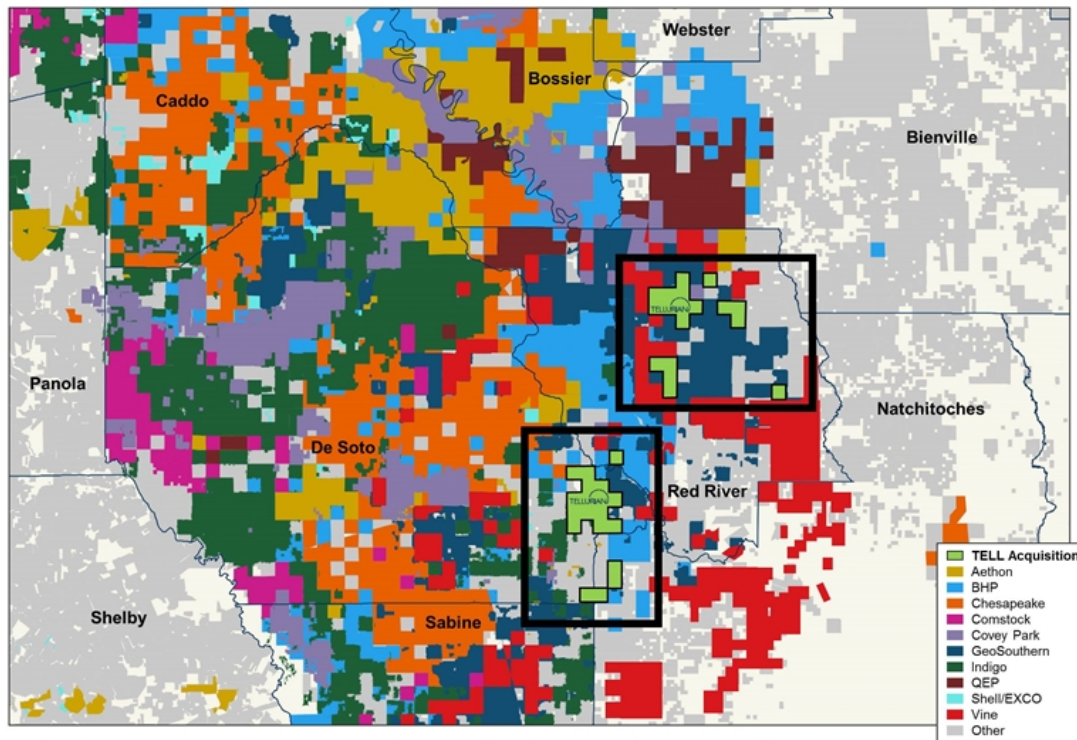


Key asset statistics

| | |
|----------------------------------|-----------|
| Net acres | 9,200 |
| Held by production (HBP) | 100% |
| Percent operated | 92% |
| Percent gas | 100% |
| Current net production (MMcf/d) | 4 |
| Operated producing wells | 19 |
| Identified development locations | Up to 138 |
| Total net resource (Tcf) | 1.3 |

Core Haynesville shale footprint

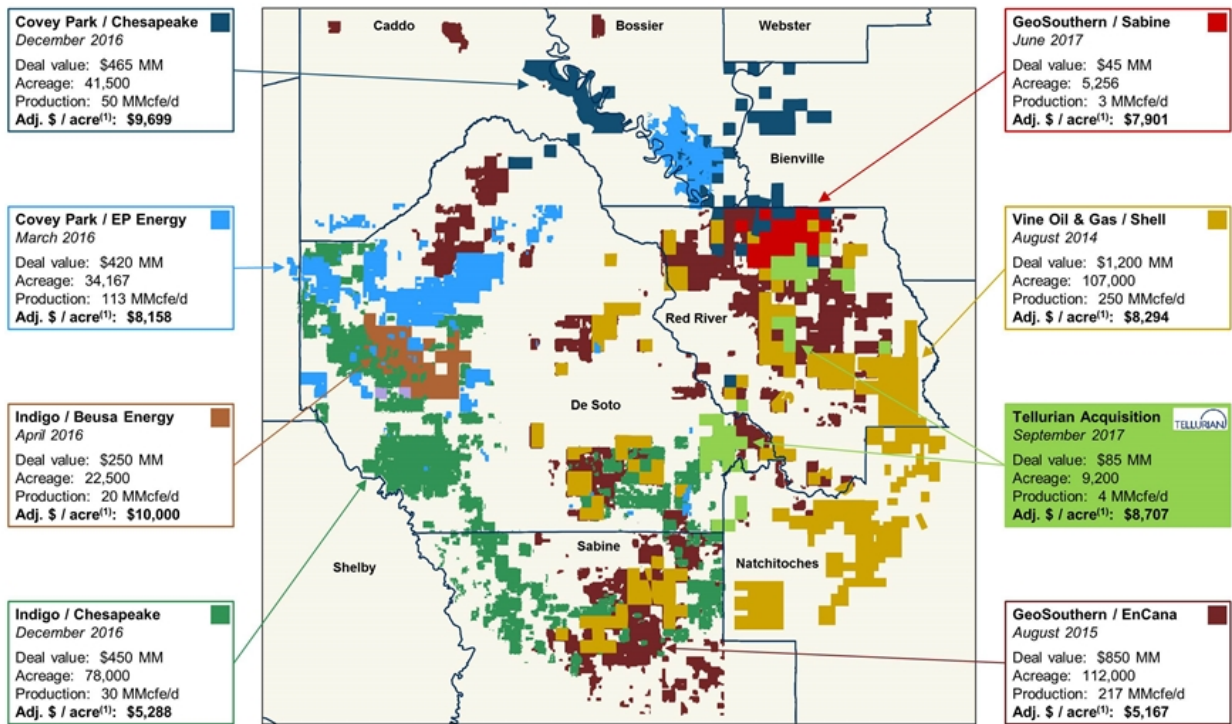
Tellurian establishing an initial entry into the prolific Haynesville shale play



Tellurian acreage is surrounded by the leading Haynesville operators

Source: PLS, DrillingInfo.

North Louisiana Haynesville transaction map

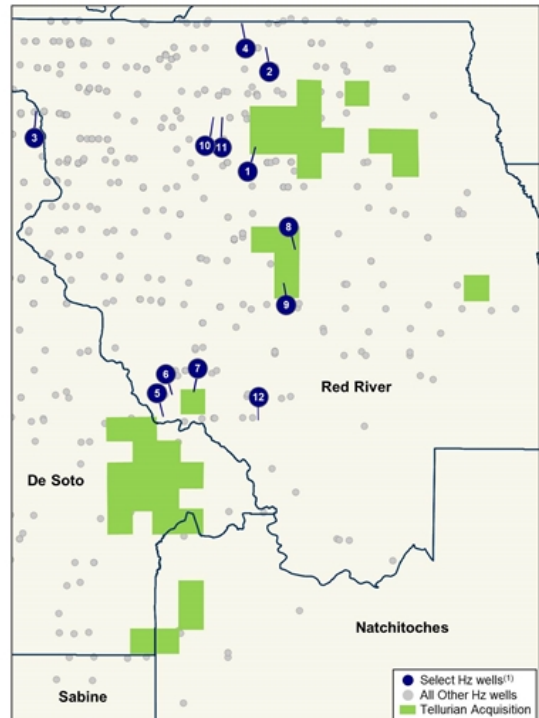


Source: PLS.
 Notes: (1) Adjusted acreage multiple assumes \$1,250 per Mcfe/d is allocated to production value.

North Louisiana well results

High production wells offset Tellurian's acreage

| # | Well name | Operator | First prod. date | Perforated interval (ft.) | IP30 (MMcfe/d) | IP30 / 1,000' (MMcfe/d) |
|--------------------|-----------------------|-------------|------------------|---------------------------|----------------|-------------------------|
| 1 | Jackson Davis JR 35H | Vine | Oct-16 | 4,637 | 22.9 | 4.9 |
| 2 | Melburn Wood 11 | Vine | Dec-15 | 2,316 | 10.5 | 4.5 |
| 3 | ABG 30&37-14-11 HC | Chesapeake | Apr-15 | 5,121 | 22.7 | 4.4 |
| 4 | L L Golson 3 | Vine | Nov-15 | 4,661 | 20.6 | 4.4 |
| 5 | Cloyce Clark 19 3H | Vine | Feb-17 | 4,143 | 18.2 | 4.4 |
| 6 | Cloyce Clark 19 1H | Vine | Feb-17 | 4,580 | 19.6 | 4.3 |
| 7 | Juncaceae 20 | Vine | Feb-14 | 4,044 | 15.8 | 3.9 |
| 8 | Red River 1LP24-25 HC | Vine | Apr-16 | 7,173 | 26.0 | 3.6 |
| 9 | Bill Shaw 36 H | Vine | Oct-15 | 4,562 | 16.4 | 3.6 |
| 10 | McFarms Etal 28 H 003 | GeoSouthern | Jan-17 | 4,092 | 14.5 | 3.5 |
| 11 | McFarms Etal 28 H 002 | GeoSouthern | Jan-17 | 4,576 | 15.4 | 3.4 |
| 12 | EF Lester Etal 26 H | Vine | Mar-16 | 4,490 | 14.8 | 3.3 |
| Average (12 Wells) | | | | 4,533 | 18.1 | 4.0 |



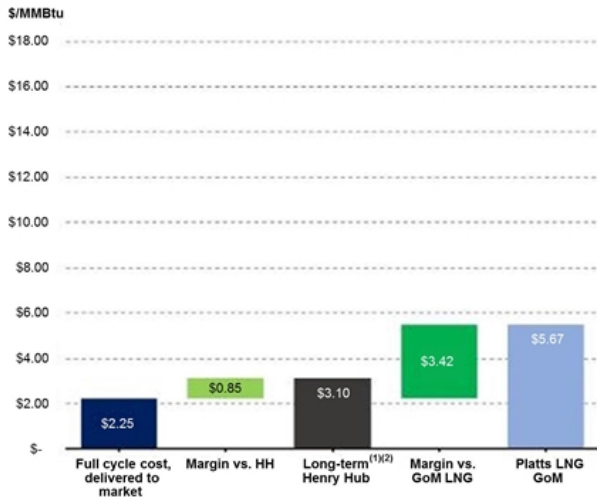
Source: DrillingInfo.
 Note: (1) Select horizontal Haynesville wells with first production dates since January 1, 2014.

Global pricing and low cost supply

Integrated model allows for margin visibility and increases upside from global pricing

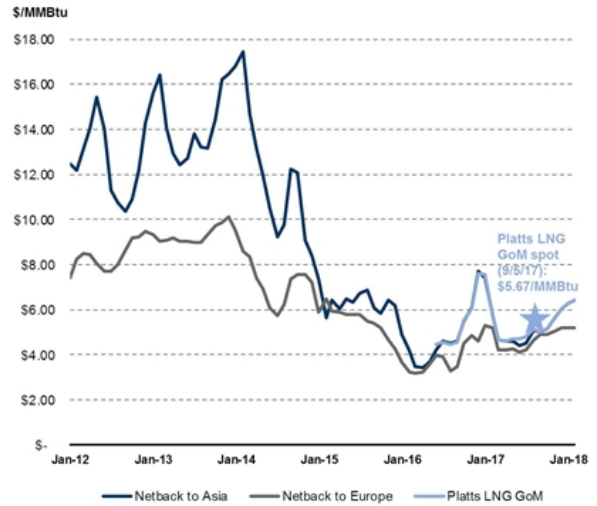
- Acquisition of upstream provides us with another option to source natural gas below Henry Hub, improving our margins
- U.S. Gulf Coast LNG, based on Asian netbacks, has ranged from ~\$4-18/MMBtu
- Tellurian is positioned to capture higher margins through the cycle vs. the "traditional" U.S. based LNG model

Tellurian cost to produce gas < Henry Hub



Notes: (1) Long-term Henry Hub assumed to be \$3.00 per MMBtu. (2) Includes \$0.10 per MMBtu of delivery costs to Gulf Coast from Henry Hub.

Global LNG prices warrant U.S. exports



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