

# Steps necessary to move gas from LNG into Energy Community gas markets

September 2017



# Cautionary statement

## 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, future contracts, contract terms and margins, our business and prospects, future costs, prices, financial results, liquidity and financing, regulatory and permitting developments, future demand and supply affecting LNG and general energy markets and the closing of, and the achievement of anticipated benefits from, our natural gas property acquisition.

Our forward-looking statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments, and other factors that we believe are appropriate under the circumstances. These statements are subject to numerous known and unknown risks and uncertainties, which may cause actual results to be materially different from any future results or performance expressed or implied by the forward-looking statements. These risks and uncertainties include those described in the “Risk Factors” section of Exhibit 99.1 to our Current Report on Form 8-K/A filed with the Securities and Exchange Commission (the “SEC”) on March 15, 2017 and other filings with the SEC, which are incorporated by reference in this presentation. 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. In addition, the acquisition, exploration and development of natural gas properties involve numerous risks and uncertainties, including the risks that we will assume unanticipated liabilities associated with the assets to be acquired and that the performance of the assets will not meet our expectations due to operational, geologic, regulatory, midstream or other issues. It is possible that the acquisition will not be completed on the terms or at the time expected, or at all.

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

## Non-GAAP financial measures

This presentation contains information about projected EBITDA of Tellurian. EBITDA is not a financial measure determined in accordance with U.S. generally accepted accounting principles (“GAAP”), should not be viewed as a substitute for any financial measure determined in accordance with GAAP and is not necessarily comparable to similarly titled measures reported by other companies. It would not be possible without unreasonable efforts to reconcile the projected non-GAAP information presented herein to net income, the most directly comparable GAAP financial measure. Similarly, projected future cash flows as set forth herein may differ from cash flows determined in accordance with GAAP.

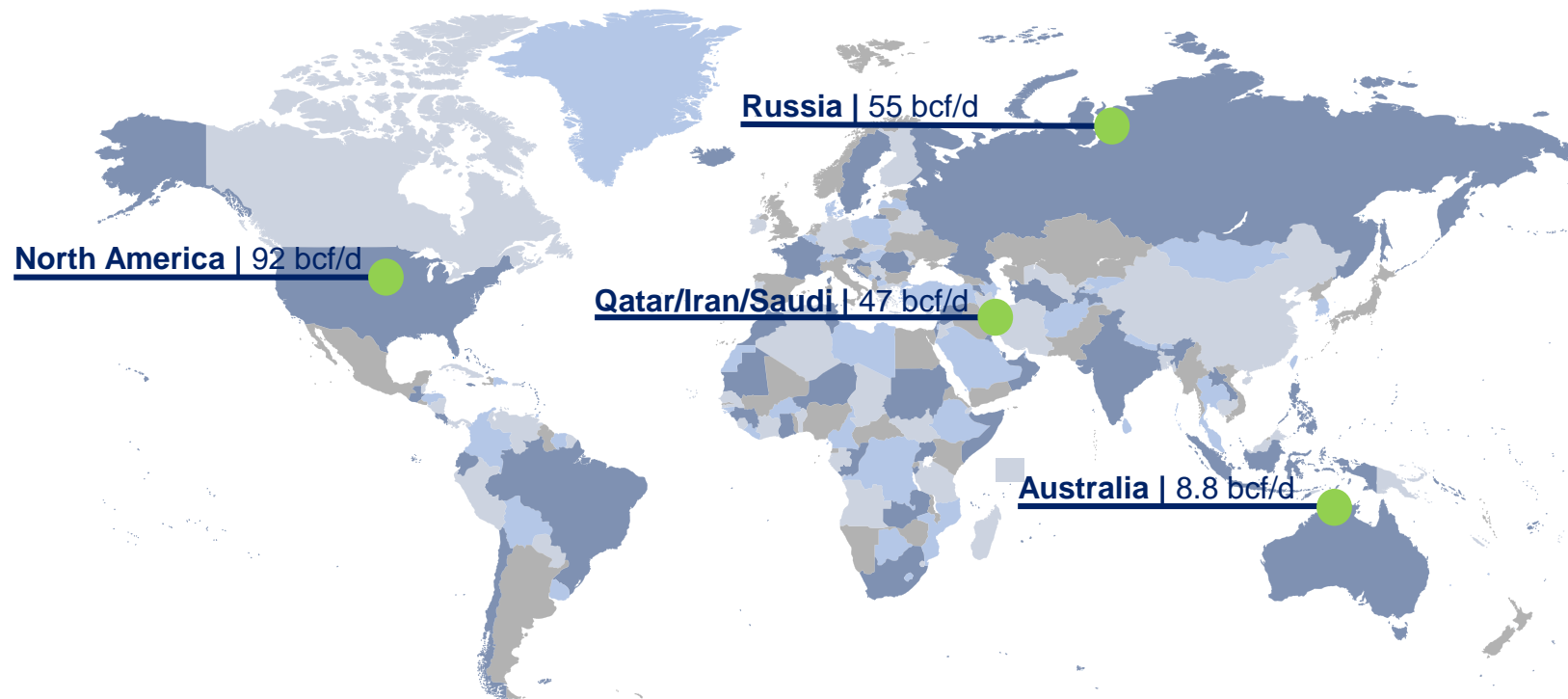
## Reserves and resources

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

# Global natural gas production

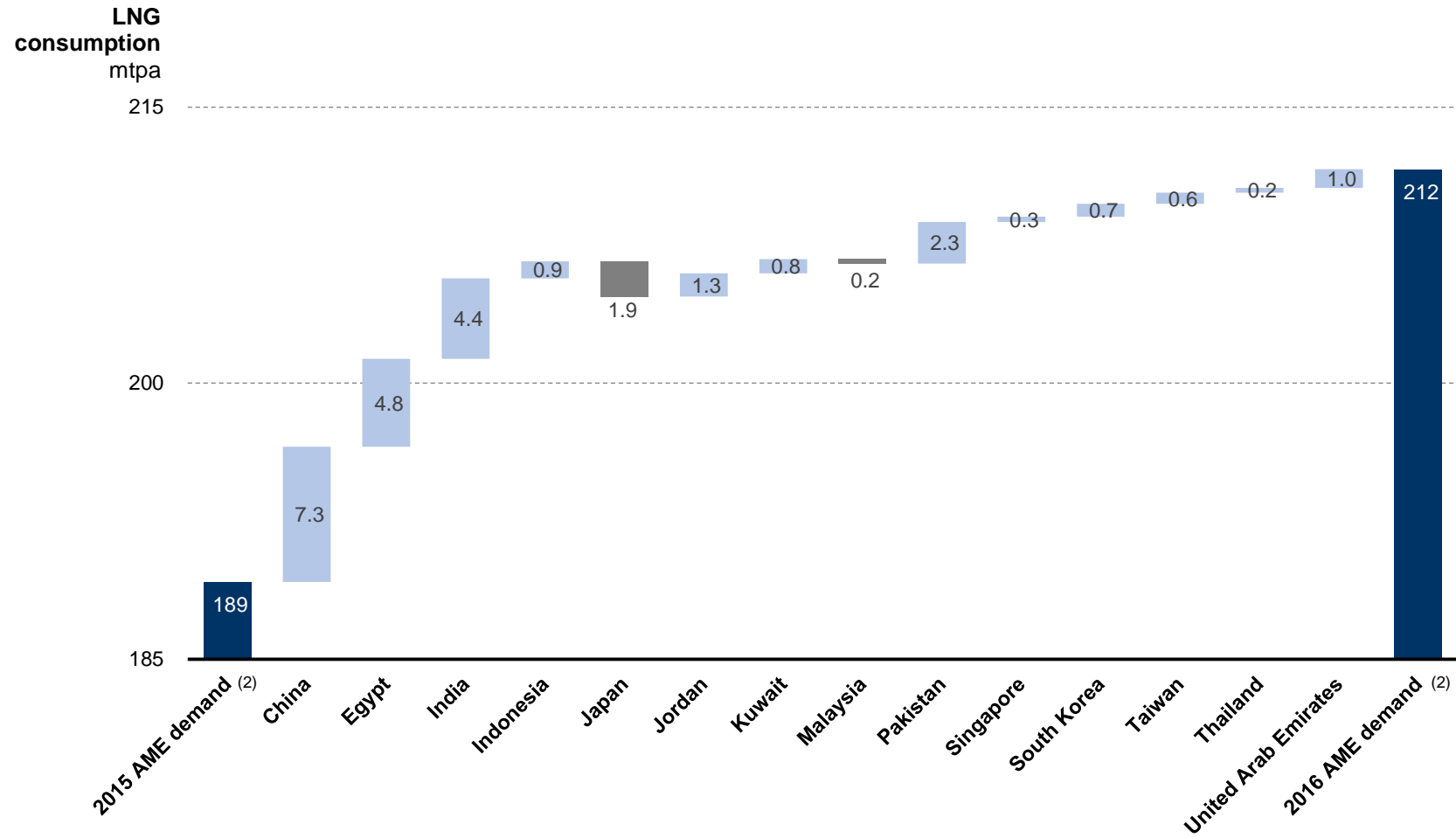
Marginal supply increasingly coming from LNG

- 200 bcf/d of the world's natural gas production concentrated in Russia, Middle East, and North America
- Of the 105 bcf/d of natural gas traded globally, US, Russia, Qatar and Australia currently control c.40%
- The “Big 4” will produce more than 50% of traded natural gas by the end of 2020



Source: BP Statistical Review 2017

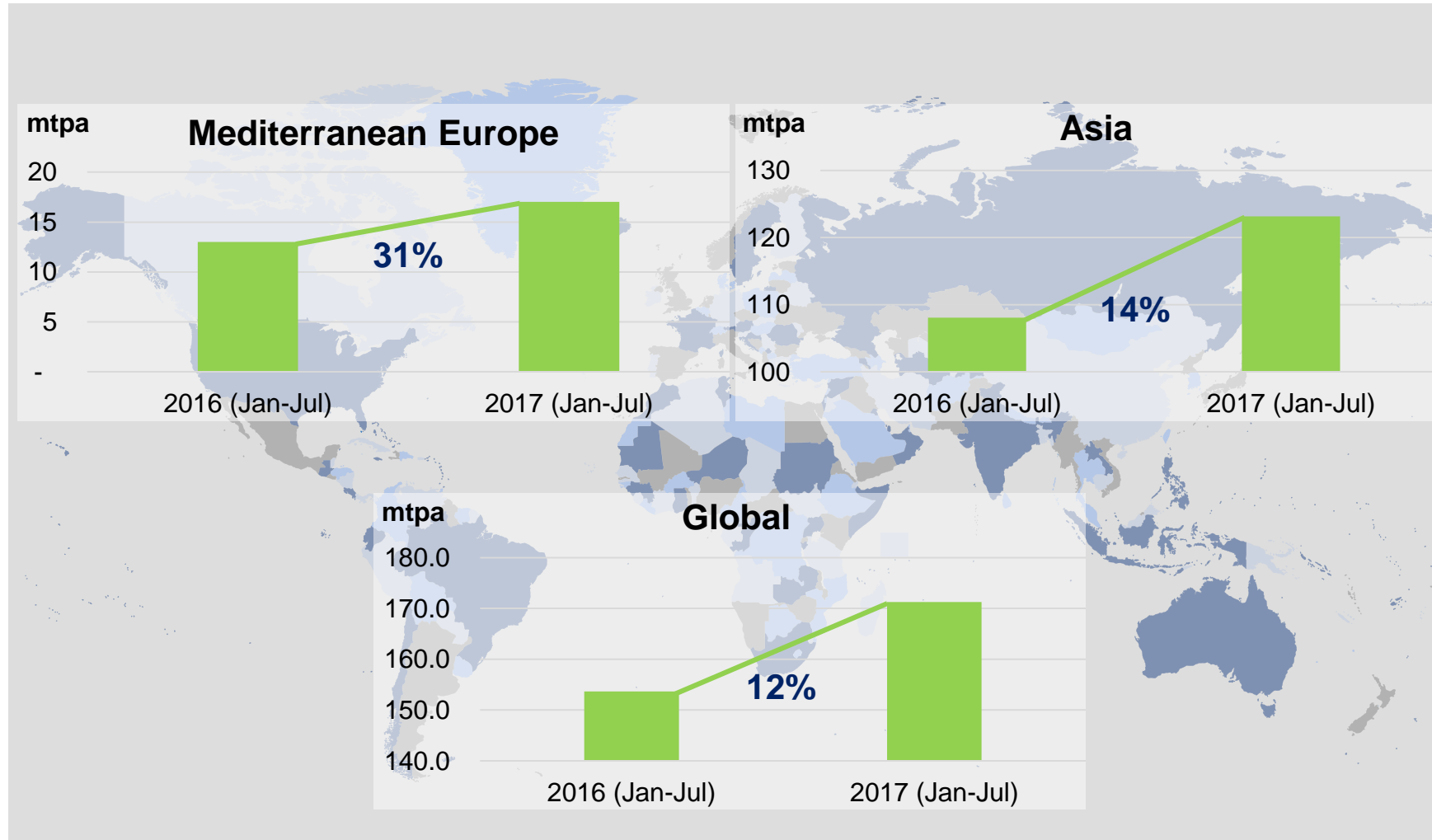
# 12% Growth in Asia / Middle East LNG demand in 2016<sup>(1)</sup>



Source: IHS Markit Waterborne  
 Note: (1) 2016 year-on-year change  
 (2) AME represents Asia and Middle East

# Asia, Mediterranean turning to LNG

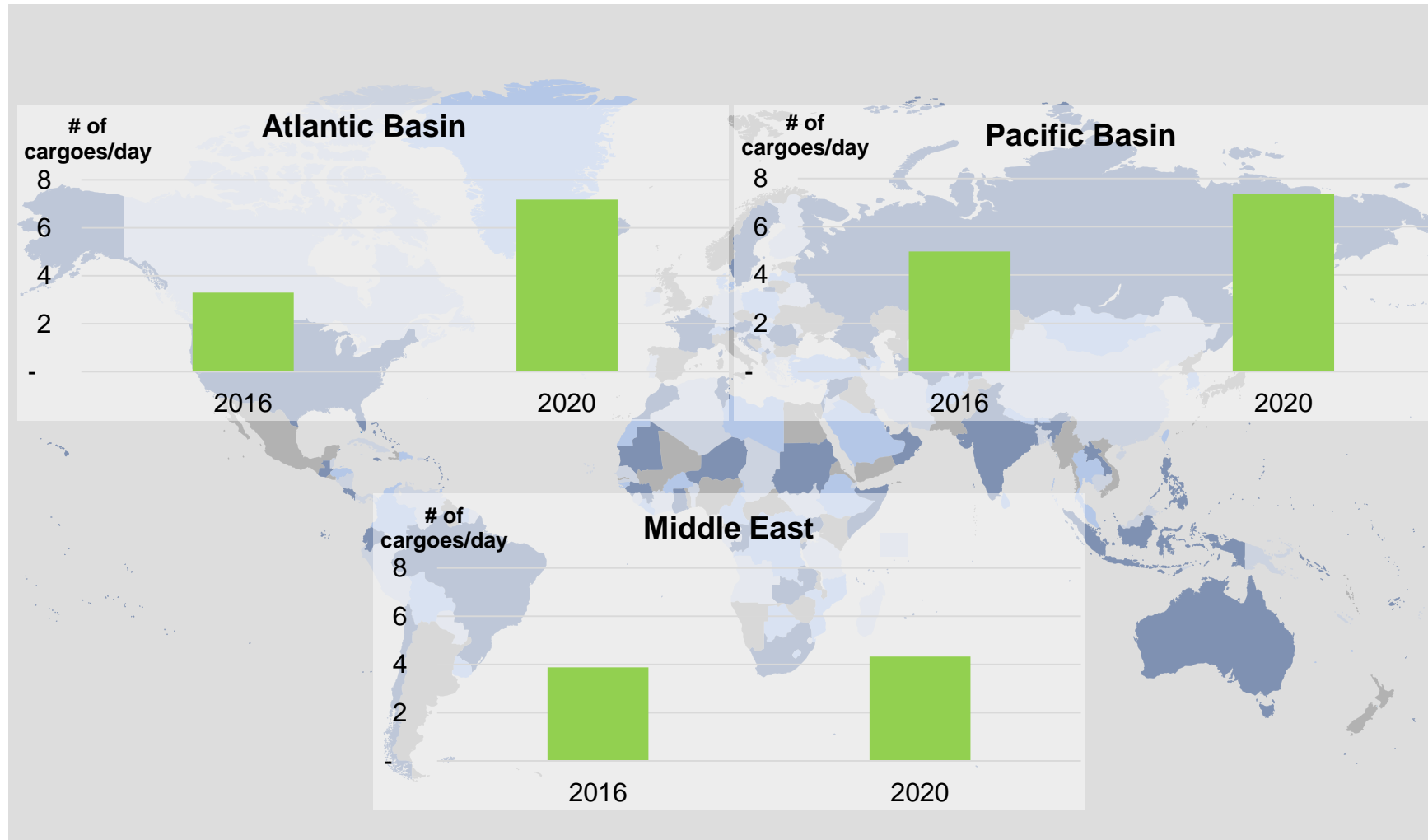
China, Korea, Pakistan, Taiwan, Spain and Turkey leading demand growth



Source: IHS Waterborne; all percentages, YoY growth through July

# Transition to liquid natural gas market

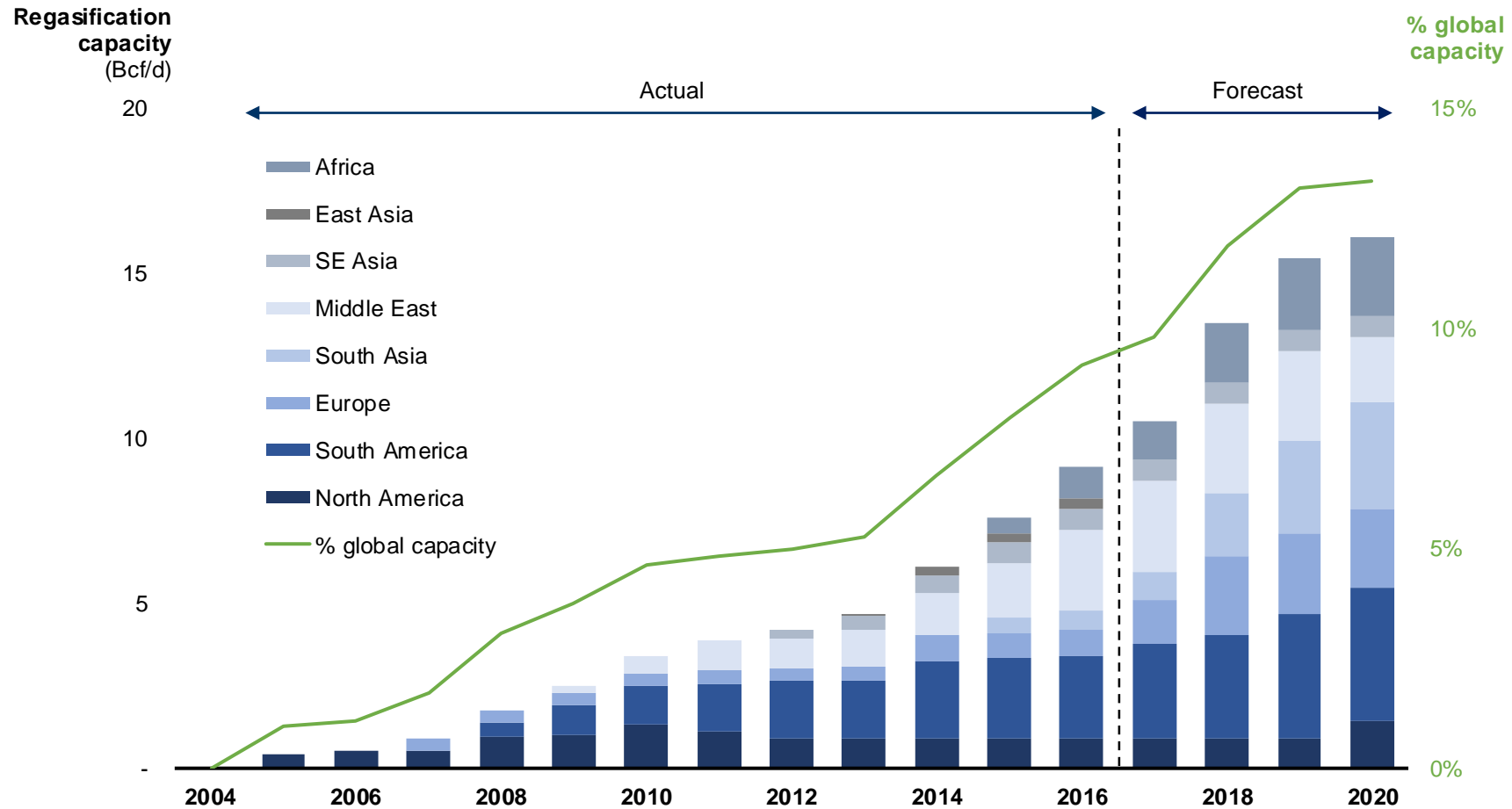
18 cargoes available on the water every day in 2020...



Source: Wood Mackenzie; average cargo size c. 2.9 bcf, assuming 150,000 cbm ship

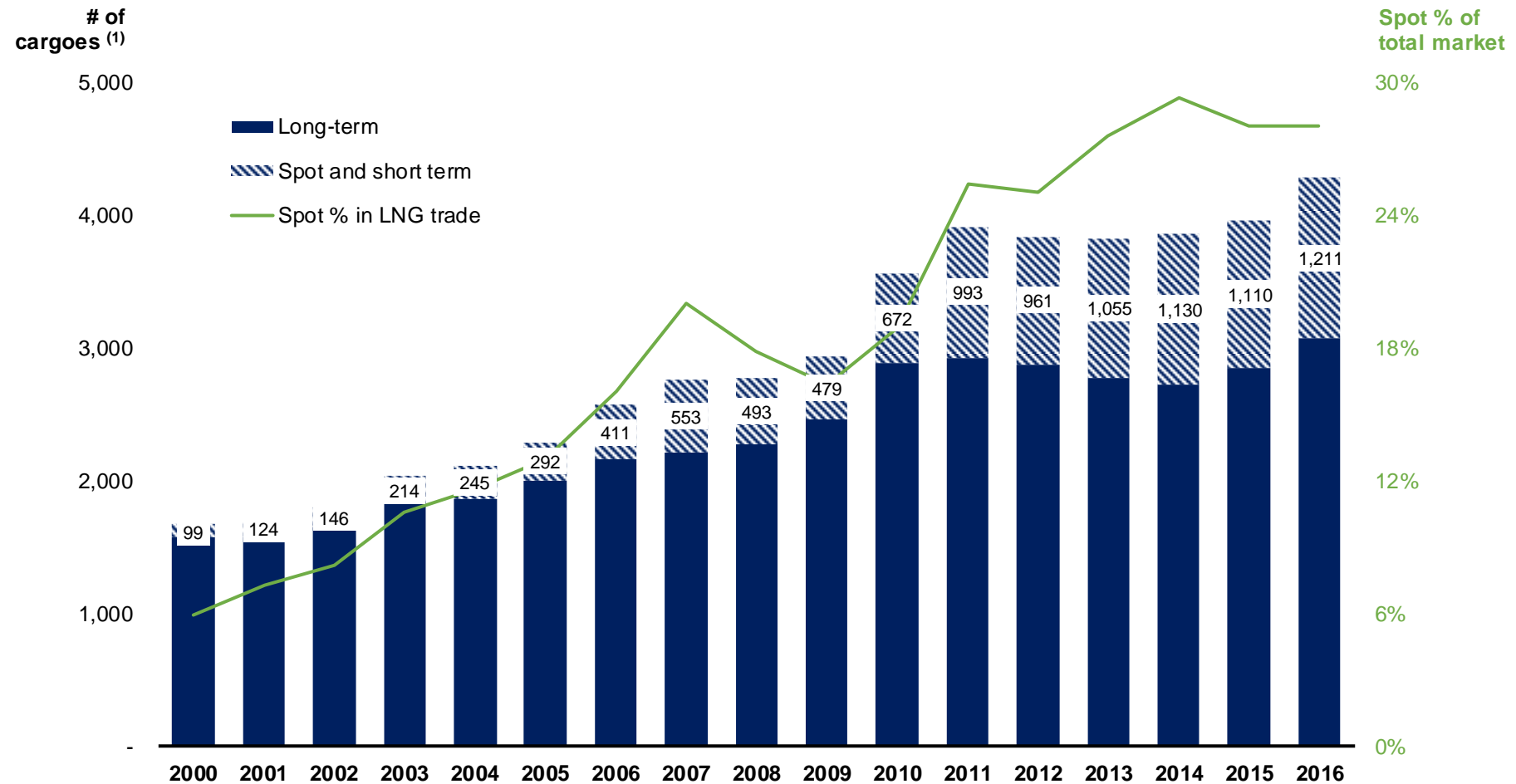
# Fast-growing FSRU market

Floating Storage Regasification Unit capacity increasing



Source: Wood Mackenzie April/2017

# Spot market under development



Source: GIIGNL 2017 publication, Wood Mackenzie Q1 2017.  
 Note: (1) Assuming 3 Bcf per cargo and 51 Bcf of gas per mtpa of LNG.

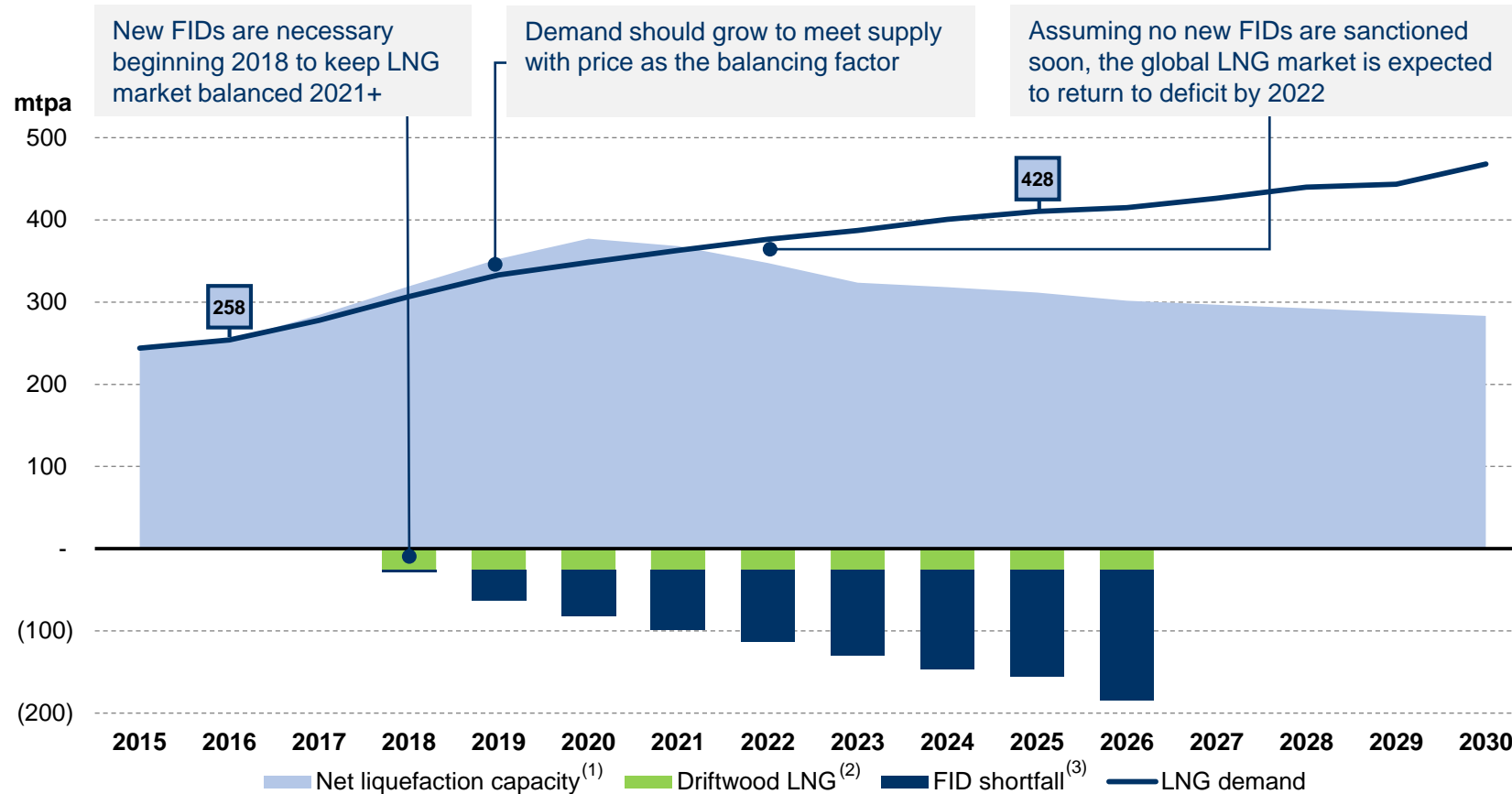


# Points of transition in the LNG market

- **Three large supply centers**
- **Steady non-traditional demand growth**
- **Barriers to entry reduced**
- **Flexible contracting structures**
- **Revocation of destination restrictions**
- **Geographic fragmentation**
- **LNG index pricing**
- **Supply competition**

# LNG market: from surplus to shortfall

- Approximately a third of global gas demand could be supplied from new LNG sources
- LNG demand forecasted to grow 4.8% per year 2015-2030



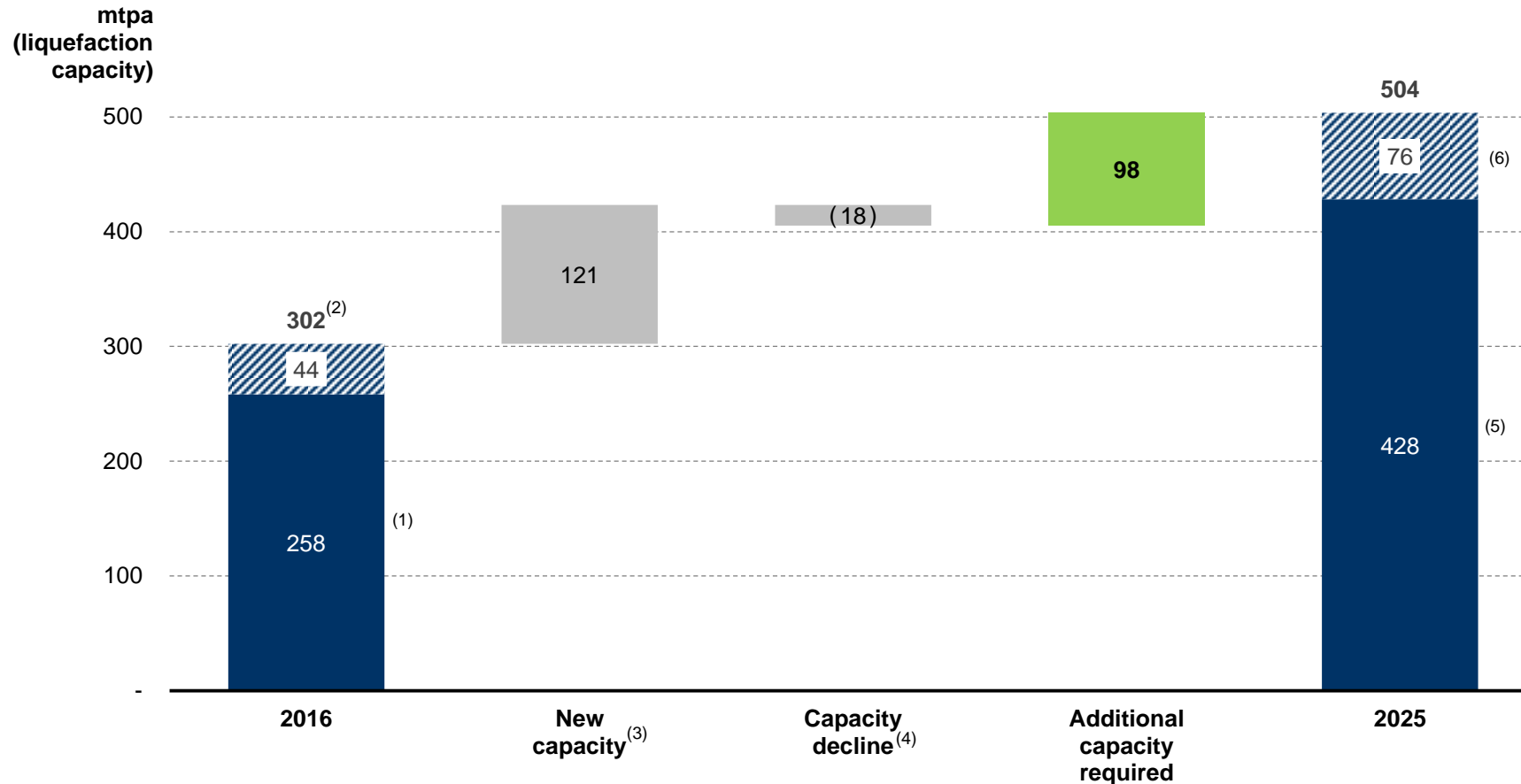
Source: Wood Mackenzie (Q3 2016)

Note: (1) Assumes liquefaction capacity utilization rate of 95%, 90% and 85% in 2021, 2022 and 2023, respectively, and 85% thereafter

(2) Driftwood LNG assumed to have liquefaction capacity of ~26 mtpa

(3) FID shortfall grossed up by 85% to account for the impact of capacity utilization rate and assuming a 4-year construction period

# ~100 mtpa of additional liquefaction needed to meet LNG demand by 2025



Source: Wood Mackenzie (Q1 2017)

Note: (1) Actual LNG consumption in 2016  
 (2) Actual LNG global liquefaction capacity in 2016  
 (3) Estimate of liquefaction capacity of projects under construction

(4) Estimated reduction of liquefaction capacity  
 (5) LNG demand estimate  
 (6) Represents the liquefaction capacity required to meet LNG demand in 2025, assuming capacity utilization rate of 85%

# Tellurian introduction (NASDAQ: TELL)

Leadership supported by experienced team and innovative business strategy

- Feb 2016: Charif Souki and Martin Houston established Tellurian as a private company
- Aug 2016: Meg Gentle joined to lead the company as President & CEO
- Dec 2016: GE invested \$25 MM in Tellurian equity
- Jan 2017: Total invested \$207 MM in Tellurian equity
- Feb 2017: Merged with Magellan Petroleum to gain access to public equity market
- Jun 2017: Bechtel, Chart Industries, and GE completed the front engineering and design (FEED) study for Driftwood LNG
- Sep 2017: Announced an acquisition of natural gas production and undeveloped acreage in the Haynesville and Bossier shale

## Strategy

Building a natural gas business that includes ~26 mtpa of production from Driftwood LNG, trading of LNG cargoes, and development of new markets globally.

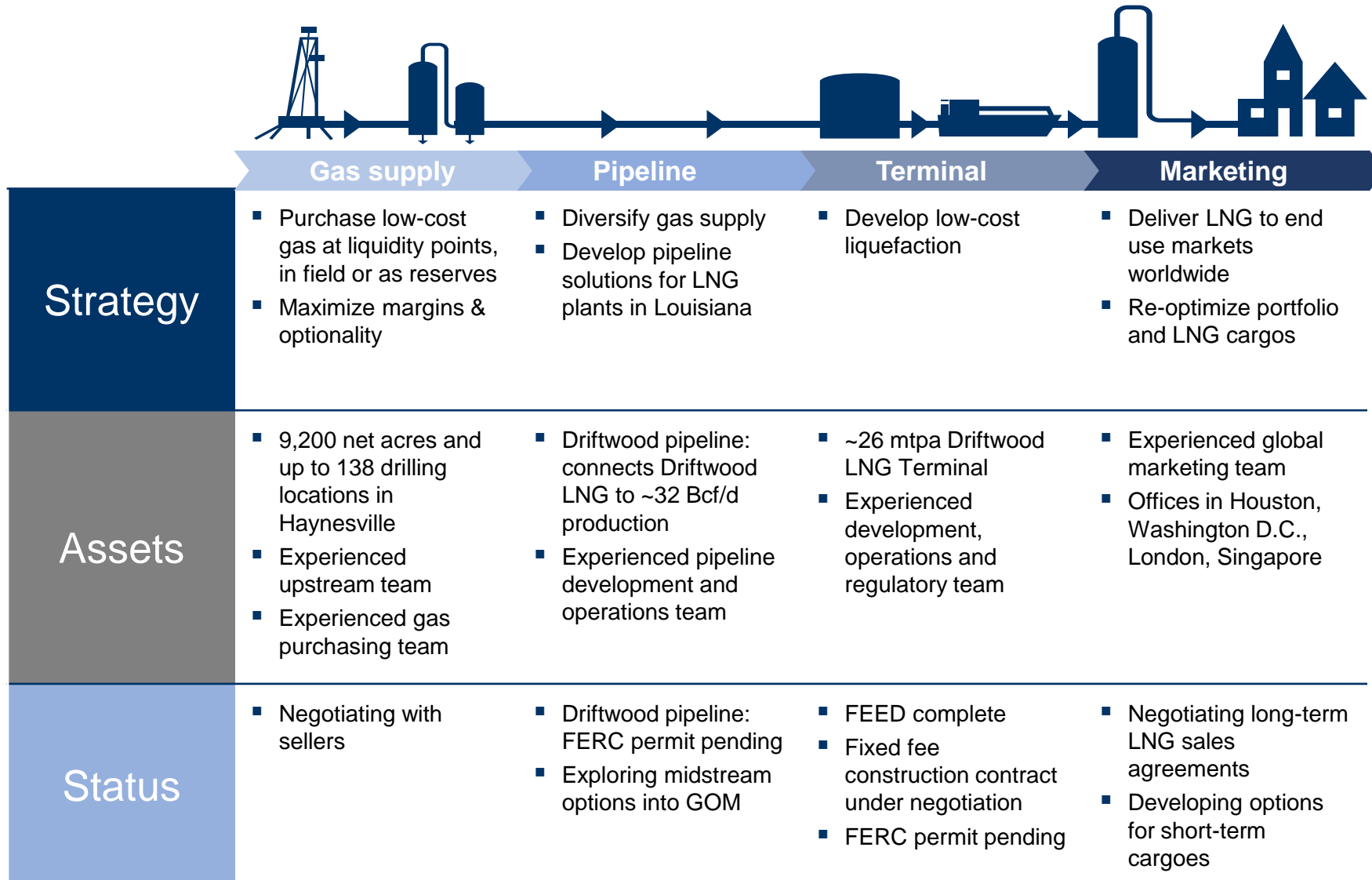
Secure low-cost  
natural gas

Design and  
construct low-cost  
liquefaction and  
pipelines

Operate our  
business safely,  
efficiently and  
reliably

Deliver reliable and  
flexible LNG to a  
portfolio of global  
customers

# Pursuing accretive business along value chain



# Cornerstone project: Driftwood asset

## Driftwood terminal

**Land**      ■ ~1,000 acres near Lake Charles, LA

**Nameplate capacity**      ■ ~26 mtpa<sup>(1)</sup>

**Trains**      ■ Up to 20 trains of 1.3 mtpa each  
■ Chart heat exchangers  
■ GE LM6000-PF+ compressors

**Storage**      ■ 3 storage tanks  
■ 235,000 m<sup>3</sup> each

**Marine**      ■ 3 marine berths

**Capex**      ■ ~\$500 - 600/tonne  
■ ~\$13 - \$16 Bn<sup>(2)</sup>

## Driftwood pipeline

**Size**      ■ ~96 miles

**Capacity**      ■ ~4 Bcf/d avg. throughput  
■ Access ~32 Bcf/d flowing gas

**Capex**      ■ ~\$1.6 - 2.0 Bn<sup>(2)</sup>



Notes: (1) Estimate, subject to further engineering evaluation  
(2) Excludes owners' costs, financing costs and contingencies



# Driftwood LNG Artist Rendition

Expected to produce first LNG in 2022

