

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-5507



Tellurian Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

06-0842255

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

1201 Louisiana Street, Suite 3100, Houston, TX

(Address of principal executive offices)

77002

(Zip Code)

(832) 962-4000

(Registrant's telephone number, including area code)

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	NASDAQ Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of October 25, 2019, there were 242,207,522 shares of common stock, \$0.01 par value, issued and outstanding.

Tellurian Inc.
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Cautionary Information About Forward-Looking Statements

The information in this report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements, other than statements of historical facts, that address activity, events, or developments with respect to our financial condition, results of operations, or economic performance that we expect, believe or anticipate will or may occur in the future, or that address plans and objectives of management for future operations, are forward-looking statements. The words “anticipate,” “assume,” “believe,” “budget,” “estimate,” “expect,” “forecast,” “initial,” “intend,” “may,” “plan,” “potential,” “project,” “proposed,” “should,” “will,” “would” and similar expressions are intended to identify forward-looking statements. These forward-looking statements relate to, among other things:

- our businesses and prospects and our overall strategy;
- planned or estimated capital expenditures;
- availability of liquidity and capital resources;
- our ability to obtain additional financing as needed and the terms of financing transactions, including at Driftwood Holdings LP;
- revenues and expenses;
- progress in developing our projects and the timing of that progress;
- future values of the Company’s projects or other interests, operations or rights; and
- government regulations, including our ability to obtain, and the timing of, necessary governmental permits and approvals.

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 a number of known and unknown risks and uncertainties, which may cause our actual results and performance to be materially different from any future results or performance expressed or implied by the forward-looking statements. Factors that could cause actual results and performance to differ materially from any future results or performance expressed or implied by the forward-looking statements include, but are not limited to, the following:

- the uncertain nature of demand for and price of natural gas and LNG;
- risks related to shortages of LNG vessels worldwide;
- technological innovation which may render our anticipated competitive advantage obsolete;
- risks related to a terrorist or military incident involving an LNG carrier;
- changes in legislation and regulations relating to the LNG industry, including environmental laws and regulations that impose significant compliance costs and liabilities;
- governmental interventions in the LNG industry, including increases in barriers to international trade;
- uncertainties regarding our ability to maintain sufficient liquidity and attract sufficient capital resources to implement our projects;
- our limited operating history;
- our ability to attract and retain key personnel;
- risks related to doing business in, and having counterparties in, foreign countries;
- our reliance on the skill and expertise of third-party service providers;
- the ability of our vendors to meet their contractual obligations;
- risks and uncertainties inherent in management estimates of future operating results and cash flows;
- our ability to maintain compliance with our senior secured term loans and other agreements;
- changes in competitive factors, including the development or expansion of LNG, pipeline and other projects that are competitive with ours;
- development risks, operational hazards and regulatory approvals;
- our ability to enter and consummate planned financing and other transactions; and
- risks and uncertainties associated with litigation matters.

The forward-looking statements in this report speak 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.

DEFINITIONS

To the extent applicable, and as used in this quarterly report, the terms listed below have the following meanings:

ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Bcf	Billion cubic feet of natural gas
Bcf/d	Bcf per day
Bcfe	Billion cubic feet of natural gas equivalent
DD&A	Depreciation, depletion and amortization
DES	Delivered ex-ship
DOE/FE	U.S. Department of Energy, Office of Fossil Energy
EPC	Engineering, procurement and construction
FEED	Front-End Engineering and Design
FERC	U.S. Federal Energy Regulatory Commission
FID	Final investment decision as it pertains to the Driftwood Project
FTA countries	Countries with which the U.S. has a free trade agreement providing for national treatment for trade in natural gas
GAAP	Generally accepted accounting principles in the U.S.
JKM	Platts Japan Korea Marker index price for LNG
LNG	Liquefied natural gas
LSTK	Lump sum turnkey
Mcf	Thousand cubic feet of natural gas
MMBtu	Million British thermal units
MMcf	Million cubic feet of natural gas
MMcf/d	MMcf per day
MMcfe	Million cubic feet of natural gas equivalent volumes using a ratio of 6 Mcf to 1 barrel of liquid
Mtpa	Million tonnes per annum
Nasdaq	Nasdaq Capital Market
Non-FTA countries	Countries with which the U.S. does not have a free trade agreement providing for national treatment for trade in natural gas and with which trade is permitted
SEC	U.S. Securities and Exchange Commission
Train	An industrial facility comprised of a series of refrigerant compressor loops used to cool natural gas into LNG
U.S.	United States
USACE	U.S. Army Corps of Engineers

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TELLURIAN INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

(unaudited)

	September 30, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 91,057	\$ 133,714
Accounts receivable	4,872	1,498
Accounts receivable due from related parties	1,316	1,316
Prepaid expenses and other current assets	13,698	3,906
Total current assets	<u>110,943</u>	<u>140,434</u>
Property, plant and equipment, net	145,714	130,580
Deferred engineering costs	96,497	69,000
Non-current restricted cash	4,300	49,875
Other non-current assets	36,653	18,659
Total assets	<u>\$ 394,107</u>	<u>\$ 408,548</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,334	\$ 11,597
Accrued and other liabilities	33,334	41,173
Senior secured term loan	75,322	—
Total current liabilities	<u>115,990</u>	<u>52,770</u>
Long-term liabilities:		
Senior secured term loan	57,853	57,048
Other non-current liabilities	17,312	796
Total long-term liabilities	<u>75,165</u>	<u>57,844</u>
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 100,000,000 authorized: 6,123,782 and 6,123,782 shares outstanding, respectively	61	61
Common stock, \$0.01 par value, 400,000,000 authorized: 242,214,647 and 240,655,607 shares outstanding, respectively	2,210	2,195
Additional paid-in capital	768,766	749,537
Accumulated deficit	(568,085)	(453,859)
Total stockholders' equity	<u>202,952</u>	<u>297,934</u>
Total liabilities and stockholders' equity	<u>\$ 394,107</u>	<u>\$ 408,548</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

TELLURIAN INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues				
Natural gas revenue	\$ 9,344	\$ 799	\$ 19,637	\$ 2,551
LNG sales	—	—	—	2,689
Other LNG revenue	—	—	—	3,174
Total revenue	9,344	799	19,637	8,414
Operating costs and expenses				
Cost of sales	2,241	723	4,594	5,383
Development expenses	15,685	11,004	46,238	32,871
Depreciation, depletion and amortization	7,409	315	13,988	1,034
General and administrative expenses	22,369	20,437	67,825	61,046
Impairment charge and loss on transfer of assets	—	2,704	—	4,513
Total operating costs and expenses	47,704	35,183	132,645	104,847
Loss from operations	(38,360)	(34,384)	(113,008)	(96,433)
Interest income (expense), net	(6,079)	924	(10,065)	1,863
Other income, net	4,832	79	8,847	151
Loss before income taxes	(39,607)	(33,381)	(114,226)	(94,419)
Income tax benefit	—	190	—	190
Net loss	\$ (39,607)	\$ (33,191)	\$ (114,226)	\$ (94,229)
Net loss per common share: ⁽¹⁾				
Basic and diluted	\$ (0.18)	\$ (0.15)	\$ (0.52)	\$ (0.45)
Weighted-average shares outstanding:				
Basic and diluted	218,780	217,380	218,457	209,607

(1) The numerator for both basic and diluted loss per share is net loss. The denominator for both basic and diluted loss per share is the weighted-average shares outstanding during the period.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

TELLURIAN INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

(in thousands)
(unaudited)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCE AT JANUARY 1, 2019	\$ 61	\$ 2,195	\$ 749,537	\$ (453,859)	\$ 297,934
Share-based compensation ⁽¹⁾	—	15	15,222	—	15,237
Share-based payments	—	—	707	—	707
Issuance of common stock purchase warrant	—	—	3,300	—	3,300
Net loss	—	—	—	(114,226)	(114,226)
BALANCE AT SEPTEMBER 30, 2019	<u>\$ 61</u>	<u>\$ 2,210</u>	<u>\$ 768,766</u>	<u>\$ (568,085)</u>	<u>\$ 202,952</u>

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCE AT JULY 1, 2019	\$ 61	\$ 2,210	\$ 767,863	\$ (528,478)	\$ 241,656
Share-based compensation	—	—	741	—	741
Share-based payments	—	—	162	—	162
Net loss	—	—	—	(39,607)	(39,607)
BALANCE AT SEPTEMBER 30, 2019	<u>\$ 61</u>	<u>\$ 2,210</u>	<u>\$ 768,766</u>	<u>\$ (568,085)</u>	<u>\$ 202,952</u>

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCE AT JANUARY 1, 2018	\$ —	\$ 2,043	\$ 549,958	\$ (328,114)	\$ 223,887
Issuance of common stock	—	135	129,575	—	129,710
Issuance of Series C preferred stock	58	—	47,458	—	47,516
Share-based compensation ⁽²⁾	—	15	18,254	—	18,269
Net loss	—	—	—	(94,229)	(94,229)
BALANCE AT SEPTEMBER 30, 2018	<u>\$ 58</u>	<u>\$ 2,193</u>	<u>\$ 745,245</u>	<u>\$ (422,343)</u>	<u>\$ 325,153</u>

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCE AT JULY 1, 2018	\$ 43	\$ 2,193	\$ 731,970	\$ (389,152)	\$ 345,054
Issuance of Series C preferred stock	15	—	12,435	—	12,450
Share-based compensation	—	—	840	—	840
Net loss	—	—	—	(33,191)	(33,191)
BALANCE AT SEPTEMBER 30, 2018	<u>\$ 58</u>	<u>\$ 2,193</u>	<u>\$ 745,245</u>	<u>\$ (422,343)</u>	<u>\$ 325,153</u>

(1) Includes settlement of 2018 bonus that was accrued for in 2018.

(2) Includes settlement of 2017 bonus that was accrued for in 2017.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

TELLURIAN INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2019	2018
Cash flows from operating activities:		
Net loss	\$ (114,226)	\$ (94,229)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, depletion and amortization	13,988	1,034
Amortization of debt issuance costs, discounts and fees	6,674	—
Share-based compensation	3,526	3,279
Share-based payments	707	—
Impairment charge and loss on transfer of assets	—	4,513
Gain on sale of assets	(2,831)	—
Gain on financial instruments not designated as hedges	(3,497)	—
Other	(1,538)	—
Net changes in working capital (Note 15)	10,516	10,591
Net cash used in operating activities	<u>(86,681)</u>	<u>(74,812)</u>
Cash flows from investing activities:		
Acquisition and development of natural gas properties	(45,046)	(255)
Proceeds from sale of assets	6,156	167
Deferred engineering costs	(25,997)	—
Purchase of property - land (Note 15)	(180)	—
Purchase of property, plant and equipment	(2,552)	(4,814)
Net cash used in investing activities	<u>(67,619)</u>	<u>(4,902)</u>
Cash flows from financing activities:		
Proceeds from borrowing under term loan	75,000	59,400
Payments of term loan financing costs	(2,246)	(2,179)
Proceeds from issuance of common stock	—	133,800
Tax payments for net share settlement of equity awards (Note 15)	(6,686)	(5,733)
Equity offering costs	—	(4,090)
Net cash provided by financing activities	<u>66,068</u>	<u>181,198</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(88,232)	101,484
Cash, cash equivalents and restricted cash, beginning of period	183,589	128,273
Cash, cash equivalents and restricted cash, end of period	<u>\$ 95,357</u>	<u>\$ 229,757</u>
Supplementary disclosure of cash flow information:		
Interest paid	\$ 5,479	\$ —

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

Tellurian Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

NOTE 1 — GENERAL

The terms “we,” “our,” “us,” “Tellurian” and the “Company” as used in this report refer collectively to Tellurian Inc. and its subsidiaries unless the context suggests otherwise. These terms are used for convenience only and are not intended as a precise description of any separate legal entity associated with Tellurian Inc.

Nature of Operations

We plan to develop, own and operate a global natural gas business and to deliver natural gas to customers worldwide. Tellurian is developing a portfolio of natural gas production, LNG marketing, and infrastructure assets, including an LNG terminal facility (the “Driftwood terminal”) and an associated pipeline (the “Driftwood pipeline”) in southwest Louisiana. Tellurian intends to develop the Driftwood pipeline as part of what we refer to as the “Pipeline Network.” In addition to the Driftwood pipeline, the Pipeline Network is expected to include two pipelines, the Haynesville Global Access Pipeline and the Permian Global Access Pipeline, both of which are currently in the early stages of development. The Driftwood terminal, the Pipeline Network and certain natural gas production assets are collectively referred to as the “Driftwood Project”.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with GAAP for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain notes and other information have been condensed or omitted. The accompanying interim financial statements reflect all normal recurring adjustments that are, in the opinion of management, necessary for the fair presentation of our Condensed Consolidated Financial Statements. These interim financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2018.

Use of Estimates

To conform with GAAP, we make estimates and assumptions that affect the amounts reported in our Condensed Consolidated Financial Statements and the accompanying notes. Although these estimates and assumptions are based on our best available knowledge at the time, actual results may differ.

New Accounting Standards Issued and Adopted

We adopted ASU 2016-02, *Leases (Topic 842)*, on January 1, 2019, utilizing the optional transition approach to apply the standard at the beginning of the first quarter of 2019 with no retrospective adjustment to prior periods. In addition, we elected the transition package of practical expedients upon adoption which, among other things, allowed us not to reassess the historical lease classification. For additional details, refer to Note 14, *Leases*.

New Accounting Standards Issued But Not Yet Adopted

ASU 2016-13, *Measurement of Credit Losses on Financial Instruments (Topic 326)*, establishes the current expected credit loss model, a new impairment model for certain financial instruments based on expected rather than incurred losses. This ASU will be effective for annual reporting periods beginning after December 15, 2019, as well as interim periods included therein. We continue to evaluate the provisions of this ASU. However, based on our preliminary analysis, we do not believe it will have a material impact on our financial statements.

NOTE 2 — PREPAID EXPENSES AND OTHER CURRENT ASSETS

The components of prepaid expenses and other current assets consist of the following (in thousands):

	September 30, 2019	December 31, 2018
Prepaid expenses	\$ 1,093	\$ 2,279
Deposits	498	1,336
Future proceeds from sale of Magellan Petroleum UK (Note 3)	4,969	—
Tradable equity securities (Note 3)	3,731	—
Derivative asset, current (Note 6)	3,209	—
Other current assets	198	291
Total prepaid expenses and other current assets	<u>\$ 13,698</u>	<u>\$ 3,906</u>

Tellurian Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

NOTE 3 — PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is comprised of fixed assets and oil and natural gas properties, as shown below (in thousands):

	September 30, 2019	December 31, 2018
Land	\$ 13,808	\$ 13,276
Proved properties	141,898	101,459
Unproved properties	—	10,204
Wells in progress	324	4,660
Corporate and other	5,285	2,905
Total property, plant and equipment at cost	161,315	132,504
Accumulated DD&A	(15,601)	(1,924)
Total property, plant and equipment, net	\$ 145,714	\$ 130,580

Land

We own land in Louisiana for the purpose of constructing the Driftwood Project.

Proved Properties

We own producing and non-producing acreage in northern Louisiana.

Unproved Properties

On September 10, 2019 (the “Sale Closing Date”), we sold our wholly owned subsidiary, Magellan Petroleum (UK) Investments Holdings Limited (“Magellan Petroleum UK”), to a third party for approximately \$14.8 million. The assets and liabilities of Magellan Petroleum UK consisted predominantly of our non-operated interests in the Weald Basin, United Kingdom. On the Sale Closing Date, we received \$6.2 million in cash and the equivalent of \$3.7 million in the purchaser’s publicly traded equity securities (“Tradable Equity Securities”), which have been measured at fair value and represent a Level 1 instrument in the fair value hierarchy. The remaining consideration of approximately \$4.9 million (the “Future Proceeds”) will be received as follows:

	Amount	Due Date
December future proceeds	\$ 3,705	On or before December 31, 2019
March future proceeds	1,235	On or before March 31, 2020
Total remaining consideration	\$ 4,940	

The sale of Magellan Petroleum UK generated an overall gain of approximately \$4.2 million, of which approximately \$2.8 million has been recognized in the current period as Other income, net in our Condensed Consolidated Statements of Operations.

NOTE 4 — DEFERRED ENGINEERING COSTS

As of September 30, 2019, the deferred engineering balance of approximately \$96.5 million represents detailed engineering services related to the planned construction of the Driftwood terminal. This balance will be transferred to construction in progress upon reaching FID.

NOTE 5 — OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following (in thousands):

	September 30, 2019	December 31, 2018
Land lease and purchase options	\$ 4,822	\$ 4,115
Permitting costs	12,838	12,585
Right of use asset - leases (Note 14)	16,381	—
Other	2,612	1,959
Total other non-current assets	\$ 36,653	\$ 18,659

Tellurian Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

Land Lease and Purchase Options

We hold lease and purchase option agreements (the "Options") for certain tracts of land and associated river frontage that provide four or five-year terms. Upon exercise of the Options, the leases are subject to maximum terms of 60 years, inclusive of various renewals which are at our sole discretion. Costs of the Options will be amortized over the life of the lease once obtained, or capitalized into the land if purchased.

Permitting Costs

Permitting costs primarily represent the purchase of wetland credits in connection with our permit application to the USACE in 2017 and 2018. These wetland credits will be applied to our permit in accordance with the Clean Water Act and the Rivers and Harbors Act, which require us to mitigate the impact to Louisiana wetlands caused by the construction of the Driftwood Project. In May 2019, we received the USACE permit. The permitting costs will be transferred to construction in progress upon reaching FID.

NOTE 6 — FINANCIAL INSTRUMENTS

As discussed in Note 8, *Borrowings*, as part of entering into the senior secured term loan credit agreement in 2018, we are required to enter into and maintain certain hedging transactions. As a result, we use derivative financial instruments, namely over the counter ("OTC") commodity swap instruments ("commodity swaps"), to maintain compliance with this covenant. We do not hold or issue derivative financial instruments for trading purposes.

Commodity swap agreements involve payments to or receipts from counterparties based on the differential between two prices for the commodity, and include basis swaps to protect earnings from undue exposure to the risk of geographic disparities in commodity prices, as required by the negative covenant of the senior secured term loan credit agreement. The fair value of our commodity swaps is classified as Level 2 in the fair value hierarchy and is based on standard industry income approach models that use significant observable inputs, including but not limited to New York Mercantile Exchange (NYMEX) natural gas forward curves and basis forward curves, all of which are validated against external sources at least monthly.

The Company recognizes all derivative instruments as either assets or liabilities at fair value on a net basis as they are with a single counterparty and subject to a master netting arrangement. These derivative instruments are reported as either current or non-current assets or current or non-current liabilities, based on their maturity dates. The Company can net settle its derivative instruments at any time. As of September 30, 2019, we had a current asset of \$3.2 million, net, with respect to the fair value of the current portion of our commodity swaps. In addition, as of September 30, 2019, we had a non-current asset of \$0.4 million, net, with respect to the fair value of the non-current portion of our commodity swaps. The current and the non-current asset are classified within Prepaid expenses and other current assets and Other non-current assets, respectively, on the Condensed Consolidated Balance Sheets. Gross current asset and current liability amounts are \$3.2 million and \$0.0 million, respectively. Gross non-current asset and non-current liability amounts are \$0.7 million and \$0.3 million, respectively.

We do not apply hedge accounting for our commodity swaps; therefore, all changes in fair value of the Company's derivative instruments are recognized within Other income, net, in the Condensed Consolidated Statements of Operations. For the three and nine months ended September 30, 2019, we recognized a realized gain of \$2.0 million and \$2.5 million, respectively, and an unrealized gain of \$0.0 million and \$3.5 million, respectively, related to the changes in fair value of the commodity swaps in our Condensed Consolidated Statements of Operations. Derivative contracts which result in physical delivery of a commodity expected to be used or sold by the Company in the normal course of business are designated as normal purchases and sales and are exempt from derivative accounting. OTC arrangements require settlement in cash. Settlements of commodity derivative instruments are reported as a component of cash flows from operations in the Condensed Consolidated Statements of Cash Flows.

With respect to the commodity swaps, the Company hedged portions of expected sales of equity production and portions of its basis exposure to cover approximately 12.2 Bcf and 12.2 Bcf of natural gas, respectively, as of September 30, 2019. The open positions at September 30, 2019 had maturities extending through September 2021. For additional details, refer to Note 8, *Borrowings*.

Tellurian Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

NOTE 7 — ACCRUED AND OTHER LIABILITIES

The components of accrued and other liabilities consist of the following (in thousands):

	September 30, 2019	December 31, 2018
Project development activities	\$ 3,745	\$ 8,879
Payroll and compensation	19,492	23,286
Accrued taxes	1,026	2,507
Professional services (e.g., legal, audit)	3,300	2,423
Lease liability - current (Note 14)	2,217	—
Other	3,554	4,078
Total accrued and other liabilities	\$ 33,334	\$ 41,173

NOTE 8 — BORROWINGS

	September 30, 2019			December 31, 2018	
	Maturity	Interest Rate	Amount	Interest Rate	Amount
2019 Term Loan	May 2020 ⁽¹⁾	12% ⁽²⁾	\$ 86,508	—	\$ —
2018 Term Loan	September 2021	5%-8% + LIBOR ⁽³⁾	60,000	5%-8% + LIBOR ⁽³⁾	60,000
Unamortized deferred financing costs, discounts and fees			(13,333)		(2,952)
Total borrowings			\$ 133,175		\$ 57,048

⁽¹⁾ Subject to two six-month extensions if specific criteria are met.

⁽²⁾ Of this amount, we may defer up to 4% each quarter as paid-in-kind interest.

⁽³⁾ The applicable margin is 5% through the end of the first year from September 28, 2018 (the “Closing Date”), 7% through the end of the second year following the Closing Date and 8% thereafter.

As of September 30, 2019, the Company is in compliance with all covenants under its two credit agreements. Refer to Note 6, *Financial Instruments*, for details of hedging transactions, as of and for the period ended September 30, 2019, entered into as required by the 2018 Term Loan described below.

Short-term Borrowings — 2019 Term Loan

On May 23, 2019, Driftwood Holdings LP, a wholly owned subsidiary of the Company (“Driftwood Holdings”), entered into a senior secured term loan agreement (the “2019 Term Loan”) to borrow an aggregate principal amount of \$60.0 million. Fees associated with entering into the 2019 Term Loan of approximately \$2.2 million have been capitalized as deferred financing costs.

The 2019 Term Loan agreement provided Driftwood Holdings the right to borrow an additional \$15.0 million by August 31, 2019, subject to certain criteria. On July 11, 2019, all of the criteria were met and on July 16, 2019, Driftwood Holdings received these funds.

Borrowings under the 2019 Term Loan bear a fixed annual interest rate of 12%, of which 4% Driftwood Holdings may add to the outstanding principal as paid-in-kind interest at the end of each reporting period. This election was made in both June and September of 2019, which resulted in adding approximately \$1.0 million to the outstanding principal of the 2019 Term Loan. The 2019 Term Loan can be terminated prior to maturity, only in full, without an early termination penalty.

Upon maturity or early repayment of the 2019 Term Loan, Driftwood Holdings will also pay a final fee that is equal to 20% of the principal amount borrowed less financing costs and cash interest paid (the “Final Payment Fee”) to the lender. As of September 30, 2019, approximately \$7.9 million related to the Final Payment Fee have been recognized as a discount to the 2019 Term Loan within our Condensed Consolidated Balance Sheets.

Borrowings under the 2019 Term Loan are guaranteed by Tellurian Inc. and certain of its subsidiaries and are secured by substantially all of the assets of Tellurian Inc. and certain of its subsidiaries, other than Tellurian Production Holdings LLC and its subsidiaries, under one or more security agreements and pledge agreements.

In conjunction with the 2019 Term Loan, the Company issued a Common Stock Purchase Warrant (the “Warrant”) to the lender. The fair value of the Warrant of approximately \$3.3 million has been recognized as an original issue discount to the 2019 Term Loan. Refer to Note 10, *Stockholders’ Equity*, for further details.

Tellurian Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

Long-term Borrowings — 2018 Term Loan

On September 28, 2018 (the “Closing Date”), Tellurian Production Holdings LLC (“Production Holdings”), our wholly owned subsidiary, entered into a three-year senior secured term loan credit agreement (the “2018 Term Loan”) in an aggregate principal amount of \$60.0 million.

Our use of proceeds from the 2018 Term Loan is predominantly restricted to capital expenditures associated with certain development and drilling activities and fees related to the transaction itself and is presented within Non-current restricted cash on our Condensed Consolidated Balance Sheets. At September 30, 2019, unused proceeds from the 2018 Term Loan totaled \$4.3 million and were classified as Non-current restricted cash.

We have the right, but not the obligation, to make voluntary principal payments starting six months following the Closing Date in a minimum amount of \$5 million or any integral multiples of \$1 million in excess thereof. If no voluntary principal payments are made, the principal amount, together with any accrued interest, is payable at the maturity date of September 28, 2021.

The 2018 Term Loan can be terminated without penalty, with an early termination payment equal to the outstanding principal plus accrued interest.

Amounts borrowed under the 2018 Term Loan are guaranteed by Tellurian Inc. and each of Production Holdings’ subsidiaries. The 2018 Term Loan is collateralized by a first priority lien on all assets of Production Holdings and its subsidiaries, including domestic properties described in Note 3, *Property, Plant and Equipment*.

Fair Value

As of September 30, 2019, the outstanding principal of the 2018 Term Loan approximated fair value as the interest rate for the 2018 Term Loan was reflective of market rates. As of September 30, 2019, the fair value of the 2019 Term Loan, on a discounted cash flow basis, was approximately \$81.5 million as the 2019 Term Loan effective interest rate was higher than current market levels after giving effect to the Final Payment Fee. Both the 2018 Term Loan and the 2019 Term Loan represent Level 3 instruments in the fair value hierarchy.

NOTE 9 — COMMITMENTS AND CONTINGENCIES

On April 23, 2019, we entered into a master LNG sale and purchase agreement and related confirmation notices (collectively, the “SPA”) with an unrelated third-party LNG merchant. Pursuant to the SPA, we committed to purchase one cargo of LNG per quarter beginning in June 2020 through October 2022. The volume of each cargo is expected to range from 3.3 to 3.6 million MMBtu, and each cargo will be purchased under DES terms. The price of each cargo will be based on the JKM price in effect at the time of each purchase.

NOTE 10 — STOCKHOLDERS' EQUITY

At-the-Market Program

We maintain an at-the-market equity offering program pursuant to which we may sell shares of our common stock from time to time on Nasdaq through Credit Suisse Securities (USA) LLC acting as sales agent. We have remaining availability under the at-the-market program to raise aggregate sales proceeds of up to \$189.7 million.

Common Stock Purchase Warrant

As discussed in Note 8, *Borrowings*, on May 23, 2019 (the “Issuance Date”), in conjunction with the 2019 Term Loan, the Company issued the Warrant providing the lender with the right to purchase up to 1.5 million shares of our common stock at \$10.00 per share. The Warrant is immediately exercisable and will expire five years after the Issuance Date. The Warrant was valued using a Black-Scholes option pricing model that resulted in a relative fair value of approximately \$3.3 million on the Issuance Date and is not subject to subsequent remeasurement. The Warrant has been classified as equity and is recognized within Additional paid-in capital within our Condensed Consolidated Balance Sheets.

Preferred Stock

In March 2018, we entered into a preferred stock purchase agreement with BDC Oil and Gas Holdings, LLC (“Bechtel Holdings”), a Delaware limited liability company and an affiliate of Bechtel Oil, Gas and Chemicals, Inc., a Delaware corporation (“Bechtel”), pursuant to which we sold to Bechtel Holdings approximately 6.1 million shares of our Series C convertible preferred stock (the “Preferred Stock”). In exchange for the Preferred Stock, Bechtel provided \$50.0 million in detailed engineering services for the Driftwood Project. See Note 4, *Deferred Engineering Costs*, for further information regarding the costs associated with the detailed engineering services.

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The holders of the Preferred Stock do not have dividend rights but do have a liquidation preference over holders of our common stock. The holders of the Preferred Stock may convert all or any portion of their shares into shares of our common stock on a one-for-one basis. At any time after “Substantial Completion” of “Project 1,” each as defined in and pursuant to the LSTK EPC Agreement for the Driftwood LNG Phase 1 Liquefaction Facility, dated as of November 10, 2017, or at any time after March 21, 2028, we have the right to cause all of the Preferred Stock to be converted into shares of our common stock on a one-for-one basis. The Preferred Stock has been excluded from the computation of diluted loss per share because including it in the computation would have been antidilutive for the periods presented.

Public Equity Offering and Exercise of Overallotment

In June 2018, we sold 12.0 million shares of common stock for proceeds of approximately \$115.2 million, net of approximately \$3.6 million in fees and commissions. The underwriters were granted an option to purchase up to an additional 1.8 million shares of common stock within 30 days, which was not exercised.

In January 2018, in connection with the Company’s December 2017 equity offering, the underwriters exercised their option to purchase an additional 0.5 million shares of our common stock for proceeds of approximately \$14.5 million, net of approximately \$0.5 million in fees and commissions.

NOTE 11 — REVENUE

For the sale of commodities, we view the delivery of each unit (MMBtu) to be a separate performance obligation that is satisfied upon delivery. These contracts are either fixed price contracts or contracts with a fixed differential to an index price, both of which are deemed fixed consideration that is allocated to each performance obligation and represents the relative standalone selling price basis.

Purchases and sales of LNG inventory with the same counterparty that are entered into in contemplation of one another (including buy/sell arrangements) are combined and recorded on a net basis and reported in LNG sales on the Condensed Consolidated Statements of Operations. For such LNG sales, we require payment within 10 days from delivery. Other LNG revenue represents revenue earned from sub-charter agreements and is accounted for outside of ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*.

In our judgment, the performance obligations for the sale of natural gas and LNG are satisfied at a point in time because the customer obtains control and legal title of the asset when the natural gas or LNG is delivered to the designated sales point. We exclude all taxes from the measurement of transaction price.

Because our performance obligations have been satisfied and an unconditional right to consideration exists as of the balance sheet date, we have recognized amounts due from contracts with customers of \$4.2 million and \$0.5 million as Accounts receivable within the Condensed Consolidated Balance Sheet as of September 30, 2019 and December 31, 2018, respectively.

NOTE 12 — SHARE-BASED COMPENSATION

We have granted restricted stock, restricted stock units and phantom units (collectively, “Restricted Stock”), as well as unrestricted stock and stock options, to employees, directors and outside consultants (collectively, the “grantees”) under the Tellurian Inc. 2016 Omnibus Incentive Compensation Plan, as amended (the “2016 Plan”), and the Amended and Restated Tellurian Investments Inc. 2016 Omnibus Incentive Plan (the “Legacy Plan”). The maximum number of shares of Tellurian common stock authorized for issuance under the 2016 Plan is 40 million shares of common stock, and no further awards can be granted under the Legacy Plan.

Upon the vesting of restricted stock, shares of common stock will be released to the grantee. Upon the vesting of restricted stock units, the units will be converted into shares of common stock and released to the grantee. In March 2018, we began issuing phantom units that may be settled in either cash, stock, or a combination thereof. As of September 30, 2019, there was no Restricted Stock that would be required to be settled in cash.

As of September 30, 2019, we had granted approximately 24.7 million shares of performance-based Restricted Stock, of which approximately 19.7 million shares will vest entirely based upon FID, as defined in the award agreements, and approximately 4.3 million shares will vest in one-third increments at FID and the first and second anniversaries of FID. The remaining shares of performance-based Restricted Stock, totaling approximately 0.7 million shares, will vest based on other criteria. As of September 30, 2019, no expense had been recognized in connection with performance-based Restricted Stock.

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Notes to Condensed Consolidated Financial Statements (unaudited)

For the three and nine months ended September 30, 2019, the recognized share-based compensation expense related to all share-based awards totaled approximately \$0.7 million and \$3.5 million, respectively. As of September 30, 2019, unrecognized compensation expense, based on the grant date fair value, for all share-based awards totaled approximately \$196.8 million. Further, the approximately 24.7 million shares of performance-based Restricted Stock and approximately 2.0 million stock options outstanding have been excluded from the computation of diluted loss per share because including them in the computation would have been antidilutive for the periods presented.

NOTE 13 — INCOME TAXES

Due to our cumulative loss position, historical net operating losses (“NOLs”), and other available evidence related to our ability to generate taxable income, we have recorded a full valuation allowance against our net deferred tax assets as of September 30, 2019 and December 31, 2018. Accordingly, we have not recorded a provision for federal, state or foreign income taxes during the three and nine months ended September 30, 2019.

We experienced ownership changes as defined by Internal Revenue Code (“IRC”) Section 382 in 2017, and an analysis of the annual limitation on the utilization of our NOLs was performed at that time. It was determined that IRC Section 382 will not limit the use of our NOLs over the carryover period. We will continue to monitor trading activity in our shares that may cause an additional ownership change, which may ultimately affect our ability to fully utilize our existing NOL carryforwards.

NOTE 14 — LEASES

As outlined in Note 1, *General*, on January 1, 2019, we adopted ASU 2016-02, *Leases (Topic 842)*, utilizing the optional transition approach to apply the standard at the beginning of the first quarter of 2019 with no retrospective adjustment to prior periods. In addition, we elected the transition package of practical expedients to:

- i. carry-forward prior conclusions related to lease identification and classification for existing leases;
- ii. combine lease and non-lease components of an arrangement for all classes of our leased assets; and
- iii. omit short-term leases with a term of 12 months or less from recognition on the balance sheet.

Adoption of the new lease standard resulted in the recording of an additional right of use asset and a lease liability of approximately \$17.9 million and \$19.8 million, respectively, as of January 1, 2019. The difference between the right of use asset and lease liability, net of the deferred tax impact, represents the relief of the previously recorded rent accrual. The standard did not materially impact our consolidated net earnings and had no impact on cash flows.

We are a lessee of office space. Certain of our leases include one or more options to renew, with renewal terms that can extend the lease term from five to 10 years. The exercise of lease renewal options is at our sole discretion, and, as we are not reasonably certain that those options will be exercised, none are recognized as part of our right to use asset and lease liability. All of our leases are classified as operating. As of September 30, 2019, our weighted-average remaining lease term is approximately six years.

As at September 30, 2019, our right of use asset and lease liability is as follows (in thousands):

Lease	Presentation	September 30, 2019
Right of use asset	Other non-current assets	16,381
Total lease asset		\$ 16,381
Lease liability - current	Accrued and other liabilities	2,217
Lease liability - non-current	Other non-current liabilities	16,266
Total lease liability		\$ 18,483

For the three and nine months ended September 30, 2019 and 2018, our operating lease costs related to our office space were \$0.9 million and \$0.8 million, respectively, and \$2.7 million and \$2.1 million, respectively. As none of our leases provide an implicit rate, we have determined our own discount rate, which, on a weighted-average basis at September 30, 2019, was approximately 8%.

For the three and nine months ended September 30, 2019, we paid approximately \$0.9 million and \$2.3 million, respectively, in cash for amounts included in the measurement of lease liabilities, all of which are presented within operating cash flows. In addition, a lease liability arising from obtaining a right of use asset is treated as a non-cash item in our Condensed Consolidated Statements of Cash Flows. The table below presents a maturity analysis of our lease liability on an undiscounted basis and reconciles those amounts to the present value of the lease liability as at September 30, 2019 (in thousands):

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Maturity of lease liability

2019	\$	900
2020		3,626
2021		3,491
2022		3,793
2023		4,059
After 2023		8,061
Total lease payments	\$	23,930
Less: discount		5,447
Present value of lease liability	\$	18,483

At December 31, 2018, future undiscounted minimum rental payments due under noncancelable operating lease agreements pursuant to ASC Topic 840 were:

2019	\$	3,126
2020		3,510
2021		3,440
2022		3,718
2023		3,993
Thereafter		8,061
Total	\$	25,848

NOTE 15 — ADDITIONAL CASH FLOW INFORMATION

The following table provides information regarding the net changes in working capital (in thousands):

	Nine Months Ended September 30,	
	2019	2018
Accounts receivable	\$ (3,374)	\$ 99
Accounts receivable due from related parties	—	62
Prepaid expenses and other current assets	1,653	1,036
Accounts payable and accrued liabilities	14,187	13,548
Other, net	(1,950)	(4,154)
Net changes in working capital	\$ 10,516	\$ 10,591

The following table provides supplemental disclosure of cash flow information (in thousands):

	Nine Months Ended September 30,	
	2019	2018
Non-cash accruals of property, plant and equipment and other non-current assets	\$ 7,875	\$ 3,529
Accrued term loan issuance costs	—	441
2019 Term Loan paid-in-kind election	996	—
Future proceeds from sale of Magellan Petroleum UK	4,940	—
Tradable equity securities	3,705	—
Non-cash settlement of withholding taxes associated with the 2018 and 2017 bonus paid and vesting of certain awards, respectively	6,686	5,733
Non-cash settlement of the 2018 and 2017 bonus paid, respectively	18,396	15,202

The statement of cash flows for the nine months ended September 30, 2019 reflects a \$0.4 million non-cash movement for funds deposited in escrow in December 2018 that were cleared in March 2019 for the purchase of land.

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The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Condensed Consolidated Balance Sheets that sum to the total of such amounts shown in the Condensed Consolidated Statements of Cash Flows (in thousands):

	Nine Months Ended September 30,	
	2019	2018
Cash and cash equivalents	\$ 91,057	\$ 172,317
Non-current restricted cash	4,300	57,440
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 95,357</u>	<u>\$ 229,757</u>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The following discussion and analysis presents management's view of our business, financial condition and overall performance and should be read in conjunction with our Condensed Consolidated Financial Statements and the accompanying notes. This information is intended to provide investors with an understanding of our past development activities, current financial condition and outlook for the future organized as follows:

- Our Business
- Overview of Significant Events
- Liquidity and Capital Resources
- Capital Development Activities
- Results of Operations
- Off-Balance Sheet Arrangements
- Recent Accounting Standards

Our Business

Tellurian Inc. ("Tellurian," "we," "us," "our," or the "Company") intends to create value for shareholders by building a low-cost, global natural gas business, profitably delivering natural gas to customers worldwide (the "Business"). We are developing a portfolio of natural gas production, LNG marketing, and infrastructure assets that includes an LNG terminal facility (the "Driftwood terminal") and three related pipelines (the "Pipeline Network"). We refer to the Driftwood terminal, the Pipeline Network and certain natural gas production assets collectively as the "Driftwood Project". We currently estimate the total cost of the Driftwood Project to be approximately \$28.7 billion, including owners' costs, transaction costs and contingencies but excluding interest costs incurred during construction of the Driftwood terminal and other financing costs. Our Business may be developed in phases.

The proposed Driftwood terminal will have a liquefaction capacity of approximately 27.6 Mtpa and will be situated on approximately 1,000 acres in Calcasieu Parish, Louisiana. The proposed Driftwood terminal will include up to 20 liquefaction Trains, three full containment LNG storage tanks and three marine berths. We have entered into four LSTK EPC agreements totaling \$15.5 billion with Bechtel Oil, Gas and Chemicals, Inc. ("Bechtel") for construction of the Driftwood terminal.

The proposed Pipeline Network is currently expected to consist of three pipelines, the Driftwood pipeline, the Haynesville Global Access Pipeline and the Permian Global Access Pipeline. The Driftwood pipeline will be a 96-mile large diameter pipeline that will interconnect with 14 existing interstate pipelines throughout southwest Louisiana to secure adequate natural gas feedstock for the Driftwood terminal. The Driftwood pipeline will be comprised of 48-inch, 42-inch, 36-inch and 30-inch diameter pipeline segments and three compressor stations totaling approximately 274,000 horsepower, all as necessary to provide approximately 4 Bcf/d of average daily natural gas transportation service. We estimate construction costs for the Driftwood pipeline of approximately \$2.2 billion before owners' costs, financing costs and contingencies.

The Haynesville Global Access Pipeline is expected to run approximately 200 miles from northern to southwest Louisiana. The Permian Global Access Pipeline is expected to run approximately 625 miles from west Texas to southwest Louisiana. Each of these pipelines is expected to have a diameter of 42 inches and be capable of delivering approximately 2 Bcf/d of natural gas. We currently estimate that construction costs will be approximately \$1.4 billion for the Haynesville Global Access Pipeline and approximately \$4.2 billion for the Permian Global Access Pipeline, in each case before owners' costs, financing costs and contingencies. We are also considering the potential development of a fourth pipeline, the Delhi Connector Pipeline, which would run approximately 180 miles from Perryville/Delhi in northeast Louisiana to Lake Charles, Louisiana.

Our upstream properties, acquired in a series of transactions during 2017 and 2018, consist of 10,260 net acres and 66 producing wells (21 operated) located in the Haynesville Shale trend of northern Louisiana. These wells have net current production of approximately 34.2 MMcf/d. As of December 31, 2018, our estimate of net reserves in these properties was approximately 265 Bcfe. We began drilling certain locations on our properties in the fourth quarter of 2018, which were completed during the first half of 2019 using the proceeds from the senior secured term loan obtained in 2018 (the "2018 Term Loan" as described in Note 8, *Borrowings*, of our Notes to Condensed Consolidated Financial Statements).

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Management's Discussion and Analysis of Financial Condition and Results of Operations

In connection with the implementation of our Business, we are offering limited partnership interests in a subsidiary, Driftwood Holdings LP (“Driftwood Holdings”), which will own the Driftwood Project. Partners will contribute cash in exchange for equity in Driftwood Holdings and will receive LNG volumes at the cost of production, including the cost of debt, for the life of the Driftwood terminal. In July 2019, as described below in “Overview of Significant Events”, Total Delaware, Inc. (“Total”) and Total Gas & Power North America, Inc. (“Total Gas & Power”), subsidiaries of TOTAL S.A., entered into a series of definitive agreements with the Company pursuant to which, among other things, Total agreed to become the first partner in Driftwood Holdings. We plan to retain a portion of the ownership in Driftwood Holdings and have engaged Goldman Sachs & Co. and Société Générale to serve as financial advisors for Driftwood Holdings. We also continue to develop our LNG marketing activities as described below in “Overview of Significant Events.”

Overview of Significant Events

Significant Transactions

Common Stock Purchase Agreement. On April 3, 2019, we entered into a Common Stock Purchase Agreement (the “CSPA”) with Total, pursuant to which Total agreed to purchase, and the Company agreed to issue and sell in a private placement to Total, approximately 19.9 million shares of our common stock in exchange for a cash purchase price of approximately \$10.06 per share, which will generate aggregate gross proceeds of approximately \$200.0 million (the “Private Placement”). The closing of the Private Placement is subject to the satisfaction of certain closing conditions, including Tellurian reaching an affirmative FID with respect to “Phase 1” of the Driftwood Project.

Regulatory Developments. On April 18, 2019, FERC issued the order granting authorization for the Company to construct and operate the Driftwood terminal and the Driftwood pipeline. On May 2, 2019, the DOE/FE issued an order authorizing the Company to export to Non-FTA countries. On May 3, 2019, USACE issued the Section 10/Section 404 permit authorizing activities within “Waters of the U.S.” These three permits, along with the DOE/FE authorization for FTA countries issued in February 2017, air permits issued by the Louisiana Department of Environmental Quality in March 2017 and May 2018, and the coastal use permit issued by the Louisiana Department of Natural Resources in July 2018, comprise all the major permits required for construction and operation of the Driftwood terminal and Driftwood pipeline.

LNG Marketing. On April 23, 2019, in furtherance of our strategy of developing our LNG marketing activities, we entered into a master LNG sale and purchase agreement and related confirmation notices (collectively, the “SPA”) with an unrelated third-party LNG merchant. Pursuant to the SPA, we have committed to purchase one cargo of LNG per quarter beginning in June 2020 through October 2022. The quantity of each cargo is expected to range from 3.3 to 3.6 million MMBtu, and each cargo will be purchased under DES terms. The price for each cargo will be based on the JKM price in effect at the time of each purchase. Refer to “—*Driftwood Project*” below for additional SPAs executed in conjunction with the development of our business.

Term Loan. On May 23, 2019, Driftwood Holdings entered into a one-year senior secured term loan credit agreement (the “2019 Term Loan”) in the principal amount of \$60.0 million. Fees of approximately \$2.2 million were capitalized as deferred financing costs. The 2019 Term Loan agreement provided Driftwood Holdings the right to borrow an additional \$15.0 million by August 31, 2019, subject to certain criteria being met. On July 11, 2019, all of the criteria were met and on July 16, 2019, Driftwood Holdings received these funds. Amounts borrowed under the 2019 Term Loan bear a fixed annual interest rate of 12%, of which 4% Driftwood Holdings may add to the principal as paid-in-kind interest. Furthermore, upon the maturity of the 2019 Term Loan, Driftwood Holdings will incur a final payment fee equal to 20% of the principal amount funded less certain deferred financing costs and cash interest paid. In conjunction with the 2019 Term Loan, the Company issued a Common Stock Purchase Warrant (the “Warrant”) to the lender. As discussed in Note 10, *Stockholders' Equity*, of our Notes to Condensed Consolidated Financial Statements, the estimated fair value of the Warrant of approximately \$3.3 million has been recognized as an original issue discount related to the 2019 Term Loan.

Driftwood Project. On July 10, 2019, Driftwood Holdings entered into an equity capital contribution agreement (the “Contribution Agreement”) with Total, whereby Total agreed to make a \$500.0 million capital commitment to Driftwood Holdings in exchange for Class A limited partnership interests in Driftwood Holdings. The closing of the transactions contemplated by the Contribution Agreement is subject to the satisfaction of certain closing conditions, including Tellurian reaching an affirmative FID with respect to “Phase 1” of the Driftwood Project. Subject to the terms and conditions of the Contribution Agreement, upon the occurrence of FID with respect to Phase 1 of the Driftwood Project, Total Gas & Power and Driftwood LNG LLC, a subsidiary of the Company (“Driftwood LNG”), will enter into a sale and purchase agreement (the “LNG SPA”) pursuant to which Total Gas & Power will have the right to purchase from Driftwood LNG approximately 1.0 Mtpa of LNG from the Driftwood terminal.

Also on July 10, 2019, Tellurian Trading UK Ltd, a wholly owned subsidiary of the Company (“Tellurian Trading”), and Total Gas & Power entered into a sale and purchase agreement pursuant to which Total Gas & Power has the right to purchase from Tellurian Trading approximately 1.5 Mtpa of LNG on a free on board basis at prices based on the JKM index price, subject to the terms and conditions of the agreement.

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Liquidity and Capital Resources

Capital Resources

We are currently funding our operations, development activities and general working capital needs through our cash on hand. Pursuant to the 2018 Term Loan, we are funding our specific upstream development and drilling activities with the proceeds from the 2018 Term Loan and approximately \$15.4 million of cash and cash equivalents as of September 30, 2019, maintained at a wholly-owned subsidiary of Tellurian Production Holdings LLC. Our current capital resources consist of approximately \$91.1 million of cash and cash equivalents as of September 30, 2019 on a consolidated basis, which are primarily the result of issuances of common stock in 2017 and in the first half of 2018, proceeds received under the 2019 Term Loan and from the sale of Magellan Petroleum UK, approximately \$3.7 million in Tradable equity securities also received from the sale of Magellan Petroleum UK and approximately \$4.3 million of non-current restricted cash from the 2018 Term Loan. We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Pursuant to the terms of the 2019 Term Loan, we are required to maintain an aggregate \$30.0 million balance in accounts constituting collateral. Furthermore, and as discussed above in "Overview of Significant Events", the Company agreed to issue and sell in a private placement to Total approximately 19.9 million shares of our common stock for approximately \$10.06 per share, resulting in aggregate gross proceeds of approximately \$200.0 million, which is subject to the satisfaction of certain closing conditions, including Tellurian reaching an affirmative FID with respect to "Phase I" of the Driftwood Project.

We also have the ability to raise funds through common or preferred stock issuances, debt financings, an at-the-market equity offering program or the sale of assets. We maintain an at-the-market equity offering program through Credit Suisse Securities (USA) LLC under which we have remaining availability to raise aggregate sales proceeds of up to \$189.7 million.

Sources and Uses of Cash

The following table summarizes the sources and uses of our cash and cash equivalents and costs and expenses for the periods presented (in thousands):

	Nine Months Ended September 30,	
	2019	2018
Cash used in operating activities	\$ (86,681)	\$ (74,812)
Cash used in investing activities	(67,619)	(4,902)
Cash provided by financing activities	66,068	181,198
Net (decrease) increase in cash, cash equivalents and restricted cash	(88,232)	101,484
Cash, cash equivalents and restricted cash, beginning of the period	183,589	128,273
Cash, cash equivalents and restricted cash, end of the period	<u>\$ 95,357</u>	<u>\$ 229,757</u>
Net working capital	<u>\$ (5,047)</u>	<u>\$ 138,205</u>

Cash used in operating activities for the nine months ended September 30, 2019 increased by approximately \$11.9 million compared to the same period in 2018 due to an overall increase in disbursements in the normal course of business.

Cash used in investing activities for the nine months ended September 30, 2019 increased by approximately \$62.7 million compared to the same period in 2018. This increase is predominantly driven by increased natural gas development activities of \$44.8 million and payments of \$26.0 million related to deferred engineering costs that were settled as a non-cash transaction through the issuance of preferred stock in the prior period. The deferred engineering costs included a partial payment of approximately \$10.0 million for the preservation of the manufacturing and supply schedule under the EPC. This increase was partially offset by approximately \$6.2 million of cash consideration received in connection with the sale of Magellan Petroleum UK, as discussed in Note 3, *Property, Plant and Equipment*, of our Notes to Condensed Consolidated Financial Statements.

Cash provided by financing activities for the nine months ended September 30, 2019 decreased by approximately \$115.1 million compared to the same period in 2018. This decrease primarily relates to the absence of a public equity offering, including the exercise of an overallotment option, totaling approximately \$129.7 million, as discussed in Note 10, *Stockholders' Equity*, of our Notes to Condensed Consolidated Financial Statements. This decrease was partially offset by approximately \$15.5 million of net proceeds from the 2019 Term Loan relative to the net proceeds from the 2018 Term Loan in the same period in 2018.

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Borrowings

As of September 30, 2019, we had total indebtedness of approximately \$133.2 million, all of which was secured indebtedness. At September 30, 2019, we were in compliance with the covenants under both our 2018 and 2019 senior secured term loan credit agreements. For additional details regarding our borrowing activity, refer to Note 8, *Borrowings*, of our Notes to Condensed Consolidated Financial Statements.

Capital Development Activities

The activities we have proposed will require significant amounts of capital and are subject to risks and delays in completion. We have received all regulatory approvals and plan to commence construction of the Driftwood terminal and Driftwood pipeline in 2020, produce the first LNG in 2023 and achieve full operations in 2026. As a result, our business success will depend to a significant extent upon our ability to obtain the funding necessary to construct assets on a commercially viable basis and to finance the costs of staffing, operating and expanding our company during that process.

We estimate construction costs of approximately \$15.5 billion, or \$561 per tonne, for the Driftwood terminal and approximately \$2.2 billion for the Driftwood pipeline, in each case before owners' costs, financing costs and contingencies. We also are in the preliminary routing stage of developing the Haynesville Global Access Pipeline and the Permian Global Access Pipeline, which combined are estimated to cost approximately \$5.6 billion before owners' costs, financing costs and contingencies. In addition, the natural gas production activities we are pursuing will require considerable capital resources. We anticipate funding our more immediate liquidity requirements relative to the detailed engineering work and other developmental and general and administrative costs through the use of cash from the completed equity issuances and the 2019 Term Loan discussed above and future issuances of equity or debt securities by us.

We currently expect that our long-term capital requirements will be financed by proceeds from future debt and equity transactions. In addition, part of our financing strategy is expected to involve seeking equity investments by LNG customers at a subsidiary level. If the types of financing we expect to pursue are not available, we will be required to seek alternative sources of financing, which may not be available on acceptable terms, if at all.

Results of Operations

The following table summarizes revenue, costs and expenses for the periods presented (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Total revenue	\$ 9,344	\$ 799	\$ 19,637	\$ 8,414
Cost of sales	2,241	723	4,594	5,383
Development expenses	15,685	11,004	46,238	32,871
Depreciation, depletion and amortization	7,409	315	13,988	1,034
General and administrative expenses	22,369	20,437	67,825	61,046
Impairment charge and loss on transfer of assets	—	2,704	—	4,513
Loss from operations	(38,360)	(34,384)	(113,008)	(96,433)
Interest income (expense), net	(6,079)	924	(10,065)	1,863
Other income, net	4,832	79	8,847	151
Income tax benefit	—	190	—	190
Net loss	\$ (39,607)	\$ (33,191)	\$ (114,226)	\$ (94,229)

Our consolidated net loss was approximately \$39.6 million for the three months ended September 30, 2019, compared to a net loss of approximately \$33.2 million during the same period in 2018. This \$6.4 million increase in net loss is primarily a result of the following:

- Cost of sales during the period increased by approximately \$1.5 million compared to the same period in 2018 due to an increase in natural gas sales as a result of an increase in production volumes.
- Development expenses during the period increased by approximately \$4.7 million compared to the same period in 2018 as a result of an overall increase in development activities associated with the Driftwood Project.
- DD&A during the period increased by approximately \$7.1 million compared to the same period in 2018 due to the increase in natural gas production as discussed earlier.

Tellurian Inc. and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations

- General and administrative expenses increased by approximately \$1.9 million during the period due primarily to an increase in employee headcount when compared to the same period in 2018.
- The \$7.0 million increase in interest expense, net, is primarily attributable to (i) the recognition of interest expenses on the 2018 Term Loan, which was only partially present in the prior period, and (ii) the 2019 Term Loan, which was not in place in the prior period.

The above factors were partially offset by (i) an increase in revenues of approximately \$8.5 million due to higher natural gas production volumes that have led to the increase in natural gas sales; (ii) the absence of an impairment charge and loss on transfer of assets of approximately \$2.7 million in the prior period; and (iii) an increase in other income of approximately \$4.8 million predominantly due to (a) the recognition of approximately \$2.8 million of gain on the sale of Magellan Petroleum UK, and (b) the approximately \$2.0 million of gains on financial instruments not designated as hedges, each as outlined in Note 3, *Property, Plant and Equipment*, and Note 6, *Financial Instruments*, respectively, of our Notes to the Condensed Consolidated Financial Statements.

Our consolidated net loss was approximately \$114.2 million for the nine months ended September 30, 2019, compared to a net loss of approximately \$94.2 million during the same period in 2018. This \$20.0 million increase in net loss is primarily a result of the following:

- Development expenses during the period increased by approximately \$13.4 million compared to the same period in 2018 as a result of an overall increase in development activities associated with the Driftwood Project.
- DD&A during the period increased by approximately \$13.0 million compared to the same period in 2018 due to the increase in natural gas production as discussed earlier.
- General and administrative expenses increased by approximately \$6.8 million during the period, due primarily to an increase in employee headcount when compared to the same period in 2018.
- Interest expense, net, increased by approximately \$11.9 million during the period primarily due to (i) the recognition of interest expenses on the 2018 Term Loan, which was only partially present in the prior period, and (ii) the 2019 Term Loan, which was not in place in the prior period.

The above factors were partially offset by (i) an approximately \$11.2 million increase in revenues due to higher natural gas sales and an approximately \$0.8 million decrease in cost of sales due to the absence of costs related to LNG marketing transactions; (ii) the absence of an impairment charge and loss on transfer of assets of approximately \$4.5 million in the prior period; and (iii) an increase in other income of approximately \$8.7 million predominantly due to (a) the recognition of approximately \$2.8 million of gain on the sale of Magellan Petroleum UK and (b) the approximately \$6.0 million of gains on financial instruments not designated as hedges, each as outlined in Note 3, *Property, Plant and Equipment*, and Note 6, *Financial Instruments*, respectively, of our Notes to the Condensed Consolidated Financial Statements.

Off-Balance Sheet Arrangements

As of September 30, 2019, we had no transactions that met the definition of off-balance sheet arrangements that may have a current or future material effect on our consolidated financial position or operating results.

Recent Accounting Standards

For descriptions of recently issued accounting standards, see Note 1, *General*, of our Notes to Condensed Consolidated Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not believe that we hold, or are party to, instruments that are subject to market risks that are material to our Business.

ITEM 4. CONTROLS AND PROCEDURES

As indicated in the certifications in Exhibits 31.1 and 31.2 to this report, our Chief Executive Officer and Chief Financial Officer have evaluated our disclosure controls and procedures as of September 30, 2019. Based on that evaluation, these officers have concluded that our disclosure controls and procedures are effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to them in a manner that allows for timely decisions regarding required disclosures and are effective in ensuring that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. There were no changes during our last fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no material changes to the legal proceedings disclosed in Part I, Item 3, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, except that the trial date, previously set for June 2019, has been changed to February 2020.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

None that occurred during the three months ended September 30, 2019.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None that occurred during the three months ended September 30, 2019.

ITEM 5. OTHER INFORMATION

Compliance Disclosure

Pursuant to Section 13(r) of the Exchange Act, if during the quarter ended September 30, 2019, we or any of our affiliates had engaged in certain transactions with Iran or with persons or entities designated under certain executive orders, we would be required to disclose information regarding such transactions in our quarterly report on Form 10-Q as required under Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (the "ITRSHRA"). Disclosure is generally required even if the activities were conducted outside the United States by non-U.S. entities in compliance with applicable law. During the quarter ended September 30, 2019, we did not engage in any transactions with Iran or with persons or entities related to Iran.

Total Delaware, Inc. and TOTAL S.A. have beneficial ownership of approximately 19% of the outstanding Tellurian common stock. Total Delaware, Inc. has the right to designate for election one member of Tellurian's board of directors, and Eric Festa is the current Total Delaware, Inc. designee. Total Delaware, Inc. will retain this right for so long as its percentage ownership of Tellurian voting stock is at least 10%. On March 20, 2019, TOTAL S.A. included information in its Annual Report on Form 20-F for the year ended December 31, 2018 (the "Total 2018 Annual Report") regarding activities during 2018 that require disclosure under the ITRSHRA. The relevant disclosures were reproduced in Exhibit 99.1 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, filed with the SEC on May 8, 2019 and are incorporated by reference herein. We have no involvement in or control over such activities, and we have not independently verified or participated in the preparation of the disclosures made in the Total 2018 Annual Report.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1††	Equity Capital Contribution Agreement, dated as of July 10, 2019, by and between Driftwood Holdings LP and TOTAL Delaware, Inc. (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019)
10.2††	LNG Sale and Purchase Agreement, dated as of July 10, 2019, by and between Tellurian Trading UK Ltd and Total Gas & Power North America, Inc. (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019)
10.3††*	Change Order CO-002, dated as of July 24, 2019, to the Lump Sum Turnkey Agreement for the Engineering, Procurement and Construction of the Driftwood LNG Phase 1 Liquefaction Facility, dated as of November 10, 2017, by and between Driftwood LNG LLC and Bechtel Oil, Gas and Chemicals, Inc.
10.4††*	Change Order CO-003, executed on July 24, 2019, to the Lump Sum Turnkey Agreement for the Engineering, Procurement and Construction of the Driftwood LNG Phase 1 Liquefaction Facility, dated as of November 10, 2017, by and between Driftwood LNG LLC and Bechtel Oil, Gas and Chemicals, Inc.
10.5††*	Change Order CO-002, executed on July 24, 2019, to the Lump Sum Turnkey Agreement for the Engineering, Procurement and Construction of the Driftwood LNG Phase 2 Liquefaction Facility, dated as of November 10, 2017, by and between Driftwood LNG LLC and Bechtel Oil, Gas and Chemicals, Inc.
10.6*	Change Order CO-002, executed on July 24, 2019, to the Lump Sum Turnkey Agreement for the Engineering, Procurement and Construction of the Driftwood LNG Phase 3 Liquefaction Facility, dated as of November 10, 2017, by and between Driftwood LNG LLC and Bechtel Oil, Gas and Chemicals, Inc.
10.7*	Change Order CO-002, executed on July 24, 2019, to the Lump Sum Turnkey Agreement for the Engineering, Procurement and Construction of the Driftwood LNG Phase 4 Liquefaction Facility, dated as of November 10, 2017, by and between Driftwood LNG LLC and Bechtel Oil, Gas and Chemicals, Inc.
10.8†*	Form of Indemnification Agreement (Officers)
10.9†*	Form of Indemnification Agreement (Directors)
31.1*	Certification by Chief Executive Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act
31.2*	Certification by Chief Financial Officer required by Rule 13a-14(a) and 15d-14(a) under the Exchange Act
32.1**	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Section 13(r) Disclosure (incorporated by reference to Exhibit 99.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019)
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, formatted in Inline XBRL

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan or arrangement.

†† Portions of this exhibit have been omitted in accordance with Item 601(b)(10) of Regulation S-K. The omitted information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

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, thereunto duly authorized.

TELLURIAN INC.

Date: November 6, 2019 By: /s/ Antoine J. Lafargue
Antoine J. Lafargue
Senior Vice President and Chief Financial Officer
(as Principal Financial Officer)
Tellurian Inc.

Date: November 6, 2019 By: /s/ Khaled A. Sharafeldin
Khaled A. Sharafeldin
Chief Accounting Officer
(as Principal Accounting Officer)
Tellurian Inc.

CHANGE ORDER FORM

PROJECT NAME: Driftwood LNG Phase 1

OWNER: Driftwood LNG LLC

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: 10 November 2017

CHANGE ORDER NUMBER: CO-002

DATE OF CHANGE ORDER: July 24, 2019

The Agreement between the Parties listed above is changed as follows:

I. Scope Adjustments

Per Article 6.1B of the Phase 1 EPC Agreement, Parties agree to modify the scope of work as detailed below.

The Parties agree that Section 5.15.1 of Attachment 1 Schedule 1-1 of the Phase 1 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows. Further scope details of this change are enclosed as Exhibit G Phase 1 Scope Trend #S1-0040 (CSU Power).

“Contractor shall be responsible for construction power and payments until Substantial Completion. Owner shall be responsible for providing commissioning power in accordance with Exhibit D of Driftwood LNG Phase 1 Change Order number CO-002 at which point permanent power for facility and payments shall also be provided by Owner.

No later than 10 months after NTP, Contractor will turnover to Owner a rough graded pad for switchyard area having top of grade high point of 105.5 ft plant elevation (13.50 ft NAVD88), top of grade low point of 104.5 ft plant elevation (12.50 ft NAVD88) and a toe of pad slope at 3:1 ratio at pad turnover.

The Entergy switchyard rough graded pad will be constructed from general fill and does not include any settlement allowance. Owner shall be responsible for installation of final grading, compacted gravel, supply of equipment, installation, commissioning, operation, maintenance, spill cleanup and hazardous material disposal as a result of work in the switchyard areas.

Owner shall be responsible for all electricity usage fees and infrastructure fees from a local energy provider as required to meet the Project commissioning power requirements associated with the Work in accordance with Exhibit D of Driftwood LNG Phase 1 Change Order number CO-002. ~~Contractor shall be responsible for commissioning power up to a maximum of 15 MW and until 4 weeks prior to RFSU at which point permanent power facility and payments shall be provided by Owner.~~

The Parties agree that Section 5.15.2 of Attachment 1 Schedule 1-1 of the Phase 1 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows. Further scope details of this change are enclosed as Exhibit H Phase 1 Scope Trend #S1-0036 (Water).

“Owner shall provide a pipeline for Contractor’s use to connect to the municipal water supply ~~at the Site boundary intersection of Global Drive and Burton Shipyard Road~~ in accordance with ~~Attachment 25, Exhibit 25-1~~ Exhibit C of Driftwood LNG Phase 1 Change Order number CO-002. Exhibit C of Driftwood LNG Phase 1 Change Order number CO-002 supersedes water tie-in information in Attachment 25, Exhibit 25-1. Tie-in descriptions to municipal water supply below:

1. ~~Contractor shall be responsible for installation of a tie-in and meter for municipal water required for construction and pay for same. Contractor assumes that this tie-in will have the capacity to supply approximately 250 gpm at 52 psig. Contractor shall provide and distribute water for Phase 1 construction activities on the Site until Substantial Completion of Project 2.~~

2. ~~Owner shall be responsible for installation of a tie-in and meter for municipal water required for potable uses for the Liquefaction Facility and pay for same. This tie-in will have the capacity to supply approximately 100 gpm at 52 psig.~~
3. ~~Owner shall be responsible for installation of a tie-in and meter for municipal water required for firewater use for the Liquefaction Facility and pay for same. This tie-in will have the capacity to supply approximately 500 gpm at 52 psig for a period of 8 hours.~~
1. Connection number 1: Owner shall be responsible for installation of a 6” header 150# tie-in north of building parking lot area for municipal water, as depicted on Exhibit C of Driftwood LNG Phase 1 Change Order number CO-002, required for potable uses for the Liquefaction Facility and pay for same. This tie-in will have the capacity to supply 100 gpm at a minimum pressure of 50 psig. A meter will be installed adjacent to the public portion of Burton Shipyard Road.
2. Connection number 2: Owner shall be responsible for installation of a 12” header 150# tie-in for well water required for fire/Demin/utility water use, as depicted on Exhibit C of Driftwood LNG Phase 1 Change Order number CO-002, for the Liquefaction Facility and pay for same. This tie-in will have the capacity to supply 1375 gpm at a minimum pressure of 50 psig.
3. Connection number 3: Owner shall be responsible for installation 2” header 150# potable water connection (from 6” header referenced in connection number 1) for Main Guard House. The tie in point will be just south of Main Guard House as depicted on Exhibit C of Driftwood LNG Phase 1 Change Order number CO-002. This tie-in will have the capacity to supply at a minimum pressure of 50 psig.
4. Connection number 4: Contractor shall be responsible for installation of a tie-in and meter for municipal water required for construction water and pay for same. Contractor will use the existing 6” header along Burton Shipyard Road and this tie-in will have the capacity to supply a minimum 250 gpm at a minimum pressure of 50 psig. Contractor shall use this connection to provide and distribute water for construction activities on the Site through all Phases of construction. Owner will not demolish or remove this 6” line prior to completion of all Phases of construction.
5. Connection number 5: Contractor shall be responsible for installation of a tie-in and meter for municipal water required for construction water and pay for same. Contractor will use the existing 10” header along Global Drive and this tie-in will have the capacity to supply a minimum of 250 gpm at a minimum pressure of 50 psig. Contractor shall use this connection to provide and distribute water for construction activities on the Site through all Phases of construction. Owner will not demolish or remove this 10” line prior to completion of all Phases of construction.
6. ~~Contractor~~ Owner will supply and install three water wells (up to 500 feet deep each and spaced 100 feet apart) on the Site ~~off-site to supplement and/or substitute for water provided by the municipal water system to meet water requirements as described above. The water wells will be designed with 500 gpm pumping capacity per well. The pumping capacity, spacing and depth of the wells are subject to change based on field verification (test wells). Owner will provide water (quantity, quality, and delivery conditions) as specified in Exhibit C of Driftwood LNG Phase 1 Change Order number CO-002. Contractor shall be entitled to a Change Order should field verification warrant modifications to the existing design in order to meet the required flowrates and quality for the firewater and utility/process water systems. Contractor assumes that the water quality from the wells on Site is consistent with the Calcasieu Parish water quality data in the Chicot Aquifer Summary Baseline Monitoring Report, FY 2002, Louisiana Department of environmental Quality.~~ Owner will allow Contractor to use excess well water, assuming wells are first used to supply all appropriate Liquefaction Facility operation uses, for construction purposes for all Projects.”

The Parties agree that **Section 1.7** will be added to **Attachment 21** of the **Phase 1 EPC Agreement** as follows to the extent that it applies to Phase 1 Scope Trend #S1-0036 (Water), #S1-0040 (CSU Power), and #S1-0041 (Road Modifications).

	Description of Data/Information/Documents Provided	Date Provided or to be Provided
1.7	Owner to provide written confirmation to Contractor that utility companies have disconnected all existing customers served by water, sewer, power, and telecommunication utilities crossing or within the Site boundaries and that above mentioned utilities are no longer required.	30 days prior to NTP

The Parties agree that **Section 2.8 of Attachment 21** and of the **Phase 1 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows to the extent that it applies to Phase 1 Scope Trend #S1-0036 (Water).

	Description of Data/Information/Documents Provided	Date Provided or to be Provided
2.8	Provide municipal water supply to the designated tie-in points in accordance with Attachment 25, Exhibit 25-1 and Attachment 1, Schedule 1-1, Section 5.15.2 as agreed and modified in Driftwood LNG Phase 1 Change Order number CO-002.	<p>At NTP</p> <p>Connection number 1: 6" header 150# potable water: connection and water supply provided prior to month 7 after NTP.</p> <p>Connection number 2: 12" header 150# tie-in and meter for well water required for fire/Demin/utility water use connection provided prior to month 7 after NTP and water supply available prior to 20 months after NTP</p> <p>Connection number 3: 2" header 150# potable water: connection and water supply provided prior to month 7 after NTP.</p>

The Parties agree that **Sections 2.15 of Attachment 21** of the **Phase 1 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows. Further scope details of this change are enclosed as Exhibit I Phase 1 Scope Trend #S1-0041 (Road Modifications).

	Description of Data/Information/Documents Provided	Date Provided or to be Provided
2.15	<p>a) Provide expansion of (i) Burton Shipyard Road including all associated utilities, easements, etc. so as to provide access to the Site according to the indicative standard in Exhibit 21-1. Owner is responsible for the construction of the road improvements Burton Shipyard Road from Highway 27 to approximately 3040 feet east of Global Drive intersection and (ii) Highway 27 including all associated utilities, easements, etc. so as to provide access to the Site according to the indicative standard in Exhibit 21-2.</p> <p>180 Days after NTP or upon completion of Burton Shipyard Road, whichever is earlier, is considered as the "Road Improvement Period". During the Road Improvement Period, Owner will ensure that two (2) lanes of traffic remain open for Contractors use of the portion of Burton Shipyard Road from Highway 27 to approximately 3040 feet east of Global Drive intersection to provide access to the Site according to the indicative standard in Exhibit 21-1.</p> <p>b) Convert Global Drive to private road from approximately twenty (20) feet south of the cemetery entrance to the Liquefaction Facility</p> <p>c) Convert Burton Shipyard Road to private road from, as a minimum, the location of the permanent plant gate house to east end at Calcasieu River bank</p> <p>***]</p>	<p>At NTP</p> <p>Item a): 180 days after NTP;</p> <p>Item b): at NTP</p> <p>Item c): at NTP</p> <p>Item d): at NTP</p>

The Parties agree that Sections 2.9, 2.16, and 2.26 of Attachment 21 and of the Phase 1 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows to the extent that it applies to Phase 1 Scope Trend #S1-0040 (CSU Power).

	Description of Data/Information/Documents Provided	Date Provided or to be Provided
2.9	Provide permanent electric power at the Benoit Switchyard tie-in points in accordance with the power supply requirements described in document the Scope of Facilities document 26089-200-G01-000-00001 with Exhibit E of Driftwood LNG Phase 1 Change Order number CO-002.	[***] weeks before first RFSU
2.16	Remove all existing Jefferson Davis substation above ground equipment, electrical lines and power poles along Global Drive and release servitude [***] days after NTP. After [***] days after NTP Contractor will remove the existing aboveground infrastructure at Owner's expense. Note that Contractor will be removing switchyard concrete pad as part of its demolition work.	[***] Days after NTP
2.26	Owner to provide commissioning electric power at the Benoit Switchyard tie-in points in accordance with Exhibit D of Driftwood LNG Phase 1 Change Order number CO-002. Owner supplied power will be available at the four (4) Owner tie-in points (H frame structures) located at Benoit Substation East side fence in accordance with Exhibit E of Driftwood LNG Phase 1 Change Order number CO-002.	Contractor will provide 90-day notice of when CSU power will be required. Owner to supply a minimum of 15MW, 34.5kVac, 60Hz CSU power by the later of NTP + [***] months or 90-day notice from Contractor

II. Cost Adjustments

The Parties agree that Article 7, Section 7.1 (Contract Price) of the Phase 1 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows:

“As compensation in full to Contractor for the full and complete performance of the Work and all of Contractor’s other obligations under this Agreement, Owner shall pay and Contractor shall accept ~~Seven Billion Two Hundred and Forty Million Three Hundred and Fourteen Thousand Two Hundred and Thirty Two~~ **Seven Billion Two Hundred and Twenty One Million Three Hundred and Fifty Five Thousand Two Hundred and Ninety** U.S. Dollars (U.S.\$~~7,240,314,232~~ **\$7,221,355,290**) and Three Hundred and Seventy Five Million Three Hundred and Forty Four Thousand One Hundred and Nineteen Euros (€375,344,119) (collectively the “Contract Price”).”

The Parties agree that Article 7, Section 7.1.A (Aggregate Provisional Sum) of the Phase 1 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows:

“**Aggregate Provisional Sum.** The Contract Price includes an aggregate amount of ~~Five Hundred and Forty Three Million Four Hundred and Twenty Thousand Eight Hundred and Eighteen~~ **Five Hundred and Thirty Eight Million Eight Hundred and Nineteen Thousand Two Hundred and Eight** U.S. Dollars (U.S.\$ ~~543,420,818~~ **\$538,819,208**) (the “**Aggregate Provisional Sum**”) for the Provisional Sums. The scope and values of each Provisional Sum comprising the Aggregate Provisional Sum amount are included in Attachment 31.”

The Parties agree that the below excerpt of Section 2.7 (Louisiana Sales and Use Taxes Provisional Sum) of Attachment 31 of the Phase 1 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows:

“The Aggregate Provisional Sum contains a Provisional Sum of [***] (U.S.\$ [***]) for Louisiana Sales and Use Taxes arising in connection with the Work (“**Louisiana Sales and Use Taxes Provisional Sum**”).”

The Parties agree that the below excerpt of **Section 2.9 (Commissioning Power Provisional Sum) of Attachment 31 of the Phase 1 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) per the below. [***].

“The Aggregate Provisional Sum contains a Provisional Sum of [***] Dollars (U.S.\$[***]) for the supply of commissioning power to the LNG facility as necessary to support the Project Schedule and the Work (“Commissioning Power Provisional Sum”). The Commissioning Power Provisional Sum work is defined in the **modified** Section 5.15.1 of Attachment 1-1 **in Driftwood LNG Phase 1 Change Order number CO-002** to include supply of equipment, installation, commissioning, operation, maintenance and all electricity usage fees and infrastructure fees from a local energy provider as required to meet the Project commissioning power requirements associated with the Work.”

The Parties agree that **Attachment 3 (Payment Schedule), Schedule 3-1 (Milestone Payment Schedule USD)** of the **Phase 1 EPC Agreement** is modified by addition of the payment milestones listed in Exhibit A of Driftwood LNG Phase 1 Change Order number CO-002.

Adjustment to Contract Price

The original Contract Price was	USD 7,240,314,232	EUR 375,344,119
Net change by previously authorized Change Orders (# CO-001)	USD 0	EUR 0
The Contract Price prior to this Change Order was	USD 7,240,314,232	EUR 375,344,119
The Contract Price will be (increased) (decreased) (unchanged)		
by this Change Order in the amount of	USD (18,958,942)	EUR 0
The new Contract Price including this Change Order will be	USD 7,221,355,290	EUR 375,344,119

Adjustments to dates in Project Schedule:

The following dates are modified: **N/A**

Adjustment to other Changed Criteria: **N/A**

Adjustment to Payment Schedule: **Yes. See Exhibit A**

Adjustment to Minimum Acceptance Criteria: **N/A**

Adjustment to Performance Guarantees: **N/A**

Adjustment to Design Basis: **N/A**

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: **N/A**

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: AP Contractor HC Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: _____ Contractor _____ Owner~~

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ Howard Candelet

Owner

Howard Candelet

Name

SVP Projects, President Driftwood LNG

Title

24th July 2019

Date of Signing

/s/ Andrey Polunin

Contractor

Andrey Polunin

Name

Senior Vice President

Title

May 31, 2019

Date of Signing

CHANGE ORDER FORM

PROJECT NAME: Driftwood LNG Phase 1

OWNER: Driftwood LNG LLC

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: 10 November 2017

CHANGE ORDER NUMBER: CO-003

DATE OF CHANGE ORDER: July 18th, 2019

The Agreement between the Parties listed above is changed as follows:

Per Article 6.1B of the Phase 1 EPC Agreement, Parties agree to modify the scope of work and contract terms as detailed below:

I. STRUCTURAL STEEL

A. Scope

Adjustments

The Parties agree that the design of the structural steel members of the Facility [***].

B. EPC Agreement Terms

Modifications

The Parties agree that Section 1.7 of Attachment 7 of the Phase 1 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows to the extent that it applies to the scope described in Exhibit D Phase 1 Scope Trend #S1-0117 [***].

*“Contractor shall use those Subcontractors listed below for the specified items of Work. Any deviation from this list or requests to use other Subcontractors for the specified items of Work must be approved in writing in advance by Owner in accordance with Section 2.4 of the Agreement. [***].”*

Primary Structural Steel

- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]

Secondary Structural Steel

- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]

[***]

C. Commercial Impacts

The Parties agree that the Contract Price will be increased by \$22,902,000 as full compensation for all changes listed in Section I.A and I.B of this Change Order.

The Parties agree that the Aggregate Provisional Sum will be decreased by \$60,097,471 in recognition of the changes listed in Section I.A and I.B of this Change Order.

II. DREDGING

A. Scope Adjustments

The Parties have finalized selection of the marine dredging Subcontractor and the execution methodology for dredging and dredge material transport as outlined in Exhibit K Phase 1 Scope Trend #S1-0115 (Dredging).

B. EPC Agreement Terms Modifications

The Parties agree that the below excerpt of Section 2.2 (Marine Dredging Provisional Sum) of Attachment 31 of the Phase 1 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows:

*“The Aggregate Provisional Sum contains a Provisional Sum of [***] U.S. Dollars (U.S.\$[***]) for performance of the marine dredging, the transportation of the dredge material, and the placement of the dredge material in an offsite location (“Marine Dredging Provisional Sum”). This work is defined in the FEED documentation. The Marine Dredging Provisional Sum is based on an estimated 3,054,400 cubic yards of material to be dredged, transported, and placed. Dredging is to take place in the LNG berth area, materials offloading facility (MOF) area and pioneer dock areas. The Marine Dredging Provisional Sum includes materials from the dredge program that will either be placed in the beneficial use areas as provided by Owner (material from LNG berths) or placed on-shore for disposal by Contractor (MOF and pioneer dock areas). The Marine Dredging Provisional Sum includes contouring the berth slopes and all offshore work to excavate/contour the marine berths, and maintenance dredging on the operating marine basin to its design depth prior to handover of the marine facility if necessary. The Marine Dredge Provisional Sum also includes additional direct and indirect costs associated with the implementation, oversight, and tracking of the work contained within this provisional sum.”*

C. Commercial Impacts

The Parties agree that the Contract Price will be increased by \$27,076,453 in recognition of the changes listed in Section II.A and II.B of this Change Order and as outlined in Exhibit E (Dredging Provisional Sum Update).

The Parties agree that the Aggregate Provisional Sum will be increased by \$25,543,824 in recognition of the changes listed in Section II.A and II.B of this Change Order and as outlined in Exhibit E (Dredging Provisional Sum Update).

III. HAZOP/LOPA

A. Scope Adjustments

The Parties agree the Scope of Work will be adjusted as outlined in Exhibit L Phase 1 Scope Trend #S1-0042 (HAZOP Actions Phase 1), Exhibit O Phase 1 HAZOP/LOPA ACTION ITEM 206, and Exhibit P Phase 1 HAZOP/LOPA ACTION ITEM 213.

B. EPC Agreement Terms Modifications

The Parties agree that the below excerpt of Section 1.2 (HAZOP/LOPA Design Change Provisional Sum) of Attachment 31 of the Phase 1 EPC Agreement is deleted from the Agreement [***] (red text are additions and strikethrough text are deletions) as follows:

~~*“The Aggregate Provisional Sum contains a Provisional Sum of [***] U.S. Dollars (U.S.\$[***]) for changes to the Work in connection with execution of HAZOP/LOPA reviews (“HAZOP/LOPA Design Change Provisional Sum”). HAZOP/LOPA reviews typically result in additional costs to Contractor to design, implement, procure, deliver, install, supervise, inspect, preserve and turnover to Owner any additional Work outside of Contractor’s scope defined in the FEED documents. This provisional sum will also include any HAZOP/LOPA reviews for Subcontractor design documentation as applicable. Contractor will implement HAZOP/LOPA resolutions and notify Owner accordingly.*~~

~~*If the actual amount of HAZOP/LOPA design changes implemented by Contractor is less than the HAZOP/LOPA Design Change Provisional Sum, Owner shall be entitled to a Change Order reducing the Contract Price by such difference and*~~

*[***] ([**%]) of such difference. If the actual amount of HAZOP/LOPA design changes implemented by Contractor is greater than the HAZOP/LOPA Design Change Provisional Sum, Contractor shall be entitled to a Change Order increasing the Contract Price by such difference and [***] ([**%]) of such difference."*

C. Commercial Impacts

The Parties agree that the Contract Price will be decreased by \$10,798,846 in recognition of the changes listed in Section III.A and III.B of this Change Order and as outlined in Exhibit F (HAZOP Actions for Phase 1).

The Parties agree that the Aggregate Provisional Sum will be decreased by \$20,000,000 in recognition of the changes listed in Section III.A and III.B of this Change Order and as outlined in Exhibit F (HAZOP Actions for Phase 1).

IV. EXTENSION OF BID VALIDITY

A. Scope

Adjustments

None

B. EPC Agreement Terms Modifications

The Parties agree that the below excerpt of Section 5.2.C of the Phase 1 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows:

1. "In the event Owner fails to issue the NTP in accordance with Section 5.2B by ~~December 31, 2017~~ **November 1, 2019**, then Contractor shall be entitled to a Change Order..."
2. "In the event Owner fails to issue the NTP in accordance with Section 5.2B by ~~January 2, 2019~~ **November 1, 2019**, then Contractor shall be entitled to a Change Order..."

C. Commercial Impacts

In consideration of the impacts discovered during assessment of market escalation from original bid validity, Contractor agrees to offset the commercial impacts of \$271,500,000.00 to its own account. The below adjustment represents the remaining impact funded by Owner.

The Parties agree that the Contract Price will be increased by \$101,289,000 as full compensation for all changes listed in Section IV.B of this Change Order and as outlined in Exhibit G Scope Trend #S1-0114 (Market Price Refresh).

V. FOREIGN TRADE ZONE

A. Scope

Adjustments

The Parties agree the Scope of Work will be adjusted as outlined in Exhibit N Phase 1 Scope Trend #S1-00116 (Foreign Trade Zone Phase 1).

B. EPC Agreement Terms Modifications

The Parties agree that the below excerpt of Section 2.3 (Customs, Tariffs, and Duties Provisional Sum) of Attachment 31 of the Phase 1 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows. [***].

*The Aggregate Provisional Sum contains a Provisional Sum of [***] U.S. Dollars (U.S.\$[***]) for customs, tariffs, and duties arising in connection with the Work ("Customs, Tariffs, and Duties Provisional Sum"). The Customs, Tariffs, and Duties Provisional Sum includes, but is not limited to, applicable customs duty, tariffs, taxes and fees including anti-dumping duties (ADD) and countervailing duties (CVD) assessed by U.S. Customs and Border Protection on Contractor, its Subcontractors and Sub-subcontractors for materials, equipment, components, and modules sourced from outside the United States during plant construction.*

C. Commercial Impacts

The Parties agree that the Contract Price will be increased by \$121,312 as full compensation for all changes listed in Section V.A and V.B of this Change Order.

The Parties agree that the Aggregate Provisional Sum will be decreased by \$11,787,592 in recognition of the changes listed in Section V.A and V.B of this Change Order.

VI. INSURANCE

A. Scope

Adjustments

None

B. EPC Agreement Terms

Modifications

The Parties agree that the below excerpt of **Section 2.1 (Insurance Provisional Sum)** of **Attachment 31** of the **Phase 1 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*“The Aggregate Provisional Sum contains a Provisional Sum of [***] U.S. Dollars (U.S.\$[***]) (“Insurance Provisional Sum”) for the cost of insurance premiums for the insurance required to be provided by Contractor in accordance with Attachment 15 (other than worker’s compensation, employer’s liability insurance and primary Commercial General Liability Insurance) (the “Project Insurances”). Such Insurance Provisional Sum shall be adjusted on an interim basis in accordance with Section 2.1(A) below. Subsequently, the Final Insurance Cost Adjustment outlined in Section 2.1(B) below will further adjust the Contract Price pursuant to a Change Order.*

C. Commercial

Impacts

The Parties agree that the Contract Price will be increased by **\$30,023,583** in recognition of the changes listed in **Section VI.B** of this Change Order.

The Parties agree that the Aggregate Provisional Sum will be increased by **\$30,023,583** in recognition of the changes listed in **Section VI.B** of this Change Order.

VII. TAXES

A. Scope

Adjustments

None

B. EPC Agreement Terms

Modifications

Due to change in **Section III** of this Change Order, the Parties agree that the below excerpt of **Section 2.7 (Louisiana Sales and Use Taxes Provisional Sum)** of **Attachment 31** of the **Phase 1 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*“The Aggregate Provisional Sum contains a Provisional Sum of [***] U.S. Dollars (U.S. \$[***]) for Louisiana Sales and Use Taxes arising in connection with the Work (“Louisiana Sales and Use Taxes Provisional Sum”)”*

C. Commercial

Impacts

The Parties agree that the Contract Price will be increased by **\$356,152** in recognition of the changes listed in **Section VII.B** of this Change Order.

The Parties agree that the Aggregate Provisional Sum will be increased by **\$356,152** in recognition of the changes listed in **Section VII.B** of this Change Order.

VIII. EPC Agreement Term

Limit

A. Scope

Adjustments

None

B. EPC Agreement Terms

Modifications

The Parties agree that the below excerpt of **Article 16 Section 7** of the **Phase 1 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

“Termination in the Event of Delayed Notice to Proceed. In the event Owner fails to issue the NTP in accordance with Section 5.2B by January 1, ~~2021~~2020 (as may be extended by mutual agreement by the Parties), then either Party shall have the right to terminate this Agreement by providing written notice of termination to the other Party, to be effective upon receipt by the other Party. In the event of such termination, Contractor shall have the rights (and Owner shall make the payments) provided for in Section 16.2, except that, in respect of loss of profit, Contractor shall only be entitled to a lump sum equal to U.S.\$5,000,000.”

C. Commercial

Impacts

None

IX. OTHER SCOPE ADJUSTMENTS

A. Scope

Adjustments

1. The Parties agree the Scope of Work will be adjusted as outlined in Exhibit M Phase 1 Scope Trend #S1-0089 (Warm Startup Phase 1).
2. The Parties agree the Scope of Work will be adjusted as outlined in Exhibit Q Phase 1 Scope Trend #S1-0079 (Low Voltage to PDS).
3. The Parties agree the Scope of Work will be adjusted as outlined in Exhibit R Phase 1 Scope Trend #S1-0085 (Raising Control Building Area).
4. The Parties agree the Scope of Work will be adjusted as outlined in Exhibit S Phase 1 Scope Trend #S1-0091 (GE Compressor Bundle Assembly Removal).
5. The Parties agree the Scope of Work will be adjusted as outlined in Exhibit T Phase 1 Scope Trend #S1-0102 (Gangway).
6. The Parties agree the Scope of Work will be adjusted as outlined in Exhibit U Phase 1 Scope Trend #S1-0106 (Cold Box Thermocouples).
7. The Parties agree the Scope of Work will be adjusted as outlined in Exhibit V Phase 1 Scope Trend #S1-0125 (Condensate Tank Foam System).
8. The Parties agree the Scope of Work will be adjusted as outlined in Exhibit W Phase 1 Scope Trend #S1-0131 (Additional Borescope Inspection Connections).
9. The Parties agree the Scope of Work will be adjusted to extend the permanent security fencing at the south side of Bollinger to the Calcasieu River.

B. EPC Agreement Terms Modifications

None

C. Commercial Impacts

The Parties agree that the Contract Price will increase by **\$7,930,028** in recognition of the changes listed in Section IX.A.1 to Section IX.A.9 of this Change Order and as outlined in Exhibit JI (Other Scope Adjustments).

For traceability for the Parties, \$1,868,818 of the Contract Price increase in this Change Order is a mutually agreed lump sum adjustment for items IX.A.2-9.

X. CONTRACT PRICE ADJUSTMENTS

The Parties agree that **Article 7, Section 7.1 (Contract Price)** of the **Phase 1 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*“As compensation in full to Contractor for the full and complete performance of the Work and all of Contractor’s other obligations under this Agreement, Owner shall pay and Contractor shall accept ~~Seven Billion Two Hundred and Twenty One Million Three Hundred and Fifty Five Thousand Two Hundred and Ninety U.S. Dollars (\$7,221,355,290)~~ **Seven Billion Four Hundred Million Two Hundred and Fifty Four Thousand Nine Hundred and Seventy Two U.S. Dollars (\$7,400,254,972)** and Three Hundred and Seventy Five Million Three Hundred and Forty Four Thousand One Hundred and Nineteen Euros (€375,344,119) (collectively the “Contract Price”).”*

The Parties agree that **Attachment 3 (Payment Schedule), Schedule 3-1 (Milestone Payment Schedule USD)** of the **Phase 1 EPC Agreement** is modified by addition of the payment milestones listed in Exhibit A of Driftwood LNG Phase 1 Change Order number CO-003.

The Parties agree that **Article 7, Section 7.1.A (Aggregate Provisional Sum)** of the **Phase 1 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows and listed in Exhibit B of Driftwood LNG Phase 1 Change Order number CO-003.:

*“**Aggregate Provisional Sum.** The Contract Price includes an aggregate amount of ~~Five Hundred and Thirty Eight Million Eight Hundred and Nineteen Thousand Two Hundred and Eight U.S. Dollars (U.S. \$538,819,208)~~ **Five Hundred and Two Million, Eight Hundred and Fifty-Seven Thousand Seven Hundred and Four U.S. Dollars (\$502,857,704)** (the “**Aggregate Provisional Sum**”) for the Provisional Sums. The scope and values of each Provisional Sum comprising the Aggregate Provisional Sum amount are included in Attachment 31.”*

Adjustment to Contract Price

The original Contract Price was	USD 7,240,314,232	EUR 375,344,119
Net change by previously authorized Change Orders (# CO-001)	USD (18,958,942)	EUR 0
The Contract Price prior to this Change Order was	USD 7,221,355,290	EUR 375,344,119
The Contract Price will be (increased) (decreased) (unchanged)		
by this Change Order in the amount of	USD 178,899,682	EUR 0
The new Contract Price including this Change Order will be	USD 7,400,254,972	EUR 375,344,119

The Aggregate Provisional Sum prior to this Change Order was	USD 538,819,208	EUR 0
The Aggregate Provisional Sum will be decreased	USD (35,961,504)	EUR 0
by this Change Order in the amount of		
The new Aggregate Provisional Sum	USD 502,857,704	EUR 0

Adjustments to dates in Project Schedule:

The following dates are modified: N/A

Adjustment to other Changed Criteria: N/A

Adjustment to Payment Schedule: **Yes. See Exhibit A**Adjustment to Provisional Sums: **Yes. See Exhibit B**

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: AP Contractor HC Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: Contractor Owner~~

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ Howard Candelet

Owner

Howard Candelet

Name

SVP Projects, President Driftwood LNG

Title

24th July 2019

Date of Signing

/s/ Andrey Polunin

Contractor

Andrey Polunin

Name

Senior Vice President

Title

18 July 2019

Date of Signing

CHANGE ORDER FORM

PROJECT NAME: Driftwood LNG Phase 2

OWNER: Driftwood LNG LLC

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: 10 November 2017

CHANGE ORDER NUMBER: CO-002

DATE OF CHANGE ORDER: July 18, 2019

The Agreement between the Parties listed above is changed as follows:

Per **Article 6.1B** of the **Phase 2 EPC Agreement**, Parties agree to modify the scope of work and contract terms as detailed below:

I. STRUCTURAL STEEL

A. Scope

Adjustments

The Parties agree that the design of the structural steel members of the Facility [***].

B. EPC Agreement Terms

Modifications

The Parties agree that **Section 1.7 of Attachment 7** of the **Phase 2 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows to the extent that it applies to the scope described in Exhibit D Phase 2 Scope Trend #S2-0006 [***].

*“Contractor shall use those Subcontractors listed below for the specified items of Work. Any deviation from this list or requests to use other Subcontractors for the specified items of Work must be approved in writing in advance by Owner in accordance with Section 2.4 of the Agreement. [***].”*

Primary Structural Steel

- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]

Secondary Structural Steel

- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]
- [***]

[***]

C. Commercial Impacts

The Parties agree that the Contract Price will be increased by \$7,834,000 as full compensation for all changes listed in Section I.A and I.B of this Change Order.

The Parties agree that the Aggregate Provisional Sum will be decreased by \$24,147,940 in recognition of the changes listed in Section I.A and I.B of this Change Order.

II. DREDGING

A. Scope Adjustments

The Parties have finalized selection of the marine dredging Subcontractor and the execution methodology for dredging and dredge material transport as outlined in Exhibit K Phase 2 Scope Trend #S2-0007 (Dredging).

B. EPC Agreement Terms Modifications

The Parties agree that the below excerpt of Section 2.2 (Marine Dredging Provisional Sum) of Attachment 31 of the Phase 2 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows:

*The Aggregate Provisional Sum contains a Provisional Sum of [***] U.S. Dollars (U.S.\$[***]) for performance of the marine dredging, the transportation of the dredge material, and the placement of the dredge material in an offsite location ("Marine Dredging Provisional Sum"). This work is defined in the FEED documentation. The Marine Dredging Provisional Sum is based on an estimated 1,495,000 cubic yards of material to be dredged, transported, and placed. Dredging is to take place in the LNG berth area, materials offloading facility (MOF) area and pioneer dock areas. The Marine Dredging Provisional Sum includes materials from the dredge program that will either be placed in the beneficial use areas as provided by Owner (material from LNG berths) or placed on-shore for disposal by Contractor (MOF and pioneer dock areas). The Marine Dredging Provisional Sum includes contouring the berth slopes and all offshore work to excavate/contour the marine berths, and maintenance dredging on the operating marine basin to its design depth prior to handover of the marine facility if necessary. The Marine Dredge Provisional Sum also includes additional direct and indirect costs associated with the implementation, oversight, and tracking of the work contained within this provisional sum.*

C. Commercial Impacts

The Parties agree that the Contract Price will be decreased by \$6,764,903 in recognition of the changes listed in Section II.A and II.B of this Change Order and as outlined in Exhibit E (Dredging Provisional Sum Update).

The Parties agree that the Aggregate Provisional Sum will be decreased by \$6,381,984 in recognition of the changes listed in Section II.A and II.B of this Change Order and as outlined in Exhibit E (Dredging Provisional Sum Update).

III. HAZOP/LOPA

A. Scope Adjustments

The Parties agree the Scope of Work will be adjusted as outlined in Exhibit L Phase 2 Scope Trend #S2-0002 (HAZOP Actions Phase 2).

B. EPC Agreement Terms Modifications

The Parties agree that the below excerpt of Section 1.2 (HAZOP/LOPA Design Change Provisional Sum) of Attachment 31 of the Phase 2 EPC Agreement is deleted from the Agreement [***] (red text are additions and strikethrough text are deletions) as follows.

~~*"The Aggregate Provisional Sum contains a Provisional Sum of [***] U.S. Dollars (U.S.\$[***]) for changes to the Work in connection with execution of HAZOP/LOPA reviews ("HAZOP/LOPA Design Change Provisional Sum"). HAZOP/LOPA reviews typically result in additional costs to Contractor to design, implement, procure, deliver, install, supervise, inspect, preserve and turnover to Owner any additional Work outside of Contractor's scope defined in the FEED documents. This provisional sum will also include any HAZOP/LOPA reviews for Subcontractor design documentation as applicable. Contractor will implement HAZOP/LOPA resolutions and notify Owner accordingly."*~~

~~*If the actual amount of HAZOP/LOPA design changes implemented by Contractor is less than the HAZOP/LOPA Design Change Provisional Sum, Owner shall be entitled to a Change Order reducing the Contract Price by such difference and [***] ([***]%) of such difference. If the actual amount of HAZOP/LOPA design changes implemented by Contractor is greater than the HAZOP/LOPA Design Change Provisional Sum, Contractor shall be entitled to a Change Order*~~

increasing the Contract Price by such difference and [***] (***)% of such difference.”

C. **Commercial Impacts**

The Parties agree that the Contract Price will be decreased by \$5,987,355 in recognition of the changes listed in Section III.A and III.B of this Change Order and as outlined in Exhibit F (HAZOP Actions for Phase 2).

The Parties agree that the Aggregate Provisional Sum will be decreased by \$10,000,000 in recognition of the changes listed in Section III.A and III.B of this Change Order and as outlined in Exhibit F (HAZOP Actions for Phase 2).

IV. **EXTENSION OF BID VALIDITY**

A. **Scope Adjustments**
None

B. **EPC Agreement Terms Modifications**

The Parties agree that the below excerpt of Article 5.2.C of the Phase 2 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows:

1. “In the event Owner fails to issue the NTP in accordance with Section 5.2B by ~~December 31, 2017~~ **November 1, 2019**, then Contractor shall be entitled to a Change Order...”
2. “In the event Owner fails to issue the NTP in accordance with Section 5.2B by ~~July 1, 2020~~ **November 1, 2019**, then Contractor shall be entitled to a Change Order...”

C. **Commercial Impacts**

In consideration of the impacts discovered during assessment of market escalation from original bid validity, Contractor agrees to offset the commercial impacts of \$78,000,000.00 to its own account. The below adjustment represents the remaining impact funded by Owner.

The Parties agree that the Contract Price will be increased by \$49,072,000 as full compensation for all changes listed in Section IV.B of this Change Order and as outlined in Exhibit G Scope Summary of Market Price Refresh.

V. **FOREIGN TRADE ZONE**

A. **Scope Adjustments**

The Parties agree the Scope of Work will be adjusted as outlined in Exhibit N Phase 2 Scope Trend #S2-0010 (Foreign Trade Zone Phase 2).

B. **EPC Agreement Terms Modifications**

The Parties agree that the below excerpt of Section 2.3 (Customs, Tariffs, and Duties Provisional Sum) of Attachment 31 of the Phase 2 EPC Agreement is modified (red text are additions and strikethrough text are deletions) as follows. [***].

“The Aggregate Provisional Sum contains a Provisional Sum of [***] U.S. Dollars (U.S. \$[***]) for customs, tariffs, and duties arising in connection with the Work (“Customs, Tariffs, and Duties Provisional Sum”). The Customs, Tariffs, and Duties Provisional Sum includes, but is not limited to, applicable customs duty, tariffs, taxes and fees including anti-dumping duties (ADD) and countervailing duties (CVD) assessed by U.S. Customs and Border Protection on Contractor, its Subcontractors and Sub-subcontractors for materials, equipment, components, and modules sourced from outside the United States during plant construction.”

C. **Commercial Impacts**

The Parties agree that the Contract Price will be decreased by \$453,308 in recognition of the changes listed in Section V.A and V.B of this Change Order.

The Parties agree that the Aggregate Provisional Sum will be decreased by \$4,907,248 in recognition of the changes listed in Section V.A and V.B of this Change Order.

VI. **INSURANCE**

A. **Scope Adjustments**

None

B. EPC Agreement Terms

Modifications

The Parties agree that the below excerpt of **Section 2.1 (Insurance Provisional Sum) of Attachment 31** of the **Phase 2 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*“The Aggregate Provisional Sum contains a Provisional Sum of [***] U.S. Dollars (U.S.\$ [***]) (“Insurance Provisional Sum”) for the cost of insurance premiums for the insurance required to be provided by Contractor in accordance with Attachment 15 (other than worker’s compensation, employer’s liability insurance and primary Commercial General Liability Insurance) (the “Project Insurances”). Such Insurance Provisional Sum shall be adjusted on an interim basis in accordance with Section 2.1(A) below. Subsequently, the Final Insurance Cost Adjustment outlined in Section 2.1(B) below will further adjust the Contract Price pursuant to a Change Order.”*

C. Commercial

Impacts

The Parties agree that the Contract Price will be increased by **\$10,294,547** in recognition of the changes listed in **Section VI.B** of this Change Order.

The Parties agree that the Aggregate Provisional Sum will be increased by **\$10,294,547** in recognition of the changes listed in **Section VI.B** of this Change Order.

VII. TAXES

A. Scope

Adjustments

None

B. EPC Agreement Terms

Modifications

Due to change in **Section III** of this Change Order, the Parties agree that the below excerpt of **Section 2.7 (Louisiana Sales and Use Taxes Provisional Sum) of Attachment 31** of the **Phase 2 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*“The Aggregate Provisional Sum contains a Provisional Sum of [***] U.S. Dollars (U.S. \$[***]) for Louisiana Sales and Use Taxes arising in connection with the Work (“Louisiana Sales and Use Taxes Provisional Sum”).*

C. Commercial

Impacts

The Parties agree that the Contract Price will increase by **\$224,128** in recognition of the changes listed in **Section VII.B** of this Change Order.

The Parties agree that the Aggregate Provisional Sum will increase by **\$224,128** in recognition of the changes listed in **Section VII.B** of this Change Order.

VIII. EPC Agreement Term

Limit

A. Scope

Adjustments

None

B. EPC Agreement Terms

Modifications

The Parties agree that the below excerpt of **Article 16 Section 7** of the **Phase 2 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

“Termination in the Event of Delayed Notice to Proceed. In the event Owner fails to issue the NTP in accordance with Section 5.2B by July 1, ~~2021~~ 2022 (as may be extended by mutual agreement by the Parties), then either Party shall have the right to terminate this Agreement by providing written notice of termination to the other Party, to be effective upon receipt by the other Party. In the event of such termination, Contractor shall have the rights (and Owner shall make the payments) provided for in Section 16.2, except that, in respect of loss of profit, Contractor shall only be entitled to a lump sum equal to U.S.\$5,000,000.”

C. Commercial

Impacts

None

**IX. OTHER SCOPE
ADJUSTMENTS**

**A. Scope
Adjustments**

1. The Parties agree the Scope of Work will be adjusted as outlined in Exhibit M Phase 2 Scope Trend #S2-0003 (Warm Startup Phase 2).
2. The Parties agree the Phase 2 Scope of Work will be adjusted as outlined in Phase 1 Change Order 3 Exhibit T Scope Trend #S1-0102 (Gangway) as it relates to gangway scope description.
3. The Parties agree the Plant 3 Scope of Work will be adjusted as outlined in Phase 1 Change Order 3 Exhibit U Scope Trend #S1-0106 (Cold Box Thermocouples) as it relates to the Plant 1 scope description only.
4. The Parties agree the Plant 3 Scope of Work will be adjusted as outlined in Phase 1 Change Order 3 Exhibit V Scope Trend #S1-0131 (Additional Borescope Inspection Connections) as it relates to the Plant 1 scope description only.

**B. EPC Agreement Terms
Modifications**

None

**C. Commercial
Impacts**

The Parties agree that the Contract Price will increase by \$5,987,355 in recognition of the changes listed in Section IX.A.1 to Section IX.A.4 of this Change Order and as outlined in Exhibit JI (Other Scope Adjustments).

For traceability for the Parties, \$2,448,516 of the Contract Price increase in this Change Order is a mutually agreed lump sum adjustment for items IX.A.2-4.

**X. CONTRACT PRICE
ADJUSTMENTS**

The Parties agree that **Article 7, Section 7.1 (Contract Price)** of the **Phase 2 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*"As compensation in full to Contractor for the full and complete performance of the Work and all of Contractor's other obligations under this Agreement, Owner shall pay and Contractor shall accept ~~Two Billion Five Hundred and Fifteen Million Nine Hundred and Eighty Six Thousand Four Hundred and Fifty One U.S. Dollars (U.S.\$2,515,986,451)~~ **Two Billion Five Hundred and Seventy Six Million, One Hundred and Ninety Two Thousand, Nine Hundred and Fifteen U.S. Dollars (U.S. \$ 2,576,192,915)** and One Hundred and Sixty Six Million Three Hundred and Sixteen Thousand Six Hundred and Fifty-One Euros (€166,316,651) (collectively the "Contract Price")."*

The Parties agree that **Attachment 3 (Payment Schedule), Schedule 3-1 (Milestone Payment Schedule USD)** of the **Phase 2 EPC Agreement** is modified by addition of the payment milestones listed in Exhibit A of Driftwood LNG Phase 2 Change Order number CO-002.

The Parties agree that **Article 7, Section 7.1.A (Aggregate Provisional Sum)** of the **Phase 2 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows and listed in Exhibit B of Driftwood LNG Phase 2 Change Order number CO-002:

*"Aggregate Provisional Sum. The Contract Price includes an aggregate amount of ~~Two Hundred Million One Hundred and Fifty Seven Thousand Nine Hundred and Ten U.S. Dollars (U.S.\$200,157,910)~~ **One Hundred and Sixty Five Million, Two Hundred and Thirty Nine Thousand, Four Hundred and Thirteen U.S. Dollars (U.S. \$ 165,239,413)** (the "Aggregate Provisional Sum") for the Provisional Sums. The scope and values of each Provisional Sum comprising the Aggregate Provisional Sum amount are included in Attachment 31."*

Adjustment to Contract Price		
The original Contract Price was	USD 2,515,986,451	EUR 166,316,651
Net change by previously authorized Change Orders (# CO-001)	USD 0	EUR 0
The Contract Price prior to this Change Order was	USD 2,515,986,451	EUR 166,316,651
The Contract Price will be (increased) (decreased) (unchanged)		
by this Change Order in the amount of	USD 60,206,464	EUR 0
The new Contract Price including this Change Order will be	USD 2,576,192,915	EUR 166,316,651

The Aggregate Provisional Sum prior to this Change Order was	USD 200,157,910	EUR 0
The Aggregate Provisional Sum will be decreased	USD (34,918,497)	EUR 0
by this Change Order in the amount of		
The new Aggregate Provisional Sum	USD 165,239,413	EUR 0

Adjustments to dates in Project Schedule:

The following dates are modified: N/A

Adjustment to other Changed Criteria: N/A

Adjustment to Payment Schedule: **Yes. See Exhibit A**

Adjustment to Provisional Sums: **Yes. See Exhibit B**

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: AP Contractor HC Owner

~~[B] This Change Order **shall not** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall not** be deemed to compensate Contractor fully for such change. Initials: _____ Contractor _____ Owner~~

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ Howard Candelet

Owner

Howard Candelet

Name

SVP Projects, President Driftwood LNG

Title

24th July 2019

Date of Signing

/s/ Andrey Polunin

Contractor

Andrey Polunin

Name

Senior Vice President

Title

18 July 2019

Date of Signing

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Driftwood LNG Phase 3

CHANGE ORDER NUMBER: CO-002

OWNER: Driftwood LNG LLC

DATE OF CHANGE ORDER: 28 June 2019

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: 10 November 2017

The Agreement between the Parties listed above is changed as follows:

The Parties agree to extend the date of termination in the event of delayed Notice to Proceed in **Section 16.7** of the **Driftwood LNG Phase 3 EPC Agreement** by one year. The Parties agree that the below excerpt of **Article 16 Section 7** of the **Phase 3 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

“Termination in the Event of Delayed Notice to Proceed. In the event Owner fails to issue the NTP in accordance with Section 5.2B by ~~April 1, 2022~~ 2023 (as may be extended by mutual agreement by the Parties), then either Party shall have the right to terminate this Agreement by providing written notice of termination to the other Party, to be effective upon receipt by the other Party. In the event of such termination, Contractor shall have the rights (and Owner shall make the payments) provided for in Section 16.2, except that, in respect of loss of profit, Contractor shall only be entitled to a lump sum equal to U.S.\$5,000,000.”

Adjustment to Contract Price

The original Contract Price was	USD 2,552,105,878	EUR 165,167,044
Net change by previously authorized Change Orders (# CO-001)	USD 0	EUR 0
The Contract Price prior to this Change Order was	USD 2,552,105,878	EUR 165,167,044
The Contract Price will be (increased) (decreased) (unchanged)		
by this Change Order in the amount of	USD 0	EUR 0
The new Contract Price including this Change Order will be	USD 2,552,105,878	EUR 165,167,044

Adjustments to dates in Project Schedule:

The following dates are modified: The Project Schedule remain unchanged by this Change Order.

Adjustment to other Changed Criteria: N/A

Adjustment to Payment Schedule: N/A

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: AP Contractor HC Owner

~~[B] This Change Order shall not constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and shall not be deemed to compensate Contractor fully for such change. Initials: _____ Contractor _____ Owner~~

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ Howard Candelet

Owner

Howard Candelet

Name

SVP Projects, President Driftwood LNG

Title

24th July 2019

Date of Signing

/s/ Andrey Polunin

Contractor

Andrey Polunin

Name

Senior Vice President

Title

28 June 2019

Date of Signing

CHANGE ORDER FORM

(for use when the Parties mutually agree upon and execute the Change Order Pursuant to Section 6.1B or 6.2C)

PROJECT NAME: Driftwood LNG Phase 4

OWNER: Driftwood LNG LLC

CONTRACTOR: Bechtel Oil, Gas and Chemicals, Inc.

DATE OF AGREEMENT: 10 November 2017

CHANGE ORDER NUMBER: CO-002

DATE OF CHANGE ORDER: 28 June 2019

The Agreement between the Parties listed above is changed as follows:

The Parties agree to extend the date of termination in the event of delayed Notice to Proceed in **Section 16.7** of the **Driftwood LNG Phase 4 EPC Agreement** by one year. The Parties agree that the below excerpt of **Article 16 Section 7** of the **Phase 4 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*“Termination in the Event of Delayed Notice to Proceed. In the event Owner fails to issue the NTP in accordance with Section 5.2B by ~~January 1, 2023~~ **2024** (as may be extended by mutual agreement by the Parties), then either Party shall have the right to terminate this Agreement by providing written notice of termination to the other Party, to be effective upon receipt by the other Party. In the event of such termination, Contractor shall have the rights (and Owner shall make the payments) provided for in Section 16.2, except that, in respect of loss of profit, Contractor shall only be entitled to a lump sum equal to U.S.\$5,000,000.”*

Adjustment to Contract Price

The original Contract Price was	USD 1,925,058,672	EUR 148,365,834
Net change by previously authorized Change Orders (# CO-001)	USD 0	EUR 0
The Contract Price prior to this Change Order was	USD 1,925,058,672	EUR 148,365,834
The Contract Price will be (increased) (decreased) (unchanged)		
by this Change Order in the amount of	USD 0	EUR 0
The new Contract Price including this Change Order will be	USD 1,925,058,672	EUR 148,365,834

Adjustments to dates in Project Schedule:

The following dates are modified: The Project Schedule remain unchanged by this Change Order.

Adjustment to other Changed Criteria: N/A

Adjustment to Payment Schedule: N/A

Adjustment to Minimum Acceptance Criteria: N/A

Adjustment to Performance Guarantees: N/A

Adjustment to Design Basis: N/A

Other adjustments to liability or obligation of Contractor or Owner under the Agreement: N/A

Select either A or B:

[A] This Change Order **shall** constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and **shall** be deemed to compensate Contractor fully for such change. Initials: AP Contractor HC Owner

~~[B] This Change Order shall not constitute a full and final settlement and accord and satisfaction of all effects of the change reflected in this Change Order upon the Changed Criteria and shall not be deemed to compensate Contractor fully for such change. Initials: _____ Contractor _____ Owner~~

Upon execution of this Change Order by Owner and Contractor, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Except as modified by this and any previously issued Change Orders, all other terms and conditions of the Agreement shall remain in full force and effect. This Change Order is executed by each of the Parties' duly authorized representatives.

/s/ Howard Candelet

Owner

Howard Candelet

Name

SVP Projects, President Driftwood LNG

Title

24th July 2019

Date of Signing

/s/ Andrey Polunin

Contractor

Andrey Polunin

Name

Senior Vice President

Title

28 June 2019

Date of Signing

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this “**Agreement**”), dated as of _____, is by and between Tellurian Inc., a Delaware corporation (the “**Company**”), and _____ (the “**Indemnitee**”).

WHEREAS, Indemnitee is an officer of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against officers of public companies;

WHEREAS, the board of directors of the Company (the “**Board**”) has determined that enhancing the ability of the Company to retain and attract as officers the most capable persons is in the best interests of the Company and that the Company therefore should seek to assure such persons that indemnification and insurance coverage is available; and

WHEREAS, in recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee’s continued service as an officer of the Company and to enhance Indemnitee’s ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company’s certificate of incorporation or bylaws (collectively, the “**Constituent Documents**”), any change in the composition of the Board or any change in control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of, and the advancement of Expenses (as defined in Section 1(f) below) to, Indemnitee as set forth in this Agreement and to the extent insurance is maintained for the continued coverage of Indemnitee under the Company’s directors’ and officers’ liability insurance policies.

NOW, THEREFORE, in consideration of the foregoing and the Indemnitee’s agreement to continue to provide services to the Company, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) “**Beneficial Owner**” has the meaning given to the term “beneficial owner” in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

(b) “**Change in Control**” means the occurrence after the date of this Agreement of any of the following events:

(i) any Person, other than any Permitted Holder or group of Permitted Holders, becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of the Company’s then outstanding Voting Securities unless the change in relative Beneficial Ownership of the Company’s

securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors;

(ii) the consummation of a reorganization, merger or consolidation of the Company, unless immediately following such reorganization, merger or consolidation, all of the Beneficial Owners of the Voting Securities of the Company immediately prior to such transaction beneficially own, directly or indirectly, more than 51% of the combined voting power of the outstanding Voting Securities of the entity resulting from such transaction;

(iii) during any period of two consecutive years, not including any period prior to the execution of this Agreement, individuals who at the beginning of such period constituted the Board (including for this purpose any new directors whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved) cease for any reason to constitute at least a majority of the Board; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(c) "**Claim**" means:

(i) any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to federal, state or other law; or

(ii) any inquiry, hearing or investigation that the Indemnitee determines might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism.

(d) "**Delaware Court**" shall have the meaning ascribed to it in Section 8(e) below.

(e) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee.

(f) "**Expense Advance**" means any payment of Expenses advanced to Indemnitee by the Company pursuant to Section 3 or Section 4 hereof.

(g) "**Expenses**" means any and all expenses, including attorneys' and experts' fees, court costs, transcript costs, travel expenses, duplicating, printing and binding costs, telephone charges, and all other costs and expenses incurred in connection with investigating,

defending, being a witness in, providing documents or testimony for or participating in (including on appeal), or preparing to defend, be a witness, provide documents or testimony or participate in, any Claim. Expenses also shall include (i) expenses incurred in connection with any appeal resulting from any Claim, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 4 only, expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(h) “**Indemnifiable Event**” means any event or occurrence, whether occurring on or after the date of this Agreement, related to the fact that Indemnitee is or was a director, officer, employee or agent of the Company or any subsidiary of the Company, or is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise (collectively with the Company, “**Enterprise**”) or by reason of an action or inaction by Indemnitee in any such capacity (whether or not serving in such capacity at the time any Loss is incurred for which indemnification can be provided under this Agreement).

(i) “**Independent Counsel**” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently performs, nor in the past five years has performed, services for either (i) the Company or Indemnitee (other than in connection with matters concerning Indemnitee under this Agreement or of other indemnitees under similar agreements) or (ii) any other party to the Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(j) “**Losses**” means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other), ERISA excise taxes, amounts paid or payable in settlement, including any interest, assessments, and all other charges paid or payable in connection with investigating, defending, being a witness in, providing documents or testimony for or participating in (including on appeal), or preparing to defend, be a witness, provide documents or testimony or participate in, any Claim.

(k) “**Notification Date**” shall have the meaning ascribed to it in Section 8(c) below.

(l) “**Permitted Holders**” means (i) Charif Souki, (ii) Martin J. Houston, (iii) Meg A. Gentle, (iv) Brooke A. Peterson, (v) the Souki Family 2016 Trust, and (vi) TOTAL S.A. (or any subsidiary or affiliate thereof).

(m) “**Person**” means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental

entity or other entity and includes the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act.

(n) “**Standard of Conduct Determination**” shall have the meaning ascribed to it in Section 8(b) below.

(o) “**Voting Securities**” means any securities of the Company that are entitled to vote generally in the election of directors.

2. Indemnification. Subject to Section 8 and Section 9 of this Agreement, the Company shall indemnify Indemnitee, to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof, or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Losses if Indemnitee was or is or becomes a party to or participant in, or is threatened to be made a party to or participant in, any Claim by reason of or arising in part out of an Indemnifiable Event, including, without limitation, Claims brought by or in the right of the Company, Claims brought by third parties, and Claims in which the Indemnitee is solely required to provide documents or testimony or serve as a witness.

3. Advancement of Expenses. Indemnitee shall have the right to advancement by the Company, prior to the final disposition of any Claim by final adjudication to which there are no further rights of appeal, of any and all Expenses actually and reasonably paid or incurred by Indemnitee in connection with any Claim arising out of an Indemnifiable Event, including, without limitation, Claims brought by or in the right of the Company, Claims brought by third parties, and Claims in which the Indemnitee is solely required to provide documents or testimony or serve as a witness. Indemnitee’s right to such advancement is not subject to the satisfaction of any standard of conduct. Without limiting the generality or effect of the foregoing, within 30 days after any request by Indemnitee, the Company shall, in accordance with such request, (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses. In connection with any request for Expense Advances, Indemnitee shall not be required to provide any documentation or information to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. In connection with any request for Expense Advances, Indemnitee shall execute and deliver to the Company an undertaking (which shall be accepted without reference to Indemnitee’s ability to repay the Expense Advances), in the form attached hereto as Exhibit A, to repay any amounts paid, advanced, or reimbursed by the Company for such Expenses to the extent that it is ultimately determined, following the final disposition of such Claim, that Indemnitee is not entitled to indemnification hereunder. Indemnitee’s obligation to reimburse the Company for Expense Advances shall be unsecured and no interest shall be charged thereon.

4. Indemnification for Expenses in Enforcing Rights. To the fullest extent allowable under applicable law, the Company shall also indemnify against, and, if requested by Indemnitee, shall advance to Indemnitee subject to and in accordance with Section 3, any Expenses actually and reasonably paid or incurred by Indemnitee in connection with any action or proceeding by Indemnitee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Claims relating to Indemnifiable

Events, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company. However, in the event that Indemnitee is ultimately determined not to be entitled to such indemnification or insurance recovery, as the case may be, then all amounts advanced under this Section 4 shall be repaid. Indemnitee hereby agrees to reimburse the Company in the event that a final judicial determination is made that an action brought by Indemnitee under this Section 4 was frivolous or not made in good faith.

5. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Losses in respect of a Claim related to an Indemnifiable Event but not for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

6. Notification and Defense of Claims.

(a) Notification of Claims. Indemnitee shall notify the Company in writing as soon as practicable of any Claim which could relate to an Indemnifiable Event or for which Indemnitee could seek Expense Advances, including a brief description (based upon information then available to Indemnitee) of the nature of, and the facts underlying, such Claim. The failure by Indemnitee to timely notify the Company hereunder shall not relieve the Company from any liability hereunder unless the Company's ability to participate in the defense of such claim was materially and adversely affected by such failure.

(b) Defense of Claims. The Company shall be entitled to participate in the defense of any Claim relating to an Indemnifiable Event at its own expense and, except as otherwise provided below, to the extent the Company so wishes, it may assume the defense thereof with counsel reasonably satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election to assume the defense of any such Claim, the Company shall not be liable to Indemnitee under this Agreement or otherwise for any Expenses subsequently directly incurred by Indemnitee in connection with Indemnitee's defense of such Claim other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ its own legal counsel in such Claim, but all Expenses related to such counsel incurred after notice from the Company of its assumption of the defense shall be at Indemnitee's own expense; provided, however, that if (i) Indemnitee's employment of its own legal counsel has been authorized by the Company, (ii) Indemnitee has reasonably determined that there may be a conflict of interest between Indemnitee and the Company in the defense of such Claim, (iii) after a Change in Control, Indemnitee's employment of its own counsel has been approved by the Independent Counsel or (iv) the Company shall not in fact have employed counsel to assume the defense of such Claim, then Indemnitee shall be entitled to retain its own separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any such Claim) and all Expenses related to such separate counsel shall be borne by the Company.

7. Procedure upon Application for Indemnification. In order to obtain indemnification pursuant to this Agreement, Indemnitee shall submit to the Company a written request therefor, including in such request such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is

entitled to indemnification following the final disposition of the Claim. Indemnification shall be made insofar as the Company determines Indemnatee is entitled to indemnification in accordance with Section 8 below.

8. Determination of Right to Indemnification.

(a) Mandatory Indemnification; Indemnification as a Witness.

(i) To the extent that Indemnatee shall have been successful on the merits or otherwise in defense of any Claim relating to an Indemnifiable Event or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, Indemnatee shall be indemnified against all Losses relating to such Claim in accordance with Section 2 to the fullest extent allowable by law, and no Standard of Conduct Determination (as defined in Section 8(b)) shall be required.

(ii) To the extent that Indemnatee's involvement in a Claim relating to an Indemnifiable Event is to prepare to serve and serve as a witness or to provide documents and testimony, and not as a party, the Indemnatee shall be indemnified against all Losses incurred in connection therewith to the fullest extent allowable by law and no Standard of Conduct Determination (as defined in Section 8(b)) shall be required.

(b) Standard of Conduct. To the extent that the provisions of Section 8(a) are inapplicable to a Claim related to an Indemnifiable Event that shall have been finally disposed of, any determination of whether Indemnatee has satisfied any applicable standard of conduct under Delaware law that is a legally required condition to indemnification of Indemnatee hereunder against Losses relating to such Claim and any determination that Expense Advances must be repaid to the Company (a "**Standard of Conduct Determination**") shall be made as follows:

(i) if no Change in Control has occurred, (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum or (C) if there are no such Disinterested Directors, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnatee; and

(ii) if a Change in Control shall have occurred, (A) if the Indemnatee so requests in writing, by a majority vote of the Disinterested Directors, even if less than a quorum of the Board or (B) otherwise, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnatee.

The Company shall indemnify and hold harmless Indemnatee against and, if requested by Indemnatee, shall reimburse Indemnatee for, or advance to Indemnatee, within 30 days of such request, any and all Expenses incurred by Indemnatee in

cooperating with the person or persons making such Standard of Conduct Determination.

(c) Making the Standard of Conduct Determination. The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 8(b) to be made as promptly as practicable. If the person or persons designated to make the Standard of Conduct Determination under Section 8(b) shall not have made a determination within 30 days after the later of (i) receipt by the Company of a written request from Indemnitee for indemnification pursuant to Section 7 (the date of such receipt being the “**Notification Date**”) and (ii) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, then Indemnitee shall be deemed to have satisfied the applicable standard of conduct; provided that such 30-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person or persons making such determination in good faith requires such additional time to obtain or evaluate information relating thereto. Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of any Claim.

(d) Payment of Indemnification. If, in regard to any Losses:

(i) Indemnitee shall be entitled to indemnification pursuant to Section 8(a);

(ii) no Standard of Conduct Determination is legally required as a condition to indemnification of Indemnitee hereunder;
or

(iii) Indemnitee has been determined or deemed pursuant to Section 8(b) or Section 8(c) to have satisfied the Standard of Conduct Determination,

then the Company shall pay to Indemnitee, within five days after the later of (A) the Notification Date or (B) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) is satisfied, an amount equal to such Losses.

(e) Selection of Independent Counsel for Standard of Conduct Determination. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 8(b)(i), the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 8(b)(ii), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within five days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of “Independent Counsel” in Section 1(i), and the objection shall set forth with particularity the factual basis of such

assertion. Absent a proper and timely objection, the person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit; and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences, the introductory clause of this sentence and numbered clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 8(e) to make the Standard of Conduct Determination shall have been selected within 20 days after the Company gives its initial notice pursuant to the first sentence of this Section 8(e) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 8(e), as the case may be, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware (“**Delaware Court**”) to resolve any objection which shall have been made by the Company or Indemnitee to the other’s selection of Independent Counsel and/or to appoint as Independent Counsel a person to be selected by the Court or such other person as the Court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel’s determination pursuant to Section 8(b).

(f) Presumptions and Defenses.

(i) Indemnitee’s Entitlement to Indemnification. In making any Standard of Conduct Determination, the person or persons making such determination shall presume that Indemnitee has satisfied the applicable standard of conduct and is entitled to indemnification, and the Company shall have the burden of proof to overcome that presumption and establish that Indemnitee is not so entitled. Any Standard of Conduct Determination that is adverse to Indemnitee may be challenged by the Indemnitee in the Delaware Court. No determination by the Company (including by its directors or any Independent Counsel) that Indemnitee has not satisfied any applicable standard of conduct may be used as a defense to any legal proceedings brought by Indemnitee to secure indemnification or reimbursement or advance payment of Expenses by the Company hereunder or create a presumption that Indemnitee has not met any applicable standard of conduct.

(ii) Reliance as a Safe Harbor. For purposes of this Agreement, and without creating any presumption as to a lack of good faith if the following circumstances do not exist, Indemnitee shall be deemed to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company if Indemnitee’s actions or omissions to act are taken in good faith reliance upon the records of the Company, including its financial

statements, or upon information, opinions, reports or statements furnished to Indemnitee by the officers or employees of the Company or any of its subsidiaries in the course of their duties, or by committees of the Board or by any other Person (including legal counsel, accountants and financial advisors) as to matters Indemnitee reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company. In addition, the knowledge and/or actions, or failures to act, of any director, officer, agent or employee of the Company shall not be imputed to Indemnitee for purposes of determining the right to indemnity hereunder.

(iii) No Other Presumptions. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any applicable standard of conduct or have any particular belief, or that indemnification hereunder is otherwise not permitted.

(iv) Defense to Indemnification and Burden of Proof. It shall be a defense to any action brought by Indemnitee against the Company to enforce this Agreement (other than an action brought to enforce a claim for Losses incurred in defending against a Claim related to an Indemnifiable Event in advance of its final disposition) that it is not permissible under applicable law for the Company to indemnify Indemnitee for the amount claimed. In connection with any such action or any related Standard of Conduct Determination, the burden of proving such a defense or that the Indemnitee did not satisfy the applicable standard of conduct shall be on the Company.

9. Exclusions from Indemnification and Advancement of Expenses. Notwithstanding anything in this Agreement to the contrary, the Company shall not be obligated to:

(a) indemnify or advance funds to Indemnitee for Expenses or Losses with respect to proceedings initiated by Indemnitee, including any proceedings against the Company or its directors, officers, employees or other indemnitees and not by way of defense, except:

(i) proceedings referenced in Section 4 above (unless a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such proceeding was not made in good faith or was frivolous); or

(ii) where the Company has joined in or the Board has consented to the initiation of such proceedings.

(b) indemnify Indemnitee if a final decision by a court of competent jurisdiction determines that such indemnification is prohibited by applicable law.

(c) indemnify or advance funds to Indemnitee for the disgorgement of profits arising from the purchase or sale by Indemnitee of securities of the Company in violation of Section 16(b) of the Exchange Act, or any similar successor statute.

(d) indemnify or advance funds to Indemnitee for Indemnitee's reimbursement to the Company of any bonus or other incentive-based or equity-based compensation previously received by Indemnitee or payment of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements under Section 304 of the Sarbanes-Oxley Act of 2002 in connection with an accounting restatement of the Company or the payment to the Company of profits arising from the purchase or sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act).

(e) indemnify or advance funds to Indemnitee for Expenses or Losses determined by the Company to have arisen out of Indemnitee's breach or violation of his or her obligations under any employment agreement between the Indemnitee and the Company (if any).

(f) indemnify or advance funds to Indemnitee for Expenses or Losses arising out of Indemnitee's personal tax matters.

(g) indemnify or advance funds for any reimbursement of the Company by Indemnitee of any compensation pursuant to any compensation recoupment or clawback policy adopted by the Board or the compensation committee of the Board to comply with stock exchange listing requirements implementing Section 10D of the Exchange Act.

10. Settlement of Claims. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Claim related to an Indemnifiable Event effected without the Company's prior written consent, which shall not be unreasonably withheld; provided, however, that if a Change in Control has occurred, the Company shall be liable for indemnification of the Indemnitee for amounts paid in settlement if an Independent Counsel has approved the settlement. The Company shall not settle any Claim related to an Indemnifiable Event in any manner that would impose any Losses on the Indemnitee without the Indemnitee's prior written consent.

11. Duration. All agreements and obligations of the Company contained herein shall continue during the period that Indemnitee is an officer of the Company (or is serving at the request of the Company as a director, officer, employee, member, trustee or agent of another Enterprise) and shall continue thereafter (a) so long as Indemnitee may be subject to any possible Claim relating to an Indemnifiable Event (including any rights of appeal thereto) and (b) throughout the pendency of any proceeding (including any rights of appeal thereto) commenced by Indemnitee to enforce or interpret his or her rights under this Agreement, even if, in either case, he or she may have ceased to serve in such capacity at the time of any such Claim or proceeding.

12. Non-Exclusivity. The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Constituent Documents, the General Corporation Law of the State of Delaware, any other contract or otherwise (collectively, “**Other Indemnity Provisions**”); provided, however, that (a) to the extent that Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will be deemed to have such greater right hereunder and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to any of the Constituent Documents the effect of which would be to deny, diminish or encumber Indemnitee’s right to indemnification under this Agreement or any Other Indemnity Provision.

13. Liability Insurance. For the duration of Indemnitee’s service as an officer of the Company, and thereafter for so long as Indemnitee shall be subject to any pending Claim relating to an Indemnifiable Event, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to continue to maintain in effect policies of directors’ and officers’ liability insurance providing coverage that is at least substantially comparable in scope and amount to that provided by the Company’s current policies of directors’ and officers’ liability insurance. In all policies of directors’ and officers’ liability insurance maintained by the Company, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are provided to the most favorably insured of the Company’s officers by such policy. Upon request, the Company will provide to Indemnitee copies of all directors’ and officers’ liability insurance applications, binders, policies, declarations, endorsements and other related materials.

14. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Losses to the extent Indemnitee has otherwise received payment under any insurance policy, the Constituent Documents, Other Indemnity Provisions or otherwise of the amounts otherwise indemnifiable by the Company hereunder.

15. Subrogation. In the event of payment to Indemnitee under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee. Indemnitee shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

16. Amendments. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless in the form of a writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or

indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company), assigns, spouses, heirs and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part of the business and/or assets of the Company, by written agreement in form and substances satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

18. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any portion thereof) are held by a court of competent jurisdiction to be invalid, illegal, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

19. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed, by postage prepaid, certified or registered mail:

- (a) if to Indemnitee, to the address set forth on the signature page hereto.
- (b) if to the Company, to:

Tellurian Inc.
Attn: Daniel Belhumeur, General Counsel
1201 Louisiana Street, Suite 3100
Houston, Texas 77002

Notice of change of address shall be effective only when given in accordance with this Section. All notices complying with this Section shall be deemed to have been received on the date of hand delivery or on the third business day after mailing.

20. Governing Law and Forum. This Agreement and all claims and causes of action hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state without giving effect to its principles of conflicts of laws. The Company and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court and not in any other state or federal court in the United States, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, Capitol Services, Inc., 1675 South State Street, Suite B, Dover, Delaware 19901 as its agent in the State of Delaware for acceptance of legal process in connection with any such action or proceeding

against such party with the same legal force and validity as if served upon such party personally within the State of Delaware and (d) waive, and agree not to plead or make, any claim that the Delaware Court lacks venue or that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

21. Headings. The headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction or interpretation thereof.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original, but all of which together shall constitute one and the same Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement as of the date first above written.

TELLURIAN INC.

By: _____
Name:
Title:

INDEMNITEE

Name:
Address: _____

Signature Page to
Indemnification Agreement
(Officer)

EXHIBIT A

FORM OF UNDERTAKING TO REPAY ADVANCEMENT OF EXPENSES

_____, 20__

Tellurian Inc.
Attn: Daniel Belhumeur, General Counsel
1201 Louisiana Street, Suite 3100
Houston, Texas 77002

Re: Undertaking to Repay Advancement of Expenses.

Ladies and Gentlemen:

This undertaking is being provided pursuant to that certain Indemnification Agreement, dated [DATE], by and between Tellurian Inc., a Delaware corporation (the “**Company**”), and the undersigned as Indemnitee (the “**Indemnification Agreement**”). Terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indemnification Agreement. Pursuant to the Indemnification Agreement, among other things, I am entitled to the advancement of Expenses paid or incurred in connection with Claims relating to Indemnifiable Events.

I have become subject to [DESCRIPTION OF PROCEEDING] (the “**Proceeding**”) based on my status as [an officer/[TITLE OF OFFICER]] of the Company/alleged actions or failures to act in my capacity as [an officer/[TITLE OF OFFICER]] of the Company. This undertaking also constitutes notice to the Company of the Proceeding pursuant to Section 6 of the Indemnification Agreement. The following is a brief description of the [current status of the] Proceeding:

[DESCRIPTION OF PROCEEDING]

[Pursuant to Section 3 of the Indemnification Agreement, the Company can (a) pay such Expenses on my behalf, (b) advance funds in an amount sufficient to pay such Expenses, or (c) reimburse me for such Expenses. Pursuant to Section 3 of the Indemnification Agreement, I hereby request an Expense Advance in connection with the Proceeding. The Expenses for which advances are requested are as follows:]

[DESCRIPTION OF EXPENSES]

In connection with the request for Expense Advances [set out above/delivered to the Company separately on [DATE]], I hereby undertake to repay any amounts paid, advanced or reimbursed by the Company for such Expense Advances to the extent that it is ultimately determined that I am not entitled to indemnification under the Indemnification Agreement.

This undertaking shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of laws thereof.

[Signature page follows]

Very truly yours,

Name:

[Title:]

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this “**Agreement**”), dated as of _____, is by and between Tellurian Inc., a Delaware corporation (the “**Company**”), and _____ (the “**Indemnitee**”).

WHEREAS, Indemnitee is a director of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors of public companies;

WHEREAS, the board of directors of the Company (the “**Board**”) has determined that enhancing the ability of the Company to retain and attract as directors the most capable persons is in the best interests of the Company and that the Company therefore should seek to assure such persons that indemnification and insurance coverage is available; and

WHEREAS, in recognition of the need to provide Indemnitee with substantial protection against personal liability, in order to procure Indemnitee’s continued service as a director of the Company and to enhance Indemnitee’s ability to serve the Company in an effective manner, and in order to provide such protection pursuant to express contract rights (intended to be enforceable irrespective of, among other things, any amendment to the Company’s certificate of incorporation or bylaws (collectively, the “**Constituent Documents**”), any change in the composition of the Board or any change in control or business combination transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of, and the advancement of Expenses (as defined in Section 1(f) below) to, Indemnitee as set forth in this Agreement and to the extent insurance is maintained for the continued coverage of Indemnitee under the Company’s directors’ and officers’ liability insurance policies.

NOW, THEREFORE, in consideration of the foregoing and the Indemnitee’s agreement to continue to provide services to the Company, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) “**Beneficial Owner**” has the meaning given to the term “beneficial owner” in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”).

(b) “**Change in Control**” means the occurrence after the date of this Agreement of any of the following events:

(i) any Person, other than any Permitted Holder or group of Permitted Holders, becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of the Company’s then outstanding Voting Securities unless the change in relative Beneficial Ownership of the Company’s

securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors;

(ii) the consummation of a reorganization, merger or consolidation of the Company, unless immediately following such reorganization, merger or consolidation, all of the Beneficial Owners of the Voting Securities of the Company immediately prior to such transaction beneficially own, directly or indirectly, more than 51% of the combined voting power of the outstanding Voting Securities of the entity resulting from such transaction;

(iii) during any period of two consecutive years, not including any period prior to the execution of this Agreement, individuals who at the beginning of such period constituted the Board (including for this purpose any new directors whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved) cease for any reason to constitute at least a majority of the Board; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

(c) "**Claim**" means:

(i) any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, arbitrative, investigative or other, and whether made pursuant to federal, state or other law; or

(ii) any inquiry, hearing or investigation that the Indemnitee determines might lead to the institution of any such action, suit, proceeding or alternative dispute resolution mechanism.

(d) "**Delaware Court**" shall have the meaning ascribed to it in Section 8(e) below.

(e) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Claim in respect of which indemnification is sought by Indemnitee.

(f) "**Expense Advance**" means any payment of Expenses advanced to Indemnitee by the Company pursuant to Section 3 or Section 4 hereof.

(g) "**Expenses**" means any and all expenses, including attorneys' and experts' fees, court costs, transcript costs, travel expenses, duplicating, printing and binding costs, telephone charges, and all other costs and expenses incurred in connection with investigating,

defending, being a witness in, providing documents or testimony for or participating in (including on appeal), or preparing to defend, be a witness, provide documents or testimony or participate in, any Claim. Expenses also shall include (i) expenses incurred in connection with any appeal resulting from any Claim, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 4 only, expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(h) “**Indemnifiable Event**” means any event or occurrence, whether occurring on or after the date of this Agreement, related to the fact that Indemnitee is or was a director, officer, employee or agent of the Company or any subsidiary of the Company, or is or was serving at the request of the Company as a director, officer, employee, member, manager, trustee or agent of any other corporation, limited liability company, partnership, joint venture, trust or other entity or enterprise (collectively with the Company, “**Enterprise**”) or by reason of an action or inaction by Indemnitee in any such capacity (whether or not serving in such capacity at the time any Loss is incurred for which indemnification can be provided under this Agreement).

(i) “**Independent Counsel**” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently performs, nor in the past five years has performed, services for either (i) the Company or Indemnitee (other than in connection with matters concerning Indemnitee under this Agreement or of other indemnitees under similar agreements) or (ii) any other party to the Claim giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(j) “**Losses**” means any and all Expenses, damages, losses, liabilities, judgments, fines, penalties (whether civil, criminal or other), ERISA excise taxes, amounts paid or payable in settlement, including any interest, assessments, and all other charges paid or payable in connection with investigating, defending, being a witness in, providing documents or testimony for or participating in (including on appeal), or preparing to defend, be a witness, provide documents or testimony or participate in, any Claim.

(k) “**Notification Date**” shall have the meaning ascribed to it in Section 8(c) below.

(l) “**Permitted Holders**” means (i) Charif Souki, (ii) Martin J. Houston, (iii) Meg A. Gentle, (iv) Brooke A. Peterson, (v) the Souki Family 2016 Trust, and (vi) TOTAL S.A. (or any subsidiary or affiliate thereof).

(m) “**Person**” means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental

entity or other entity and includes the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act.

(n) “**Standard of Conduct Determination**” shall have the meaning ascribed to it in Section 8(b) below.

(o) “**Voting Securities**” means any securities of the Company that are entitled to vote generally in the election of directors.

2. Indemnification. Subject to Section 8 and Section 9 of this Agreement, the Company shall indemnify Indemnitee, to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof, or as such laws may from time to time hereafter be amended to increase the scope of such permitted indemnification, against any and all Losses if Indemnitee was or is or becomes a party to or participant in, or is threatened to be made a party to or participant in, any Claim by reason of or arising in part out of an Indemnifiable Event, including, without limitation, Claims brought by or in the right of the Company, Claims brought by third parties, and Claims in which the Indemnitee is solely required to provide documents or testimony or serve as a witness.

3. Advancement of Expenses. Indemnitee shall have the right to advancement by the Company, prior to the final disposition of any Claim by final adjudication to which there are no further rights of appeal, of any and all Expenses actually and reasonably paid or incurred by Indemnitee in connection with any Claim arising out of an Indemnifiable Event, including, without limitation, Claims brought by or in the right of the Company, Claims brought by third parties, and Claims in which the Indemnitee is solely required to provide documents or testimony or serve as a witness. Indemnitee’s right to such advancement is not subject to the satisfaction of any standard of conduct. Without limiting the generality or effect of the foregoing, within 30 days after any request by Indemnitee, the Company shall, in accordance with such request, (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses. In connection with any request for Expense Advances, Indemnitee shall not be required to provide any documentation or information to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. In connection with any request for Expense Advances, Indemnitee shall execute and deliver to the Company an undertaking (which shall be accepted without reference to Indemnitee’s ability to repay the Expense Advances), in the form attached hereto as Exhibit A, to repay any amounts paid, advanced, or reimbursed by the Company for such Expenses to the extent that it is ultimately determined, following the final disposition of such Claim, that Indemnitee is not entitled to indemnification hereunder. Indemnitee’s obligation to reimburse the Company for Expense Advances shall be unsecured and no interest shall be charged thereon.

4. Indemnification for Expenses in Enforcing Rights. To the fullest extent allowable under applicable law, the Company shall also indemnify against, and, if requested by Indemnitee, shall advance to Indemnitee subject to and in accordance with Section 3, any Expenses actually and reasonably paid or incurred by Indemnitee in connection with any action or proceeding by Indemnitee for (a) indemnification or reimbursement or advance payment of Expenses by the Company under any provision of this Agreement, or under any other agreement or provision of the Constituent Documents now or hereafter in effect relating to Claims relating to Indemnifiable

Events, and/or (b) recovery under any directors' and officers' liability insurance policies maintained by the Company. However, in the event that Indemnitee is ultimately determined not to be entitled to such indemnification or insurance recovery, as the case may be, then all amounts advanced under this Section 4 shall be repaid. Indemnitee hereby agrees to reimburse the Company in the event that a final judicial determination is made that an action brought by Indemnitee under this Section 4 was frivolous or not made in good faith.

5. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Losses in respect of a Claim related to an Indemnifiable Event but not for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

6. Notification and Defense of Claims.

(a) Notification of Claims. Indemnitee shall notify the Company in writing as soon as practicable of any Claim which could relate to an Indemnifiable Event or for which Indemnitee could seek Expense Advances, including a brief description (based upon information then available to Indemnitee) of the nature of, and the facts underlying, such Claim. The failure by Indemnitee to timely notify the Company hereunder shall not relieve the Company from any liability hereunder unless the Company's ability to participate in the defense of such claim was materially and adversely affected by such failure.

(b) Defense of Claims. The Company shall be entitled to participate in the defense of any Claim relating to an Indemnifiable Event at its own expense and, except as otherwise provided below, to the extent the Company so wishes, it may assume the defense thereof with counsel reasonably satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election to assume the defense of any such Claim, the Company shall not be liable to Indemnitee under this Agreement or otherwise for any Expenses subsequently directly incurred by Indemnitee in connection with Indemnitee's defense of such Claim other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ its own legal counsel in such Claim, but all Expenses related to such counsel incurred after notice from the Company of its assumption of the defense shall be at Indemnitee's own expense; provided, however, that if (i) Indemnitee's employment of its own legal counsel has been authorized by the Company, (ii) Indemnitee has reasonably determined that there may be a conflict of interest between Indemnitee and the Company in the defense of such Claim, (iii) after a Change in Control, Indemnitee's employment of its own counsel has been approved by the Independent Counsel or (iv) the Company shall not in fact have employed counsel to assume the defense of such Claim, then Indemnitee shall be entitled to retain its own separate counsel (but not more than one law firm plus, if applicable, local counsel in respect of any such Claim) and all Expenses related to such separate counsel shall be borne by the Company.

7. Procedure upon Application for Indemnification. In order to obtain indemnification pursuant to this Agreement, Indemnitee shall submit to the Company a written request therefor, including in such request such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is

entitled to indemnification following the final disposition of the Claim. Indemnification shall be made insofar as the Company determines Indemnitee is entitled to indemnification in accordance with Section 8 below.

8. Determination of Right to Indemnification.

(a) Mandatory Indemnification; Indemnification as a Witness.

(i) To the extent that Indemnitee shall have been successful on the merits or otherwise in defense of any Claim relating to an Indemnifiable Event or any portion thereof or in defense of any issue or matter therein, including without limitation dismissal without prejudice, Indemnitee shall be indemnified against all Losses relating to such Claim in accordance with Section 2 to the fullest extent allowable by law, and no Standard of Conduct Determination (as defined in Section 8(b)) shall be required.

(ii) To the extent that Indemnitee's involvement in a Claim relating to an Indemnifiable Event is to prepare to serve and serve as a witness or to provide documents and testimony, and not as a party, the Indemnitee shall be indemnified against all Losses incurred in connection therewith to the fullest extent allowable by law and no Standard of Conduct Determination (as defined in Section 8(b)) shall be required.

(b) Standard of Conduct. To the extent that the provisions of Section 8(a) are inapplicable to a Claim related to an Indemnifiable Event that shall have been finally disposed of, any determination of whether Indemnitee has satisfied any applicable standard of conduct under Delaware law that is a legally required condition to indemnification of Indemnitee hereunder against Losses relating to such Claim and any determination that Expense Advances must be repaid to the Company (a "**Standard of Conduct Determination**") shall be made as follows:

(i) if no Change in Control has occurred, (A) by a majority vote of the Disinterested Directors, even if less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum or (C) if there are no such Disinterested Directors, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee; and

(ii) if a Change in Control shall have occurred, (A) if the Indemnitee so requests in writing, by a majority vote of the Disinterested Directors, even if less than a quorum of the Board or (B) otherwise, by Independent Counsel in a written opinion addressed to the Board, a copy of which shall be delivered to Indemnitee.

The Company shall indemnify and hold harmless Indemnitee against and, if requested by Indemnitee, shall reimburse Indemnitee for, or advance to Indemnitee, within 30 days of such request, any and all Expenses incurred by Indemnitee in

cooperating with the person or persons making such Standard of Conduct Determination.

(c) Making the Standard of Conduct Determination. The Company shall use its reasonable best efforts to cause any Standard of Conduct Determination required under Section 8(b) to be made as promptly as practicable. If the person or persons designated to make the Standard of Conduct Determination under Section 8(b) shall not have made a determination within 30 days after the later of (i) receipt by the Company of a written request from Indemnitee for indemnification pursuant to Section 7 (the date of such receipt being the “**Notification Date**”) and (ii) the selection of an Independent Counsel, if such determination is to be made by Independent Counsel, then Indemnitee shall be deemed to have satisfied the applicable standard of conduct; provided that such 30-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person or persons making such determination in good faith requires such additional time to obtain or evaluate information relating thereto. Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of any Claim.

(d) Payment of Indemnification. If, in regard to any Losses:

(i) Indemnitee shall be entitled to indemnification pursuant to Section 8(a);

(ii) no Standard of Conduct Determination is legally required as a condition to indemnification of Indemnitee hereunder;
or

(iii) Indemnitee has been determined or deemed pursuant to Section 8(b) or Section 8(c) to have satisfied the Standard of Conduct Determination,

then the Company shall pay to Indemnitee, within five days after the later of (A) the Notification Date or (B) the earliest date on which the applicable criterion specified in clause (i), (ii) or (iii) is satisfied, an amount equal to such Losses.

(e) Selection of Independent Counsel for Standard of Conduct Determination. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 8(b)(i), the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Standard of Conduct Determination is to be made by Independent Counsel pursuant to Section 8(b)(ii), the Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either case, Indemnitee or the Company, as applicable, may, within five days after receiving written notice of selection from the other, deliver to the other a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not satisfy the criteria set forth in the definition of “Independent Counsel” in Section 1(i), and the objection shall set forth with particularity the factual basis of such

assertion. Absent a proper and timely objection, the person or firm so selected shall act as Independent Counsel. If such written objection is properly and timely made and substantiated, (i) the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit; and (ii) the non-objecting party may, at its option, select an alternative Independent Counsel and give written notice to the other party advising such other party of the identity of the alternative Independent Counsel so selected, in which case the provisions of the two immediately preceding sentences, the introductory clause of this sentence and numbered clause (i) of this sentence shall apply to such subsequent selection and notice. If applicable, the provisions of clause (ii) of the immediately preceding sentence shall apply to successive alternative selections. If no Independent Counsel that is permitted under the foregoing provisions of this Section 8(e) to make the Standard of Conduct Determination shall have been selected within 20 days after the Company gives its initial notice pursuant to the first sentence of this Section 8(e) or Indemnitee gives its initial notice pursuant to the second sentence of this Section 8(e), as the case may be, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware (“**Delaware Court**”) to resolve any objection which shall have been made by the Company or Indemnitee to the other’s selection of Independent Counsel and/or to appoint as Independent Counsel a person to be selected by the Court or such other person as the Court shall designate, and the person or firm with respect to whom all objections are so resolved or the person or firm so appointed will act as Independent Counsel. In all events, the Company shall pay all of the reasonable fees and expenses of the Independent Counsel incurred in connection with the Independent Counsel’s determination pursuant to Section 8(b).

(f) Presumptions and Defenses.

(i) Indemnitee’s Entitlement to Indemnification. In making any Standard of Conduct Determination, the person or persons making such determination shall presume that Indemnitee has satisfied the applicable standard of conduct and is entitled to indemnification, and the Company shall have the burden of proof to overcome that presumption and establish that Indemnitee is not so entitled. Any Standard of Conduct Determination that is adverse to Indemnitee may be challenged by the Indemnitee in the Delaware Court. No determination by the Company (including by its directors or any Independent Counsel) that Indemnitee has not satisfied any applicable standard of conduct may be used as a defense to any legal proceedings brought by Indemnitee to secure indemnification or reimbursement or advance payment of Expenses by the Company hereunder or create a presumption that Indemnitee has not met any applicable standard of conduct.

(ii) Reliance as a Safe Harbor. For purposes of this Agreement, and without creating any presumption as to a lack of good faith if the following circumstances do not exist, Indemnitee shall be deemed to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company if Indemnitee’s actions or omissions to act are taken in good faith reliance upon the records of the Company, including its financial

statements, or upon information, opinions, reports or statements furnished to Indemnitee by the officers or employees of the Company or any of its subsidiaries in the course of their duties, or by committees of the Board or by any other Person (including legal counsel, accountants and financial advisors) as to matters Indemnitee reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company. In addition, the knowledge and/or actions, or failures to act, of any director, officer, agent or employee of the Company shall not be imputed to Indemnitee for purposes of determining the right to indemnity hereunder.

(iii) No Other Presumptions. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere or its equivalent, will not create a presumption that Indemnitee did not meet any applicable standard of conduct or have any particular belief, or that indemnification hereunder is otherwise not permitted.

(iv) Defense to Indemnification and Burden of Proof. It shall be a defense to any action brought by Indemnitee against the Company to enforce this Agreement (other than an action brought to enforce a claim for Losses incurred in defending against a Claim related to an Indemnifiable Event in advance of its final disposition) that it is not permissible under applicable law for the Company to indemnify Indemnitee for the amount claimed. In connection with any such action or any related Standard of Conduct Determination, the burden of proving such a defense or that the Indemnitee did not satisfy the applicable standard of conduct shall be on the Company.

9. Exclusions from Indemnification and Advancement of Expenses. Notwithstanding anything in this Agreement to the contrary, the Company shall not be obligated to:

(a) indemnify or advance funds to Indemnitee for Expenses or Losses with respect to proceedings initiated by Indemnitee, including any proceedings against the Company or its directors, officers, employees or other indemnitees and not by way of defense, except:

(i) proceedings referenced in Section 4 above (unless a court of competent jurisdiction determines that each of the material assertions made by Indemnitee in such proceeding was not made in good faith or was frivolous); or

(ii) where the Company has joined in or the Board has consented to the initiation of such proceedings.

(b) indemnify Indemnitee if a final decision by a court of competent jurisdiction determines that such indemnification is prohibited by applicable law.

(c) indemnify or advance funds to Indemnitee for the disgorgement of profits arising from the purchase or sale by Indemnitee of securities of the Company in violation of Section 16(b) of the Exchange Act, or any similar successor statute.

(d) indemnify or advance funds to Indemnitee for Indemnitee's reimbursement to the Company of any bonus or other incentive-based or equity-based compensation previously received by Indemnitee or payment of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements under Section 304 of the Sarbanes-Oxley Act of 2002 in connection with an accounting restatement of the Company or the payment to the Company of profits arising from the purchase or sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act).

(e) indemnify or advance funds to Indemnitee for Expenses or Losses determined by the Company to have arisen out of Indemnitee's breach or violation of his or her obligations under any employment agreement between the Indemnitee and the Company (if any).

(f) indemnify or advance funds to Indemnitee for Expenses or Losses arising out of Indemnitee's personal tax matters.

(g) indemnify or advance funds for any reimbursement of the Company by Indemnitee of any compensation pursuant to any compensation recoupment or clawback policy adopted by the Board or the compensation committee of the Board to comply with stock exchange listing requirements implementing Section 10D of the Exchange Act.

10. Settlement of Claims. The Company shall not be liable to Indemnitee under this Agreement for any amounts paid in settlement of any threatened or pending Claim related to an Indemnifiable Event effected without the Company's prior written consent, which shall not be unreasonably withheld; provided, however, that if a Change in Control has occurred, the Company shall be liable for indemnification of the Indemnitee for amounts paid in settlement if an Independent Counsel has approved the settlement. The Company shall not settle any Claim related to an Indemnifiable Event in any manner that would impose any Losses on the Indemnitee without the Indemnitee's prior written consent.

11. Duration. All agreements and obligations of the Company contained herein shall continue during the period that Indemnitee is a director of the Company (or is serving at the request of the Company as a director, officer, employee, member, trustee or agent of another Enterprise) and shall continue thereafter (a) so long as Indemnitee may be subject to any possible Claim relating to an Indemnifiable Event (including any rights of appeal thereto) and (b) throughout the pendency of any proceeding (including any rights of appeal thereto) commenced by Indemnitee to enforce or interpret his or her rights under this Agreement, even if, in either case, he or she may have ceased to serve in such capacity at the time of any such Claim or proceeding.

12. Non-Exclusivity. The rights of Indemnitee hereunder will be in addition to any other rights Indemnitee may have under the Constituent Documents, the General Corporation Law of the State of Delaware, any other contract or otherwise (collectively, “**Other Indemnity Provisions**”); provided, however, that (a) to the extent that Indemnitee otherwise would have any greater right to indemnification under any Other Indemnity Provision, Indemnitee will be deemed to have such greater right hereunder and (b) to the extent that any change is made to any Other Indemnity Provision which permits any greater right to indemnification than that provided under this Agreement as of the date hereof, Indemnitee will be deemed to have such greater right hereunder. The Company will not adopt any amendment to any of the Constituent Documents the effect of which would be to deny, diminish or encumber Indemnitee’s right to indemnification under this Agreement or any Other Indemnity Provision.

13. Liability Insurance. For the duration of Indemnitee’s service as a director of the Company, and thereafter for so long as Indemnitee shall be subject to any pending Claim relating to an Indemnifiable Event, the Company shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to continue to maintain in effect policies of directors’ and officers’ liability insurance providing coverage that is at least substantially comparable in scope and amount to that provided by the Company’s current policies of directors’ and officers’ liability insurance. In all policies of directors’ and officers’ liability insurance maintained by the Company, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are provided to the most favorably insured of the Company’s directors by such policy. Upon request, the Company will provide to Indemnitee copies of all directors’ and officers’ liability insurance applications, binders, policies, declarations, endorsements and other related materials.

14. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to Indemnitee in respect of any Losses to the extent Indemnitee has otherwise received payment under any insurance policy, the Constituent Documents, Other Indemnity Provisions or otherwise of the amounts otherwise indemnifiable by the Company hereunder.

15. Subrogation. In the event of payment to Indemnitee under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee. Indemnitee shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

16. Amendments. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless in the form of a writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or

indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company), assigns, spouses, heirs and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part of the business and/or assets of the Company, by written agreement in form and substances satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

18. Severability. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any portion thereof) are held by a court of competent jurisdiction to be invalid, illegal, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

19. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed, by postage prepaid, certified or registered mail:

- (a) if to Indemnitee, to the address set forth on the signature page hereto.
- (b) if to the Company, to:

Tellurian Inc.
Attn: Daniel Belhumeur, General Counsel
1201 Louisiana Street, Suite 3100
Houston, Texas 77002

Notice of change of address shall be effective only when given in accordance with this Section. All notices complying with this Section shall be deemed to have been received on the date of hand delivery or on the third business day after mailing.

20. Governing Law and Forum. This Agreement and all claims and causes of action hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state without giving effect to its principles of conflicts of laws. The Company and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court and not in any other state or federal court in the United States, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, Capitol Services, Inc., 1675 South State Street, Suite B, Dover, Delaware 19901 as its agent in the State of Delaware for acceptance of legal process in connection with any such action or proceeding

against such party with the same legal force and validity as if served upon such party personally within the State of Delaware and (d) waive, and agree not to plead or make, any claim that the Delaware Court lacks venue or that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

21. Headings. The headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction or interpretation thereof.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original, but all of which together shall constitute one and the same Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement as of the date first above written.

TELLURIAN INC.

By: _____
Name: _____
Title: _____

INDEMNITEE

Name: _____
Address: _____

Signature Page to
Indemnification Agreement
(Director)

EXHIBIT A

FORM OF UNDERTAKING TO REPAY ADVANCEMENT OF EXPENSES

_____, 20__

Tellurian Inc.
Attn: Daniel Belhumeur, General Counsel
1201 Louisiana Street, Suite 3100
Houston, Texas 77002

Re: Undertaking to Repay Advancement of Expenses.

Ladies and Gentlemen:

This undertaking is being provided pursuant to that certain Indemnification Agreement, dated [DATE], by and between Tellurian Inc., a Delaware corporation (the “**Company**”), and the undersigned as Indemnitee (the “**Indemnification Agreement**”). Terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indemnification Agreement. Pursuant to the Indemnification Agreement, among other things, I am entitled to the advancement of Expenses paid or incurred in connection with Claims relating to Indemnifiable Events.

I have become subject to [DESCRIPTION OF PROCEEDING] (the “**Proceeding**”) based on my status as a director of the Company/alleged actions or failures to act in my capacity as a director of the Company. This undertaking also constitutes notice to the Company of the Proceeding pursuant to Section 6 of the Indemnification Agreement. The following is a brief description of the [current status of the] Proceeding:

[DESCRIPTION OF PROCEEDING]

[Pursuant to Section 3 of the Indemnification Agreement, the Company can (a) pay such Expenses on my behalf, (b) advance funds in an amount sufficient to pay such Expenses, or (c) reimburse me for such Expenses. Pursuant to Section 3 of the Indemnification Agreement, I hereby request an Expense Advance in connection with the Proceeding. The Expenses for which advances are requested are as follows:]

[DESCRIPTION OF EXPENSES]

In connection with the request for Expense Advances [set out above/delivered to the Company separately on [DATE]], I hereby undertake to repay any amounts paid, advanced or reimbursed by the Company for such Expense Advances to the extent that it is ultimately determined that I am not entitled to indemnification under the Indemnification Agreement.

This undertaking shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of laws thereof.

[Signature page follows]

Very truly yours,

Name:

[Title:]

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT**

I, Meg A. Gentle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tellurian Inc.:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2019

/s/ Meg A. Gentle

Meg A. Gentle
Chief Executive Officer
(as Principal Executive Officer)
Tellurian Inc.

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT

I, Antoine J. Lafargue, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tellurian Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2019

/s/ Antoine J. Lafargue

Antoine J. Lafargue

Senior Vice President and Chief Financial Officer

(as Principal Financial Officer)

Tellurian Inc.

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Tellurian Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Meg A. Gentle, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934;
and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2019

/s/ Meg A. Gentle

Meg A. Gentle

Chief Executive Officer

(as Principal Executive Officer)

Tellurian Inc.

**CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Tellurian Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Antoine J. Lafargue, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934;
and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2019

/s/ Antoine J. Lafargue

Antoine J. Lafargue

Senior Vice President and Chief Financial Officer

(as Principal Financial Officer)

Tellurian Inc.