

# Tellurian business update

April 2019



TELLURIAN

# Cautionary statements

## Forward-looking statements

The information in this presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are forward-looking statements. The words “anticipate,” “assume,” “believe,” “budget,” “estimate,” “expect,” “forecast,” “initial,” “intend,” “may,” “model,” “plan,” “potential,” “project,” “should,” “will,” “would,” and similar expressions are intended to identify forward-looking statements. The forward-looking statements in this presentation relate to, among other things, future contracts and contract terms, future cash flows and production, delivery of LNG, future costs, prices, financial results, liquidity and financing, regulatory and permitting developments, construction and permitting of pipelines and other facilities, future demand and supply affecting LNG and general energy markets and other aspects of our business and our prospects and those of other industry participants.

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

Plans for the Permian Global Access Pipeline project discussed herein are in the early stages of development and numerous aspects of the project, such as detailed engineering and permitting, have not commenced. Accordingly, the nature, timing, scope and benefits of the project may vary significantly from our current plans due to a wide variety of factors, including future changes to the proposal. Although the Driftwood pipeline project is significantly more advanced in terms of engineering, permitting and other factors, its construction, budget and timing are also subject to significant risks and uncertainties.

Projected future cash flows as set forth herein may differ from cash flows determined in accordance with GAAP.

We may not be able to enter into definitive agreements with Total on the terms contemplated in the HOA, or with the other parties on slide 5 on the terms contemplated, or at all. Achieving FID will require substantial amounts of financing in addition to that contemplated by the HOA, the common stock purchase agreement and related agreements, and Tellurian believes that it may enter into discussions with potential sources of such financing and Total in order to achieve commercial terms acceptable to all parties. Accordingly, the definitive agreements contemplated by the HOA, if entered into, may have terms that differ significantly from those set forth in the HOA.

The financial information on slide 3 is meant for illustrative purposes only and does not purport to show estimates of actual future financial performance. The information on that slide assumes the completion of certain acquisition, financing and other transactions. Such transactions may not be completed on the assumed terms or at all. Actual commodity prices may vary materially from the commodity prices assumed for the purposes of the illustrative financial performance information.

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

# Tellurian is capturing LNG value



Strong global fundamentals call for ~100 mtpa of additional U.S. LNG



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



Guaranteed EPC with Bechtel differentiates Tellurian and secures project execution

# Tellurian signs agreements with Total

## Heads of Agreement (“HOA”) with Total

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- Total Delaware, Inc. (“Total”) signs HOA to make \$500 million equity investment in Driftwood project and for Total to purchase 1 mtpa of LNG
- Total to purchase 1.5 mtpa of LNG from Tellurian Marketing’s LNG offtake volumes from the Driftwood LNG export terminal
  - FOB, minimum term of 15 years
  - Price based on Platts Japan Korea Marker (“JKM”)

## Common stock purchase agreement with Total

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- Total to purchase ~20 million additional shares in Tellurian for \$200 million upon<sup>(1)</sup>:
  - Shareholder approval
  - Final investment decision (“FID”)
  - Tellurian’s purchase of 7.2% of Driftwood equity

## Project advancement

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- Tellurian launching binding open season on the Permian Global Access Pipeline, connecting the fastest growing U.S. oil and gas basin to global gas markets
- Tellurian Marketing to purchase an equity interest<sup>(2)</sup> in Driftwood project and 2 mtpa of LNG with anticipated private equity funding
  - Tellurian’s LNG volumes from Driftwood project will increase to 13.6 mtpa at full development
- Tellurian anticipates reaching FID on Driftwood project in 2019
- Improvements in U.S. gas production continue to reduce costs; in combination with operating and financing efficiencies, Tellurian expects to deliver LNG FOB U.S. Gulf of Mexico for \$3.50/mmBtu

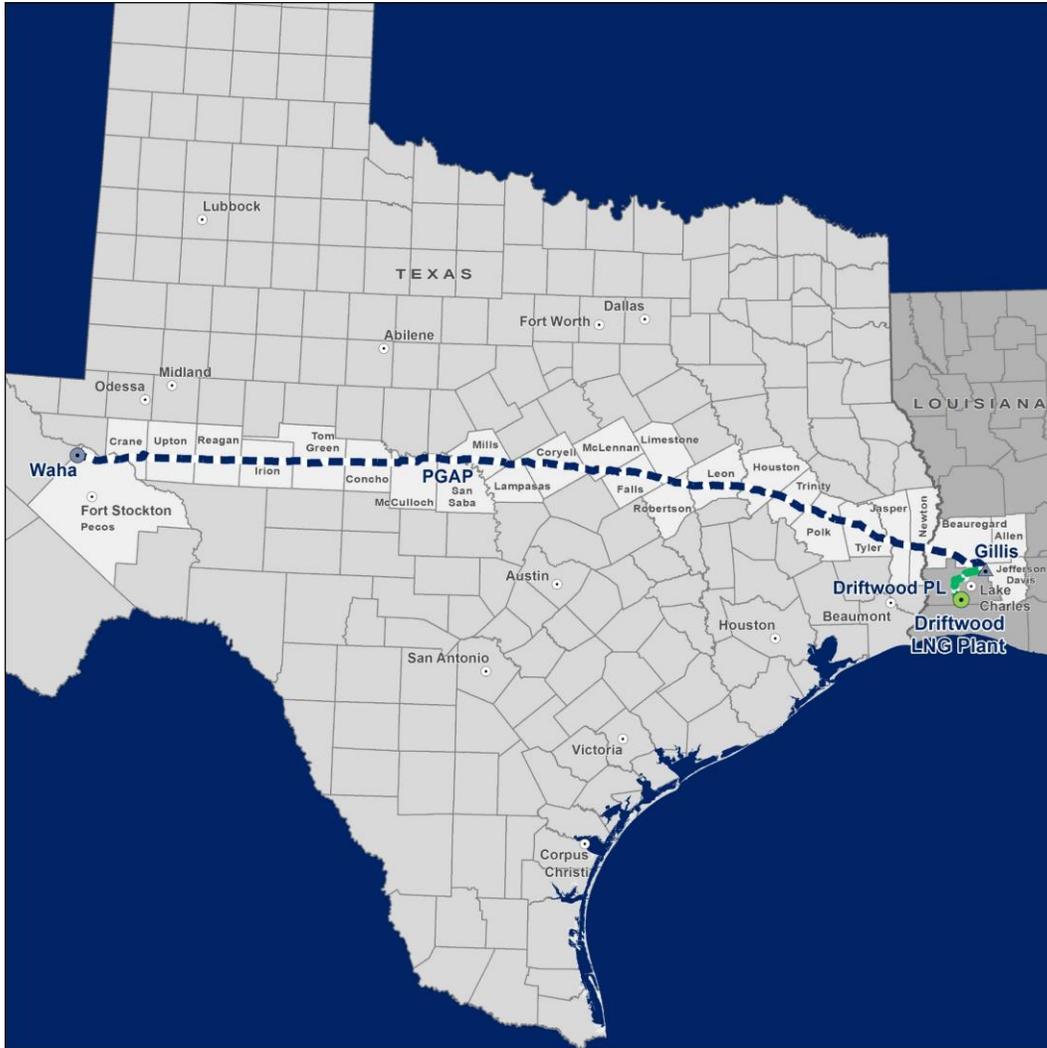
Note: (1) Common stock purchase agreement executed with Total Delaware, Inc. at \$10.064/share.  
(2) Tellurian Marketing to purchase 7.2% equity interest in Driftwood project.

# Growing list of expected partners and customers

	Potential partner	Proposed off-take	Proposed volume	Credit rating <sup>(1)</sup>
Driftwood project		Equity investor	1.0 mtpa	A+/Aa3/AA-
		Equity investor	<i>Under review</i>	Baa2 (Moody's)
Tellurian Marketing		JKM linked	1.5 mtpa	A+/Aa3/AA-
		JKM linked (Equity investment <i>under review</i> )	1.5 mtpa	<i>Unrated</i>

Notes: (1) Parent credit ratings denote S&P/Moody's/Fitch, unless noted otherwise.

# PGAP binding open season to launch



## Permian Global Access Pipeline overview

- Binding open season expected to launch April 8, 2019
- 625 mile, 42-inch direct line from Waha (Pecos, TX) to Gillis, LA
- 2.0 bcf/d capacity
- Estimated cost of ~\$3.7 billion

## Supply rationale

- Natural gas production in the Permian is expected to exceed 16-20 bcf/d by 2023
- The Permian is flaring ~400 mmcf/d of natural gas due to natural gas pipeline infrastructure constraints
- PGAP connects stranded Permian gas to growing demand in Southwest Louisiana

# Final Investment Decision expected in 2019

## Milestone

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- Fully-wrapped EPC contract
- Draft FERC EIS
- Final FERC EIS
- Final FERC Order
- Final Investment Decision
- Notice to Proceed to Bechtel
- First LNG

## Target date

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- ✓ • November 2017
- ✓ • September 2018
- ✓ • January 2019
- 1H 2019
- 2019
- 2019
- 2023

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## Social media

