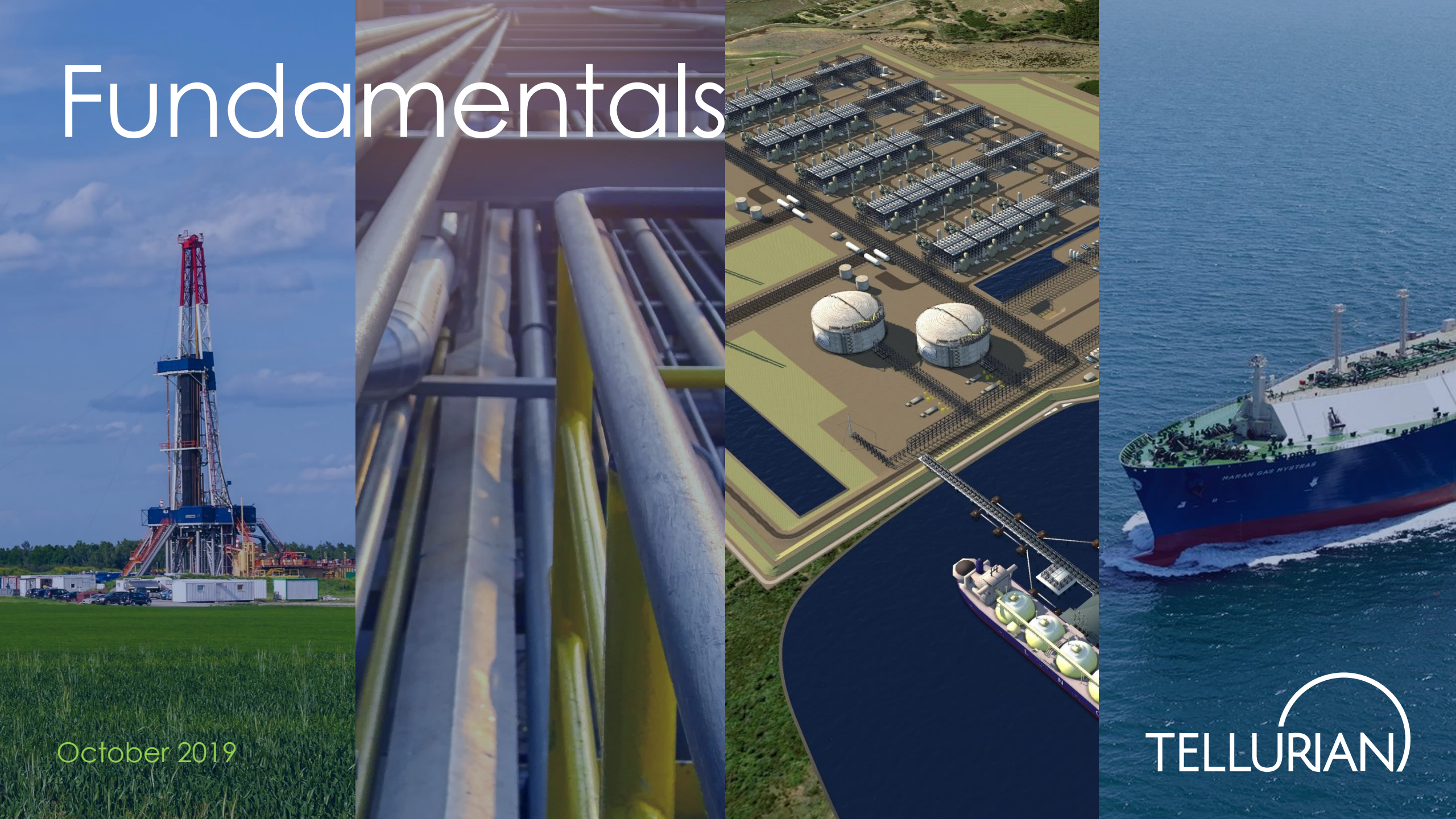
Fundamentals



October 2019

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Cautionary statements

Forward-looking statements

The information in this presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are forward-looking statements. The words "anticipate," "assume," "believe," "budget," "estimate," "expect," "forecast," "initial," "intend," "may," "plan," "potential," "project," "should," "will," "would," and similar expressions are intended to identify forward-looking statements. The forward-looking statements in this presentation relate to, among other things, gas resources, production and costs, infrastructure needs and costs, LNG export and pipeline capacity, LNG bunkering, LNG prices, future demand and supply affecting LNG, and general energy markets and other aspects of our business and our prospects and those of other industry participants.

Our forward-looking statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments, and other factors that we believe are appropriate under the circumstances. These statements are subject to numerous known and unknown risks and uncertainties, which may cause actual results to be materially different from any future results or performance expressed or implied by the forward-looking statements. These risks and uncertainties include those described in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and our other filings with the Securities and Exchange Commission, which are incorporated by reference in this presentation. Many of the forward-looking statements in this presentation relate to events or developments anticipated to occur numerous years in the future, which increases the likelihood that actual results will differ materially from those indicated in such forward-looking statements.

The forward-looking statements made in or in connection with this presentation speak only as of the date hereof. Although we may from time to time voluntarily update our prior forward-looking statements, we disclaim any commitment to do so except as required by securities laws.

Reserves and resources

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

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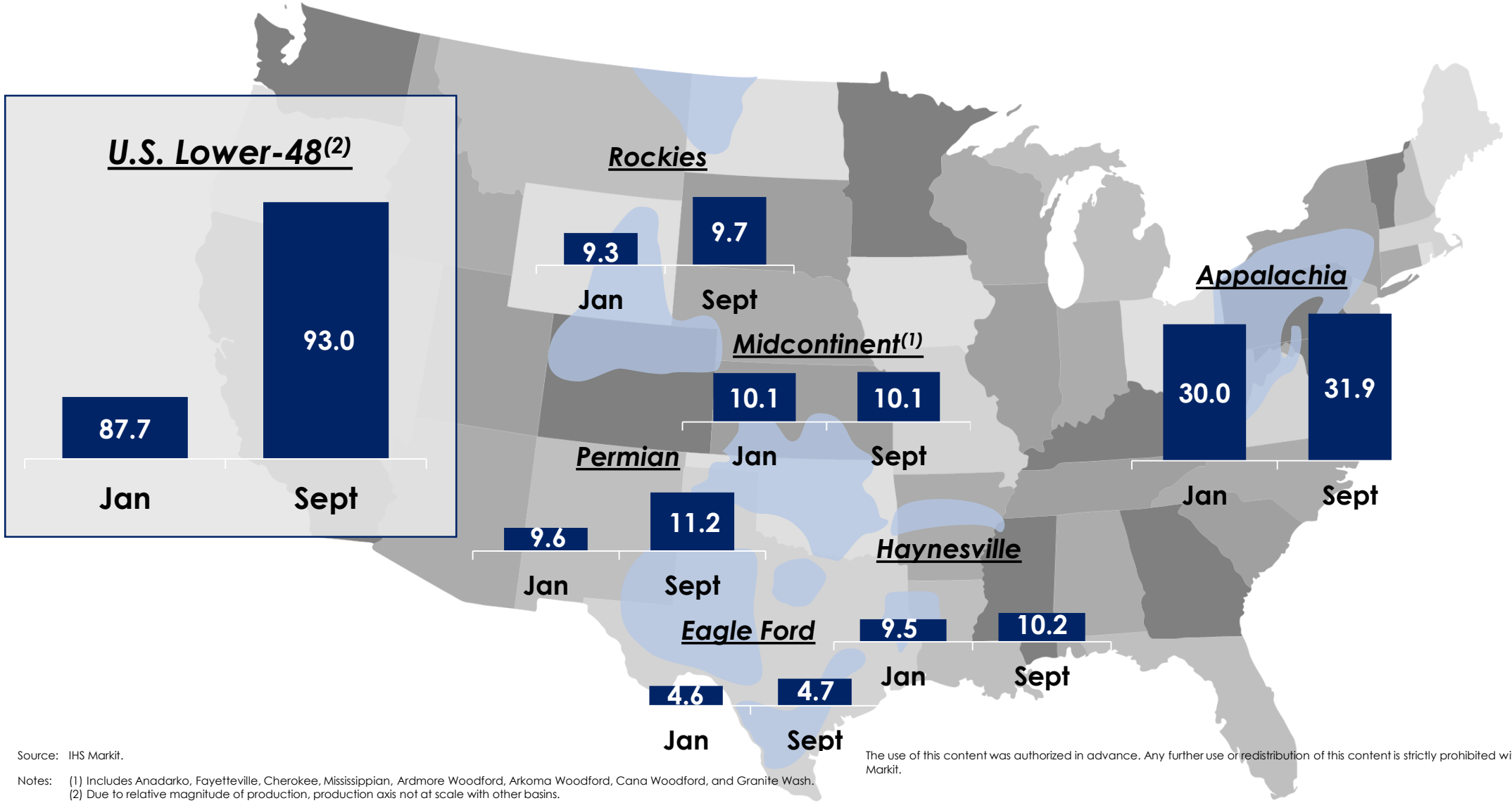
2019 U.S. dry gas production (bcf/d)



Source: IHS Markit.

Notes: (1) Includes Anadarko, Fayetteville, Cherokee, Mississippian, Ardmore Woodford, Arkoma Woodford, Cana Woodford, and Granite Wash.
(2) Due to relative magnitude of production, production axis not at scale with other basins.

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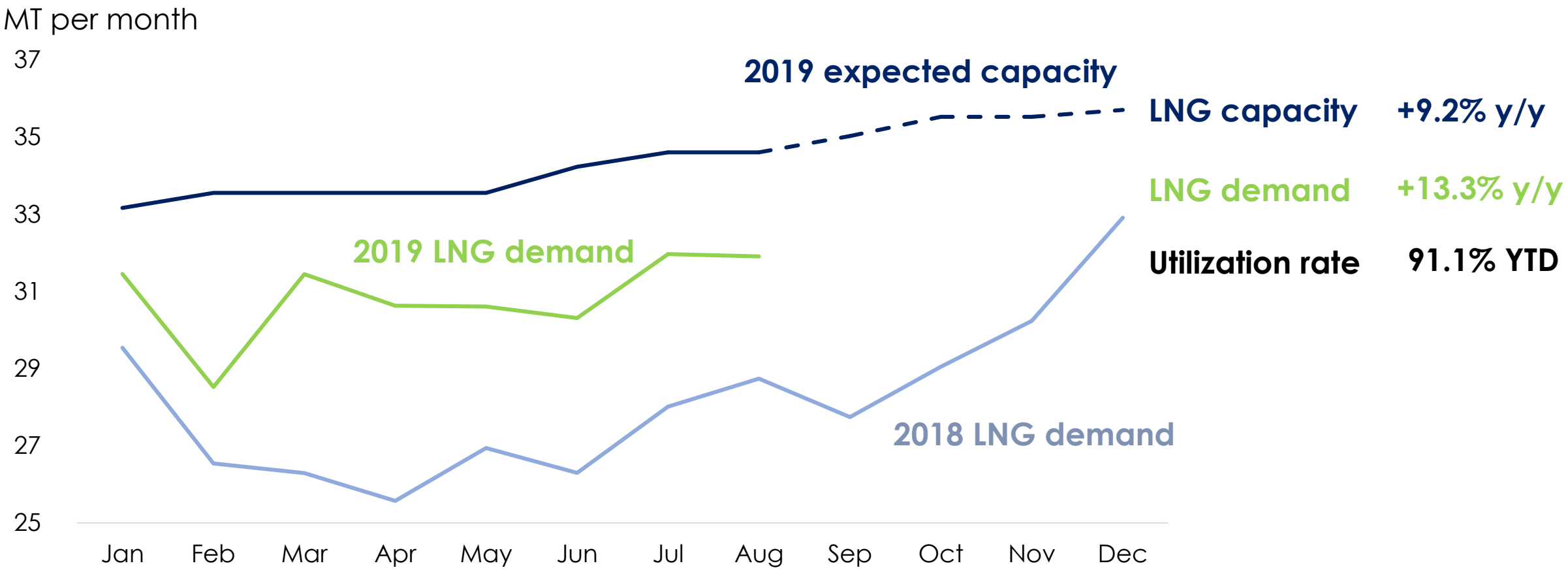
LNG demand is growing 13.3% y/y in 2019



Sources: IHS Markit, Tellurian analysis.

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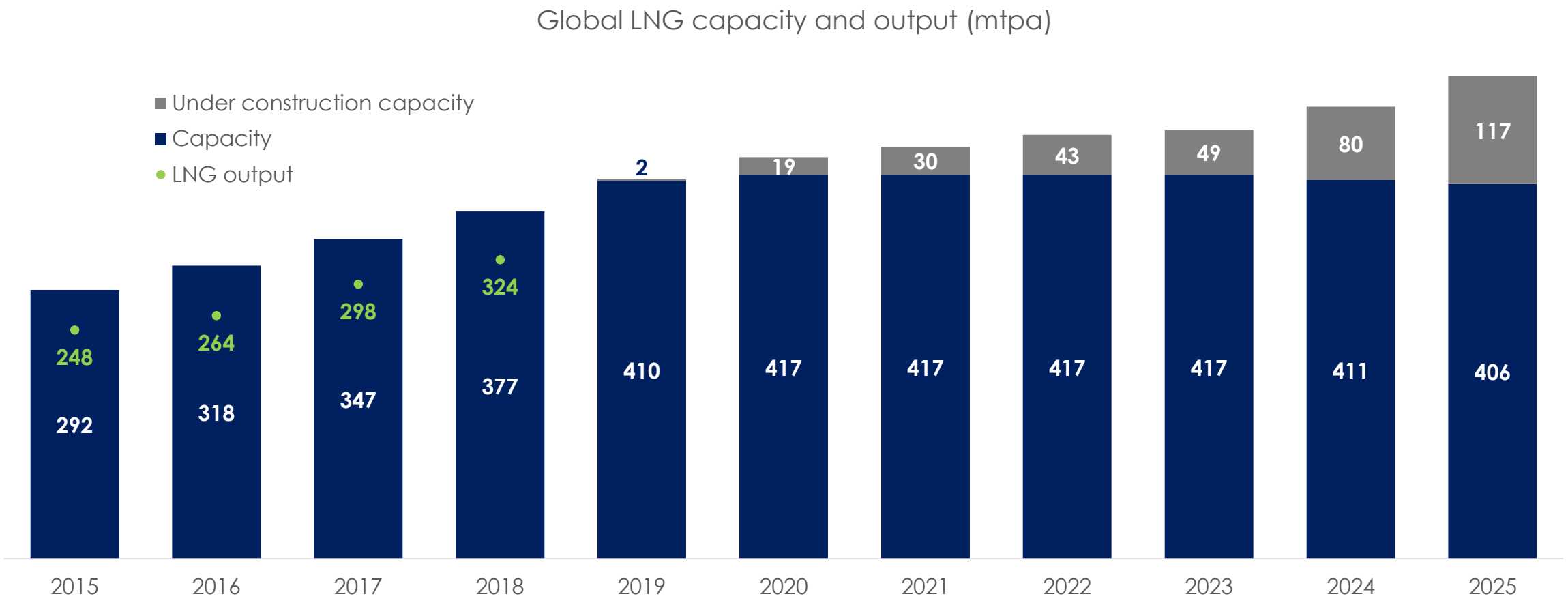
Firm LNG capacity forecast



Source: Tellurian Research, Wood Mackenzie.

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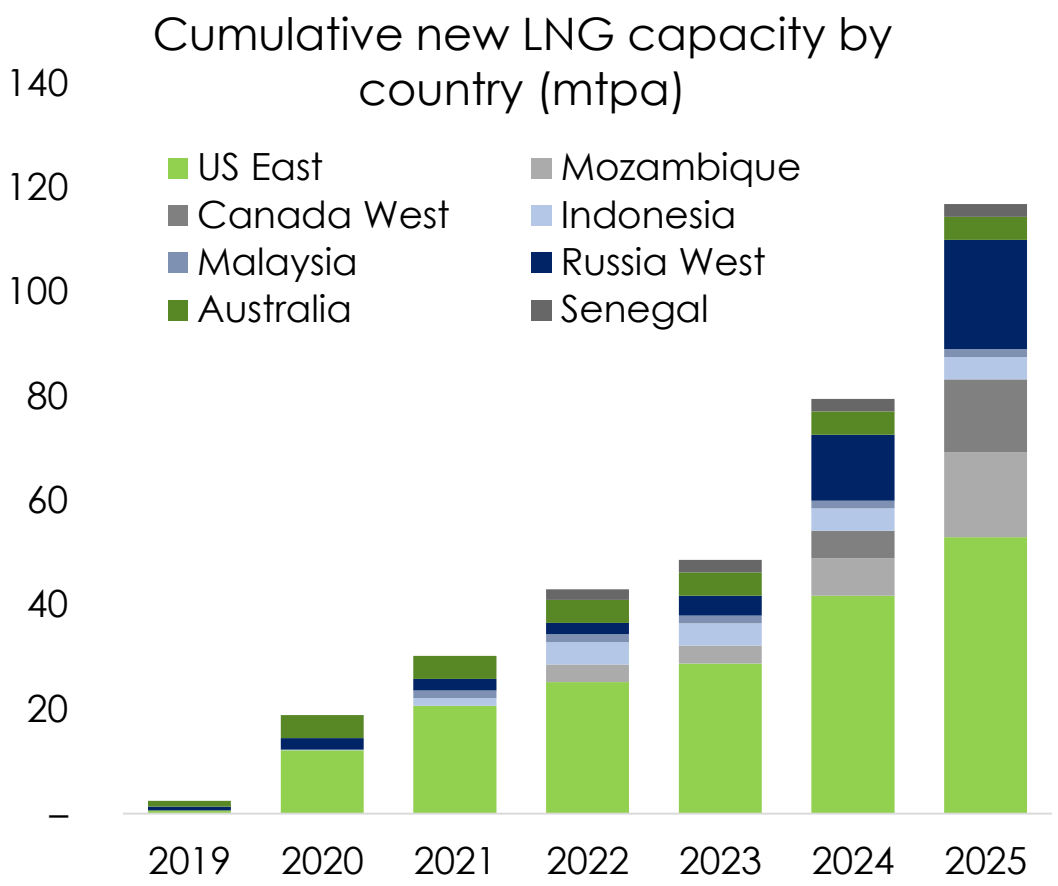
Firm LNG capacity schedule

mtpa

Project	Country	Capacity	Start date	2019	2020	2021	2022	2023	2024	2025
Elba Island LNG Export T1-6	US East	1.5	10/1/2019	0.4	1.5	1.5	1.5	1.5	1.5	1.5
Ichthys T2	Australia	4.5	10/1/2019	1.1	4.5	4.5	4.5	4.5	4.5	4.5
Vysotsk LNG	Russia West	0.7	12/1/2019	0.1	0.7	0.7	0.7	0.7	0.7	0.7
Sengkang LNG	Indonesia	0.5	10/1/2020	–	0.1	0.5	0.5	0.5	0.5	0.5
Portovaya LNG	Russia West	1.5	12/1/2019	0.1	1.5	1.5	1.5	1.5	1.5	1.5
Elba Island LNG Export T7-10	US East	1.0	1/1/2020	–	1.0	1.0	1.0	1.0	1.0	1.0
Cameron LNG Export T2	US East	4.0	2/1/2020	–	3.7	4.0	4.0	4.0	4.0	4.0
Freeport Train 2	US East	5.1	5/1/2020	–	3.4	5.1	5.1	5.1	5.1	5.1
Freeport Train 3	US East	5.1	10/30/2020	–	1.3	5.1	5.1	5.1	5.1	5.1
Cameron LNG Export T3	US East	4.0	9/1/2020	–	1.3	4.0	4.0	4.0	4.0	4.0
PETRONAS FLNG 2	Malaysia	1.5	1/1/2021	–	–	1.5	1.5	1.5	1.5	1.5
Tangguh Phase 2	Indonesia	3.8	10/1/2021	–	–	1.0	3.8	3.8	3.8	3.8
Coral FLNG	Mozambique	3.4	1/1/2022	–	–	–	3.4	3.4	3.4	3.4
Corpus Christi LNG Train 3	US East	4.5	1/1/2022	–	–	–	4.5	4.5	4.5	4.5
Tortue FLNG	Senegal	2.4	3/1/2022	–	–	–	2.0	2.4	2.4	2.4
Sabine Pass LNG T6	US East	4.7	6/1/2023	–	–	–	–	2.7	4.7	4.7
LNG Canada T1	Canada West	7.0	4/1/2024	–	–	–	–	–	5.3	7.0
Golden Pass LNG T1	US East	5.2	5/1/2024	–	–	–	–	–	3.5	5.2
Golden Pass LNG T2	US East	5.2	10/30/2024	–	–	–	–	–	1.3	5.2
LNG Canada T2	Canada West	7.0	1/1/2025	–	–	–	–	–	–	7.0
Golden Pass LNG T3	US East	5.2	7/2/2025	–	–	–	–	–	–	2.6
Mozambique Area 1 T1	Mozambique	6.4	6/1/2024	–	–	–	–	–	3.8	6.4
Mozambique Area 1 T2	Mozambique	6.4	1/1/2025	–	–	–	–	–	–	6.4
Calcasieu Pass LNG T1	US East	5.0	12/1/2022	–	–	–	0.4	5.0	5.0	5.0
Calcasieu Pass LNG T2	US East	5.0	9/1/2023	–	–	–	–	1.7	5.0	5.0
Arctic LNG-2 T1	Russia West	6.6	10/1/2023	–	–	–	–	1.7	6.6	6.6
Arctic LNG-2 T2	Russia West	6.6	6/30/2024	–	–	–	–	–	3.9	6.6
Arctic LNG-2 T3	Russia West	6.6	3/31/2025	–	–	–	–	–	–	5.5
Cumulative under construction capacity				*1.7*	*18.9*	*30.3*	*43.4*	*54.5*	*82.5*	*116.8*



Source: Tellurian Research, Wood Mackenzie.

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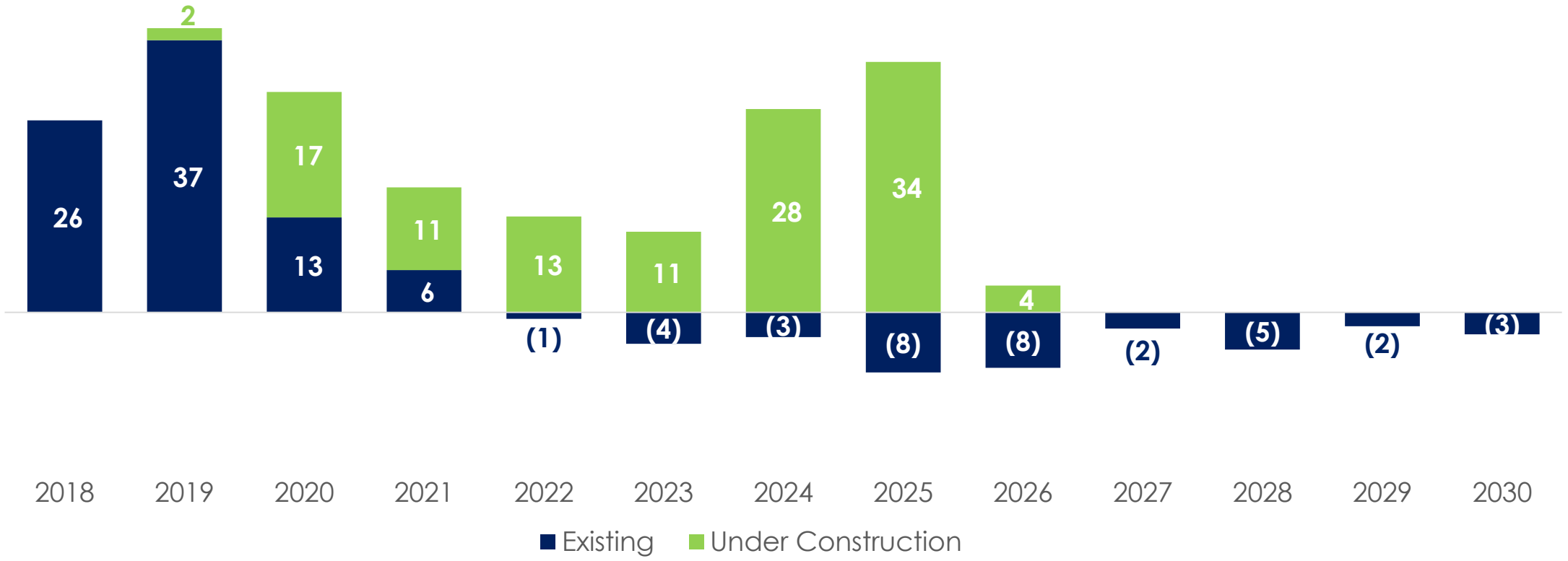
LNG capacity growth should peak in 2019

Net incremental LNG capacity (mtpa)



Sources: Wood Mackenzie, Tellurian analysis.
Notes: All numbers net of retired legacy LNG projects.

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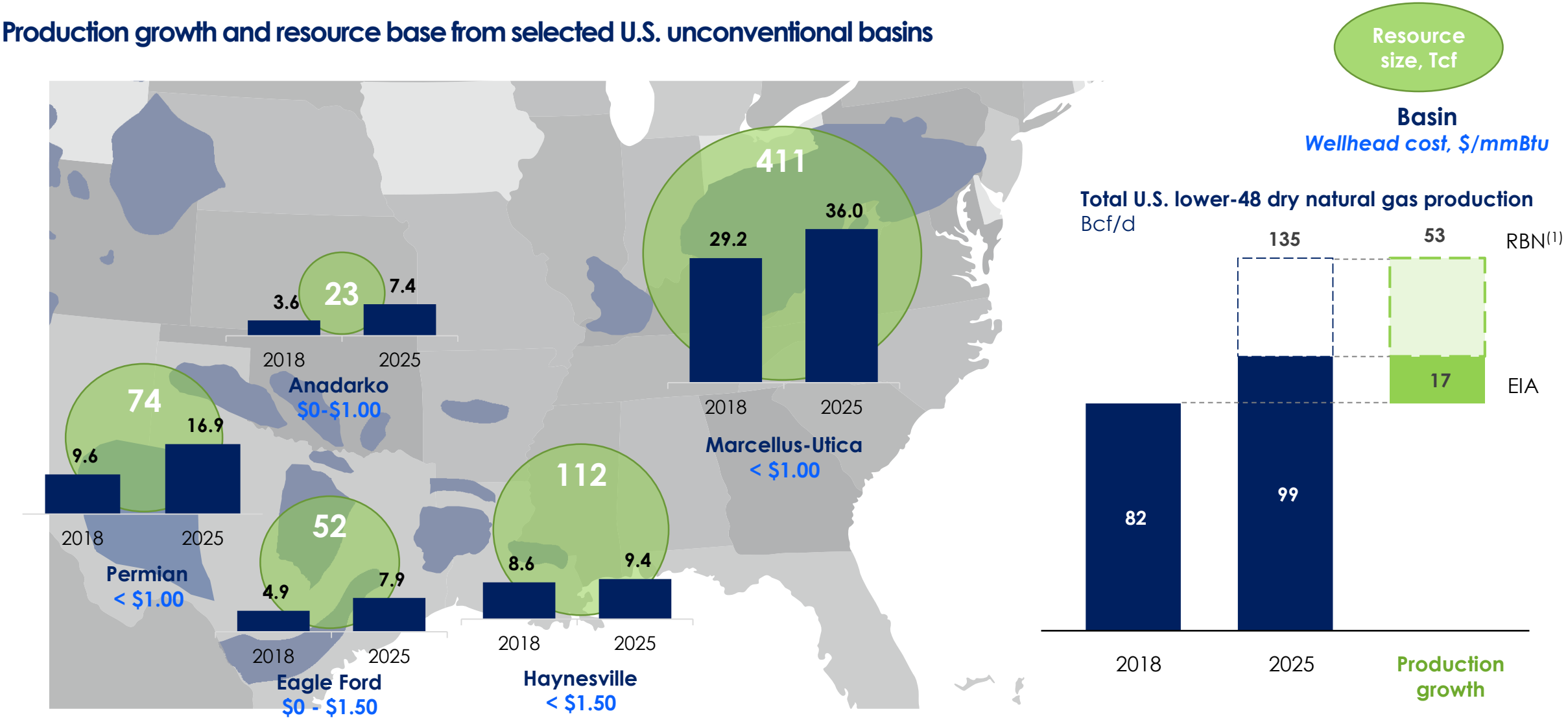
Plentiful, low-cost U.S. natural gas

Production growth and resource base from selected U.S. unconventional basins



Source: EIA 2019 Annual Energy Outlook, DrillingInfo, RBN, Tellurian analysis.
Note: (1) RBN high case – extrapolated from 2024 to 2025 by Tellurian.

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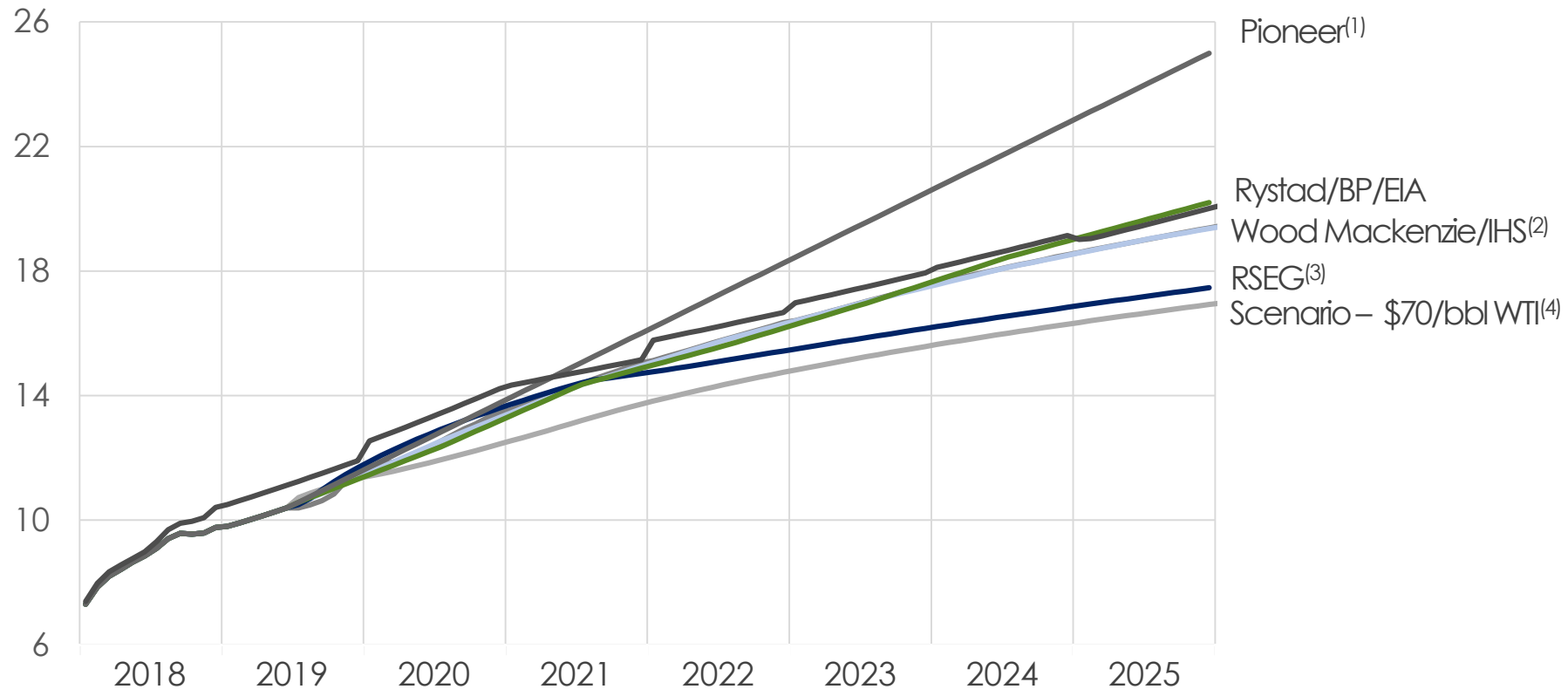
Permian gas outlook – range of forecasts

Permian dry gas production
(Bcf/d)



- **Permian gas supply driven by oil production economics**
- **Gas-to-oil ratios in the Basin are increasing, meaning wells are getting "gassier"**
- **Consolidation and more investment from the majors underpins resilient production outlook**

Sources: Rystad, Wood Mackenzie, RSEG, IHS, DrillingInfo, BP, EIA, Tellurian Research.
Notes: (1) Estimates based on guidance from Pioneer Energy. See https://www.spglobal.com/marketintelligence/en/news-insights/trending/ymld4hxz_zriyxkwqxdgmg2.
(2) Assumes 20% initial production ("IP") improvement per year and flat completion activity levels.
(3) Assumes flat seasonally adjusted rig drilling and completion activity, and 2% upward shift in basin wide type curve per quarter.
(4) Current type curves (no improvement over time) and flat rig count based on current levels.

Permian by the numbers

4.1
million bpd

One of the most prolific oil basins in the world with extremely low oil breakevens and negative breakevens for gas production

2.5-4.0
Gas-to-oil ratio ("GOR")

Average GOR in the Permian with higher GORs in the Delaware, the recipient of most investment

~1
bcf/d

Estimated natural gas flared in the Permian Basin every day in Q2 2019

#4
ranking

The United States is among the top 4 flaring countries, behind Russia, Iran, and Iraq

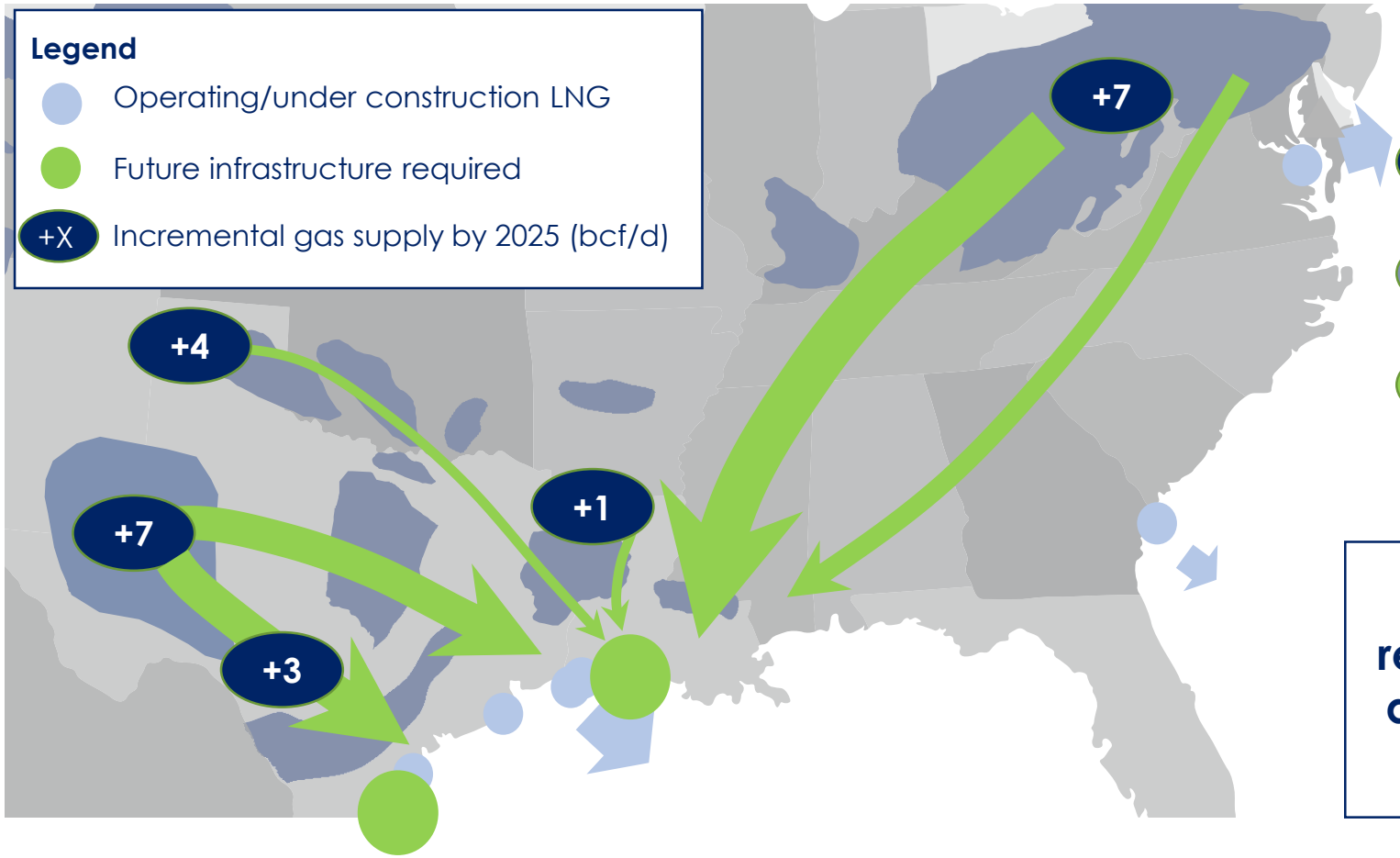
-$0.90
$/mmBtu
3-year avg. basis

3-year average basis for gas prices in West Texas compared to Henry Hub; as of August 2019, forward curve averaging -$0.55 mmBtu for 2023

Sources: Rystad, EIA, World Bank, Platts via Marketview, and BTU Analytics.

Looming challenge of U.S. gas oversupply

U.S. natural gas must be exported



2018-2025:

- **+22** Bcf/d total gas supply growth[1]
- **+12** Bcf/d excess gas supply[2]
- **+100** mtpa LNG capacity required[3]

~$150 - $225 billion[4] of investment required to build 100-150 mtpa of LNG and supportive pipeline infrastructure to export excess U.S. gas supply

Sources: DrillingInfo, EIA, Tellurian analysis.
Note: (1) Assumes $70/bbl oil price and $3/mmBtu Henry Hub price; incremental supply comes from Permian, Scoop/Stack, Haynesville, Eagle Ford, and Appalachia.
(2) Assumes U.S. natural gas demand grows 0.6% p.a. and that the 7.4 bcf/d of LNG terminals under construction produce at a 90% utilization rate.
(3) Assumes new LNG terminals produce at a 90% utilization rate.
(4) Assumes new liquefaction capacity costs $1,000 per tonne plus an additional $70 billion of pipeline infrastructure to transport gas supply to the terminal.

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Global LNG demand pull

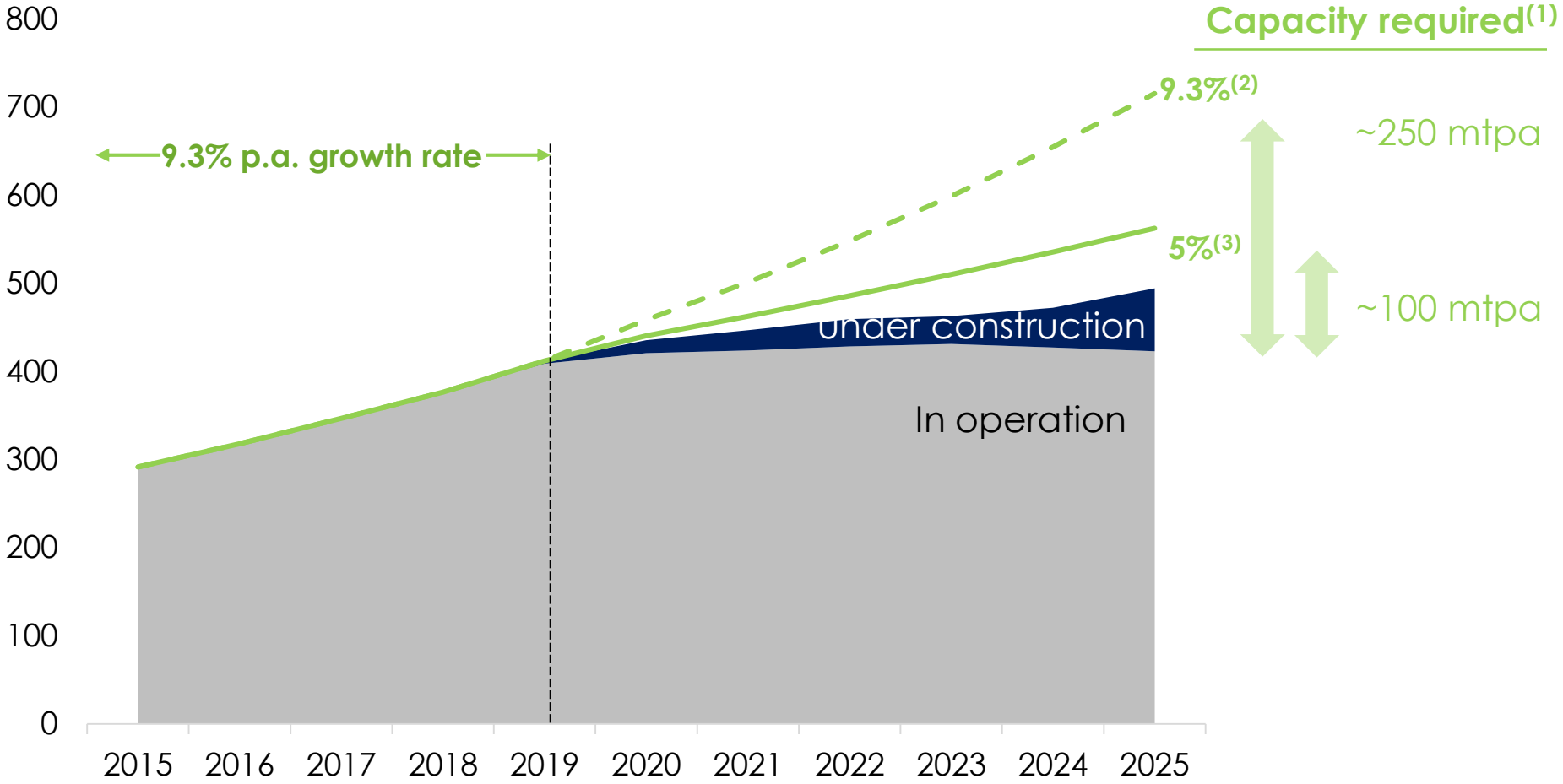
Key drivers

China

India

Europe

New markets



Sources: Wood Mackenzie, Tellurian Research.
Notes: (1) Assumes 86.5% utilization rate.
(2) Assuming sustained 2015-2018 demand growth rate of ~9.3% p.a. post-2019.
(3) Assumes estimate of 5.0% p.a. demand growth rate post-2020.

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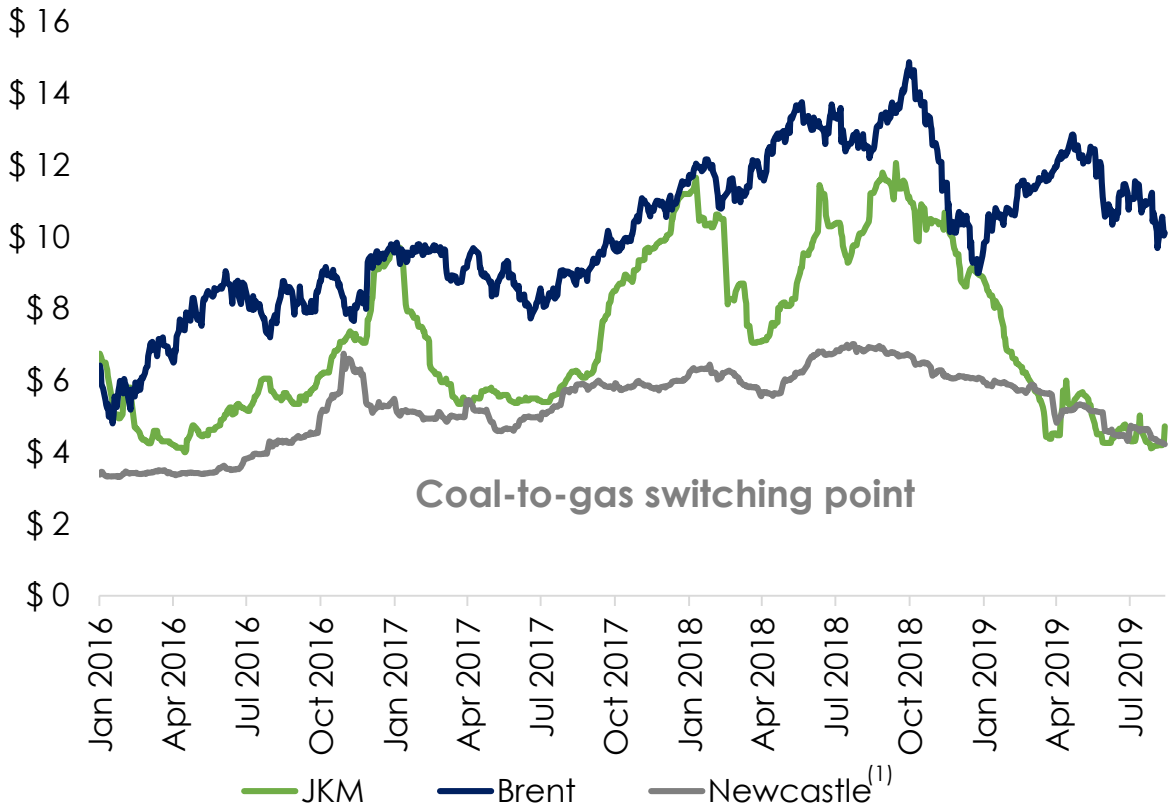
Latent LNG demand from fuel substitution

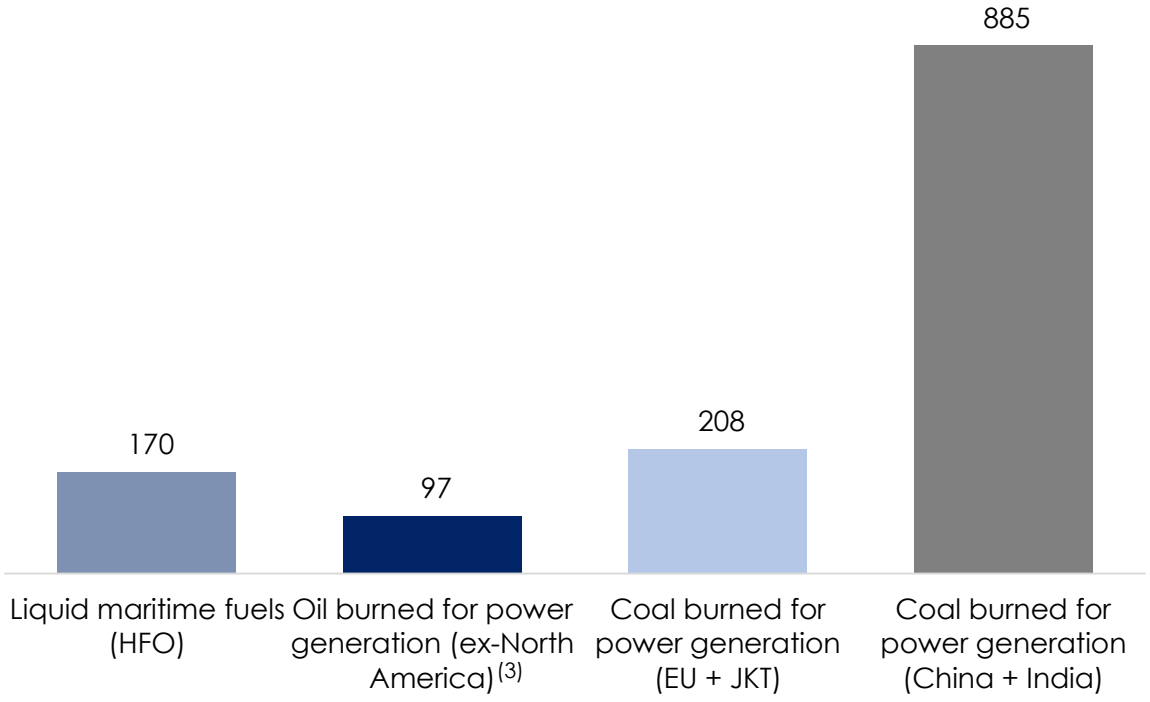
There is substantial latent demand for LNG, which is competitive with oil prices and cleaner than coal

LNG prices trade between oil and coal prices



~1,359 mtpa LNG equivalent latent LNG demand

2018 fuel consumption (mtpa LNG equivalent)(2)



Gas is cheaper than oil

Gas is cleaner than coal

Source: ICE via Marketview, BP Statistical Review, Oxford Energy Institute Tellurian analysis.
Notes: (1) Newcastle coal includes a $15 per tonne shipping fee and is heat rate adjusted.
(2) Assumes a 7,800 average heat rate for global gas-fired power plants.
(3) Includes Central America, Europe, Middle East, and Asian markets.

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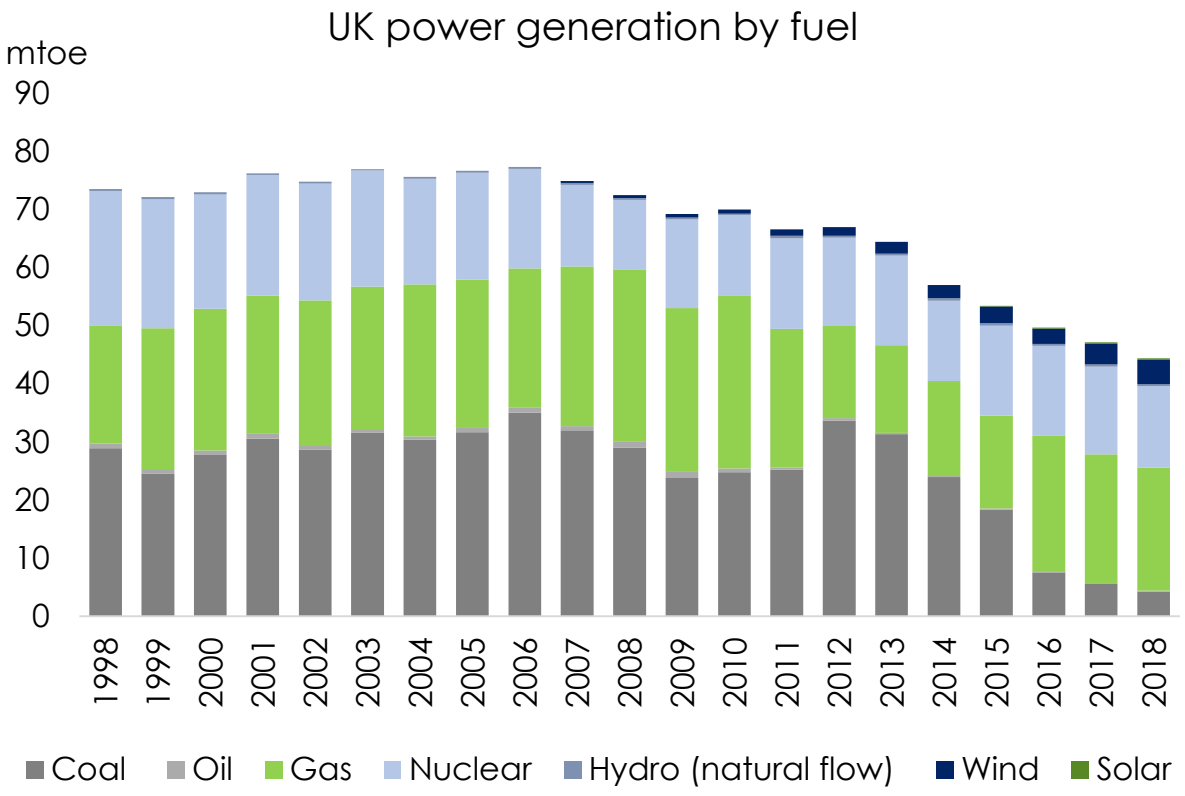
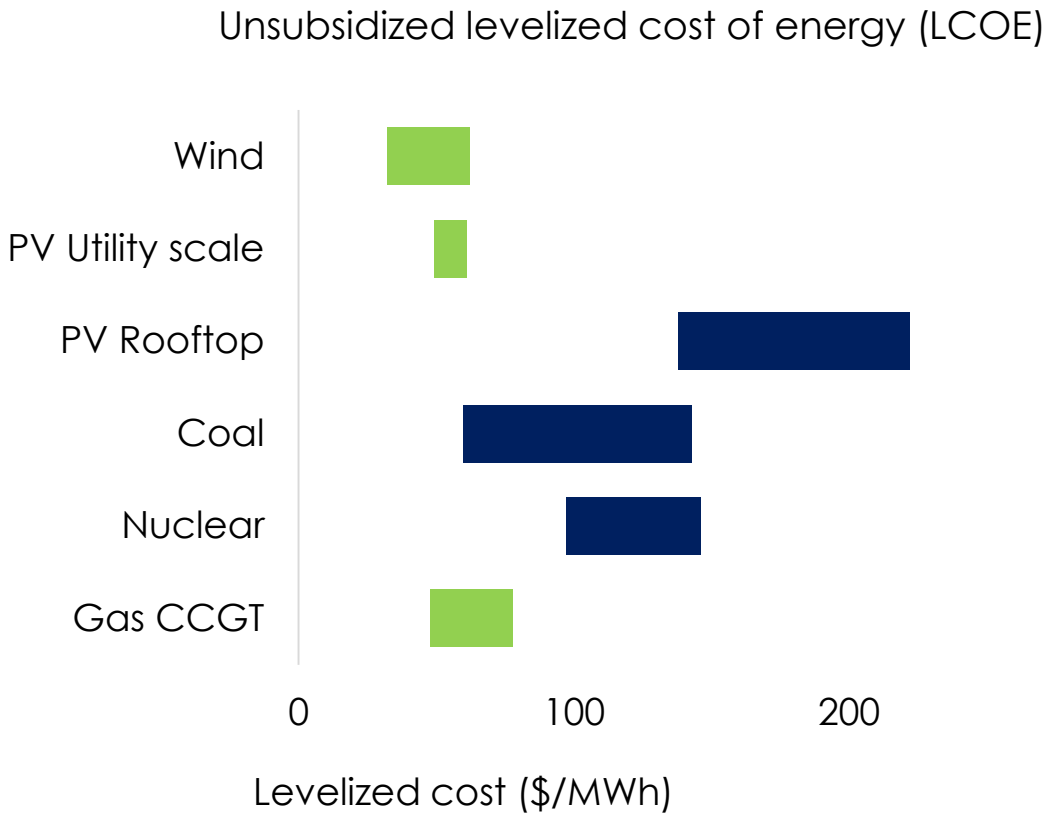
Natural gas demand linked to renewables

Natural gas share in UK's power mix grew to ~50% as higher CO2 prices incentivized dispatch of cleaner fuels



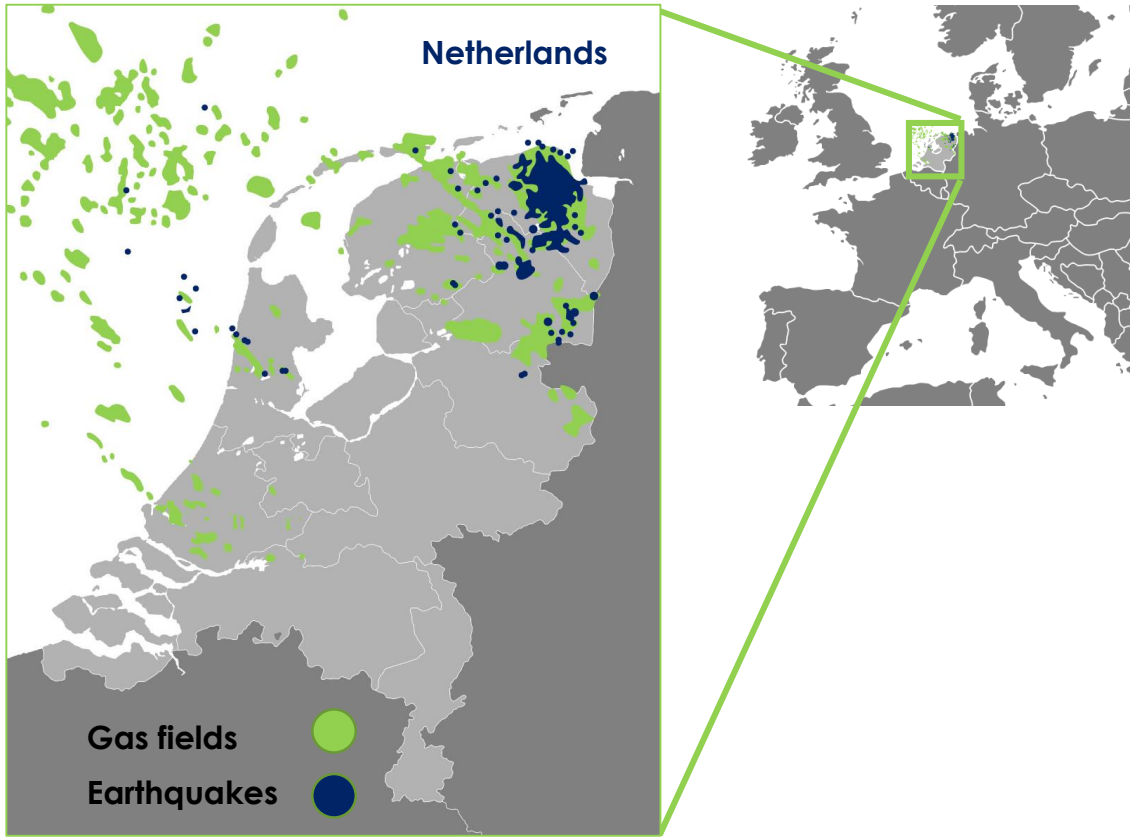
Gas-fired power generation is a cleaner, more affordable, and reliable backup to renewables

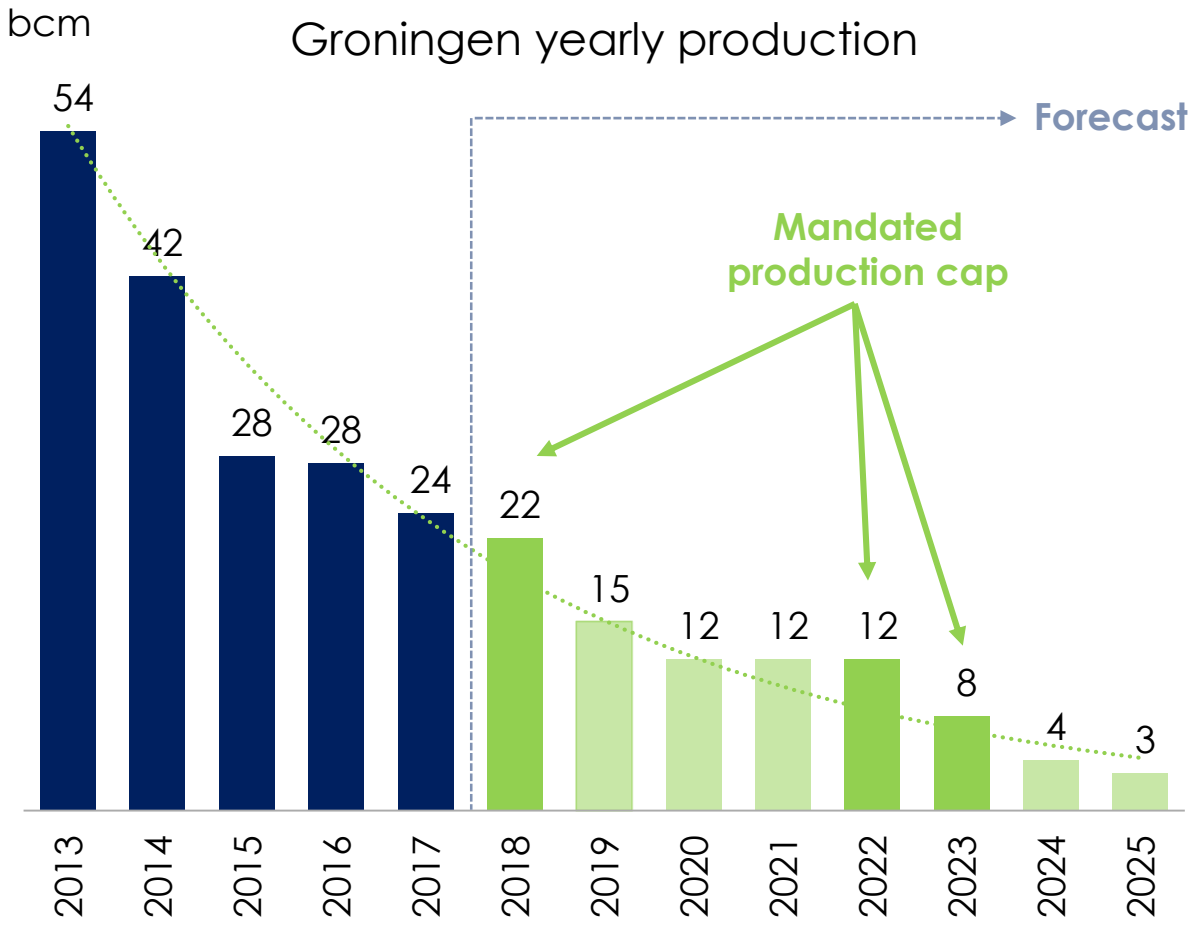


Source: UK Department for Business, Energy, and Industrial Strategy (2019), Lazard.

LNG required to offset Groningen declines

Netherlands capping production from the Groningen field requires ~10 mtpa of LNG





Source: NAM, Energy Aspects.

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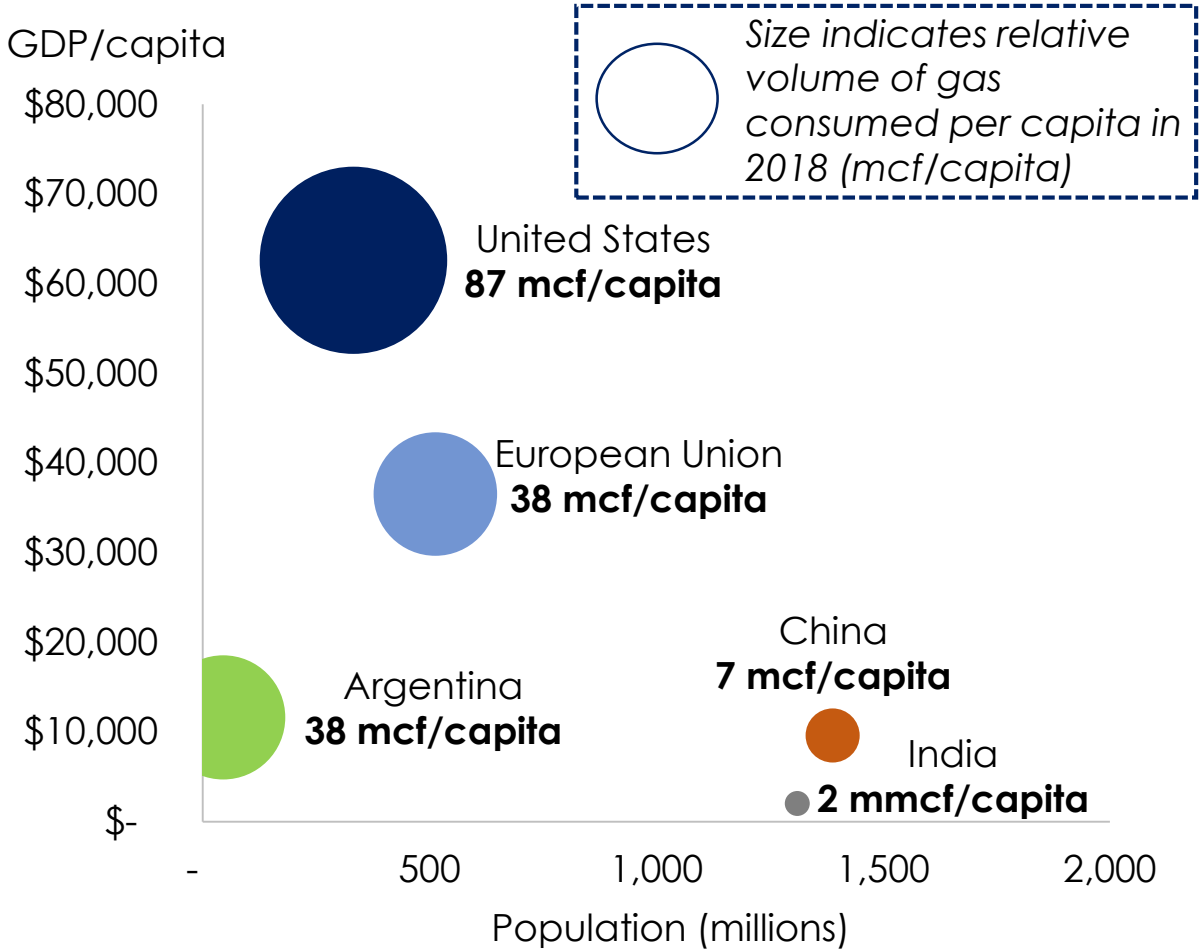
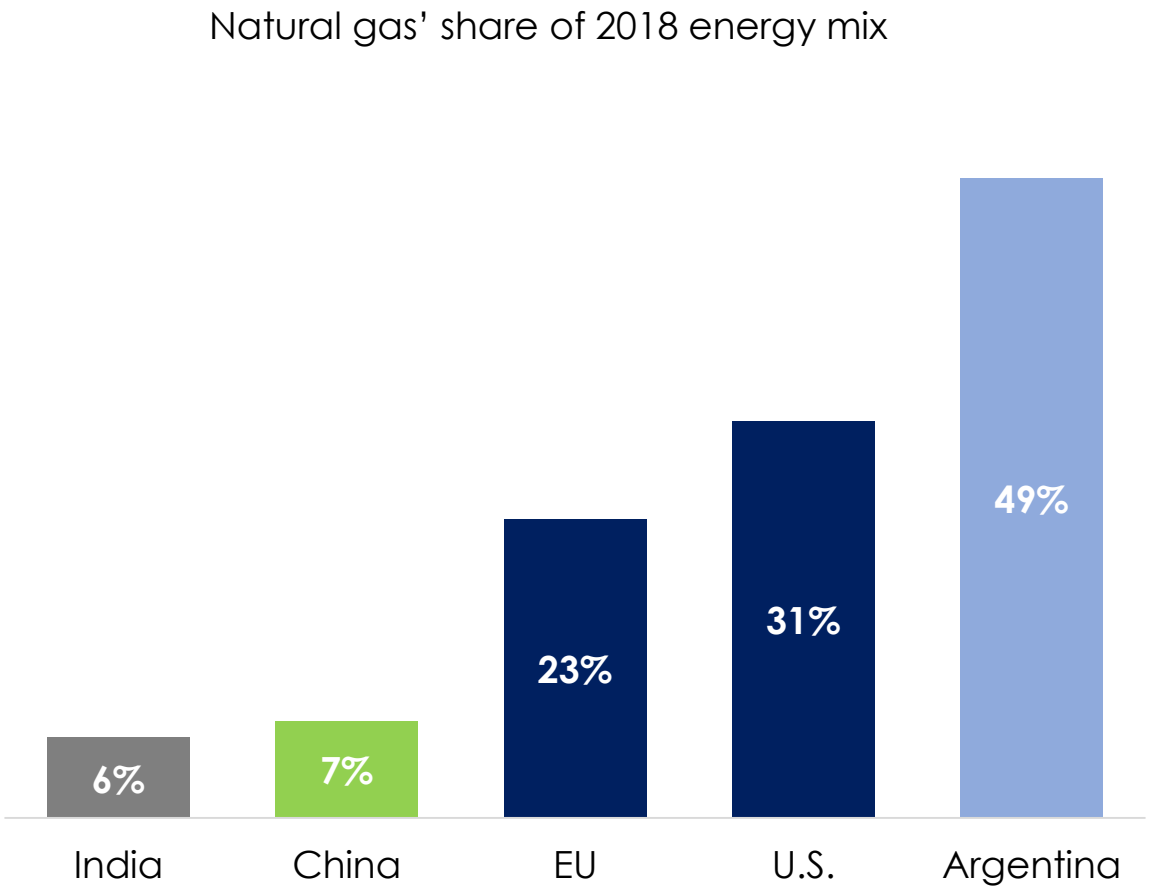
Emerging consumption: China and India

Population and economic growth imply significant upside to gas consumption in China and India





Sources: IHS Markit, SIA Energy, EIA, CIA World Factbook, BP Energy Outlook.

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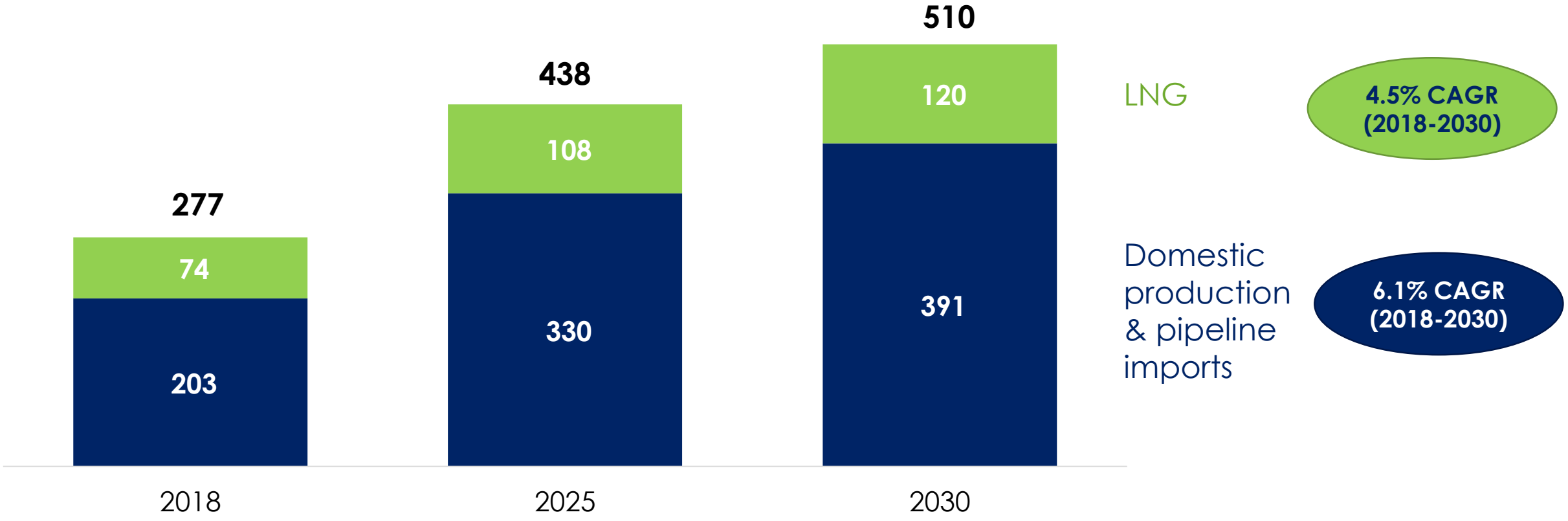
Growing demand in China

Economic growth and emerging environmental policy drives demand growth

Chinese gas demand
billion cubic meters per year

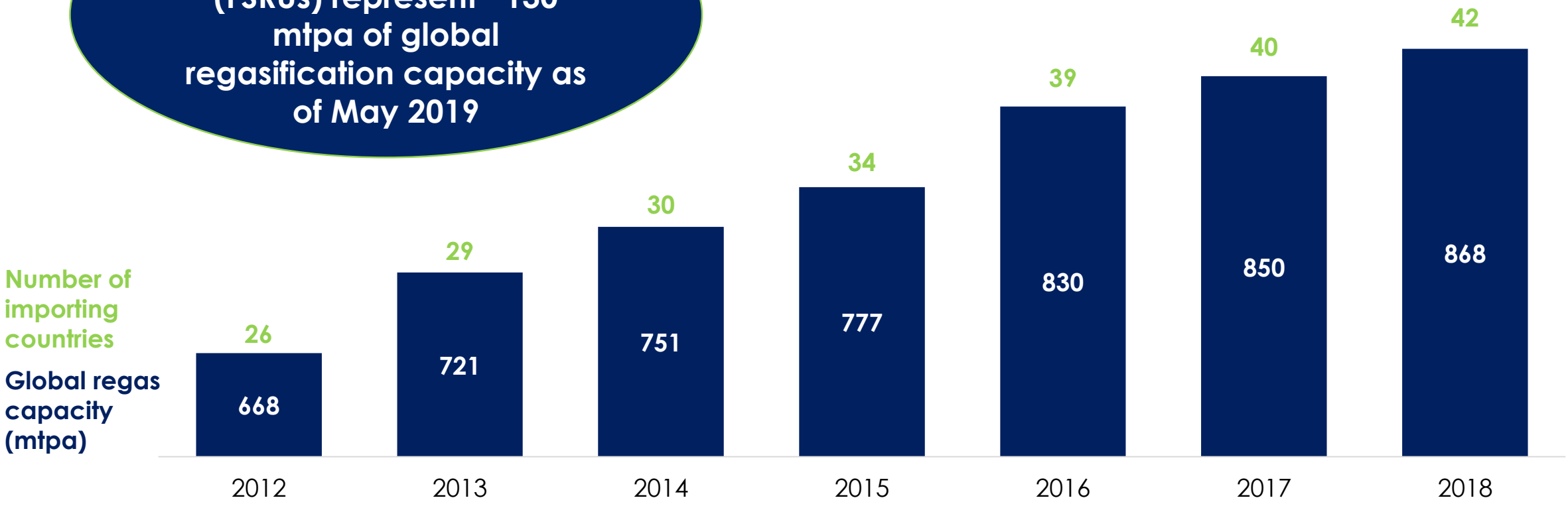


Source: SIA.

Growing number of importers accessing LNG

The number of LNG importing nations has grown by ~60% in the last 7 years

33 total floating storage and regasification units (FSRUs) represent ~130 mtpa of global regasification capacity as of May 2019



Source: GIIGNL, IGU (2019), IHS Markit.
Notes: Includes Lampung, Nusantara, and Tanjung Benoa (all in Indonesia) and Northeast Gateway (United States).

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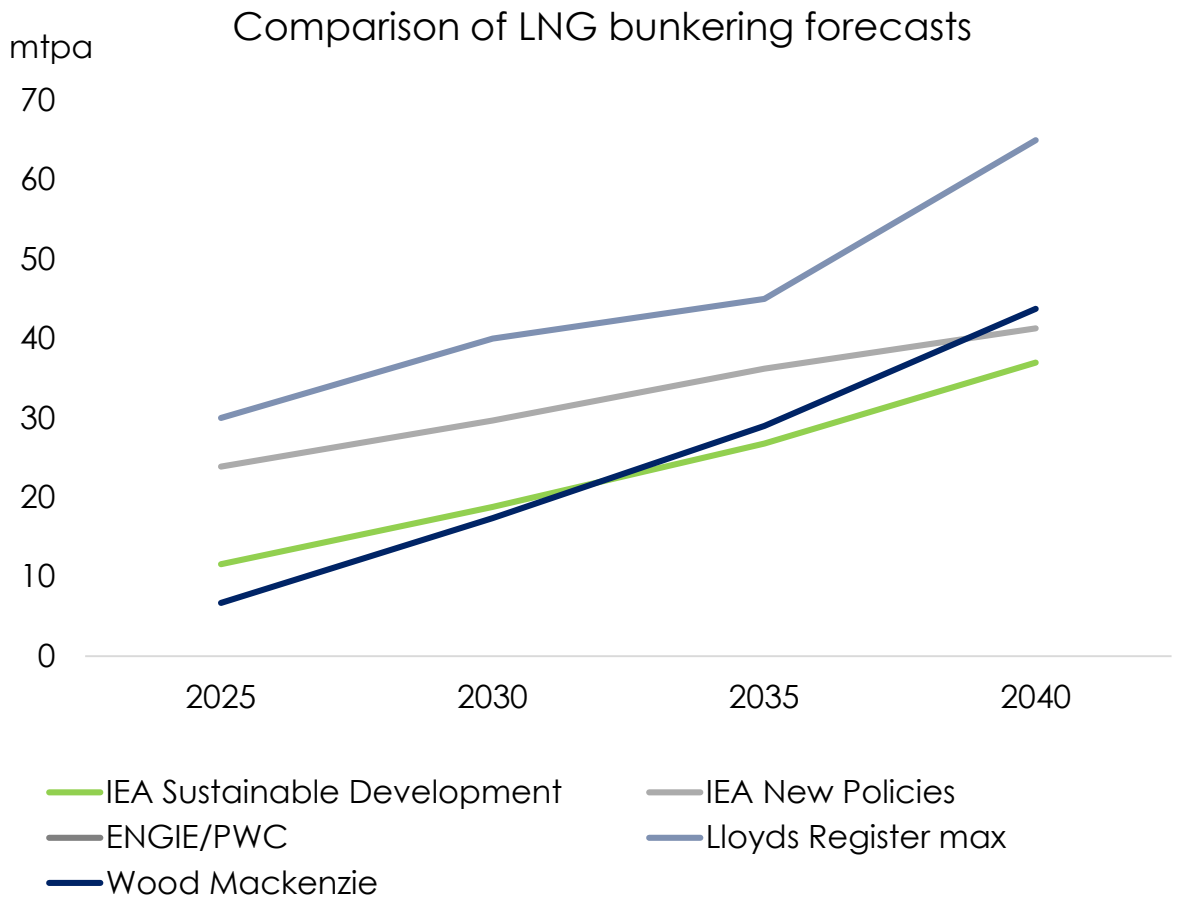
New demand from LNG bunkering

Cleaner burning LNG is becoming more popular as a fuel for marine vessels for IMO 2020

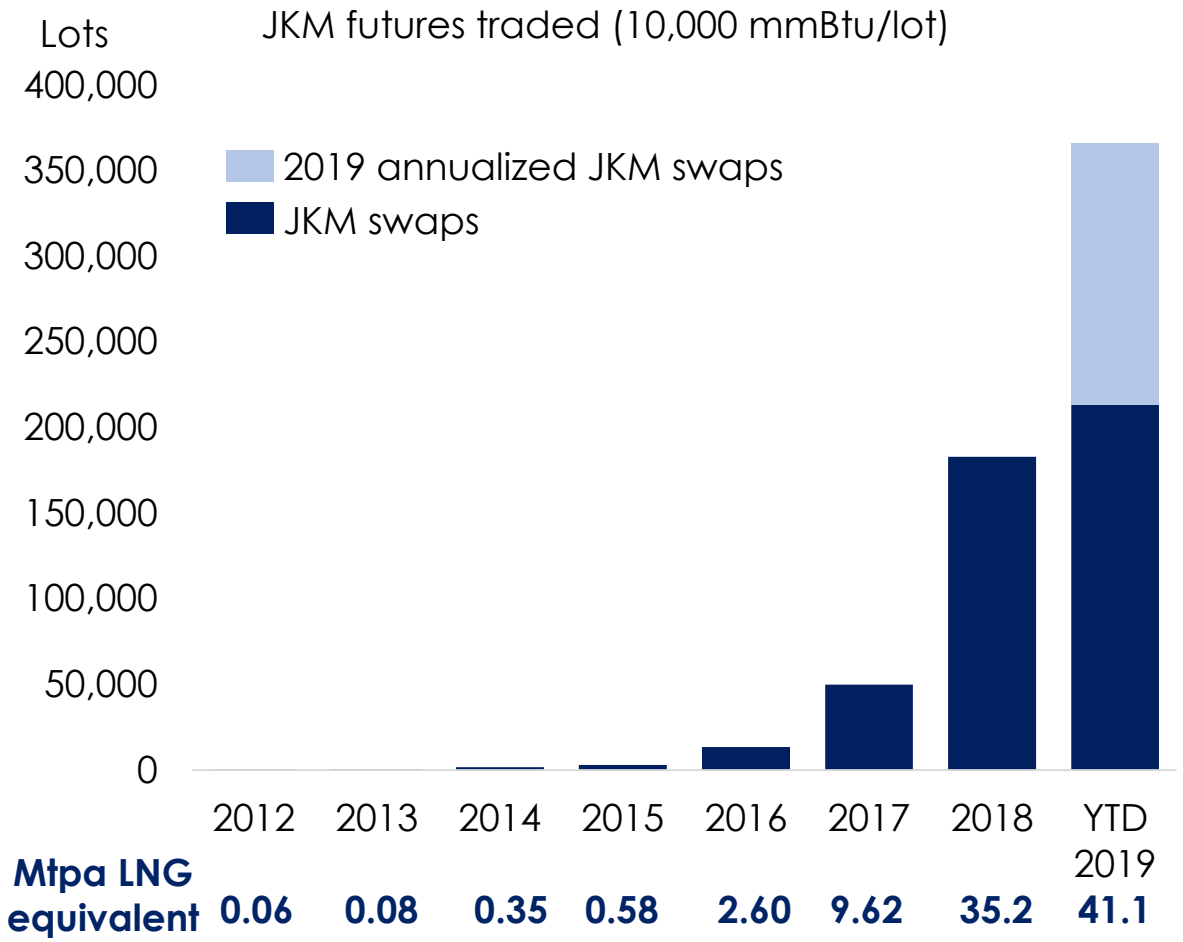


- LNG offers shippers a smart way to meet **existing** and **upcoming** maritime emissions regulations
- LNG bunkering expected to grow substantially over the long term as **marine** and **transport** sectors seek a **cleaner fuel alternative**
  - Unlike conventional marine fuels, LNG emits near-trace levels of SOx, NOx, and PM
- Total addressable market of **170 mtpa**, based on today's global marine fuel oil consumption
- Over **120** LNG-fueled vessels already in operation, with over **130** on order or under construction

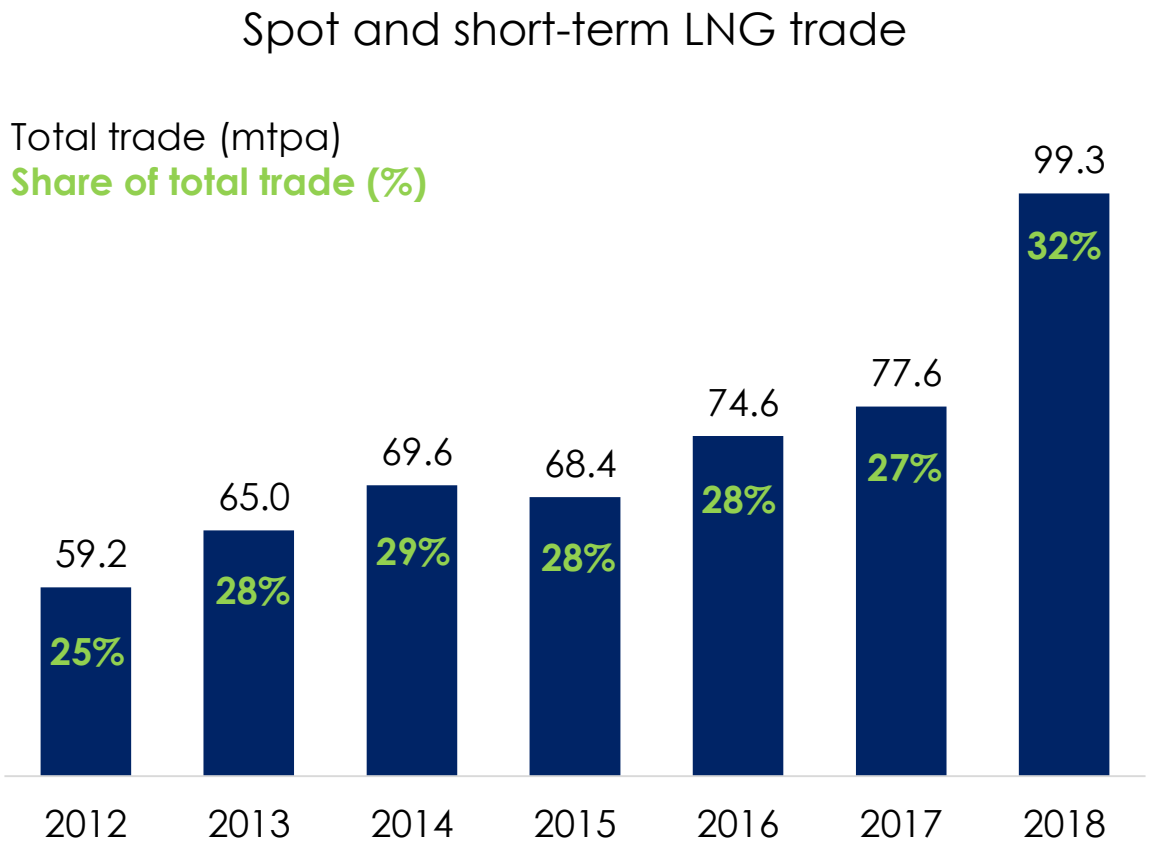
Sources: OIES 2018, DNV-GL.

Physical and financial liquidity is growing

Financial derivatives



Physical liquidity



Sources: Platts, GIIGNL.

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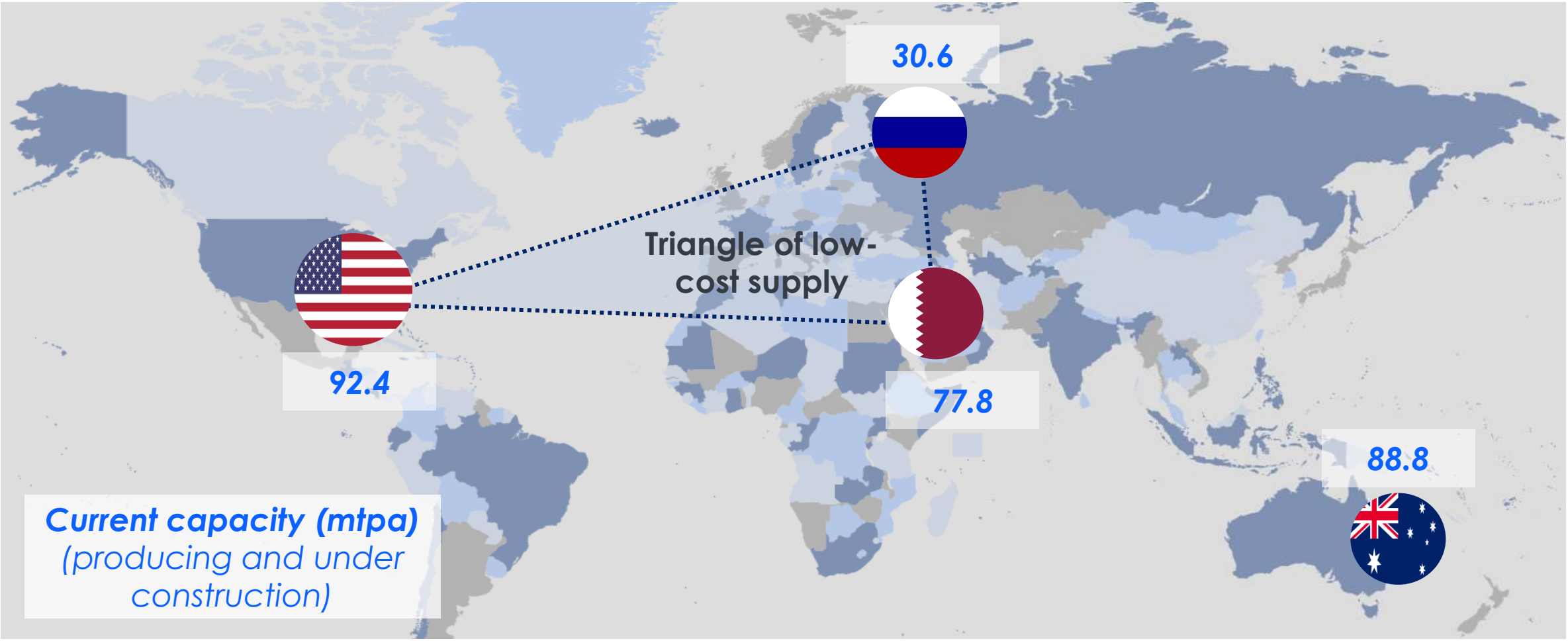
U.S. emerges as the world's largest LNG exporter

Based on firm capacity



Source: Wood Mackenzie, Tellurian Research.
Notes: Includes existing and under construction projects.

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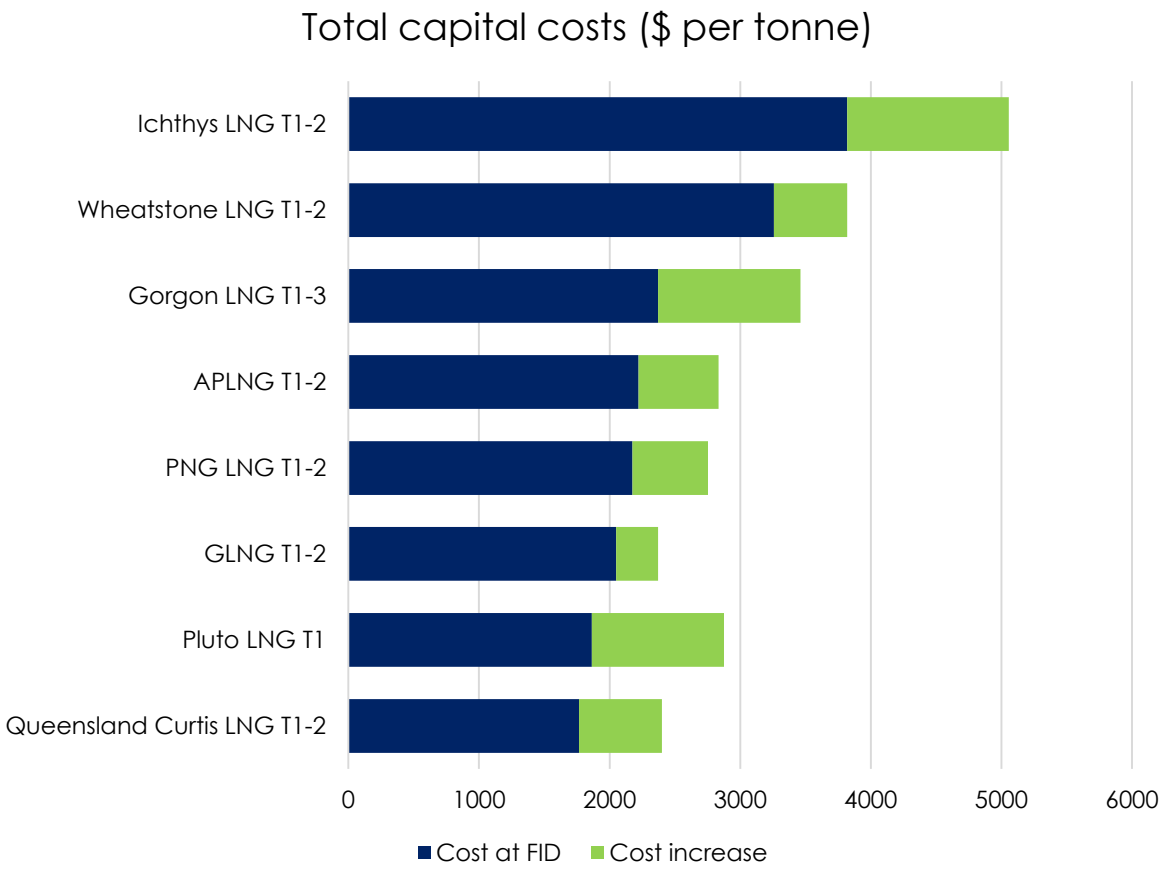
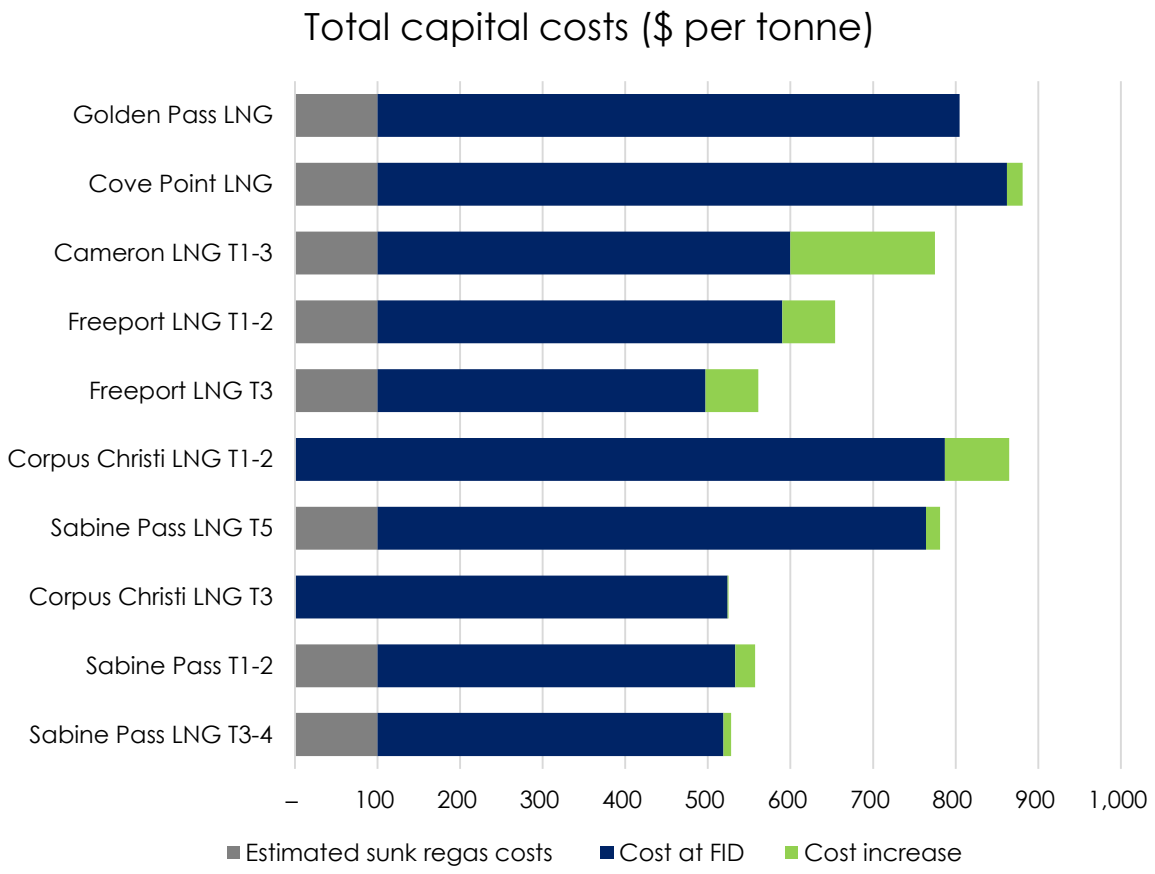
Current LNG buildout has experienced cost overruns

Announced total capex cost increases for selected Australia and Papua New Guinea projects



Announced liquefaction EPC cost increases for selected existing and under-construction U.S. projects



Source: IHS Markit, Tellurian Research.

Conversion factors

Natural gas and LNG	To:				
	1 billion cubic meters of natural gas **(bcm)**	1 billion cubic feet of natural gas **(bcf)**	1 million metric tonnes LNG **(mt)**	1 trillion British thermal units **(tBtu)**	1 million tonnes of oil equivalent **(mtoe)**
From	**Multiply by**				
1 billion cubic meters of natural gas **(bcm)**	1	35.3	0.72	35.7	0.9
1 billion cubic feet of natural gas **(bcf)**	0.028	1	0.021	1.01	0.025
1 million tonnes LNG **(mt)**	1.38	48.7*	1	52	1.22
1 trillion British thermal units **(mmBtu)**	0.028	0.99	0.019	1	0.025
1 million tonnes of oil equivalent **(mtoe)**	1.11	39.2	0.82	39.7	1

1 MWh = 3,412 mmBtu = 3.412 mmcf

*includes 6.3% losses in transportation for international LNG trade