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

FORM 10-K

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

For the fiscal year ended December 31, 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	**06-0842255**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1201 Louisiana Street, Suite 3100, Houston, TX	**77002**
(Address of principal executive offices)	(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**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, as of June 28, 2019, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $736,016 thousand, based on the per share closing sale price of $7.85 on that date. Solely for purposes of this disclosure, shares of common stock held by executive officers and directors of the registrant, as well as certain stockholders, as of such date have been excluded because such persons may be deemed to be affiliates. This determination of executive officers and directors as affiliates is not necessarily a conclusive determination for any other purpose.

244,301,126 shares of common stock were issued and outstanding as ofFebruary 14, 2020.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement related to the 2020 annual meeting of stockholders, to be filed within 120 days after December 31, 2019, are incorporated by reference in Part III of this annual report on Form 10-K.

Tellurian Inc.

Form 10-K

For the Fiscal Year EndedDecember 31, 2019

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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;
- the potential discontinuation of LIBOR;
- 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

All defined terms under Rule 4-10(a) of Regulation S-X shall have their statutorily prescribed meanings when used in this report. As used in this document, 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	Billion cubic feet per day
Bcfe	Billion cubic feet of natural gas equivalent
Condensate	Hydrocarbons that exist in a gaseous phase at original reservoir temperature and pressure, but when produced, are in the liquid phase at surface pressure and temperature
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
FASB	Financial Accounting Standards Board
FEED	Front-End Engineering and Design
FERC	U.S. Federal Energy Regulatory Commission
FID	Final investment decision
FOB	Free on board
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
LIBOR	London Inter-Bank Offered Rate
LNG	Liquefied natural gas
LSTK	Lump Sum Turnkey
Mcf	Thousand cubic feet of natural gas
MMBtu	Million British thermal unit
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
NGA	Natural Gas Act of 1938, as amended
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
Oil	Crude oil and condensate
PSD	Prevention of Significant Deterioration
PUD	Proved undeveloped reserves
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.K.	United Kingdom
U.S.	United States
USACE	U.S. Army Corps of Engineers

With respect to the information relating to our working interest in wells or acreage, "net" oil and gas wells or acreage is determined by multiplying gross wells or acreage by our working interest therein. Unless otherwise specified, all references to wells and acres are gross.

PART I

ITEM 1 AND 2. OUR BUSINESS AND PROPERTIES

Overview

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 $28.9 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 and 36-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 up to approximately $2.3 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 67 producing wells (21 operated) located in the Haynesville Shale trend of northern Louisiana.

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. 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 — Significant Transactions — LNG Marketing."

Overview of Significant Events

Driftwood Project. On July 10, 2019, Driftwood Holdings entered into an equity capital contribution agreement (the "Contribution Agreement") with Total Delaware, Inc., a subsidiary of Total S.A. ("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 North America, Inc., a subsidiary of Total S.A. ("Total Gas & Power") and Driftwood LNG LLC, a subsidiary of the Company ("Driftwood LNG"), will enter into a sale and purchase agreement pursuant to which Total Gas & Power will be obligated 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 obligation to purchase

from Tellurian Trading approximately 1.5 Mtpa of LNG on a FOB basis at prices based on the JKM index price, subject to the terms and conditions of the agreement.

2019 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 borrowed the additional funds. Amounts borrowed under the 2019 Term Loan bear a fixed annual interest rate of 12%, of which 4% may be added by Driftwood Holdings 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 12, *Stockholders' Equity*, of our Notes to 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.

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 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*" above for additional sale and purchase agreements executed in conjunction with the development of our Business.

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, the 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 export to FTA countries, air permits issued by the Louisiana Department of Environmental Quality, and the Coastal Use Permit issued by the Louisiana Department of Natural Resources are the most significant permits required for construction and operation of the Driftwood terminal and Driftwood pipeline. On August 8, 2019, the Company submitted a request to initiate the FERC pre-filing review process for the Permian Global Access Pipeline, which FERC accepted and granted entry into on September 13, 2019.

Stock Purchase Agreement. On April 3, 2019, we entered into a Common Stock Purchase Agreement 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 I" of the Driftwood Project.

Natural Gas Properties

Reserves

As discussed in "Our Business and Properties — Overview," our upstream properties, acquired in a series of transactions during 2017 and 2018, consist of 10,260 net acres and 67 producing wells (21 operated) located in the Haynesville Shale trend of north Louisiana. For the year ended December 31, 2019, these wells had average net production of approximately 38.1 MMcf/d. All of our proved reserves as of December 31, 2019 were associated with those properties. Proved reserves are the estimated quantities of natural gas and condensate which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions (i.e., costs as of the date the estimate is made). Proved reserves are categorized as either developed or undeveloped.

Our reserves as of December 31, 2019 were estimated by Netherland, Sewell & Associates, Inc. ("NSAI"), an independent petroleum engineering firm, and are set forth in the following table. Per SEC rules, NSAI based its estimates on the 12-month unweighted arithmetic average of the first-day-of-the-month price of natural gas for each month from January through December 2019. Prices include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions. The price used was $2.58 per MMBtu of natural gas, adjusted for energy content, transportation fees and market differentials.

The following table shows our proved reserves as of December 31, 2019:

	Gas (MMcf)
Proved reserves (as of December 31, 2019):	
Developed producing	30,699
Undeveloped	237,839
Total	268,538

The standardized measure of discounted future net cash flow from our proved reserves (the "standardized measure") as of December 31, 2019 was $53.2 million.

Our capital expenditures totaled approximately $36.6 million during 2019, of which, approximately $36.5 million was spent developing our proved reserves. During the year ended December 31, 2019, we converted approximately 29 Bcfe of proved undeveloped reserves to proved developed reserves. As of December 31, 2019, we do not expect to have any proved undeveloped reserves that will remain undeveloped for more than five years.

Refer to Supplemental Disclosures About Natural Gas Producing Activities, starting on page 69, for additional details.

Controls Over Reserve Report Preparation, Technical Qualifications and Technologies Used

Our December 31, 2019 reserve report was prepared by NSAI in accordance with guidelines established by the SEC. Reserve definitions comply with the definitions provided by Regulation S-X of the SEC. NSAI prepared the reserve report based upon a review of property interests being appraised, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, geoscience and engineering data, and other information we provided to them. This information was reviewed by knowledgeable members of our Company for accuracy and completeness prior to submission to NSAI. A letter which identifies the professional qualifications of the individual at NSAI who was responsible for overseeing the preparation of our reserve estimates as of December 31, 2019, has been filed as an addendum to Exhibit 99.2 to this report and is incorporated by reference herein.

Internally, a Senior Vice President is responsible for overseeing our reserves process. Our Senior Vice President has over 18 years of experience in the oil and natural gas industry, with the majority of that time in reservoir engineering and asset management. She is a graduate of Virginia Polytechnic Institute and State University with dual degrees in Chemical Engineering and French, and a graduate of the University of Houston with a Masters of Business Administration degree. During her career, she has had multiple responsibilities in technical and leadership roles, including reservoir engineering and reserves management, production engineering, planning, and asset management for multiple U.S. onshore and international projects. She is also a licensed Professional Engineer in the State of Texas.

Production

For the years ended December 31, 2019, 2018 and 2017, we produced 13,901 MMcf, 1,399 MMcf and 190 MMcf of natural gas at an average sales price of $2.07, $2.97 and $2.42 per MMcf, respectively. Natural gas and condensate production and operating costs for the periods ended December 31, 2019, 2018 and 2017, were $0.25, $1.71 and $1.25 per MMcfe, respectively.

Drilling Activity

The table below represents the number of net productive and dry development wells drilled during the past three years:

	For the Year Ended December 31,		
	2019	**2018**	**2017**
Development wells:			
Productive	3.1	1.4	—
Dry	—	—	—

We had no exploratory wells drilled during any of the periods presented.

Wells and Acreage

As of December 31, 2019, we owned interests in 48 gross (21 net) productive natural gas wells and held by production 3,672 gross (3,004 net) developed leasehold acreage. Additionally, we hold 8,037 gross (7,256 net) undeveloped leasehold acreage. As of December 31, 2019, there were 4 gross in process wells.

Of the total gross and net undeveloped acreage, 1,072 gross and 1,051 net acres are not held by production, of which 1,018 gross and 997 net acres are set to expire in 2020. We plan to extend the terms of these leases either through operational or administrative actions.

Volume Commitments

We are not currently subject to any material volume commitments.

Gathering, Processing and Transportation

As part of our acquisitions of natural gas properties, we also acquired certain gathering systems that deliver the natural gas we produce into third-party gathering systems. We believe that these systems and other available midstream facilities and services in the Haynesville Shale trend are adequate for our current operations and near-term growth.

Government Regulations

Our operations are and will be subject to extensive federal, state and local statutes, rules, regulations, and laws that include, but are not limited to, the NGA, the Energy Policy Act of 2005 ("EPAct 2005"), the Oil Pollution Act, the National Environmental Protection Act ("NEPA"), the Clean Air Act (the "CAA"), the Clean Water Act (the "CWA"), the Resource Conservation and Recovery Act ("RCRA"), the Pipeline Safety Improvement Act of 2002 (the "PSIA"), and the Coastal Zone Management Act (the "CZMA"). These statutes cover areas related to the authorization, construction and operation of LNG facilities, natural gas pipelines and natural gas producing properties, including discharges and releases to the air, land and water, and the handling, generation, storage and disposal of hazardous materials and solid and hazardous wastes due to the development, construction and operation of the facilities. These laws are administered and enforced by governmental agencies including but not limited to FERC, the U.S. Environmental Protection Agency (the "EPA"), the DOE/FE, the U.S. Department of Transportation ("DOT"), the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), the Louisiana Department of Environmental Quality, the Texas Commission on Environmental Quality, the Louisiana Department of Natural Resources, and the Texas Railroad Commission. Additionally, numerous other governmental and regulatory permits and approvals will be required to build and operate our Business, including, with respect to the construction and operation of the Driftwood Project, consultations and approvals by the Advisory Council on Historic Preservation, USACE, U.S. Department of Commerce, National Marine Fisheries Services, U.S. Department of the Interior, U.S. Fish and Wildlife Service, and U.S. Department of Homeland Security. For example, throughout the life of our liquefaction project, we will be subject to regular reporting requirements to FERC, PHMSA and other federal and state regulatory agencies regarding the operation and maintenance of our facilities.

Failure to comply with applicable federal, state, and local laws, rules, and regulations could result in substantial administrative, civil and/or criminal penalties and/or failure to secure and retain necessary authorizations.

We have received regulatory permits and approvals in connection with the Driftwood terminal and Driftwood pipeline, including the following:

Agency	Permit / Consultation	Approval Date
FERC	Section 3 and Section 7 Application - NGA	April 18, 2019
DOE	Section 3 Application - NGA	FTA countries: February 28, 2017; amended December 6, 2018 (3698-A) Non-FTA countries: May 2, 2019
USACE	Section 404	May 3, 2019
	Section 10 (*Rivers and Harbors Act*)	May 3, 2019
United States Coast Guard	Letter of Intent and Preliminary Water Suitability Assessment	June 21, 2016
	Follow-On Water Suitability Assessment and Letter of Recommendation	April 25, 2017
United States Fish and Wildlife Service	Section 7 of *Endangered Species Act* Consultation	September 19, 2017; February 7, 2019
National Oceanic and Atmospheric Administration / National Marine Fisheries Service	Section 7 of the *Endangered Species Act* Consultation	February 14, 2018
	Magnuson-Stevens Fishery Management and Conservation Act Essential Fish Habitat Consultation	October 3, 2017
	Marine Mammal Protection Act Consultation	October 3, 2017
State		
Louisiana Department of Natural Resources- Coastal Management Division	Coastal Use Permit and Coastal Zone Consistency Permit, Joint Permit with USACE	May 29, 2018
Louisiana Department of Environmental Quality - Air Quality Division	Air Permit for LNG Terminal	July 10, 2018; January 6, 2020 (extension)
Louisiana State Historic Preservation Office	Section 106 Consultation	Concurrence received on June 29, 2016
		Concurrence received on November 22, 2016
		Concurrence received on April 13, 2017
		Concurrence received on March 1, 2019

Federal Energy Regulatory Commission

The design, construction and operation of liquefaction facilities and pipelines, the export of LNG and the transportation of natural gas are highly regulated activities. In order to site, construct and operate our LNG facilities, we obtained authorizations from FERC under Section 3 and Section 7 of the NGA as well as several other material governmental and regulatory approvals and permits as detailed in the table above. EPAct 2005 amended Section 3 of the NGA to establish or clarify FERC's exclusive authority to approve or deny an application for the siting, construction, expansion or operation of LNG terminals, although except as specifically provided in EPAct 2005, nothing in the statute is intended to affect otherwise applicable law related to any other federal agency's authorities or responsibilities related to LNG terminals.

In 2002, FERC concluded that it would apply light-handed regulation to the rates, terms and conditions agreed to by parties for LNG terminalling services, such that LNG terminal owners would not be required to provide open-access service at non-discriminatory rates or maintain a tariff or rate schedule on file with FERC, as distinguished from the requirements applied to FERC-regulated interstate natural gas pipelines. Although EPAct 2005 codified FERC's policy, those provisions expired on January 1, 2015. Nonetheless, we see no indication that FERC intends to modify its longstanding policy of light-handed regulation of LNG terminal operations.

A certificate of public convenience and necessity from FERC is required for the construction and operation of facilities used in interstate natural gas transportation, including pipeline facilities, in addition to other required governmental and regulatory approvals. In this regard, in April 2019, we obtained a certificate of public convenience and necessity to construct and operate the Driftwood pipeline. Similarly, in anticipation of filing an application to construct and operate the Permian Global Access Pipeline, we have initiated the FERC pre-filing review process, which is ongoing.

FERC's jurisdiction under the NGA generally extends to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate consumption for domestic, commercial, industrial or any other

use and to natural gas companies engaged in such transportation or sale. FERC's jurisdiction does not extend to the production, gathering, local distribution or export of natural gas.

Specifically, FERC's authority to regulate interstate natural gas pipelines includes:

- rates and charges for natural gas transportation and related services;
- the certification and construction of new facilities;
- the extension and abandonment of services and facilities;
- the maintenance of accounts and records;
- the acquisition and disposition of facilities;
- the initiation and discontinuation of services; and
- various other matters.

In addition, FERC has authority to approve, and if necessary set, "just and reasonable rates" for the transportation or sale of natural gas in interstate commerce. Relatedly, under the NGA, our proposed pipelines will not be permitted to unduly discriminate or grant undue preference as to rates or the terms and conditions of service to any shipper, including our own affiliates.

EPAct 2005 amended the NGA to make it unlawful for "any entity," including otherwise non-jurisdictional producers, to use any deceptive or manipulative device or contrivance in connection with the purchase or sale of natural gas or the purchase or sale of transportation services subject to regulation by FERC, in contravention of rules prescribed by FERC. The anti-manipulation rule does not apply to activities that relate only to intrastate or other non-jurisdictional sales, gathering or production, but does apply to activities of otherwise non-jurisdictional entities to the extent the activities are conducted "in connection with" natural gas sales, purchases or transportation subject to FERC jurisdiction. EPAct 2005 also gives FERC authority to impose civil penalties for violations of the NGA or Natural Gas Policy Act of up to $1 million per violation.

Transportation of the natural gas we produce, and the prices we pay for such transportation, will be significantly affected by the foregoing laws and regulations.

U.S. Department of Energy, Office of Fossil Energy Export License

Under the NGA, exports of natural gas to FTA countries are "deemed to be consistent with the public interest," and authorization to export LNG to FTA countries shall be granted by the DOE/FE "without modification or delay." FTA countries currently capable of importing LNG include but are not limited to Canada, Chile, Colombia, Jordan, Mexico, Singapore, South Korea and the Dominican Republic. Exports of natural gas to Non-FTA countries are authorized unless the DOE/FE finds that the proposed exportation "will not be consistent with the public interest." We have authorization from the DOE/FE to export LNG in a volume up to the equivalent of 1,415.3 Bcf per year of natural gas to FTA countries for a term of 30 years and to Non-FTA countries for a term of 20 years.

Pipeline and Hazardous Materials Safety Administration

The Natural Gas Pipeline Safety Act of 1968 (the "NGPSA") authorizes DOT to regulate pipeline transportation of natural (flammable, toxic, or corrosive) gas and other gases, as well as the transportation and storage of LNG. Amendments to the NGPSA include the Pipeline Safety Act of 1979, which addresses liquids pipelines, and the PSIA, which governs the areas of testing, education, training, and communication.

PHMSA administers pipeline safety regulations for jurisdictional gas gathering, transmission, and distribution systems under minimum federal safety standards. PHMSA also establishes and enforces safety regulations for onshore LNG facilities, which are defined as pipeline facilities used for the transportation or storage of LNG subject to such safety standards. Those regulations address requirements for siting, design, construction, equipment, operations, personnel qualification and training, fire protection, and security of LNG facilities. The Driftwood terminal will be subject to such PHMSA regulations.

Tellurian's proposed pipelines will also be subject to regulation by PHMSA, including those under the PSIA. The PHMSA Office of Pipeline Safety administers the PSIA, which requires pipeline companies to perform extensive integrity tests on natural gas transportation pipelines that exist in high population density areas designated as "high consequence areas." Pipeline companies are required to perform the integrity tests on a seven-year cycle. The risk ratings are based on numerous factors, including the population density in the geographic regions served by a particular pipeline, as well as the age and condition of the pipeline and its protective coating. Testing consists of hydrostatic testing, internal electronic testing, or direct assessment of the piping. In addition to the pipeline integrity tests, pipeline companies must implement a qualification program to make certain that employees are properly trained. Pipeline operators also must develop integrity management programs for natural gas transportation pipelines, which requires pipeline operators to perform ongoing assessments of pipeline integrity; identify and characterize applicable threats

to pipeline segments that could impact a high consequence area; improve data collection, integration and analysis; repair and remediate the pipeline, as necessary; and implement preventive and mitigative actions.

On October 1, 2019, PHMSA issued a final rule revising the Federal Pipeline Safety Regulations to improve the safety of onshore gas transmission pipelines. This final rule addresses congressional mandates and National Transportation Safety Board recommendations, and responds to public input. The amendments in this final rule address integrity management requirements and other requirements, and they focus on the actions an operator must take to reconfirm the maximum allowable operating pressure of previously untested natural gas transmission pipelines and pipelines lacking certain material or operational records, the periodic assessment of pipelines in populated areas not designated as "high consequence areas," the reporting of exceedances of maximum allowable operating pressure, the consideration of seismicity as a risk factor in integrity management, safety features on in-line inspection launchers and receivers, a six-month grace period for seven-calendar-year integrity management reassessment intervals, and related recordkeeping provisions. The effective date of this final rule is July 1, 2020. PHMSA is also considering whether to revise requirements for corrosion control and expanding the definition of regulated gathering lines. These notices of proposed rulemaking are still pending at PHMSA and have not been finalized.

The Pipeline Network will be subject to regulation under PHMSA, which will involve capital and operating costs for compliance-related equipment and operations. We have no reason to believe that these compliance costs will be material to our financial performance, but the significance of such costs will depend on future events and our ability to achieve and maintain compliance throughout the life of the Driftwood Project.

Natural Gas Pipeline Safety Act of 1968

Louisiana administers federal pipeline safety standards under the NGPSA, which requires certain pipelines to comply with safety standards in constructing and operating the pipelines and subjects the pipelines to regular inspections. Failure to comply with the NGPSA may result in the imposition of administrative, civil and criminal sanctions.

Other Governmental Permits, Approvals and Authorizations

The construction and operation of the Driftwood Project is subject to federal permits, orders, approvals and consultations required by other federal and state agencies, including DOT, the Advisory Council on Historic Preservation, USACE, U.S. Department of Commerce, National Marine Fisheries Services, U.S. Department of the Interior, U.S. Fish and Wildlife Service, the EPA and U.S. Department of Homeland Security. The necessary permits have been obtained for the Driftwood terminal and Driftwood pipeline. Similarly, additional permits, orders, approvals and consultations will be required for the other elements of the Driftwood Project.

Three significant permits that apply to the Driftwood Project are the USACE Section 404 of the Clean Water Act/Section 10 of the Rivers and Harbors Act Permit, the CAA Title V Operating Permit and the Prevention of Significant Deterioration Permit, of which the latter two permits are issued by the Louisiana Department of Environmental Quality. Each of the Driftwood terminal and Driftwood pipeline has received its permit from USACE, including a review and approval by USACE of the findings and conditions set forth in an Environmental Impact Statement and Record of Decision issued for the Driftwood terminal pursuant to the requirements of NEPA. The Louisiana Department of Environmental Quality has issued the Prevention of Significant Deterioration permit, which is required to commence construction of the Driftwood terminal as well as the Title V Operating Permit. These material approvals will be required for the other elements of the Driftwood Project.

Environmental Regulation

Our operations are and will be subject to various federal, state and local laws and regulations relating to the protection of the environment and natural resources, the handling, generation, storage and disposal of hazardous materials and solid and hazardous wastes and other matters. These environmental laws and regulations, which can restrict or prohibit impacts to the environment or the types, quantities and concentration of substances that can be released into the environment, will require significant expenditures for compliance, can affect the cost and output of operations, may impose substantial administrative, civil and/or criminal penalties for non-compliance and can result in substantial liabilities. The statutes, regulations and permit requirements imposed under environmental laws are modified frequently, sometimes retroactively. Such changes are difficult to predict or prepare for, and may impose material costs for new permits, capital investment or operational limitations or changes.

NEPA. NEPA and comparable state laws and regulations require that government agencies review the environmental impacts of proposed projects. On January 10, 2020, the Council on Environmental Quality published a notice of proposed rulemaking that seeks comment on potential amendments that would "modernize and clarify" the current NEPA regulations and streamline environmental reviews. Potential amendments to the NEPA regulations could include setting time limits for completion of environmental reviews and no longer requiring federal agencies to consider the cumulative impacts of a project. The public comment period on the notice for proposed rulemaking ends on March 10, 2020. While these changes are not likely to require amendments to the USACE permits that have already been issued and NEPA-related findings, the proposed changes in the NEPA regulations may impact other elements of the Driftwood Project that are under development. The proposed revisions to the NEPA

regulations have not yet been finalized and will likely be subject to legal challenges. Therefore, the impact of the proposed NEPA regulations on the Driftwood Project will not be determinable for the foreseeable future.

CAA. The CAA and comparable state laws and regulations regulate and restrict the emission of air pollutants from many sources and impose various monitoring and reporting requirements, among other requirements. The Driftwood Project includes facilities and operations that are subject to the federal CAA and comparable state and local laws, including requirements to obtain pre-construction permits and operating permits. We may be required to incur capital expenditures for air pollution control equipment in connection with maintaining or obtaining permits and approvals pursuant to the CAA and comparable state laws and regulations.

In June 2016, the EPA revised the new source performance standards under the CAA to require reductions in emissions, including methane emissions, from new and modified sources in the oil and natural gas sector. These regulations impose, among other things, new requirements for leak detection and repair, control requirements at well completions, and additional control requirements for gathering, boosting, and compressor stations. In September 2018, the EPA proposed revisions to the 2016 rules. The proposed amendments address certain technical issues raised in administrative petitions and include proposed changes to, among other things, the frequency of monitoring for fugitive emissions at well sites and compressor stations. In September 2019, the EPA proposed additional amendments to the 2016 rules that would remove all sources in the transmission and storage segment of the oil and natural gas industry from regulation. The proposed amendments would also rescind the requirement to control methane emissions in the 2016 rules that apply to sources in the production and processing segments of the industry. The EPA is also proposing, in the alternative, to rescind the methane requirements that apply to all sources in the oil and natural gas industry, without removing any sources from the current source category. Our operations have not been modified to comply with the 2016 rules, so a final determination regarding the rescission of rules related to the oil and natural gas industry could significantly affect our costs of operations and of acquiring natural gas. The revisions to the oil and gas new source performance standards have not yet been finalized and will likely be subject to legal challenges. Therefore, the timing of the final regulations and impact of the revised oil and gas new source performance standards on the Driftwood Project are not determinable at this time.

Greenhouse Gases. In December 2009, the EPA published its findings that emissions of carbon dioxide, methane, and other greenhouse gases ("GHGs") present an endangerment to public health and the environment because emissions of GHGs are, according to the EPA, contributing to warming of the earth's atmosphere and other climatic changes. These findings provide the basis for the EPA to adopt and implement regulations that would restrict emissions of GHGs under existing provisions of the CAA. In June 2010, the EPA began regulating GHG emissions from stationary sources, including LNG terminals. In June 2019, the EPA issued the final Affordable Clean Energy rule, which, among other things, establishes emission guidelines for states to develop plans to address greenhouse gas emissions from existing coal-fired power plants. In the future, the EPA may promulgate additional regulations for sources of GHG emissions that could affect the oil and gas sector, and Congress or states may enact new GHG legislation, either of which could impose emission limits on the Driftwood Project or require the Driftwood Project to implement additional pollution control technologies, pay fees related to GHG emissions or implement mitigation measures. The scope and effects of any new laws or regulations are difficult to predict, and the impact of such laws or regulations on the Driftwood Project cannot be predicted at this time.

Coastal Zone Management Act. Certain aspects of the Driftwood terminal are subject to the requirements of the CZMA. The CZMA is administered by the states (in Louisiana, by the Department of Natural Resources). This program is implemented to ensure that impacts to coastal areas are consistent with the intent of the CZMA to manage the coastal areas. Certain facilities that are part of the Driftwood Project obtained permits for construction and operation in coastal areas pursuant to the requirements of the CZMA.

Clean Water Act. The Driftwood Project is subject to the CWA and analogous state and local laws. The CWA and analogous state and local laws regulate discharges of pollutants to waters of the U.S. or waters of the state, including discharges of wastewater and storm water runoff and discharges of dredged or fill material into waters of the U.S., as well as spill prevention, control and countermeasure requirements. Permits must be obtained prior to discharging pollutants into state and federal waters or dredging or filling wetland and coastal areas. The CWA is administered by the EPA, the USACE and by the states. Additionally, the siting and construction of the Driftwood Project will impact jurisdictional wetlands, which would require appropriate federal, state and/or local permits and approval prior to impacting such wetlands. The authorizing agency may impose significant direct or indirect mitigation costs to compensate for regulated impacts to wetlands. Although the CWA permits required for construction and operation of the Driftwood terminal and Driftwood pipeline have been obtained, other CWA permits may be required in connection with our projects that are under development and our future projects. The approval timeframe may also be longer than expected and could potentially affect project schedules.

In June 2015, the EPA and the USACE issued a final rule defining the CWA's jurisdictional reach over "waters of the United States" (the "2015 Clean Water Rule") and replacing the previous definition of "waters of the United States" in a 1986 rule and related guidance. In February 2018, the EPA and the USACE issued a rule to delay the applicability of the 2015 Clean Water Rule until February 2020, but this delay rule was struck down following a court challenge. Other federal district courts, however, issued rulings temporarily enjoining the applicability of the 2015 Clean Water Rule in several states. Taken together, the 2015 Clean Water Rule was in effect in 22 states and temporarily stayed in 27 states. In states where the 2015 Clean Water Rule

was stayed, the 1986 rule and guidance remained in effect. In October 2019, the EPA and the USACE issued a final rule to repeal the 2015 Clean Water Rule (the "2019 Repeal Rule"). With the 2019 Repeal Rule, the agencies report that they will implement the 1986 rule and guidance nationwide. The 2019 Repeal Rule became effective in December 2019; accordingly, the 2015 Clean Water Rule is no longer in effect in any state. However, legal challenges to the 2019 Repeal Rule have already been filed in federal court and the 2019 Repeal Rule could be stayed, remanded or repealed.

In January 2020, the EPA and the USACE finalized a rule that would revise the definition of "waters of the United States" and replace both the 1986 rule and the 2015 Clean Water Rule (the "2020 Rule"). According to the agencies, the 2020 Rule "increases the predictability and consistency" of the CWA "by clarifying the scope of 'waters of the United States' federally regulated" under the CWA. As of February 14, 2020, the 2020 Rule has not been published in the Federal Register. It will become effective 60 days after publication. Once the 2020 Rule is published, it will likely be challenged and sought to be enjoined in federal court. The 2020 Rule is intended to narrow the definition of "waters of the United States" from the 2015 Clean Water Rule. Therefore, the 2020 Rule could reduce costs and delays with respect to obtaining permits for discharges of pollutants or dredge and fill activities in waters of the U.S., including in wetland areas for facilities of the Driftwood Project that have not yet obtained CWA permits. The change in the definition of "waters of the United States" is not likely to affect the permits already obtained for the Driftwood terminal and Driftwood pipeline, but the new definition, once effective, could affect other elements of the Driftwood Project in ways that cannot yet be identified or quantified with any precision.

Federal laws including the CWA require certain owners or operators of facilities that store or otherwise handle oil and produced water to prepare and implement spill prevention, control, countermeasure and response plans addressing the possible discharge of oil into surface waters. The Oil Pollution Act of 1990 ("OPA") subjects owners and operators of facilities to strict and joint and several liability for all containment and cleanup costs and certain other damages arising from oil spills, including the government's response costs. Spills subject to the OPA may result in varying civil and criminal penalties and liabilities. The Driftwood Project incorporates appropriate equipment and operational measures to reduce the potential for spills of oil and establish protocols for responding to spills, but oil spills remain an operational risk that could adversely affect our operations and result in additional costs or fines or penalties.

Resource Conservation and Recovery Act. The federal RCRA and comparable state requirements govern the generation, handling and disposal of solid and hazardous wastes and require corrective action for releases into the environment. In the event such wastes are generated or used in connection with our facilities, we will be subject to regulatory requirements affecting the handling, transportation, treatment, storage and disposal of such wastes and could be required to perform corrective action measures to clean up releases of such wastes. The EPA and certain environmental groups entered into an agreement pursuant to which the EPA was required to propose, no later than March 2019, a rulemaking for revision of certain regulations pertaining to oil and natural gas wastes or sign a determination that revision of the regulations is not necessary. In April 2019, the EPA determined that revision of the regulations is not necessary. Information comprising the EPA's review and decision is contained in a document entitled "Management of Exploration, Development and Production Wastes: Factors Informing a Decision on the Need for Regulatory Action." The EPA indicated that it will continue to work with states and other organizations to identify areas for continued improvement and to address emerging issues to ensure that exploration, development and production wastes continue to be managed in a manner that is protective of human health and the environment. Environmental groups, however, expressed dissatisfaction with the EPA's decision and will likely continue to press the issue at the federal and state levels. A loss of the exclusion from RCRA coverage for drilling fluids, produced waters and related wastes in the future could result in a significant increase in our costs to manage and dispose of waste associated with our production operations.

The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). CERCLA, often referred to as Superfund, and comparable state statutes, impose liability that is generally joint and several and that is retroactive for costs of investigation and remediation and for natural resource damages, without regard to fault or the legality of the original conduct, for the release of a "hazardous substance" (or under state law, other specified substances) into the environment. So-called potentially responsible parties ("PRPs") include the current and certain past owners and operators of a facility where there has been a release or threat of release of a hazardous substance and persons who disposed of or arranged for the disposal of hazardous substances found at a site. CERCLA also authorizes the EPA and, in some cases, third parties to take actions in response to threats to the public health or the environment and to seek to recover from the PRPs the cost of such action. Liability can arise from conditions on properties where operations are conducted, even under circumstances where such operations were performed by third parties and/or from conditions at disposal facilities where materials were sent. Our operations involve the use or handling of materials that include or may be classified as hazardous substances under CERCLA or regulated under similar state statutes. We may also be the owner or operator of sites on which hazardous substances have been released and may be responsible for investigation, management and disposal of soils or dredge spoils containing hazardous substances in connection with our operations.

Oil and natural gas exploration and production, and possibly other activities, have been conducted at some of our properties by previous owners and operators. Materials from these operations remain on some of the properties and in certain instances may require remediation. In some instances, we have agreed to indemnify the sellers of producing properties from whom we have

acquired reserves against certain liabilities for environmental claims associated with the properties. Accordingly, the Driftwood Project could incur material costs for remediation required under CERCLA or similar state statutes in the future.

Hydraulic Fracturing. Hydraulic fracturing is commonly used to stimulate production of crude oil and/or natural gas from dense subsurface rock formations. We plan to use hydraulic fracturing extensively in our natural gas production operations. The process involves the injection of water, sand, and additives under pressure into a targeted subsurface formation. The water and pressure create fractures in the rock formations which are held open by the grains of sand, enabling the natural gas to more easily flow to the wellbore. The process is generally subject to regulation by state oil and natural gas commissions but is also subject to new and changing regulatory programs at the federal, state and local levels.

In February 2014, the EPA issued permitting guidance under the Safe Drinking Water Act (the "SDWA") for the underground injection of liquids from hydraulically fractured wells and other wells where diesel is used. Depending upon how it is implemented, this guidance may create duplicative requirements in certain areas, further slow the permitting process in certain areas, increase the costs of operations, and result in expanded regulation of hydraulic fracturing activities related to the Driftwood Project.

In May 2014, the EPA issued an advance notice of proposed rulemaking under the Toxic Substances Control Act ("TSCA") pursuant to which it will collect extensive information on the chemicals used in hydraulic fracturing fluid, as well as other health-related data, from chemical manufacturers and processors. If the EPA regulates hydraulic fracturing fluid under TSCA in the future, such regulation may increase the cost of our gas production operations and the feedstock for the Driftwood terminal.

In June 2016, the EPA finalized pretreatment standards for indirect discharges of wastewater from the oil and natural gas extraction industry. The regulation prohibits sending wastewater pollutants from onshore unconventional oil and natural gas extraction facilities to publicly-owned treatment works. Certain activities of our Business are subject to the pretreatment standards, which means that we are required to use disposal methods that may require additional permits or cost more to implement than disposal at publicly-owned treatment works.

In December 2016, the EPA released a report titled "Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources." The report concluded that activities involved in hydraulic fracturing can have impacts on drinking water under certain circumstances. In addition, the U.S. Department of Energy has investigated practices that the agency could recommend to better protect the environment from drilling using hydraulic fracturing completion methods. These and similar studies, depending on their degree of development and nature of results obtained, could spur initiatives to further regulate hydraulic fracturing under the SDWA or other regulatory mechanisms. If the EPA proposes additional regulations of hydraulic fracturing in the future, they could impose additional emission limits and pollution control technology requirements on the Driftwood Project, which could limit our operations and revenues and potentially increase our costs of gas production or acquisition.

Endangered Species Act ("ESA"). Our operations may be restricted by requirements under the ESA. The ESA prohibits the harassment, harming or killing of certain protected species and destruction of protected habitats. Under the NEPA review process conducted by FERC, we have been and will be required to consult with federal agencies to determine limitations on and mitigation measures applicable to activities that have the potential to result in harm to threatened or endangered species of plants, animals, fish and their designated habitats. Although we have conducted studies and engaged in consultations with agencies in order to avoid harming protected species, inadvertent or incidental harm may occur in connection with the construction or operation of the Driftwood Project, which could result in fines or penalties. In addition, if threatened or endangered species are found on any part of the Driftwood Project sites, including pipeline rights of way, then we may be required to implement avoidance or mitigation measures that could limit our operations or impose additional costs.

Regulation of Natural Gas Production

Our natural gas production operations are subject to a number of additional laws, rules and regulations that require, among other things, permits for the drilling of wells, drilling bonds and reports concerning operations. States, parishes and municipalities in which we operate may regulate, among other things:

- the location of new wells;
- the method of drilling, completing and operating wells;
- the surface use and restoration of properties upon which wells are drilled;
- the plugging and abandoning of wells;
- notice to surface owners and other third parties; and
- produced water and waste disposal.

State laws regulate the size and shape of drilling and spacing units or proration units governing the pooling of oil and natural gas properties. Some states, including Louisiana, allow forced pooling or integration of tracts to facilitate exploration, while other states rely on voluntary pooling of lands and leases. In some instances, forced pooling or unitization may be implemented by third parties and may reduce our interest in the unitized properties. In addition, state conservation laws establish maximum rates of production from oil and natural gas wells and generally prohibit the venting or flaring of natural gas and require that oil and natural gas be produced in a prorated, equitable system. These laws and regulations may limit the amount of oil and natural gas that we can produce from our wells or limit the number of wells or the locations at which we can drill. Moreover, most states generally impose a production, ad valorem or severance tax with respect to the production and sale of oil and natural gas within their jurisdictions. Many local authorities also impose an ad valorem tax on the minerals in place. States do not generally regulate wellhead prices or engage in other, similar direct economic regulation, but there can be no assurance they will not do so in the future.

Anti-Corruption Laws

Our international operations are subject to one or more anti-corruption laws in various jurisdictions, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.K. Bribery Act of 2010 and other anti-corruption laws. The FCPA and these other laws generally prohibit employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. We participate in relationships with third parties whose actions could potentially subject us to liability under the FCPA or other anti-corruption laws. In addition, we cannot predict the nature, scope or effect of future regulatory requirements to which our international operations might be subject or the manner in which existing laws might be administered or interpreted.

We are also subject to other laws and regulations governing our international operations, including regulations administered by the U.S. Department of Commerce's Bureau of Industry and Security, the U.S. Department of Treasury's Office of Foreign Assets Control, and various non-U.S. government entities, including applicable export control regulations, economic sanctions on countries and persons, customs requirements, currency exchange regulations, and transfer pricing regulations (collectively, "Trade Control laws").

We are also subject to new U.K. corporate criminal offenses for failure to prevent the facilitation of tax evasion pursuant to the Criminal Finances Act 2017, which imposes criminal liability on a company where it has failed to prevent the criminal facilitation of tax evasion by a person associated with the company.

We have instituted policies, procedures and ongoing training of employees with regard to business ethics, designed to ensure that we and our employees comply with the FCPA, other anti-corruption laws, Trade Control laws and the Criminal Finances Act 2017. However, there is no assurance that our efforts have been and will be completely effective in ensuring our compliance with all applicable anti-corruption laws, including the FCPA or other legal requirements. If we are not in compliance with the FCPA, other anti-corruption laws, the Trade Control laws or the Criminal Finances Act 2017, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have a material adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of the FCPA, other anti-corruption laws the Trade Control laws or the Criminal Finances Act 2017 by the U.S. or foreign authorities could have a material adverse impact on our reputation, business, financial condition and results of operations.

Competition

We are subject to a high degree of competition in all aspects of our business. See "Item 1A — Risk Factors — Risks Relating to Our Business in General — *Competition is intense in the energy industry and some of Tellurian's competitors have greater financial, technological and other resources*."

Production & Transportation. The natural gas and oil business is highly competitive in the exploration for and acquisition of reserves, the acquisition of natural gas and oil leases, equipment and personnel required to develop and produce reserves, and the gathering, transportation and marketing of natural gas and oil. Our competitors include national oil companies, major integrated natural gas and oil companies, other independent natural gas and oil companies, and participants in other industries supplying energy and fuel to industrial, commercial, and individual consumers, such as operators of pipelines and other midstream facilities. Many of our competitors have longer operating histories, greater name recognition, larger staffs and substantially greater financial, technical and marketing resources than we currently possess.

Liquefaction. The Driftwood terminal will compete with liquefaction facilities worldwide to supply low-cost liquefaction to the market. There are a number of liquefaction facilities worldwide that we compete with for customers. Many of the companies with which we compete have greater name recognition, larger staffs and substantially greater financial, technical and marketing resources than we do.

LNG Marketing. Tellurian competes with a variety of companies in the global LNG market, including (i) integrated energy companies that market LNG from their own liquefaction facilities, (ii) trading houses and aggregators with LNG supply portfolios, and (iii) liquefaction plant operators that market equity volumes. Many of the companies with which we compete have

greater name recognition, larger staffs, greater access to the LNG market and substantially greater financial, technical, and marketing resources than we do.

Title to Properties

With respect to our natural gas producing properties, we believe that we hold good and defensible leasehold title to substantially all of our properties in accordance with standards generally accepted in the industry. A preliminary title examination is conducted at the time the properties are acquired. Our natural gas properties are subject to royalty, overriding royalty, and other outstanding interests. We believe that we hold good title to our other properties, subject to customary burdens, liens, or encumbrances that we do not expect to materially interfere with our use of the properties.

Major Customers

We do not have any major customers.

Facilities

Certain subsidiaries of Tellurian have entered into operating leases for office space in Houston, Texas, Washington, D.C., London, England and Singapore. The tenors of the leases are two, four, seven and nine years for Singapore, London, Houston and Washington, D.C., respectively.

Employees

As of December 31, 2019, Tellurian had 176 full-time employees worldwide. None of them are subject to collective bargaining arrangements.

Jurisdiction and Year of Formation

The Company is a Delaware corporation originally formed in 1967 and formerly known as Magellan Petroleum Corporation.

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available free of charge from the SEC's website at www.sec.gov or from our website at www.tellurianinc.com. We also make available free of charge any of our SEC filings by mail. For a mailed copy of a report, please contact Tellurian Inc., Investor Relations, 1201 Louisiana Street, Suite 3100, Houston, Texas 77002.

ITEM 1A. RISK FACTORS

Our business activities and the value of our securities are subject to significant hazards and risks, including those described below. If any of such events should occur, our business, financial condition, liquidity, and/or results of operations could be materially harmed, and holders and purchasers of our securities could lose part or all of their investments. Our risk factors are grouped into the following categories:

- Risks Relating to Financial Matters;
- Risks Relating to Our Common Stock;
- Risks Relating to Our LNG Business;
- Risks Relating to Our Natural Gas and Oil Production Activities; and
- Risks Relating to Our Business in General.

Risks Relating to Financial Matters

Tellurian will be required to seek additional equity and/or debt financing in the future to complete the Driftwood Project and to grow its other operations, and may not be able to secure such financing on acceptable terms, or at all.

Tellurian will be unable to generate any significant revenue from the Driftwood Project for multiple years, and expects cash flow from its other lines of business to be modest for an extended period as it focuses on the development and growth of these businesses. Tellurian will, therefore, need substantial amounts of additional financing to execute its business plan. There can be no assurance that Tellurian will be able to raise sufficient capital on acceptable terms, or at all. If such financing is not available on satisfactory terms or is not available at all, Tellurian may be required to delay, scale back or cancel the development of business opportunities, and this could adversely affect its operations and financial condition to a significant extent. Tellurian intends to pursue a variety of potential financing transactions, including sales of equity of Driftwood Holdings to purchasers of its LNG. We do not know whether, and to what extent, LNG purchasers and other potential sources of financing will find the terms we propose acceptable.

Debt or preferred equity financing, if obtained, may involve agreements that include liens or restrictions on Tellurian's assets and covenants limiting or restricting our ability to take specific actions, such as paying dividends or making distributions, incurring additional debt, acquiring or disposing of assets and increasing expenses. Debt financing would also be required to be repaid regardless of Tellurian's operating results.

In addition, the ability to obtain financing for the proposed Driftwood Project may depend in part on Tellurian's ability to enter into sufficient commercial agreements prior to the commencement of construction. Except for the equity capital contribution agreement and LNG sale and purchase agreement with affiliates of TOTAL S.A., which agreements remain subject to certain conditions precedent, Tellurian has not entered into any definitive third-party agreements for the proposed Driftwood Project, and it may not be successful in negotiating and entering into such agreements.

We have a limited operating history and expect to incur losses for a significant period of time.

We have a limited operating history. Although Tellurian's current directors, managers and officers have prior professional and industry experience, our business is in an early stage of development. Accordingly, the prior history, track record and historical financial information you may use to evaluate our prospects are limited.

Tellurian has not yet commenced the construction of the Driftwood Project and expects to incur significant additional costs and expenses through the completion of development and construction of that project. The Company also expects to devote substantial amounts of capital to the growth and development of its other operations. Tellurian expects that operating losses will increase substantially in 2020 and thereafter, and expects to continue to incur operating losses and to experience negative operating cash flows for the next several years.

Tellurian's exposure to the performance and credit risks of its counterparties may adversely affect its operating results, liquidity and access to financing.

Our operations involve our entering into various construction, purchase and sale, hedging, supply and other transactions with numerous third parties. In such arrangements, we will be exposed to the performance and credit risks of our counterparties, including the risk that one or more counterparties fail to perform their obligations under the applicable agreement. Some of these risks may increase during periods of commodity price volatility. In some cases, we will be dependent on a single counterparty or a small group of counterparties, all of whom may be similarly affected by changes in economic and other conditions. These risks include, but are not limited to, risks related to the construction of the Driftwood Project discussed below in " — Risks Relating to Our LNG Business — *Tellurian will be dependent on third-party contractors for the successful completion of the Driftwood Project, and these contractors may be unable to complete the Driftwood Project*." Defaults by suppliers and other counterparties may adversely affect our operating results, liquidity and access to financing.

Our use of hedging arrangements may adversely affect our future operating results or liquidity.

As we continue to develop our LNG and natural gas marketing and natural gas production activities, we may enter into commodity hedging arrangements in an effort to reduce our exposure to fluctuations in price and timing risk. Any hedging arrangements entered into would expose us to the risk of financial loss when (i) the counterparty to the hedging contract defaults on its contractual obligations or (ii) there is a change in the expected differential between the underlying price in the hedging agreement and the actual prices received.

Also, commodity derivative arrangements may limit the benefit we would otherwise receive from a favorable change in the relevant commodity price. In addition, regulations issued by the Commodities Futures Trading Commission, the SEC and other federal agencies establishing regulation of the over-the-counter derivatives market could adversely affect our ability to manage our price risks associated with our LNG and natural gas activity and therefore have a negative impact on our operating results and cash flows.

Changes in tax laws or exposure to additional income tax liabilities could have a material impact on our financial condition, results of operations and liquidity.

Factors that could materially affect our future effective tax rates include but are not limited to:

- changes in the regulatory environment;
- changes in accounting and tax standards or practices;
- changes in the composition of operating income by tax jurisdiction; and
- our operating results before taxes.

We are subject to income taxes in the U.S. and several foreign jurisdictions. Our future effective tax rates could be affected by changes in the composition of earnings in countries with differing tax rates, changes in deferred tax assets and liabilities or changes in tax laws. Foreign jurisdictions have also increased the volume of tax audits of multinational corporations. Further,

many countries have either recently changed or are considering changes to their tax laws. Changes in tax laws could affect the distribution of our earnings, result in double taxation and adversely affect our results.

In December 2017, the budget reconciliation act commonly referred to as the Tax Cuts and Jobs Act of 2017 (the "Tax Act"), was signed into law, making significant changes to the Internal Revenue Code of 1986, as amended. At this time, the U.S. Department of Treasury has not yet issued final regulations on all provisions of the Tax Act. There may be future Congressional technical corrections to the Tax Act and other regulatory guidance and/or administrative interpretations of the Tax Act that are yet to be issued. We will continue to examine the impact that new guidance and interpretation of the Tax Act may have on our business. We urge our stockholders to consult with their legal and tax advisors with respect to the legislation and potential tax consequences of investing in our stock.

In addition to the impact of the Tax Act on our federal taxes, it may impact taxation in other jurisdictions such as state income taxes. The various state legislatures have not had sufficient time to respond to the Tax Act. Accordingly, it is uncertain how the laws will apply in the various state jurisdictions. Additionally, other foreign governing bodies may enact changes in their tax laws in reaction to the Tax Act that could result in changes to our global tax position and materially affect our financial position.

We are also subject to examination by the Internal Revenue Service (the "IRS") and other tax authorities, including state revenue agencies and other foreign governments. While we regularly assess the likelihood of favorable or unfavorable outcomes resulting from examinations by the IRS and other tax authorities to determine the adequacy of our provision for income taxes, there can be no assurance that the actual outcome resulting from these examinations will not materially adversely affect our financial condition and operating results. Additionally, the IRS and several foreign tax authorities have increasingly focused attention on intercompany transfer pricing with respect to sales of products and services and the use of intangibles. Tax authorities could disagree with our cross-jurisdictional transfer pricing or other matters and assess additional taxes. If we do not prevail in any such disagreements, our profitability may be affected.

Tellurian does not expect to generate sufficient cash to pay dividends until the completion of construction of the Driftwood Project.

Tellurian's directly and indirectly held assets currently consist primarily of cash held for certain start-up and operating expenses, applications for permits from regulatory agencies relating to the Driftwood Project and certain real property and mineral interests related to that project. Tellurian's cash flow, and consequently its ability to distribute earnings, is solely dependent upon the cash flow its subsidiaries receive from the Driftwood Project and its other operations. Tellurian's ability to complete the Driftwood Project, as discussed further below, is dependent upon its subsidiaries' ability to obtain and maintain necessary regulatory approvals and raise the capital necessary to fund the development of the project. We expect that cash flows from our operations will be reinvested in the business rather than used to fund dividends, that pursuing our strategy will require substantial amounts of capital, and that the required capital will exceed cash flows from operations for a significant period.

Tellurian's ability to pay dividends in the future is uncertain and will depend on a variety of factors, including limitations on the ability of it or its subsidiaries to pay dividends under applicable law and/or the terms of debt or other agreements, and the judgment of the board of directors or other governing body of the relevant entity.

Tellurian Production Holdings LLC, Driftwood Holdings, Tellurian and related entities may be unable to fulfill their obligations under the credit agreements and related guarantees.

In September 2018, Tellurian Production Holdings LLC, a subsidiary of Tellurian ("Production Holdings"), entered into a credit agreement providing for a term loan (the "2018 Term Loan"), and Tellurian entered into a parent guarantee pursuant to which it guaranteed the obligations of Production Holdings relating to the 2018 Term Loan.

In May 2019, Driftwood Holdings entered into a credit agreement providing for a term loan (the "2019 Term Loan" and together with the 2018 Term Loan, the "Term Loans"), and Tellurian and certain of its subsidiaries provided certain guarantees pursuant to which they guaranteed the obligations of Driftwood Holdings relating to the 2019 Term Loan.

The ability of each of Production Holdings and Driftwood Holdings to generate cash flows from operations or obtain refinancing capital sufficient to pay interest and principal on its indebtedness will depend on its future operating performance and financial condition and the availability of refinancing debt or equity capital, which will be affected by prevailing commodity prices and economic conditions and financial, business and other factors, many of which are beyond its control. If Production Holdings or Driftwood Holdings is unable to satisfy its obligations under its Term Loan, Tellurian and/or certain of its subsidiaries may be obligated to pay interest and/or principal on the indebtedness pursuant to the applicable guarantee(s), and they may not have the financial resources to do so. Tellurian does not currently have any material sources of operating cash flows. An inability on the part of Production Holdings or Driftwood Holdings to generate adequate cash flows from operations could adversely affect our ability to execute our overall business plan, and we could be required to sell assets, reduce our capital expenditures or seek refinancing debt or equity capital to satisfy the requirements of the Term Loans and the related guarantees. These alternative measures may be unavailable or inadequate and may themselves adversely affect our overall business strategy.

Restrictions in the credit agreements could limit the growth and operations of Production Holdings and/or Driftwood Holdings.

The credit agreement governing each Term Loan contains restrictions on Production Holdings' or Driftwood Holdings' activities, certain of which are described in Note 10, Borrowings, to the Consolidated Financial Statements included in this report.

These covenants may prevent Production Holdings or Driftwood Holdings from taking actions that it believes would be in the best interest of its business and may make it difficult for it to successfully execute its business strategy or effectively compete with companies that are not similarly restricted. In addition, the credit agreement with Production Holdings requires it to maintain a commodity hedge position that covers at least a specified minimum, but does not cover more than a specified maximum, of its anticipated future production, and these requirements may limit Production Holdings' ability to pursue its preferred hedging strategy. In addition, the entire amount of the 2018 Term Loan is currently deemed to be outstanding, but Production Holdings is generally prohibited from using the borrowed funds except pursuant to a specified plan of development approved by the lenders. Accordingly, there could be circumstances in which Production Holdings is required to incur interest on funds borrowed but is unable to use those funds in the way it believes is most appropriate for its business.

If Production Holdings or Driftwood Holdings is unable to comply with the restrictions and covenants in the credit agreement governing the applicable Term Loan, there could be a default under the agreement, which could result in an acceleration of payment of funds borrowed under the agreement.

The credit agreements governing each Term Loan contain financial covenants. If Production Holdings or Driftwood Holdings is unable to satisfy the applicable covenants, it would be in default under the agreement, and the lenders could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, and institute foreclosure proceedings with respect to its assets. The lenders could also seek to enforce the guarantee against Tellurian Inc. and/or any other guarantor, which may not have sufficient funds, or the ability to obtain sufficient funds, to repay the amounts then due. In those circumstances, Production Holdings, Driftwood Holdings, Tellurian Inc. and/or other guarantors could be forced into bankruptcy or liquidation.

The phaseout of the London Interbank Offered Rate (LIBOR), or the replacement of LIBOR with a different reference rate, may adversely affect interest rates.

On July 27, 2017, the Financial Conduct Authority (the authority that regulates LIBOR) announced that it would phase out LIBOR by the end of 2021. It is unclear whether new methods of calculating LIBOR will be established such that it continues to exist after 2021, or if alternative rates or benchmarks will be adopted. Changes in the method of calculating LIBOR, or the replacement of LIBOR with an alternative rate or benchmark, may adversely affect interest rates and result in higher borrowing costs. This could materially and adversely affect the Company's results of operations, cash flows and liquidity. We cannot predict the effect of the potential changes to LIBOR or the establishment and use of alternative rates or benchmarks. We may need to renegotiate the 2018 Term Loan or incur other indebtedness and changes in the method of calculating LIBOR, or the use of an alternative rate or benchmark, may negatively impact the terms of such indebtedness. If changes are made to the method of calculating LIBOR or LIBOR ceases to exist, we may need to amend certain contracts and cannot predict what alternative rate or benchmark would be negotiated. This may result in an increase to our interest expense.

Risks Relating to Our Common Stock

The price of our common stock has been and may continue to be highly volatile, which may make it difficult for shareholders to sell our common stock when desired or at attractive prices.

The market price of our common stock is highly volatile, and we expect it to continue to be volatile for the foreseeable future. Adverse events could trigger a significant decline in the trading price of our common stock, including, among others, failure to obtain necessary permits, unfavorable changes in commodity prices or commodity price expectations, adverse regulatory developments, loss of a relationship with a partner, litigation and departures of key personnel. Furthermore, general market conditions, including the level of, and fluctuations in, the trading prices of equity securities generally could affect the price of our stock. The stock markets frequently experience price and volume volatility that affects many companies' stock prices, often in ways unrelated to the operating performance of those companies. These fluctuations may affect the market price of our common stock.

The market price of our common stock could be adversely affected by sales of substantial amounts of our common stock by us or our major shareholders.

Sales of a substantial number of shares of our common stock in the market by us or any of our major shareholders, or the perception that these sales may occur, could cause the market price of our common stock to decline. In addition, the sale of these shares in the public market, or the possibility of such sales, could impair our ability to raise capital through the sale of additional equity securities. Our insider trading policy permits our officers and directors, some of whom own substantial percentages of our outstanding common stock, to pledge shares of stock that they own as collateral for loans subject to certain requirements. Some of our officers and directors have pledged shares of stock in accordance with this policy. In some circumstances, such pledges

could result in large amounts of shares of our stock being sold in the market in a short period, which would be expected to have a significant adverse effect on the trading price of the common stock.

In addition, in the future, we may issue shares of our common stock, or securities convertible into our common stock, in connection with acquisitions of assets or businesses or for other purposes. Such issuances may result in dilution to our existing stockholders and could have an adverse effect on the market value of shares of our common stock, depending on market conditions at the time, the terms of the issuance, and if applicable, the value of the business or assets acquired and our success in exploiting the properties or integrating the businesses we acquire.

Risks Relating to Our LNG Business

Various economic and political factors could negatively affect the development, construction and operation of LNG facilities, including the Driftwood terminal, which could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Commercial development of an LNG facility takes a number of years, requires substantial capital investment and may be delayed by factors such as:

- increased construction costs;
- economic downturns, increases in interest rates or other events that may affect the availability of sufficient financing for LNG projects on commercially reasonable terms;
- decreases in the price of natural gas or LNG, which might decrease the expected returns relating to investments in LNG projects;
- the inability of project owners or operators to obtain governmental approvals to construct or operate LNG facilities; and
- political unrest or local community resistance to the siting of LNG facilities due to safety, environmental or security concerns.

Our failure to execute our business plan within budget and on schedule could materially adversely affect our business, financial condition, operating results, liquidity and prospects.

Tellurian's estimated costs for the Driftwood Project and other projects may not be accurate and are subject to change due to several factors.

We currently estimate the total cost of the Driftwood Project to be approximately $28.9 billion, including owners' costs, transaction costs and contingencies but excluding interest costs incurred during construction of the Driftwood terminal and other financing costs. However, cost estimates for these and other projects we may pursue are only approximations of the actual costs of construction. Moreover, cost estimates may be inaccurate and may change due to various factors, such as cost overruns, change orders, delays in construction, legal and regulatory requirements, site issues, increased component and material costs, escalation of labor costs, labor disputes, changes in commodity prices, changes in foreign currency exchange rates, increased spending to maintain Tellurian's construction schedule and other factors. For example, new or increased tariffs on materials needed in the construction process have been proposed or may be proposed in the future and such new or increased tariffs could materially increase construction costs. In particular, tariffs on imported steel may significantly increase our construction costs. Similarly, cost overruns could occur as a result of dredging-related expenditures incurred to comply with water depth regulations in the Calcasieu Ship Channel. Our estimate of the cost of construction of the Driftwood terminal is based on the prices set forth in our LSTK EPC agreements with Bechtel which are subject to adjustment by change orders, including for consideration of cost escalation associated with the issuance of a "notice to proceed" with respect to the Driftwood terminal after December 31, 2017. Our cost estimates for the Haynesville Global Access Pipeline and the Permian Global Access Pipeline are more preliminary than is the estimate for the Driftwood pipeline.

Our failure to achieve our cost estimates could materially adversely affect our business, financial condition, operating results, liquidity and prospects.

If third-party pipelines and other facilities interconnected to our LNG facilities become unavailable to transport natural gas, this could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

We will depend upon third-party pipelines and other facilities that will provide natural gas delivery options to our natural gas production operations and our LNG facilities. If the construction of new or modified pipeline connections is not completed on schedule or any pipeline connection were to become unavailable for current or future volumes of natural gas due to repairs, damage to the facility, lack of capacity or any other reason, our ability to meet our LNG sale and purchase agreement obligations and continue shipping natural gas from producing operations or regions to end markets could be restricted, thereby reducing our revenues. This could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

Tellurian's ability to generate cash may depend upon it entering into contracts with third-party customers and the performance of those customers under those contracts.

Except for the equity capital contribution agreement and LNG sale and purchase agreement with affiliates of TOTAL S.A., which agreements remain subject to certain conditions precedent, Tellurian has not yet entered into commercial arrangements with third-party customers for products and services from the Driftwood Project. Tellurian's business strategy may change regarding how and when the proposed Driftwood Project's export capacity is marketed. Also, Tellurian's business strategy may change due to an inability to enter into agreements with customers or based on a variety of factors, including the future price outlook, supply and demand of LNG, natural gas liquefaction capacity, and global regasification capacity. If our efforts to market the proposed Driftwood Project and the LNG it will produce are not successful, Tellurian's business, results of operations, financial condition and prospects may be materially and adversely affected.

We may not be able to purchase, receive or produce sufficient natural gas to satisfy our delivery obligations under any LNG sale and purchase agreements, which could have an adverse effect on us.

Under LNG sale and purchase agreements with our customers, we may be required to make available to them a specified amount of LNG at specified times. However, we may not be able to acquire or produce sufficient quantities of natural gas or LNG to satisfy those obligations, which may provide affected customers with the right to terminate their LNG sale and purchase agreements. Our failure to purchase, receive or produce sufficient quantities of natural gas or LNG in a timely manner could have an adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

The construction and operation of the Driftwood Project and the Pipeline Network remain subject to further approvals, and some approvals may be subject to further conditions, review and/or revocation.

The design, construction and operation of LNG export terminals is a highly regulated activity. The approval of FERC under Section 3 of the NGA, as well as several other material governmental and regulatory approvals and permits, is required to construct and operate an LNG terminal. Such approvals and authorizations are often subject to ongoing conditions imposed by regulatory agencies, and additional approval and permit requirements may be imposed. Tellurian and its affiliates will be required to obtain and maintain governmental approvals and authorizations to implement its proposed business strategy, which includes the construction and operation of the Driftwood Project. Although all the major permits required for construction and operation of the Driftwood terminal and Driftwood pipeline have been obtained, numerous permits and approvals will be required in connection with other aspects of the Driftwood Project, including the construction and operation of the Pipeline Network and our upstream operations.

There is no assurance that Tellurian will obtain and maintain these governmental permits, approvals and authorizations, and failure to obtain and maintain any of these permits, approvals or authorizations could have a material adverse effect on its business, results of operations, financial condition and prospects.

Tellurian will be dependent on third-party contractors for the successful completion of the Driftwood terminal, and these contractors may be unable to complete the Driftwood terminal.

There is limited recent industry experience in the U.S. regarding the construction or operation of large-scale LNG facilities. The construction of the Driftwood terminal is expected to take several years, will be confined to a limited geographic area and could be subject to delays, cost overruns, labor disputes and other factors that could adversely affect financial performance or impair Tellurian's ability to execute its proposed business plan. Timely and cost-effective completion of the Driftwood terminal in compliance with agreed-upon specifications will be highly dependent upon the performance of Bechtel and other third-party contractors pursuant to their agreements. However, Tellurian has not yet entered into definitive agreements with all of the contractors, advisors and consultants necessary for the development and construction of the Driftwood terminal. Tellurian may not be able to successfully enter into such construction contracts on terms or at prices that are acceptable to it.

Further, faulty construction that does not conform to Tellurian's design and quality standards may have an adverse effect on Tellurian's business, results of operations, financial condition and prospects. For example, improper equipment installation may lead to a shortened life of Tellurian's equipment, increased operations and maintenance costs or a reduced availability or production capacity of the affected facility. The ability of Tellurian's third-party contractors to perform successfully under any agreements to be entered into is dependent on a number of factors, including force majeure events and such contractors' ability to:

- design, engineer and receive critical components and equipment necessary for the Driftwood terminal to operate in accordance with specifications and address any start-up and operational issues that may arise in connection with the commencement of commercial operations;
- attract, develop and retain skilled personnel and engage and retain third-party subcontractors, and address any labor issues that may arise;

- post required construction bonds and comply with the terms thereof, and maintain their own financial condition, including adequate working capital;
- adhere to any warranties that the contractors provide in their EPC contracts; and
- respond to difficulties such as equipment failure, delivery delays, schedule changes and failure to perform by subcontractors, some of which are beyond their control, and manage the construction process generally, including engaging and retaining third-party contractors, coordinating with other contractors and regulatory agencies and dealing with inclement weather conditions.

Furthermore, Tellurian may have disagreements with its third-party contractors about different elements of the construction process, which could lead to the assertion of rights and remedies under the related contracts, resulting in a contractor's unwillingness to perform further work on the relevant project. Tellurian may also face difficulties in commissioning a newly constructed facility. Any significant delays in the development of the Driftwood terminal could materially and adversely affect Tellurian's business, results of operations, financial condition and prospects. In addition, the construction of the pipelines in the Pipeline Network and other infrastructure we build in connection with the Driftwood Project or otherwise will be subject to substantially all of the foregoing risks, and the occurrence of any construction-related problem could have a variety of adverse effects on our operations. In particular, completion of the Driftwood pipeline will be required for the long-term operations of the Driftwood terminal.

Tellurian's construction and operations activities are subject to a number of development risks, operational hazards, regulatory approvals and other risks, which could cause cost overruns and delays and could have a material adverse effect on its business, results of operations, financial condition, liquidity and prospects.

Siting, development and construction of the Driftwood Project will be subject to the risks of delay or cost overruns inherent in any construction project resulting from numerous factors, including, but not limited to, the following:

- difficulties or delays in obtaining, or failure to obtain, sufficient equity or debt financing on reasonable terms;
- failure to obtain all necessary government and third-party permits, approvals and licenses for the construction and operation of the Driftwood Project or any other proposed LNG facilities;
- difficulties in engaging qualified contractors necessary to the construction of the contemplated Driftwood Project or other LNG facilities;
- shortages of equipment, material or skilled labor;
- natural disasters and catastrophes, such as hurricanes, explosions, fires, floods, industrial accidents and terrorism;
- unscheduled delays in the delivery of ordered materials;
- work stoppages and labor disputes;
- competition with other domestic and international LNG export terminals;
- unanticipated changes in domestic and international market demand for and supply of natural gas and LNG, which will depend in part on supplies of and prices for alternative energy sources and the discovery of new sources of natural resources;
- unexpected or unanticipated need for additional improvements; and
- adverse general economic conditions.

Delays beyond the estimated development periods, as well as cost overruns, could increase the cost of completion beyond the amounts that are currently estimated, which could require Tellurian to obtain additional sources of financing to fund the activities until the proposed Driftwood terminal is constructed and operational (which could cause further delays). Any delay in completion of the Driftwood Project may also cause a delay in the receipt of revenues projected from the Driftwood Project or cause a loss of one or more customers. As a result, any significant construction delay, whatever the cause, could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects. Similar risks may affect the construction of other facilities and projects we elect to pursue.

Cyclical or other changes in the demand for and price of LNG and natural gas may adversely affect Tellurian's LNG business and the performance of our customers and could lead to the reduced development of LNG projects worldwide.

Tellurian's plans and expectations regarding its business and the development of domestic LNG facilities and projects are generally based on assumptions about the future price of natural gas and LNG and the conditions of the global natural gas and LNG markets. Natural gas and LNG prices have been, and are likely to remain in the future, volatile and subject to wide fluctuations that are difficult to predict. Such fluctuations may be caused by various factors, including, but not limited to, one or more of the following:

- competitive liquefaction capacity in North America;
- insufficient or oversupply of natural gas liquefaction or receiving capacity worldwide;
- insufficient or oversupply of LNG tanker capacity;
- weather conditions;
- reduced demand and lower prices for natural gas;
- increased natural gas production deliverable by pipelines, which could suppress demand for LNG;
- decreased oil and natural gas exploration activities, which may decrease the production of natural gas;
- cost improvements that allow competitors to offer LNG regasification services or provide natural gas liquefaction capabilities at reduced prices;
- changes in supplies of, and prices for, alternative energy sources such as coal, oil, nuclear, hydroelectric, wind and solar energy, which may reduce the demand for natural gas;
- changes in regulatory, tax or other governmental policies regarding imported or exported LNG, natural gas or alternative energy sources, which may reduce the demand for imported or exported LNG and/or natural gas;
- political conditions in natural gas producing regions; and
- cyclical trends in general business and economic conditions that cause changes in the demand for natural gas.

Adverse trends or developments affecting any of these factors could result in decreases in the price of LNG and/or natural gas, which could materially and adversely affect the performance of our customers and could have a material adverse effect on our business, contracts, financial condition, operating results, cash flows, liquidity and prospects.

Technological innovation may render Tellurian's anticipated competitive advantage or its processes obsolete.

Tellurian's success will depend on its ability to create and maintain a competitive position in the natural gas liquefaction industry. In particular, although Tellurian plans to construct the Driftwood terminal using proven technologies that it believes provide it with certain advantages, Tellurian does not have any exclusive rights to any of the technologies that it will be utilizing. In addition, the technology Tellurian anticipates using in the Driftwood Project may be rendered obsolete or uneconomical by legal or regulatory requirements, technological advances, more efficient and cost-effective processes or entirely different approaches developed by one or more of its competitors or others, which could materially and adversely affect Tellurian's business, results of operations, financial condition, liquidity and prospects.

Failure of exported LNG to be a competitive source of energy for international markets could adversely affect our customers and could materially and adversely affect our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Operations of the Driftwood Project will be dependent upon our ability to deliver LNG supplies from the U.S., which is primarily dependent upon LNG being a competitive source of energy internationally. The success of our business plan is dependent, in part, on the extent to which LNG can, for significant periods and in significant volumes, be supplied from North America and delivered to international markets at a lower cost than the cost of alternative energy sources. Through the use of improved exploration technologies, additional sources of natural gas may be discovered outside the U.S., which could increase the available supply of natural gas outside the U.S. and could result in natural gas in those markets being available at a lower cost than that of LNG exported to those markets.

Factors which may negatively affect potential demand for LNG from our liquefaction projects are diverse and include, among others:

- increases in worldwide LNG production capacity and availability of LNG for market supply;
- increases in demand for LNG but at levels below those required to maintain current price equilibrium with respect to supply;
- increases in the cost to supply natural gas feedstock to our liquefaction project;
- decreases in the cost of competing sources of natural gas or alternative sources of energy such as coal, heavy fuel oil, diesel, nuclear, hydroelectric, wind and solar;
- decreases in the price of non-U.S. LNG, including decreases in price as a result of contracts indexed to lower oil prices;
- increases in capacity and utilization of nuclear power and related facilities;
- increases in the cost of LNG shipping; and

- displacement of LNG by pipeline natural gas or alternative fuels in locations where access to these energy sources is not currently available.

Political instability in foreign countries that import natural gas, or strained relations between such countries and the U.S., may also impede the willingness or ability of LNG suppliers, purchasers and merchants in such countries to import LNG from the U.S. Furthermore, some foreign purchasers of LNG may have economic or other reasons to obtain their LNG from non-U.S. markets or our competitors' liquefaction facilities in the U.S.

As a result of these and other factors, LNG may not be a competitive source of energy internationally. The failure of LNG to be a competitive supply alternative to local natural gas, oil and other alternative energy sources in markets accessible to our customers could adversely affect the ability of our customers to deliver LNG from the U.S. on a commercial basis. Any significant impediment to the ability to deliver LNG from the U.S. generally, or from the Driftwood Project specifically, could have a material adverse effect on our customers and our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

There may be shortages of LNG vessels worldwide, which could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

The construction and delivery of LNG vessels require significant capital and long construction lead times, and the availability of the vessels could be delayed to the detriment of Tellurian's business and customers due to a variety of factors, including, but not limited to, the following:

- an inadequate number of shipyards constructing LNG vessels and a backlog of orders at these shipyards;
- political or economic disturbances in the countries where the vessels are being constructed;
- changes in governmental regulations or maritime self-regulatory organizations;
- work stoppages or other labor disturbances at the shipyards;
- bankruptcies or other financial crises of shipbuilders;
- quality or engineering problems;
- weather interference or catastrophic events, such as a major earthquake, tsunami, or fire; or
- shortages of or delays in the receipt of necessary construction materials.

Any of these factors could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

We will rely on third-party engineers to estimate the future capacity ratings and performance capabilities of the Driftwood terminal, and these estimates may prove to be inaccurate.

We will rely on third parties for the design and engineering services underlying our estimates of the future capacity ratings and performance capabilities of the Driftwood terminal. Any of our LNG facilities, when constructed, may not have the capacity ratings and performance capabilities that we intend or estimate. Failure of any of our facilities to achieve our intended capacity ratings and performance capabilities could prevent us from achieving the commercial start dates under our current or future LNG sale and purchase agreements and could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

The Driftwood Project will be subject to a number of environmental and safety laws and regulations that impose significant compliance costs, and existing and future environmental, safety and similar laws and regulations could result in increased compliance costs, liabilities or additional operating restrictions.

We will be subject to extensive federal, state and local environmental and safety regulations and laws, including regulations and restrictions related to discharges and releases to the air, land and water and the handling, storage, generation and disposal of hazardous materials and solid and hazardous wastes in connection with the development, construction and operation of our LNG facilities and pipelines. Failure to comply with these regulations and laws could result in the imposition of administrative, civil and criminal sanctions.

These regulations and laws, which include the CAA, the Oil Pollution Act, the CWA and RCRA, and analogous state and local laws and regulations, will restrict, prohibit or otherwise regulate the types, quantities and concentration of substances that can be released into the environment in connection with the construction and operation of our facilities. These laws and regulations, including NEPA, will require and have required us to obtain and maintain permits with respect to our facilities, prepare environmental impact assessments, provide governmental authorities with access to our facilities for inspection and provide reports related to compliance. Federal and state laws impose liability, without regard to fault or the lawfulness of the original conduct, for the release of certain types or quantities of hazardous substances into the environment. Violation of these laws and regulations could lead to substantial liabilities, fines and penalties, the denial or revocation of permits necessary for our operations,

governmental orders to shut down our facilities or capital expenditures related to pollution control equipment or remediation measures that could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

As an owner and the operator of the Driftwood Project, we could be liable for the costs of investigating and cleaning up hazardous substances released into the environment and for damage to natural resources, whether caused by us or our contractors or existing at the time construction commences. Hazardous substances present in soil, groundwater and dredge spoils may need to be processed, disposed of or otherwise managed to prevent releases into the environment. Tellurian or its affiliates may be responsible for the investigation, cleanup, monitoring, removal, disposal and other remedial actions with respect to hazardous substances on, in or under properties that Tellurian owns or operates, or released at a site where materials are disposed of from our operations, without regard to fault or the origin of such hazardous substances. Such liabilities may involve material costs that are unknown and not predictable.

Changes in legislation and regulations could have a material adverse impact on Tellurian's business, results of operations, financial condition, liquidity and prospects.

Tellurian's business will be subject to governmental laws, rules, regulations and permits that impose various restrictions and obligations that may have material effects on the results of our operations. Each of the applicable regulatory requirements and limitations is subject to change, either through new regulations enacted on the federal, state or local level, or by new or modified regulations that may be implemented under existing law. The nature and effects of these changes in laws, rules, regulations and permits may be unpredictable and may have material effects on our business. Future legislation and regulations, such as those relating to the transportation and security of LNG exported from our proposed LNG facilities through the Calcasieu Ship Channel, could cause additional expenditures, restrictions and delays in connection with the proposed LNG facilities and their construction, the extent of which cannot be predicted and which may require Tellurian to limit substantially, delay or cease operations in some circumstances. Revised, reinterpreted or additional laws and regulations that result in increased compliance costs or additional operating costs and restrictions could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

Our operations will be subject to significant risks and hazards, one or more of which may create significant liabilities and losses that could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

We will face numerous risks in developing and conducting our operations. For example, the plan of operations for the proposed Driftwood Project is subject to the inherent risks associated with LNG, pipeline and upstream operations, including explosions, pollution, leakage or release of toxic substances, fires, hurricanes and other adverse weather conditions, leakage of hydrocarbons, and other hazards, each of which could result in significant delays in commencement or interruptions of operations and/or result in damage to or destruction of the proposed Driftwood Project or damage to persons and property. In addition, operations at the proposed Driftwood Project and vessels or facilities of third parties on which Tellurian's operations are dependent could face possible risks associated with acts of aggression or terrorism.

In 2005, 2008 and 2017, hurricanes damaged coastal and inland areas located in the Gulf Coast area, resulting in disruption and damage to certain LNG terminals located in the area. Future storms and related storm activity and collateral effects, or other disasters such as explosions, fires, floods or accidents, could result in damage to, or interruption of operations at, the Driftwood terminal or related infrastructure, as well as delays or cost increases in the construction and the development of the Driftwood terminal or other facilities. Storms, disasters and accidents could also damage or interrupt the activities of vessels that we or third parties operate in connection with our LNG business. Changes in the global climate may have significant physical effects, such as increased frequency and severity of storms, floods and rising sea levels. If any such effects were to occur, they could have an adverse effect on our coastal operations.

Our LNG business will face other types of risks and liabilities as well. For instance, our LNG marketing activities will expose us to possible financial losses, including the risk of losses resulting from adverse changes in the index prices upon which contracts for the purchase and sale of LNG cargoes are based. Our LNG marketing activities will also be subject to various domestic and international regulatory and foreign currency risks.

Tellurian does not, nor does it intend to, maintain insurance against all of these risks and losses, and many risks are not insurable. Tellurian may not be able to maintain desired or required insurance in the future at rates that it considers reasonable. The occurrence of a significant event not fully insured or indemnified against could have a material adverse effect on Tellurian's business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Risks Relating to Our Natural Gas and Oil Production Activities

Acquisitions of natural gas and oil properties are subject to the uncertainties of evaluating reserves and potential liabilities, including environmental uncertainties.

We expect to pursue acquisitions of natural gas and oil properties from time to time. Successful acquisitions require an assessment of a number of factors, many of which are beyond our control. These factors include reserves, development potential, future commodity prices, operating costs, title issues, and potential environmental and other liabilities. Such assessments are inexact, and their accuracy is inherently uncertain. In connection with our assessments, we perform due diligence that we believe is generally consistent with industry practices.

However, our due diligence activities are not likely to permit us to become sufficiently familiar with the properties to fully assess their deficiencies and capabilities. We do not inspect every well prior to an acquisition, and our ability to evaluate undeveloped acreage is inherently imprecise. Even when we inspect a well, we may not always discover structural, subsurface, and environmental problems that may exist or arise. In some cases, our review prior to signing a definitive purchase agreement may be even more limited. In addition, we may acquire acreage without any warranty of title except as to claims made by, through or under the transferor.

When we acquire properties, we will generally have potential exposure to liabilities and costs for environmental and other problems existing on the acquired properties, and these liabilities may exceed our estimates. We may not be entitled to contractual indemnification associated with acquired properties. We may acquire interests in properties on an "as is" basis with limited or no remedies for breaches of representations and warranties.

Therefore, we could incur significant unknown liabilities, including environmental liabilities or losses due to title defects, in connection with acquisitions for which we have limited or no contractual remedies or insurance coverage. In addition, the acquisition of undeveloped acreage is subject to many inherent risks, and we may not be able to realize efficiently, or at all, the assumed or expected economic benefits of acreage that we acquire.

In addition, acquiring additional natural gas and oil properties, or businesses that own or operate such properties, when attractive opportunities arise is a significant component of our strategy, and we may not be able to identify attractive acquisition opportunities. If we do identify an appropriate acquisition candidate, we may be unable to negotiate mutually acceptable terms with the seller, finance the acquisition or obtain the necessary regulatory approvals. It may be difficult to agree on the economic terms of a transaction, as a potential seller may be unwilling to accept a price that we believe to be appropriately reflective of prevailing economic conditions. If we are unable to complete suitable acquisitions, it will be more difficult to pursue our overall strategy.

Natural gas and oil prices fluctuate widely, and lower prices for an extended period of time may have a material adverse effect on the profitability of our natural gas or oil production activities.

The revenues, operating results and profitability of our natural gas or oil production activities will depend significantly on the prices we receive for the natural gas or oil we sell. We will require substantial expenditures to replace reserves, sustain production and fund our business plans. Low natural gas or oil prices can negatively affect the amount of cash available for acquisitions and capital expenditures and our ability to raise additional capital and, as a result, could have a material adverse effect on our revenues, cash flow and reserves. In addition, low natural gas or oil prices may result in write-downs of our natural gas or oil properties. Conversely, any substantial or extended increase in the price of natural gas would adversely affect the competitiveness of LNG as a source of energy. See risks discussed above in " — Risks Relating to Our LNG Business — *Failure of exported LNG to be a competitive source of energy for international markets could adversely affect our customers and could materially and adversely affect our business, contracts, financial condition, operating results, cash flow, liquidity and prospects*." Part of our strategy involves adjusting the level of our natural gas development activities based on our judgment as to whether it will be most cost-effective to source natural gas for the Driftwood terminal from our own production or, instead, from natural gas produced by third parties. In some circumstances, making these adjustments may involve costs. For example, a decrease in our activities may result in the expiration of leases or an increase in costs on a per-unit basis.

Historically, the markets for natural gas and oil have been volatile, and they are likely to continue to be volatile. Wide fluctuations in natural gas or oil prices may result from relatively minor changes in the supply of or demand for natural gas or oil, market uncertainty and other factors that are beyond our control. The volatility of the energy markets makes it extremely difficult to predict future natural gas or oil price movements, and we will be unable to fully hedge our exposure to natural gas or oil prices.

Significant capital expenditures will be required to grow our natural gas or oil production activities in accordance with our plans.

Our planned development and acquisition activities will require substantial capital expenditures. We intend to fund our capital expenditures for our natural gas and oil production activities through cash on hand and financing transactions that may include public or private equity or debt offerings or borrowings under additional debt agreements. We expect to generate only

modest cash flows for a significant period of time from our producing properties. Our ability to generate operating cash flow in the future will be subject to a number of risks and variables, such as the level of production from existing wells, the price of natural gas or oil, our success in developing and producing new reserves and the other risk factors discussed in this section. If we are unable to fund our capital expenditures for natural gas or oil production activities as planned, we could experience a curtailment of our development activity and a decline in our natural gas or oil production, and that could affect our ability to pursue our overall strategy.

We have limited control over the activities on properties we do not operate.

Some of the properties in which we have an interest are operated by other companies and involve third-party working interest owners. As a result, we have limited ability to influence or control the operation or future development of such properties, including compliance with environmental, safety and other regulations, or the amount of capital expenditures that we will be required to fund with respect to such properties. Moreover, we are dependent on the other working interest owners of such projects to fund their contractual share of the capital expenditures of such projects. In addition, a third-party operator could also decide to shut-in or curtail production from wells, or plug and abandon marginal wells, on properties owned by that operator during periods of lower natural gas or oil prices. These limitations and our dependence on the operator and third-party working interest owners for these projects could cause us to incur unexpected future costs, reduce our production and materially and adversely affect our financial condition and results of operations.

Drilling and producing operations can be hazardous and may expose us to liabilities.

Natural gas and oil operations are subject to many risks, including well blowouts, explosions, pipe failures, fires, formations with abnormal pressures, uncontrollable flows of oil, natural gas, brine or well fluids, leakages or releases of hydrocarbons, severe weather, natural disasters, groundwater contamination and other environmental hazards and risks. For our non-operated properties, we will be dependent on the operator for regulatory compliance and for the management of these risks.

These risks could materially and adversely affect our revenues and expenses by reducing production from wells, causing wells to be shut in or otherwise negatively impacting our projected economic performance. If any of these risks occurs, we could sustain substantial losses as a result of:

- injury or loss of life;
- severe damage to or destruction of property, natural resources or equipment;
- pollution or other environmental damage;
- facility or equipment malfunctions and equipment failures or accidents;
- clean-up responsibilities;
- regulatory investigations and administrative, civil and criminal penalties; and
- injunctions resulting in limitation or suspension of operations.

Any of these events could expose us to liabilities, monetary penalties or interruptions in our business operations. In addition, certain of these risks are greater for us than for many of our competitors in that some of the natural gas we produce has a high sulphur content (sometimes referred to as “sour” gas), which increases its corrosiveness and the risk of an accidental release of hydrogen sulfide gas, exposure to which can be fatal. We may not maintain insurance against such risks, and some risks are not insurable. Even when we are insured, our insurance may not be adequate to cover casualty losses or liabilities. Also, in the future, we may not be able to obtain insurance at premium levels that justify its purchase. The occurrence of a significant event against which we are not fully insured may expose us to liabilities.

Our drilling efforts may not be profitable or achieve our targeted returns and our reserve estimates are based on assumptions that may not be accurate.

Drilling for natural gas and oil may involve unprofitable efforts from wells that are productive but do not produce sufficient commercial quantities to cover drilling, operating and other costs. In addition, even a commercial well may have production that is less, or costs that are greater, than we projected. The cost of drilling, completing and operating a well is often uncertain, and many factors can adversely affect the economics of a well or property. Drilling operations may be curtailed, delayed or canceled as a result of unexpected drilling conditions, equipment failures or accidents, shortages of equipment or personnel, environmental issues and for other reasons. Natural gas and oil reserve engineering requires estimates of underground accumulations of hydrocarbons and assumptions concerning future prices, production levels and operating and development costs. As a result, estimated quantities of proved reserves and projections of future production rates and the timing of development expenditures may be incorrect. Our estimates of proved reserves are determined at costs at the date of the estimate. Any significant variance from these costs could greatly affect our estimates of reserves. At December 31, 2019, approximately 89% of our estimated proved reserves (by volume) were undeveloped. These reserve estimates reflected our plans to make significant capital expenditures to

convert our PUDs into proved developed reserves. The estimated development costs may not be accurate, development may not occur as scheduled and results may not be as estimated. If we choose not to develop PUDs, or if we are not otherwise able to successfully develop them, we will be required to remove the associated volumes from our reported proved reserves. In addition, under the SEC's reserve reporting rules, PUDs generally may be booked only if they relate to wells scheduled to be drilled within five years of the date of booking, and we may therefore be required to downgrade to probable or possible any PUDs that are not developed within this five-year time frame.

Our production activities are subject to complex laws and regulations relating to environmental protection that can adversely affect the cost, manner and feasibility of doing business, and further regulation in the future could increase costs, impose additional operating restrictions and cause delays.

Our natural gas production activities and properties are (and to the extent that we acquire oil producing properties, these properties will be) subject to numerous federal, regional, state and local laws and regulations governing the release of pollutants or otherwise relating to environmental protection. These laws and regulations govern the following, among other things:

- conduct of drilling, completion, production and midstream activities;
- amounts and types of emissions and discharges;
- generation, management, and disposal of hazardous substances and waste materials;
- reclamation and abandonment of wells and facility sites; and
- remediation of contaminated sites.

In addition, these laws and regulations may result in substantial liabilities for our failure to comply or for any contamination resulting from our operations, including the assessment of administrative, civil and criminal penalties; the imposition of investigatory, remedial, and corrective action obligations or the incurrence of capital expenditures; the occurrence of delays in the development of projects; and the issuance of injunctions restricting or prohibiting some or all of our activities in a particular area.

Environmental laws and regulations change frequently, and these changes are difficult to predict or anticipate. Future environmental laws and regulations imposing further restrictions on the emission of pollutants into the air, discharges into state or U.S. waters, wastewater disposal and hydraulic fracturing, or the designation of previously unprotected species as threatened or endangered in areas where we operate, may negatively impact our natural gas or oil production. We cannot predict the actions that future regulation will require or prohibit, but our business and operations could be subject to increased operating and compliance costs if certain regulatory proposals are adopted. In addition, such regulations may have an adverse impact on our ability to develop and produce our reserves.

Federal, state or local legislative and regulatory initiatives relating to hydraulic fracturing could result in increased costs and additional operating restrictions or delays.

Several states are considering adopting regulations that could impose more stringent permitting, public disclosure and/or well construction requirements on hydraulic fracturing operations. In addition to state laws, some local municipalities have adopted or are considering adopting land use restrictions, such as city ordinances, that may restrict or prohibit the performance of well drilling in general and/or hydraulic fracturing in particular. There are also certain governmental reviews either underway or being proposed that focus on deep shale and other formation completion and production practices, including hydraulic fracturing. These studies assess, among other things, the risks of groundwater contamination and earthquakes caused by hydraulic fracturing and other exploration and production activities. Depending on the outcome of these studies, federal and state legislatures and agencies may seek to further regulate or even ban such activities, as some state and local governments have already done. We cannot predict whether additional federal, state or local laws or regulations applicable to hydraulic fracturing will be enacted in the future and, if so, what actions any such laws or regulations would require or prohibit. If additional levels of regulation or permitting requirements were imposed on hydraulic fracturing operations, our business and operations could be subject to delays, increased operating and compliance costs and process prohibitions. Among other things, this could adversely affect the cost to produce natural gas, either by us or by third-party suppliers, and therefore LNG, and this could adversely affect the competitiveness of LNG relative to other sources of energy.

We expect to drill the locations we acquire over a multi-year period, making them susceptible to uncertainties that could materially alter the occurrence or timing of drilling.

Our management team has identified certain well locations on our natural gas properties. Our ability to drill and develop these locations depends on a number of uncertainties, including natural gas prices, the availability and cost of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, gathering system and pipeline transportation constraints, access to and availability of water sourcing and distribution systems, regulatory approvals and other factors. Because of these factors, we do not know if the well locations we have identified will ever be drilled or if we will be able to produce natural gas from these or any other potential locations.

The unavailability or high cost of drilling rigs, equipment, supplies, personnel and services could adversely affect our ability to execute our development plans within budgeted amounts and on a timely basis.

The demand for qualified and experienced field and technical personnel to conduct our operations can fluctuate significantly, often in correlation with hydrocarbon prices. The price of services and equipment may increase in the future and availability may decrease.

In addition, it is possible that oil prices could increase without a corresponding increase in natural gas prices, which could lead to increased demand and prices for equipment, facilities and personnel without an increase in the price at which we sell our natural gas to third parties. This could have an adverse effect on the competitiveness of the LNG produced from the Driftwood terminal. In this scenario, necessary equipment, facilities and services may not be available to us at economical prices. Any shortages in availability or increased costs could delay us or cause us to incur significant additional expenditures, which could have a material adverse effect on the competitiveness of the natural gas we sell and therefore on our business, financial condition and results of operations.

Our natural gas and oil production may be adversely affected by pipeline and gathering system capacity constraints.

Our natural gas and oil production activities will rely on third parties to meet our needs for midstream infrastructure and services. Capital constraints could limit the construction of new infrastructure by third parties. We may experience delays in producing and selling natural gas or oil from time to time when adequate midstream infrastructure and services are not available. Such an event could reduce our production or result in other adverse effects on our business.

Risks Relating to Our Business in General

We are pursuing a strategy of participating in multiple aspects of the natural gas business, which exposes us to risks.

We plan to develop, own and operate a global natural gas business and to deliver natural gas to customers worldwide. We may not be successful in executing our strategy in the near future, or at all. Our management will be required to understand and manage a diverse set of business opportunities, which may distract their focus and make it difficult to be successful in increasing value for shareholders.

Tellurian will be subject to risks related to doing business in, and having counterparties based in, foreign countries.

Tellurian may engage in operations or make substantial commitments and investments, or enter into agreements with counterparties, located outside the U.S., which would expose Tellurian to political, governmental, and economic instability and foreign currency exchange rate fluctuations.

Any disruption caused by these factors could harm Tellurian's business, results of operations, financial condition, liquidity and prospects. Risks associated with operations, commitments and investments outside of the U.S. include but are not limited to risks of:

- currency fluctuations;
- war or terrorist attack;
- expropriation or nationalization of assets;
- renegotiation or nullification of existing contracts;
- changing political conditions;
- changing laws and policies affecting trade, taxation, and investment;
- multiple taxation due to different tax structures;
- general hazards associated with the assertion of sovereignty over areas in which operations are conducted; and
- the unexpected credit rating downgrade of countries in which Tellurian's LNG customers are based.

Because Tellurian's reporting currency is the U.S. dollar, any of the operations conducted outside the U.S. or denominated in foreign currencies would face additional risks of fluctuating currency values and exchange rates, hard currency shortages and controls on currency exchange. In addition, Tellurian would be subject to the impact of foreign currency fluctuations and exchange rate changes on its financial reports when translating the value of its assets, liabilities, revenues and expenses from operations outside of the U.S. into U.S. dollars at then-applicable exchange rates. These translations could result in changes to the results of operations from period to period.

Potential legislative and regulatory actions addressing climate change, and the physical effects of climate change, could significantly impact us.

Various state governments and regional organizations have considered enacting new legislation and promulgating new regulations governing or restricting the emission of GHGs, including GHG emissions from stationary sources such as oil and natural gas production equipment and facilities. At the federal level, the EPA has already made findings and issued regulations that will require us to establish and report an inventory of GHG emissions. Additional legislative and/or regulatory proposals for restricting GHG emissions or otherwise addressing climate change could require us to incur additional operating costs. The potential increase in our operating costs could include new or increased costs to obtain permits, operate and maintain our equipment and facilities, install new emission controls on our equipment and facilities, acquire allowances to authorize our GHG emissions, pay taxes related to our GHG emissions and administer and manage a GHG emissions program. Even without federal legislation or regulation of GHG emissions, states may impose these requirements either directly or indirectly.

Some scientists have concluded that increasing concentrations of GHGs in the earth's atmosphere may produce climate changes that have significant physical effects, such as higher sea levels, increased frequency and severity of storms, droughts, floods, and other climatic events. If any such effects were to occur, they could adversely affect our facilities and operations, and have an adverse effect on our financial condition and results of operations. Further, adverse weather events may accelerate changes in law and regulations aimed at reducing GHG emissions, which could result in declining demand for natural gas and LNG, and could adversely affect our business generally.

A major health and safety incident relating to our business could be costly in terms of potential liabilities and reputational damage.

Tellurian will be subject to extensive federal, state and local health and safety regulations and laws. Health and safety performance is critical to the success of all areas of our business. Any failure in health and safety performance may result in personal harm or injury, penalties for non-compliance with relevant laws and regulations or litigation, and a failure that results in a significant health and safety incident is likely to be costly in terms of potential liabilities. Such a failure could generate public concern and have a corresponding impact on our reputation and our relationships with relevant regulatory agencies and local communities, which in turn could have a material adverse effect on our business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

A terrorist attack or military incident could result in delays in, or cancellation of, construction or closure of our facilities or other disruption to our business.

A terrorist or military incident could disrupt our business. For example, an incident involving an LNG carrier or LNG facility may result in delays in, or cancellation of, construction of new LNG facilities, including our proposed LNG facilities, which would increase our costs and decrease our cash flows. A terrorist incident may also result in the temporary or permanent closure of Tellurian facilities or operations, which could increase costs and decrease cash flows, depending on the duration of the closure. Our operations could also become subject to increased governmental scrutiny that may result in additional security measures at a significant incremental cost. In addition, the threat of terrorism and the impact of military campaigns may lead to continued volatility in prices for natural gas or oil that could adversely affect Tellurian's business and customers, including by impairing the ability of Tellurian's suppliers or customers to satisfy their respective obligations under Tellurian's commercial agreements.

Cyber-attacks targeting systems and infrastructure used in our business may adversely impact our operations.

We depend on digital technology in many aspects of our business, including the processing and recording of financial and operating data, analysis of information, and communications with our employees and third parties. Cyber-attacks on our systems and those of third-party vendors and other counterparties occur frequently and have grown in sophistication. A successful cyber-attack on us or a vendor or other counterparty could have a variety of adverse consequences, including theft of proprietary or commercially sensitive information, data corruption, interruption in communications, disruptions to our existing or planned activities or transactions, and damage to third parties, any of which could have a material adverse impact on us. Further, as cyber-attacks continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerabilities to cyber-attacks.

Failure to retain and attract key personnel such as Tellurian's Chairman, Vice Chairman or other skilled professional and technical employees could have an adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

The success of Tellurian's business relies heavily on key personnel such as its Chairman and Vice Chairman. Should such persons be unable to perform their duties on behalf of Tellurian, or should Tellurian be unable to retain or attract other members of management, Tellurian's business, results of operations, financial condition, liquidity and prospects could be materially impacted.

Additionally, we are dependent upon an available labor pool of skilled employees. We will compete with other energy companies and other employers to attract and retain qualified personnel with the technical skills and experience required to construct and operate our facilities and to provide our customers with the highest quality service. A shortage of skilled workers or other general inflationary pressures or changes in applicable laws and regulations could make it more difficult for us to attract and retain qualified personnel and could require an increase in the wage and benefits packages that we offer, or increases in the amounts we are obligated to pay our contractors, thereby increasing our operating costs. Any increase in our operating costs could materially and adversely affect our business, financial condition, operating results, liquidity and prospects.

Competition is intense in the energy industry and some of Tellurian's competitors have greater financial, technological and other resources.

Tellurian plans to operate in various aspects of the natural gas and oil business and will face intense competition in each area. Depending on the area of operations, competition may come from independent, technology-driven companies, large, established companies and others.

For example, many competing companies have secured access to, or are pursuing development or acquisition of, LNG facilities to serve the North American natural gas market, including other proposed liquefaction facilities in North America. Tellurian may face competition from major energy companies and others in pursuing its proposed business strategy to provide liquefaction and export products and services at its proposed Driftwood terminal. In addition, competitors have developed and are developing additional LNG terminals in other markets, which will also compete with our proposed LNG facilities.

As another example, our business will face competition in, among other things, buying and selling reserves and leases and obtaining goods and services needed to operate properties and market natural gas and oil. Competitors include multinational oil companies, independent production companies and individual producers and operators.

Many of our competitors have longer operating histories, greater name recognition, larger staffs and substantially greater financial, technical and marketing resources than Tellurian currently possesses. The superior resources that some of these competitors have available for deployment could allow them to compete successfully against Tellurian, which could have a material adverse effect on Tellurian's business, results of operations, financial condition, liquidity and prospects.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 3. LEGAL PROCEEDINGS

In July 2017, Tellurian Investments Inc. (now known as Tellurian Investments LLC), Driftwood LNG, Martin Houston, and three other individuals were named as third-party defendants in a lawsuit filed in state court in Harris County, Texas between Cheniere Energy, Inc. and one of its affiliates, on the one hand (collectively, "Cheniere"), and Parallax Enterprises LLC and certain of its affiliates (not including Parallax Services LLC, now known as Tellurian Services LLC) on the other hand (collectively, "Parallax"). In October 2017, Driftwood Pipeline LLC and Tellurian Services LLC were also named by Cheniere as third-party defendants in the lawsuit. In April 2019, Charif Souki was also named by Cheniere as a third-party defendant in the lawsuit. Cheniere alleged that it entered into a note and a pledge agreement with Parallax. Cheniere claimed, among other things, that the third-party defendants tortiously interfered with the note and pledge agreement and aided in the fraudulent transfer of Parallax assets. Cheniere sought unspecified amounts of monetary damages and certain equitable relief.

In December 2019, Cheniere withdrew its claims against each of the three individuals other than Martin Houston named as third-party defendants in the lawsuit when it was first filed in July 2017. On January 30, 2020, Cheniere withdrew all claims it had asserted against our subsidiaries and directors, and all such claims were dismissed with prejudice.

ITEM 4. MINE SAFETY DISCLOSURE

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information, Holders and Dividends

Our common stock trades on the Nasdaq under the symbol "TELL." As ofFebruary 14, 2020, there were approximately 693 record holders of Tellurian's common stock. The Company does not intend to pay cash dividends on its common stock in the foreseeable future.

Recent Sales of Unregistered Securities

None that occurred during the three months ended December 31, 2019.

Use of Proceeds from Registered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

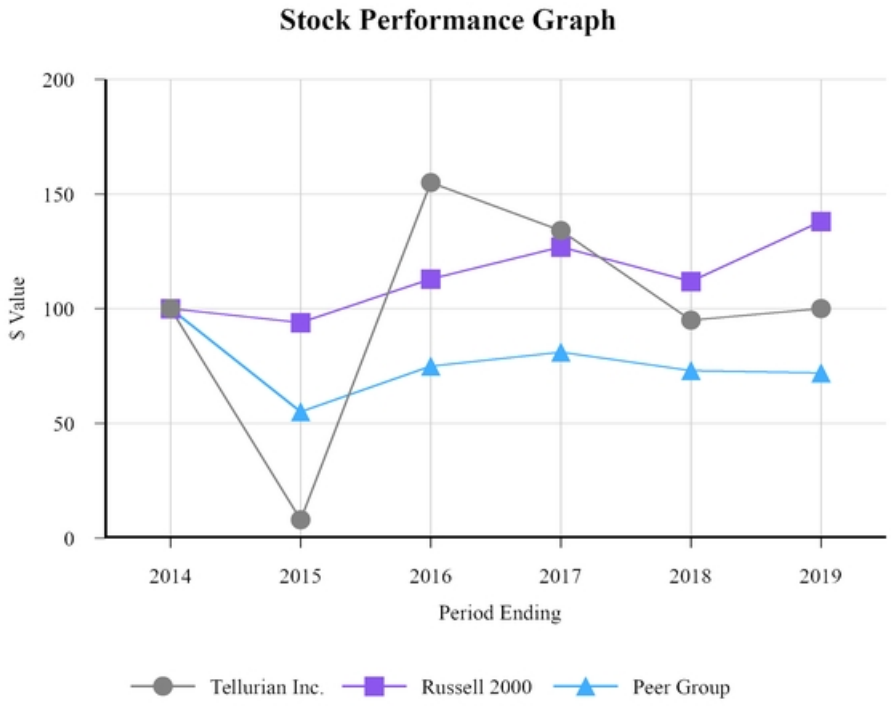
None that occurred during the three months ended December 31, 2019.

Stock Performance Graph

The information contained in this Stock Performance Graph section shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The following graph compares the cumulative total shareholder return, calculated on a dividend reinvested basis, on $100.00 invested at the closing of the market on December 31, 2014, through and including the market close on December 31, 2019, with the cumulative total return for the same time period of the same amount invested in the Russell 2000 index and a peer group index. Our peer group index consists of the following companies: (1) Cheniere Energy Partners LP (CQP), (2) ONEOK, Inc. (OKE), (3) Golar LNG Limited (GLNG), (4) Enable Midstream Partners LP (ENBL), (5) Cheniere Energy, Inc. (LNG), (6) Teekay LNG Partners L.P. (TGP), (7) Teekay Corporation (TK), (8) GasLog Ltd (GLOG) and (9) Targa Resources Corporation (TRGP). We have not changed our peer group index in the current period, except that Anadarko Petroleum Corporation (APC) has been removed as a result of its merger with Occidental Petroleum Corporation (OXY). This peer group was selected based on a review of publicly available information about these companies and our determination that they met one or more of the following criteria: (i) comparable industries, (ii) similar market capitalization and (iii) similar operational characteristics, capital intensity, business and operating risks.

Shareholder returns over the indicated period are based on historical data and should not be considered indicative of future shareholder returns.



	Year Ended December 31,					
	2014	2015	2016	2017	2018	2019
Tellurian Inc.	100	8	155	134	95	100
Russell 2000	100	94	113	127	112	138
Peer Group	100	55	75	81	73	72

ITEM 6. SELECTED FINANCIAL DATA

The selected financial data set forth below (in thousands, except per share amounts) are not necessarily indicative of the results of future operations and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and the related notes. We have derived the selected financial data presented below as of December 31, 2019 and 2018 and for the years ended December 31, 2019, 2018 and 2017 (the "Successor") from our Consolidated Financial Statements and related notes included in this report. We have derived the selected financial data for the Successor as of December 31, 2017 and 2016 and for the year ended December 31, 2016 from financial statements that are not included in this report. We have derived the selected financial data presented below as of April 9, 2016 and December 31, 2015 and for the period from January 1, 2016 to April 9, 2016 and for the year ended December 31, 2015 (the "Predecessor") from financial statements that are not included in this report. See *Explanatory Note* in Item 7.

	Successor				Predecessor	
	Year Ended December 31,					
	2019	2018	2017	2016	For the period from January 1, 2016 through April 9, 2016	Year Ended December 31, 2015
Total revenue	$ 28,774	$ 10,286	$ 5,441	$ —	$ 31	$ 1,686
Income (loss) from operations	(145,859)	(127,720)	(238,567)	(93,730)	(638)	105
Net income (loss)	(151,767)	(125,745)	(231,459)	(96,655)	(638)	105
Net loss per common share - basic and diluted	(0.69)	(0.59)	(1.23)	(1.01)	na*	na*

	Successor				Predecessor	
	Year Ended December 31,				April 9,	December 31,
	2019	2018	2017	2016	2016	2015
Cash and cash equivalents	$ 64,615	$ 133,714	$ 128,273	$ 21,398	$ 210	$ 589
Property, plant and equipment, net	153,040	130,580	115,856	10,993	480	148
Deferred engineering costs	106,425	69,000	18,000	—	—	—
Non-current restricted cash	3,867	49,875	—	—	—	—
Total assets	382,322	408,548	276,823	39,078	1,108	1,137
Short-term borrowings	78,528	—	—	—	—	—
Long-term borrowings	58,121	57,048	—	—	—	—

* Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Explanatory Note

In February 2017, Tellurian Inc., which was formerly known as Magellan Petroleum Corporation ("Magellan"), completed a merger (the "Merger") with Tellurian Investments Inc. ("Tellurian Investments"). At the effective time of the Merger, a subsidiary of Magellan merged with and into Tellurian Investments, with Tellurian Investments continuing as the surviving corporation and a subsidiary of Magellan. Immediately following the completion of the Merger, Magellan amended its certificate of incorporation and bylaws to change its name to "Tellurian Inc."

In connection with the Merger, each outstanding share of common stock of Tellurian Investments was exchanged for 1.3 shares of Magellan common stock. The Merger is accounted for as a "reverse acquisition," with Tellurian Investments being treated as the accounting acquirer.

Except where the context indicates otherwise, (i) references to "we," "us," "our," "Tellurian" or the "Company" refer, for periods prior to the completion of the Merger, to Tellurian Investments and its subsidiaries, and for periods following the completion of the Merger, to Tellurian Inc. and its subsidiaries and (ii) references to "Magellan" refer to Tellurian Inc. and its subsidiaries prior to the completion of the Merger.

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 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

- Commitments and Contingencies
- Summary of Critical Accounting Estimates
- 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 $28.9 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 and 36-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 up to approximately $2.3 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 67 producing wells (21 operated) located in the Haynesville Shale trend of northern Louisiana.

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. 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 — Significant Transactions — LNG Marketing."

Overview of Significant Events

Driftwood Project. On July 10, 2019, Driftwood Holdings entered into an equity capital contribution agreement (the "Contribution Agreement") with Total Delaware, Inc., a subsidiary of Total S.A. ("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 North America, Inc., a subsidiary of Total S.A. ("Total Gas & Power") and Driftwood LNG LLC, a subsidiary of the Company ("Driftwood LNG"), will enter into a sale and purchase agreement pursuant to which Total Gas & Power will be obligated 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 obligation to purchase from Tellurian Trading approximately 1.5 Mtpa of LNG on a FOB basis at prices based on the JKM index price, subject to the terms and conditions of the agreement.

2019 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 borrowed the additional funds. Amounts borrowed under the 2019 Term Loan bear a fixed annual interest rate of 12%, of which 4% may be added by Driftwood Holdings 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 12, *Stockholders' Equity*, of our Notes to 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.

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 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*" above for additional sale and purchase agreements executed in conjunction with the development of our Business.

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, the 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 export to FTA countries, air permits issued by the Louisiana Department of Environmental Quality, and the Coastal Use Permit issued by the Louisiana Department of Natural Resources are the most significant permits required for construction and operation of the Driftwood terminal and Driftwood pipeline. On August 8, 2019, the Company submitted a request to initiate the FERC pre-filing review process for the Permian Global Access Pipeline, which FERC accepted and granted entry into on September 13, 2019.

Stock Purchase Agreement. On April 3, 2019, we entered into a Common Stock Purchase Agreement 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 I" of the Driftwood Project.

Liquidity and Capital Resources

Capital Resources

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. We are currently funding our operations, development activities and general working capital needs through our cash on hand. Our current capital resources consist of approximately $64.6 million of cash and cash equivalents as of December 31, 2019 on a consolidated basis, of which approximately $27.1 million is maintained at a wholly owned subsidiary of Tellurian Production Holdings LLC. 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):

	Year Ended December 31,		
	2019	2018	2017
Cash used in operating activities	$ (113,008)	$ (103,752)	$ (109,229)
Cash used in investing activities	(65,943)	(21,687)	(95,565)
Cash provided by financing activities	63,844	180,755	311,669
Net increase (decrease) in cash, cash equivalents and restricted cash	(115,107)	55,316	106,875
Cash, cash equivalents and restricted cash, beginning of the period	183,589	128,273	21,398
Cash, cash equivalents and restricted cash, end of the period	$ 68,482	$ 183,589	$ 128,273
Net working capital	$ (50,344)	$ 87,664	$ 81,393

Cash used in operating activities for the year ended December 31, 2019 increased approximately $9.3 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 year ended December 31, 2019 increased approximately $44.3 million compared to the same period in 2018. This increase was predominantly driven by increased natural gas development activities of $37.0 million and payments of $16.0 million related to deferred engineering costs that were mostly settled as a non-cash transaction through the issuance of preferred stock in the prior period. This increase was partially offset by approximately $8.0 million of cash inflows in connection with the sale of Magellan Petroleum UK, as discussed in Note 5, *Property, Plant and Equipment*, of our Notes to Consolidated Financial Statements.

Cash provided by financing activities for the year ended December 31, 2019 decreased approximately $116.9 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, which contributed approximately $129.7 million, as discussed in Note 12, *Stockholders' Equity*, of our Notes to Consolidated Financial Statements. This decrease was partially offset by an increase of $15.5 million in net proceeds received from a term loan.

Cash used in operating activities for the year ended December 31, 2018 decreased approximately $5.5 million compared to the same period in 2017. The decrease in cash used in operating activities primarily relates to the absence of one-time Merger-related expenses of approximately $4.9 million.

Cash used in investing activities for the year ended December 31, 2018 decreased approximately $73.9 million compared to the same period in 2017, primarily due to reduced acquisition and development activities related to natural gas properties. During 2018, we invested approximately $13.5 million in such activities compared to approximately $90.1 million in 2017.

Cash provided by financing activities for the year ended December 31, 2018 decreased approximately $130.9 million compared to the same period in 2017. The decrease is primarily attributable to lower funds generated from the issuance of common stock through equity offerings and our at-the-market equity program, which resulted in net proceeds of approximately $129.7 million in 2018 compared to approximately $312.5 million in 2017. The decrease in cash provided by financing activities was partially offset by approximately $56.8 million in proceeds from the 2018 Term Loan.

Borrowings

As of December 31, 2019, we had total indebtedness of approximately $136.6 million, all of which was secured indebtedness. At December 31, 2019, we were in compliance with the covenants under all of our senior secured term loan credit agreements. For additional details regarding our borrowing activity, refer to Note 10, *Borrowings*, of our Notes to Consolidated Financial Statements.

Contractual Obligations

We are obligated to make cash payments in the future pursuant to certain of our contracts. The following table summarizes certain contractual obligations in place as of December 31, 2019 (in thousands):

	Payments Due By Period				
	Total	2020	2021-2022	2023-2024	Thereafter
2018 term loan [1]	$ 69,551	$ 5,458	$ 64,093	$ —	$ —
2019 term loan [1]	87,504	87,504	—	—	—
Deferred engineering	21,728	21,728	—	—	—
Lease obligations	77,515	6,186	9,424	9,258	52,647
Total	$ 256,298	$ 120,876	$ 73,517	$ 9,258	$ 52,647

(1) Includes principal and the related interest

As discussed in Note 10,*Borrowings*, of our Notes to Consolidated Financial Statements, the 2019 Term Loan is scheduled to mature on May 23, 2020. We do not have sufficient cash on hand or available liquidity that can be utilized to repay the 2019 Term Loan or fund future operations. However, we are permitted to extend the May 23, 2020 maturity date for up to twelve months upon the satisfaction of certain conditions, which have not yet been satisfied. We are planning to generate proceeds from various potential financing transactions, such as issuances of equity, equity-linked and debt securities or similar transactions, including our at-the-market program and have determined it is probable that such proceeds will satisfy our obligations and fund working capital needs for at least twelve months following the issuance of the financial statements.

In addition to the above, 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, based on the JKM price in effect at the time of each purchase, beginning in June 2020 through October 2022.

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 up to approximately $2.3 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 securities by us.

Consistent with its overall financing strategy, the Company has considered, and in some cases discussed with investors, various potential financing transactions, including issuances of debt, equity and equity-linked securities or similar transactions, to support its short- and medium-term capital requirements. We have elected following discussion with certain investors not to pursue a marketed equity-linked offering at this time in light of commercial developments that may impact the value of the Company. The Company will continue to evaluate its cash needs and business outlook, and it may execute one or more transactions of this type in the future.

We currently expect that our long-term capital requirements will be financed by proceeds from future debt, equity and/or equity-linked 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 costs and expenses for the periods presented (in thousands):

	Year Ended December 31,		
	2019	2018	2017
Total revenue	$ 28,774	$ 10,286	$ 5,441
Cost of sales	7,071	6,115	7,565
Development expenses	59,629	44,034	59,498
Depreciation, depletion and amortization	20,446	1,567	479
General and administrative expenses	87,487	81,777	98,874
Impairment charge and loss on transfer of assets	—	4,513	—
Goodwill impairment	—	—	77,592
Loss from operations	(145,859)	(127,720)	(238,567)
Gain on preferred stock exchange feature	—	—	2,209
Interest income (expense), net	(16,355)	1,574	1,022
Other income, net	10,447	211	4,062
Income tax benefit (provision)	—	190	(185)
Net loss	$ (151,767)	$ (125,745)	$ (231,459)

Our consolidated net loss was approximately $151.8 million for the year ended December 31, 2019, compared to a net loss of approximately $125.8 million for the same period of 2018. This $26.0 million increase in net loss was primarily a result of the following:

- Cost of sales during 2019 increased by approximately $1.0 million primarily due to an increase in gathering and transportation costs of $4.4 million as a result of the increase in natural gas production during the year. The increase in cost of sales was offset by the absence of $3.4 million in costs related to our LNG marketing activities that were incurred in 2018.
- Development expenses during 2019 increased by approximately $15.6 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 2019 increased by approximately $18.9 million compared to the same period in 2018 due to the increase in natural gas production.
- General and administrative expenses increased by approximately $5.7 million due to increased personnel costs and marketing activities when compared to the same period in 2018.
- The $17.9 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 increase in net loss was partially offset by (i) increase in revenues of approximately $18.5 million due to higher natural gas production volumes that led to the increase in natural gas sales; (ii) absence of an impairment charge and loss on transfer of assets of approximately $4.5 million in the prior period; and (iii) increase in other income, net, of approximately $10.2 million predominantly due to the (a) recognition of approximately $4.2 million of gain on the sale of Magellan Petroleum UK and (b) approximately $7.1 million of gains on financial instruments not designated as hedges, each as outlined in Note 5, *Property, Plant and Equipment*, and Note 8, *Financial Instruments*, respectively, of the Notes to Consolidated Financial Statements included in this report.

Our consolidated net losses were approximately $125.7 million and $231.5 million for the years ended December 31, 2018 and 2017, respectively. The decrease in net loss of $105.7 million was primarily attributable to the absences of a $77.6 million goodwill impairment charge that was incurred in 2017. The decrease in our net loss was also a result of the following:

- Revenue during the year ended December 31, 2018 increased approximately $4.8 million compared to the same period in 2017, primarily due to the increase in natural gas revenue as a result of a full year of operations and participation in certain wells that became operational in 2018.
- The $15.5 million decrease in development expenses was primarily due to the nature of services related to our largest development vendor, Bechtel. The services Bechtel provided during the year ended December 31, 2018, which primarily consisted of detailed engineering services for the Driftwood terminal, are being capitalized, whereas the FEED studies on the Driftwood Project were expensed during the same period in 2017. For more information regarding the detailed engineering services provided by Bechtel, see Note 6, *Deferred Engineering Costs*, of our Notes to Consolidated Financial Statements included in this report.

- The $17.1 million decrease in general and administrative expenses was attributable to a decrease in share-based compensation and share-based payments to vendors, partially offset by an increase in compensation expense due to an overall increase in headcount when compared to the same period in 2017.

The decrease in net loss for the year ended December 31, 2018 was partially offset by the following:

- Approximately $2.7 million and $1.8 million resulting from the impairment of certain non-producing proved properties and loss on the transfer of the Australian exploration permit, respectively.
- Other income, net for the year ended December 31, 2018 decreased approximately $3.9 million compared to the same period in 2017. The decrease was primarily attributable to an absence of a gain on sale of securities of approximately $3.5 million in 2017.

Off-Balance Sheet Arrangements

As of December 31, 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.

Commitments and Contingencies

The information set forth in Note 11,*Commitments and Contingencies*, to the accompanying Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K is incorporated herein by reference.

Summary of Critical Accounting Estimates

Our accounting policies are more fully described in Note 1 to the Consolidated Financial Statements included in this report. As disclosed in Note 1, the preparation of financial statements requires the use of judgments and estimates. We base our estimates on historical experience and on various other assumptions we believe to be reasonable according to current facts and circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates. We identified our most critical accounting estimates to be:

- valuations of long-lived assets, including intangible assets and goodwill;
- purchase price allocation for acquired businesses;
- forecasting our effective income tax rate, including the realizability of deferred tax assets;
- impairment considerations for tangible and intangible assets; and
- share-based compensation.

We believe that the following discussion addresses our critical accounting policies, which are those that require our most difficult, subjective or complex judgments about future events and related estimations that are fundamental to our results of operations.

Fair Value

When necessary or required by GAAP, we estimate the fair value of (i) long-lived assets for impairment testing, (ii) reporting units for goodwill impairment testing and (iii) assets acquired and liabilities assumed in business combinations. When there is not a market-observable price for the asset or liability or a similar asset or liability, we use the cost, income, or market valuation approach, depending on the quality of information available to support management's assumptions.

The cost approach is based on management's best estimate of the current asset replacement cost. The income approach is based on management's best assumptions regarding expectations of projected cash flows and discounts the expected cash flows using a commensurate risk-adjusted discount rate. The market approach is based on management's best assumptions regarding prices and other relevant information from market transactions involving comparable assets. Such evaluations involve significant judgment, and the results are based on expected future events or conditions. Assumptions used in fair value measurement would reflect a market participant's view of long-term prices, costs and other factors, and are consistent with assumptions used in our business plans and investment decisions.

Income Taxes

Deferred income tax assets and liabilities are recognized for temporary differences between the basis of assets and liabilities for financial reporting and tax purposes. Deferred tax assets are reduced by a valuation allowance if, based on all available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. In determining the need for a valuation allowance, we consider current and historical financial results, expectations for future taxable income and the availability of tax planning strategies that can be implemented, if necessary, to realize deferred tax assets.

We have recorded a full valuation allowance on our net deferred tax assets as of December 31, 2019 and 2018. We intend to maintain a valuation allowance on our net deferred tax assets until there is sufficient evidence to support the reversal of these allowances.

Reserves Estimates

Proved reserves are the estimated quantities of natural gas and condensate that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Despite the inherent imprecision in these engineering estimates, our reserves are used throughout our financial statements. For example, because we use the units-of-production method to deplete our natural gas properties, the quantity of reserves could significantly impact our DD&A expense. Consequently, material revisions (upward or downward) to existing reserve estimates may occur from time to time. Finally, these reserves are the basis for our supplemental natural gas disclosures. See Item 1 and 2 — Our Business and Properties for additional information on our estimate of proved reserves.

Impairments

When there are indicators that our proved natural gas properties carrying value may not be recoverable, we compare expected undiscounted future cash flows at a depreciation, depletion and amortization group level to the unamortized capitalized cost of the asset. If the expected undiscounted future cash flows, based on our estimates of (and assumptions regarding) future natural gas prices, operating costs, development expenditures, anticipated production from proved reserves and other relevant data, are lower than the unamortized capitalized cost, the capitalized cost is reduced to fair value. Fair value is generally calculated using the income approach in accordance with GAAP. Estimates of undiscounted future cash flows require significant judgment, and the assumptions used in preparing such estimates are inherently uncertain. The impairment review includes cash flows from proved developed and undeveloped reserves, including any development expenditures necessary to achieve that production. Additionally, when probable and possible reserves exist, an appropriate risk-adjusted amount of these reserves may be included in the impairment calculation. In addition, such assumptions and estimates are reasonably likely to change in the future. See Note 2, *Merger,* to the Consolidated Financial Statements included in this report for information regarding the historical impairment of goodwill.

Share-Based Compensation

Share-based compensation transactions are measured based on the grant-date estimated fair value. For awards containing only service conditions or performance conditions deemed probable of occurring, the fair value is recognized as expense over the requisite service period using the straight-line method. We recognize compensation cost for awards with performance conditions if and when we conclude that it is probable that the performance condition will be achieved. For awards where the performance or market condition is not considered probable, compensation cost is not recognized until the performance or market condition becomes probable. We reassess the probability of vesting at each reporting period for awards with performance conditions and adjust compensation cost based on our probability assessment. We recognize forfeitures as they occur.

Recent Accounting Standards

For descriptions of recently issued accounting standards, see Note 20,*Recent Accounting Standards,* to the Consolidated Financial Statements included in this report.

ITEM 7A. 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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS
TELLURIAN INC.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management, including the Company's Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer, is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. Management conducted an evaluation of the effectiveness of internal control over financial reporting based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that Tellurian Inc.'s internal control over financial reporting was effective as of December 31, 2019.

Deloitte & Touche LLP, an independent registered public accounting firm, audited the effectiveness of Tellurian Inc.'s internal control over financial reporting as of December 31, 2019, as stated in their report on page 47.

/s/ Meg A. Gentle	/s/ Antoine J. Lafargue	/s/ Khaled A. Sharafeldin
Meg A. Gentle	Antoine J. Lafargue	Khaled A. Sharafeldin
President and Chief Executive Officer (as Principal Executive Officer)	*Senior Vice President and Chief Financial Officer (as Principal Financial Officer)*	*Chief Accounting Officer (as Principal Accounting Officer)*

Houston, Texas
February 24, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Tellurian Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Tellurian Inc. and subsidiaries (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of operations, stockholders' equity and cash flows, for each of the three years in the period ended December 31, 2019, and the related notes and the schedule listed in the Index at Item 8 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2020 expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Proved Oil and Gas Properties and Depletion - Crude Oil and Condensate, NGLs, and Natural Gas Reserves - Refer to Note 1 and 5 to the financial statements

Critical Audit Matter Description

The Company's proved crude oil and condensate, NGLs and natural gas properties are depleted using the successful efforts method and are evaluated for impairment by comparison to the future cash flows of the underlying oil and natural gas reserves. The development of the Company's oil and natural gas reserve quantities and the related future cash flows requires management to make significant estimates and assumptions related to the five-year development plan for proved undeveloped reserves and future oil and natural gas prices. The Company engages an independent reserve engineer to estimate oil and natural gas quantities using these estimates and assumptions and engineering data. Changes in these assumptions or engineering data could have a significant impact on the amount of depletion and any proved oil and gas impairment. Proved oil and gas properties were $142.5 million as of December 31, 2019, and depletion expense was $19.7 million for the year then ended. No impairment was recognized during 2019.

Given the significant judgments made by management, performing audit procedures to evaluate the Company's oil and natural gas reserve quantities and the related net cash flows including management's estimates and assumptions related to the five-year

development rule and future oil and natural gas prices, required a high degree of auditor judgment and an increased extent of effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's significant judgments and assumptions related to crude oil and condensate, NGLs, and natural gas reserves included the following, among others:

- We tested the effectiveness of controls related to the Company's estimation of oil and gas properties reserve quantities and the related future cash flows, including controls relating to the five-year development plan and future oil and condensate, NGLs and natural gas prices.
- We evaluated the reasonableness of management's five-year development plan by comparing the forecasts to:
  - Historical conversions of proved undeveloped reserves.
  - Compared expected completion date of proved undeveloped reserves in the current year against the completion date the year the reserves were added to the development plan.
- We evaluated the reasonableness of future oil and natural gas prices by comparing such amounts to:
  - Forward published pricing indexes.
  - Historical realized price differentials.
- We evaluated the reasonableness of capital expenditures by comparing to historical wells drilled.
- We evaluated the experience, qualifications and objectivity of management's expert, an independent reservoir engineering firm, including performing analytical procedures on the reserve quantities.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 24, 2020

We have served as the Company's auditor since 2016.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Tellurian Inc.

Opinions on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Tellurian Inc. and subsidiaries (the "Company") as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2019, of the Company and our report dated February 24, 2020, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 24, 2020

TELLURIAN INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	December 31,	
	2019	**2018**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 64,615	$ 133,714
Accounts receivable	5,006	1,498
Accounts receivable due from related parties	1,316	1,316
Prepaid expenses and other current assets	11,298	3,906
Total current assets	82,235	140,434
Property, plant and equipment, net	153,040	130,580
Deferred engineering costs	106,425	69,000
Non-current restricted cash	3,867	49,875
Other non-current assets	36,755	18,659
Total assets	$ 382,322	$ 408,548
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 21,048	$ 11,597
Accrued and other liabilities	33,003	41,173
Senior secured term loan	78,528	—
Total current liabilities	132,579	52,770
Long-term liabilities:		
Senior secured term loan	58,121	57,048
Other non-current liabilities	25,337	796
Total long-term liabilities	83,458	57,844
Commitments and contingencies (Note 11)		
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: 242,207,522 and 240,655,607 shares outstanding, respectively	2,211	2,195
Additional paid-in capital	769,639	749,537
Accumulated deficit	(605,626)	(453,859)
Total stockholders' equity	166,285	297,934
Total liabilities and stockholders' equity	$ 382,322	$ 408,548

The accompanying notes are an integral part of these consolidated financial statements.

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

	Year Ended December 31,		
	2019	**2018**	**2017**
Revenues:			
Natural gas sales	$ 28,774	$ 4,423	$ 503
LNG sales	—	2,689	3,273
Other LNG revenue	—	3,174	1,665
Total revenue	28,774	10,286	5,441
Operating costs and expenses:			
Cost of sales	7,071	6,115	7,565
Development expenses	59,629	44,034	59,498
Depreciation, depletion and amortization	20,446	1,567	479
General and administrative expenses	87,487	81,777	98,874
Impairment charge and loss on transfer of assets	—	4,513	—
Goodwill impairment	—	—	77,592
Total operating costs and expenses	174,633	138,006	244,008
Loss from operations	(145,859)	(127,720)	(238,567)
Gain on preferred stock exchange feature	—	—	2,209
Interest income (expense), net	(16,355)	1,574	1,022
Other income, net	10,447	211	4,062
Loss before income taxes	(151,767)	(125,935)	(231,274)
Income tax benefit (provision)	—	190	(185)
Net loss	$ (151,767)	$ (125,745)	$ (231,459)
Net loss per common share:			
Basic and diluted	$ (0.69)	$ (0.59)	$ (1.23)
Weighted average shares outstanding:			
Basic and diluted	218,548	211,574	188,536

The accompanying notes are an integral part of these consolidated financial statements.

TELLURIAN INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Common Stock		Treasury Stock		Convertible Preferred Stock		Preferred Stock				
	Shares	Par Value Amount	Shares	Cost	Shares	Par Value Amount	Shares	Par Value Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCE AT JANUARY 1, 2017	109,609	$ 101	—	$ —	5,468	$ 5	—	$ —	$ 102,148	$ (96,655)	$ 5,599
Merger adjustments	51,540	1,390	(1,209)	—	—	—	—	—	86,533	—	87,923
Share-based compensation	9,350	16	—	—	—	—	—	—	23,003	—	23,019
Issuance of common stock	46,373	465	—	—	—	—	—	—	311,459	—	311,924
Share-based payments	1,700	17	—	—	—	—	—	—	21,148	—	21,165
Reclass of embedded derivative	—	—	—	—	—	—	—	—	6,544	—	6,544
Treasury stock	—	—	(82)	(828)	—	—	—	—	—	—	(828)
Retirement of treasury stock	(1,291)	(1)	1,291	828	—	—	—	—	(827)	—	—
Exchange from Series A preferred stock	—	—	—	—	(5,468)	(5)	—	—	—	—	(5)
Exchange to Series B preferred stock	—	—	—	—	5,468	55	—	—	(50)	—	5
Exchange from Series B to common stock	5,468	55	—	—	(5,468)	(55)	—	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	—	(231,459)	(231,459)
BALANCE AT DECEMBER 31, 2017	222,749	$ 2,043	—	$ —	—	$ —	—	$ —	$ 549,958	$ (328,114)	$ 223,887
Issuance of common stock	13,500	135	—	—	—	—	—	—	129,575	—	129,710
Issuance of Series C preferred stock	—	—	—	—	—	—	6,124	61	49,905	—	49,966
Share-based compensation[1]	4,407	17	—	—	—	—	—	—	20,099	—	20,116
Net loss	—	—	—	—	—	—	—	—	—	(125,745)	(125,745)
BALANCE AT DECEMBER 31, 2018	240,656	$ 2,195	—	$ —	—	$ —	6,124	$ 61	$ 749,537	$ (453,859)	$ 297,934
Share-based compensation [2]	1,352	15	—	—	—	—	—	—	15,934	—	15,949
Share-based payments	200	1	—	—	—	—	—	—	868	—	869
Issuance of common stock purchase warrant	—	—	—	—	—	—	—	—	3,300	—	3,300
Net loss	—	—	—	—	—	—	—	—	—	(151,767)	(151,767)
BALANCE AT DECEMBER 31, 2019	242,208	$ 2,211	—	$ —	—	$ —	6,124	$ 61	$ 769,639	$ (605,626)	$ 166,285

[1] Includes settlement of 2017 bonus that was accrued for in December 2017.

[2] Includes settlement of 2018 bonus that was accrued for in December 2018.

The accompanying notes are an integral part of these consolidated financial statements.

TELLURIAN INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2019	**2018**	**2017**
Cash flows from operating activities:			
Net loss	$ (151,767)	$ (125,745)	$ (231,459)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation, depletion and amortization	20,446	1,567	479
Amortization of debt issuance costs, discounts and fees	10,148	267	—
Share-based compensation	4,238	5,126	23,019
Share-based payments	869	—	19,397
Impairment charge and loss on transfer of assets	—	4,513	—
Goodwill impairment	—	—	77,592
Gain on sale of assets	(4,218)	—	—
Gain on financial instruments not designated as hedges	(3,443)	—	—
Gain on Series A convertible preferred stock exchange feature	—	—	(2,209)
Gain on sale of securities	—	—	(3,481)
Other	(459)	—	—
Net changes in working capital (Note 18)	11,178	10,520	7,433
Net cash used in operating activities	(113,008)	(103,752)	(109,229)
Cash flows from investing activities:			
Cash received in acquisition	—	—	56
Acquisition and development of natural gas properties	(45,354)	(8,356)	(90,099)
Deferred engineering costs	(25,997)	(10,000)	(9,000)
Proceeds from sale of assets	8,140	167	—
Purchase of property - land (Note 18)	(180)	(3,498)	—
Purchase of property and equipment	(2,552)	—	(1,114)
Proceeds from sale of available-for-sale securities	—	—	4,592
Net cash used in investing activities	(65,943)	(21,687)	(95,565)
Cash flows from financing activities:			
Proceeds from borrowing under term loan	75,000	59,400	—
Payments of term loan financing costs	(2,246)	(2,621)	—
Proceeds from the issuance of common stock	—	133,800	318,204
Tax payments for net share settlement of equity awards (Note 18)	(6,686)	(5,734)	(828)
Payments of finance lease principal	(2,224)	—	—
Equity offering costs	—	(4,090)	(5,707)
Net cash provided by financing activities	63,844	180,755	311,669
Net increase (decrease) in cash, cash equivalents and restricted cash	(115,107)	55,316	106,875
Cash, cash equivalents and restricted cash, beginning of period	183,589	128,273	21,398
Cash, cash equivalents and restricted cash, end of period	$ 68,482	$ 183,589	$ 128,273
Supplementary disclosure of cash flow information:			
Interest paid	$ (8,414)	$ (1,174)	$ —

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 — BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tellurian Inc., a Delaware corporation based in Houston, Texas ("Tellurian"), plans 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 referred to collectively as the "Driftwood Project."

On February 10, 2017 (the "Merger Date"), Tellurian Investments Inc. ("Tellurian Investments") completed a merger (the "Merger") with a subsidiary of Magellan Petroleum Corporation ("Magellan"). Magellan changed its corporate name to Tellurian Inc. shortly after completing the Merger. The Merger was accounted for as a "reverse acquisition," with Tellurian Investments being treated as the accounting acquirer. Subsequent to the Merger Date, the consolidated information relates to the consolidated entities of Tellurian Inc., with Magellan reflected as the accounting acquiree. In connection with the Merger, each issued and outstanding share of Tellurian Investments common stock was exchanged for 1.3 shares of Magellan common stock. All share and per share amounts in the Consolidated Financial Statements and related notes have been retroactively adjusted for all periods presented to give effect to this exchange, including reclassifying an amount equal to the change in par value of common stock from additional paid-in capital.

Except where the context indicates otherwise, (i) references to "we," "us," "our," "Tellurian" or the "Company" refer, for periods prior to the completion of the Merger, to Tellurian Investments and its subsidiaries, and for periods following the completion of the Merger, to Tellurian Inc. and its subsidiaries and (ii) references to "Magellan" refer to Tellurian Inc. and its subsidiaries prior to the completion of the Merger.

Basis of Presentation

Our Consolidated Financial Statements were prepared in accordance with GAAP. The Consolidated Financial Statements include the accounts of Tellurian Inc. and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Liquidity

Our Consolidated Financial Statements were prepared in accordance with GAAP, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business as well as the Company's ability to continue as a going concern. As of the date of the Consolidated Financial Statements, we have generated losses from operations, negative cash flows from operations, and have an accumulated deficit. We have not yet established an ongoing source of revenues sufficient to cover our operating costs. In addition, and as discussed in Note 10, *Borrowings*, the 2019 Term Loan, is scheduled to mature on May 23, 2020. We do not have sufficient cash on hand or available liquidity that can be utilized to repay the 2019 Term Loan or fund future operations. However, we are permitted to extend the May 23, 2020 maturity date for up to twelve months upon the satisfaction of certain conditions, which have not yet been satisfied. We are also planning to generate proceeds from various potential financing transactions, such as issuances of equity, equity-linked and debt securities or similar transactions, including our at-the-market program and have determined it is probable that such proceeds will satisfy our obligations and fund working capital needs for at least twelve months following the issuance of the financial statements.

Segments

Management allocates resources and assesses financial performance on a consolidated basis. As such, for the purposes of financial reporting under GAAP during the years ended December 31, 2019, 2018 and 2017, the Company operated as a single operating segment.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and the accompanying notes. Management evaluates its estimates and related assumptions on a regular basis. Changes in facts and circumstances or additional information may result in revised estimates, and actual results may differ from these estimates.

Fair Value

The Company uses three levels of the fair value hierarchy of inputs to measure the fair value of an asset or a liability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted

prices included within Level 1 that are directly or indirectly observable for the asset or liability. Level 3 inputs are inputs that are not observable in the market.

Goodwill

The Company tests goodwill at the reporting unit level for impairment on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

Revenue Recognition

For the sale of commodities, we consider 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 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)*.

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 the transaction price.

Cash, Cash Equivalents and Restricted Cash

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents that are restricted as to withdrawal or use under the terms of certain contractual agreements are recorded in Non-current restricted cash on our Consolidated Balance Sheets.

Concentration of Cash

We maintain cash balances and restricted cash at financial institutions, which may, at times, be in excess of federally insured levels. We have not incurred losses related to these balances to date.

Derivative Instruments

We use derivative instruments to hedge our exposure to cash flow variability from commodity price risk. Derivative instruments are recorded at fair value and included in our Consolidated Balance Sheets as assets or liabilities, depending on the derivative position and the expected timing of settlement, unless they satisfy the criteria for and we elect the normal purchases and sales exception.

Changes in the fair value of our derivative instruments are recorded in earnings, and, at present, we have elected not to apply hedge accounting.See Note 8, *Financial Instruments*, for additional details about our derivative instruments.

Property, Plant and Equipment

Natural gas development and production activities are accounted for using the successful efforts method of accounting. Costs incurred to acquire a property (whether proved or unproved) are capitalized when incurred. Costs to develop proved reserves are capitalized and we deplete our natural gas reserves using the units-of-production method.

Fixed assets are recorded at cost. We depreciate our property, plant and equipment, excluding land, using the straight-line depreciation method over the estimated useful life of the asset. Upon retirement or other disposition of property, plant and equipment, the cost and related accumulated depreciation are removed, and the resulting gains or losses are recorded in our Consolidated Statements of Operations. Management tests property, plant and equipment for impairment whenever there are indicators that the carrying amount of property, plant and equipment might not be recoverable.

Accounting for LNG Development Activities

As we have been in the preliminary stage of developing the Driftwood terminal, substantially all the costs related to such activities have been expensed. These costs primarily include professional fees associated with FEED studies and applying to FERC for authorization to construct our terminal and other required permitting for the Driftwood Project.

Costs incurred in connection with a project to develop the Driftwood terminal shall generally be treated as development expenses until the project has reached the notice-to-proceed state ("NTP State") and the following criteria (the "NTP Criteria")

have been achieved: (i) regulatory approval has been received, (ii) financing for the project has been secured and (iii) management has committed to commence construction. In addition to the above, certain costs incurred prior to achieving the NTP State will be capitalized though the NTP Criteria have not been met. Costs to be capitalized prior to achieving the NTP State include land purchase costs, land improvement costs, costs associated with preparing the facility for use and any fixed structure construction costs (fence, storage areas, drainage, etc.). Furthermore, activities directly associated with detailed engineering and/or facility designs shall be capitalized. For additional details regarding capitalized amounts, please refer to Note 6, *Deferred Engineering Costs.*

Debt

Discounts, fees and expenses incurred with the issuance of debt are amortized over the term of the debt. These amounts are presented as a reduction of senior secured term loans on the accompanying Consolidated Balance Sheets. See Note 10, *Borrowings*, for additional details about our senior secured term loans.

Leases

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 17, *Leases*.

Share-Based Compensation

Share-based compensation transactions are measured based on the grant-date estimated fair value. For awards containing only service conditions or performance conditions deemed probable of occurring, the fair value is recognized as expense over the requisite service period using the straight-line method. We recognize compensation cost for awards with performance conditions if and when we conclude that it is probable that the performance condition will be achieved. For awards where the performance or market condition is not considered probable, compensation cost is not recognized until the performance or market condition becomes probable. We reassess the probability of vesting at each reporting period for awards with performance conditions and adjust compensation cost based on our probability assessment. We recognize forfeitures as they occur.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine deferred tax assets and liabilities on the basis of the differences between the financial statement and tax basis of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to be realized or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider current and historical financial results, expectations for future taxable income and the availability of tax planning strategies that can be implemented, if necessary, to realize deferred tax assets. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we will make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

Net Loss Per Share (EPS)

Basic net loss per share excludes dilution and is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per share reflects potential dilution and is computed by dividing net loss by the weighted average number of common shares outstanding during the period increased by the number of additional common shares that would have been outstanding if the potential common shares had been issued and were dilutive.

NOTE 2 — MERGER

The Merger

As discussed in Note 1, *Basis of Presentation and Summary of Significant Accounting Policies*, Tellurian Investments merged with a subsidiary of Magellan on February 10, 2017. The Merger has been accounted for as a "reverse acquisition," with Tellurian Investments being treated as the accounting acquirer using the acquisition method.

The total consideration exchanged was as follows (in thousands, except share and per-share amounts):

Number of shares of Magellan common stock outstanding[1]	5,985,042	
Price per share of Magellan common stock[2]	$ 14.21	
Aggregate value of Tellurian common stock issued		$ 85,048
Fair value of stock options[3]		2,821
Net purchase consideration to be allocated		$ 87,869

(1) The number of shares of Magellan common stock issued and outstanding as of February 9, 2017.

(2) The closing price of Magellan common stock on the Nasdaq on February 9, 2017.

(3) The estimated fair value of Magellan stock options for pre-Merger services rendered.

We utilized estimated fair values at the Merger Date for the allocation of consideration to the net tangible and intangible assets acquired and liabilities assumed.The purchase price allocation to assets acquired and liabilities assumed in the Merger was as follows (in thousands):

Fair Value of Assets Acquired:	
Cash	$ 56
Securities available-for-sale	1,111
Other current assets	93
Unproved properties	13,000
Wells in progress	332
Land, buildings and equipment, net	67
Other long-term assets	19
Total assets acquired	14,678
Fair Value of Liabilities Assumed:	
Accounts payable and other liabilities	4,393
Notes payable	8
Total liabilities assumed	4,401
Total net assets acquired	10,277
Goodwill as a result of the Merger	$ 77,592

We valued our interests acquired in unproved oil and gas properties using a market approach based on commercial negotiations and bids received for the interests (see Note 5, *Property, Plant and Equipment*, for more information about the properties). The fair value of other property, plant and equipment and wells in progress was determined to be the carrying value of Magellan. Securities available-for-sale were valued based on quoted market prices. The carrying values of cash, other current assets, accounts payable and accrued liabilities and other non-current assets and liabilities approximated fair value at the Merger Date. The Company has determined that such fair value measures for the overall allocation are classified as Level 3 in the fair value hierarchy.

Goodwill recognized as a result of the Merger totaled approximately$77.6 million, none of which is deductible for income tax purposes. Subsequent to the Merger, the Company determined that there is no evidence that we will recover the value of this goodwill and an impairment expense of approximately $77.6 million was recognized during the year ended December 31, 2017. For purposes of determining the goodwill impairment, we utilized qualitative factors as well as the fair values determined when allocating consideration as of the Merger Date.

Pro Forma Results

The following table provides unaudited pro forma results for the year ended December 31, 2017, as if the Merger occurred as of January 1, 2017 (in thousands, except per-share amounts):

Pro forma net loss	$ (235,201)
Pro forma net loss per basic share	$ (1.24)
Pro forma basic and diluted weighted average common shares outstanding	189,246

The unaudited pro forma results include adjustments for the historical net loss of Magellan as well as an increase in compensation expense associated with the addition of three new directors. The pro forma information is provided for informational purposes only and is not necessarily indicative of what Tellurian's results of operations would have been if the Merger had occurred on January 1, 2017. Following the Merger Date, approximately $0.8 million of net loss related to the acquired activities has been included in our Consolidated Financial Statements.

NOTE 3 — PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	December 31,	
	2019	2018
Prepaid expenses	$ 1,234	$ 2,279
Deposits	364	1,336
Future proceeds from sale of Magellan Petroleum UK (Note 5)	1,384	—
Tradable equity securities (Note 5)	5,069	—
Derivative asset, net - current (Note 8)	3,121	—
Other current assets	126	291
Total prepaid expenses and other current assets	$ 11,298	$ 3,906

NOTE 4 — TRANSACTIONS WITH RELATED PARTIES

Accounts Receivable due from Related Parties

Tellurian's accounts receivable due from related parties primarily consists of tax indemnities from employees who received share-based compensation in 2016.

Other

A member of our board of directors is a partner at a law firm that has provided legal services to the Company. Fees incurred for such services were approximately $0.4 million, $0.1 million and $0.7 million for the years ended December 31, 2019, 2018 and 2017, respectively.

NOTE 5 — PROPERTY, PLANT AND EQUIPMENT

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

	December 31,	
	2019	2018
Land	$ 13,808	$ 13,276
Proved properties	142,494	101,459
Unproved properties	—	10,204
Wells in progress	57	4,660
Corporate and other	5,285	2,905
Total property, plant and equipment, at cost	161,644	132,504
Right of use asset — finance leases (Note 17)	13,437	—
Accumulated depreciation and depletion	(22,041)	(1,924)
Total property, plant and equipment, net	$ 153,040	$ 130,580

Depreciation and depletion expenses for the years ended December 31, 2019, 2018 and 2017 were approximately $20.4 million, $1.5 million and $0.5 million, respectively.

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 non-operated interests in the Weald Basin, United Kingdom. As of December 31, 2019, we have received consideration of $6.2 million in cash and the equivalent of $7.4 million in the purchaser's publicly traded equity securities ("Tradable Equity Securities"), which are measured at fair value and represent a Level 1 instrument in the fair value hierarchy. We are due to receive the remaining $1.2 million on or before March 31, 2020. The sale of Magellan Petroleum UK generated an overall gain of approximately $4.2 million, all of which has been recognized in the current period as Other income, net in our Consolidated Statements of Operations.

NOTE 6 — DEFERRED ENGINEERING COSTS

Deferred engineering costs of $106.4 million at December 31, 2019 and $69.0 million at December 31, 2018 represent detailed engineering services related to the Driftwood terminal. The balance in this account will be transferred to construction in progress upon reaching an affirmative FID by the Company's board of directors.

NOTE 7 — OTHER NON-CURRENT ASSETS

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

	December 31,	
	2019	2018
Land lease and purchase options	$ 4,320	$ 4,115
Permitting costs	12,838	12,585
Right of use asset - operating leases (Note 17)	15,832	—
Other	3,765	1,959
Total other non-current assets	$ 36,755	$ 18,659

Land Lease and Purchase Options

We hold lease and purchase option agreements (the "Options") for certain tracts of land and associated river frontage. Upon exercise of the Options, the leases are subject to maximum terms of 50 years (inclusive of various renewals, at the option of the Company). Costs of the Options are 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 8 — FINANCIAL INSTRUMENTS

As discussed in Note 10, *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. 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 to 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 liabilities, based on their maturity dates. The Company can net settle its derivative instruments at any time. As of December 31, 2019, we had a current asset, net of $3.1 million, and a non-current asset, net of $0.4 million, related to the fair value of the current and non-current portions of our commodity swaps.

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 Consolidated Statements of Operations. For the years ended December 31, 2019 and 2018, we recognized a realized gain of $3.7 million and a realized loss of $0.1 million, respectively and an unrealized gain of $3.4 million and $0.1 million, respectively, related to the changes in fair value of the commodity swaps in our Consolidated Statements of Operations. Derivative contracts that 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 derivative commodity instruments are reported as a component of cash flows from operations in the accompanying 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 cover approximately 11.4 Bcf and 11.4 Bcf of natural gas, respectively, as of December 31, 2019. The open positions at December 31, 2019 had maturities extending through September 2021.

NOTE 9 — ACCRUED AND OTHER LIABILITIES

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

	December 31,	
	2019	2018
Project development activities	$ 3,851	$ 8,879
Payroll and compensation	18,773	23,286
Accrued taxes	1,018	2,507
Professional services (e.g., legal, audit)	2,906	2,423
Lease liability - current (Note 17)	3,729	—
Other	2,726	4,078
Total accrued and other liabilities	$ 33,003	$ 41,173

NOTE 10 — BORROWINGS

		December 31, 2019		December 31, 2018	
	Maturity	Interest Rate	Amount	Interest Rate	Amount
2019 Term Loan	May 2020 [1]	12% [2]	$ 84,955	—	$ —
2018 Term Loan	September 2021	5%-8% + LIBOR [3]	60,000	5%-8% + LIBOR [3]	60,000
Unamortized deferred financing costs, discounts and fees			(8,306)		(2,952)
Total borrowings			$ 136,649		$ 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 December 31, 2019, the Company is in compliance with all covenants under itstwo credit agreements.

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 16, 2019, after all criteria were met, Driftwood Holdings borrowed the additional funds.

Borrowings under the 2019 Term Loan bear a fixed annual interest rate of 12%, of which 4% may be added by Driftwood Holdings to the outstanding principal as paid-in-kind interest at the end of each reporting period. This election was made in all of the 2019 reporting periods, which resulted in adding approximately $1.8 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. Pursuant to the

terms of the 2019 Term Loan, we are required to maintain an aggregate $30.0 million balance at each month end in accounts constituting collateral.

Upon maturity or early repayment of the 2019 Term Loan, Driftwood Holdings will also pay a final fee equal to 20% of the principal amount borrowed less financing costs and cash interest paid (the "Final Payment Fee") to the lender. As of December 31, 2019, approximately $12.6 million related to the Final Payment Fee has been recognized as a discount to the 2019 Term Loan within our 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 12, *Stockholders' Equity*, for further details.

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. As of December 31, 2019, the unused proceeds from the 2018 Term Loan were $3.9 million and are presented within Non-current restricted cash on our Consolidated Balance Sheet.

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 $5.0 million or any integral multiples of $1.0 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.

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 5, *Property, Plant and Equipment.*

Borrowings Maturities

A summary of borrowings maturities as of December 31, 2019, is as follows (in thousands):

	Principal Payments
2020	$ 76,773
2021	60,000
Total	$ 136,773

Fair Value

As of December 31, 2019 and 2018, 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 December 31, 2019, the fair value of the 2019 Term Loan, on a discounted cash flow basis, was approximately $83.0 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 11 — COMMITMENTS AND CONTINGENCIES

Litigation

In July 2017, Tellurian Investments Inc. (now known as Tellurian Investments LLC), Driftwood LNG, Martin Houston, and three other individuals were named as third-party defendants in a lawsuit filed in state court in Harris County, Texas between Cheniere Energy, Inc. and one of its affiliates, on the one hand (collectively, "Cheniere"), and Parallax Enterprises LLC and certain of its affiliates (not including Parallax Services LLC, now known as Tellurian Services LLC) on the other hand (collectively, "Parallax"). In October 2017, Driftwood Pipeline LLC and Tellurian Services LLC were also named by Cheniere as third-party defendants in the lawsuit. In April 2019, Charif Souki was also named by Cheniere as a third-party defendant in the lawsuit. Cheniere alleged that it entered into a note and a pledge agreement with Parallax. Cheniere claimed, among other things, that the third-party defendants tortiously interfered with the note and pledge agreement and aided in the fraudulent transfer of Parallax assets. Cheniere sought unspecified amounts of monetary damages and certain equitable relief.

In December 2019, Cheniere withdrew its claims against each of the three individuals other than Martin Houston named as third-party defendants in the lawsuit when it was first filed in July 2017. See Note 21, *Subsequent Events*, for further information.

Contractual Obligations

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, based on the JKM price in effect at the time of each purchase, beginning in June 2020 through October 2022.

NOTE 12 — 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 the 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 10, *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 on our 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 6, *Deferred Engineering Costs*, for further information regarding the costs associated with the detailed engineering services.

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.

In March 2017, GE Oil & Gas, Inc. (now known as GE Oil & Gas, LLC) ("GE"), as the holder of all 5.5 million outstanding shares of Tellurian Investments Series A convertible preferred stock (the "Tellurian Investments Preferred Shares"), exchanged those shares into an equal number of shares of Tellurian Inc. Series B convertible preferred stock (the "Series B Preferred Stock") pursuant to the terms of the Tellurian Investments Certificate of Incorporation. The terms of the Series B Preferred Stock were substantially similar to those of the Tellurian Investments Preferred Shares. The Series B Preferred Stock was exchangeable at any time into shares of the Company's common stock on a one-for-one basis, subject to anti-dilution adjustments in certain circumstances.

The ability of GE to exchange the Tellurian Investments Preferred Shares into shares of Series B Preferred Stock or into shares of Tellurian common stock following the Merger required the fair value of such features to be bifurcated from the contract and recognized as an embedded derivative until the Merger Date.

The fair value of the embedded derivative was determined through the use of a model which utilizes certain observable inputs such as the price of Magellan common stock at various points in time and the volatility of Magellan common stock over an assumed half-year holding period from February 10, 2017. At the valuation date, the model also included (i) unobservable inputs related to the weighted probabilities of certain Merger-related scenarios and (ii) a discount for the lack of marketability determined through the use of commonly accepted methods. We have therefore classified the fair value measurements of this embedded derivative as Level 3 inputs. On the Merger Date, the embedded derivative was reclassified to additional paid-in capital in accordance with GAAP.

The following table summarizes the changes in fair value for the embedded derivative (in thousands):

	February 10, 2017
Fair value at the beginning of the period	$ 8,753
(Gain) loss on exchange feature	(2,209)
Fair value at the end of the period	$ 6,544

In June 2017, GE, as the holder of all 5.5 million outstanding shares of Series B Preferred Stock, exercised its right to convert all such shares of Series B Preferred Stock into 5.5 million shares of Tellurian common stock pursuant to and in accordance with the terms of the Series B Preferred Stock.

Public Equity Offerings 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 December 2017, we issued 10.0 million shares of common stock for proceeds of approximately $94.8 million, net of approximately $5.2 million in fees and commissions. The underwriters were granted an option to purchase up to an additional 1.5 million shares of common stock within 30 days. In January 2018, the underwriters exercised their option to purchase an additional 1.5 million shares of our common stock for proceeds of approximately $14.5 million, net of approximately $0.5 million in fees and commissions.

Total Investment

In January 2017, pursuant to a common stock purchase agreement dated as of December 19, 2016, between Tellurian Investments and Total Delaware, Inc. ("Total"), Total purchased, and Tellurian Investments sold and issued to Total, approximately 35.4 million shares of Tellurian Investments common stock for an aggregate purchase price of $207 million, net of offering costs. In connection with the Merger, the shares purchased by Total were exchanged for approximately 46 million shares of Tellurian common stock.

In May 2017, Tellurian and Total entered into a pre-emptive rights agreement pursuant to which Total was granted a right to purchase its pro rata portion of any new equity securities that Tellurian may issue to a third party on the same terms and conditions as such equity securities are offered and sold to such party, subject to certain excepted offerings (the "Pre-emptive Rights Agreement"). Pursuant to the common stock purchase agreement dated as of December 19, 2016, between Tellurian Investments and Total, the terms and conditions of the Pre-emptive Rights Agreement are similar to those contained in the pre-emptive rights agreement dated as of January 3, 2017, between Tellurian Investments and Total, but the Pre-emptive Rights Agreement is subject to additional excepted offerings.

Retirement of Treasury Stock

In December 2017, the Company retired approximately 1.3 million shares of treasury stock. The retired shares were included in the Company's pool of authorized unissued shares.

NOTE 13 — 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 made under the Legacy Plan.

For the years ended December 31, 2019, 2018 and 2017, Tellurian recognized approximately $4.2 million, $5.1 million and $23.0 million, respectively, of share-based compensation expense related to all share-based awards. As of December 31, 2019, unrecognized compensation expense, based on the grant date fair value, for all share-based awards totaled approximately $195.8 million.

Restricted Stock

Upon the vesting of restricted stock, shares of common stock will be released to the grantee. Upon the vesting of certain 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 December 31, 2019, there was no Restricted Stock that would be required to be settled in cash.

As of December 31, 2019, we had granted approximately 24.6 million shares of performance-based Restricted Stock, of which approximately 19.6 million shares will vest entirely based upon an affirmative FID by the Company's board of directors, as defined in the award agreements, and approximately 4.4 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 0.6 million shares, will vest based on other criteria. As of December 31, 2019, no expense had been recognized in connection with performance-based Restricted Stock.

The fair value of the Restricted Stock was established by the market price on the date of grant and, for service-based awards, is being recognized as compensation expense ratably over the vesting term.

The following table provides a summary of our Restricted Stock transactions for the year ended December 31, 2019 (shares and units in thousands):

	Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2019	24,384	$ 7.59
Granted [1]	635	8.53
Vested	(130)	9.24
Forfeited	(264)	12.04
Unvested at December 31, 2019	24,625	7.56

[1] The weighted-average per share grant date fair value of Restricted Stock granted during the years ended December 31, 2018 and 2017 was $11.02 and $9.59, respectively.

The total grant date fair value of restricted stock vested during the years ended December 31, 2019, 2018 and 2017 was approximately $1.2 million, $2.5 million and $3.7 million, respectively.

Stock Options

The 2016 Plan participants have been granted non-qualified options to purchase shares of common stock. Stock options are granted at a price not less than the market price of the common stock on the date of grant. Stock options vest equally over a three-year period from the date of grant. Options shall be exercisable at such time and under such conditions set forth in the underlying award agreement, but in no event shall any option be exercisable later than the tenth anniversary of the date of its grant. The fair value of each stock option award is estimated using the Black-Scholes option pricing model.

The following table provides a summary of our stock option transactions for the year ended December 31, 2019 (stock options in thousands):

	Stock Options	Weighted Average Exercise Price
Outstanding at January 1, 2019	1,988	$ 10.32
Granted	—	—
Exercised	(7)	10.32
Forfeited or Expired	(80)	10.32
Outstanding at December 31, 2019	1,901	$ 10.32
Exercisable at December 31, 2019	1,268	$ 10.32

Valuation assumptions used to value stock options for the year ended December 31, 2017 (there were no stock options granted in 2019 or 2018), were as follows:

Expected term (in years)	6.0
Expected volatility	22.13%
Expected dividend yields	—%
Risk-free rate	2.05%

Due to our limited history, the Company has elected to apply the simplified method to determine the expected term. Additionally, due to our limited history, expected volatility is based on the implied volatility of the Company's peer group as identified by our board of directors. The expected dividend yield is based on historical yields on the date of grant. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of the grant.

There were no stock options granted during the year ended December 31, 2019 or 2018. There were 2.0 million stock options granted during the year ended December 31, 2017, with the weighted average grant date per option fair value of $2.72. There were approximately 7 thousand options exercised during the year ended December 31, 2019. No stock options were exercised during the year ended December 31, 2018 or 2017.

NOTE 14 — SHARE-BASED PAYMENTS

For the years ended December 31, 2019, 2018 and 2017, Tellurian recognized approximately $0.9 million, $0.0 million and $19.4 million, respectively, as share-based expense for various third-party provided services.

In February 2017, the Company issued 409,800 shares of Tellurian common stock, valued at approximately $5.8 million, to a financial adviser in connection with the successful completion of the Merger. This cost has been included in general and administrative expenses in the Consolidated Statements of Operations. Additionally, on the Merger Date, the Company issued 90,350 shares of Tellurian common stock to settle a liability assumed in the Merger valued at approximately $1.3 million.

In March 2017, the Company's board of directors approved the issuance of 1.0 million shares that were purchased at a discount by a commercial development consultant under the Omnibus Plan. The terms of the share purchase agreement did not contain performance obligations or similar vesting provisions; accordingly, the full amount of approximately $11.4 million, representing the aggregate difference between the purchase price of $0.50 per share and the fair value on the date of issuance of $11.88 per share, was recognized on the date of the share purchase and has been included in general and administrative expenses in the Consolidated Statements of Operations.

Also in March 2017, the Company issued 200,000 shares under a management consulting arrangement for specified services performed from March 2017 through May 2017. The services were valued at $11.34 per share on the date of issuance. The total cost of approximately $2.3 million was amortized to general and administrative expenses on a straight-line basis over the three-month service period in the Consolidated Statements of Operations.

NOTE 15 — INCOME TAXES

Income tax benefit (provision) included in our reported net loss consisted of the following (in thousands):

	Year Ended December 31,		
	2019	2018	2017
Current:			
Federal	$ —	$ —	$ —
State	—	—	—
Foreign	—	190	(185)
Total Current	—	190	(185)
Deferred:			
Federal	—	—	—
State	—	—	—
Foreign	—	—	—
Total Deferred	—	—	—
Total income tax benefit (provision)	$ —	$ 190	$ (185)

The sources of loss from operations before income taxes were as follows (in thousands):

	Year Ended December 31,		
	2019	2018	2017
Domestic	$ (139,654)	$ (115,137)	$ (223,991)
Foreign	(12,113)	(10,798)	(7,283)
Total loss before income taxes	$ (151,767)	$ (125,935)	$ (231,274)

The reconciliation of the federal statutory income tax rate to our effective income tax rate is as follows:

	Year Ended December 31,		
	2019	2018	2017
Income tax benefit (provision) at U.S. statutory rate	$ 31,871	$ 26,446	$ 80,946
Share-based compensation	—	—	—
Impairment	—	—	(27,969)
Change in U.S. tax rate	—	—	(30,562)
Change in valuation allowance due to change in U.S. tax rate	—	—	30,562
U.S. state tax	7,529	7,955	—
Change in valuation allowance	(38,953)	(32,086)	(51,030)
Other	(447)	(2,125)	(2,132)
Total income tax benefit (provision)	$ —	$ 190	$ (185)

Significant components of our deferred tax assets and liabilities are as follows (in thousands):

	December 31,	
	2019	2018
Deferred tax assets:		
Capitalized engineering costs	$ 27,705	$ 6,353
Capitalized start-up costs	17,747	19,290
Compensation and benefits	3,478	3,862
Net operating loss carryforwards and credits:		
Federal	60,469	37,822
State	9,700	4,979
Foreign	4,087	2,392
Other, net	6,247	8,328
Deferred tax assets	129,433	83,026
Less valuation allowance	(121,980)	(83,026)
Deferred tax assets, net of valuation allowance	7,453	—
Deferred tax liabilities		
Property and equipment	(7,453)	—
Net deferred tax assets	$ —	$ —

The Tax Cuts and Jobs Act of 2017 (the "Act") was enacted on December 22, 2017, and has several key provisions impacting the accounting for, and reporting of, income taxes. We incorporated the impact of the Act in our results of operations and, at December 31, 2017, we recorded a $30.6 million unfavorable impact on the Company's gross U.S. deferred tax assets and a corresponding $30.6 million favorable impact to the valuation allowance. We have not recorded an adjustment to these amounts, and, as of December 31, 2018, our accounting for the impact of the Tax Act was complete.

As of December 31, 2019, we had federal, state and international net operating loss ("NOL") carryforwards of $273.7 million, $191.3 million and $22.9 million, respectively. Approximately $205.1 million of these NOLs have an indefinite carryforward period. All other NOLs will expire between 2036 and 2037.

Due to our historical losses and other available evidence related to our ability to generate taxable income, we have established a valuation allowance to fully offset our net deferred tax assets as of December 31, 2019, and 2018. We will continue to evaluate the realizability of our deferred tax assets in the future. The increase in the valuation allowance was $39.0 million for the year ended December 31, 2019.

In addition, we experienced a Section 382 ownership change in April 2017. An analysis of the annual limitation on the utilization of our NOLs was performed in accordance with IRC Section 382. It was determined that IRC Section 382 will not

materially limit the use of our NOLs over the carryover period. We will continue to monitor trading activity in our shares which could cause an additional ownership change. If the Company experiences a Section 382 ownership change, it could further affect our ability to utilize our existing NOL carryforwards.

As of December 31, 2019, the Company determined that it has no uncertain tax positions, interest or penalties as defined within ASC 740-10. The Company does not have unrecognized tax benefits. The Company does not believe that it is reasonably possible that the total unrecognized benefits will significantly increase within the next 12 months.

We are subject to tax in the U.S. and various state and foreign jurisdictions. We are not currently under audit by any taxing authority. Federal and state tax returns filed with each jurisdiction remain open to examination under the normal three-year statute of limitations.

Pursuant to ASC 740-30-25-17, the Company recognizes deferred tax liabilities associated with outside basis differences on investments in foreign subsidiaries unless the difference is considered essentially permanent in duration. As of December 31, 2019, the Company has not recorded any deferred taxes on unremitted earnings as the Company has no undistributed earnings and profits. If circumstances change in the foreseeable future and it becomes apparent that some or all of the undistributed earnings and profits will not be reinvested indefinitely, or will be remitted in the foreseeable future, a deferred tax liability will be recorded for some or all of the outside basis difference.

NOTE 16 — LOSS PER SHARE

The following table summarizes the computation of basic and diluted loss per share (in thousands, except per-share amounts):

	Year Ended December 31,		
	2019	**2018**	**2017**
Net loss	$ (151,767)	$ (125,745)	$ (231,459)
Basic and diluted weighted average common shares outstanding	218,548	211,574	188,536
Loss per share:			
Basic and diluted	$ (0.69)	$ (0.59)	$ (1.23)

As of December 31, 2019, 2018 and 2017, the effect of 24.6 million, 24.4 million and 19.9 million, respectively, of unvested restricted stock awards that could potentially dilute basic EPS in the future were not included in the computation of diluted EPS because to do so would have been antidilutive for the periods presented. In addition, as of December 31, 2019, 2018 and 2017, the effect of 1.9 million, 2.0 million and 2.0 million options, respectively, and, as of December 31, 2019 and 2018, the effect of 6.1 million and 6.1 million shares of the Preferred Stock, respectively, all of which could potentially dilute basic EPS in the future, were not included in the computation of diluted EPS because to do so would have been antidilutive for the periods presented. As such, basic and diluted EPS are the same for all periods presented.

NOTE 17 — LEASES

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 standard did not materially impact our consolidated net earnings and had no impact on cash flows as a lease liability arising from obtaining a right of use asset is treated as a non-cash item in our Consolidated Statements of Cash Flows.

Our land leases are classified as financing leases and include one or more options to extend the lease term up to 40 years, as well as terminate within five years, at our sole discretion. We are reasonably certain that those options will be exercised, and that our termination rights will not be exercised, and we have therefore included those assumptions within our right of use assets and corresponding lease liabilities. As of December 31, 2019, our weighted-average remaining lease term for our financing leases is approximately 52 years. As none of our finance leases provide an implicit rate, we have determined our own discount rate, which, on a weighted-average basis at December 31, 2019, was approximately 12%.

As of December 31, 2019, our financing leases have a corresponding right of use asset of approximately $13.4 million recognized within Property, plant and equipment, net, and a total lease liability of approximately $9.9 million which is recognized between Accrued and other liabilities, approximately $1.4 million, and Other non-current liabilities, approximately $8.5 million. For the year ended December 31, 2019, we paid approximately $2.2 million in cash for amounts included in the measurement of finance lease liabilities, all of which are presented within financing cash flows. For the year ended December 31, 2019, our finance lease costs, which are associated with the interest on our lease liabilities, were approximately $0.2 million.

Our office space leases are classified as operating leases and include one or more options to extend the lease term up to 10 years, at our sole discretion. As we are not reasonably certain that those options will be exercised, none are recognized as part of our right of use assets and lease liabilities. As of December 31, 2019, our weighted-average remaining lease term for our operating leases is approximately six years. As none of our operating leases provide an implicit rate, we have determined our own discount rate, which, on a weighted-average basis at December 31, 2019, was approximately 8%.

As of December 31, 2019, our operating leases have a corresponding right of use asset of approximately $15.8 million recognized within Other non-current assets and a total lease liability of approximately $18.1 million which is recognized between Accrued and other liabilities, approximately $2.3 million, and Other non-current liabilities, approximately $15.8 million. For the years ended December 31, 2019, 2018 and 2017, our operating lease costs were $3.6 million, $3.2 million and $2.3 million, respectively. For the years ended December 31, 2019, 2018 and 2017, we paid approximately $3.2 million, $2.2 million and $1.0 million, respectively, in cash for amounts included in the measurement of operating lease liabilities, all of which are presented within operating cash flows.

The table below presents a maturity analysis of our operating and finance lease liabilities on an undiscounted basis and reconciles those amounts to the present value of the operating and finance lease liabilities as of December 31, 2019 (in thousands):

	Operating	Finance
2020	$ 3,667	$ 2,519
2021	3,531	1,019
2022	3,855	1,019
2023	4,139	1,019
2024	3,081	1,019
After 2024	4,980	47,667
Total lease payments	$ 23,253	$ 54,262
Less: discount	5,118	44,366
Present value of lease liability	$ 18,135	$ 9,896

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 18 — SUPPLEMENTAL CASH FLOW INFORMATION

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

	Year Ended December 31,		
	2019	2018	2017
Accounts receivable	$ (3,508)	$ (958)	$ (442)
Prepaid expenses and other current assets	1,147	(431)	(1,419)
Accounts payable and accrued expenses	17,468	23,251	11,338
Other, net	(3,929)	(11,342)	(2,044)
Net changes in working capital	$ 11,178	$ 10,520	$ 7,433

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

	Year Ended December 31,		
	2019	2018	2017
Non-cash accruals of property, plant and equipment and other non-current assets	11,759	8,630	83
2019 Term Loan paid-in-kind election	1,773	—	—
Future proceeds from sale of Magellan Petroleum UK	1,384	—	—
Tradable equity securities	5,069	—	—
Non-cash settlement of withholding taxes associated with the 2018 and 2017 bonus paid and vesting of certain awards, respectively	6,686	5,733	828
Non-cash settlement of the 2018 and 2017 bonus paid, respectively	18,396	15,202	—
Asset retirement obligation additions and revisions	182	115	—
Equity offering cost accrual	—	—	65

The statement of cash flows for the year ended December 31, 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.

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

	December 31,		
	2019	2018	2017
Cash and cash equivalents	$ 64,615	$ 133,714	$ 128,273
Non-current restricted cash	3,867	49,875	—
Total cash, cash equivalents and restricted cash in the statement of cash flows	$ 68,482	$ 183,589	$ 128,273

NOTE 19 — INTERIM FINANCIAL INFORMATION (UNAUDITED)

Amounts presented are in thousands, except, per share amounts (certain amounts may not recalculate exactly due to rounding):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year Ended December 31, 2019				
Total revenue	$ 4,959	$ 5,333	$ 9,344	$ 9,138
Loss from operations	(32,612)	(42,036)	(38,360)	(32,851)
Net loss	(34,126)	(40,493)	(39,607)	(37,541)
Net loss per common share - basic and diluted	(0.16)	(0.19)	(0.18)	(0.17)
Weighted average shares outstanding - basic and diluted	217,838	218,742	218,780	218,819
Year Ended December 31, 2018				
Total revenue	$ 6,801	$ 813	$ 799	$ 1,872
Loss from operations	(25,392)	(36,658)	(34,384)	(31,287)
Net loss	(25,184)	(35,854)	(33,191)	(31,516)
Net loss per common share - basic and diluted	(0.12)	(0.17)	(0.15)	(0.14)
Weighted average shares outstanding - basic and diluted	204,772	206,531	217,380	217,408

NOTE 20 — RECENT ACCOUNTING STANDARDS

The following table provides a description of recent accounting standards that had not been adopted by the Company as of December 31, 2019:

Standard	Description	Date of Adoption	Effect on our Consolidated Financial Statements or Other Significant Matters
ASU 2016-13, *Measurement of Credit Losses on Financial Instruments (Topic 326)*	This standard establishes the current expected credit loss model, a new impairment model for certain financial instruments based on expected rather than incurred losses.	January 1, 2020	The Company adopted the standard on January 1, 2020, and will apply it at the beginning of the period of adoption. The standard did not have a material impact on our financial statements.

Other than as disclosed in Note 17, *Leases*, there were no other recent accounting standards that were adopted by the Company during the reporting period that had a significant effect on our Consolidated Financial Statements.

NOTE 21 — SUBSEQUENT EVENTS

Litigation

As discussed in Note 11, *Commitments and Contingencies*, certain of our subsidiaries, and two of our directors, were named as defendants in a lawsuit brought by Cheniere Energy. On January 30, 2020, Cheniere withdrew all claims it had asserted against our subsidiaries and directors, and all such claims were dismissed with prejudice.

Equity Offering

On February 11, 2020, we entered into a securities purchase agreement with certain accredited investors to sell 2,114,591 shares of common stock of the Company at an offering price of $6.36 per share. Net proceeds from this transaction were approximately $13.1 million.

SUPPLEMENTAL DISCLOSURES ABOUT NATURAL GAS PRODUCING ACTIVITIES

In accordance with FASB and SEC disclosure requirements for natural gas producing activities, this section provides supplemental information on Tellurian's natural gas producing activities in six separate tables. Tables I through III provide historical cost information pertaining to costs incurred in exploration, property acquisitions and development; capitalized costs; and results of operations. Tables IV through VI present information on the Company's estimated net proved reserve quantities, standardized measure of estimated discounted future net cash flows related to proved reserves and changes in estimated discounted future net cash flows.

Table I — Capitalized Costs Related to Natural Gas Producing Activities

Capitalized costs related to Tellurian's natural gas producing activities are summarized as follows (in thousands):

	December 31,		
	2019	2018	2017
Proved properties	$ 142,494	$ 101,459	$ 90,869
Unproved properties	—	10,204	13,000
Gross capitalized costs	142,494	111,663	103,869
Accumulated DD&A	(21,010)	(1,335)	(149)
Net capitalized costs	$ 121,484	$ 110,328	$ 103,720

Table II — Costs Incurred in Exploration, Property Acquisitions and Development

Costs incurred in natural gas property acquisition (inclusive of producing well costs), exploration and development activities are summarized as follows (in thousands):

	Year Ended December 31,		
	2019	2018	2017
Property acquisitions:			
Proved	$ 45,484	$ 13,261	$ 90,869
Unproved	—	204	13,000
Exploration costs	—	—	—
Development	800	2,104	949
Costs incurred	$ 46,284	$ 15,569	$ 104,818

Table III — Results of Operations for Natural Gas Producing Activities

The following table includes revenues and expenses directly associated with our natural gas and condensate producing activities. It does not include any interest costs or indirect general and administrative costs and, therefore, is not necessarily indicative of the contribution to consolidated net operating results of our natural gas operations. Tellurian's results of operations from natural gas and condensate producing activities for the periods presented are as follows (in thousands):

	Year Ended December 31,		
	2019	2018	2017
Natural gas sales	$ 28,774	$ 4,423	$ 503
Operating costs	14,923	11,251	1,668
Depreciation, depletion and amortization	19,736	1,228	115
Impairment charge	—	2,699	—
Total operating costs and expenses	34,659	15,178	1,783
Results of operations	$ (5,885)	$ (10,755)	$ (1,280)

Table IV — Natural Gas Reserve Quantity Information

Our estimated proved reserves are located in Louisiana. We caution that there are many uncertainties inherent in estimating proved reserve quantities and in projecting future production rates and the timing of development expenditures. Accordingly, these estimates are expected to change as further information becomes available. Material revisions of reserve estimates may occur in

the future, development and production of the natural gas and condensate reserves may not occur in the periods assumed, and actual prices realized and actual costs incurred may vary significantly from those used in these estimates.

The estimates of our proved reserves as of December 31, 2019, 2018 and 2017 have been prepared by Netherland, Sewell & Associates, Inc., independent petroleum consultants.

	Gas (MMcf)	Condensate (Mbbl)	Gas Equivalent (MMcfe)
Proved reserves:			
December 31, 2016	—	—	—
Extensions, discoveries and other additions	—	—	—
Revisions of previous estimates	—	—	—
Production	(190)	—	(191)
Sale of reserves-in-place	—	—	—
Purchases of reserves-in-place	327,308	10	327,371
December 31, 2017	327,118	10	327,180
Extensions, discoveries and other additions	22,481	—	22,481
Revisions of previous estimates	(84,061)	(2)	(84,072)
Production	(1,399)	(1)	(1,405)
Sale of reserves-in-place	—	—	—
Purchases of reserves-in-place	715	—	715
December 31, 2018	264,854	7	264,899
Extensions, discoveries and other additions	12,848	—	12,848
Revisions of previous estimates	4,737	(6)	4,696
Production	(13,901)	(1)	(13,905)
Sale of reserves-in-place	—	—	—
Purchases of reserves-in-place	—	—	—
December 31, 2019	268,538	—	268,538
Proved developed reserves:			
December 31, 2017	5,720	10	5,782
December 31, 2018	17,522	7	17,567
December 31, 2019	30,699	—	30,699
Proved undeveloped reserves:			
December 31, 2017	321,398	—	321,398
December 31, 2018	247,332	—	247,332
December 31, 2019	237,839	—	237,839

2018 to 2019 Changes

- Added approximately 13 Bcfe of proved reserves, comprised of 12 Bcfe from additional proved undeveloped locations and 1 Bcfe from drilling activities.
- Had total positive revisions of approximately 4 Bcfe, comprised of 4 Bcfe negative revision due to prices, 2 Bcfe negative revision from changes in operating expenses, 9 Bcfe positive revision from well performance and 1 Bcfe positive revision from changes in ownership.

PUD Changes

- Converted approximately 29 Bcfe to proved developed.
- Added approximately 12 Bcfe from additional proved undeveloped locations.

- Had total positive revisions of approximately 8 Bcfe, comprised primarily of: 9 Bcfe positive revision from well performance, 2 Bcfe negative revision due to prices and a 1 Bcfe positive revision from changes in ownership.

2017 to 2018 Changes

- Added approximately 22 Bcfe of proved reserves, comprised primarily of 19 Bcfe from additional proved undeveloped locations as a result of a more detailed analysis from an updated development plan and 3 Bcfe from drilling activities.
- Had negative revisions of approximately 85 Bcfe, comprised primarily of 59 Bcfe as a result of newly acquired 3D seismic data indicating additional geological faulting risks, which led to a reduction in proved undeveloped locations and some lateral lengths, 14 Bcfe, net, from changes in estimating lateral lengths of proved undeveloped locations as a result of more detailed analysis from an updated development plan, and 12 Bcfe due to loss of leases.
- Recorded positive revisions of approximately 1 Bcfe due to an increase in commodity prices.
- Acquired approximately 1 Bcfe of proved reserves through minor interest acquisitions.

2016 to 2017 Changes

- Acquired 327 Bcfe of reserves in a series of transactions.

Table V — Standardized Measure of Discounted Future Net Cash Flows Related to Proved Natural Gas Reserves

ASC 932 prescribes guidelines for computing a standardized measure of future net cash flows and changes therein relating to estimated proved reserves. Tellurian has followed these guidelines, which are briefly discussed below.

Future cash inflows and future production and development costs as of December 31, 2019, 2018 and 2017 were determined by applying the average of the first-day-of-the-month prices for the 12 months of the year and year-end costs to the estimated quantities of natural gas and condensate to be produced. Actual future prices and costs may be materially higher or lower than the prices and costs used. For each year, estimates are made of quantities of proved reserves and the future periods during which they are expected to be produced based on the continuation of the economic conditions applied for that year. Estimated future income taxes are computed using current statutory income tax rates, including consideration of the current tax basis of the properties and related carryforwards, giving effect to permanent differences and tax credits. The resulting future net cash flows are reduced to present value amounts by applying a 10% annual discount factor.

The assumptions used to compute the standardized measure are those prescribed by the FASB and do not necessarily reflect our expectations of actual revenue to be derived from those reserves or their present worth. The limitations inherent in the reserve quantity estimation process, as discussed previously, are equally applicable to the standardized measure computations since these estimates reflect the valuation process.

The following summary sets forth our future net cash flows relating to proved natural gas and condensate reserves based on the standardized measure (in thousands):

	Year Ended December 31,		
	2019	2018	2017
Future cash inflows	$ 534,577	$ 676,454	$ 777,711
Future production costs	(102,268)	(105,341)	(144,991)
Future development costs	(287,111)	(264,239)	(331,297)
Future income tax provisions	(6,612)	(54,564)	(52,212)
Future net cash flows	138,586	252,310	249,211
Less effect of a 10% discount factor	(85,415)	(106,499)	(161,009)
Standardized measure of discounted future net cash flows	$ 53,171	$ 145,811	$ 88,202

Table VI — Changes in Standardized Measure of Discounted Future Net Cash Flows Related to Proved Natural Gas Reserves

The following table sets forth the changes in the standardized measure of discounted future net cash flows (in thousands):

December 31, 2016	$	—
Sales and transfers of gas and condensate produced, net of production costs		(265)
Net changes in prices and production costs		—
Extensions, discoveries, additions and improved recovery, net of related costs		—
Development costs incurred		—
Revisions of estimated development costs		—
Revisions of previous quantity estimates		—
Accretion of discount		—
Net change in income taxes		(22,921)
Purchases of reserves in place		111,388
Sales of reserves in place		—
Changes in timing and other		—
December 31, 2017	$	88,202
Sales and transfers of gas and condensate produced, net of production costs		(1,773)
Net changes in prices and production costs		27,530
Extensions, discoveries, additions and improved recovery, net of related costs		13,334
Development costs incurred		545
Revisions of estimated development costs		9,663
Revisions of previous quantity estimates		12,991
Accretion of discount		11,112
Net change in income taxes		(9,472)
Purchases of reserves in place		844
Sales of reserves in place		—
Changes in timing and other		(7,165)
December 31, 2018	$	145,811
Sales and transfers of gas and condensate produced, net of production costs		(21,704)
Net changes in prices and production costs		(134,366)
Extensions, discoveries, additions and improved recovery, net of related costs		2,019
Development costs incurred		23,485
Revisions of estimated development costs		6,165
Revisions of previous quantity estimates		(12,660)
Accretion of discount		17,821
Net change in income taxes		28,316
Purchases of reserves in place		—
Sales of reserves in place		—
Changes in timing and other		(1,716)
December 31, 2019	$	53,171

SCHEDULE I

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

TELLURIAN INC.

PARENT COMPANY BALANCE SHEETS

(in thousands, except share and per share)

	Year Ended December 31,	
	2019	**2018**
ASSETS		
Cash and cash equivalents	$ —	$ —
Prepaids and other	214	72
Loan note receivable from a subsidiary	499,504	—
Investments in subsidiaries	—	289,802
Property, plant and equipment, net	—	10,000
Total assets	$ 499,718	$ 299,874
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable	$ 939	$ 114
Accrued liabilities	1,725	1,826
Payables due to subsidiaries	330,769	—
Total liabilities	333,433	1,940
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: 242,207,522 and 240,655,607 shares outstanding, respectively	2,211	2,195
Additional paid-in capital	769,639	749,537
Accumulated deficit	(605,626)	(453,859)
Total stockholders' equity	166,285	297,934
Total liabilities and stockholders' equity	$ 499,718	$ 299,874

The accompanying notes are an integral part of these condensed financial statements.

SCHEDULE I (Continued)

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

TELLURIAN INC.

PARENT COMPANY STATEMENTS OF OPERATIONS

(in thousands)

	Year Ended December 31,		
	2019	**2018**	**2017**
Total revenues	$ —	$ —	$ —
Operating costs and expenses:			
Cost of sales	—	93	15
Development expenses	11,047	2,487	320
General and administrative expenses	20,498	4,618	594
Goodwill impairment	—	—	77,592
Total operating costs and expenses	31,545	7,198	78,521
Other income, net	63,090	—	—
Interest expense	—	2	—
Income (Loss) from operations before income taxes and equity in losses of subsidiaries	31,545	(7,200)	(78,521)
Income tax benefit (provision)	—	—	(4)
Net loss from operations before equity in losses of subsidiaries	$ 31,545	$ (7,200)	$ (78,525)
Equity in losses of subsidiaries, net of tax	$ (183,312)	$ (118,545)	$ (152,934)
Net loss	$ (151,767)	$ (125,745)	$ (231,459)

The accompanying notes are an integral part of these condensed financial statements.

SCHEDULE I (Continued)

CONDENSED FINANCIAL INFORMATION OF REGISTRANT

TELLURIAN INC.

PARENT COMPANY STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended December 31,		
	2019	**2018**	**2017**
Net cash provided (used) by operating activities	6,686	(123,976)	(312,553)
Cash flows from investing activities:			
Cash received in acquisition	—	—	56
Net cash received in investing activities	—	—	56
Cash flows from financing activities:			
Proceeds from the issuance of common stock	—	133,800	318,204
Tax payments for net share settlement of equity awards	(6,686)	(5,734)	—
Equity offering costs	—	(4,090)	(5,707)
Net cash provided (used) by financing activities	(6,686)	123,976	312,497
Net increase (decrease) in cash and cash equivalents	—	—	—
Cash and cash equivalents, beginning of period	—	—	—
Cash and cash equivalents, end of period	$ —	$ —	$ —

The accompanying notes are an integral part of these condensed financial statements.

SCHEDULE I — CONTINUED
TELLURIAN INC.
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

NOTE 1 — BASIS OF PRESENTATION

Tellurian Inc. is a Delaware corporation based in Houston, Texas ("Tellurian"), which wholly owns Tellurian Investments Inc. ("Tellurian Investments"), which in turn wholly owns Tellurian Production Holdings LLC ("Production Holdings"), Tellurian Investment's primary operating company.

On February 10, 2017 (the "Merger Date"), Tellurian Investments Inc. ("Tellurian Investments") completed a merger (the "Merger") with a subsidiary of Magellan Petroleum Corporation ("Magellan"). Magellan changed its corporate name to Tellurian Inc. shortly after completing the Merger. The Merger was accounted for as a "reverse acquisition," with Tellurian Investments being treated as the accounting acquirer. Subsequent to the Merger Date, the information relates to the consolidated entities of Tellurian Inc., with Magellan reflected as the accounting acquiree. In connection with the Merger, each issued and outstanding share of Tellurian Investments common stock was exchanged for 1.3 shares of Magellan common stock. All share amounts in the Condensed Financial Information and related notes have been retroactively adjusted for all periods presented to give effect to this exchange, including reclassifying an amount equal to the change in par value of common stock from additional paid-in capital.

These condensed parent company financial statements reflect the activity of Tellurian as the parent company to each of Production Holdings and Driftwood Holdings and have been prepared in accordance with Rules 5-04 and 12-04 of Regulation S-X, as the restricted net assets of each of Production Holdings and Driftwood Holdings exceed 25% of the consolidated net assets of Tellurian. This information should be read in conjunction with the consolidated financial statements of Tellurian included in this report under the caption Item 8, "Financial Statements and Supplementary Data."

NOTE 2 — PROPERTY, PLANT AND EQUIPMENT

The amounts included in Tellurian's parent-only financial statements related to property, plant and equipment predominantly represent unproved properties in the United Kingdom, as disclosed in Note 5, *Property, Plant and Equipment*, to Tellurian's Consolidated Financial Statements included in this report under the caption Item 8, "Financial Statements and Supplementary Data."

NOTE 3 — GOODWILL IMPAIRMENT

For details regarding the goodwill impairment included in Tellurian's parent-only financial statements, refer to Note 2,*Merger* — The Merger, to Tellurian's Consolidated Financial Statements included in this report under the caption Item 8, "Financial Statements and Supplementary Data."

NOTE 4 — CONTINGENCIES

For details regarding the contingencies related to Tellurian Investments litigation, refer to Note 11,*Commitments and Contingencies*, to Tellurian's Consolidated Financial Statements included in this report under the caption Item 8, "Financial Statements and Supplementary Data."

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Meg A. Gentle, the Company's Chief Executive Officer and President, in her capacity as principal executive officer, and Antoine J. Lafargue, the Company's Senior Vice President and Chief Financial Officer, in his capacity as principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2019, the end of the period covered by this report. Based on that evaluation and as of the date of that evaluation, these officers concluded that the Company's disclosure controls and procedures were effective, providing effective means to ensure that the information we are required to disclose under applicable laws and regulations is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. We made no changes in our internal control over financial reporting during the year ended December 31, 2019, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. We periodically review the design and effectiveness of our disclosure controls, including compliance with various laws and regulations that apply to our operations both inside and outside the U.S. We make modifications to improve the design and effectiveness of our disclosure controls and may take other corrective action if our reviews identify deficiencies or weaknesses in our controls.

Management's Annual Report on Internal Control Over Financial Reporting; Report of Independent Registered Public Accounting Firm

The management report called for by Item 308(a) of Regulation S-K is set forth in Item 8 of Part II of this Annual Report on Form 10-K.

The independent auditors report called for by Item 308(b) of Regulation S-K is set forth in Item 8 of Part II of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting during the quarter endedDecember 31, 2019, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Pursuant to Section 13(r) of the Exchange Act, if during the year ended December 31, 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 annual report on Form 10-K 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 U.S. by non-U.S. entities in compliance with applicable law. During the year ended December 31, 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.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item is incorporated by reference from Tellurian's Definitive Proxy Statement with respect to its 2020 Annual Meeting of Stockholders to be filed not later than April 29, 2020.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from Tellurian's Definitive Proxy Statement with respect to its 2020 Annual Meeting of Stockholders to be filed not later than April 29, 2020.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTER

The information required by this Item with respect to security ownership of certain beneficial owners and management is incorporated by reference from Tellurian's Definitive Proxy Statement with respect to its 2020 Annual Meeting of Stockholders to be filed not later than April 29, 2020.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference from Tellurian's Definitive Proxy Statement with respect to its 2020 Annual Meeting of Stockholders to be filed not later than April 29, 2020.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is incorporated by reference from Tellurian's Definitive Proxy Statement with respect to its 2020 Annual Meeting of Stockholders to be filed not later than April 29, 2020.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following financial statements, financial statement schedules and exhibits are filed as part of this report:

1. *Financial Statements.* Tellurian's consolidated financial statements are included in Item 8 of Part II of this report. Reference is made to the accompanying Index to Financial Statements.
2. *Financial Statement Schedules.* Our financial statement schedules filed herewith are set forth in Item 8 of Part II of this report as follows: Schedule I — Condensed Financial Information of Registrant Tellurian Inc. All valuation and qualifying accounts schedules was omitted since the subject matter thereof is either not present or is not present in amounts sufficient to require submission of the schedule.
3. *Exhibits.* The exhibits listed below are filed, furnished or incorporated by reference pursuant to the requirements of Item 601 of Regulation S-K.

Exhibit No.	Description
1.1*‡	Amended and Restated Distribution Agency Agreement, dated as of January 21, 2020, by and between Tellurian Inc. and Credit Suisse Securities (USA) LLC
2.1‡	Agreement and Plan of Merger, dated as of August 2, 2016, by and among Magellan Petroleum Corporation, Tellurian Investments Inc., and River Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on August 3, 2016), as amended by First Amendment to Agreement and Plan of Merger, dated as of November 23, 2016 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on November 29, 2016) and Second Amendment to Agreement and Plan of Merger, dated as of December 19, 2016 (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on December 21, 2016)
3.1	Amended and Restated Certificate of Incorporation of Tellurian Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on September 22, 2017)
3.1.1	Certificate of Designations of Series C Convertible Preferred Stock of Tellurian Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 21, 2018)
3.2	Amended and Restated Bylaws of Tellurian Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on September 22, 2017)
4.1*	Description of Capital Stock
4.2	Common Stock Purchase Warrant, dated as of May 23, 2019, issued to Nineteen77 Capital Solutions A LP (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019)
10.1	Voting Agreement, dated as of January 3, 2017, by and among Magellan Petroleum Corporation, Tellurian Investments Inc., Total Delaware, Inc., Charif Souki, the Souki Family 2016 Trust and Martin Houston (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 5, 2017)
10.1.1*	Amendment No. 1 to the Voting Agreement, dated as of July 10, 2019, by and among Tellurian Inc., Tellurian Investments LLC, Total Delaware, Inc., Charif Souki, the Souki 2016 Family Trust and Martin Houston
10.2	Voting Agreement, dated as of April 3, 2019, by and between Tellurian Inc., Total Delaware, Inc., Charif Souki, the Souki 2016 Family Trust, and Martin Houston (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 3, 2019)
10.3	Voting Agreement, dated as of April 3, 2019, by and between Tellurian Inc. and Total Delaware, Inc. (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on April 3, 2019)
10.4	Pre-emptive Rights Agreement, dated as of May 10, 2017, by and between Tellurian Inc. and Total Delaware, Inc. (incorporated by reference to Exhibit 10.15 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017)
10.5††	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. (portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 13, 2017)

Exhibit No.	Description
10.5.1	Change Order CO-001, dated as of June 12, 2018, 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. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018)
10.5.2††	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. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019)
10.5.3††	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. (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019)
10.5.4††*	Change Order CO-004, executed on October 21, 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.
10.5.5††*	Change Order CO-005, executed on December 17, 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.
10.6††	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. (portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment) (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on November 13, 2017)
10.6.1	Change Order CO-001, dated as of June 12, 2018, 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. (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018)
10.6.2††	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. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019)
10.6.3††*	Change Order CO-003, executed on October 21, 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.
10.7††	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. (portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment) (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on November 13, 2017)
10.7.1	Change Order CO-001, dated as of June 12, 2018, 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. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018)
10.7.2	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. (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019)
10.7.3††*	Change Order CO-003, executed on October 21, 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.
10.8††	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. (portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment) (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on November 13, 2017)
10.8.1	Change Order CO-001, dated as of June 12, 2018, 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. (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018)

Exhibit No.	Description
10.8.2	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. (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019)
10.8.3††*	Change Order CO-003, executed on October 21, 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.
10.9	Common Stock Purchase Agreement, dated as of April 3, 2019, by and between Tellurian Inc. and Total Delaware, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 3, 2019)
10.10††	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)
10.11††	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)
10.12	Credit Agreement, dated as of September 28, 2018, by and among Tellurian Production Holdings LLC, as borrower, the lender parties thereto, Goldman Sachs Lending Partners LLC, as administrative agent, and J. Aron & Company LLC, as collateral agent (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018)
10.12.1	Omnibus Amendment and Consent, dated as of November 29, 2018, by and among Tellurian Production Holdings LLC, as borrower, the lender parties thereto, Goldman Sachs Lending Partners LLC, as administrative agent, and J. Aron & Company LLC, as collateral agent and initial swap counterparty (incorporated by reference to Exhibit 10.8.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018)
10.12.2	Amendment No. 2 to Credit Agreement, dated as of May 6, 2019, by and among Tellurian Production Holdings LLC, as borrower, the lenders party thereto, Goldman Sachs Lending Partners LLC, as administrative agent, and J. Aron & Company LLC, as collateral agent (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019)
10.12.3	Amendment No. 3 to Credit Agreement, dated as of June 28, 2019, by and among Tellurian Production Holdings LLC, as borrower, the lenders party thereto, Goldman Sachs Lending Partners LLC, as administrative agent, and J. Aron & Company LLC, as collateral agent (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019)
10.12.4*	Amendment No. 4 to Credit Agreement, dated as of December 23, 2019, by and among Tellurian Production Holdings LLC, as borrower, the lenders party thereto, Goldman Sachs Lending Partners LLC, as administrative agent, and J. Aron & Company LLC, as collateral agent
10.13	Credit and Guaranty Agreement, dated as of May 23, 2019, by and among Driftwood Holdings LLC, as borrower, each of the guarantors party thereto, the lenders party thereto, and Wilmington Trust, National Association, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019)
10.14	Parent Guaranty, dated as of September 28, 2018, by and between Tellurian Inc., as guarantor, and J. Aron & Company LLC, as collateral agent (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018)
10.15†	Employment Letter Agreement by and between Tellurian Investments Inc. and Meg A. Gentle, dated as of August 31, 2016 (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-4/A filed on November 8, 2016)
10.16†	Employment Letter Agreement by and between Tellurian Investments Inc. and R. Keith Teague, dated as of September 23, 2016 (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-4/A filed on November 8, 2016)
10.17†	Employment Letter Agreement by and between Tellurian Services LLC and Daniel A. Belhumeur, dated as of September 23, 2016 (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-4/A filed on November 8, 2016)
10.18†	Employment Agreement, dated as of February 9, 2017, by and between Tellurian Services LLC and Antoine Lafargue (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 13, 2017)
10.19†	Employment Letter Agreement, by and between Tellurian Services LLC and Khaled Sharafeldin, dated as of January 9, 2017 (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)
10.20†	Form of Indemnification Agreement (Officers) (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019)

Exhibit No.	Description
10.21†	Form of Indemnification Agreement (Directors) (incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019)
10.22†	Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 22, 2017)
10.22.1†	Restricted Stock Agreement pursuant to the Tellurian Inc. 2016 Omnibus Incentive Compensation Plan, dated as of February 13, 2017, by and between Tellurian Inc. and Antoine Lafargue (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on February 13, 2017)
10.22.2†	Form of Restricted Stock Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (U.S. Selected Senior Management) (Milestone-Based Vesting) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 31, 2018)
10.22.3†	Form of Restricted Stock Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (Directors) (incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019)
10.22.4†	Form of Stock Option Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (U.S. Selected Senior Management) (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017)
10.23†	Amended and Restated Tellurian Investments Inc. 2016 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on February 13, 2017)
10.23.1†	Form of Restricted Stock Amendment Letter regarding the Amended and Restated Tellurian Investments Inc. 2016 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on February 13, 2017)
10.23.2†	Form of Notice of Grant and Restricted Stock Award Agreement pursuant to the 2016 Tellurian Investments Omnibus Incentive Plan (Milestone-Based Vesting) (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on February 13, 2017)
10.23.3†	Form of Amendment to Restricted Stock Agreement pursuant to the Amended and Restated Tellurian Investments Inc. 2016 Omnibus Incentive Plan (Employees) (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)
10.24†	Form of Construction Incentive Award Agreement (U.S. Selected Senior Management) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 23, 2018)
10.25†	Form of Construction Incentive Award Agreement (U.S. Employees) (incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018)
21.1*	Subsidiaries of Tellurian Inc.
23.1*	Consent of Deloitte & Touche LLP
23.2*	Consent of Netherland, Sewell & Associates, Inc.
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)
99.2*	Summary Reserves Report of Netherland, Sewell & Associates, Inc.
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	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan or arrangement.

†† Portions of this exhibit have been omitted in accordance with Item 601(b)(2) or 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. The registrant hereby agrees to furnish supplementally an unredacted copy of this exhibit to the Securities and Exchange Commission upon request.

‡ Certain schedules or similar attachments to this exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K. The registrant hereby agrees to furnish supplementally to the Securities and Exchange Commission upon request a copy of any omitted schedule or attachment to this exhibit.

ITEM 16. FORM 10-K SUMMARY

None.

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: February 24, 2020 By: /s/ Antoine J. Lafargue
Antoine J. Lafargue
Senior Vice President and Chief Financial Officer
(as Principal Financial Officer)
Tellurian Inc.

Date: February 24, 2020 By: /s/ Khaled A. Sharafeldin
Khaled A. Sharafeldin
Chief Accounting Officer
(as Principal Accounting Officer)
Tellurian Inc.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Meg A. Gentle — Date: February 24, 2020
Meg A. Gentle, Director, President and Chief Executive Officer, Tellurian Inc. (as Principal Executive Officer)

/s/ Antoine J. Lafargue — Date: February 24, 2020
Antoine J. Lafargue, Senior Vice President and Chief Financial Officer, Tellurian Inc. (as Principal Financial Officer)

/s/ Khaled A. Sharafeldin — Date: February 24, 2020
Khaled A. Sharafeldin, Chief Accounting Officer, Tellurian Inc. (as Principal Accounting Officer)

/s/ Charif Souki — Date: February 24, 2020
Charif Souki, Director and Chairman, Tellurian Inc.

/s/ Martin J. Houston — Date: February 24, 2020
Martin J. Houston, Director and Vice Chairman, Tellurian Inc.

/s/ Diana Derycz-Kessler — Date: February 24, 2020
Diana Derycz-Kessler, Director, Tellurian Inc.

/s/ Dillon J. Ferguson — Date: February 24, 2020
Dillon J. Ferguson, Director, Tellurian Inc.

/s/ Eric P. Festa — Date: February 24, 2020
Eric P. Festa, Director, Tellurian Inc.

/s/ Brooke A. Peterson — Date: February 24, 2020
Brooke A. Peterson, Director, Tellurian Inc.

/s/ Don A. Turkleson — Date: February 24, 2020
Don A. Turkleson, Director, Tellurian Inc.

Exhibit 1.1

TELLURIAN INC.

Common Stock
$0.01 Par Value

AMENDED AND RESTATED DISTRIBUTION AGENCY AGREEMENT

January 21, 2020

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010-3629

Dear Sirs:

1. *Introduction*. This amended and restated distribution agency agreement amends, restates, and supersedes in its entirety that certain distribution agency agreement, dated as of March 15, 2017, between the Company and the Manager (each, as defined below). Tellurian Inc., a Delaware corporation (the "**Company**"), agrees with Credit Suisse Securities (USA) LLC (the "**Manager**") to issue and sell from time to time through the Manager, as sales agent, shares of its common stock, $0.01 par value (the "**Common Stock**"), having an aggregate offering price of up to $189,305,387 (the "**Maximum Amount**") on the terms set forth herein. The shares of Common Stock to be issued and sold hereunder shall be referred to as the "**Shares**."

2. *Representations and Warranties of the Company.* The Company represents and warrants to, and agrees with, the Manager that:

(a) *Filing and Effectiveness of Registration Statement; Certain Defined Terms.* The Company and the transactions contemplated by this Agreement meet the requirements for and comply with the applicable conditions set forth in Form S-3 (including General Instructions I.A and I.B) under the Act (as defined below). The Company has filed with the Commission a registration statement on Form S-3 (No. 333-235793), including a related prospectus or prospectuses, covering the registration of the Shares under the Act, which became effective at the time of filing. "**Registration Statement**" at any particular time means such registration statement in the form then filed with the Commission and any Replacement Registration Statement as contemplated by Section 2(c) below, including any amendment thereto, any document incorporated by reference therein and all 430B Information and all 430C Information with respect to such registration statement, that in any case has not been superseded or modified. "**Registration Statement**" without reference to a time means the Registration Statement as of the Effective Time. For purposes of this definition, 430B Information shall be considered to be included in the Registration Statement as of the time specified in Rule 430B. The Prospectus Supplement will name the Manager as the agent in the section entitled "Plan of Distribution." The Company has not received, and has no notice of, any order of the Commission preventing or suspending the use of the Registration Statement, or threatening or instituting proceedings for that purpose. The Registration Statement and the offer and sale of Shares as contemplated hereby meet the requirements of Rule 415 under the Act and comply in all material respects with said Rule. Any statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement have been so described or filed. Copies of the Registration Statement, the Prospectus, and any such amendments or supplements and all documents incorporated by reference therein that were filed with the Commission on or prior to the date of this Agreement have been delivered, or are available through EDGAR (as defined below), to the Manager and its counsel. The Company has not distributed and, prior to the later to occur of each Settlement Date (as defined below) and completion of the distribution of the Shares, will not distribute any offering material in connection with the offering or sale of the Shares other than the Registration Statement and the Prospectus and any Permitted Issuer Free Writing Prospectus. The Common Stock is registered pursuant to Section 12(b) of the Exchange Act and is currently listed on The NASDAQ Capital Market ("**NASDAQ**") under the trading symbol "TELL." The Company has taken no action designed to terminate the registration of the Common Stock under the Exchange Act or delist the Common Stock from NASDAQ. The Company has not received any notification that the Commission is contemplating terminating such registration. Except as set forth in the General Disclosure Package (as defined below), the Company (i) has not received any notification that NASDAQ is contemplating a delisting of the Common Stock from NASDAQ, and (ii) is, to its knowledge, in material compliance with all applicable listing requirements of NASDAQ.

For purposes of this Agreement:

"**430B Information**" means information included in a prospectus then deemed to be a part of the Registration Statement pursuant to Rule 430B(e) or retroactively deemed to be a part of the Registration Statement pursuant to Rule 430B(f).

"**430C Information**" means information included in a prospectus then deemed to be a part of the Registration Statement pursuant to Rule 430C.

"**Act**" means the Securities Act of 1933, as amended.

"**Applicable Time**" means the time of each sale of any Shares pursuant to this Agreement.

"**Basic Prospectus**," as used herein, means the base prospectus filed as part of each Registration Statement, together with any amendments or supplements thereto as of the date of this Agreement.

"**Commission**" means the Securities and Exchange Commission.

"**Effective Time**" of the Registration Statement relating to the Shares means each date and time that the Registration Statement and any post-effective amendment or amendments thereto became or becomes effective.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Permitted Issuer Free Writing Prospectus**" means any "issuer free writing prospectus," as defined in Rule 433, relating to the Shares in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g) and, in each case, to which the Manager has consented (such consent not to be unreasonably withheld or delayed).

"**Permitted Limited Use Free Writing Prospectus**" means any Permitted Issuer Free Writing Prospectus that that the Company and the Manager agree shall not be considered to be part of the General Disclosure Package.

"**Prospectus**" means the Prospectus Supplement together with the Basic Prospectus attached to or used with the Prospectus Supplement.

"**Prospectus Supplement**" means the final prospectus supplement, relating to the Shares, filed by the Company with the Commission pursuant to Rule 424(b) under the Act within the time period prescribed therein, in the form furnished by the Company to the Manager in connection with the offering of the Shares.

"**Representation Date**" means each date after the date hereof on which the Registration Statement or the Prospectus shall be amended or supplemented, each date on which the Company shall file an annual report on Form 10-K or quarterly report on Form 10-Q and each date on which the Company shall file a report on Form 8-K containing financial statements incorporated by reference into the Registration Statement and the General Disclosure Package.

"**Rules and Regulations**" means the rules and regulations of the Commission.

"**Securities Laws**" means, collectively, the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), the Act, the Exchange Act, the Rules and Regulations, the auditing principles, rules, standards and practices applicable to auditors of "issuers" (as defined in the Sarbanes-Oxley Act) promulgated or approved by the Public Company Accounting Oversight Board and, as applicable, the rules of the New York Stock Exchange and the NASDAQ Stock Market.

"**Statutory Prospectus**" with reference to any particular time means the prospectus relating to the Shares that is included in the Registration Statement immediately prior to that time, including all 430B Information and all 430C Information with respect to the Registration Statement. For purposes of the foregoing definition, 430B Information shall be considered to be included in the Statutory Prospectus only as of the actual time that form of prospectus (including a prospectus supplement) is filed with the Commission pursuant to Rule 424(b) and not retroactively.

Unless otherwise specified, (i) a reference to a "rule" is to the indicated rule under the Act and (ii) a reference to any document includes any document incorporated by reference therein.

(b) *No Misstatement or Omission.* The Registration Statement, when it became effective, and the Prospectus, and any amendment or supplement thereto, on the date of such Prospectus or amendment or supplement, conformed and will conform in all material respects with the requirements of the Act. At each Settlement Date, the Registration Statement and the Prospectus, as of such date, will conform in all material respects with the requirements of the Act. The Registration Statement, when it became effective, did not, and will not, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The foregoing shall not apply to statements in, or omissions from, any such document made in reliance upon, and in conformity with, information furnished to the Company by the Manager specifically for use in the preparation thereof.

(c) *Automatic Shelf Registration Statement.* (i) *Well-Known Seasoned Issuer Status*. (A) At the time of initial filing of the Registration Statement, (B) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Section 13 or 15(d) of the Exchange Act or form of prospectus), and (C) at the time the Company or any person acting on its behalf (within the meaning, for this clause only, of Rule 163(c)) made any offer relating to the Shares in reliance on the exemption of Rule 163, the Company was a "well-known seasoned issuer" as defined in Rule 405, including not being an "ineligible issuer" as defined in Rule 405; provided, however, that if the Company ceases to be a "well-known seasoned issuer" at the time contemplated by clause (B), this representation shall nevertheless be deemed to be correct if the Company has filed by that time a non-automatically effective registration statement on Form S-3 as contemplated by Rule 415(a)(6) under the Act in a form substantially similar to the Registration Statement as filed on January 3, 2020, *mutatis mutandis* (a "**Replacement Registration Statement**"). In the event the Company files a Replacement Registration Statement, it will promptly file a prospectus supplement relating to the Replacement Registration Statement, and such prospectus supplement shall be considered the "Prospectus Supplement" hereunder.

(ii) *Effectiveness of Shelf Registration Statement.* The Registration Statement initially became effective within three years of the date hereof.

(iii) *Eligibility to Use Shelf Registration Form.* The Company has not received from the Commission any notice pursuant to Rule 401(g)(2) objecting to use of the shelf registration statement form. If at any time the Company receives from the Commission a notice pursuant to Rule 401(g)(2) or otherwise ceases to be eligible to use the shelf registration statement form, the Company will promptly notify the Manager and will take all other commercially reasonable action necessary or appropriate to permit the public offering and sale of the Shares to continue as contemplated in the registration statement that was the subject of the Rule 401(g)(2) notice or for which the Company has otherwise become ineligible. References herein to the Registration Statement shall include such a registration statement or post-effective amendment, as the case may be.

(iv) *Filing Fees*. The Company has paid or shall pay the required Commission filing fees relating to the Shares within the time required by Rule 456(b)(1) and otherwise in accordance with Rules 456(b) and 457(r).

(d) *Ineligible Issuer Status*. (i) At the earliest time after the filing of the Registration Statement that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2)) of the Shares and (ii) at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405, including (x) the Company or any other subsidiary in the preceding three years not having been convicted of a felony or misdemeanor or having been made the subject of a judicial or administrative decree or order as described in Rule 405 and (y) the Company in the preceding three years not having been the subject of a bankruptcy petition or insolvency or similar proceeding, not having had a registration statement be the subject of a proceeding under Section 8 of the Act and not being the subject of a proceeding under Section 8A of the Act in connection with the offering of the Shares, all as described in Rule 405.

(e) *General Disclosure Package*. As of each Applicable Time, neither (i) the Permitted Issuer Free Writing Prospectus(es) issued at or prior to each Applicable Time and the Prospectus, all considered together (collectively, the "**General Disclosure Package**"), nor (ii) any individual Permitted Limited Use Free Writing Prospectus, when considered together with the General Disclosure Package, will include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. The preceding sentence does not apply to statements in or omissions from any Prospectus or any Permitted Issuer Free Writing Prospectus in reliance upon and in conformity with written information furnished to the Company by the Manager specifically for use therein, it being understood and agreed that the only such information furnished by the Manager consists of the information described as such in Section 6(b) hereof.

(f) *Conformity with the Act and Exchange Act.* The Registration Statement, the Prospectus, any Permitted Issuer Free Writing Prospectus or any amendment or supplement thereto, and the documents incorporated by reference in the Registration Statement, the Prospectus or any amendment or supplement thereto, when such documents were or are filed with the Commission under the Act or the Exchange Act or became or become effective under the Act, as the case may be, conformed or will conform in all material respects with the requirements of the Act and the Exchange Act, as applicable.

(g) *Financial Information*. The consolidated financial statements of the Company included or incorporated by reference in the Registration Statement and the General Disclosure Package, together with the related notes and schedules, present fairly, in all material respects, the consolidated financial position of the Company and the Subsidiaries

(as defined below) as of the dates indicated and the consolidated results of operations, cash flows and changes in stockholders' equity of the Company for the periods specified and have been prepared in compliance with the requirements of the Act and Exchange Act and in conformity with U.S. generally accepted accounting principles applied, except as otherwise set forth therein, on a consistent basis during the periods involved; the other financial and statistical data with respect to the Company and the Subsidiaries contained or incorporated by reference in the General Disclosure Package are accurately and fairly presented and prepared on a basis consistent with the financial statements and books and records of the Company; there are no financial statements (historical or pro forma) that are required to be included or incorporated by reference in the Registration Statement or General Disclosure Package that are not included or incorporated by reference as required; the Company and the Subsidiaries do not have any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations), that are required to be described in the Registration Statement (excluding the exhibits thereto) and the General Disclosure Package and are not so described; and all disclosures contained or incorporated by reference in the General Disclosure Package regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Exchange Act and Item 10 of Commission Regulation S-K, to the extent applicable.

(h) [*Intentionally Omitted*].

(i) *Conformity with EDGAR Filing.* The Prospectus delivered to the Manager for use in connection with the sale of the Shares pursuant to this Agreement will be identical to the versions of the Prospectus created to be transmitted to the Commission for filing via EDGAR, except to the extent permitted by Regulation S-T.

(j) *Organization*. The Company and each of its Subsidiaries are, and will be at each Applicable Time, duly organized, validly existing as a corporation or other entity and in good standing under the laws of its jurisdiction of organization, except in the case of such Subsidiaries where the failure to be so organized or existing or in good standing would not, individually or in the aggregate, have a material adverse effect or would reasonably be expected to have a material adverse effect on or affecting the assets, business, operations, earnings, properties, condition (financial or otherwise), prospects, stockholders' equity or results of operations of the Company and the Subsidiaries taken as a whole (a "**Material Adverse Effect**"). The Company and each of its Subsidiaries is, and will be at each Applicable Time, duly licensed or qualified as a foreign corporation or other entity for transaction of business and in good standing under the laws of each other jurisdiction in which its ownership or lease of property or the conduct of its business requires such license or qualification, and has all organizational power and authority necessary to own or hold its properties and to conduct its business as described in the General Disclosure Package, except where the failure to be so licensed or qualified or in good standing or have such power or authority would not, individually or in the aggregate, have a Material Adverse Effect.

(k) *Subsidiaries*. As of the date of this Agreement, the subsidiaries set forth on Schedule A hereto (collectively, the "**Subsidiaries**") are the Company's only significant subsidiaries (as such term is defined in Rule 1-02 of Regulation S-X promulgated by the Commission). Except as set forth in the General Disclosure Package, the Company owns, directly or indirectly, all of the equity interests of the Subsidiaries free and clear of any material lien, charge, security interest, encumbrance, right of first refusal or other restriction, and all the equity interests of the Subsidiaries are validly issued and are fully paid, and in the case of Subsidiaries that are corporations, nonassessable. Except as set forth in the General Disclosure Package, no Subsidiary is currently subject to a direct or indirect prohibition on paying any dividends to the Company, from making any other distribution on such Subsidiary's capital stock, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary's property or assets to the Company or any other Subsidiary of the Company that would, individually or in the aggregate, have a Material Adverse Effect.

(l) *No Violation or Default*. Except as set forth in the General Disclosure Package, neither the Company nor any of its Subsidiaries is (i) in violation of its charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which any of the property or assets of the Company or any of its Subsidiaries are subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of each of clauses (ii) and (iii) above, for any such violation or default that would not, individually or in the aggregate, have a Material Adverse Effect. Except as set forth in the General Disclosure Package, to the Company's knowledge, no other party under any material contract or other agreement to which it or any of its Subsidiaries is a party is in default in any respect thereunder where such default would have a Material Adverse Effect.

(m) *No Material Adverse Change.* Subsequent to the respective dates as of which information is given in the Registration Statement, the Prospectus and the Permitted Issuer Free Writing Prospectuses, if any (including any document deemed incorporated by reference therein), there has not been (i) any Material Adverse Effect, (ii) any transaction which is material to the Company and the Subsidiaries taken as a whole, (iii) any obligation or liability, direct or contingent (including any off-balance sheet obligations), incurred by the Company or any Subsidiary, which is material to the Company and the Subsidiaries taken as a whole and would be required to be described in the General Disclosure Package, (iv) any material change in the capital stock or outstanding long-term indebtedness of the Company or any of its Subsidiaries or (v) any dividend or distribution of any kind declared, paid or made on the capital stock of the Company or any Subsidiary, other than (a) in each case above in the ordinary course of business or as otherwise disclosed in the General Disclosure Package (including any document deemed incorporated by reference therein) and (b) in the case of (iv) or (v), transactions between or among the Company and one or more of its directly or indirectly wholly-owned subsidiaries, option grants and exercises and other transactions pursuant to the Company's equity compensation plans and payments of dividends on or the conversion of shares of the Company's Series C Convertible Preferred Stock, par value $0.01 per share (the "**Series C Preferred Stock**").

(n) *Capitalization.* The issued and outstanding shares of capital stock of the Company have been validly issued, are fully paid and nonassessable and, other than as disclosed in the General Disclosure Package, are not subject to any preemptive rights, rights of first refusal or similar rights. The Company has an authorized, issued and outstanding equity capitalization as set forth in the General Disclosure Package as of the dates referred to therein (the issued and outstanding equity capitalization as of any date being subject to option grants and exercises and other transactions pursuant to the Company's equity compensation plans, payments of dividends on or the conversion of shares of Series C Preferred Stock and sales of Shares hereunder) and such authorized capital stock conforms in all material respects to the description thereof set forth in the General Disclosure Package. The description of the securities of the Company in the General Disclosure Package is complete and accurate in all material respects. Except as disclosed in or contemplated by the General Disclosure Package, as of the date referred to therein, the Company does not have outstanding any options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or exchangeable for, or any contracts or commitments to issue or sell, any shares of capital stock or other securities, other than options and other awards granted under the Company's equity compensation plans and as may be issued pursuant to the terms of the Series C Preferred Stock.

(o) *Authorization; Enforceability.* The Company has full corporate power and authority to enter into this Agreement and perform the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Company and is a legal, valid and binding agreement of the Company enforceable in accordance with its terms, except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles.

(p) *Authorization of Shares.* The Shares, when issued and delivered pursuant to the terms approved by the board of directors of the Company or a duly authorized committee thereof, or a duly authorized executive committee, against payment therefor as provided herein, will be duly and validly authorized and issued and fully paid and nonassessable, free and clear of any pledge, lien, encumbrance, security interest or other claim, including any statutory or contractual preemptive rights (except for preemptive rights disclosed in the General Disclosure Package), rights of first refusal or other similar rights, and will be registered pursuant to Section 12 of the Exchange Act. The Shares, when issued, will conform in all material respects to the description thereof set forth in or incorporated into the Prospectus.

(q) *No Consents Required*. No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Company of this Agreement and the issuance and sale by the Company of the Shares, except for such consents, approvals, authorizations, orders and registrations or qualifications as have already been obtained or as may be required under applicable state securities or other blue-sky laws or by the by-laws and rules of the Financial Industry Regulatory Authority ("**FINRA**") or NASDAQ in connection with the sale of the Shares by the Manager.

(r) *No Preferential Rights.* Except as set forth in the General Disclosure Package, (i) no person, as such term is defined in Rule 1-02 of Regulation S-X promulgated under the Act (each, a "**Person**"), has the right, contractual or otherwise, to cause the Company to issue or sell to such Person any Common Stock or shares of any other capital stock or other securities of the Company other than pursuant to grants under the Company's equity compensation plans, (ii) no Person has any preemptive rights, resale rights, rights of first refusal, rights of co-sale, or any other rights (whether pursuant to a "poison pill" provision or otherwise) to purchase any Common Stock or shares of any other capital stock or other securities of the Company, (iii) no Person has the right to act as an underwriter or as a financial advisor to the Company in connection with the offer and sale of the Shares, and (iv) no Person has the right, contractual or otherwise,

to require the Company to register under the Act any Common Stock or shares of any other capital stock or other securities of the Company, or to include any such shares or other securities in the Registration Statement or the offering contemplated thereby, whether as a result of the filing or effectiveness of the Registration Statement or the sale of the Shares as contemplated thereby or otherwise.

(s) *Independent Public Accounting Firm.* Deloitte & Touche LLP, whose report on the consolidated financial statements of the Company is filed with the Commission as part of the Company's most recent annual report on Form 10-K filed with the Commission and incorporated by reference into the Registration Statement and the General Disclosure Package, is and, during the periods covered by its report, was an independent registered public accounting firm within the meaning of the Act and the Public Company Accounting Oversight Board (United States). To the Company's knowledge, Deloitte & Touche LLP is not in violation of the auditor independence requirements of the Sarbanes-Oxley Act with respect to the Company.

(t) *Enforceability of Agreements.* All agreements between the Company and third parties expressly referenced in the Prospectus are, except as would not have a Material Adverse Effect, legal, valid and binding obligations of the Company enforceable in accordance with their respective terms, except to the extent that (i) enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general equitable principles and (ii) the indemnification provisions of certain agreements may be limited by federal or state securities laws or public policy considerations in respect thereof.

(u) *No Litigation.* Except as set forth in the General Disclosure Package, there are no legal, governmental or regulatory actions, suits or proceedings pending, nor, to the Company's knowledge, any legal, governmental or regulatory audits or investigations, to which the Company or a Subsidiary is a party or to which any property of the Company or any of its Subsidiaries is the subject, that in each case, individually or in the aggregate, would have a Material Adverse Effect and, to the Company's knowledge, no such actions, suits or proceedings are threatened or contemplated by any governmental or regulatory authority or threatened by others. There are no current or pending legal, governmental or regulatory audits or investigations, actions, suits or proceedings that are required under the Act to be described in the General Disclosure Package that are not so described and there are no contracts or other documents that are required under the Act to be filed as exhibits to the Registration Statement that are not so filed.

(v) *Intellectual Property.* Except as disclosed in the General Disclosure Package, the Company and its Subsidiaries own, possess, license or have other rights to use all foreign and domestic patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, licenses, inventions, trade secrets, technology, Internet domain names, know-how and other intellectual property (collectively, the "**Intellectual Property**") necessary for the conduct of their respective businesses as now conducted except to the extent that the failure to own, possess, license or otherwise hold adequate rights to use such Intellectual Property would not, individually or in the aggregate, have a Material Adverse Effect. Except as disclosed in the General Disclosure Package, (i) there are no rights of third parties to any such Intellectual Property owned by the Company and its Subsidiaries; (ii) to the Company's knowledge, there is no infringement by third parties of any such Intellectual Property; (iii) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the Company's and its Subsidiaries' rights in or to any such Intellectual Property; (iv) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the validity or scope of any such Intellectual Property; (v) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others that the Company and its Subsidiaries infringe or otherwise violate any patent, trademark, copyright, trade secret or other proprietary rights of others; (vi) to the Company's knowledge, there is no third-party U.S. patent or published U.S. patent application which contains claims for which an Interference Proceeding (as defined in 35 U.S.C. § 135) has been commenced against any patent or patent application described in the Prospectus as being owned by or licensed to the Company; and (vii) the Company and its Subsidiaries have complied with the terms of each agreement pursuant to which Intellectual Property has been licensed to the Company or such Subsidiary, and all such agreements are in full force and effect, except, in the case of any of clauses (i)-(vii) above, as would not, individually or in the aggregate, result in a Material Adverse Effect.

(w) *No Material Defaults.* Neither the Company nor any of the Subsidiaries has defaulted on any installment on indebtedness for borrowed money or on any rental on one or more long-term leases, which defaults, individually or in the aggregate, would have a Material Adverse Effect. The Company has not filed a report pursuant to Section 13(a) or 15(d) of the Exchange Act since the filing of its last annual report on Form 10-K, indicating that it (i) has failed to pay any dividend or sinking fund installment on preferred stock or (ii) has defaulted on any installment on indebtedness for borrowed money or on any rental on one or more long-term leases, which defaults, individually or in the aggregate, would have a Material Adverse Effect.

(x) *Certain Market Activities*. Neither the Company, nor any of the Subsidiaries, nor, to the Company's knowledge, any of their respective directors, officers or controlling persons has taken, directly or indirectly, any unlawful action designed, or that has constituted or might reasonably be expected to cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(y) *Broker/Dealer Relationships*. Neither the Company nor any of the Subsidiaries (i) is required to register as a "broker" or "dealer" in accordance with the provisions of the Exchange Act or (ii) directly or indirectly through one or more intermediaries, controls or is a "person associated with a member" or "associated person of a member" (within the meaning set forth in the FINRA Manual).

(z) *No Reliance.* The Company has not relied upon the Manager or legal counsel for the Manager for any legal, tax or accounting advice in connection with the offering and sale of the Shares.

(aa) *Taxes*. The Company and each of its Subsidiaries have filed all federal, state, local and foreign tax returns which have been required to be filed and paid all taxes shown thereon through the date hereof, to the extent that such taxes have become due and are not being contested in good faith, except where the failure to so file or pay would not have a Material Adverse Effect. Except as otherwise disclosed in or contemplated by the General Disclosure Package, no tax deficiency has been determined adversely to the Company or any of its Subsidiaries which has had, or would have, individually or in the aggregate, a Material Adverse Effect. Except as set forth in the General Disclosure Package, the Company has no knowledge of any federal, state or other governmental tax deficiency, penalty or assessment which has been or is reasonably likely to be asserted or threatened against it which would have a Material Adverse Effect.

(bb) *Title to Real and Personal Property.* Except as set forth in the General Disclosure Package, the Company and its Subsidiaries have valid and defensible title, in accordance with customary industry standards for companies of comparable size, to substantially all their respective interests in natural gas and oil properties leased or owned by them, good and marketable title in fee simple to all other items of real property owned by them, good and valid title to all personal property described in the General Disclosure Package as being owned by them that are material to the businesses of the Company or such Subsidiary, in each case free and clear of all liens, encumbrances and claims (other than under joint operating and other agreements and arrangements customary in the oil and gas industry), except those matters that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and any of its Subsidiaries or (ii) would not, individually or in the aggregate, have a Material Adverse Effect. Other than oil and gas properties, any real or personal property described in the General Disclosure Package as being leased by the Company and any of its Subsidiaries is held by them under valid, existing and enforceable leases, except those that (A) do not materially interfere with the use made or proposed to be made of such property by the Company or any of its Subsidiaries or (B) would not be reasonably expected, individually or in the aggregate, to have a Material Adverse Effect. Each of the properties of the Company and its Subsidiaries complies with all applicable codes, laws and regulations (including, without limitation, building and zoning codes, laws and regulations and laws relating to access to such properties), except if and to the extent disclosed in the General Disclosure Package or except for such failures to comply that would not, individually or in the aggregate, reasonably be expected to interfere in any material respect with the use made and proposed to be made of such property by the Company and its Subsidiaries or otherwise have a Material Adverse Effect. Except as set forth in the General Disclosure Package, none of the Company or its Subsidiaries has received from any governmental or regulatory authorities any notice of any condemnation of, or zoning change affecting, the properties of the Company and its Subsidiaries, and the Company knows of no such condemnation or zoning change which is threatened, in each case except for such that would not reasonably be expected to interfere in any material respect with the use made and proposed to be made of such property by the Company and its Subsidiaries or otherwise have a Material Adverse Effect, individually or in the aggregate. The Company and each of its Subsidiaries have such consents, easements, rights of way or licenses from any person (collectively, "**rights-of-way**") as are necessary to enable the Company and each of its Subsidiaries to conduct its business in the manner described in the General Disclosure Package, subject to such qualifications as may be set forth in the General Disclosure Package, and except for such rights-of-way the lack of which would not have, individually or in the aggregate, a Material Adverse Effect or would reasonably be expected to be granted in the future in the ordinary course of business.

(cc) *Environmental Laws.* Except as set forth in the General Disclosure Package, the Company and its Subsidiaries (i) are in compliance with any and all applicable federal, state, local and foreign laws, rules, regulations, decisions and orders relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "**Environmental Laws**"); (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses as described in the General Disclosure Package, other than permits expected to be granted in the

future in the ordinary course of business or as otherwise described in the General Disclosure Package; and (iii) have not received notice of any actual or potential liability for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, except, in the case of any of clauses (i), (ii) or (iii) above, for any such failure to comply or failure to receive required permits, licenses, other approvals or liability as would not, individually or in the aggregate, have a Material Adverse Effect.

(dd) *Internal and Disclosure Controls.* The Company and each of its Subsidiaries maintain systems of internal accounting controls designed to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company's internal control over financial reporting is effective and the Company is not aware of any material weaknesses in its internal control over financial reporting (other than as set forth in the Prospectus) (it being understood that as of the date of this Agreement, the Company has not completed its assessment of its internal control over financial reporting as of December 31, 2019). Since the date of the latest audited financial statements of the Company included in the Prospectus, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting that is required to be disclosed in the documents incorporated by reference into the General Disclosure Package and the Registration Statement that is not so disclosed. The Company has established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 and 15d-15) for the Company and designed such disclosure controls and procedures to ensure that material information relating to the Company and each of its Subsidiaries is made known to the certifying officers by others within those entities, particularly during the period in which the Company's annual report on Form 10-K or quarterly report on Form 10-Q, as the case may be, is being prepared. The Company's certifying officers have evaluated the effectiveness of the Company's controls and procedures as of a date within 90 days prior to the filing date of the most recent annual report on Form 10-K filed with the Commission (such date, the "**Evaluation Date**"). The Company presented in its most recent annual report on Form 10-K filed with the Commission the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date and the disclosure controls and procedures are effective.

(ee) *Sarbanes-Oxley Act.* There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply in all material respects with any applicable provisions of the Sarbanes-Oxley Act and the rules and regulations promulgated thereunder.

(ff) *Finder's Fees*. Neither the Company nor any of the Subsidiaries has incurred any liability for any finder's fees, brokerage commissions or similar payments in connection with the transactions herein contemplated, except as may otherwise exist with respect to the Manager pursuant to this Agreement.

(gg) *Labor Disputes.* No labor disturbance by or dispute with employees of the Company or any of its Subsidiaries exists or, to the knowledge of the Company, is threatened which would result in a Material Adverse Effect.

(hh) *Investment Company Act.* The Company is not, and immediately after giving effect to the offering and sale of the Shares, will not be, an "investment company" as that term is defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

(ii) *Operations*. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions to which the Company or its Subsidiaries are subject, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**"), except in each case as would not result in a Material Adverse Effect; and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(jj) *Off-Balance Sheet Arrangements*. There are no "off-balance sheet arrangements" (as defined in Item 303(a)(iv)(2) of Commission Regulation S-K) between and/or among the Company, and/or, to the knowledge of the Company, any of its affiliates and any unconsolidated entity, including, but not limited to, any structural finance, special purpose or limited purpose entity required to be described in the Prospectus which have not been described as required.

(kk) *Underwriter Agreements*. The Company is not a party to any agreement with an agent or underwriter for any other "at-the-market" or continuous equity transaction.

(ll) *ERISA*. To the knowledge of the Company and except as disclosed in the General Disclosure Package, each material employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is maintained, administered or contributed to by the Company or any of its affiliates for employees or former employees of the Company and any of its Subsidiaries has been maintained in material compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including, but not limited to, ERISA and the Internal Revenue Code of 1986, as amended (the "**Code**"); no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred which would result in a material liability to the Company with respect to any such plan excluding transactions effected pursuant to a statutory or administrative exemption; and for each such plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no "accumulated funding deficiency" as defined in Section 412 of the Code has been incurred, whether or not waived, and the fair market value of the assets of each such plan (excluding for these purposes accrued but unpaid contributions) exceeds the present value of all benefits accrued under such plan determined using reasonable actuarial assumptions, except as would not result in a material liability of the Company or any of its Subsidiaries.

(mm) *Forward-Looking Statements*. No forward-looking statement (within the meaning of Section 27A of the Act and Section 21E of the Exchange Act) (a "**Forward-Looking Statement**") contained in the General Disclosure Package has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith. The Forward-Looking Statements incorporated by reference in the General Disclosure Package from the Company's annual report on Form 10-K for the fiscal year most recently ended were made by the Company with a reasonable basis and in good faith and reflect the Company's good faith commercially reasonable best estimate of the matters described therein.

(nn) *Manager Purchases*. The Company acknowledges and agrees that the Manager has informed the Company that the Manager may, to the extent permitted under the Act and the Exchange Act and the rules thereunder, purchase and sell Common Stock for its own account while this Agreement is in effect, provided that (i) no such purchase or sales shall take place while the Company is issuing and selling any Shares pursuant to this Agreement (except to the extent each Manager may engage in sales of Shares purchased or deemed purchased from the Company as a "riskless principal" or in a similar capacity), (ii) the Company shall not be deemed to have authorized or consented to any such purchases or sales by the Manager and (iii) the Manager has implemented and will use reasonable policies and procedures to ensure that individuals making investment decisions on behalf of the Manager or any of its subsidiaries or affiliates will not violate laws prohibiting trading on the basis of material nonpublic information in connection with such purchases and sales.

(oo) *Margin Rules*. Neither the issuance, sale and delivery of the Shares nor the application of the proceeds thereof by the Company as described in the General Disclosure Package will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(pp) *Insurance*. The Company and each of its Subsidiaries carry, or are covered by, insurance in such amounts and covering such risks as the Company and each of its Subsidiaries reasonably believe are adequate for the conduct of their properties and as is customary for companies engaged in similar businesses of comparable size in similar industries.

(qq) *No Improper Practices.* (i) Neither the Company nor, to the Company's knowledge, the Subsidiaries, nor to the Company's knowledge, any of their respective executive officers has, in the past five years, made any unlawful contributions to any candidate for any political office (or failed fully to disclose any contribution in violation of law) or made any contribution or other payment to any official of, or candidate for, any federal, state, municipal, or foreign office or other person charged with similar public or quasi-public duty in violation of any law or of the character required to be disclosed in the Prospectus; (ii) no relationship, direct or indirect, exists between or among the Company or, to the Company's knowledge, any Subsidiary or any affiliate of any of them, on the one hand, and the directors, officers and stockholders of the Company or, to the Company's knowledge, any Subsidiary, on the other hand, that is required by the Act to be described in the General Disclosure Package that is not so described; (iii) no relationship, direct or indirect, exists between or among the Company or any Subsidiary or any affiliate of them, on the one hand, and the directors, officers, or stockholders of the Company or, to the Company's knowledge, any Subsidiary, on the other hand, that is required by the rules of FINRA to be described in the General Disclosure Package that is not so described; (iv) except as described in the General Disclosure Package, there are no material outstanding loans or advances or material guarantees of indebtedness by the Company or, to the Company's knowledge, any Subsidiary to or for the benefit of any of their respective officers or directors or any of the members of the families of any of them that would constitute a violation of

the Sarbanes-Oxley Act or would require disclosure in the General Disclosure Package; and (v) the Company has not offered, or caused any placement agent to offer, Common Stock to any person with the intent to influence unlawfully (A) a customer or supplier of the Company or any Subsidiary to alter the customer's or supplier's level or type of business with the Company or any Subsidiary or (B) a trade journalist or publication to write or publish favorable information about the Company or any Subsidiary or any of their respective products or services, and, (vi) neither the Company nor any Subsidiary nor, to the Company's knowledge, any employee or agent of the Company or any Subsidiary has made any payment of funds of the Company or any Subsidiary or received or retained any funds in violation of any law, rule or regulation (including, without limitation, the Foreign Corrupt Practices Act of 1977), which payment, receipt or retention of funds is of a character required to be disclosed in the General Disclosure Package.

(rr) *Status Under the Act.* The Company was not and is not an ineligible issuer as defined in Rule 405 under the Act at the times specified in Rules 164 and 433 under the Act in connection with the offering of the Shares.

(ss) *No Misstatement or Omission in a Permitted Issuer Free Writing Prospectus.* Each Permitted Issuer Free Writing Prospectus, as of its issue date and as of each Applicable Time, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, including any incorporated document deemed to be a part thereof that has not been superseded or modified. The foregoing sentence does not apply to statements in or omissions from any Permitted Issuer Free Writing Prospectus based upon and in conformity with written information furnished to the Company by the Manager specifically for use therein.

(tt) *No Conflicts*. Neither the execution of this Agreement, nor the issuance, offering or sale of the Shares, nor the consummation of any of the transactions contemplated herein, nor the compliance by the Company with the terms and provisions hereof will conflict with, or will result in a breach of, any of the terms and provisions of, or has constituted or will constitute a default under, or has resulted in or will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to the terms of any contract or other agreement to which the Company may be bound or to which any of the property or assets of the Company is subject, except (i) such conflicts, breaches or defaults as may have been waived and (ii) such conflicts, breaches and defaults that would not have a Material Adverse Effect; nor will such action result (x) in any violation of the provisions of the organizational or governing documents of the Company, or (y) in any material violation of the provisions of any statute or any order, rule or regulation applicable to the Company or of any court or of any federal, state or other regulatory authority or other government body having jurisdiction over the Company.

(uu) *Sanctions*. (i) The Company represents that neither the Company nor any of its Subsidiaries (collectively, the "**Entity**") or, to the knowledge of the Company, any director, officer, employee, agent, controlled affiliate or representative of the Entity, is a government, individual, or entity (in this paragraph (uu), "**Person**") that is, or is owned or controlled by a Person that is:

(A) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority with jurisdiction over the Entity (collectively, "**Sanctions**"), nor

(B) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Crimea, Cuba, Iran, North Korea and Syria).

(ii) The Entity represents and covenants that it will not knowingly, directly or indirectly, use the proceeds of the offering of the Shares, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(A) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(B) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) The Entity represents and covenants that, except as detailed in the Registration Statement and the Prospectus, for the past five years, it has not knowingly engaged in, is not now knowingly engaged in, and

will not knowingly engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions in a manner that constituted or constitutes a violation of law.

(vv) *Stock Transfer Taxes.* On each Settlement Date, all stock transfer or other taxes (other than income taxes) which are required to be paid in connection with the sale and transfer of the Shares to be sold hereunder will be, or will have been, fully paid or provided for by the Company and all laws imposing such taxes will be or will have been complied with in all material respects.

(ww) *Possession of Licenses and Permits.* The Company and its Subsidiaries possess, and are in compliance with the terms of, all adequate certificates, authorizations, franchises, licenses and permits ("**Licenses**") necessary or material to the conduct of the business now conducted or proposed in the General Disclosure Package to be conducted by them and have not received any notice of proceedings relating to the revocation or modification of any Licenses that would individually or in the aggregate have a Material Adverse Effect, in each case other than (i) Licenses expected to be granted in the future in the course of pursuing the Company's development plan or (ii) Licenses, the failure of which to obtain would not have a Material Adverse Effect.

(xx) *Accurate Disclosure*. The statements in the General Disclosure Package and the Prospectus under the headings "Material United States Federal Income Tax Considerations to Non-U.S. Holders," "Description of our Capital Stock" and "Legal Matters," insofar as such statements summarize legal matters, agreements, documents or proceedings discussed therein, are accurate and fair summaries of such legal matters, agreements, documents or proceedings and present the information required to be shown.

3. *Sale and Delivery of the Shares.* On the basis of the representations, warranties and agreements and subject to the terms and conditions set forth herein, the Company and the Manager agree that the Company may from time to time seek to sell Shares through the Manager, acting as sales agent, as follows:

(a) *Placement Notice*. Each time that the Company wishes to issue and sell Shares hereunder (each, a "**Placement**"), it shall notify the Manager by email notice (or other method mutually agreed to in writing by the Company and the Manager) of the number of Shares to be issued, the time period during which sales are requested to be made, any limitation on the number of Shares that may be sold in any one day and any minimum price below which sales may not be made (a "**Placement Notice**"), the form of which is attached hereto asSchedule B. The Placement Notice shall originate from any of the individuals of the Company set forth on Schedule C hereto (with a copy to each of the other individuals from the Company listed on such schedule), and shall be addressed to each of the individuals from the Manager set forth on Schedule C hereto, as such Schedule C may be amended from time to time. The Placement Notice shall be effective unless and until (i) the Manager declines to accept the terms contained therein for any reason, in its sole discretion, (ii) the entire amount of the Shares thereunder have been sold, (iii) the Company, in its sole discretion, suspends or terminates the Placement Notice or (iv) this Agreement has been terminated under the provisions of Section 14. It is expressly acknowledged and agreed that neither the Company nor the Manager will have any obligation whatsoever with respect to a Placement or any Shares unless and until the Company delivers a Placement Notice to the Manager and the Manager does not decline such Placement Notice pursuant to the terms set forth above, and then only upon the terms specified therein and herein. In the event of a conflict between the terms of this Agreement and the terms of a Placement Notice, the terms of the Placement Notice will control. A Placement Notice shall not set forth a number of Shares that, when added to the aggregate number of Shares previously purchased and to be purchased pursuant to pending Placement Notices (if any) hereunder, results in an aggregate offering price exceeding the Maximum Amount.

(b) *Sale of Shares by the Manager.* On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, upon the Manager's acceptance of the terms of a Placement Notice, and unless the sale of the Shares described therein has been declined, suspended, or otherwise terminated in accordance with the terms of this Agreement, the Manager, for the period specified in the Placement Notice, shall use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable law and regulations to sell such Shares up to the amount specified, and otherwise in accordance with the terms of such Placement Notice. The Company acknowledges and agrees that (i) there can be no assurance that the Manager will be successful in selling the Shares and (ii) the Manager will incur no liability or obligation to the Company or any other person or entity if it does not sell Shares for any reason other than a failure by the Manager to use its reasonable efforts consistent with its normal trading and sales practices and applicable law and regulations to sell such Shares as required under this Agreement. Subject to the terms of the Placement Notice, the Manager may sell Shares by any method permitted by law deemed to be an "at the market" offering as defined in Rule 415 under the Act, including without limitation sales made directly on the NASDAQ, on any other existing trading market for the Common Stock or to or through a market maker. Subject to

the terms of a Placement Notice, the Manager may also sell Shares by any other method permitted by law, it being understood that no sale may be made in a privately negotiated transaction without the prior consent of the Company. As used herein, "**Trading Day**" means any day on which the Common Stock is traded on the NASDAQ.

(c) *Written Confirmation Regarding Sale of Shares.* The Manager shall provide written confirmation to the Company no later than the opening of the Trading Day immediately following the Trading Day on which it has made sales of Shares hereunder setting forth the number of Shares sold on such day, the compensation payable by the Company to the Manager pursuant to Section 3(h) with respect to such sales, and the Net Proceeds (as defined below) payable to the Company, with an itemization of the deductions made by the Manager (as set forth in Section 3(e)) from the gross proceeds that it receives from such sales.

(d) *Suspension of Sales.* The Company or the Manager may, upon notice to the other party in writing (including by email correspondence to each of the individuals of the other party set forth on Schedule C hereto, if receipt of such correspondence is actually acknowledged by any of the individuals to whom the notice is sent, other than via auto-reply, which acknowledgement shall be provided promptly) or by telephone (confirmed immediately by email correspondence to each of the individuals of the other party set forth on Schedule C hereto), suspend any sale of Shares (a "**Suspension**"); provided, however, that such Suspension shall not affect or impair any party's obligations with respect to any Shares sold hereunder prior to the receipt of such notice. While a Suspension is in effect, any obligation under Sections 4(k), 4(l), 4(m), and 4(n) with respect to the delivery of certificates, opinions, or comfort letters to the Manager shall be waived; provided, however, that such waiver shall not apply for the Representation Date occurring on the date that the Company files its annual report on Form 10-K. Each of the parties hereto agrees that no such notice under this Section 3 shall be effective against any other party unless it is made to one of the individuals named onSchedule C hereto, as such Schedule may be amended from time to time. If either party hereto has reason to believe that the exemptive provisions set forth in Rule 101(c)(1) of Regulation M under the Exchange Act are not satisfied with respect to the Company or the Shares, it shall promptly notify the other party, and sales of Shares under this Agreement shall be suspended until that or other exemptive provisions have been satisfied in the judgment of each party.

(e) *Settlement of Shares.* Unless otherwise specified in the applicable Placement Notice, settlement for sales of Shares shall occur on the third (3rd) Trading Day (or such earlier day as is industry practice for regular-way trading) following the date on which such sales are made (each, a "**Settlement Date**"). The Manager shall notify the Company of each sale of Shares on the date of such sale. The amount of proceeds to be delivered to the Company on a Settlement Date against receipt of the Shares sold (the "**Net Proceeds**") will be equal to the aggregate sales price received by the Manager, after deduction for (i) the Manager's commission, discount or other compensation for such sales payable by the Company pursuant to Section 3(h), and (ii) any transaction fees imposed by the Commission or any other governmental or self-regulatory organization in respect of such sales. At each Applicable Time, on each Settlement Date, and at each Representation Date, the Company shall be deemed to have affirmed each representation, warranty, covenant and other agreement contained in this Agreement. Any obligation of the Manager to use its reasonable efforts to sell the Shares on behalf of the Company as sales agent shall be subject to the continuing accuracy of the representations and warranties of the Company herein, to the performance by the Company of its obligations hereunder and to the continuing satisfaction of the additional conditions specified in Section 5 of this Agreement.

(f) *Delivery of Shares.* On or before each Settlement Date, the Company shall, or shall cause its transfer agent to, electronically transfer the Shares being sold by crediting the Manager's or its designee's account (provided the Manager shall have given the Company written notice of such designee at least one Trading Day prior to the Settlement Date) at The Depository Trust Company through its Deposit and Withdrawal at Custodian System or by such other means of delivery as may be mutually agreed upon by the parties hereto which in all cases shall be freely tradable, transferable, registered shares in good deliverable form. On each Settlement Date, the Manager shall deliver the related Net Proceeds in same day funds to an account designated by the Company on, or prior to, the Settlement Date. The Company agrees that if the Company, or its transfer agent (if applicable), defaults in its obligation to deliver Shares on a Settlement Date, in addition to and in no way limiting the rights and obligations set forth in Section 6(a), it will (i) hold the Manager harmless against any loss, claim, damage, or expense (including reasonable legal fees and expenses), as incurred, arising out of or in connection with such default by the Company or its transfer agent (if applicable) and (ii) pay to the Manager any commission, discount, or other compensation to which it would otherwise have been entitled absent such default.

(g) *Denominations; Registration*. Certificates for the Shares, if any, shall be in such denominations and registered in such names as the Manager may request in writing at least one full business day before the relevant Settlement Date. The certificates for the Shares, if any, will be made available by the Company for examination and packaging by the Manager in The City of New York not later than noon (New York time) on the business day prior to the Settlement Date.

(h) *Compensation of the Manager*. The compensation to the Manager for sales of the Shares shall be equal to 3.0% of the gross offering proceeds of the Shares sold pursuant to this Agreement, which amount shall be netted out of the proceeds to be delivered to the Company as set forth in Section 3(e) above.

4. *Certain Agreements of the Company.* The Company agrees with the Manager that:

(a) *Filing of Amendments; Response to Commission Requests.* The Company will promptly advise the Manager of any proposal to amend or supplement the Registration Statement or any Prospectus at any time and will offer the Manager a reasonable opportunity to comment on any such proposed amendment or supplement and will advise the Manager of the filing of any such amendment or supplement, in each case other than amendments or supplements made through the incorporation by reference of reports on Forms 10-Q or 10-K or reports on Form 8-K that do not contain disclosure relating to this Agreement. The Company will promptly advise the Manager of (i) any request by the Commission or its staff for any amendment to the Registration Statement, for any supplement to any Prospectus or for any additional information, (ii) the institution by the Commission of any stop order proceedings in respect of the Registration Statement or the threatening of any proceeding for that purpose, and (iii) the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares in any jurisdiction or the institution or threatening of any proceedings for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) *Continued Compliance with Securities Laws.* If, at any time when a prospectus relating to the Shares is (or but for the exemption in Rule 172 would be) required to be delivered under the Act by any underwriter or dealer, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Registration Statement or supplement the Prospectus to comply with the Act, the Company will promptly notify the Manager of such event and promptly notify the Manager to suspend solicitation of purchases of the Shares and forthwith upon receipt of such notice, the Manager shall suspend its solicitation of purchases of the Shares and shall cease using the Prospectus; and if the Company shall decide to amend or supplement the Registration Statement or the Prospectus, it will promptly advise the Manager by telephone (with confirmation in writing), will promptly prepare and file with the Commission an amendment or supplement to the Registration Statement or the Prospectus which will correct such statement or omission or effect such compliance and will advise the Manager when the Manager is free to resume such solicitation. Neither the Manager's consent to, nor the Manager's delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 5 hereof. The Company, during the period when a prospectus relating to the Shares is required to be delivered under the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule), will file promptly all documents required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus Supplement.

(c) *Rule 158*. As soon as practicable, but not later than 16 months, after the date of this Agreement, the Company will make generally available to its securityholders an earnings statement covering a period of at least 12 months beginning after the date of this Agreement and satisfying the provisions of Section 11(a) of the Act and Rule 158.

(d) *Furnishing of Prospectuses*. Upon the request of the Manager, the Company will furnish to the Manager copies of the Registration Statement, including all exhibits, and the Prospectus and all amendments and supplements to such documents, in each case as soon as available and in such quantities as the Manager reasonably requests. The Company will pay the expenses of printing and distributing to the Manager all such documents.

(e) *Blue Sky Qualifications.* The Company will arrange, if necessary, for the qualification of the Shares for sale under the laws of such jurisdictions as the Manager may reasonably designate and will use commercially reasonable efforts to maintain such qualifications in effect so long as required for the distribution of the Shares; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(f) *Reporting Requirements.* During the period of three years hereafter, the Company will furnish to the Manager, as soon as practicable after the end of each fiscal year, a copy of its annual report to stockholders for such year; and the Company will furnish to the Manager (i) as soon as available, a copy of each report and any definitive proxy statement of the Company filed with the Commission under the Exchange Act or mailed to stockholders, and (ii) from time to time, such other information concerning the Company as the Manager may reasonably request. However, so long

as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act and is timely filing reports with the Commission on its Electronic Data Gathering, Analysis and Retrieval system ("**EDGAR**"), it is not required to furnish such reports or statements to the Manager.

(g) *Payment of Expenses.* The Company will pay all expenses incident to the performance of its obligations under this Agreement, including but not limited to (i) any filing fees and other expenses (including reasonable fees and disbursements of counsel to the Manager) incurred in connection with qualification of the Shares under the laws of such jurisdictions as the Manager reasonably designates and the preparation and printing of memoranda relating thereto, (ii) fees and expenses incident to listing the Shares on the New York Stock Exchange, NYSE MKT, NASDAQ Stock Market and other national and foreign exchanges, (iii) fees and expenses in connection with the registration of the Shares under the Exchange Act, (iv) expenses incurred in distributing preliminary prospectuses and the Prospectus (including any amendments and supplements thereto) to the Manager and for expenses incurred for preparing, printing and distributing any Permitted Issuer Free Writing Prospectuses to investors or prospective investors and (v) the fees and disbursements of counsel to the Company and the Company's independent registered public accounting firm.

(h) *Use of Proceeds.* The Company will use the net proceeds received in connection with this offering in the manner described in the "Use of Proceeds" section of the General Disclosure Package and, except as disclosed in the General Disclosure Package, the Company does not intend to use any of the proceeds from the sale of the Shares hereunder to repay any outstanding debt owed to any affiliate of the Manager.

(i) *Absence of Manipulation.* The Company will not take, directly or indirectly, any unlawful action designed to or that might reasonably be expected to cause or result in, or that would constitute, stabilization or manipulation of the price of any securities of the Company to facilitate the sale or resale of the Shares.

(j) *Listing and Reservation of Common Stock.* The Company will use its commercially reasonable efforts to cause the Shares to be listed for trading on NASDAQ and to maintain such listing. The Company will reserve out of authorized but unissued Common Stock and keep available at all times, free of preemptive rights (except for preemptive rights disclosed in the General Disclosure Package), the full number of Shares to be issued and sold hereunder.

(k) *Company Periodic Report Dates.* The Company will disclose in its quarterly reports on Form 10-Q and in its annual report on Form 10-K the number of Shares sold through the Manager under this Agreement, the net proceeds received by the Company and the compensation paid by the Company to the Manager with respect to sales of Shares pursuant to this Agreement during the relevant period.

(l) At each Representation Date (other than the date hereof), the Company will furnish or cause to be furnished forthwith to the Manager a certificate dated as of such Representation Date, in a form reasonably satisfactory to the Manager to the effect that the statements contained in the certificate referred to in Section 5(g) of this Agreement which were last furnished to the Manager are true and correct at such Representation Date as though made at and as of such time (except that such statements shall be deemed to relate to the Registration Statement, the General Disclosure Package and the Prospectus as amended and supplemented to such time) or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in said Section 5(g), but modified as necessary to relate to the Registration Statement and the Prospectus as amended and modified and supplemented, or to the documents incorporated by reference into the Prospectus, to the time of delivery of such certificate.

(m) At each Representation Date, the Company will furnish or cause to be furnished to the Manager and to counsel to the Manager the written opinion and letter of Davis Graham & Stubbs LLP, counsel for the Company, or other counsel reasonably satisfactory to the Manager, dated as of such Representation Date, in a form and substance reasonably satisfactory to the Manager and its counsel, of the same tenor as the opinions and letters referred to in Section 5(e) of this Agreement, but modified as necessary to relate to the Registration Statement, the General Disclosure Package and the Prospectus as amended and supplemented, or to the documents incorporated by reference into the Prospectus, to the time of delivery of such opinion and letter or, in lieu of such opinion and letter, counsel last furnishing such letter to the Manager shall furnish such Manager with a letter substantially to the effect that the Manager may rely on such last opinion and letter to the same extent as though each were dated the date of such letter authorizing reliance (except that statements in such last letter shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such letter authorizing reliance).

(n) At each Representation Date, the Company will cause Deloitte & Touche LLP, or other independent accountants reasonably satisfactory to the Manager, to furnish to the Manager a letter, as of such Representation Date, in form reasonably satisfactory to the Manager and its counsel, of the same tenor as the letter referred to in Section 5(b)

hereof, but modified as necessary to relate to the Registration Statement, the General Disclosure Package and the Prospectus, as amended and supplemented, or to the documents incorporated by reference into the Prospectus, to the date of such letter.

(o) To reserve and keep available at all times, free of preemptive rights (except for preemptive rights disclosed in the General Disclosure Package), Shares for the purpose of enabling the Company to satisfy its obligations hereunder.

(p) To comply with the requirements of Rule 433 under the Act applicable to any "issuer free writing prospectus," as defined in such rule, including timely filing with the Commission where required, legending and record keeping.

(q) The Company consents to the Manager trading in the Company's Common Stock for the Manager's own account and for the account of its clients at the same time as sales of Shares occur pursuant to this Agreement, subject to the proviso in Section 2(nn).

(r) If to the knowledge of the Company, all filings required by Rule 424 in connection with this offering shall not have been made or the representation in Section 2(b) shall not be true and correct on the applicable Settlement Date, the Company will offer to any person who has agreed to purchase Shares from the Company as the result of an offer to purchase solicited by the Manager the right to refuse to purchase and pay for such Shares.

(s) The Company will afford the Manager, on reasonable notice, a reasonable opportunity to conduct a due diligence investigation with respect to the Company customary in scope for transactions contemplated hereby (including, without limitation, the availability of the chief financial officer and general counsel to respond to questions regarding the business and financial condition of the Company and the right to have made available to them for inspection such records and other information as they may reasonably request and the availability of its appropriate officers and to cause such officers to participate in a call with the Manager and its counsel on a quarterly basis, or otherwise as the Manager may reasonably request).

(t) *Restriction on Sale of Securities.* At any time that sales of Shares under this Agreement have been made but not yet settled, or at any time that the Company has outstanding with the Manager instructions to sell Shares under this Agreement, but such instructions have not been fulfilled or canceled, the Company will not (i) offer, sell, issue, contract to sell, pledge or otherwise dispose of any Common Stock or any securities convertible into or exchangeable or exercisable for any Common Stock ("**Lock-Up Securities**"), (ii) offer, sell, issue, contract to sell, contract to purchase or grant any option, right or warrant to purchase Lock-Up Securities, (iii) enter into any swap, hedge or any other agreement that transfers, in whole or in part, the economic consequences of ownership of Lock-Up Securities, (iv) establish or increase a put equivalent position or liquidate or decrease a call equivalent position in Lock-Up Securities within the meaning of Section 16 of the Exchange Act or (v) file with the Commission a registration statement under the Act relating to Lock-Up Securities, or publicly disclose the intention to take any such action, without the prior written consent of the Manager, in each case without giving the Manager at least three business days' prior written notice specifying the nature of the proposed sale and the date of such proposed sale; provided, however, that such restriction will not be required in connection with the Company's issuance or sale of (A) any securities issued or to be issued pursuant to the Company's equity incentive or award plans, including securities of the Company issued upon the exercise or vesting thereof; (B) the Shares to be sold hereunder; (C) any securities of the Company issued pursuant to, or upon the exercise, conversion, redemption or settlement of, any securities of the Company or its Subsidiaries that are outstanding at the time such order is delivered; or (D) any securities of the Company issued or to be issued to TOTAL Delaware, Inc. ("**TOTAL**"), a Delaware corporation and subsidiary of TOTAL S.A., in connection with preemptive rights held by TOTAL.

5. *Conditions of the Obligations of the Manager.* The obligations of the Manager hereunder with respect to any order submitted to the Manager by the Company to sell Shares are subject to the accuracy of the representations and warranties of the Company herein, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) [*Intentionally Omitted*].

(b) *Deloitte & Touche LLP Comfort Letter.* The Manager shall have received a letter of Deloitte & Touche LLP on each Representation Date, dated such date, confirming that it is a registered public accounting firm and independent public accountant within the meaning of the Securities Laws and substantially in the form of Schedule D hereto.

(c) *Filing of Prospectus*. The Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 4(a) hereof. No stop order suspending the effectiveness of the Registration Statement or of any part thereof shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or the Manager, shall be contemplated by the Commission.

(d) *No Material Adverse Effect.* Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any Material Adverse Effect which, in the judgment of the Manager, makes it impractical or inadvisable to sell the Shares; (ii) any downgrading in the rating of any debt securities or preferred stock of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Section 3(a)(62) of the Exchange Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities or preferred stock of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls the effect of which is such as to make it, in the judgment of the Manager, impractical to market or to enforce contracts for the sale of the Shares, whether in the primary market or in respect of dealings in the secondary market; (iv) any suspension or material limitation of trading in securities generally on the New York Stock Exchange or NASDAQ, or any setting of minimum or maximum prices for trading on such exchange; (v) any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (vi) any banking moratorium declared by any U.S. federal or New York authorities; (vii) any major disruption of settlements of securities, payment, or clearance services in the United States or any other country where such securities are listed; or (viii) any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the judgment of the Manager, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency is such as to make it impractical or inadvisable to market the Shares or to enforce contracts for the sale of the Shares.

(e) *Opinion of Counsel for the Company*. The Manager shall have received an opinion, on each Representation Date, dated such date, of Davis Graham & Stubbs LLP to the effect set forth in Schedule E hereto.

(f) *Opinion of Counsel for the Manager*. The Manager shall have received from Davis Polk & Wardwell LLP, counsel for the Manager, on each Representation Date, such opinion and 10b-5 letter, dated such date, with respect to such matters as the Manager may require, and the Company shall have furnished to such counsel such documents as it requests for the purpose of enabling it to pass upon such matters.

(g) *Officer's Certificate*. The Manager shall have received a certificate, on each Representation Date (other than the date hereof), dated such date, of an executive officer of the Company and a principal financial or accounting officer of the Company in which such officers shall state that the representations and warranties of the Company in this Agreement are true and correct; the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such date; no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to their knowledge, are contemplated by the Commission; and, subsequent to the date of the most recent financial statements in the General Disclosure Package, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or otherwise), results of operations, business, properties or prospects of the Company and its Subsidiaries taken as a whole except as set forth in the General Disclosure Package or as described in such certificate.

(h) *Listing*. The Shares shall have been approved for listing on NASDAQ, subject only to notice of issuance at or prior to each Settlement Date.

(i) *Actively-Traded Security*. The Common Stock shall be an "actively-traded security" excepted from the requirements of Rule 101 of Regulation M under the Exchange Act by subsection (c)(1) of such rule.

The Company will furnish the Manager with such conformed copies of such opinions, certificates, letters and documents as the Manager reasonably requests. The Manager may in its sole discretion waive compliance with any conditions to the obligations of the Manager hereunder.

6. *Indemnification and Contribution*. (a) *Indemnification of the Manager*. The Company will indemnify and hold harmless the Manager, its partners, members, directors, officers, employees, agents, affiliates and each person, if any, who controls the Manager within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (each, an "**Indemnified Party**"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject, under the Act, the Exchange Act, other federal or state statutory law or regulation or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement

of any material fact contained in any part of the Registration Statement at any time, any Statutory Prospectus as of any time, the Prospectus or any Permitted Issuer Free Writing Prospectus, or arise out of or are based upon the omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending against any such loss, claim, damage, liability, action, litigation, investigation or proceeding (whether or not such Indemnified Party is a party thereto), whether threatened or commenced, with respect to any of the above as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by the Manager specifically for use therein, it being understood and agreed that the only such information furnished by the Manager consists of the information described as such in subsection (b) below.

(b) *Indemnification of the Company.* The Manager will indemnify and hold harmless the Company, each of its directors and each of its officers who signs a Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (each, a "**Manager Indemnified Party**"), against any losses, claims, damages or liabilities to which such Manager Indemnified Party may become subject, under the Act, the Exchange Act, other federal or state statutory law or regulation or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any part of the Registration Statement at any time, any Statutory Prospectus as of any time, the Prospectus or any Permitted Issuer Free Writing Prospectus, or arise out of or are based upon the omission or the alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by the Manager specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by such Manager Indemnified Party in connection with investigating or defending against any such loss, claim, damage, liability, action, litigation, investigation or proceeding (whether or not such Manager Indemnified Party is a party thereto), whether threatened or commenced, based upon any such untrue statement or omission, or any such alleged untrue statement or omission as such expenses are incurred, it being understood and agreed that the only such information furnished by the Manager consists of the following information in the Prospectus furnished on behalf of the Manager: the first sentence of the fifth paragraph under the heading "Plan of Distribution" in the Prospectus Supplement.

(c) *Actions against Parties; Notification.* Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party other than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Agreement for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party (which shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party.

(d) *Contribution*. If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Manager on the other from the offering of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits

referred to in clause (i) above but also the relative fault of the Company on the one hand and the Manager on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Manager on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total commissions received by the Manager. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Manager and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Manager shall be required to contribute any amount in excess of the amount by which the total price at which the Shares sold by it and distributed to the public exceeds the amount of any damages which the Manager has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Company and the Manager agree that it would not be just and equitable if contribution pursuant to this Section 6(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 6(d).

7. *Survival of Certain Representations and Obligations.* The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the Manager set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of the Manager, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Shares. If any Shares have been sold hereunder, the representations and warranties in Section 2 and all obligations under Section 4 shall also remain in effect.

8. *Notices*. All communications hereunder will be in writing and mailed, emailed or delivered and confirmed to the Manager at Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, NY 10010-3629, Attention: LCD-IBD, Email: craig.klaasmeyer@credit-suisse.com, paul.torgerson@credit-suisse.com or craig.wiele@credit-suisse.com, or, if sent to the Company, will be mailed, emailed or delivered and confirmed to it at Tellurian Inc., 1201 Louisiana Street, Suite 3100, Houston, TX 77002, Attention: General Counsel, Email: daniel.behlhumeur@tellurianinc.com; provided, however, that any notice to the Manager or the Company pursuant to Section 6 will be mailed, emailed or delivered and confirmed to the Manager or the Company, as applicable.

9. *Successors*. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 6, and no other person will have any right or obligation hereunder.

10. *Counterparts*. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

11. *Absence of Fiduciary Relationship.* The Company acknowledges and agrees that:

(a) *No Other Relationship.* The Manager has been retained solely to act as sales agent in connection with the purchase and sale of Shares and that no fiduciary, advisory or agency relationship between the Company and the Manager has been created in respect of any of the transactions contemplated by this Agreement or the Prospectus, irrespective of whether the Manager has advised or is advising the Company on other matters;

(b) *Arms-Length Negotiations*. The price of the Shares set forth in this Agreement will be established by the Company following discussions and arms-length negotiations with the Manager, and the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) *Absence of Obligation to Disclose.* The Company has been advised that the Manager and its affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that

the Manager has no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; and

(d) *Waiver*. The Company waives, to the fullest extent permitted by law, any claims it may have against the Manager for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Manager shall have no liability (whether direct or indirect) to the Company in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company, including stockholders, employees or creditors of the Company.

12. *Integration.* This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Manager with respect to the subject matter hereof.

13. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company hereby submits to the non-exclusive jurisdiction of the federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. The Company irrevocably and unconditionally waives any objection to the laying of venue of any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby in federal and state courts in the Borough of Manhattan in The City of New York and irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such suit or proceeding in any such court has been brought in an inconvenient forum.

14. *Termination*. (a) The Company shall have the right, by giving written notice as hereinafter specified, to terminate this Agreement in its sole discretion at any time. Any such termination shall be without liability of any party to any other party except that (i) if any of the Shares have been sold through the Manager for the Company, then Section 4(i) shall remain in full force and effect, (ii) with respect to any pending sale, through the Manager for the Company, the obligations of the Company, including in respect of compensation of the Manager, shall remain in full force and effect notwithstanding the termination and (iii) the provisions of Sections 4(f), 6, 7, 8, 9, 11, 13 and 14 of this Agreement shall remain in full force and effect notwithstanding such termination.

(b) The Manager shall have the right, by giving written notice as hereinafter specified, to terminate the provisions of this Agreement relating to the solicitation of offers to purchase the Shares in its sole discretion at any time. Any such termination shall be without liability of any party to any other party except that the provisions of Sections 4(f), 6, 7, 8, 9, 11, 13 and 14 of this Agreement shall remain in full force and effect notwithstanding such termination.

(c) Unless earlier terminated pursuant to this Section 14, this Agreement shall automatically terminate upon the issuance and sale of the Maximum Amount of Shares through the Manager on the terms and subject to the conditions set forth herein; provided that the provisions of Sections 4(f), 6, 7, 8, 9, 11, 13 and 14 of this Agreement shall remain in full force and effect notwithstanding such termination.

(d) This Agreement shall remain in full force and effect unless terminated pursuant to Section 14(a), (b) or (c) above or otherwise by mutual agreement of the parties hereto; provided that any such termination by mutual agreement shall in all cases be deemed to provide that Section 6 and Section 7 shall remain in full force and effect.

(e) Any termination of this Agreement shall be effective on the date specified in such notice of termination; provided that such termination shall not be effective until the close of business on the date of receipt of such notice by the Manager or the Company, as the case may be. If such termination shall occur prior to the Settlement Date for any sale of the Shares, such sale shall settle in accordance with the provisions of Section 3(e) of this Agreement.

15. *Headings*. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

16. *Recognition of the U.S. Special Resolution Regimes.* (a) In the event that the Manager, that is a Covered Entity, becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Manager of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that the Manager, that is a Covered Entity, or a BHC Act Affiliate of the Manager becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Manager are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 16:

"**BHC Act Affiliate**" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"**Covered Entity**" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"**U.S. Special Resolution Regime**" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

[*Signature page follows*]

If the foregoing is in accordance with the Manager's understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement between the Company and the Manager in accordance with its terms.

Very truly yours,

TELLURIAN INC.

By: /s/ Antoine Lafargue
Name: Antoine Lafargue
Title: Senior Vice President and Chief Financial Officer

The foregoing Distribution Agency Agreement is hereby confirmed and accepted as of the date first above written.

CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ Rebecca Kotkin
Name: Rebecca Kotkin
Title: Director

SCHEDULE A

Subsidiaries

Subsidiary	State or Other Jurisdiction of Incorporation or Organization	Ownership
Tellurian Inc. owns the following subsidiaries directly:		
Tellurian Investments LLC (formerly known as Tellurian Investments Inc.)	Delaware	100.0%
Driftwood LP Holdings LLC	Delaware	100.0%
Driftwood GP Holdings LLC	Delaware	100.0%
Tellurian International Holdings Ltd	United Kingdom	100.0%
Tellurian Investments LLC owns the following subsidiaries directly:		
Tellurian Production Holdings LLC	Delaware	100.0%
Tellurian LandCo LLC (formerly known as Parallax LNG LandCo LLC and MBTU LandCo LLC)	Delaware	100.0%
Tellurian Supply & Trade LLC	Delaware	100.0%
Purity Pipeline LLC	Delaware	100.0%
Delhi Connector LLC	Delaware	100.0%
Tellurian Midstream Holdings LLC	Delaware	100.0%
Tellurian Services LLC (formerly known as Parallax Services LLC)	Delaware	100.0%
Tellurian Management Services LLC (formerly known as Tellurian O&M LLC and Driftwood Operating LLC)	Delaware	100.0%
Magellan Petroleum Australia Pty Ltd	Australia	100.0%
Driftwood LP Holdings LLC owns the following subsidiary directly:		
Driftwood Holdings LP (formerly known as Driftwood Holdings LLC)	Delaware	100.0% (1)
Tellurian International Holdings Ltd owns the following subsidiaries directly:		
Tellurian Trading UK Ltd	United Kingdom	100.0%
Tellurian LNG Singapore Pte. Ltd.	Singapore	100.0%
Tellurian LNG UK Ltd	United Kingdom	100.0%
Tellurian Production Holdings LLC owns the following subsidiaries directly:		
Tellurian Operating LLC	Delaware	100.0%
Tellurian Production LLC	Delaware	100.0%
Magellan Petroleum Australia Pty Ltd owns the following subsidiary directly:		
Magellan Petroleum Offshore Pty Ltd	Australia	100.0%
Driftwood Holdings LP owns the following subsidiary directly:		
Driftwood Holdco LLC	Delaware	100.0%
Driftwood Holdco LLC owns the following subsidiaries directly:		
Tellurian Pipeline LLC	Delaware	100.0%
Tellurian LNG LLC (formerly known as Parallax LNG LLC)	Delaware	100.0%
Driftwood Production Holdings LLC	Delaware	100.0%
Tellurian Pipeline LLC owns the following subsidiaries directly:		
Haynesville Global Access Pipeline LLC	Delaware	100.0%
Permian Global Access Pipeline LLC	Delaware	100.0%
Driftwood Pipeline LLC (formerly known as Driftwood LNG Pipeline LLC)	Delaware	100.0%
Tellurian LNG LLC owns the following subsidiaries directly:		
Driftwood LNG Tug Services LLC	Delaware	100.0%
Driftwood LNG LLC	Delaware	100.0%

(1) Driftwood LP Holdings LLC owns 100% of Driftwood Holdings LP, of which Driftwood GP Holdings LLC is the general partner.

SCHEDULE B

Form of Placement Notice

From:	Tellurian Inc.
To:	Credit Suisse Securities (USA) LLC
Attention:	[•]
Subject:	Placement Notice
Date:	[•], 202[0]

Ladies and Gentlemen:

Pursuant to the terms and subject to the conditions contained in the Distribution Agency Agreement between Tellurian Inc., a Delaware corporation (the "Company"), and Credit Suisse Securities (USA) LLC (the "Manager"), dated January 21, 2020, the Company hereby requests that the Manager sell up to [•] shares of the common stock, par value $0.01 per share, of the Company at a minimum market price of $[•] per share, during the time period beginning [month, day, time] and ending [month, day, time].

SCHEDULE C

Notice Parties

Authorized officers of the Company:

Meg A. Gentle

Antoine J. Lafargue

Daniel A. Belhumeur

Kian Granmayeh

Authorized persons of the Manager:

Craig A. Wiele
Craig Klaasmeyer
Conrad Rubin
Matthew Maloney
Andrea Kapica
Michael DiCaprio
Adi Kaner
Karen Scelsi

SCHEDULE D

Deloitte & Touche LLP Comfort Letter

November 7, 2019

CREDIT SUISSE SECURITIES (USA) LLC
Eleven Madison Avenue New York, NY 10010-3629

Dear Sirs/Madams:

We have audited the consolidated balance sheets of Tellurian Inc. and subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2018 (Successor statements of operations, stockholders' equity, and cash flows), as well as the consolidated statements of operations and cash flows for the period from January 1, 2016 through April 9, 2016 (Predecessor statements of operations and cash flows), and the related notes (collectively referred to as the "financial statements"). The Company's financial statements and our report thereon and our report on the effectiveness of the Company's internal control over financial reporting, are incorporated by reference in the Prospectus Supplement dated March 15, 2017 to the Company's Registration Statement (No. 333-216011) on Form S-3, which became effective upon filing on February 10, 2017 under the Securities Act of 1933 (the Act) by the Company. Such Registration Statement, together with the Prospectus Supplement, are collectively referred to as the "Registration Statement".

This letter is being furnished in reliance upon your representation to us that -

A. You are knowledgeable with respect to the due diligence review process that an underwriter would perform in connection with the placement of securities registered pursuant to the Act.

B. In connection with the offering of common stock, the review process you have performed is substantially consistent with the due diligence review process that an underwriter would performing connection with an offering registered pursuant to the Act.

In connection with the Registration Statement -

1. We are an independent registered public accounting firm with respect to the Company within the meaning of the Act and the applicable rules and regulations thereunder adopted by the Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (United States) (PCAOB).

2. In our opinion, the consolidated financial statements audited by us and incorporated by reference in the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Act and the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the related rules and regulations adopted by the SEC.

3. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2018; although we have conducted an audit for the year ended December 31, 2018, the purpose (and therefore the scope) of the audit was to enable us to express our opinion on the consolidated financial statements as of December 31, 2018, and for the year then ended, but not on the financial statements for any interim period within that year. Therefore, we are unable to and do not express any opinion on the unaudited condensed consolidated balance sheet as of March 31, 2019, June 30, 2019 and September 30, 2019, the unaudited condensed consolidated statements of operations, stockholders' equity and cash flows for the three-month periods ended March 31, 2019 and 2018, the three and six-month periods ended June 30, 2019 and 2018, and the three and nine-month periods ended September 30, 2019 and 2018, incorporated by reference in the Registration Statement, or on the financial position, results of operations, or cash flows as of any date or for any period subsequent to December 31, 2018.

4. For purposes of this letter, we have read the 2019 and 2018 minutes (or agendas of the minutes) of meetings of the board of directors of the Company and its subsidiaries as set forth in the minute books at November 5, 2019, officials of the Company having advised us that the minutes of all such meetings through that date were set forth therein; we have carried our other procedures to November 5, 2019, as follows (our work did not extend to November 7, 2019, inclusive).

    a. With respect to the Company's three-month periods ended March 31, 2019 and 2018, three and six-month periods ended June 30, 2019 and 2018, and three and nine-month periods ended September 30, 2019 and 2018, we have:

        i. Performed the procedures specified by the PCAOB for a review of interim financial information as described in PCAOB AS 4105 on the unaudited condensed consolidated balance sheet as of March 31, 2019, June 30, 2019 and September 30, 2019, and the unaudited condensed consolidated statements of operations, stockholders' equity and cash flows for the three month periods ended March 31, 2019 and 2018, the three and six-month periods ended June 30, 2019 and 2018, and the three and nine-month periods ended September 30, 2019 and 2018, incorporated by reference in the registration statement.

        ii. Inquired of certain officials of the Company who have responsibility for financial and accounting matters whether the unaudited condensed consolidated financial statements referred to in 4a(i) comply as to form in all material respects with the applicable

        accounting requirements of the Act and the related rules and regulations adopted by the SEC.

    b. Officials of the Company who have responsibility for financial and accounting matters have advised us that no financial statements of the Company as of any date or for any period subsequent to September 30, 2019 are available.

The foregoing procedures do not constitute an audit conducted in accordance with the standards of the PCAOB. Also, they would not necessarily reveal matters of significance with respect to the comments in the following paragraph. Accordingly, we make no representations about the sufficiency of the foregoing procedures for your purposes.

5. Nothing came to our attention as a result of the foregoing procedures, however, that caused us to believe that:

    a. Any material modifications should be made to the unaudited condensed consolidated financial statements described in 4a (i) incorporated by reference in the registration statement, for them to be in conformity with accounting principles generally accepted in the United States of America.

    b. The unaudited condensed consolidated financial statements described in 4a (i) do not comply as to form in all material respects with the applicable accounting requirements of the Securities Exchange Act of 1934 and the related rules and regulations adopted by the SEC.

    As mentioned in paragraph 4(b), Company officials have advised us that no consolidated financial statements as of any date or for any period subsequent to September 30, 2019, are available. We have inquired of certain officials of the Company who have responsibility for financial and accounting matters whether (a) at November 5, 2019, there was any change in the capital shares, increase in long-term debt, or any decreases in consolidated net current assets or stockholders' equity of the Company as compared with amounts shown on the September 30, 2019 condensed consolidated balance sheet incorporated by reference in the Registration Statement or (b) for the period from October 1, 2019 to November 5, 2019, there were any decreases, as compared with the corresponding period in the preceding year, in consolidated net sales or in the total or per-share amounts of income before extraordinary items or of net income. On the basis of these inquiries and our reading of the minutes as described in 4, nothing came to our attention that caused us to believe that there was any such change, increase, or decrease, except in all

instances for changes, increases, or decreases that the registration statement discloses have occurred or may occur, other than a decrease of capital shares outstanding of 7,125 shares from October 1, 2019 to November 5, 2019, and that complete information is not available as to consolidated net current assets, long-term debt or stockholders equity as of November 5, 2019; and that complete information is not available as to the consolidated net sales or net loss or in the total or per-share amounts of net loss for the period from October 1, 2019 to November 5, 2019.

6. Our audits of the financial statements as of and for the periods and dates referred to in the introductory paragraph of this letter comprised audit tests and procedures deemed necessary for the purpose of expressing opinions on such financial statements taken as a whole. For none of the periods and dates referred to therein, or any other period and date, did we perform audit tests for the purpose of expressing an opinion on individual balances of accounts or summaries of selected transactions such as those enumerated above and, accordingly, we express no opinion thereon.

7. For purposes of this letter, we have also read the items identified by you on the attached pages of the Registration Statement and documents incorporated by reference therein, and have performed the following procedures, which were applied as indicated with respect to the symbols explained below:

Symbol	Description of Procedures and Filings
A	We compared the amount to the corresponding amount included in or recalculated the amount derived from the Company's audited consolidated financial statements and related notes included in the Company's Form 10-K for the year ended December 31, 2018, and found the amounts to be in agreement.
B	We compared the amount to the corresponding amount included in or recalculated the amount derived from the Company's audited consolidated financial statements and related notes included in the Company's Form 10-K for the year ended December 31, 2017, and found the amounts to be in agreement.
C	We compared the amount to the corresponding amount included in or recalculated the amount from the Company's audited consolidated financial statements and related notes included in the Company's Form 8-K filed on March 15, 2017, and found the amounts to be in agreement.
D	We compared the amount or percentage to the corresponding amount or percentage included in or derived from the Company's detailed accounting records or analysis (or recomputed amounts, if applicable) which are subject to controls over financial reporting and found them to be in agreement.
E	We compared the amount or percentage to the corresponding amount or percentage included in or derived from the Company's changes in standardized measure analysis and found them to be in agreement.
F	We compared the amount to the corresponding amount included in or recalculated the amount derived from the Company's unaudited condensed consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q as of and for the three months-ended March 31, 2019.
G	We compared the amount to the corresponding amount included in or recalculated the amount derived from the Company's unaudited condensed consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q as of and for the three months-ended March 31, 2018.
H	We compared the amount to the corresponding amount included in or recalculated the amount derived from the Company's unaudited condensed consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q as of and for the three and six months-ended June 30, 2019.

I	We compared the amount to the corresponding amount included in or recalculated the amount derived from the Company's unaudited condensed consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q as of and for the three and six months-ended June 30, 2018.
J	We compared the amount to the corresponding amount included in or recalculated the amount derived from the Company's unaudited condensed consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q as of and for the three and nine months-ended September 30, 2019.
K	We compared the amount to the corresponding amount included in or recalculated the amount derived from the Company's unaudited condensed consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q as of and for the three and nine months-ended September 30, 2018.

8. It should be understood that we make no representations regarding questions of legal interpretation or regarding the sufficiency for your purposes of the procedures enumerated in paragraph 5; also, such procedures would not necessarily reveal any material misstatement of the amounts or percentages listed above. Further, we have addressed ourselves solely to the foregoing data as set forth in the Registration Statement and make no representations regarding the adequacy of disclosure or regarding whether any material facts have been omitted.

9. This letter is solely for the information of the addressees and to assist the manager in conducting and documenting their investigation of the affairs of the Company in connection with the offering of the securities covered by the registration statement, and it is not to be used, circulated, quoted, or otherwise referred to within or without the managers group for any purpose, including but not limited to the registration, purchase, or sale of securities, nor is it to be filed with or referred to in whole or in part in the registration statement or any other document, except that reference may be made to it in the distribution agency agreement or in any list of closing documents pertaining to the offering of the securities covered by the registration Statement.

Yours truly,

Deloitte & Touche LLP

SCHEDULE E

Davis Graham & Stubbs LLP Form of Legal Opinion

[•], 202[0]

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010-3629

Re: Common Stock, $0.01 par value, issued by Tellurian Inc.

Ladies and Gentlemen:

We have acted as special counsel to Tellurian Inc., a Delaware corporation (the "Company"), in connection with the Distribution Agency Agreement dated January 21, 2020 (the "Distribution Agreement"), between (i) the Company and (ii) Credit Suisse Securities (USA) LLC, as sales agent, relating to the public offering by the Company of shares of the Company's Common Stock, par value $0.01 per share (the "Common Stock"), having an aggregate offering price of up to $189,305,387 (the 'Shares"). Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Distribution Agreement.

We are furnishing this opinion letter to you pursuant to Section 5(e) of the Distribution Agreement and in relation to a Placement of Shares occurring after the date hereof (the "Current Placement").

In rendering the opinions set forth herein, we have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) the registration statement on Form S-3ASR (File No. 333-235793) relating to securities to be issued by the Company from time to time, including the Shares, filed by the Company under the Securities Act of 1933, as amended (the "Securities Act"), with the Securities and Exchange Commission (the 'SEC") on January 3, 2020, and including the base prospectus included in such registration statement (the "Base Prospectus") and the other information set forth in the Incorporated Documents (as defined below) and incorporated by reference in such registration statement and therefore deemed to be a part thereof (such registration statement, including the Base Prospectus and such other information incorporated by reference in such registration statement, being referred to herein as the "Registration Statement");

(b) the prospectus supplement dated January 21, 2020, relating to the Shares in the form filed with the SEC pursuant to Rule 424(b) of the General Rules and Regulations under the Securities Act (such prospectus supplement, together with the Base Prospectus, being referred to herein as the "Prospectus");

(c) each of the Company's reports that have been filed with the SEC and are incorporated by reference in the Registration Statement (the 'Incorporated Documents");

(d) the Distribution Agreement;

(e) the amended and restated certificate of incorporation and amended and restated bylaws, each as amended to date, of the Company (the 'Governing Documents");

(f) the Certificate of Good Standing issued by the Delaware Secretary of State on [•], 2020 (the 'Certificate of Good Standing"), with respect to the Company's good standing in Delaware on that date; and

(g) all agreements (the "Material Agreements") included or incorporated by reference as exhibits to the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2019, June 30, 2019 and September 30, 2019.

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and such agreements, certificates of public officials, certificates of officers or other representatives of the Company, including Officers' Certificates relating to certain factual matters (the "Officers' Certificates"), and others, and such other documents, certificates and records, as we have deemed necessary or appropriate as a basis for the opinions set forth herein. In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of

all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as copies. As to any facts material to the opinions and statements expressed herein that we did not independently establish or verify, we have relied, to the extent we deem appropriate, upon (i) oral or written statements and representations of fact of officers and other representatives of the Company, including the Officers' Certificates and (ii) statements and certifications of public officials and others.

The opinion in paragraph 1 below regarding the valid existence and good standing of the Company in the State of Delaware is based solely on our review of the Certificate of Good Standing, speaks only as of the date of the certificate and is limited to the meaning set forth in such certificate.

The opinion in paragraph 9 regarding investment company status is based as to matters of fact solely on the representations set forth in an Officer's Certificate and a review of certain financial statements for the year ended December 31, 2018 and the quarter ended September 30, 2019. For purposes of determining whether a particular entity is an "investment company" as defined in the Investment Company Act, it is necessary to examine the "value" of the assets of such entity within the meaning of Section 2(a)(41)(A) of the Investment Company Act. Section 2(a)(41)(A)(ii) of the Investment Company Act provides that the "value" of certain assets held by an entity shall be the "fair value" of such assets as of the end of the previous fiscal quarter as determined in good faith by such entity's board of directors (or similar governing body). Although the Officer's Certificate makes certain certifications regarding the value of the assets of the Company and its subsidiaries, the officer executing the Officer's Certificate did not request the board of directors or similar governing body of the Company or of any subsidiary thereof to determine the value of any assets required to be valued at "fair value" pursuant to Section 2(a)(41)(A)(ii), but obtained values from other sources deemed to be reliable. We have assumed, however, with your permission, that all assets of any such entity that are required to be valued at "fair value" pursuant to Section 2(a)(41)(A)(ii) of the Investment Company Act by a board of directors or similar governing body, as the case may be, would have been valued at the same values ascribed to such assets for purposes of the Officer's Certificate had the board of directors or similar governing body determined the "fair value" thereof pursuant to that section.

We have assumed that the Material Agreements, as filed with the SEC, are correct and complete in all material respects.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, we are of the opinion that:

1. The Company is validly existing as a corporation in good standing under the laws of the State of Delaware. The Company has the corporate power and authority to own, lease and operate its properties and assets and to carry on its business as now conducted and as described in the Prospectus.

2. The Distribution Agreement has been duly and validly authorized, executed and delivered by the Company.

3. The Shares, when issued after the issuance of the opinions expressed herein and paid for pursuant to the terms of the Distribution Agreement in accordance with the direction of the board of directors of the Company or a duly authorized committee thereof, will be duly authorized, validly issued, fully paid and non-assessable and free of any preemptive or similar rights arising by operation of the Governing Documents or the General Corporation Law of the State of Delaware (the "DGCL"), *provided* that certain contractual preemptive rights may apply as disclosed in the General Disclosure Package.

4. The Registration Statement was automatically effective under the Securities Act on January 3, 2020. To our knowledge, based solely on a review of the SEC website, no stop order suspending the effectiveness of the Registration Statement has been issued. To our knowledge based solely upon such review, no proceedings for that purpose have been instituted or are pending or threatened by the SEC.

5. Each of the Registration Statement, as of its effective date, and the Prospectus, as of its date, appeared on its face to be appropriately responsive in all material respects to the requirements of the Securities Act and the rules and regulations of the SEC promulgated thereunder; *provided, however*, that we express no opinion as to (a) Regulation S-T, (b) interactive data in eXtensible Business Reporting Language, or (c) the requirements relating to historical and pro forma financial statements and related schedules, including the notes and schedules thereto and the auditor's report thereon, or any other financial or accounting data, included or incorporated or deemed incorporated by reference in, or excluded from, the Registration Statement or the Prospectus.

6. Each of the Incorporated Documents, when it was filed with the SEC, appeared on its face to be appropriately responsive in all material respects to the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder; *provided, however*, that we express no opinion as to (i) Regulation S-T, (ii) interactive data in eXtensible Business Reporting Language, or (iii) the requirements relating to historical and pro forma financial statements and related schedules,

including the notes and schedules thereto and the auditor's report thereon, or any other financial or accounting data, included or incorporated or deemed incorporated by reference in, or excluded from, the Registration Statement or the Prospectus.

7. The execution, delivery and performance by the Company of, and the compliance by the Company with the terms of, the Distribution Agreement and the issuance, sale and delivery of the Shares in the Current Placement pursuant to the Distribution Agreement do not (a) result in a violation of any provision of applicable law or the Governing Documents, (b) constitute a breach of or default (or an event which with notice or lapse of time or both would constitute a default) under any Material Agreement, order, writ, judgment or decree of any governmental agency or court known to us to which the Company is a party or is subject or (c) to our knowledge, result in the creation of any material lien on any of the assets or properties of the Company pursuant to any Material Agreement.

8. No Governmental Approval, which has not been obtained or made and is not in full force and effect, is required to authorize, or is required for, the execution and delivery by the Company of the Distribution Agreement or the consummation of the issuance and sale of the Shares in the Current Placement pursuant to the Distribution Agreement. As used in this paragraph, "Governmental Approval" means any consent, approval, license, authorization or validation of, or filing, recording or registration with or under, the DGCL or any executive, legislative, judicial, administrative or regulatory body of the State of New York, Colorado, or the United States of America, pursuant to the DGCL or applicable laws of the State of New York, Colorado, or the United States of America.

9. The Company is not, and immediately after giving effect to the offering and sale of the Shares in the Current Placement and the application of the proceeds thereof as described in the Prospectus will not be, required to register as an "investment company" within the meaning of the Investment Company Act.

10. The statements in the Prospectus under the caption "Description of Our Capital Stock" have been reviewed by us and, to the extent that such statements constitute summaries of documents referred to therein or the DGCL or the Governing Documents, fairly summarize the matters set forth therein in all material respects.

11. Except as disclosed in the General Disclosure Package, no person has the right, which has not been waived, under any Material Agreement to require the registration under the Securities Act of any sale of securities issued by the Company by reason of the filing or effectiveness of the Registration Statement or filing of the Prospectus.

12. The statements in the Prospectus under the caption "Material United States Federal Income Tax Considerations to Non-U.S. Holders," insofar as they refer to statements of law or legal conclusions, fairly summarize the matters referred to therein in all material respects, subject to the qualifications and assumptions stated therein.

13. To our knowledge, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending or threatened to which the Company or any of its subsidiaries is or may be a party or to which any of the properties of the Company or any of its subsidiaries is or may be subject that are required to be described in the Registration Statement or the Prospectus and are not so described.

In addition, we have participated in conferences with officers and other representatives of the Company, and the independent registered public accounting firm of the Company, your counsel and your representatives at which the contents of the Registration Statement and the Prospectus (including the Incorporated Documents) and related matters were discussed and, although we have not independently verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained or incorporated by reference in the Registration Statement and the Prospectus (except as and to the extent set forth in paragraphs 10 and 12 above), on the basis of the foregoing (relying with respect to factual matters to the extent we deem appropriate upon statements by officers and other representatives of the Company), no facts have come to our attention that have led us to believe that (i) the Registration Statement, as of the date hereof, insofar as relating to the Current Placement of the Shares, contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) the Prospectus (including the Incorporated Documents), as of the date hereof, contains an untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. We express no opinion, statement or belief in this opinion letter with respect to (i) the historical and pro forma financial statements and related schedules, including the notes and schedules thereto and the auditor's report thereon, included or incorporated or deemed incorporated by reference in, or excluded from, the Registration Statement or the Prospectus, (ii) any other financial or accounting data included or incorporated or deemed incorporated by reference in, or excluded from, the Registration Statement or the Prospectus, (iii) the oil and gas reserve data included or incorporated or deemed incorporated by reference in, or excluded from, the Registration Statement or the Prospectus, or (iv) representations and warranties and other statements of fact included in the exhibits to the Registration Statement or Incorporated Documents.

We express no opinion as to the laws of any jurisdiction other than (i) applicable laws of the State of New York, (ii) applicable laws of the State of Colorado, (iii) the DGCL, including published judicial interpretations thereof, and (iv) applicable laws of the United States of America, in each case as normally applicable in our experience to transactions of the type contemplated by the Distribution Agreement, without our having made any special investigation as to the applicability of any specific law, rule or regulation, and that are not the subject of a specific opinion herein referring expressly to a particular law or laws; *provided, however*, that such references do not include any municipal or other local laws, rules or regulations, or any antifraud, environmental, labor, tax, insurance, privacy, antitrust or state securities blue sky laws, rules or regulations. No opinions are offered or implied as to any matter, and no inference may be drawn, beyond the strict scope of the specific issues expressly addressed by the opinions herein.

This opinion is being furnished only to you in connection with the sale of the Shares in the Current Placement under the Distribution Agreement and is solely for your benefit and is not to be used, circulated, quoted or otherwise referred to for any other purpose or relied upon by any other person, including any purchaser of any Shares from you and any subsequent purchaser of any Shares, without our express written permission. The opinions expressed herein are as of the date hereof only and are based on laws, orders, contract terms and provisions, and facts as of such date, and we disclaim any obligation to update this opinion letter after such date or to advise you of changes of facts stated or assumed herein or any subsequent changes in law.

Very truly yours,

Davis Graham & Stubbs LLP

Exhibit 4.1

DESCRIPTION OF CAPITAL STOCK

The following is a description of each class of securities of Tellurian Inc. ("Tellurian" the "Company," "we," "us," or "our") that is registered under Section 12 of the Securities Exchange Act of 1934, as amended, and does not purport to be complete. For a complete description of the terms and provisions of such securities, refer to our amended and restated articles of incorporation, our amended and restated by-laws, and the certificate of designations governing the shares of Tellurian Series C convertible preferred stock (the "Series C Preferred Shares"), which are incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on September 22, 2017, Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on September 22, 2017, and Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on March 21, 2018, respectively. This summary is qualified in its entirety by reference to these documents.

Our amended and restated certificate of incorporation authorizes us to issue 400,000,000 shares of common stock, $0.01 par value per share, and 100,000,000 shares of preferred stock, $0.01 per share. As of February 14, 2020, 244,301,126 shares of our common stock were issued and outstanding and 6,123,782 Series C Preferred Shares were issued and outstanding. The rights of the holders of our common stock and Series C Preferred Shares are governed by the Delaware General Corporation Law (the "DGCL"), our amended and restated certificate of incorporation, our amended and restated by-laws and the certificate of designations governing the Series C Preferred Shares.

Common Stock

Voting Rights

Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. Cumulative voting in the election of directors is not permitted. Under our amended and restated by-laws, unless otherwise provided in our amended and restated certificate of incorporation or the DGCL with respect to a specified action, matters to be voted on by stockholders are generally decided by a majority of the votes cast, except that contested elections of directors will be decided by a plurality vote. Our amended and restated by-laws provide that the presence at a stockholders' meeting of one-third of the voting power of our outstanding stock entitled to vote at the meeting will constitute a quorum.

Dividend and Distribution Rights

Holders of outstanding shares of our common stock are entitled to dividends when, as, and if declared by our board of directors out of funds legally available for the payment of dividends. As a Delaware corporation, we may pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which a dividend is declared and/or the preceding fiscal year. In the event of our liquidation, dissolution, or winding up of our affairs, holders of our common stock will be entitled to receive ratably our net assets available to the stockholders.

Preemptive, Conversion and Redemption Rights

Holders of our outstanding common stock have no conversion or redemption rights. In addition, holders of our common stock have no preemptive rights under the DGCL. However, Total Delaware, Inc. ("Total") has a contractual right to purchase its pro rata portion of any new equity securities that Tellurian may issue to a third party on the same terms and conditions as such equity securities are offered and sold to such party, subject to certain exceptions. Total also has certain anti-dilution rights that will entitle it to purchase additional shares of our common stock under certain circumstances if all or a portion of our acquisition of an interest in Driftwood Holdings LP is financed with securities convertible into our common stock. To the extent that additional shares of our common stock may be issued in the future, the relative interests of the then-existing stockholders may be diluted.

Registrar and Transfer Agent

Our registrar and transfer agent for all shares of common stock is Broadridge Corporate Issuer Solutions, Inc.

Preferred Stock Generally

Our amended and restated certificate of incorporation authorizes our board of directors, subject to any limitations prescribed by law, without further stockholder approval, to establish and to issue from time to time one or more classes or series of preferred stock, covering up to an aggregate of 100,000,000 shares of preferred stock. Each class or series of preferred stock will cover the number of shares and will have the powers, preferences, rights, qualifications, limitations and restrictions determined by our board of directors, which may include, among others, dividend rights, liquidation preferences, voting rights, conversion rights and redemption rights.

Series C Convertible Preferred Stock

Voting Rights

Holders of the Series C Preferred Shares will be entitled to one vote for each Series C Preferred Share held on matters submitted to a vote of common stockholders.

Conversion

Holders of the Series C Preferred Shares may convert all or any portion of such shares for shares of Tellurian 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 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, a Delaware limited liability company and a subsidiary of Tellurian, and Bechtel Oil, Gas and Chemicals, Inc., or at any time after March 21, 2028, Tellurian has the right, at its option, to cause not less than all of the Series C Preferred Shares to be converted into shares of Tellurian common stock on a one-for-one basis. The conversion ratio will be subject to customary anti-dilution adjustments.

Dividends

The Series C Preferred Shares do not have dividend rights. Tellurian will be prohibited from paying dividends on its common stock so long as the Series C Preferred Shares remain outstanding.

Liquidation

In the event of any liquidation, dissolution or winding up of the affairs of Tellurian (a "Liquidation Event"), after payment or provision for payment of the debts and other liabilities of Tellurian, holders of the Series C Preferred Shares will be entitled to receive the greater of (i) an amount in cash equal to $8.16489 per share and (ii) the amount that would be received by the holders of the Series C Preferred Shares had such holders converted those shares into Tellurian common stock immediately prior to the Liquidation Event.

Priority

So long as any Series C Preferred Shares remain outstanding, Tellurian may not, without the consent of the holders of at least a majority of the Series C Preferred Shares, authorize the issuance of any class of shares that is pari passu with or senior to the Series C Preferred Shares in the payment of dividends or the distribution of assets following a Liquidation Event, except in limited circumstances.

Anti-Takeover Provisions in our Amended and Restated Certificate of Incorporation and Amended and Restated By-Laws

Our amended and restated certificate of incorporation and amended and restated by-laws also contain provisions that we describe in the following paragraphs, which may delay, defer, discourage, or prevent a change in control of us, the removal of our existing management or directors, or an offer by a potential acquirer to our stockholders, including an offer by a potential acquirer at a price higher than the market price for the stockholders' shares.

Among other things, our amended and restated certificate of incorporation and amended and restated by-laws:

- divide our board of directors into three classes serving staggered three-year terms, which could have the effect of increasing the length of time necessary to change the composition of a majority of the board of directors;

- provide that all vacancies on the board of directors, including newly created directorships, will, except as otherwise required by law, be filled by the vote of a majority of directors then in office;

- provide our board of directors with the ability to authorize currently undesignated preferred stock. This ability makes it possible for our board of directors to issue, without stockholder approval, preferred stock with voting or other rights or preferences designated by the board that could have the effect of impeding the success of any attempt to change control of us;

- establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days, and not more than 120 days, prior to the first anniversary of the prior year's annual meeting (or, in the case of a special meeting, not less than 90 days or more than 120 days prior to the date of the meeting). Our amended and restated by-laws specify the information that must be included in a stockholder's notice. These requirements may prevent stockholders from bringing matters before the stockholders at an annual or special meeting;

- provide that stockholders may not act by written consent in lieu of a meeting unless the action, and the taking of such action by written consent, has been approved in advance by the board of directors;

- provide that stockholders are not permitted to call special meetings of stockholders. Only our chairman of the board, president, and the board of directors are permitted to call a special meeting of stockholders; and

- provide that our board of directors may alter, amend, or repeal our by-laws or approve new by-laws without further stockholder approval, and provide that a stockholder amendment to the by-laws requires a favorable vote of two-thirds of the voting power of all outstanding voting stock.

Anti-Takeover Provisions of Delaware Law

We are subject to the anti-takeover provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner.

Section 203 defines a "business combination" as a merger, asset sale, or other transaction resulting in a financial benefit to the interested stockholder. Section 203 defines an "interested stockholder" as a person who, together with affiliates and associates, owns, or, in some cases, within the three prior years did own, 15% or more of the corporation's voting stock. Under Section 203, a business combination between us and an interested stockholder is subject to the three-year moratorium unless:

- our board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder prior to the date the person attained that status;

- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding, for purposes of determining the number of shares outstanding, shares owned by persons who are directors and also officers and employee stock plans in which employee participants do not have the right to determine confidentially whether shares held under the plan will be tendered in a tender or exchange offer; or

- the business combination is approved by our board of directors on or subsequent to the date the person became an interested stockholder and authorized at an annual or special meeting of the stockholders by the affirmative vote of the holders of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

These provisions may have an anti-takeover effect with respect to transactions not approved in advance by our board of directors, including by discouraging takeover attempts that might result in a premium over the market price for the shares of our stock and that are favored by the holders of a majority of our then-outstanding stock.

Exhibit 10.1.1

AMENDMENT NO. 1

TO THE

VOTING AGREEMENT

This Amendment No. 1 (this "Amendment") to the Voting Agreement, dated as of January 3, 2017 (the "Existing Voting Agreement"), by and among (i) Tellurian Inc. (formerly known as Magellan Petroleum Corporation), a Delaware corporation (the "Tellurian"), (ii) Tellurian Investments LLC, a Delaware limited liability company formerly known as Tellurian Investments Inc., a Delaware corporation ("Tellurian Investments"), (iii) Total Delaware, Inc., a Delaware corporation ("Total"), and (iv) the individuals or trusts set forth on Schedule A of the Agreement who are current stockholders of the Company (each referred to herein individually as a "Stockholder" and collectively, as the "Stockholders"), is hereby made and entered into as of July 10, 2019. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Existing Voting Agreement.

WHEREAS, each of Charif Souki, Martin Houston and Brooke Peterson (each referred to herein individually as a "Director" and collectively, as the "Directors") has confirmed his intent, as a member of Tellurian's Board of Directors (the "Board") and subject to the conditions and other legal matters set forth therein, regarding the declaration and payment of dividends to the holders of the Common Stock by executing and delivering to Total a letter, in substantially the form attached hereto as Annex A (the "Dividend Letter");

WHEREAS, Total has required that the Existing Voting Agreement be amended to reflect the matters set forth herein;

WHEREAS, pursuant to Section 2.3 of the Existing Voting Agreement, the Existing Voting Agreement may only be modified or changed by an instrument in writing signed by all of the parties thereto; and

WHEREAS, the parties desire to amend the Existing Voting Agreement as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Article I - Voting Agreement is hereby amended to add the following as a new Section 1.7:

"Section 1.7 Replacement of Directors. In the event that any Director ceases for any reason to serve as a member of the Board at any time prior to the Expiration Date (whether due to resignation, removal, death, disability or otherwise), (a) each Stockholder agrees to take all actions within such Stockholder's control relating to the ownership of Common Stock (including by attending stockholder meetings in person or by proxy for purposes of constituting a quorum, voting all voting securities of Tellurian owned or controlled by such Stockholder, executing written consents in lieu of meetings and nominating persons for election to the Board pursuant to the advance notice provisions of Tellurian's organizational documents), and (b) Tellurian agrees to take all commercially reasonable actions within its control (including calling Board and stockholder meetings), in each case, to cause the resulting vacancy on the Board to be filled by an individual who has executed and delivered to Total the Dividend Letter and such individual to be duly elected as a director of Tellurian at the earliest practicable time."

2. Except as set forth herein, the parties' rights under the Existing Voting Agreement shall remain unaffected and shall continue in full force and effect. This Amendment is limited precisely as written and shall not be deemed to be an amendment to any other term or condition of the Existing Voting Agreement.

3. This Amendment shall form a part of the Existing Voting Agreement for all purposes, and each party thereto and hereto shall be bound hereby. From and after the execution of this Amendment by the parties hereto, any reference to the Existing Voting Agreement shall be deemed a reference to the Existing Voting Agreement as amended hereby (unless the context specifically requires otherwise).

4. THIS AMENDMENT AND ALL DISPUTES BETWEEN THE PARTIES UNDER OR RELATING TO THIS AMENDMENT OR THE FACTS AND CIRCUMSTANCES LEADING TO ITS EXECUTION, WHETHER IN CONTRACT, TORT OR OTHERWISE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE (WITHOUT REFERENCE TO SUCH STATE'S PRINCIPLES OF CONFLICTS OF LAW).

5. This Amendment may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. Facsimile or Portable Document Format (PDF) transmission of any signature will be deemed the same as delivery of an original.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be executed as of the date first written above.

Total Delaware, Inc.

By: /s/ Christophe Gerondeau
Name: Christophe Gerondeau
Title:President

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be executed as of the date first written above.

Tellurian Inc.

By: /s/ Meg Gentle
Name: Meg Gentle
Title: President and Chief Executive Officer

Tellurian Investments LLC

By: /s/ Meg Gentle
Name: Meg Gentle
Title: President and Chief Executive Officer

By: /s/ Charif Souki
Name: Charif Souki

Souki Family 2016 Trust

By: /s/ Brooke A. Peterson
Name: Brooke A. Peterson
Title: Trust Protector

By: /s/ Martin Houston
Name: Martin Houston

Annex A

Form of Dividend Letter

[_____, 20___]

[_____]

Dear _____:

Reference is made to the Heads of Agreement dated April 3rd, 2019 (the "HOA") between Tellurian Inc. (the "Company") and Total Delaware, Inc. ("Total") with respect to the participation of Total in the Driftwood LNG phase 1 project and the definitive agreements referred to in the HOA to be executed on or around the date hereof (the "Driftwood Definitive Agreements").

Per your request, this letter is to confirm my intention, as a member of the Board of Directors (the "Board") of the Company and subject to the closing of Total's equity investment in the Phase 1 Project (as such term is defined in the Driftwood Definitive Agreements) in accordance with the terms of the Driftwood Definitive Agreements, to vote in favor of the declaration and payment of a dividend to the holders of common stock, par value $0.01, of the Company of a minimum of 50% of the Company's available cash, subject to my fiduciary duties as a member of the Board and subject to the Board's determination that there is sufficient surplus and other lawfully available funds to pay the dividend under Delaware law.

Very truly yours,

_____

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Exhibit 10.5.4

CHANGE ORDER FORM

PROJECT NAME: Driftwood LNG Phase 1

CHANGE ORDER NUMBER: CO-004

OWNER: Driftwood LNG LLC

DATE OF CHANGE ORDER: October 11, 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:

I. **ENTIRE AGREEMENT**

A. EPC Agreement Terms Modifications

The Parties agree that the value of any work or services performed under the Amended Technical Services Agreement prior to NTP of the Agreement shall be addressed outside of the EPC Agreement. Accordingly, the Parties agree that **Section 21.1** of the **Phase 1 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*"**Entire Agreement**. This Agreement, including the Attachments and Schedules attached to and incorporated into this Agreement, and together with the Chart Sublicense Agreement contain the entire understanding of the Parties with respect to the subject matter hereof and incorporates any and all prior agreements and commitments with respect thereto. There are no other oral understandings, terms or conditions, and neither Party has relied upon any representation, express or implied, not contained in this Agreement or the Chart Sublicense Agreement; provided however, notwithstanding anything to the contrary in this Agreement, credit payments to Driftwood LP Holdings LLC for the Amended Technical Services Agreement shall be handled in accordance with its Amendment #4 and Restated Request for Services No. 3 and pursuant to the Assignment between Driftwood LNG LLC and Driftwood LP Holdings LLC (or any amendments thereto). General or special conditions included in any of Contractor's price lists, Invoices, tickets, receipts or other such documents presented to Owner shall have no applicability to Owner with respect to this Agreement. ~~To the extent that any work or services is performed under the Amended Technical Services Agreement after the Contract Date of this Agreement and Owner pays Contractor for such work or services under the Amended Technical Services Agreement, and to the extent such work or services is Work to be performed under this Agreement, Owner shall be entitled to a Change Order reducing the Contract Price for the value of such work or services, with the amount of such reduction to be agreed upon by Owner and Contractor.~~ After issuance of NTP, this Agreement supersedes in its entirety the Amended Technical Services Agreement (subject to the handling of credit payments noted above) and after the Contract Date of this Agreement, this Agreement and the Chart Sublicense Agreement supersede any other agreements between the Parties related to the Phase 1 Project with respect to the subject matter hereof."*

II. **OWNER REPRESENTATIVE**

A. EPC Agreement Terms Modifications

The Parties agree to amend **Section 4.10** of the **Driftwood LNG Phase 1 EPC Agreement** by changing the Owner's Representative from [***] to [***]. Accordingly, the Parties agree that **Section 4.10** of the **Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*"**Owner Representative**". Owner designates [***] as the Owner Representative. Notification of a change in Owner Representative shall be provided in advance, in writing, to Contractor.*

NOTICE

A. EPC Agreement Terms Modifications

The Parties agree to amend **Section 21.5.A.** of the **Driftwood LNG Phase 1 EPC Agreement** by changing the Owner's Representative from [***] to [***]. Accordingly, the Parties agree that **Section 21.5.A.** of the **Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*"**If delivered to Owner**".*

Driftwood LNG LLC
1201 Louisiana Street, Suite 3100
Houston, Texas 77002
Email: [***]
Attn: [***]

with a copy to:

Driftwood LNG LLC
1201 Louisiana Street, Suite 3100
Houston, Texas 77002
Email: [***]
Attn: [***]

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	USD 159,940,740	EUR 0
The Contract Price prior to this Change Order was	USD 7,400,254,972	EUR 375,344,119
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 7,400,254,972	EUR 375,344,119

The Aggregate Provisional Sum prior to this Change Order was	USD 502,857,704	EUR 0
The Aggregate Provisional Sum will be unchanged		
by this Change Order in the amount of	USD 0	EUR 0
The new Aggregate Provisional Sum		
including this Change Order will be	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: **N/A**
Adjustment to Provisional Sums: **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: [***] Contractor [***] 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/ [***]	/s/ [***]
Owner	Contractor
[***]	[***]
Name	Name
[***]	[***]
Title	Title
21 Oct 2019	18 Oct 2019
Date of Signing	Date of Signing

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Exhibit 10.5.5

CHANGE ORDER FORM

PROJECT NAME: Driftwood LNG Phase 1

CHANGE ORDER NUMBER: CO-005

OWNER: Driftwood LNG LLC

DATE OF CHANGE ORDER: December 13, 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:

I. **SCHEDULE REDUCTION**

A. EPC Agreement Terms Modifications

The Parties agree that **Attachment 5 (Project Schedule)** of the **Phase 1 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

Notice to Proceed	Day Zero
Project 1 Ready for Start Up	[***] Days following Owner's issuance of Notice to Proceed
Project 1Target Substantial Completion Date	[***] Days from Owner's issuance of Notice to Proceed
Project 1 Guaranteed Substantial Completion Date	[***] Days from Owner's issuance of Notice to Proceed
Project 2 Ready for Start Up	[***] Days following Owner's issuance of Notice to Proceed
Project 2 Target Substantial Completion Date	[***] Days from Owner's issuance of Notice to Proceed
Project 2 Guaranteed Substantial Completion Date	[***] Days from Owner's issuance of Notice to Proceed
Phase 1 Final Completion	[***] Days after Project 2 Guaranteed Substantial Completion Date

The Parties agree that **Article 13.2 (Schedule bonus)** of the **Phase 1 EPC Agreement** remains unchanged and the **Schedule Bonus Date for P1** and the **Schedule Bonus Date for P2** remain unchanged at [***] Days and [***] Days respectively.

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	USD 159,940,740	EUR 0
The Contract Price prior to this Change Order was	USD 7,400,254,972	EUR 375,344,119
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 7,400,254,972	EUR 375,344,119

The Aggregate Provisional Sum prior to this Change Order was	USD 502,857,704	EUR 0
The Aggregate Provisional Sum will be unchanged		
by this Change Order in the amount of	USD 0	EUR 0
The new Aggregate Provisional Sum		
including this Change Order will be	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: **N/A**
Adjustment to Provisional Sums: **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: [***] Contractor [***] 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/ [***]	/s/ [***]
Owner	Contractor
[***]	[***]
Name	Name
[***]	[***]
Title	Title
17 Dec 2019	13 Dec 2019
Date of Signing	Date of Signing

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Exhibit 10.6.3

CHANGE ORDER FORM

PROJECT NAME: Driftwood LNG Phase 2

CHANGE ORDER NUMBER: CO-003

OWNER: Driftwood LNG LLC

DATE OF CHANGE ORDER: October 11, 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:

I. **ENTIRE AGREEMENT**

A. EPC Agreement Terms Modifications

The Parties agree that the value of any work or services performed under the Amended Technical Services Agreement prior to NTP of the Agreement shall be addressed outside of the EPC Agreement. Accordingly, the Parties agree that **Section 21.1** of the **Phase 2 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

> *"**Entire Agreement**. This Agreement, including the Attachments and Schedules attached to and incorporated into this Agreement, and together with the Chart Sublicense Agreement contain the entire understanding of the Parties with respect to the subject matter hereof and incorporates any and all prior agreements and commitments with respect thereto. There are no other oral understandings, terms or conditions, and neither Party has relied upon any representation, express or implied, not contained in this Agreement or the Chart Sublicense Agreement. General or special conditions included in any of Contractor's price lists, Invoices, tickets, receipts or other such documents presented to Owner shall have no applicability to Owner with respect to this Agreement. ~~To the extent that any work or services is performed under the Amended Technical Services Agreement after the Contract Date of this Agreement and Owner pays Contractor for such work or services under the Amended Technical Services Agreement, and to the extent such work or services is Work to be performed under this Agreement, Owner shall be entitled to a Change Order reducing the Contract Price for the value of such work or services, with the amount of such reduction to be agreed upon by Owner and Contractor.~~ After issuance of NTP, this Agreement supersedes in its entirety the Amended Technical Services Agreement, and after the Contract Date of this Agreement, this Agreement and the Chart Sublicense Agreement supersede any other agreements between the Parties related to the Phase 1 Project with respect to the subject matter hereof."*

II. **OWNER REPRESENTATIVE**

A. EPC Agreement Terms Modifications

The Parties agree to amend **Section 4.9** of the **Driftwood LNG Phase 2 EPC Agreement** by changing the Owner's Representative from [***] to [***]. Accordingly, the Parties agree that **Section 4.9** of the **Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

> *"**Owner Representative**". Owner designates [***] as the Owner Representative. Notification of a change in Owner Representative shall be provided in advance, in writing, to Contractor.*

III. **NOTICE**

A. EPC Agreement Terms Modifications

The Parties agree to amend **Section 21.5.A.** of the **Driftwood LNG Phase 2 EPC Agreement** by changing the Owner's Representative from [***] to [***]. Accordingly, the Parties agree that **Section 21.5.A.** of the **Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*"**If delivered to Owner**".*

Driftwood LNG LLC
1201 Louisiana Street, Suite 3100
Houston, Texas 77002
Email: [***]
Attn: [***]

with a copy to:

Driftwood LNG LLC
1201 Louisiana Street, Suite 3100
Houston, Texas 77002
Email: [***]
Attn: [***]

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	USD 60,206,464	EUR 0
The Contract Price prior to this Change Order was	USD 2,576,192,915	EUR 166,316,651
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 2,576,192,915	EUR 166,316,651

The Aggregate Provisional Sum prior to this Change Order was	USD 165,239,413	EUR 0
The Aggregate Provisional Sum will be ~~(increased) (decreased)~~ (unchanged)		
by this Change Order in the amount of	USD 0	EUR 0
The new Aggregate Provisional Sum		
including this Change Order will be	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: **N/A**
Adjustment to Provisional Sums: **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: [***] Contractor [***] 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/ [***]	/s/ [***]
Owner	Contractor
[***]	[***]
Name	Name
[***]	[***]
Title	Title
21 Oct 2019	18 Oct 2019
Date of Signing	Date of Signing

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Exhibit 10.7.3

CHANGE ORDER FORM

PROJECT NAME: Driftwood LNG Phase 3

CHANGE ORDER NUMBER: CO-003

OWNER: Driftwood LNG LLC

DATE OF CHANGE ORDER: October 11, 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:

I. **ENTIRE AGREEMENT**

A. EPC Agreement Terms Modifications

The Parties agree that the value of any work or services performed under the Amended Technical Services Agreement prior to NTP of the Agreement shall be addressed outside of the EPC Agreement. Accordingly, the Parties agree that **Section 21.1** of the **Phase 3 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*"**Entire Agreement**. This Agreement, including the Attachments and Schedules attached to and incorporated into this Agreement, and together with the Chart Sublicense Agreement contain the entire understanding of the Parties with respect to the subject matter hereof and incorporates any and all prior agreements and commitments with respect thereto. There are no other oral understandings, terms or conditions, and neither Party has relied upon any representation, express or implied, not contained in this Agreement or the Chart Sublicense Agreement. General or special conditions included in any of Contractor's price lists, Invoices, tickets, receipts or other such documents presented to Owner shall have no applicability to Owner with respect to this Agreement. ~~To the extent that any work or services is performed under the Amended Technical Services Agreement after the Contract Date of this Agreement and Owner pays Contractor for such work or services under the Amended Technical Services Agreement, and to the extent such work or services is Work to be performed under this Agreement, Owner shall be entitled to a Change Order reducing the Contract Price for the value of such work or services, with the amount of such reduction to be agreed upon by Owner and Contractor.~~ After issuance of NTP, this Agreement supersedes in its entirety the Amended Technical Services Agreement, and after the Contract Date of this Agreement, this Agreement and the Chart Sublicense Agreement supersede any other agreements between the Parties related to the Phase 1 Project with respect to the subject matter hereof."*

II. **OWNER REPRESENTATIVE**

A. EPC Agreement Terms Modifications

The Parties agree to amend **Section 4.9** of the **Driftwood LNG Phase 3 EPC Agreement** by changing the Owner's Representative from [***] to [***]. Accordingly, the Parties agree that **Section 4.9** of the **Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*"**Owner Representative**". Owner designates [***] as the Owner Representative. Notification of a change in Owner Representative shall be provided in advance, in writing, to Contractor.*

III. **NOTICE**

A. EPC Agreement Terms Modifications

The Parties agree to amend **Section 21.5.A.** of the **Driftwood LNG Phase 3 EPC Agreement** by changing the Owner's Representative from [***] to [***]. Accordingly, the Parties agree that **Section 21.5.A.** of the **Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*"**If delivered to Owner**".*

Driftwood LNG LLC
1201 Louisiana Street, Suite 3100
Houston, Texas 77002
Email: [***]
Attn: [***]

with a copy to:

Driftwood LNG LLC
1201 Louisiana Street, Suite 3100
Houston, Texas 77002
Email: [***]
Attn: [***]

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	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

The Aggregate Provisional Sum prior to this Change Order was	USD 215,573,207	EUR 0
The Aggregate Provisional Sum will be ~~(increased) (decreased)~~ (unchanged)		
by this Change Order in the amount of	USD 0	EUR 0
The new Aggregate Provisional Sum		
including this Change Order will be	USD 215,573,207	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: **N/A**
Adjustment to Provisional Sums: **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: [***] Contractor [***] 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/ [***]	/s/ [***]
Owner	Contractor
[***]	[***]
Name	Name
[***]	[***]
Title	Title
21 Oct 2019	18 Oct 2019
Date of Signing	Date of Signing

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Exhibit 10.8.3

CHANGE ORDER FORM

PROJECT NAME: Driftwood LNG Phase 4

CHANGE ORDER NUMBER: CO-003

OWNER: Driftwood LNG LLC

DATE OF CHANGE ORDER: October 11, 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:

I. **ENTIRE AGREEMENT**

A. EPC Agreement Terms Modifications

The Parties agree that the value of any work or services performed under the Amended Technical Services Agreement prior to NTP of the Agreement shall be addressed outside of the EPC Agreement. Accordingly, the Parties agree that **Section 21.1** of the **Phase 4 EPC Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*"**Entire Agreement**. This Agreement, including the Attachments and Schedules attached to and incorporated into this Agreement, and together with the Chart Sublicense Agreement contain the entire understanding of the Parties with respect to the subject matter hereof and incorporates any and all prior agreements and commitments with respect thereto. There are no other oral understandings, terms or conditions, and neither Party has relied upon any representation, express or implied, not contained in this Agreement or the Chart Sublicense Agreement. General or special conditions included in any of Contractor's price lists, Invoices, tickets, receipts or other such documents presented to Owner shall have no applicability to Owner with respect to this Agreement. ~~To the extent that any work or services is performed under the Amended Technical Services Agreement after the Contract Date of this Agreement and Owner pays Contractor for such work or services under the Amended Technical Services Agreement, and to the extent such work or services is Work to be performed under this Agreement, Owner shall be entitled to a Change Order reducing the Contract Price for the value of such work or services, with the amount of such reduction to be agreed upon by Owner and Contractor.~~ After issuance of NTP, this Agreement supersedes in its entirety the Amended Technical Services Agreement, and after the Contract Date of this Agreement, this Agreement and the Chart Sublicense Agreement supersede any other agreements between the Parties related to the Phase 1 Project with respect to the subject matter hereof."*

II. **OWNER REPRESENTATIVE**

A. EPC Agreement Terms Modifications

The Parties agree to amend **Section 4.9** of the **Driftwood LNG Phase 4 EPC Agreement** by changing the Owner's Representative from [***] to [***]. Accordingly, the Parties agree that **Section 4.9** of the **Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*"**Owner Representative**". Owner designates [***] as the Owner Representative. Notification of a change in Owner Representative shall be provided in advance, in writing, to Contractor.*

III. **NOTICE**

A. EPC Agreement Terms Modifications

The Parties agree to amend **Section 21.5.A.** of the **Driftwood LNG Phase 4 EPC Agreement** by changing the Owner's Representative from [***] to [***]. Accordingly, the Parties agree that **Section 21.5.A.** of the **Agreement** is modified (red text are additions and strikethrough text are deletions) as follows:

*"**If delivered to Owner**".*

Driftwood LNG LLC
1201 Louisiana Street, Suite 3100
Houston, Texas 77002
Email: [***]
Attn: [***]

with a copy to:

Driftwood LNG LLC
1201 Louisiana Street, Suite 3100
Houston, Texas 77002
Email: [***]
Attn: [***]

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	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

The Aggregate Provisional Sum prior to this Change Order was	USD 127,877,840	EUR 0
The Aggregate Provisional Sum will be ~~(increased) (decreased)~~ (unchanged)		
by this Change Order in the amount of	USD 0	EUR 0
The new Aggregate Provisional Sum		
including this Change Order will be	USD 127,877,840	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: **N/A**
Adjustment to Provisional Sums: **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: [***] Contractor [***] 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/ [***]	/s/ [***]
Owner	Contractor
[***]	[***]
Name	Name
[***]	[***]
Title	Title
21 Oct 2019	18 Oct 2019
Date of Signing	Date of Signing

Exhibit 10.12.4

AMENDMENT NO. 4 TO CREDIT AGREEMENT

This **amendment no. 4 to credit agreement** (this "***Agreement***") is entered into as of December 23, 2019 (the "***Effective Date***"), by and among **TELLURIAN PRODUCTION HOLDINGS LLC**, a Delaware limited liability company ("***Borrower***"), the Lenders (defined below) party hereto, **GOLDMAN SACHS LENDING PARTNERS LLC** , as the administrative agent (in such capacity, including any successors or assigns in such capacity, "***Administrative Agent***"), and **J. ARON & COMPANY LLC**, as the collateral agent (in such capacity, including any successors or assigns in such capacity, "***Collateral Agent***").

WITNESSETH:

WHEREAS, Borrower, Administrative Agent, Collateral Agent and the financial institutions party thereto as lenders (the " ***Lenders***", and together with Administrative Agent and Collateral Agent, the "***Lender Parties***"), have entered into that certain Credit Agreement dated as of September 28, 2018, as amended by that certain Omnibus Amendment and Consent dated as of November 29, 2018, that certain Amendment No. 2 to Credit Agreement dated as of May 6, 2019 and that certain Amendment No. 3 to Credit Agreement dated as of June 28, 2019 (as so amended, and as amended, restated, supplemented or otherwise modified (including by this Agreement), the "***Credit Agreement***");

WHEREAS, Borrower has requested that the Lender Parties amend the Credit Agreement as herein provided; and

WHEREAS, subject to the terms and conditions hereinafter set forth, the Lender Parties have agreed to amend the Credit Agreement as herein provided.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements and to the conditions precedent set forth herein, the parties to this Agreement hereby agree as follows:

SECTION 1. **Terms Defined in the Credit Agreement**. As used in this Agreement, except as may otherwise be provided herein, all capitalized terms defined in the Credit Agreement shall have the same meaning herein as therein, all of such terms and their definitions being incorporated herein by reference.

SECTION 2. **Amendment to Credit Agreement**.

(a) Section 7.1(b)(ii) of the Credit Agreement is hereby amended and restated as follows:

"on or before the third (3rd) Business Day of each month (beginning January 2020), the Projections for such month."

SECTION 3. **Conditions of Effectiveness**. This Agreement shall become effective on the Effective Date upon fulfillment of the following conditions precedent:

(a) Borrower shall have delivered to Administrative Agent a duly executed counterpart of this Agreement; and

(b) Parent Guarantor and each Subsidiary Guarantor shall have delivered to Administrative Agent a duly executed counterpart of the Ratification Agreement substantially in the form attached hereto as ***Exhibit A*** (the "***Ratification Agreement***").

SECTION 4. **Representations and Warranties**. Borrower represents and warrants to the Lender Parties, with full knowledge that the Lender Parties are relying on the following representations and warranties in executing this Agreement, as follows:

(a) The execution, delivery and performance of this Agreement and the Ratification Agreement by Borrower and each Guarantor party thereto and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary company action on the part of Borrower and such Guarantor.

(b) This Agreement, the Ratification Agreement, the Credit Agreement, the Loan Documents and each and every other document executed and delivered in connection herewith constitute legal, valid, and binding obligations of Borrower and each Guarantor party thereto, enforceable against such Person in accordance with their respective terms, except as may be limited by equitable principles or Debtor Relief Laws.

(c) The execution, delivery, and performance by Borrower of this Agreement and each Guarantor of the Ratification Agreement, and the consummation of the transactions contemplated hereby and thereby do not and will not (i) violate or conflict with, or result in a breach of, or require any consent under, or other action to, with or by (A) the Constituent Documents of such Person, (B) any applicable Law, rule, or regulation or any order, writ, injunction, or decree of any Governmental Authority or arbitrator where such violation or conflict would reasonably be expected to result in a Material Adverse Event, or (C) any other agreement or instrument to which such Person is a party or by which it or any of its Properties is bound or subject which could reasonably be expected to result in a Material Adverse Event, or (ii) constitute a default under any such agreement or instrument which could reasonably be expected to result in a Material Adverse Event, or result in the creation or imposition of any Lien upon any of the revenues or assets of such Person.

(d) The execution, delivery and performance by Borrower of this Agreement and each Guarantor of the Ratification Agreement, and the consummation of the transactions contemplated hereby and thereby do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority.

(e) As of the date of this Agreement, the Credit Parties, taken as a whole, are Solvent and have not entered into any transaction with the intent to hinder, delay or defraud a creditor.

(f) (i) No Default has occurred and is continuing, and (ii) all of the representations and warranties contained in Article 6 of the Credit Agreement and in the other Loan Documents are true and correct in all material respects (other than any representations or warranties subject to a Material Adverse Event qualification or any other qualification as to materiality, which are true and correct in all respects) on and as of the Effective Date, in each case with the same force and effect as if such representations and warranties had been made on and as of such date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects (other than any representations or warranties subject to a Material Adverse Event qualification or any other qualification as to materiality, which were true and correct in all respects) as of such earlier date.

SECTION 5. **Reference to and Effect on the Loan Documents**.

Upon the effectiveness hereof, on and after the date hereof, (i) each reference in the Credit Agreement to " *this Agreement*," "*hereunder*," "*hereof*," "*herein*," or words of like import and (ii) each reference in any other Loan Document to " *the Credit Agreement*" shall, in each case, mean and be a reference to the Credit Agreement after giving effect to this Agreement.

SECTION 6. **Cost and Expenses**. Borrower agrees to pay all reasonable and documented out-of-pocket costs and expenses of the Lender Parties and their Related Parties connection with this Agreement, including, without limitation, the reasonable and documented out-of-pocket fees and expenses of legal counsel for the Lender Parties and their Related Parties in connection herewith.

SECTION 7. **Extent of Consent**. Except as otherwise expressly provided herein, none of the Credit Agreement or any of the other Loan Documents are amended, modified or affected by this Agreement. Borrower hereby ratifies and confirms that: (a) all of the terms, conditions, covenants, representations, warranties and all other provisions of the Credit Agreement remain in full force and effect; (b) each of the other Loan Documents are and remain in full force and effect in accordance with their respective terms; (c) the Collateral is unimpaired by this

Agreement; and (d) any and all Liens, security interests and other security or Collateral now or hereafter held by the Lender Parties as security for payment and performance of the Secured Obligations are hereby renewed and carried forth to secure payment and performance of all of the Secured Obligations.

SECTION 8. **Waiver and Release**. In consideration of the Lender Parties' agreement to enter into this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower hereby waives, releases, and forever discharges each Lender Party, its predecessors and its successors, assigns, affiliates, shareholders, directors, officers, accountants, attorneys, employees, agents, representatives, and servants (collectively, the "**Released Parties**") of, from and against any and all claims, actions, causes of action, suits, proceedings, contracts, judgments, damages, accounts, reckonings, executions, and liabilities whatsoever of every name and nature, whether known or unknown, whether or not well founded in fact or in law, and whether in law, at equity, or otherwise, which such Person ever had or now has for or by reason of any matter, cause, or anything whatsoever to this date relating to or arising out of the Loans, this Agreement, or any of the Loan Documents, including without limitation any actual or alleged act or omission of any of the Released Parties with respect to the Loans or any of the Loan Documents, or any Liens or Collateral in connection therewith, or the enforcement of any of the Lender Parties' rights or remedies thereunder. The terms of this waiver and release shall survive the termination of this Agreement, the Loans, the Credit Agreement and the Loan Documents and shall remain in full force and effect after the termination of this Agreement.

SECTION 9. **Claims**. As additional consideration of the execution, delivery, and performance of this Agreement by the parties hereto and to induce the Lender Parties to enter into this Agreement, Borrower represents and warrants that it does not know of any defenses, counterclaims or rights of setoff to the payment of any Secured Obligations to any Secured Party.

SECTION 10. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 11. **Severability**. Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision held to be invalid or illegal. Furthermore, in lieu of such invalid or unenforceable provision there shall be added as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

SECTION 12. **GOVERNING LAW; VENUE; SERVICE OF PROCESS; WAIVER OF JURY TRIAL**. The provisions of Section 12.13 of the Credit Agreement are hereby incorporated herein mutatis mutandis.

SECTION 13. **Headings**. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

SECTION 14. **NOTICE OF FINAL AGREEMENT**. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES HERETO RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO.

[*Remainder of Page Left Blank; Signature Pages to Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized.

BORROWER:

TELLURIAN PRODUCTION HOLDINGS LLC, a Delaware limited liability company

By: /s/ Graham McArthur
Name: Graham McArthur
Title: Treasurer

ADMINISTRATIVE AGENT:

GOLDMAN SACHS LENDING PARTNERS LLC, as Administrative Agent

By: /s/ Harsha V. Rajamani
Name: Harsha V. Rajamani
Title: Managing Director

COLLATERAL AGENT:

J. ARON & COMPANY LLC, as Collateral Agent

By: /s/ Harsha V. Rajamani
Name: Harsha V. Rajamani
Title: Managing Director

LENDERS:

J. ARON & COMPANY LLC, as a Lender

By: /s/ Harsha V. Rajamani
Name: Harsha V. Rajamani
Title: Managing Director

EXHIBIT A

FORM OF RATIFICATION AGREEMENT

December 23, 2019

Reference is made to that certain (i) Credit Agreement dated as of September 28, 2018 (as amended, restated, supplemented or otherwise modified (including by the Omnibus Consent and Amendment dated as of November 29, 2018, Amendment No. 2 dated as of May 6, 2019, Amendment No. 3 dated as of June 28, 2019 and the Amendment referred to below), the "***Credit Agreement***"), by and among **TELLURIAN PRODUCTION HOLDINGS LLC**, a Delaware limited liability company ("***Borrower***"), the lenders party thereto, **GOLDMAN SACHS LENDING PARTNERS LLC**, as the administrative agent (in such capacity, including any successors or assigns in such capacity, "***Administrative Agent***"), and **J. ARON & COMPANY LLC**, as the collateral agent (in such capacity, including any successors or assigns in such capacity, "***Collateral Agent***"), and (ii) Amendment No. 4 to Credit Agreement dated as of the date hereof (the "***Amendment***"), among Borrower, Administrative Agent, Collateral Agent, and the lenders party thereto. Capitalized terms used herein have the meanings given to such terms in the Credit Agreement.

Each of the undersigned Guarantors hereby (a) acknowledges the terms of the Amendment; and (b) ratifies, confirms and agrees that, following the effectiveness of the Amendment on the Effective Date referred to therein, (i) the Loan Documents to which such Guarantor is a party shall remain in full force and effect on such date, including without limitation the Guaranty Agreement and the Security Documents to which such Guarantor is a party and (ii) the applicable Security Documents shall continue to secure the Secured Obligations, in the manner and to the extent provided therein, without defense, set off, counterclaim, discount or charge of any kind as of the date hereof.

This Ratification Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

THIS RATIFICATION AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST-JUDGMENT INTEREST) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Ratification Agreement to be duly executed on the date first above written.

TELLURIAN INC.

By: _____
Name:
Title:

TELLURIAN PRODUCTION LLC

By: _____
Name:
Title:

TELLURIAN OPERATING LLC

By: _____
Name:
Title:

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Below is a list of all direct and indirect subsidiaries of Tellurian Inc. as of December 31, 2019:

Subsidiary	State or Other Jurisdiction of Incorporation or Organization	Ownership
Tellurian Inc. owns the following subsidiaries directly:		
Tellurian Investments LLC (formerly known as Tellurian Investments Inc.)	Delaware	100.0%
Driftwood LP Holdings LLC	Delaware	100.0%
Driftwood GP Holdings LLC	Delaware	100.0%
Tellurian International Holdings Ltd	United Kingdom	100.0%
Tellurian Investments LLC owns the following subsidiaries directly:		
Tellurian Production Holdings LLC	Delaware	100.0%
Tellurian LandCo LLC (formerly known as Parallax LNG LandCo LLC and MBTU LandCo LLC)	Delaware	100.0%
Tellurian Supply and Trade LLC	Delaware	100.0%
Purity Pipeline LLC	Delaware	100.0%
Delhi Connector LLC	Delaware	100.0%
Tellurian Midstream Holdings LLC	Delaware	100.0%
Tellurian Services LLC (formerly known as Parallax Services LLC)	Delaware	100.0%
Tellurian Management Services LLC (formerly known as Tellurian O&M LLC and Driftwood Operating LLC)	Delaware	100.0%
Magellan Petroleum Australia Pty Ltd	Australia	100.0%
Driftwood LP Holdings LLC owns the following subsidiary directly:		
Driftwood Holdings LP (formerly known as Driftwood Holdings LLC)	Delaware	100.0% (1)
Tellurian International Holdings Ltd owns the following subsidiaries directly:		
Tellurian Trading UK Ltd	United Kingdom	100.0%
Tellurian LNG Singapore Pte. Ltd.	Singapore	100.0%
Tellurian LNG UK Ltd	United Kingdom	100.0%
Tellurian Production Holdings LLC owns the following subsidiaries directly:		
Tellurian Operating LLC	Delaware	100.0%
Tellurian Production LLC	Delaware	100.0%
Magellan Petroleum Australia Pty Ltd owns the following subsidiary directly:		
Magellan Petroleum Offshore Pty Ltd	Australia	100.0%
Driftwood Holdings LP owns the following subsidiary directly:		
Driftwood Holdco LLC	Delaware	100.0%
Driftwood Holdco LLC owns the following subsidiaries directly:		
Tellurian Pipeline LLC	Delaware	100.0%
Tellurian LNG LLC (formerly known as Parallax LNG LLC)	Delaware	100.0%
Driftwood Production Holdings LLC	Delaware	100.0%
Tellurian Pipeline LLC owns the following subsidiaries directly:		
Haynesville Global Access Pipeline LLC	Delaware	100.0%
Permian Global Access Pipeline LLC	Delaware	100.0%
Driftwood Pipeline LLC (formerly known as Driftwood LNG Pipeline LLC)	Delaware	100.0%
Tellurian LNG LLC owns the following subsidiaries directly:		
Driftwood LNG Tug Services LLC	Delaware	100.0%
Driftwood LNG LLC	Delaware	100.0%

(1) Driftwood LP Holdings LLC owns 100% of Driftwood Holdings LP, of which Driftwood GP Holdings LLC is the general partner.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements Nos. 333-235793 and 333-232732 on Form S-3ASR and Registration Statement Nos. 333-220641, 333-216010, 333-189614, 333-171149, 333-162668 and 333-70567 on Form S-8 of our reports dated February 24, 2020, relating to the consolidated financial statements and financial statement schedule of Tellurian Inc. and subsidiaries, and the effectiveness of Tellurian Inc. and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Tellurian Inc. for the year ended December 31, 2019.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 24, 2020

Exhibit 23.2

NETHERLAND, SEWELL & ASSOCIATES, INC.

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS AND GEOLOGISTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3ASR of Tellurian Inc. (No. 333-235793 and No. 333-232732) and to the incorporation by reference in the Registration Statements on Form S-8 of Tellurian Inc. (No. 333-220641, No. 333-216010, No. 333-189614, No. 333-171149, No. 333-162668 and No. 333-70567) of all references to our firm and information from our reserves report dated January 14, 2020 included in or made a part of Tellurian Inc.'s Annual Report on Form 10-K for the year ended December 31, 2019, and our summary report attached as Exhibit 99.2 to the Annual Report on Form 10-K.

NETHERLAND, SEWELL & ASSOCIATES, INC.

By: /s/ Danny D. Simmons
Danny D. Simmons, P.E.
President and Chief Operating Officer

Houston, Texas
February 24, 2020

Exhibit 31.1

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 annual report on Form 10-K 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: February 24, 2020

/s/ Meg A. Gentle

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

Exhibit 31.2

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 annual report on Form 10-K 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: February 24, 2020

/s/ Antoine J. Lafargue

Antoine J. Lafargue

Senior Vice President and Chief Financial Officer

(as Principal Financial Officer)

Tellurian Inc.

Exhibit 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

In connection with the annual report of Tellurian Inc. (the "Company") on Form 10-K for the year ended December 31, 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: February 24, 2020

/s/ Meg A. Gentle

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

Exhibit 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

In connection with the annual report of Tellurian Inc. (the "Company") on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Antoine J. Lafargue, 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: February 24, 2020

/s/ Antoine J. Lafargue

Antoine J. Lafargue
Senior Vice President and Chief Financial Officer
(as Principal Financial Officer)
Tellurian Inc.

NETHERLAND, SEWELL & ASSOCIATES, INC.
WORLDWIDE PETROLEUM CONSULTANTS
ENGINEERING • GEOLOGY • GEOPHYSICS • PETROPHYSICS

Exhibit 99.2

January 14, 2020

Ms. Ami Arief
Tellurian Production LLC
1201 Louisiana Street, Suite 3100
Houston, Texas 77002

Dear Ms. Arief:

In accordance with your request, we have estimated the proved reserves and future revenue, as of December 31, 2019, to the Tellurian Production LLC (Tellurian) interest in certain gas properties located in Louisiana. We completed our evaluation on or about the date of this letter. It is our understanding that the proved reserves estimated in this report constitute all of the proved reserves owned by Tellurian. The estimates in this report have been prepared in accordance with the definitions and regulations of the U.S. Securities and Exchange Commission (SEC) and, with the exception of the exclusion of future income taxes, conform to the FASB Accounting Standards Codification Topic 932, Extractive Activities-Oil and Gas. Definitions are presented immediately following this letter. This report has been prepared for Tellurian Inc.'s use in filing with the SEC; in our opinion the assumptions, data, methods, and procedures used in the preparation of this report are appropriate for such purpose.

We estimate the gross (100 percent) gas reserves and the net gas reserves and future net revenue to the Tellurian interest in these properties, as of December 31, 2019, to be:

	Gas Reserves (MMCF)		Future Net Revenue (M$)	
Category	Gross (100%)	Net	Total	Present Worth at 10%
Proved Developed Producing	147,407.2	30,698.9	42,156.7	36,833.5
Proved Undeveloped	552,139.6	237,839.2	103,041.5	20,414.4
Total Proved	699,546.8	268,538.0	145,198.2	57,248.0

Totals may not add because of rounding.

Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases. These properties have never produced commercial volumes of condensate.

Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. Our study indicates that as of December 31, 2019, there are no proved developed non-producing reserves for these properties. Estimates of proved undeveloped reserves have been included for certain locations that generate positive future net revenue but have negative present worth discounted at 10 percent based on the constant price and cost parameters discussed in subsequent paragraphs of this letter. These locations have been included based on the operators' declared intent to drill these wells, as evidenced by Tellurian's internal budget, reserves estimates, and price forecast. As requested, probable and possible reserves that exist for these properties have not been included. The estimates of reserves and future revenue included herein have not been adjusted for risk. This report does not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated.

Gross revenue is Tellurian's share of the gross (100 percent) revenue from the properties prior to any deductions. Future net revenue is after deductions for Tellurian's share of production taxes, ad valorem taxes, capital costs, abandonment costs, and operating expenses but before consideration of any income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

Gas prices used in this report are based on the 12-month unweighted arithmetic average of the first-day-of-the-month price for each month in the period January through December 2019. The average Henry Hub spot price of $2.578 per MMBTU is adjusted for energy content, transportation fees, and market differentials. The fees associated with Tellurian's transportation contracts are included as a deduction to gas revenue. Gas prices are held constant throughout the lives of the properties. The average adjusted gas price weighted by production over the remaining lives of the properties is $1.991 per MCF.

Operating costs used in this report are based on operating expense records of Tellurian. These costs include the per-well overhead expenses allowed under joint operating agreements along with estimates of costs to be incurred at and below the district and field levels. Operating costs have been divided into project-level costs, per-well costs, and per-unit-of-production costs. Headquarters general and administrative overhead expenses of Tellurian are included to the extent that they are covered under joint operating agreements for the operated properties. Operating costs are not escalated for inflation.

Capital costs used in this report were provided by Tellurian and are based on authorizations for expenditure and actual costs from recent activity. Capital costs are included as required for new development wells and production equipment. Based on our understanding of future development plans, a review of the records provided to us, and our knowledge of similar properties, we regard these estimated capital costs to be reasonable. Abandonment costs used in this report are Tellurian's estimates of the costs to abandon the wells and production facilities, net of any salvage value. Capital costs and abandonment costs are not escalated for inflation.

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. We have not investigated possible environmental liability related to the properties; therefore, our estimates do not include any costs due to such possible liability.

We have made no investigation of potential volume and value imbalances resulting from overdelivery or underdelivery to the Tellurian interest. Therefore, our estimates of reserves and future revenue do not include adjustments for the settlement of any such imbalances; our projections are based on Tellurian receiving its net revenue interest share of estimated future gross production.

The reserves shown in this report are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be economically producible; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. Estimates of reserves may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. In addition to the primary economic assumptions discussed herein, our estimates are based on certain assumptions including, but not limited to, that the properties will be developed consistent with current development plans as provided to us by Tellurian, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover the reserves, and that our projections of future production will prove consistent with actual performance. If the reserves are recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received for the reserves, and costs incurred in recovering such reserves may vary from assumptions made while preparing this report.

For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, seismic data, well test data, production data, historical price and cost information, and property ownership interests. The reserves in this report have been estimated using deterministic methods; these estimates have been prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis and analogy, that we considered to be appropriate and necessary to categorize and estimate reserves in accordance with SEC definitions and regulations. A substantial portion of these reserves are for undeveloped locations; such reserves are based on analogy to properties with similar geologic and reservoir characteristics. As in all aspects of oil and gas

evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from Tellurian, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. (NSAI) and were accepted as accurate. Supporting work data are on file in our office. We have not examined the titles to the properties or independently confirmed the actual degree or type of interest owned. The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. Chad E. Ireton, a Licensed Professional Engineer in the State of Texas, has been practicing consulting petroleum engineering at NSAI since 2012 and has over 11 years of prior industry experience. Zachary R. Long, a Licensed Professional Geoscientist in the State of Texas, has been practicing consulting petroleum geoscience at NSAI since 2007 and has over 2 years of prior industry experience. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.

Texas Registered Engineering Firm F-2699

/s/ C.H. (Scott) Rees III
By:
C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

/s/ Chad E. Ireton
By:
Chad E. Ireton, P.E. 115760
Vice President

Date Signed: January 14, 2020

/s/ Zachary R. Long
By:
Zachary R. Long, P.G. 11792
Vice President

Date Signed: January 14, 2020

CEI:DEC

NETHERLAND, SEWELL & ASSOCIATES, INC.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

The following definitions are set forth in U.S. Securities and Exchange Commission (SEC) Regulation S-X Section 210.4-10(a). Also included is supplemental information from (1) the 2018 Petroleum Resources Management System approved by the Society of Petroleum Engineers, (2) the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas, and (3) the SEC's Compliance and Disclosure Interpretations.

(1) *Acquisition of properties.* Costs incurred to purchase, lease or otherwise acquire a property, including costs of lease bonuses and options to purchase or lease properties, the portion of costs applicable to minerals when land including mineral rights is purchased in fee, brokers' fees, recording fees, legal costs, and other costs incurred in acquiring properties.

(2) *Analogous reservoir*. Analogous reservoirs, as used in resources assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature, and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, an "analogous reservoir" refers to a reservoir that shares the following characteristics with the reservoir of interest:

(i) Same geological formation (but not necessarily in pressure communication with the reservoir of interest);
(ii) Same environment of deposition;
(iii) Similar geological structure; and
(iv) Same drive mechanism.

Instruction to paragraph (a)(2): Reservoir properties must, in the aggregate, be no more favorable in the analog than in the reservoir of interest.

(3) *Bitumen*. Bitumen, sometimes referred to as natural bitumen, is petroleum in a solid or semi-solid state in natural deposits with a viscosity greater than 10,000 centipoise measured at original temperature in the deposit and atmospheric pressure, on a gas free basis. In its natural state it usually contains sulfur, metals, and other non-hydrocarbons.

(4) *Condensate.* Condensate is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.

(5) *Deterministic estimate.* The method of estimating reserves or resources is called deterministic when a single value for each parameter (from the geoscience, engineering, or economic data) in the reserves calculation is used in the reserves estimation procedure.

(6) *Developed oil and gas reserves*. Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Supplemental definitions from the 2018 Petroleum Resources Management System:

Developed Producing Reserves - Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate. Improved recovery Reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves - Shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(7) *Development costs.* Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. More specifically, development costs, including depreciation and applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

(i) Gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines, and power lines, to the extent necessary in developing the proved reserves.
(ii) Drill and equip development wells, development-type stratigraphic test wells, and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment, and the wellhead assembly.
(iii) Acquire, construct, and install production facilities such as lease flow lines, separators, treaters, heaters, manifolds, measuring devices, and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems.
(iv) Provide improved recovery systems.

(8) *Development project*. A development project is the means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field, or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

(9) *Development well*. A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

(10) *Economically producible.* The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. The value of the products that generate revenue shall be determined at the terminal point of oil and gas producing activities as defined in paragraph (a)(16) of this section.

(11) *Estimated ultimate recovery (EUR).* Estimated ultimate recovery is the sum of reserves remaining as of a given date and cumulative production as of that date.

(12) *Exploration costs.* Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing oil and gas reserves, including costs of drilling exploratory wells and exploratory-type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as prospecting costs) and after acquiring the property. Principal types of exploration costs, which include depreciation and applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

(i) Costs of topographical, geographical and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews, and others conducting those studies. Collectively, these are sometimes referred to as geological and geophysical or "G&G" costs.
(ii) Costs of carrying and retaining undeveloped properties, such as delay rentals, ad valorem taxes on properties, legal costs for title defense, and the maintenance of land and lease records.
(iii) Dry hole contributions and bottom hole contributions.
(iv) Costs of drilling and equipping exploratory wells.
(v) Costs of drilling exploratory-type stratigraphic test wells.

(13) *Exploratory well*. An exploratory well is a well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a development well, an extension well, a service well, or a stratigraphic test well as those items are defined in this section.

(14) *Extension well.* An extension well is a well drilled to extend the limits of a known reservoir.

(15) *Field.* An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field which are separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by

being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms "structural feature" and "stratigraphic condition" are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.

(16) *Oil and gas producing activities.*

(i) Oil and gas producing activities include:

(A) The search for crude oil, including condensate and natural gas liquids, or natural gas ("oil and gas") in their natural states and original locations;
(B) The acquisition of property rights or properties for the purpose of further exploration or for the purpose of removing the oil or gas from such properties;
(C) The construction, drilling, and production activities necessary to retrieve oil and gas from their natural reservoirs, including the acquisition, construction, installation, and maintenance of field gathering and storage systems, such as:
(1) Lifting the oil and gas to the surface; and
(2) Gathering, treating, and field processing (as in the case of processing gas to extract liquid hydrocarbons); and
(D) Extraction of saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources which are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

Instruction 1 to paragraph (a)(16)(i): The oil and gas production function shall be regarded as ending at a "terminal point", which is the outlet valve on the lease or field storage tank. If unusual physical or operational circumstances exist, it may be appropriate to regard the terminal point for the production function as:

a. The first point at which oil, gas, or gas liquids, natural or synthetic, are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal; and
b. In the case of natural resources that are intended to be upgraded into synthetic oil or gas, if those natural resources are delivered to a purchaser prior to upgrading, the first point at which the natural resources are delivered to a main pipeline, a common carrier, a refinery, a marine terminal, or a facility which upgrades such natural resources into synthetic oil or gas.

Instruction 2 to paragraph (a)(16)(i): For purposes of this paragraph (a)(16), the term *saleable hydrocarbons* means hydrocarbons that are saleable in the state in which the hydrocarbons are delivered.

(ii) Oil and gas producing activities do not include:

(A) Transporting, refining, or marketing oil and gas;
(B) Processing of produced oil, gas, or natural resources that can be upgraded into synthetic oil or gas by a registrant that does not have the legal right to produce or a revenue interest in such production;
(C) Activities relating to the production of natural resources other than oil, gas, or natural resources from which synthetic oil and gas can be extracted; or
(D) Production of geothermal steam.

(17) *Possible reserves.* Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.
(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.
(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.
(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.
(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

(18) *Probable reserves.* Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.
(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.
(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.
(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

(19) *Probabilistic estimate.* The method of estimation of reserves or resources is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.

(20) *Production costs.*

(i) Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. They become part of the cost of oil and gas produced. Examples of production costs (sometimes called lifting costs) are:

(A) Costs of labor to operate the wells and related equipment and facilities.
(B) Repairs and maintenance.
(C) Materials, supplies, and fuel consumed and supplies utilized in operating the wells and related equipment and facilities.
(D) Property taxes and insurance applicable to proved properties and wells and related equipment and facilities.
(E) Severance taxes.

(ii) Some support equipment or facilities may serve two or more oil and gas producing activities and may also serve transportation, refining, and marketing activities. To the extent that the support equipment and facilities are used

in oil and gas producing activities, their depreciation and applicable operating costs become exploration, development or production costs, as appropriate. Depreciation, depletion, and amortization of capitalized acquisition, exploration, and development costs are not production costs but also become part of the cost of oil and gas produced along with production (lifting) costs identified above.

(21) *Proved area.* The part of a property to which proved reserves have been specifically attributed.

(22) *Proved oil and gas reserves.* Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

  (A) The area identified by drilling and limited by fluid contacts, if any, and
  (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

  (A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and
  (B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

(23) *Proved properties.* Properties with proved reserves.

(24) *Reasonable certainty.* If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not, and, as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(25) *Reliable technology.* Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

(26) *Reserves.* Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

Excerpted from the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas:

932-235-50-30 A standardized measure of discounted future net cash flows relating to an entity's interests in both of the following shall be disclosed as of the end of the year:

a. *Proved oil and gas reserves (see paragraphs 932-235-50-3 through 50-11B)*
b. *Oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or otherwise serves as the producer of those reserves (see paragraph 932-235-50-7).*

The standardized measure of discounted future net cash flows relating to those two types of interests in reserves may be combined for reporting purposes.

932-235-50-31 All of the following information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-3 through 50-11B:

a. *Future cash inflows. These shall be computed by applying prices used in estimating the entity's proved oil and gas reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.*
b. *Future development and production costs. These costs shall be computed by estimating the expenditures to be incurred in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. If estimated development expenditures are significant, they shall be presented separately from estimated production costs.*
c. *Future income tax expenses. These expenses shall be computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the entity's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses shall give effect to tax deductions and tax credits and allowances relating to the entity's proved oil and gas reserves.*
d. *Future net cash flows. These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows.*
e. *Discount. This amount shall be derived from using a discount rate of 10 percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.*
f. *Standardized measure of discounted future net cash flows. This amount is the future net cash flows less the computed discount.*

(27) *Reservoir.* A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

(28) *Resources.* Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(29) *Service well.* A well drilled or completed for the purpose of supporting production in an existing field. Specific purposes of service wells include gas injection, water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for in-situ combustion.

(30) *Stratigraphic test well.* A stratigraphic test well is a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intent of being completed for hydrocarbon production. The classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic tests are classified as "exploratory type" if not drilled in a known area or "development type" if drilled in a known area.

(31) *Undeveloped oil and gas reserves.* Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

From the SEC's Compliance and Disclosure Interpretations (October 26, 2009):

Although several types of projects — such as constructing offshore platforms and development in urban areas, remote locations or environmentally sensitive locations — by their nature customarily take a longer time to develop and therefore often do justify longer time periods, this determination must always take into consideration all of the facts and circumstances. No particular type of project per se justifies a longer time period, and any extension beyond five years should be the exception, and not the rule.

Factors that a company should consider in determining whether or not circumstances justify recognizing reserves even though development may extend past five years include, but are not limited to, the following:

- *The company's level of ongoing significant development activities in the area to be developed (for example, drilling only the minimum number of wells necessary to maintain the lease generally would not constitute significant development activities);*
- *The company's historical record at completing development of comparable long-term projects;*
- *The amount of time in which the company has maintained the leases, or booked the reserves, without significant development activities;*
- *The extent to which the company has followed a previously adopted development plan (for example, if a company has changed its development plan several times without taking significant steps to implement any of those plans, recognizing proved undeveloped reserves typically would not be appropriate); and*
- *The extent to which delays in development are caused by external factors related to the physical operating environment (for example, restrictions on development on Federal lands, but not obtaining government permits), rather than by internal factors (for example, shifting resources to develop properties with higher priority).*

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

(32) *Unproved properties.* Properties with no proved reserves.