

**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): **August 7, 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))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
<b>Common stock, par value \$0.01 per share</b>	<b>TELL</b>	<b>Nasdaq Capital Market</b>

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 August 7, 2019, Tellurian Inc. posted an updated corporate presentation to its website, [www.tellurianinc.com](http://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.

<b>Exhibit No.</b>	<b>Description</b>
<u>99.1</u>	<u>Tellurian Inc. Corporate Presentation dated August 2019</u>
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

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**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: August 7, 2019

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# Corporate presentation

August 2019



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, future contracts and contract terms, expected partners and customers, potential acquisition targets, the parties' ability to complete contemplated transactions (including, where applicable, to enter into definitive agreements related to those transactions), margins, returns and payback periods, future assets, cash flows, production, delivery of LNG, required infrastructure, future costs, prices, financial results, equity values, liquidity and financing, including equity funding and debt syndication, regulatory and permitting developments, construction and permitting of pipelines and other facilities, 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 complete the anticipated transactions described in the presentation. FID is subject to the completion of financing arrangements that may not be completed within the time frame expected or at all. Achieving FID will require substantial amounts of financing in addition to that contemplated by the agreements between Total and Tellurian discussed in this presentation, 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, final agreements may have terms that differ significantly from those described in the presentation.

The financial information included on slides 4, 11, 13, 18, 21-23 and 31 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.

# Corporate updates

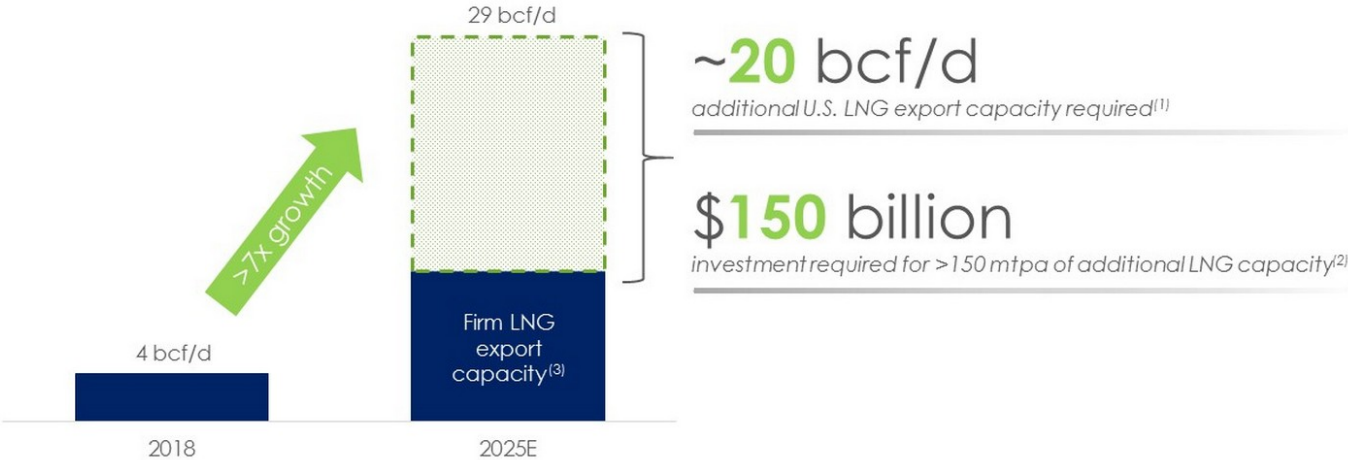
# Tellurian value proposition

- US shale gas is overwhelming domestic market and **exports are only solution**
- Driftwood project expected to deliver LNG on the water at **<\$3/mmBtu**
- LNG demand growth – **growing 14% Y/Y**
- Global markets need much more **US LNG export infrastructure** to support growth
- Tellurian expects to generate **\$8/share** in cash flow

# U.S. must export ~30 bcf/d of LNG by 2025

...including an additional ~20 bcf/d of LNG export capacity over firm capacity

## U.S. natural gas export requirements



Sources: RBN and Tellurian analysis.  
Notes: (1) Assumes U.S. domestic gas demand grows at 0.6% p.a. and liquefaction capacity utilization rate of 90%.  
(2) Assumes \$1,000 per tonne for liquefaction capacity.  
(3) Includes 86 mtpa (11.5 bcf/d) of operational and under construction liquefaction export capacity.

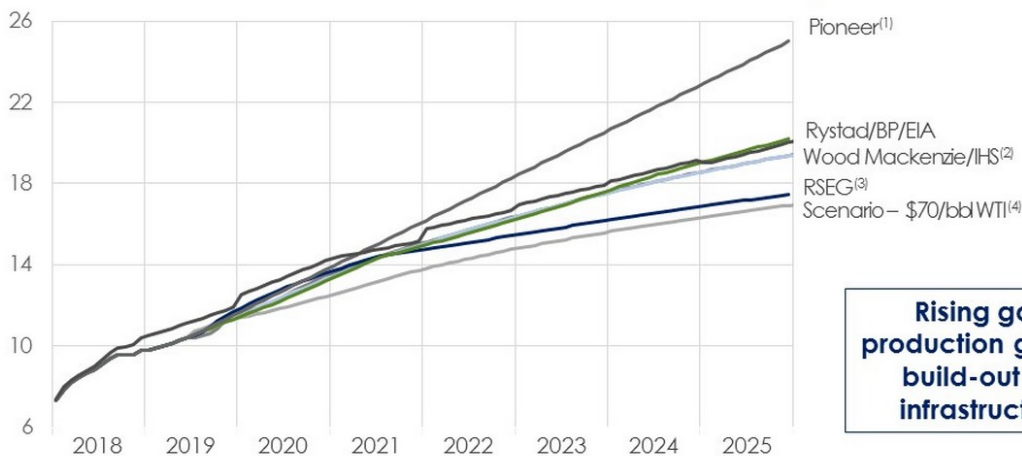


# Permian gas outlook – range of forecasts

## Permian dry gas production

(Bcf/d)

2025 YE  
production



**Rising gas-oil ratios and crude production growth will require a larger build-out of natural gas pipeline infrastructure out of the Permian.**

Sources: Rystad, Wood Mackenzie, RSEG, IHS, DrillingInfo, SP, EIA, Tellurian Research.

Notes: (1) Estimates based on guidance from Pioneer Energy. See [https://www.spglobal.com/marketintelligence/en/news-insights/trending/ymiganz\\_zfvxxvaxsma2](https://www.spglobal.com/marketintelligence/en/news-insights/trending/ymiganz_zfvxxvaxsma2).

(2) Assumes 2018 initial production ("1P") improvement per year and flat completion activity levels.

(3) Assumes flat seasonally adjusted rig drilling and completion activity, and 2% upward shift in basin wide type curve per quarter.

(4) Current type curves (no improvement over time) and flat rig count based on current levels.

# LNG demand is growing 13.5% y/y

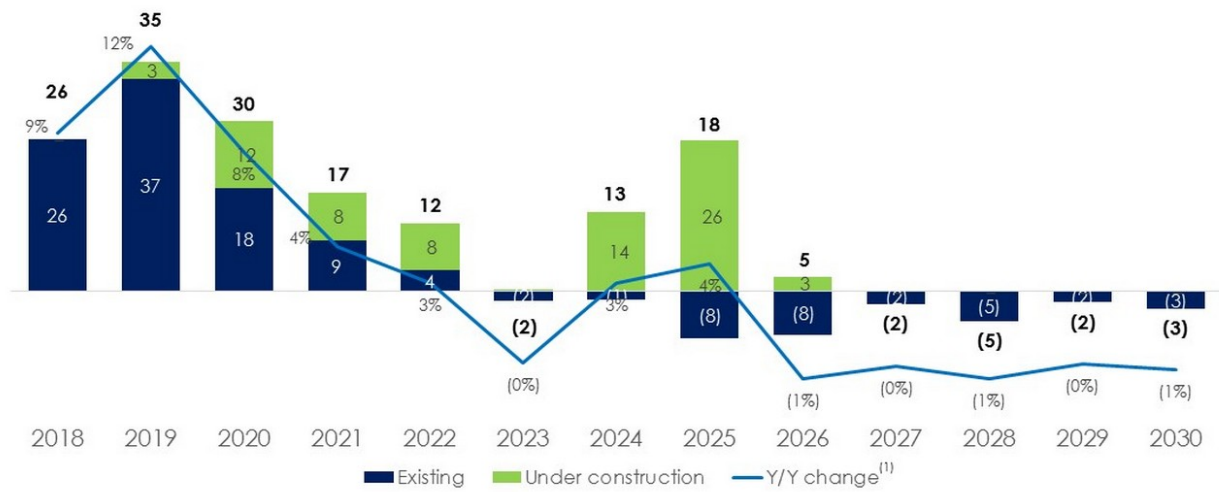


**2019**  
**LNG demand H1 +13.5% y/y**  
**LNG capacity H1 +13% y/y**  
**Utilization rate +600 bps y/y**

Sources: IHS CERA, Tellurian analysis.

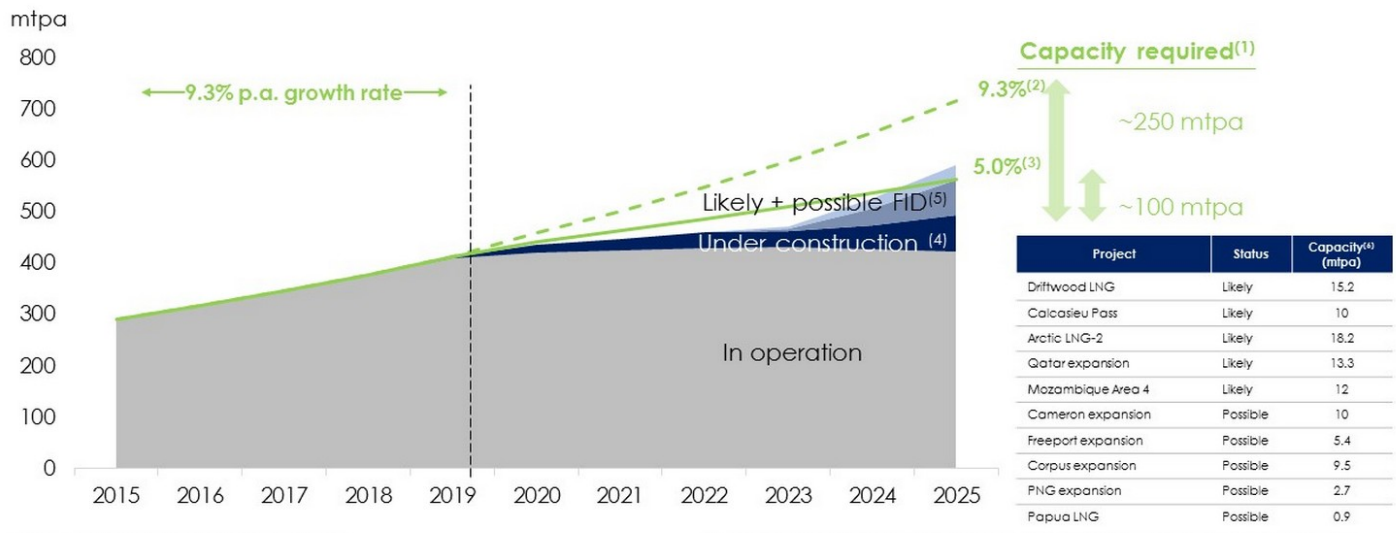
# LNG capacity growth should peak in 2019

Incremental LNG capacity (mtpa)



Sources: Wood Mackenzie, Tellurian analysis.  
 Notes: (1) Percentage change of incremental volumes compared to previous year's total capacity expected to be online.

# Global LNG capacity call: ~100-250 mtpa



Sources: Wood Mackenzie, Bernstein, MS and Tellurian Research.

Notes:

(1) Assumes 86.5% utilization rate.

(2) Assuming sustained 2015-2018 demand growth rate of ~9.3% p.a. post-2019.

(3) Assumes 5.0% p.a. demand growth rate post-2019.

(4) Assumes ~70 mtpa of projects under construction, including Cameron T1-3, Alba Island T1-10, Freeport T1-3, Petronas LNG 2, Portovaya, Prevlada, Sengkang, Tangguh, Vysotsk and LNG Canada.

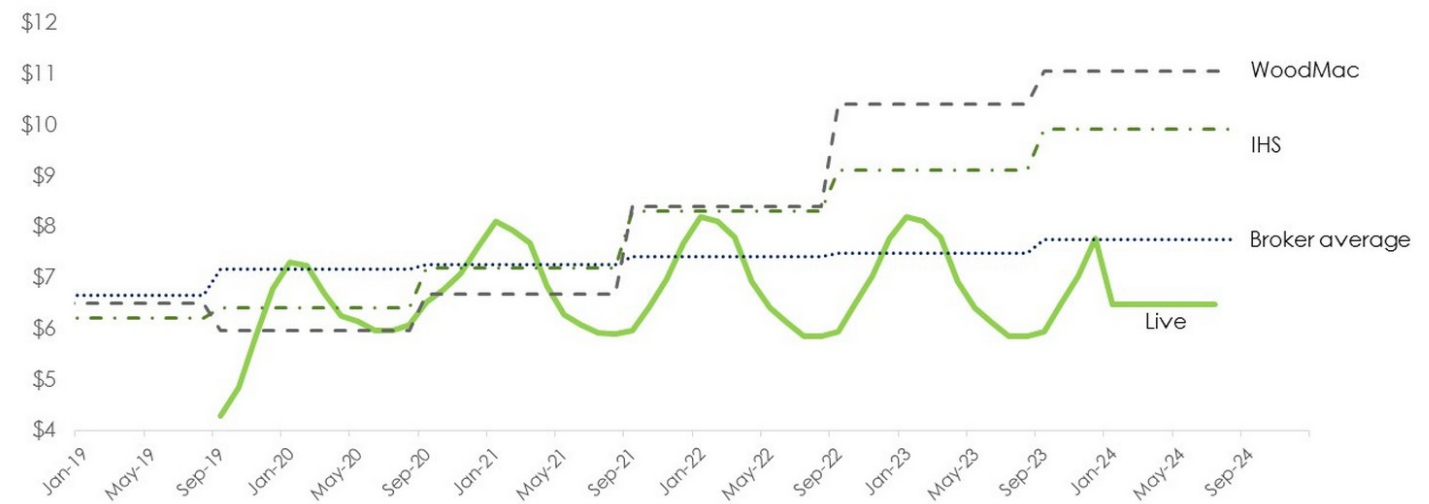
(5) Assumes ~80 mtpa of Likely FID projects, including Calcasieu Pass, Arctic LNG T1-3, Mozambique Area 4 and new Qatar T1-3, and ~25 mtpa of possible FID projects, including Cameron T4-5, Freeport T4, PNG T3, Corpus Christi LNG Stage 3 and Papua LNG T1-2.

(6) Nominal capacity online by 2025.

# Global LNG pricing – JKM forward curves

Forward expectations are instructive for new US LNG projects

(\$/mmBtu) - JKM

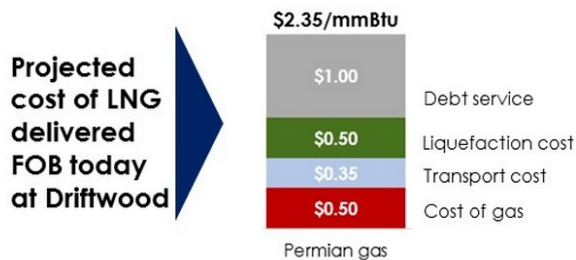


Sources: Marketview, IHS, WoodMac, Brokers (BAML, Citi, Cowi, CS, DNS, GS, MS, RJ, Stifel, Wells Fargo), Tellurian Research.

# Tellurian expects to deliver \$8/share cash flow

## Driftwood

- **Market:** Robust US LNG fundamentals
- **Liquefaction:** 27.6 mtpa
- **Midstream:** ~1,000 miles of pipeline
- **Upstream:** 15 Tcf of reserves
- **Cost:** Under \$3/mmBtu on the water



## Tellurian

- **Partners:** Selling 51% of Driftwood to 3<sup>rd</sup> parties
- **Stake:** Tellurian retains 49% (13.6 mtpa)
- **Financial:** TELL expects to generate \$8/share of cash flow
- **Execution:** Track record of success
- **Interests:** Large equity interest held by insiders

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

# Project overview

# Key investment highlights

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

## Experienced management

- Management track record at Cheniere and BG Group
- 46% of Tellurian owned by founders, management and other employees<sup>(1)</sup>

## World-class partners



## Fixed-cost EPC contract

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

## Unique business model

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

## Commercial momentum



Note: (1) As of April 2019.



# 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

# 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

# Driftwood LNG's ideal site for exports



Access to **pipeline infrastructure**



Access to **power** and water



Support from **local communities**



**Site size** over 1,000 acres



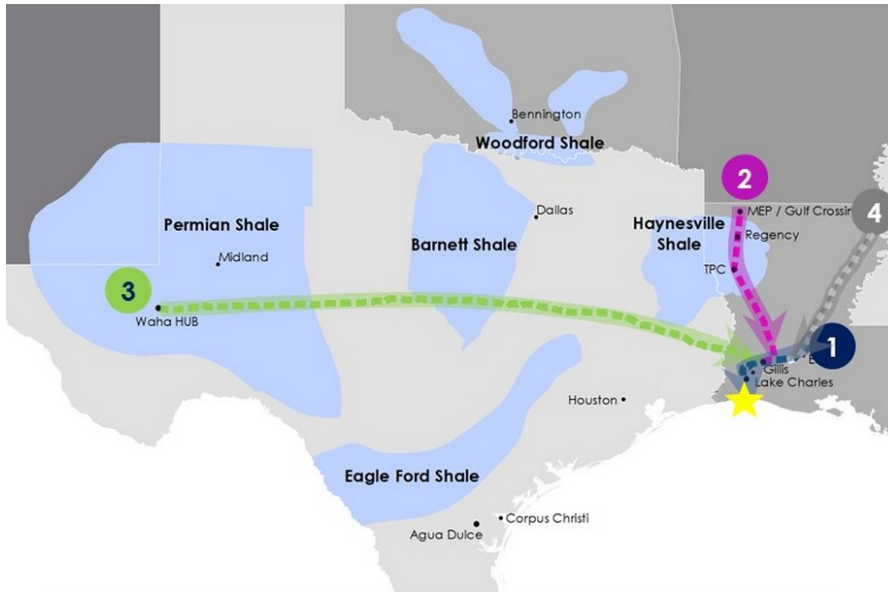
**Insulation** from surge, wind, and local populations



**Berth** over 45' depth with access to high seas



# Bringing low-cost gas to SW Louisiana



<b>1</b>	<b>Driftwood Pipeline<sup>(1)</sup></b>	Capacity (Bcf/d)	4.0
		Cost (\$ billions)	\$2.2
		Length (miles)	96
		Diameter (inches)	48
		Compression (HP)	274,000
		Status	FERC approval complete
<b>2</b>	<b>Haynesville Global Access Pipeline<sup>(1)</sup></b>	Capacity (Bcf/d)	2.0
		Cost (\$ billions)	\$1.4
		Length (miles)	200
		Diameter (inches)	42
		Compression (HP)	23,000
		Status	Binding open season complete
<b>3</b>	<b>Permian Global Access Pipeline<sup>(1)</sup></b>	Capacity (Bcf/d)	2.0
		Cost (\$ billions)	\$4.2
		Length (miles)	625
		Diameter (inches)	42
		Compression (HP)	258,000
		Status	Binding open season complete
<b>4</b>	<b>Delhi Connector Pipeline</b>	Capacity (Bcf/d)	2.0
		Cost (\$ billions)	\$1.4
		Length (miles)	180
		Diameter (inches)	42
		Compression (HP)	72,000
		Status	Binding open season complete

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

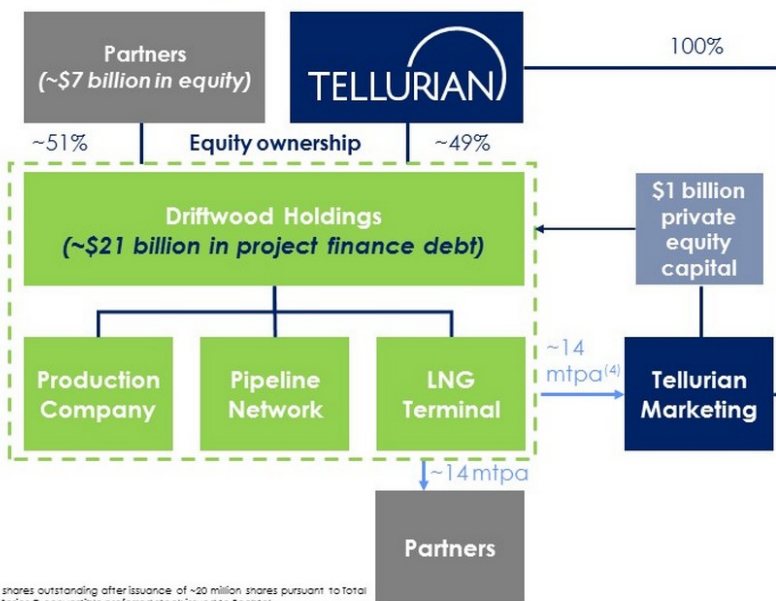
# Tellurian projects annual ~\$8 cash flow/sh<sup>(1)</sup>

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

- Variable and operating costs expected to be \$2.50-\$3.00/mmBtu FOB
- ~\$21 billion in project finance debt equates to \$1.00-\$1.50/mmBtu<sup>(2)</sup>

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

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

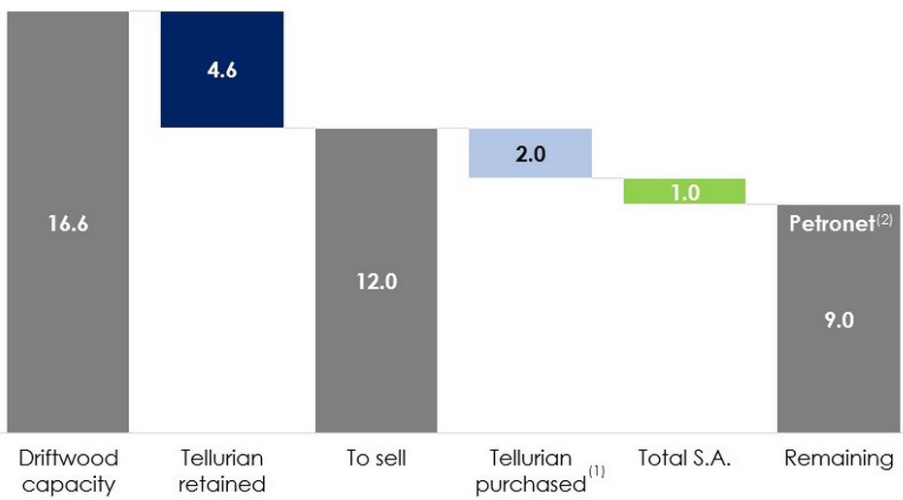


Notes: (1) Annual cash flow per share based on projected \$2.3 billion annual cash flow to Tellurian and ~267 million shares outstanding after issuance of ~20 million shares pursuant to total common stock purchase agreement dated April 3, 2019 and conversion of ~6.1 million shares of existing Series C convertible preferred stock issued to Secrete.  
 (2) Based on various financing structures for principal, interest rate and amortization related to ~\$21.5 billion of project finance debt.  
 (3) See slide 22 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.

# Commercial momentum to 3-plant FID

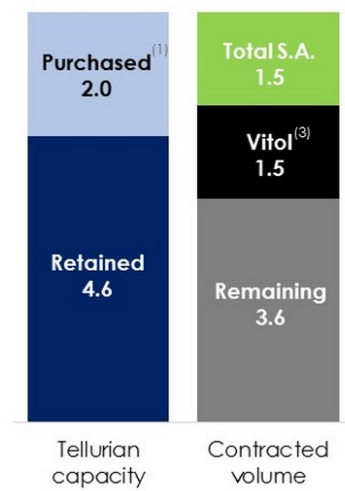
## Driftwood Holdings volume

mtpa



## Tellurian Marketing volume

mtpa



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

# Growing list of expected partners and customers

	Partner	Off-take	Volume	Credit rating <sup>(3)</sup>
Driftwood project		Equity investor	1.0 mtpa	A+/Aa3/AA-
		Equity investor <sup>(1)</sup>	<i>Under review</i>	Baa2 (Moody's)
Tellurian Marketing		JKM linked	1.5 mtpa	A+/Aa3/AA-
		JKM linked <sup>(2)</sup> (Equity investment under review)	1.5 mtpa	Unrated

Notes: (1) Per Memorandum of Understanding.  
 (2) Per Memorandum of Understanding.  
 (3) Parent credit ratings denote S&P/Moody's/Fitch, unless noted otherwise.

# Driftwood Holdings' financing

	2-Plant Case	3-Plant Case	Full Development
▪ <b>Capacity (mtpa)</b>	<b>11.0</b>	<b>16.6</b>	<b>27.6</b>
▪ <b>Capital investment (\$ billions)</b>			
– Liquefaction terminal <sup>(1)</sup>	\$ 7.6	\$ 10.6	\$ 15.5
– Owners' cost & contingency <sup>(2)</sup>	\$ 1.1	\$ 1.8	\$ 2.3
– Driftwood pipeline <sup>(3)</sup>	\$ 1.1	\$ 1.5	\$ 2.2
– HGAP <sup>(3)</sup>	\$ -	\$ -	\$ 1.4
– PGAP <sup>(3)</sup>	\$ -	\$ 4.2	\$ 4.2
– Upstream	\$ 2.2	\$ 2.2	\$ 2.2
– Fees <sup>(4)</sup>	\$ -	\$ 0.9	\$ 0.9
– Interest during construction	\$ 2.5	\$ 5.0	\$ 7.8
▪ <b>Total capital</b>	<b>\$ 14.5</b>	<b>\$ 26.2</b>	<b>\$ 36.5</b>
Total capital (\$ per tonne)	\$ 1,320	\$ 1,580	\$ 1,320
– Debt financing <sup>(5)</sup>	\$ (8.0)	\$ (16.6)	\$ (21.5)
– Pre-COD cash flows <sup>(6)</sup>	\$ (2.5)	\$ (3.6)	\$ (7.0)
▪ <b>Net equity</b>	<b>\$ 4.0</b>	<b>\$ 6.0</b>	<b>\$ 8.0</b>
▪ <b>Transaction price (\$ per tonne)</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>\$ 500</b>
▪ <b>Capacity split</b>	<b>mtpa</b>	<b>mtpa</b>	<b>mtpa</b>
– Partner	6.0	10.0	14.0
– Tellurian (purchased) <sup>(7)</sup>	2.0	2.0	2.0
– Tellurian (retained)	3.0	4.6	11.6
	<b>%</b>	<b>%</b>	<b>%</b>
	~55%	~60%	~51%
	~18%	~12%	~7%
	~27%	~28%	~42%

Notes: (1) Based on engineering, procurement, and construction agreements executed with Seatchem.

(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.

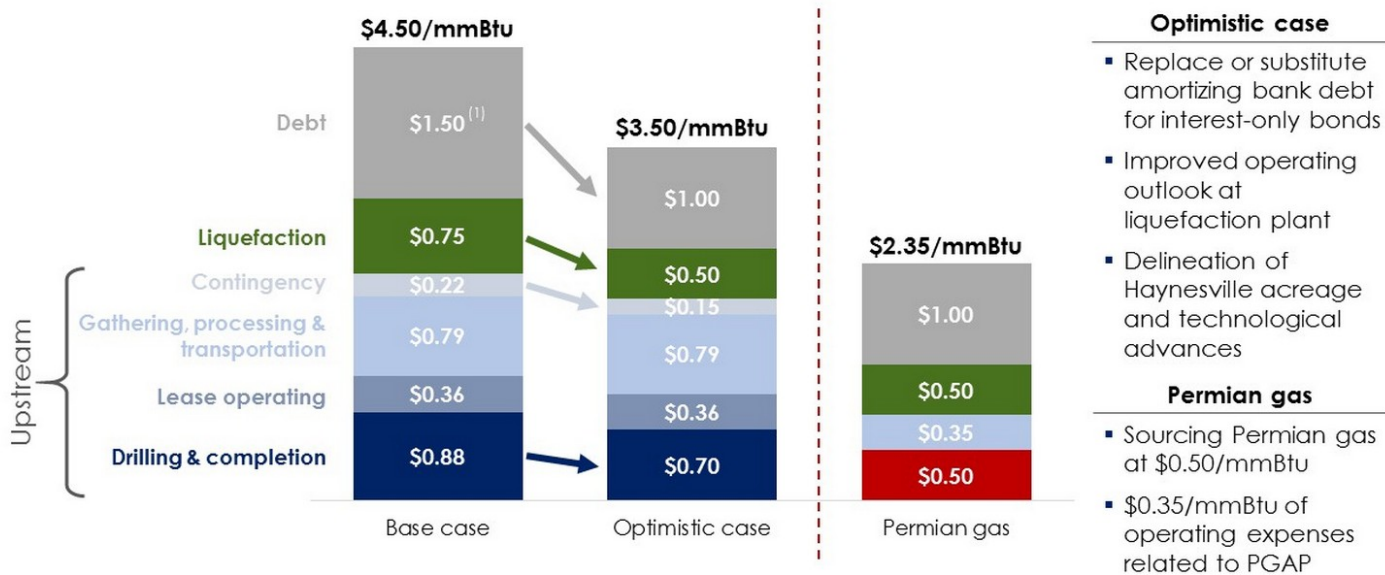
Every \$1.00 reduction in gas costs or increase in LNG price adds \$2.66/share in 5-plant case

USGC netback (\$/mmBtu)	Cost of LNG <sup>(1)</sup> (\$/mmBtu)	Margin (\$/mmBtu)	2 Plants	3 Plants	5 Plants
			Cash flows <sup>(2)(3)(4)</sup> \$ millions (\$ per share)		
Tellurian capacity	Base case		5.0 mtpa	6.6 mtpa	13.6 mtpa
\$ 6.00	\$ 4.50	\$ 1.50	\$190 (\$0.71)	\$320 (\$1.19)	\$870 (\$3.25)
\$ 8.00	\$ 4.50	\$ 3.50	\$710 (\$2.65)	\$1,010 (\$3.77)	\$2,280 (\$8.51)
\$10.00	\$ 4.50	\$ 5.50	\$1,230 (\$4.59)	\$1,690 (\$6.31)	\$3,690 (\$13.77)
\$15.00	\$ 4.50	\$10.50	\$2,530 (\$9.44)	\$3,410 (\$12.72)	\$7,230 (\$26.97)

→ Potential to decrease cost of LNG by an additional ~\$2.00/mmBtu

Notes: (1) \$4.50/mmBtu cost of LNG FOB Gulf Coast assumes \$2.25/mmBtu cost of gas at Drifwood LNG terminal.  
 (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 ~268 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.

# Ability to deliver low-cost LNG on the water



Sources: Wood Mackenzie, Tellurian Research.  
 Note: (1) Based on debt service cost of principal and interest related to ~\$21.0 billion of project finance debt.

# 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	✓ May 2019
▪ Complete open seasons on pipelines	✓ 2Q 2019
▪ Executed definitive agreements with Total	✓ July 2019
▪ Complete capital raise process	} 2019
– Partner & equity funding	
– Debt syndication	
▪ Final Investment Decision	} 2023
▪ First LNG	

▪ Executed suite of partnership agreements with Total, including:

- \$500 mm equity investment in Driftwood project for purchase of 1 mtpa of LNG
- Purchase of 1.5 mtpa of LNG from Tellurian's LNG offtake volumes from Driftwood

# Contact us

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## Social media



# Appendix

# Recent milestones and key corporate updates



## **Converted HOA with Total into finalized definitive agreements for 2.5 mtpa of LNG**

- Total to purchase 1 mtpa of LNG for \$500 million equity investment in Driftwood
- Entered into SPA for additional 1.5 mtpa of LNG from Tellurian's LNG offtake volumes from Driftwood
- In April 2019, executed common stock purchase agreement for Total to acquire \$200 million in TELL shares



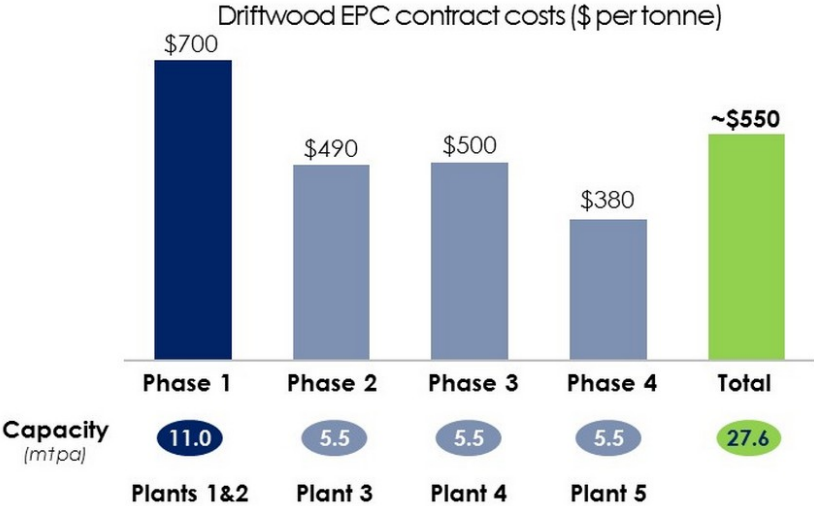
## **Completed binding open seasons on PGAP, HGAP and DCPL**

- PGAP: anticipate finalizing precedent agreements in ~60 days, pre-filing with FERC in 3Q19
- HGAP/DCPL: anticipate finalizing precedent agreements in 4Q19

**Working to  
achieve  
upcoming  
milestones**

- Secure other equity investors, expected to be facilitated by definitive agreements finalized with Total
- Secure \$1 billion in financing for 2 mtpa of LNG and Driftwood equity interest for Tellurian Marketing
- Prepare to launch project finance debt syndication

# Bechtel LSTK secures project execution

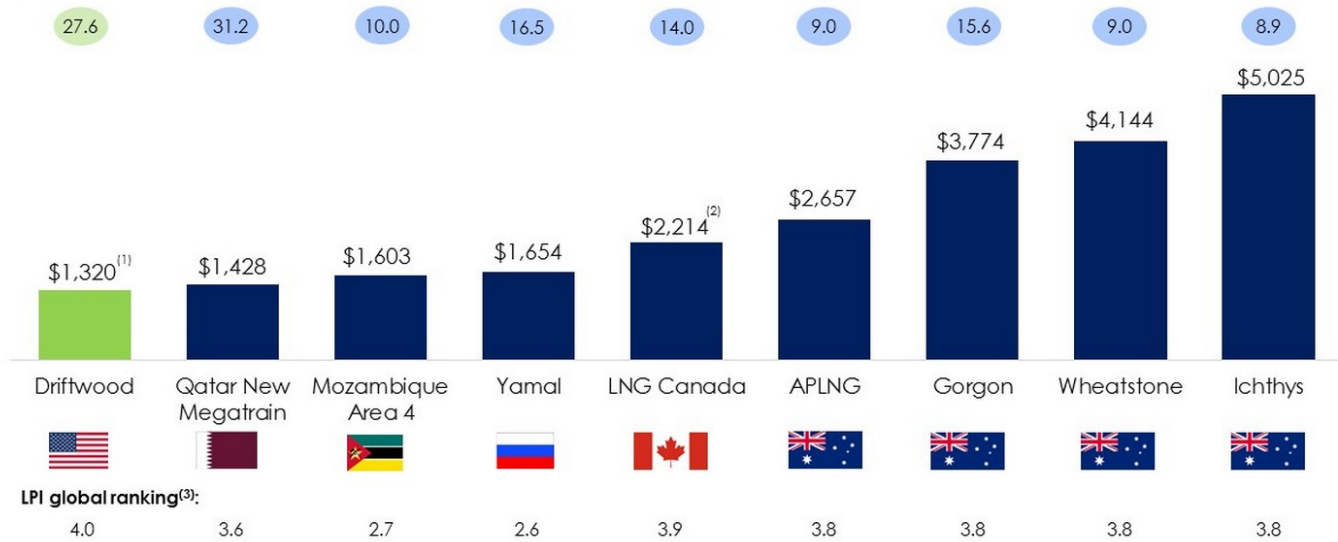


- Leading LNG EPC contractor
  - 44 LNG trains delivered to 18 customers in 9 countries
  - ~30% of global LNG liquefaction capacity (>125 mtpa)
  
- Tellurian and Bechtel relationship
  - 16 trains<sup>(1)</sup> delivered with Tellurian’s executive team
  - Invested \$50 million in Tellurian Inc.

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

# Driftwood vs. competitors – cost per tonne

Capacity, mtpa



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

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

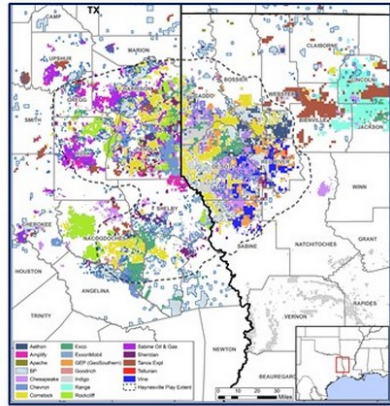
(2) LNG Canada's cost per tonne is inclusive of TransCanada's capex estimate for Coastal GasLink.

(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.



# >100 Tcf available resources in Haynesville

Driftwood Holdings plans to fund and purchase 15 Tcf



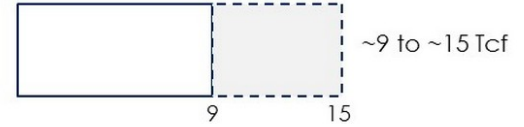
Potential acquisition targets:  
Target size:

Range of resources per target (Tcf)<sup>(1)</sup>:

▪ Large



▪ Medium



▪ Small



Sources: IHS EnerIQ, 1Derrick, Investor presentations and Tellurian research.  
Note: (1) Estimated resources based on acreage.

# Returns to Driftwood Holdings' partners

	U.S. Gulf Coast netback price (\$/mmBtu)			
	\$6.00	\$8.00	\$10.00	\$15.00
▪ <b>Driftwood LNG, FOB U.S. Gulf Coast</b> (\$/mmBtu)	\$(3.50)	\$(3.50)	\$(3.50)	\$(3.50)
▪ <b>Margin</b> (\$/mmBtu)	2.50	4.50	6.50	11.50
▪ <b>Annual partner cash flow<sup>(1)</sup></b> (\$ millions per tonne)	130	235	340	600
▪ <b>Cash on cash return<sup>(2)</sup></b>	26%	47%	68%	120%
▪ <b>Payback<sup>(3)</sup></b> (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.

# Environmental and social leadership

Driftwood LNG project expected to reduce lifecycle carbon emissions and support local communities



## Lifecycle emission reduction

- Provide an outlet for currently flared natural gas in the U.S.
- Replace coal and oil in emerging markets to reduce carbon emissions and improve air quality
- Facilitate growth of renewables by providing energy reliability



## Sustainable development

- Liquefaction facility to have near zero methane emissions
- Use the latest equipment, technology and monitoring systems to minimize emissions
- Conduct green completions in upstream operations



## Social engagement

- Extensive community outreach and support programs
- Create 350 permanent and 6,400 construction jobs
- Fund climate change research at Columbia University

# Building momentum to FID in 2019

