

The Case for Investing in LNG Export Terminals in the US

Marine Money 2017

Meg Gentle, CEO



June 19, 2017

Cautionary statement

Forward looking statement

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, financial results, liquidity and financing, regulatory and permitting developments and future demand and supply affecting LNG and general energy markets.

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.

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 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.

Introduction

Key facts

- | | |
|-------------------------------------|--|
| Inception | <ul style="list-style-type: none">▪ In Feb. 2016, Charif Souki and Martin Houston co-founded Tellurian Investments Inc. |
| Strategy | <ul style="list-style-type: none">▪ Low-cost LNG provider capable of optimizing an integrated value chain |
| Driftwood Project | <ul style="list-style-type: none">▪ Driftwood Terminal, a ~26 mtpa LNG export facility near Lake Charles, LA▪ Driftwood Pipeline, a 96-mile large diameter pipeline with multiple interconnects |
| Engineering and construction | <ul style="list-style-type: none">▪ Bechtel, Chart & GE developing a simplified, cheaper LNG solution for this project |
| Development funding | <ul style="list-style-type: none">▪ \$60 million contributed by management, family & friends▪ \$25 million invested by GE▪ \$207 million invested by Total |
| Merger | <ul style="list-style-type: none">▪ Tellurian Investments and Magellan Petroleum (Ticker: MPET) closed a reverse merger on Feb. 10, 2017▪ Company was renamed Tellurian Inc. and NASDAQ ticker became TELL▪ As of Apr. 25, 2017, there were approximately 203 million shares outstanding |

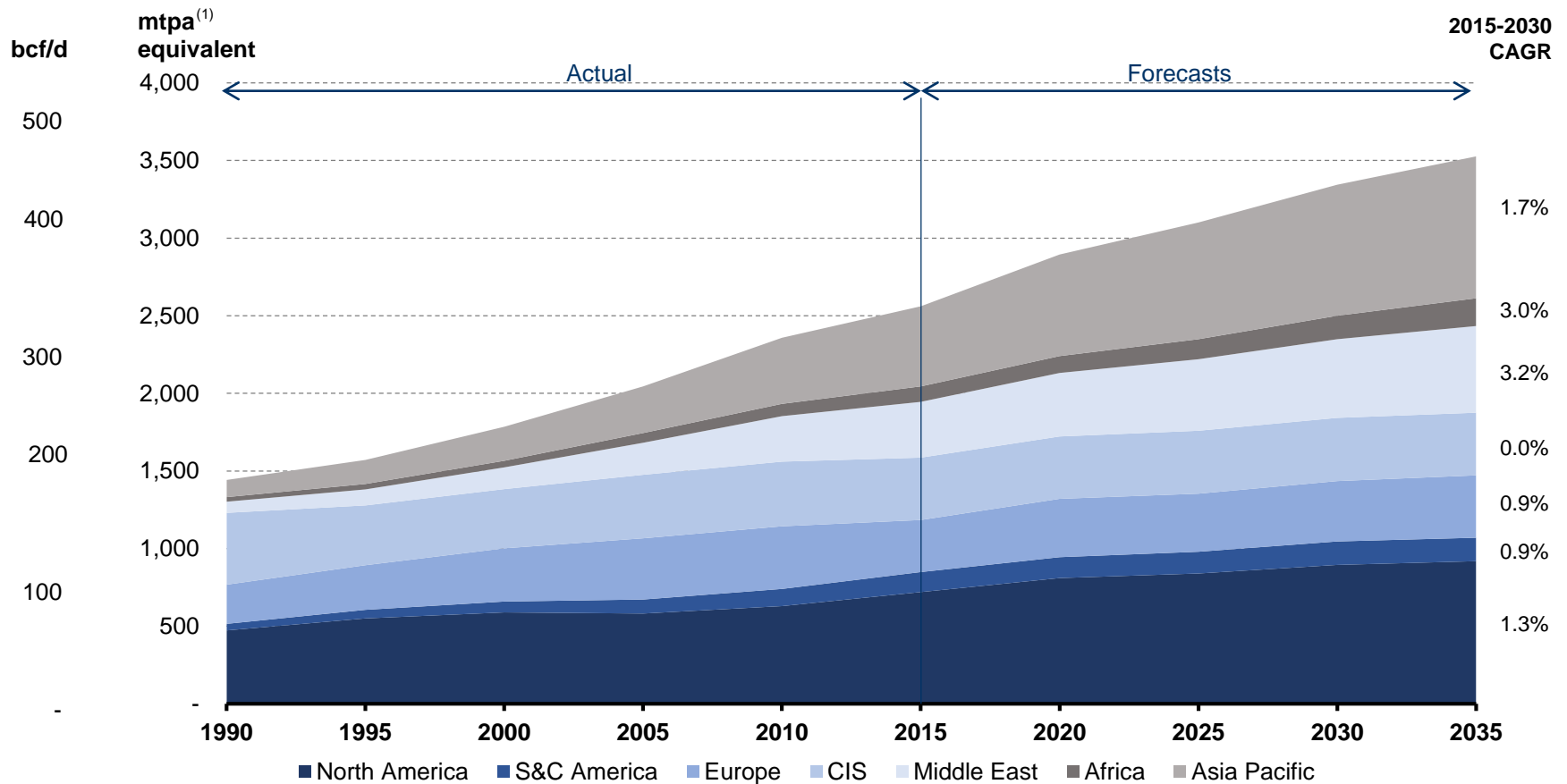
Partners



Global gas demand

Expecting steady growth

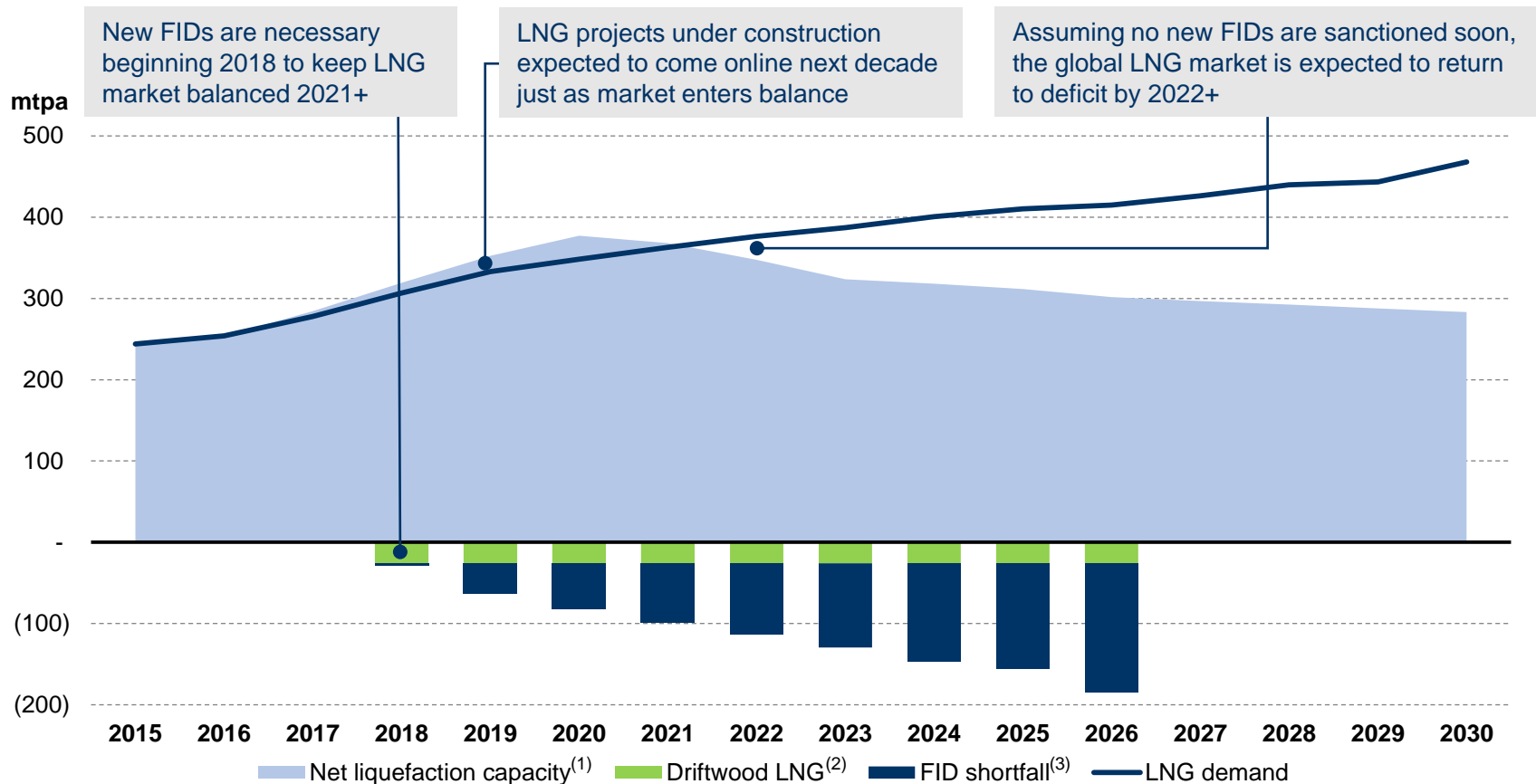
- Incremental gas demand 2015-2030: 105 Bcf/d (785 mtpa)
- Average annual gas demand growth: 7 Bcf/d (50 mtpa)



Source: BP World Energy Outlook (2017 edition)
 Note: (1) conversion factor assumed at 1 million tonne equivalent to 48 bcf

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



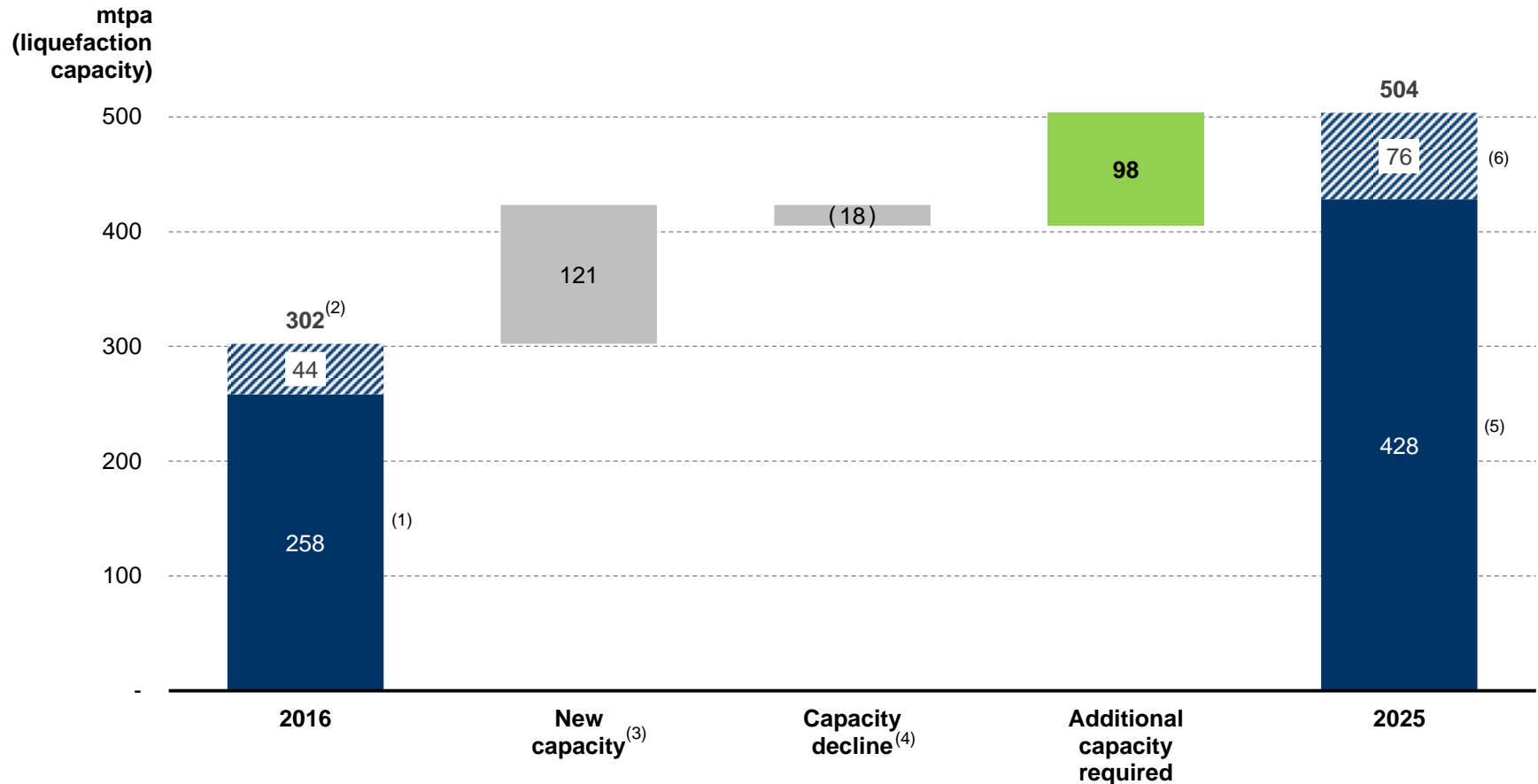
Source: WoodMackenzie (Q3 2016)

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



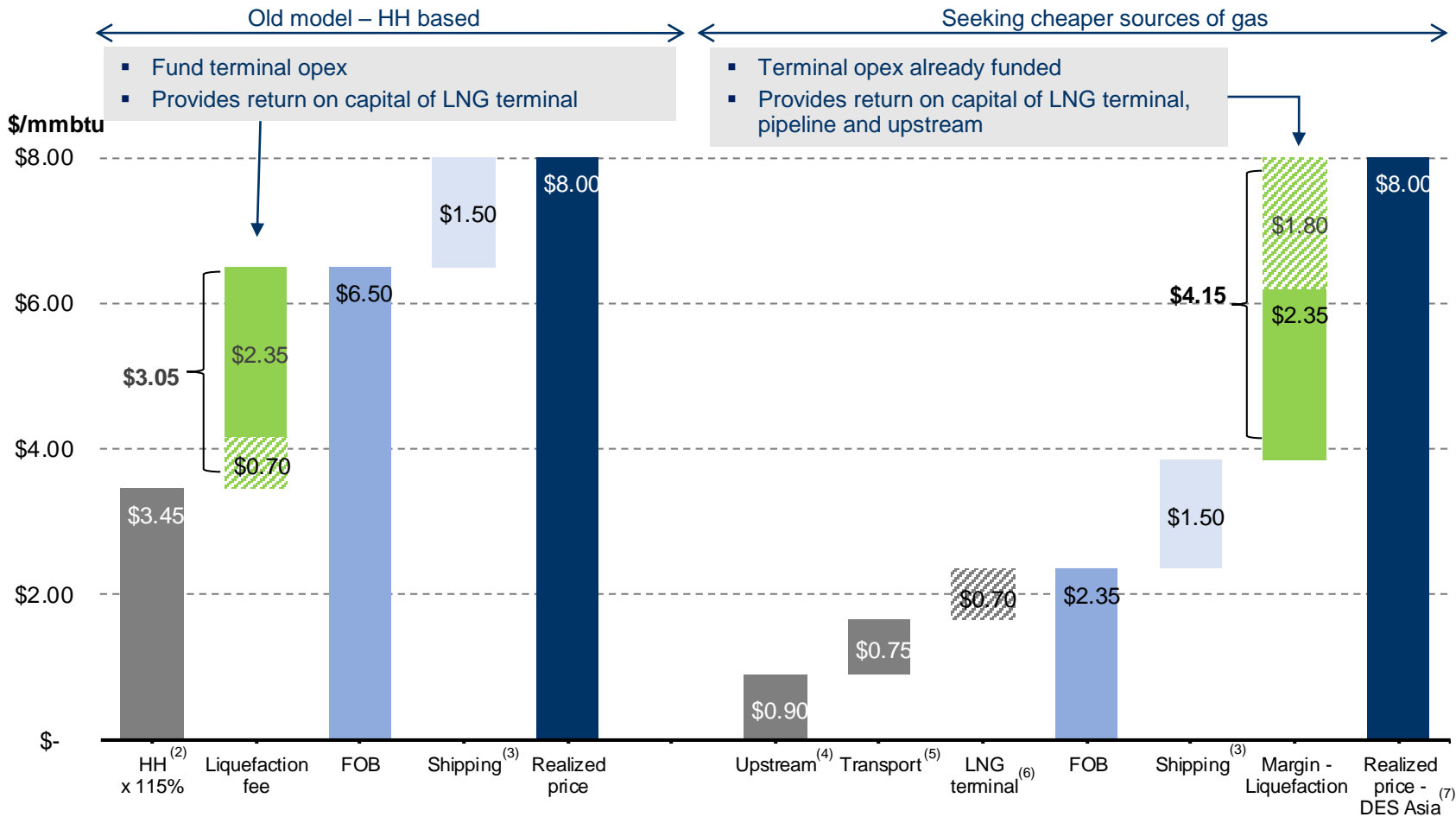
Source: Wood Mackenzie (Q1 2017)

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%

\$8.00 Asian price = \$3.00 – \$4.15 margin

- Expecting to develop a portfolio of contracts, including (i) Henry Hub plus a fixed fee, (ii) fixed prices and (iii) floating prices based on TTF⁽¹⁾



Note: (1) Represents Transfer Title Facility located in the Netherlands
 (2) HH represents Henry Hub prices, assumed at \$3.00/MMBtu
 (3) Based on Tellurian's estimate of shipping costs assuming return voyage from U.S. Gulf of Mexico to Northeast Asia through Panama Canal
 (4) Based on Tellurian's estimates of operating costs of unconventional gas wells in various U.S. basins, excluding drilling and completion costs
 (5) Based on Tellurian's estimates of gathering, processing and transportation costs of gas sourced in the U.S. to the Driftwood Project
 (6) Represents operating costs of the Driftwood terminal, excluding feed gas costs and transportation costs, based on Tellurian's estimates of Driftwood terminal's average cash operating costs
 (7) Based on Tellurian's proposal of potential LNG contracts at \$8.00/MMBtu for 5 years. DES represents delivery ex-ship

Driftwood Project

Driftwood terminal

Land	<ul style="list-style-type: none"> ~1,000 acres near Lake Charles, LA
Nameplate capacity	<ul style="list-style-type: none"> ~26 mtpa⁽¹⁾
Trains	<ul style="list-style-type: none"> Up to 20 trains of 1.3 mtpa each Chart heat exchangers GE LM6000 compressors
Storage	<ul style="list-style-type: none"> 3 storage tanks 235,000 m³ each
Marine	<ul style="list-style-type: none"> 3 marine berths
Capex	<ul style="list-style-type: none"> ~\$500 - 600/tonne ~\$13 - \$16 Bn⁽²⁾

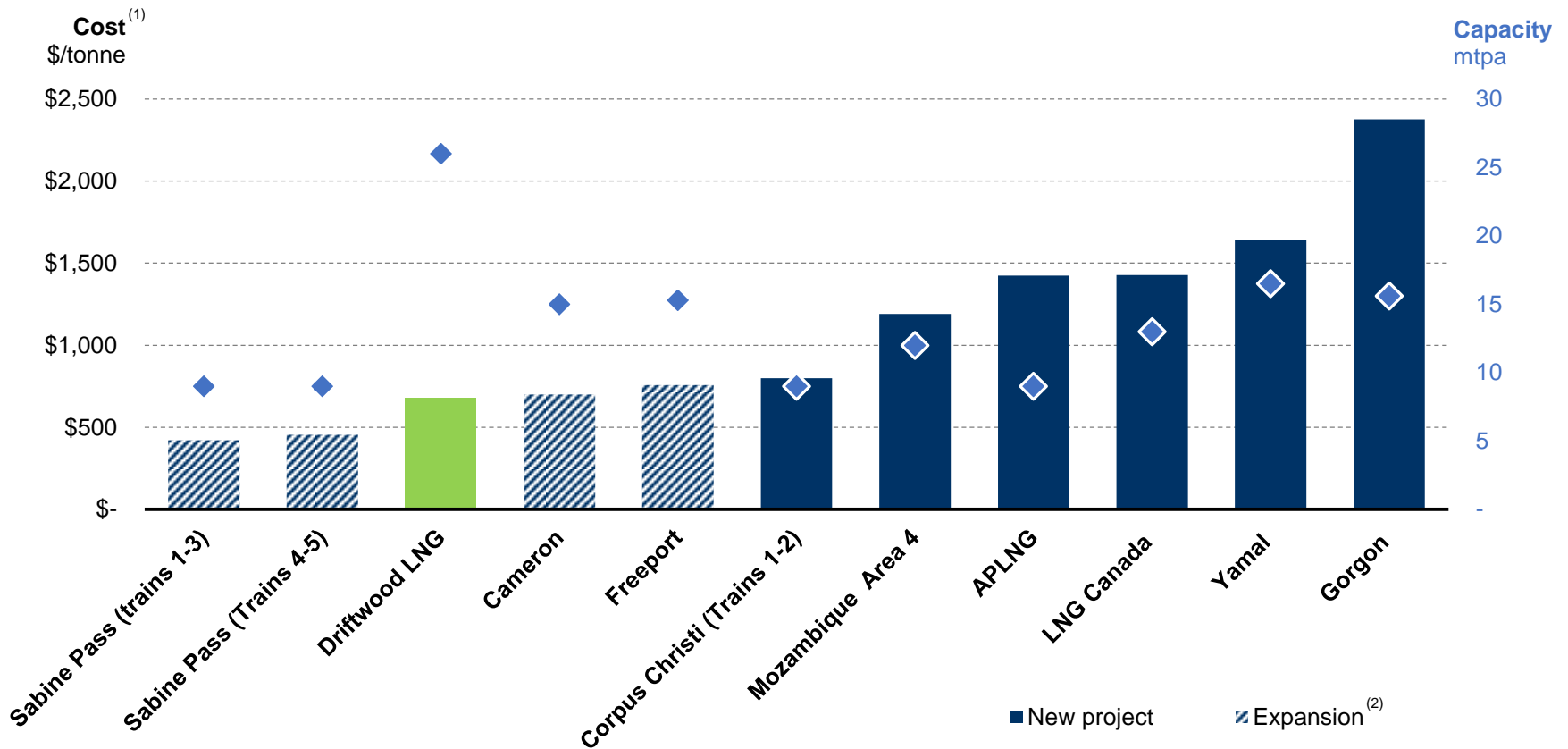
Driftwood pipeline

Size	<ul style="list-style-type: none"> 96 miles
Capacity	<ul style="list-style-type: none"> ~4 Bcf/d avg. throughput Access ~ 35 Bcf/d flowing gas
Capex	<ul style="list-style-type: none"> ~\$1.6 - 2.0 Bn⁽²⁾



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

Driftwood LNG – cost competitive

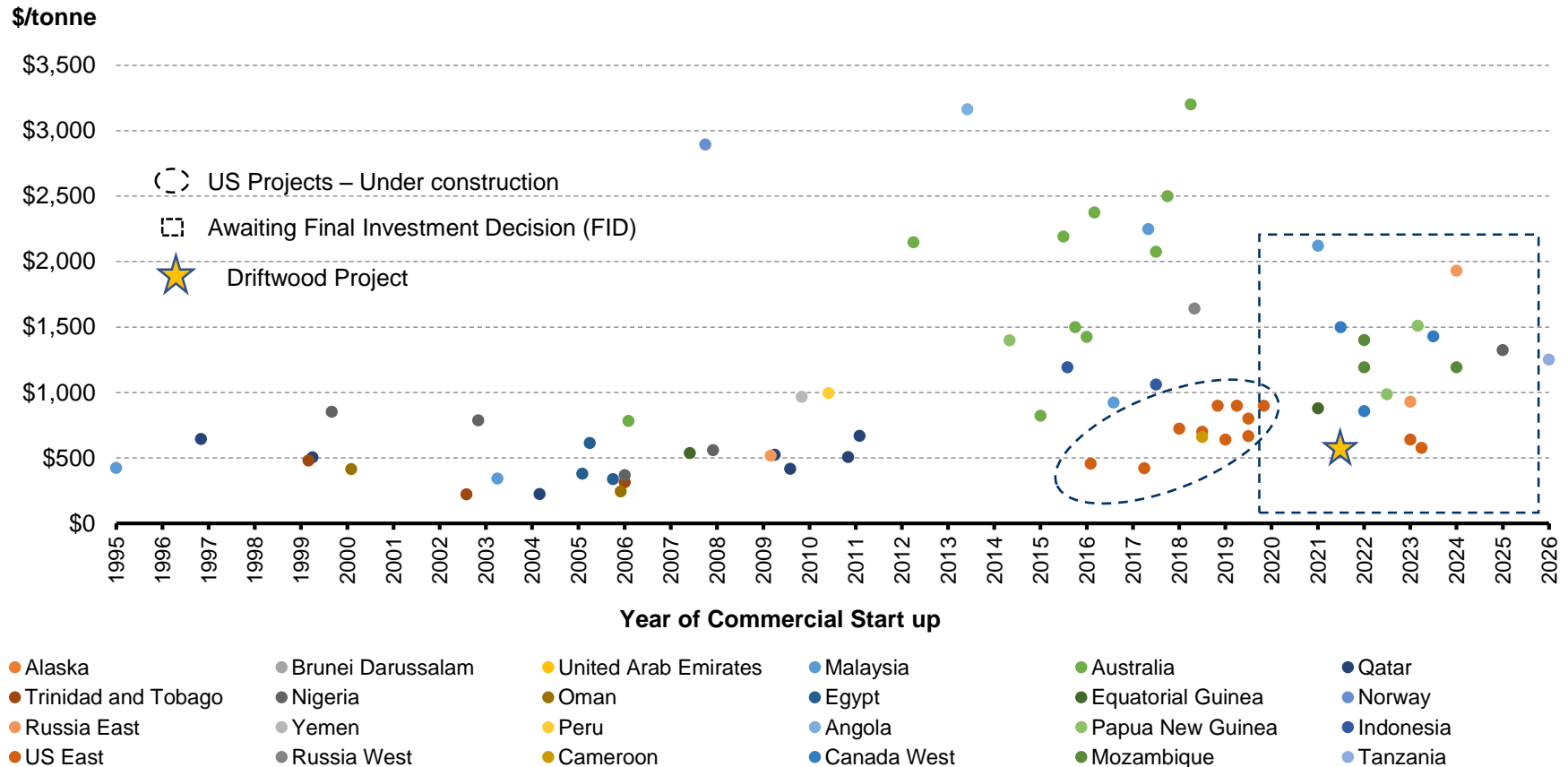


Source: Wood Mackenzie (Q4 2016)

Note: (1) Includes owners' costs and contingencies and excludes financing and pipeline related costs

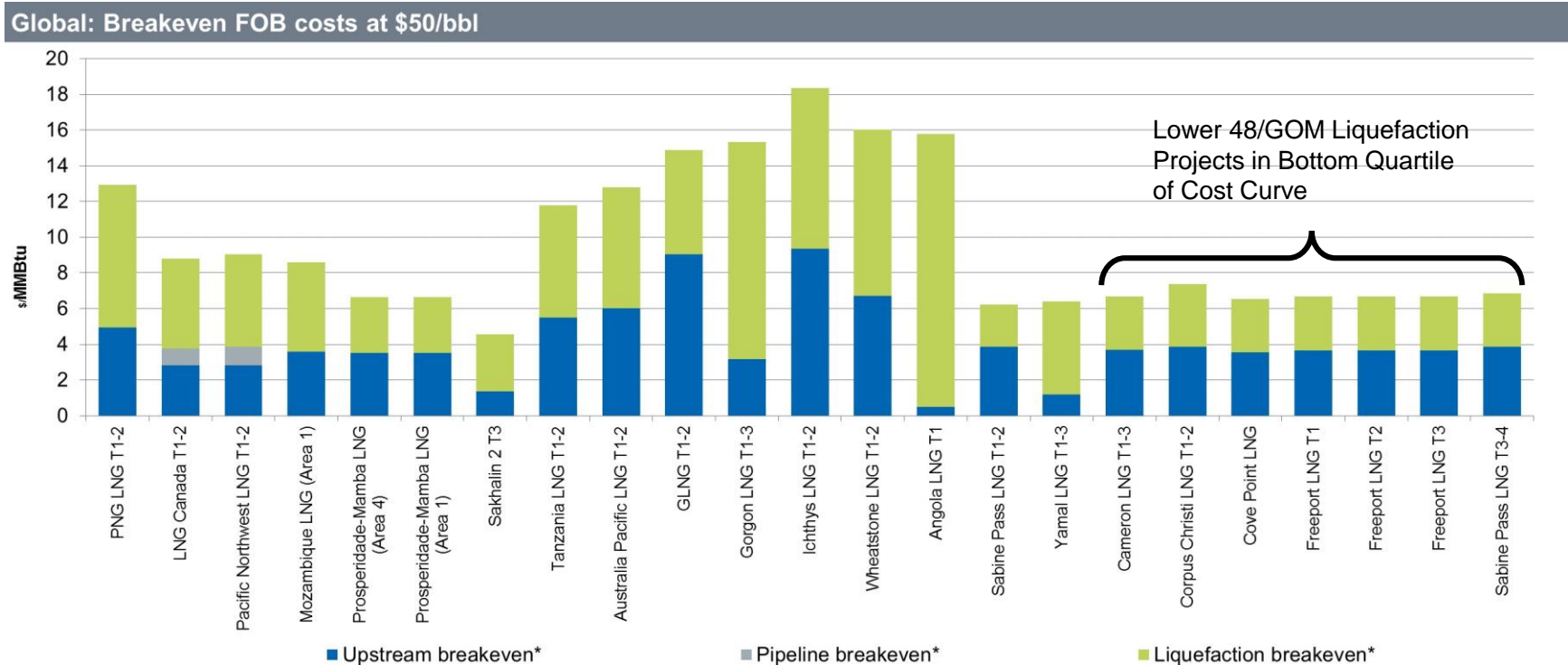
(2) Excludes development costs related to berths and storage tanks

Driftwood Project cost competitive



Source: IHS Energy

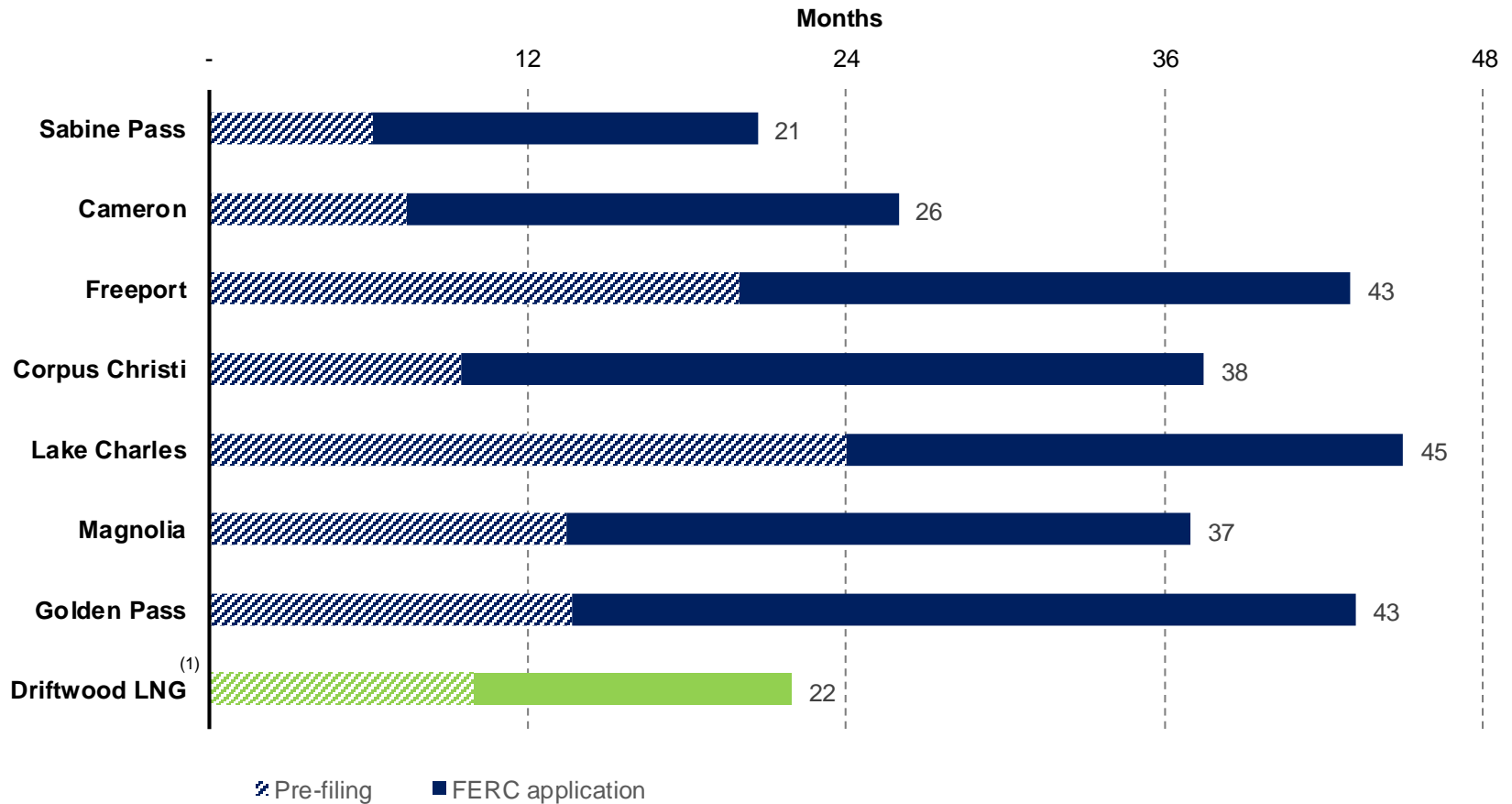
The U.S. offers the right product to customers



Source: IHS Energy

Fast mover through regulatory process

- We employ many from the same team that executed Sabine Pass



Source: FERC regulatory filings
 Note: (1) Duration of FERC review for Driftwood Project filing based on Tellurian estimates

FERC approval process

- Authorization under Section 3 (terminal) and Section 7 (pipeline) of the Natural Gas Act
- FERC designated as lead agency
 - Oversee siting, construction and operation of LNG facilities by Energy Policy Act 2005
 - Provide National Environmental Policy Act (NEPA) analysis and develop Environmental Impact Statement (EIS)
 - All other agencies are cooperating agencies
- FERC process:
 - ✓ Pre-filing (minimum of 6 months)
 - ✓ Application
 - Draft Environmental Impact Statement
 - Final Environmental Impact Statement
 - FERC Order

May 2016

March 2017

Expected Q3-Q4 2017

Expected Q4 2017- Q1 2018

Expected mid-2018



Estimated project timeline



Engineering

- ✓ Bechtel engaged to complete robust FEED Feb 2016
- LSTK⁽¹⁾ EPC Contract *expected mid-2017*
- Notice to Proceed with construction *expected mid-2018*

Regulatory

- ✓ Pre-filing notice Jun 2016
- ✓ Draft Resource Reports Dec 2016
- ✓ Full FERC Application filed Mar 2017
- FERC Order *expected mid-2018*

LNG Marketing

- ✓ Offices established in London and Singapore Dec 2016
- ✓ Launch of marketing effort in Tokyo at the Gastech Conference Apr 2017
- LNG Sales and Purchase Agreements *expected 1H 2018*

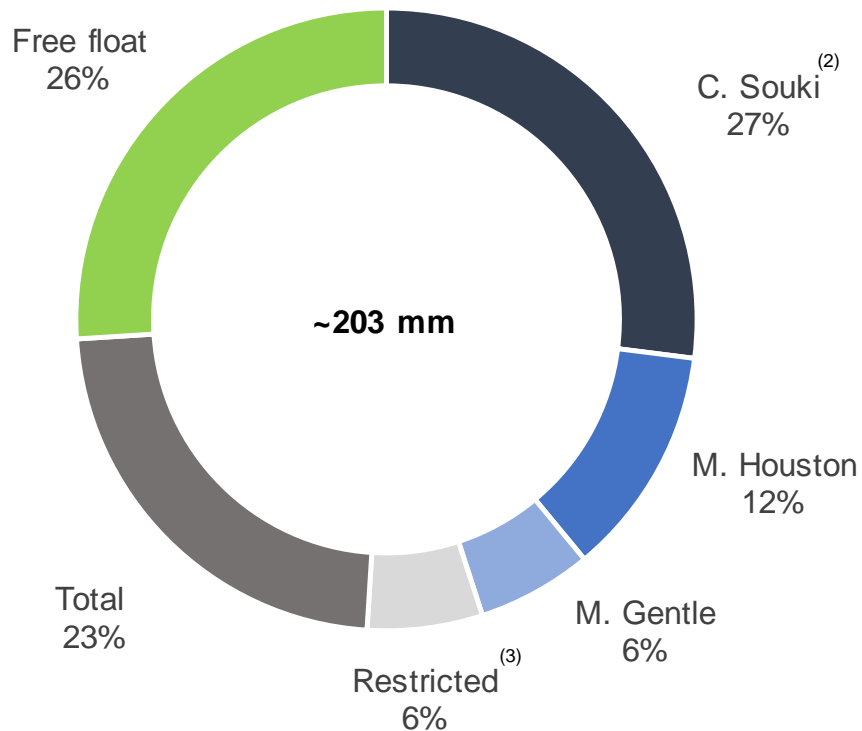
Financing

- ✓ Liquefaction development funding raised
 - ✓ \$60 MM Management, friends & family
 - ✓ \$25 MM GE
 - ✓ \$207 MM Total
- Opportunistic capital raising 2017 & 2018
- ✓ Engaged project financing advisor Mar 2017
- Arrange project financing bank group *expected by end 2017*
- Liquefaction project financial close *expected mid-2018*

Note: (1) LSTK represents lump-sum turnkey

Simple capital structure

Ownership structure⁽¹⁾



Note: (1) As of 04/25/2017

(2) Includes holdings of Souki Family 2016 Trust

(3) Removal of restriction is subject to Driftwood Project reaching a final investment decision (FID)

(4) Based on construction costs of ~\$500-\$600/tonne, excluding owners' costs, financing costs and contingencies

Capital structure

Key assumptions

Construction & pipeline capex

- 20 Trains: ~\$13 - 16 Bn⁽⁴⁾
- 96-mile pipeline: ~ \$1.6 - 2.0 Bn⁽⁵⁾

Capital structure

- Debt-to-total capital
 - Liquefaction plant: ~70%
 - Pipeline: ~80%
- Plan to raise capital at OpCo level

Cash flow estimates

- Targeting ~80% of cash flows from long-term fixed contracts with Investment Grade counterparties
- EBITDA: ~\$2.5 - \$3.0 Bn⁽⁶⁾ by 2025
- Cash available for distribution to common shares: >\$1 Bn /year
- Cash flow/share: \$6 - \$7 by 2025⁽⁷⁾

Advisors

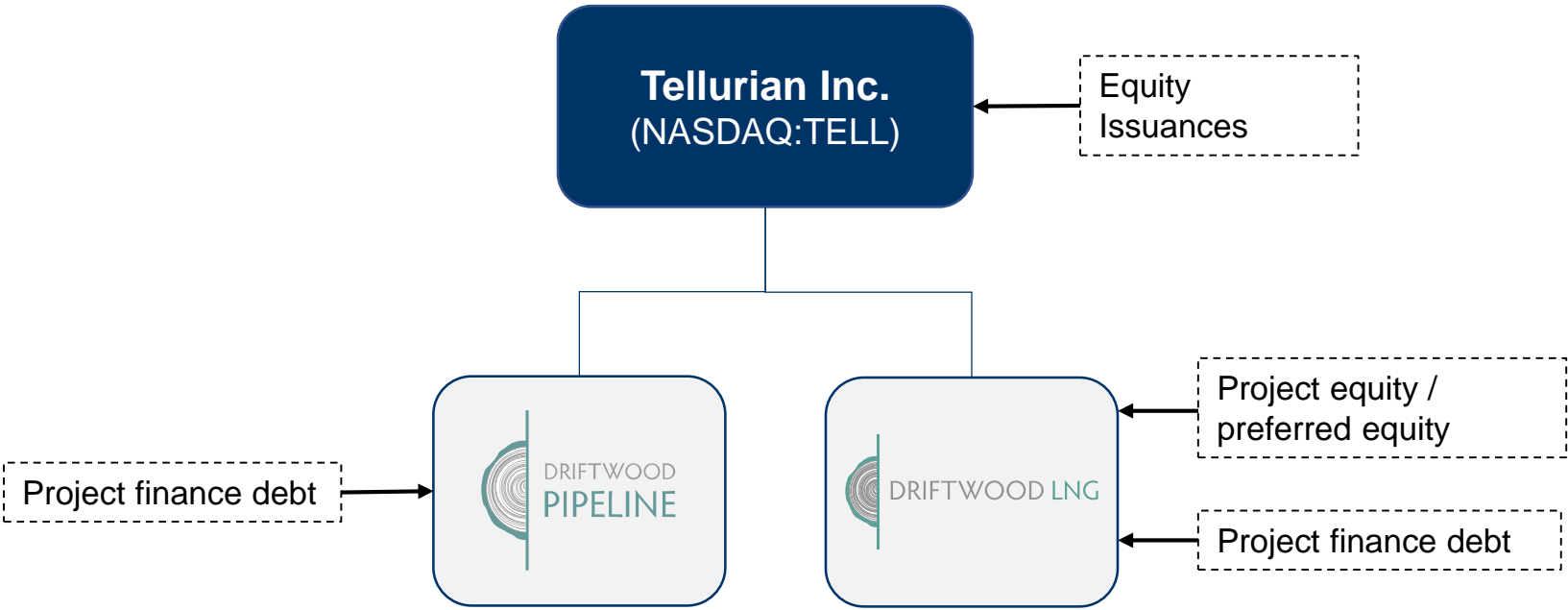
- Engaged Societe Generale to support structuring of debt financing

(5) Before owners' costs, financing costs and contingencies

(6) EBITDA calculated as total revenues less operating costs and transportation costs. EBITDA is a non-GAAP measure. Refer to Cautionary Statement on slide 2 of this presentation

(7) Based on 202,602,261 shares outstanding

Simple capital structure



Strategy

- We will create value and help improve air quality by delivering clean, low-cost, flexible and reliable liquefied natural gas to growing markets⁽¹⁾
- We are building a natural gas business that includes ~26 mtpa of production from the Driftwood Project, trading of LNG cargoes and development of new markets globally⁽¹⁾
- Our strategy is to:
 - Secure low-cost natural gas
 - Design and construct low-cost liquefaction
 - Deliver reliable and flexible LNG to a portfolio of customers globally
 - Operate our business safely, efficiently and reliably

Note: (1) Assumes successful execution of our strategy and is subject to risks. Refer to Cautionary Statement on slide 2 of this presentation

Driftwood LNG facility illustration

