

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, 2021

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

(State or other jurisdiction of
incorporation or organization)

1201 Louisiana Street, Suite 3100, Houston, TX

(Address of principal executive offices)

06-0842255

(I.R.S. Employer Identification No.)

77002

(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	NYSE American LLC
8.25% Senior Notes due 2028	TELZ	NYSE American LLC

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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 30, 2021, the last business day of the registrant’s most recently completed second fiscal quarter, was approximately \$1,687,424 thousand, based on the per share closing sale price of \$4.65 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.

518,493,398 shares of common stock were issued and outstanding as of February 7, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement related to the 2022 annual meeting of stockholders, to be filed within 120 days after December 31, 2021, are incorporated by reference in Part III of this annual report on Form 10-K.

Tellurian Inc.
Form 10-K
For the Fiscal Year Ended December 31, 2021
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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,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “initial,” “intend,” “likely,” “may,” “plan,” “possible,” “potential,” “predict,” “project,” “proposed,” “should,” “will,” “would” and similar terms, phrases, and 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 financing as needed and the terms of financing transactions, including for the Driftwood Project;
- 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, customers and other counterparties 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 debt arrangements;
 - 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 into and consummate planned financing and other transactions;
- risks related to pandemics or disease outbreaks;
- risks of potential impairment charges and reductions in our reserves; 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
Bcf	Billion cubic feet of natural gas
Bcfe	Billion cubic feet of natural gas equivalent volumes using a ratio of 6 Mcf to 1 barrel of liquid
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 as it pertains to the Driftwood Project
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.
ICE	Intercontinental Exchange
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
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
NYMEX	New York Mercantile Exchange
NYSE American	NYSE American LLC
Oil	Crude oil and condensate
PUD	Proved undeveloped reserves
SEC	U.S. Securities and Exchange Commission
SPA	Sale and purchase agreement
Train	An industrial facility comprised of a series of refrigerant compressor loops used to cool natural gas into LNG
TTF	Platts Dutch Title Transfer Facility Index price for LNG
U.K.	United Kingdom
U.S.	United States
USACE	U.S. Army Corps of Engineers

With respect to the information relating to our ownership 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”), a Delaware corporation, is a Houston-based company that 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, LNG marketing, and infrastructure assets that includes an LNG terminal facility (the “Driftwood terminal”), an associated pipeline (the “Driftwood pipeline”), other related pipelines, and upstream natural gas assets. The Driftwood terminal and the Driftwood pipeline are collectively referred to as the “Driftwood Project”. Our existing natural gas assets consist of 11,060 net acres and interests in 78 producing wells located in the Haynesville Shale trend of northern Louisiana. Our Business may be developed in phases.

As part of our execution strategy, which includes increasing our asset base, we will consider various commercial arrangements with third parties across the natural gas value chain. We are also pursuing activities such as direct sales of LNG to global counterparties, trading of LNG, the acquisition of additional upstream acreage and drilling of new wells on our existing or newly acquired upstream acreage. As discussed in “Overview of Significant Events – LNG Sale and Purchase Agreements” below, in 2021 we entered into four LNG SPAs with three unrelated purchasers, completing the planned sales for plants one and two of the Driftwood terminal (“Phase 1”). We are currently focused on securing financing for the construction of Phase 1.

We continue to evaluate the scope and other aspects of our Business in light of the evolving economic environment, needs of potential counterparties and other factors. How we execute our Business will be based on a variety of factors, including the results of our continuing analysis, changing business conditions and market feedback.

Overview of Significant Events

LNG Sale and Purchase Agreements

Driftwood LNG LLC (“Driftwood LNG”), a wholly owned subsidiary of the Company, entered into the following SPAs with three purchasers for the purchase of a total of 9.0 Mtpa of LNG:

- An SPA with Gunvor Singapore Pte Ltd (“Gunvor”) in May 2021 for the purchase of 3.0 Mtpa of LNG;
- An SPA with Vitol Inc. (“Vitol”) in June 2021 for the purchase of 3.0 Mtpa of LNG; and
- Two SPAs with Shell NA LNG LLC (“Shell”) in July 2021 for the purchase of 3.0 Mtpa of LNG.

The price for LNG sold under the SPAs with Gunvor and Vitol will be a blended average based on the JKM index price and the TTF futures contract price, in each case minus a transportation netback. The price for LNG sold under each SPA with Shell will be based on the JKM index price or the TTF futures contract price, in each case minus a transportation netback. Each SPA has a ten-year term from the date of first commercial delivery from the Driftwood terminal.

Initiated Owner Construction Activities

During the year ended December 31, 2021 we initiated owner construction activities necessary to proceed under our LSTK EPC agreements with Bechtel Oil, Gas and Chemicals, Inc. (“Bechtel”).

Driftwood Land Lease Agreement

On July 1, 2021, we entered into a long-term ground lease agreement with the Lake Charles Harbor and Terminal District to secure property essential for the construction of the Driftwood terminal.

Environmental, Social, Governance Practices

During the year ended December 2021, the Company began a partnership with the National Forest Foundation on a five-year plan for reforestation and other forest management projects totaling \$25 million across the United States. One of the first identified projects is to re-plant 300,000 trees in the Kisatchie National Forest, located near Alexandria, Louisiana, where nearly 40,000 acres of native trees were lost due to extreme weather events during the past few years.

Upstream Drilling Activities

During the year ended December 31, 2021, we completed the drilling of and put in production four new Haynesville operated natural gas wells. We also participated in the drilling of six Haynesville non-operated natural gas wells. Our 2021 drilling activities increased our proved developed reserves by approximately 51 Bcfe as of December 31, 2021.

Repayment of Borrowing Obligations

During the year ended December 31, 2021, we repaid all borrowing obligations that were outstanding at the end of December 31, 2020. For further information regarding the repayment of our borrowing obligations, see *Note 10 - Borrowings*, of our Notes to the Consolidated Financial Statements.

Equity Offering

On August 6, 2021, we sold 35.0 million shares of our common stock in an underwritten public offering at a price of \$3.00 per share. Net proceeds from this offering, after deducting fees and expenses, were approximately \$100.8 million. The underwriters were granted an option to purchase up to an additional 5.3 million shares of common stock within 30 days. On August 31, 2021, the underwriters exercised this option, which generated net proceeds, after deducting fees, of approximately \$15.1 million.

8.25% Senior Notes due 2028

On November 10, 2021, we sold \$50.0 million aggregate principal amount of 8.25% Senior Notes due November 30, 2028 (the "Senior Notes") in a registered public offering. Net proceeds from the sale of the Senior Notes were approximately \$47.5 million after deducting fees. The underwriter was granted an option to purchase up to an additional \$7.5 million of the Senior Notes within 30 days. On December 7, 2021, the underwriter exercised the option and purchased an additional \$6.5 million of the Senior Notes, which generated net proceeds of approximately \$6.2 million after deducting fees.

At-the-Market Debt Offering Program

On December 17, 2021, we entered into an at-the-market debt offering program under which the Company may offer and sell, from time to time on the NYSE American, up to an aggregate principal amount of \$200.0 million of additional Senior Notes. During the year ended December 31, 2021, we did not sell any additional Senior Notes under the at-the-market debt offering program.

Natural Gas Properties

Reserves

Our natural gas assets consist of 11,060 net acres and interests in 78 producing wells located in the Haynesville Shale trend of north Louisiana. For the year ended December 31, 2021, our average net production was approximately 39.2 MMcf/d. All of our proved reserves were associated with those properties as of December 31, 2021. 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, 2021 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 2021. Prices include consideration of changes in existing prices provided for under contractual arrangements, but not on escalations or reductions based upon future conditions. The price used for the reserve estimates as of December 31, 2021 was \$3.60 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, 2021:

	Gas (MMcf)
Proved reserves (as of December 31, 2021):	
Developed	73,927
Undeveloped	249,409
Total	<u>323,336</u>

As of December 31, 2021, the standardized measure of discounted future net cash flow from our proved reserves (the "standardized measure") was approximately \$364.2 million.

During the year ended December 31, 2021, we did not have any material capital expenditures related to the development of our undeveloped reserves and thus did not convert any meaningful quantities from proved undeveloped to proved developed reserves. As of December 31, 2021, we do not expect to have any proved undeveloped reserves that will remain undeveloped for more than five years from the date that they were initially booked.

Refer to Supplemental Disclosures About Natural Gas Producing Activities, starting on page 63, for additional details.

Controls Over Reserve Report Preparation, Technical Qualifications and Technologies Used

Our December 31, 2021 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 that identifies the professional qualifications of the individual at NSAI who was responsible for overseeing the preparation of our reserve estimates as of December 31, 2021, has been filed as an addendum to Exhibit 99.1 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 20 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, 2021, 2020 and 2019, we produced 14,302 MMcf, 16,893 MMcf and 13,901 MMcf of natural gas at an average sales price of \$3.52, \$1.74 and \$2.07 per Mcf, respectively. Natural gas and condensate production and operating costs for the periods ended December 31, 2021, 2020 and 2019 were \$0.48, \$0.28 and \$0.25 per Mcfe, respectively.

Drilling Activity

The table below shows the number of net productive and dry development wells drilled during the past three years. The information in the table below should not be considered indicative of future performance, nor should it be assumed that there is necessarily any correlation among the number of productive wells drilled, quantities of reserves found, or economic value. A dry well is an exploratory, development, or extension well that proves to be incapable of producing either oil or gas in sufficient quantities to justify completion as an oil or gas well. A productive well is an exploratory, development, or extension well that is not a dry well. Completion refers to installation of permanent equipment for production of oil or gas, or, in the case of a dry well, to reporting to the appropriate authority that the well has been abandoned. The number of wells drilled refers to the number of wells completed at any time during the fiscal year, regardless of when drilling was initiated.

	For the Year Ended December 31,		
	2021	2020	2019
Development wells:			
Productive	6.9	—	3.1
Dry	—	—	—

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

Wells and Acreage

As of December 31, 2021, we owned working interests in 65 gross (28 net) productive natural gas wells. We have 4,419 gross (4,100 net) developed leasehold acres that are held by production. Additionally, we hold 7,448 gross (6,960 net) undeveloped leasehold acres. As of December 31, 2021, there were seven gross (3.33 net) in process wells.

Of the total gross and net undeveloped acreage, 1,995 gross and 1,901 net acres are not held by production, of which no acres are set to expire in 2022.

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 (“EPAAct 2005”), the Oil Pollution Act, the National Environmental Policy 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”), DOE/FE, the U.S. Department of Transportation (“DOT”), the Pipeline and Hazardous Materials Safety Administration (“PHMSA”), the Louisiana Department of Environmental Quality and the Louisiana Department of Natural Resources. 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 Service, 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 (3968); amended December 6, 2018 (3968-A); amended December 18, 2020 (4641) Non-FTA countries: May 2, 2019 (4373); amended December 10, 2020 (4373-A); amended December 18, 2020 (4641)
USACE	Section 404 Section 10 (<i>Rivers and Harbors Act</i>)	May 3, 2019 May 3, 2019
United States Coast Guard	Letter of Intent and Preliminary Water Suitability Assessment Follow-On Water Suitability Assessment and Letter of Recommendation	June 21, 2016 April 25, 2017
United States Fish and Wildlife Service	Section 7 of <i>Endangered Species Act</i> Consultation	September 19, 2017; February 7, 2019
National Oceanic and Atmospheric Administration / National Marine Fisheries Service	Section 7 of the <i>Endangered Species Act</i> Consultation <i>Magnuson-Stevens Fishery Management and Conservation Act</i> Essential Fish Habitat Consultation <i>Marine Mammal Protection Act</i> Consultation	February 14, 2018 October 3, 2017 October 3, 2017
State		
Louisiana Department of Natural Resources- Coastal Management Division	Coastal Use Permit and Coastal Zone Consistency Permit, Joint Permit with USACE Coastal Use Permit Extension	May 29, 2018 May 21, 2020
Louisiana Department of Environmental Quality - Air Quality Division	Air Permit for LNG Terminal Gillis Compressor Station	July 10, 2018; June 2, 2021 (extension) October 2, 2017; April 8, 2021 (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 the Driftwood Project, 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. In order to gain regulatory certainty with respect to certain potential commercial transactions, on November 13, 2020, Driftwood Holdings LP (“Driftwood Holdings”), a wholly owned subsidiary of the Company, and Driftwood LNG (jointly, “Driftwood”) filed a Petition with FERC requesting, among other things, a prospective limited waiver of FERC’s buy/sell prohibition as well as any other prospective waivers necessary to enable Driftwood to purchase natural gas from potentially affiliated upstream suppliers that may be resold to a different affiliate under a long-term contract for export as LNG in foreign commerce. On January 19, 2021, FERC issued an order granting a prospective limited waiver of the prohibition on buy/sell arrangements for future proposed transactions in which Driftwood enters into: (1) an agreement to purchase natural gas from a potentially affiliated supplier; and (2) an agreement to sell LNG to affiliates in foreign commerce.

EPAAct 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

EPAAct 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 EPAAct 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. On June 17, 2021, Driftwood Pipeline LLC, a wholly owned subsidiary of the Company, filed an application pursuant to Section 7(c) of the NGA in FERC Docket No. CP21-465-000 requesting that FERC grant a certificate of public convenience and necessity and related approvals to construct, own and operate dual 42-inch diameter natural gas pipelines, an approximately 211,200 horsepower compressor station and appurtenant facilities to be located in Beauregard and Calcasieu Parishes, Louisiana, which would provide a maximum seasonal capacity of 5.7 Bcf of natural gas per day. The application is currently pending.

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 the 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.

EPAAct 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. EPAAct 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 through December 31, 2050.

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.

The Driftwood pipeline and other related 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 December 27, 2020, the Protecting our Infrastructure of Pipelines and Enhancing Safety Act (PIPES Act) of 2020 was signed into law as part of the Consolidated Appropriations Act of 2021. The legislation reauthorizes the PHMSA pipeline safety program through fiscal year 2023 and provides for advances to improve pipeline safety. The legislation includes a directive to PHMSA to update its current regulations for large-scale LNG facilities.

On January 11, 2021, PHMSA published a final rule in the Federal Register amending the Federal Pipeline Safety Regulations to reduce regulatory burdens and offer greater flexibility with respect to the construction, maintenance, and operation of gas transmission, distribution, and gathering pipeline systems, including updates to corrosion control requirements and test requirements for pressure vessels. Mandatory compliance with this rule started October 1, 2021. This rule is subject to review for possible modification pursuant to executive orders signed by President Biden on or shortly after January 20, 2021.

On November 15, 2021, PHMSA published a final rule in the Federal Register revising the Federal Pipeline Safety Regulations to improve the safety of onshore gas gathering pipelines. The rule extends reporting requirements to all gas gathering operators and applies a set of minimum safety requirements to certain gas gathering pipelines with large diameters and high operating pressures. This rule goes into effect on May 16, 2022.

The Driftwood pipeline and other related pipelines 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 or related pipelines.

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 terminal and Driftwood pipeline are 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 Service, U.S. Department of the Interior, U.S. Fish and Wildlife Service, the EPA and the U.S. Department of Homeland Security. The necessary permits required for construction have been obtained and will be maintained for the Driftwood terminal and Driftwood pipeline. Similarly, additional permits, orders, approvals and consultations will be required for other related pipelines.

Three significant permits that apply to the Driftwood terminal and Driftwood pipeline are the USACE Section 404 of the CWA/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 and Driftwood pipeline 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 may be required for other related pipelines.

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.

The Biden Administration has issued a number of executive orders that direct federal agencies to take actions that may change regulations and guidance applicable to our business.

Executive Order 14008, “Tackling the Climate Crisis at Home and Abroad,” 86 FR 7619 (January 27, 2021), establishes a policy “promoting the flow of capital toward climate-aligned investments and away from high-carbon investments.” It also requires the heads of agencies to identify any fossil fuel subsidies provided by their respective agencies, and to seek to eliminate fossil fuel subsidies from the budget request for fiscal year 2022 and thereafter.

Executive Order 13990, “Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis,” 86 FR 7037 (January 20, 2021) directs agencies to review regulations and policies adopted by the Trump Administration and to “confront the climate crisis.” It specifically directs the EPA to consider suspending, revising or rescinding certain regulations, including restrictions on emissions from the oil and gas sector. In addition, Executive Order 13990 establishes a federal inter-agency working group to recommend methods for agencies to incorporate the “social cost of carbon” into their decision making. Finally, Executive Order 13990 directs the White House Council on Environmental Quality to rescind draft guidance restricting the review of climate change issues in reviews under NEPA and to update regulations to strengthen climate change reviews. On March 8, 2021, 12 states filed a lawsuit in the U.S. District Court for the Eastern District of Missouri challenging President Biden’s authority to establish interim values for the social cost of greenhouse gases under Executive Order 13990; the case is currently pending appeal before the U.S. Circuit Court of Appeals for the 8th Circuit.

NEPA. NEPA and comparable state laws and regulations require that government agencies review the environmental impacts of proposed projects. On July 16, 2020, the White House Council on Environmental Quality (the “CEQ”) published a final rule to “modernize and clarify” the prior NEPA implementation regulations and to streamline environmental reviews required by NEPA (the “Revised NEPA Regulations”). The Revised NEPA Regulations set a presumptive time limit for completion of NEPA reviews and limit the scope of NEPA reviews to those effects that are reasonably foreseeable and have a reasonably close causal relationship to the proposed action or alternatives. While these changes are not likely to require amendments to the USACE permits and NEPA-related findings that were completed prior to the effective date of the final NEPA rule, the changes in the NEPA regulations may impact new permits, permit modifications and other elements of the Driftwood Project and related pipelines that are under development. The Revised NEPA Regulations are currently subject to legal challenges. On October 7, 2021, the CEQ published a notice of proposed rulemaking to announce a set of proposed changes to generally restore prior regulatory provisions. Therefore, the impact on the Driftwood Project and related pipelines of the previously Revised NEPA Regulations and new NEPA regulations and guidance is not determinable at this time.

Clean Air Act. The CAA and comparable state laws and regulations restrict the emission of air pollutants from many sources and impose various monitoring and reporting requirements, among other requirements. The Driftwood Project and related pipelines include 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 August 2020, the EPA issued two final rules that revised the new source performance standards under the CAA (the “2020 CAA Revisions”) to require reductions in emissions, including methane emissions, from new and modified sources in the oil and natural gas sector. On June 30, 2021, President Biden signed into law a joint Congressional resolution disapproving many of the 2020 CAA Revisions pursuant to the Congressional Review Act making the disapproved portions of the 2020 CAA Revisions no longer effective. In November 2021, the EPA published a proposed rule that would update and expand existing

requirements for the oil and gas industry, as well as creating significant new requirements and standards for new, modified and existing oil and gas facilities. The proposed new requirements would include, for example, new standards and emission limitations applicable to storage vessels, well liquids unloading, pneumatic controllers, and flaring of natural gas at both new and existing facilities. The proposed rules for new and modified facilities are expected to be finalized by the end of 2022, while any standards finalized for existing facilities will require further state rulemaking actions over the next several years before they become applicable and effective. The comment period for that proposed rule was extended until January 31, 2022. Therefore, the impact of the revised oil and gas new source performance standards on the Driftwood Project and other related pipelines and Tellurian's compliance obligations 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. The Affordable Clean Energy rule was subject to legal challenges and, in January 2021, the U.S. Court of Appeals for the District of Columbia Circuit vacated the rule and remanded the rule to the EPA for revision or replacement.

The Biden Administration has communicated its intention to address climate change and has issued Executive Orders with respect to certain governmental actions related to climate change. 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 related pipelines or require the Driftwood Project or related pipelines 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 or related pipelines 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 and related pipelines are 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 United States or waters of the state, including discharges of wastewater and storm water runoff and discharges of dredged or fill material into waters of the United States, 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 terminal and Driftwood pipeline 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 April 2020, the EPA and the USACE finalized a rule revising and narrowing the definition of “waters of the United States” and replacing prior rules defining the same issued in 1986 and 2015 (the “2020 Rule”). On August 30, 2021, the U.S. District Court for the District of Arizona vacated and remanded the 2020 Rule and in June 2021, the EPA and the Department of the Army announced their intention to initiate a new rulemaking process to restore the pre-2015 definition of “waters of the United States” informed by decisions of the Supreme Court of the United States. The proposed rule was published on December 7, 2021 and the comment period closed on February 7, 2022. In addition, in January 2022, the Supreme Court of the United States granted certiorari in a case, *Sackett v. EPA*, that could further impact this rulemaking process and the ultimate rule. Changes in the definition of “waters of the United States” are not likely to affect the permits already obtained for the Driftwood terminal and Driftwood pipeline, but further regulatory changes or any judicial decisions could affect other elements of the Driftwood terminal and Driftwood pipeline or other related pipelines in ways that cannot be predicted at this time.

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 the 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 would 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, or transported 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 the 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, we 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 the production of crude oil and/or natural gas from dense subsurface rock formations. We plan to use hydraulic fracturing extensively in our natural gas development 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 natural gas development 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 in the United States.” 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, 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 our properties, including of the Driftwood Project or related pipelines, which could result in fines or penalties. In addition, if threatened or endangered species are found on any part of our properties, including the sites of the Driftwood Project, related pipelines, or 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 Operations

Our natural gas 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, Trade Control, and Tax Evasion Laws

We are subject to 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 our employees, directors, officers and agents from authorizing, offering, or providing improper payments or anything else of value to government officials or other covered persons to obtain or retain business or gain an improper business advantage. We face the risk that one of our employees or agents will offer, authorize, or provide something of value that could subject us to liability under the FCPA and 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 designed to ensure that we and our employees and agents 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. U.S. or foreign authorities may also seek to hold us liable for successor liability for anti-corruption violations committed by companies we acquire or in which we invest (for example, by way of acquiring equity interests, participating as a joint venture partner, or acquiring assets).

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, and Washington, D.C. The tenors of the leases are five and eight years for Houston and Washington, D.C., respectively.

Employees and Human Capital

As of December 31, 2021, Tellurian had 107 full-time employees worldwide. None of them are subject to collective bargaining arrangements. The Company's workforce is primarily located in Houston, Texas, and we have offices in Louisiana, Washington DC, London and Singapore. Many of our employees are originally from, or have extensive experience working in, countries other than the United States. This reflects our overall strategy of building a natural gas business that is global in scope.

We plan to build, among other things, an LNG liquefaction facility that we believe is one of the largest energy infrastructure projects currently under development in the United States. Given the inherent challenges involved in the construction of a project of this type, in particular by a company that has limited current operations, our human resources strategy focuses on the recruitment and retention of employees who have already established relevant expertise in the industry. The execution of this strategy has resulted in us assembling what we believe to be a premier management team in the global natural gas and LNG industry. A related aspect of our human resources strategy is that the compensation structure for many of our employees is weighted towards incentive compensation that is designed to reward progress toward the development of our business, including in particular the financing and construction of the Driftwood Project.

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 Operating 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 and to repay its indebtedness when necessary. 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 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 preferred equity, project finance and sales of equity and debt securities. We do not know whether, and to what extent, potential sources of financing will find the terms we propose acceptable. In addition, potential sources of financing may conclude that the terms of our commercial agreements for the sale of LNG are not attractive enough to justify an investment.

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. Obtaining financing through additional issuances of common stock or other equity securities would impose fewer restrictions on our future operations but would be dilutive to the interests of existing stockholders.

Pandemics or disease outbreaks, such as the currently ongoing COVID-19 pandemic, may adversely affect our efforts to reach a final investment decision with respect to the Driftwood Project.

Pandemics or disease outbreaks such as the currently ongoing COVID-19 pandemic may have a variety of adverse effects on our business, including by depressing commodity prices and the market value of our securities and limiting the ability of our management to travel to meet with partners and potential partners. Prospects for the development and financing of the Driftwood Project are based in part on factors including global economic conditions that have been, and are likely to continue to be, adversely affected by the COVID-19 pandemic. Additional effects of the pandemic on our business may include limits on the ability of our employees, or those of partners or vendors, to provide necessary services due to illness or quarantines and governmental restrictions on travel, imports or exports or financial transactions.

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 completed 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 2022 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 terminal discussed below in “ — Risks Relating to Our LNG Business — *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.*” 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 operating 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 U.S., state or foreign tax laws;
- changes in the composition of operating income by tax jurisdiction; and
- our operating results before taxes.

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 natural gas leaseholds and related upstream development assets, cash held for certain start-up and operating expenses, applications for permits from regulatory agencies relating to the Driftwood Project and certain real property 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 project, as discussed elsewhere in this section, is dependent upon its and 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.

We may be unable to fulfill our obligations under our debt agreements.

We have issued senior notes as described in Note 10, *Borrowings*, of our Notes to Consolidated Financial Statements included in this report. Our ability to generate cash flows from operations or obtain refinancing capital sufficient to pay interest and principal on our indebtedness will depend on our 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 our control. Our inability 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 debt agreements. These alternative measures may be unavailable or inadequate, in which case we could be forced into bankruptcy or liquidation, and may themselves adversely affect our overall business strategy.

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, departures of key personnel, and failures to advance the Driftwood Project on the terms or within the time periods anticipated. 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 trading price of our common stock during 2021 was as low as \$1.20 per share and as high as \$5.76 per share.

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. Such pledges have in the past resulted, and could result in the future, in large amounts of shares of our stock being sold in the market in a short period and corresponding declines in 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 outside of the United States, 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.

Cost estimates for the Driftwood Project and other projects we may pursue are only approximations of the actual costs of construction. 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 could materially increase construction costs. In particular, tariffs on imported steel may significantly increase our construction costs. Similarly, cost overruns could affect the project scope within the LSTK EPC agreements that are provisional such as dredging-related expenditures. 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 and those prices are subject to adjustment by change orders, including for consideration of certain increased costs. 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 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 will depend upon it entering into contracts with third-party customers, the terms of those contracts and the performance of those customers under those contracts.

We have entered into commercial arrangements with certain third-party customers for the sale of LNG from Phase I of the Driftwood Project. Our ability to generate revenue from those contracts will depend upon, among other factors, LNG prices and our ability to finance and complete the construction of the 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 additional 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 related pipelines 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, we must still satisfy various conditions of our FERC permits during the construction process. Additionally, numerous permits and approvals will be required in connection with other assets related to the Driftwood Project, including our upstream operations or other related pipelines. Further permits and approvals may also be required in connection with the construction and operation of other related pipelines. Environmental groups and others may oppose our efforts to obtain and maintain the permits necessary to grow our operations pursuant to our strategy.

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.

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. The construction of the Driftwood pipeline or related pipelines will be required for the long-term operations of the Driftwood terminal and will be subject to similar risks.

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 and related pipelines 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 or related pipelines;
- difficulties in engaging qualified contractors necessary to the construction of the contemplated Driftwood Project or other LNG facilities or related pipelines;
- 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, including as a result of the COVID-19 pandemic or similar events and related economic disruptions;
- 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. The profitability of the LNG SPAs we have entered into will depend in part on the relationship between the costs we incur in producing or purchasing natural gas and the then-current index prices when sales occur. An adverse change in that relationship, whether resulting from an increase in our costs, a decline in the index prices or both, could make sales under the agreements less profitable or could require us to sell at a loss. Similarly, part of our business involves the trading of LNG cargos from time to time. LNG trading involves risks, including the risk that commodity price changes will result in us selling cargos at a loss. These risks have increased in recent periods as higher commodity prices have resulted in cargos becoming generally more expensive, therefore increasing our exposure to potential losses.

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 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 and related pipelines 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 are and 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 the owner and the operator of the Driftwood Project and other related assets 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 and related assets are 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, related pipelines, or upstream assets, or damage to persons and property. In addition, operations at the proposed Driftwood Project, related pipelines, upstream assets, 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.

Hurricanes have 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 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 cargos are based. Our LNG marketing activities are also 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 Operating 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 operating activities.

The revenues, operating results and profitability of our natural gas or oil operating 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, such as the \$81.1 million impairment charge we incurred in 2020. Conversely, any substantial or extended increase in the price of natural gas would adversely affect the competitiveness of LNG as a source of energy (as 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 operating 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 operating activities through cash on hand and financing transactions that may include public or private equity or debt offerings or borrowings under additional debt agreements. 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 operating 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 either unproductive or productive but do not produce sufficient commercial quantities to cover drilling, completion, 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 rates 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 based in part on costs at the date of the estimate. Any significant variance from these costs could greatly affect our estimates of reserves. At December 31, 2021, approximately 77% 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 reclassify to probable or possible any PUDs that are not developed within this five-year time frame.

Our natural gas operating 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 operating 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.

Laws or regulations that could impose more stringent permitting, public disclosure and/or well construction requirements on hydraulic fracturing operations are proposed from time to time at the federal, state and local levels. Regulatory bodies and others from time to time 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 assessments, 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 rely on third parties to meet our needs for midstream infrastructure and services. Capital constraints and public opposition to projects could limit the construction of new infrastructure by us and third parties. In addition, increased production from us and other operators could lead to capacity constraints. 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, foreign currency exchange rate fluctuations and corruption risk.

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;
- compliance with laws and regulations of foreign jurisdictions, and with U.S. laws and regulations related to foreign operations;
- 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 targeting the elimination of or restricting GHG emissions or otherwise addressing climate change could require us to incur

additional operating costs or otherwise impact our financial results. 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.

Many 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. Such effects 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. In addition, customers are focusing more on sustainability and the environmental impacts of operations of companies. An inability to respond to customer demands with respect to these issues could have an impact to our financial results.

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 Executive Chairman, Vice Chairman, Chief Executive Officer 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 Executive Chairman, Vice Chairman and Chief Executive Officer. 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

None.

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 NYSE American under the symbol "TELL." As of February 7, 2022, there were 518.5 million shares outstanding held by 777 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, 2021.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None that occurred during the three months ended December 31, 2021.

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 Exchange Act, except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act or the Exchange Act. 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, 2016, through and including the market close on December 31, 2021, with the cumulative total return for the same time period of the same amount invested in the Russell 2000 index, a current peer group index and the peer group index used in the corresponding section of our Annual Report on Form 10-K for the year ended December 31, 2019 (the "prior peer group"). The current 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. Our current peer group index consists of the following companies:

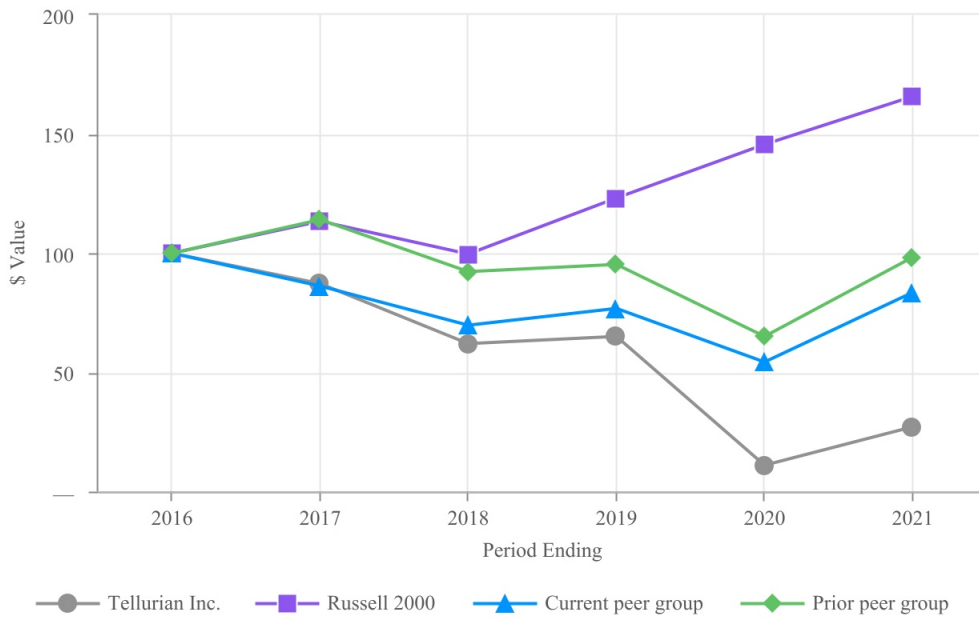
Current peer group

APA Corporation (APA)	NextDecade Corporation (NEXT)
Cheniere Energy, Inc. (LNG)	NuStar Energy L.P. (NS)
Chesapeake Energy Corporation (CHK)	ONEOK, Inc. (OKE)
Continental Resources, Inc. (CLR)	Range Resources Corporation (RRC)
Enterprise Products Partners L.P. (EPD)	Southwestern Energy Company (SWN)
EQT Corporation (EQT)	Targa Resources Corp. (TRGP)
Gibson Energy Inc. (GEI)	The Williams Companies, Inc. (WMB)
Kinder Morgan, Inc. (KMI)	

We have not changed our current peer group relative to the prior peer group except that (i) we have removed the following companies due to (1) merger or acquisition transactions, (2) a focus on companies of more comparable size based on relative enterprise value and assets and (3) an effort to distribute more evenly the sub-industry representation across oil and gas sectors (i.e. fewer transportation companies): Cheniere Energy Partners LP (CQP), Enable Midstream Partners LP (ENBL), GasLog Ltd (GLOG), Golar LNG Limited (GLNG), Teekay LNG Partners L.P. (TGP) and Teekay Corporation (TK) and (ii) we have added the following companies to distribute more evenly the sub-industry representation across oil and gas sectors (i.e. more midstream, upstream and LNG companies): APA Corporation (APA), Chesapeake Energy Corporation (CHK), Continental Resources, Inc. (CLR), EQT Corporation (EQT), Enterprise Products Partners L.P. (EPD), Gibson Energy Inc. (GEI), Kinder Morgan, Inc. (KMI), NextDecade Corporation (NEXT), NuStar Energy L.P. (NS), Range Resources Corporation (RRC), Southwestern Energy Company (SWN) and The Williams Companies, Inc. (WMB).

	Year Ended December 31,					
	2016	2017	2018	2019	2020	2021
Tellurian Inc.	100	87	62	65	11	27
Russell 2000	100	113	99	123	146	165
Current peer group	100	86	70	77	54	83
Prior peer group	100	114	92	95	65	98

Stock Performance Graph



ITEM 6. [Reserved]

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

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
- Commitments and Contingencies
- Summary of Critical Accounting Estimates
- Recent Accounting Standards

Our Business

Tellurian Inc. ("Tellurian," "we," "us," "our," or the "Company"), a Delaware corporation, is a Houston-based company that 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, LNG marketing, and infrastructure assets that includes an LNG terminal facility (the "Driftwood terminal"), an associated pipeline (the "Driftwood pipeline"), other related pipelines, and upstream natural gas assets. The Driftwood terminal and the Driftwood pipeline are collectively referred to as the "Driftwood Project". Our existing natural gas assets consist of 11,060 net acres and interests in 78 producing wells located in the Haynesville Shale trend of northern Louisiana. Our Business may be developed in phases.

As part of our execution strategy, which includes increasing our asset base, we will consider various commercial arrangements with third parties across the natural gas value chain. We are also pursuing activities such as direct sales of LNG to global counterparties, trading of LNG, the acquisition of additional upstream acreage and drilling of new wells on our existing or newly acquired upstream acreage. As discussed in "Overview of Significant Events – LNG Sale and Purchase Agreements" below, we entered into four LNG SPAs with three unrelated purchasers, completing the planned sales for plants one and two of the Driftwood terminal ("Phase 1"). We are currently focused on securing financing for the construction of Phase 1.

We continue to evaluate the scope and other aspects of our Business in light of the evolving economic environment, needs of potential counterparties and other factors. How we execute our Business will be based on a variety of factors, including the results of our continuing analysis, changing business conditions and market feedback.

Overview of Significant Events

LNG Sale and Purchase Agreements

Driftwood LNG LLC ("Driftwood LNG"), a wholly owned subsidiary of the Company, entered into the following SPAs with three purchasers for the purchase of a total of 9.0 Mtpa of LNG:

- An SPA with Gunvor Singapore Pte Ltd ("Gunvor") in May 2021 for the purchase of 3.0 Mtpa of LNG;
- An SPA with Vitol Inc. ("Vitol") in June 2021 for the purchase of 3.0 Mtpa of LNG; and
- Two SPAs with Shell NA LNG LLC ("Shell") in July 2021 for the purchase of 3.0 Mtpa of LNG.

The price for LNG sold under the SPAs with Gunvor and Vitol will be a blended average based on the JKM index price and the TTF futures contract price, in each case minus a transportation netback. The price for LNG sold under each SPA with Shell will be based on the JKM index price or the TTF futures contract price, in each case minus a transportation netback. Each SPA has a ten-year term from the date of first commercial delivery from the Driftwood terminal.

Initiated Owner Construction Activities

During the year ended, December 31, 2021 we initiated owner construction activities necessary to proceed under our LSTK EPC agreements with Bechtel Oil, Gas and Chemicals, Inc. (“Bechtel”).

Driftwood Land Lease Agreement

On July 1, 2021, we entered into a long-term ground lease agreement with the Lake Charles Harbor and Terminal District to secure property essential for the construction of the Driftwood terminal.

Environmental, Social, Governance Practices

During the year ended December 2021, the Company began a partnership with the National Forest Foundation on a five-year plan for reforestation and other forest management projects totaling \$25 million across the United States. One of the first identified projects is to re-plant 300,000 trees in the Kisatchie National Forest, located near Alexandria, Louisiana, where nearly 40,000 acres of native trees were lost due to extreme weather events during the past few years.

Upstream Drilling Activities

During the year ended December 31, 2021, we completed the drilling of and put in production four new Haynesville operated natural gas wells. We also participated in the drilling of six Haynesville non-operated natural gas wells. Our 2021 drilling activities increased our proved developed reserves by approximately 51 Bcfe as of December 31, 2021.

Repayment of Borrowing Obligations

During the year ended December 31, 2021, we repaid all borrowing obligations that were outstanding at the end of December 31, 2020. For further information regarding the repayment of our borrowing obligations, see *Note 10 - Borrowings*, of our Notes to the Consolidated Financial Statements.

Equity Offering

On August 6, 2021, we sold 35.0 million shares of our common stock in an underwritten public offering at a price of \$3.00 per share. Net proceeds from this offering, after deducting fees and expenses, were approximately \$100.8 million. The underwriters were granted an option to purchase up to an additional 5.3 million shares of common stock within 30 days. On August 31, 2021, the underwriters exercised this option, which generated net proceeds, after deducting fees, of approximately \$15.1 million.

8.25% Senior Notes due 2028

On November 10, 2021, we sold \$50.0 million aggregate principal amount of 8.25% Senior Notes due November 30, 2028 (the “Senior Notes”) in a registered public offering. Net proceeds from the sale of the Senior Notes were approximately \$47.5 million after deducting fees. The underwriter was granted an option to purchase up to an additional \$7.5 million of the Senior Notes within 30 days. On December 7, 2021, the underwriter exercised the option and purchased an additional \$6.5 million of the Senior Notes, which generated net proceeds of approximately \$6.2 million after deducting fees.

At-the-Market Debt Offering Program

On December 17, 2021, we entered into an at-the-market debt offering program under which the Company may offer and sell, from time to time on the NYSE American, up to an aggregate principal amount of \$200.0 million of additional Senior Notes. During the year ended December 31, 2021, we did not sell any additional Senior Notes under the at-the-market debt offering program.

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 \$305.5 million of cash and cash equivalents as of December 31, 2021 on a consolidated basis. We currently maintain at-the-market debt and equity offering programs pursuant to which we sell our Senior Notes and common stock from time to time. As of the date of this filing, we have remaining availability to raise aggregate gross sales proceeds of approximately \$581.9 million under these programs.

As of December 31, 2021, we had total indebtedness of approximately \$56.5 million, of which no amounts are scheduled to be repaid within the next twelve months. We also had contractual obligations associated with our finance and operating leases totaling \$216.9 million, of which \$7.1 million is scheduled to be paid within the next twelve months.

The Company has sufficient cash on hand and available liquidity to satisfy its obligations and fund its working capital needs for at least twelve months following the date of issuance of the consolidated financial statements. The Company has the ability to generate additional proceeds from various other potential financing transactions. We are currently focused on securing financing for the construction of plants one and two of the Driftwood terminal.

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,	
	2021	2020
Cash used in operating activities	\$ (61,560)	\$ (69,965)
Cash used in investing activities	(57,865)	(1,307)
Cash provided by financing activities	344,962	84,527
Net increase in cash, cash equivalents and restricted cash	225,537	13,255
Cash, cash equivalents and restricted cash, beginning of the period	81,737	68,482
Cash, cash equivalents and restricted cash, end of the period	\$ 307,274	\$ 81,737
Net working capital	\$ 238,920	\$ (34,403)

Cash used in operating activities for the year ended December 31, 2021 decreased by approximately \$8.4 million compared to the same period in 2020 due to an overall decline in disbursements in the normal course of business.

Cash used in investing activities for the year ended December 31, 2021 increased by approximately \$56.6 million compared to the same period in 2020. This increase is predominantly driven by increased spending on natural gas development activities, settlement of outstanding liabilities associated with engineering services for the Driftwood terminal and property and equipment purchases.

Cash provided by financing activities for the year ended December 31, 2021 increased by approximately \$260.4 million compared to the same period in 2020. This increase primarily relates to the following:

- Increase of approximately \$315.4 million in net proceeds from equity issuances and warrant exercises.
- Increase of approximately \$6.3 million in net borrowings as compared to the prior period.
- These increases were partially offset by cash outflows used in principal repayments of our borrowing obligations compared to the prior period.

See Note 10, *Borrowings* and Note 12, *Stockholders' Equity*, of our Notes to the Consolidated Financial Statements for additional information about our financing activities.

Capital Development Activities

The activities we have proposed will require significant amounts of capital and are subject to risks and delays in completion. We received all major regulatory approvals for the construction of Phase 1 and, 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 have initiated certain owner construction activities necessary to proceed under our LSTK EPC agreements and have increased our upstream development activities.

We currently estimate the total cost of the Driftwood Project as well as related pipelines and upstream natural gas assets to be approximately \$25.0 billion including owners' costs, transaction costs and contingencies but excluding interest costs incurred during construction and other financing costs. We have entered into four LSTK EPC agreements currently totaling \$15.5 billion, or \$561 per tonne, with Bechtel Oil, Gas and Chemicals, Inc. ("Bechtel") for construction of the Driftwood terminal. The proposed Driftwood terminal will have a liquefaction capacity of up to approximately 27.6 Mtpa and

will be situated on approximately 1,200 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.

Our strategy involves acquiring additional natural gas properties, including properties in the Haynesville shale trend. We intend to pursue potential acquisitions of such assets, or public or private companies that own such assets. We would expect to use stock, cash on hand, or cash raised in financing transactions to complete an acquisition of this type.

We anticipate funding our more immediate liquidity requirements relative to the commencement of construction of the Driftwood terminal, natural gas development costs, and general and administrative costs through the use of cash on hand, proceeds from operations, and proceeds from completed and future issuances of securities by us. Investments in the construction of the Driftwood terminal and natural gas development may be significant in 2022, but the size of those investments will depend on, among other things, commodity prices, Driftwood Project financing developments and other liquidity considerations, and our continuing analysis of strategic risks and opportunities. Consistent with our 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-term and long-term capital requirements. 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.

Results of Operations

The following table summarizes costs and expenses for the periods presented (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Total revenue	\$ 71,275	\$ 37,434	\$28,774
Cost of sales	36,438	17,223	7,071
Development expenses	50,186	27,492	59,629
Depreciation, depletion and amortization	11,481	17,228	20,446
General and administrative expenses	85,903	47,349	87,487
Impairment charge and loss on transfer of assets	—	81,065	—
Severance and reorganization charges	—	6,359	—
Related party charges	—	7,357	—
Loss from operations	(112,733)	(166,639)	(145,859)
Interest expense, net	(9,378)	(43,445)	(16,355)
Gain on extinguishment of debt, net	1,422	—	—
Other income (loss), net	5,951	(612)	10,447
Income tax benefit (provision)	—	—	—
Net loss	\$ (114,738)	\$ (210,696)	\$ (151,767)

Our consolidated net loss was approximately \$114.7 million for the year ended December 31, 2021, compared to a net loss of approximately \$210.7 million for the same period of 2020. The decrease in net loss was primarily a result of the following:

- Absence of proved natural gas Impairment charge, Severance and reorganization charges, and Related party charges of approximately \$81.1 million, \$6.4 million, and \$7.4 million, respectively, that were incurred during 2020.
- Increase of approximately \$33.8 million in Total revenue compared to the same period in 2020 attributable to a \$21.0 million increase in Natural gas sales revenues as a result of increased realized natural gas prices, partially offset by decreased production volumes, and a \$12.8 million increase in LNG sale revenues from the sale of an LNG cargo in April 2021.
- Decrease of approximately \$34.1 million in Interest expense due to the decline in interest charges as a result of the repayment of our borrowing obligations that were outstanding at the end of 2020. For further information regarding the repayment of our borrowing obligations, see *Note 10 - Borrowings*, of our Notes to the Consolidated Financial Statements.

- Decrease of approximately \$5.7 million in DD&A expenses due to utilizing a lower net book value in the calculation of DD&A as a result of the Impairment charge that we recognized in the prior year.

The decrease in net loss was partially offset by the following:

- Increase of approximately \$19.2 million in Cost of sales primarily attributable to the purchase of an LNG cargo in April 2021.
- An increase of approximately \$22.7 million in Development expenses primarily attributable to an \$18.1 million increase in compensation expenses and a \$4.6 million increase in professional services, engineering services and other development expenses associated with the Driftwood Project.
- An increase of approximately \$38.6 million in General and administrative expenses primarily attributable to a \$32.2 million increase in compensation expenses and a \$6.4 million increase in professional services.

Our consolidated net loss was approximately \$210.7 million for the year ended December 31, 2020, compared to a net loss of approximately \$151.8 million for the same period of 2019. This \$58.9 million increase in net loss was primarily a result of the following:

- Approximately \$81.1 million related to an Impairment charge of our proved natural gas properties primarily due to depressed natural gas prices caused by the combined impact of increased natural gas production and falling demand brought about by economic conditions at the time. For further information regarding this impairment charge, see Note 4, *Property, Plant and Equipment*, of our Notes to the Consolidated Financial Statements.
- Increase of approximately \$27.1 million in Interest expense, net, primarily attributable to incurring interest charges on both the 2019 Term Loan and 2020 Unsecured Note during the current period compared to only incurring charges on a portion of the 2019 Term Loan during the prior period.
- Increase of approximately \$10.2 million in Cost of sales primarily attributable to the sale of an LNG cargo.
- Approximately \$7.4 million in Related party charges incurred during the period compared to none in the prior period. For further information regarding these Related party charges, see Note 8, *Related Party Transactions*, of our Notes to the Consolidated Financial Statements.
- Approximately \$6.4 million in Severance and reorganization charges incurred during the period compared to none in the prior period. For further information regarding the Severance and reorganization charges, see Note 13, *Severance and Reorganization*, of our Notes to the Consolidated Financial Statements.

The above increases in expenses were partially offset by an increase in Total revenue of approximately \$8.7 million due primarily to the sale of an LNG cargo and a decrease in General and administrative expenses of approximately \$40.1 million as well as a decrease in Development expenses of approximately \$32.1 million due to an overall decline in business activities during the current period.

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 2, *Summary of Significant Accounting Policies*, of our Notes to Consolidated Financial Statements included in this report. As disclosed in Note 2, 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 considered the following to be our most critical accounting estimates that involve significant judgment:

Valuation of Long-Lived Assets

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.

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.

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

We do not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on our Consolidated Financial Statements or related disclosures.

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

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TELLURIAN INC.

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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, 2021.

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, 2021, as stated in their report on page [41](#).

/s/ Octávio M.C. Simões

Octávio M.C. Simões
President and Chief Executive Officer
(as Principal Executive Officer)

/s/ L. Kian Granmayeh

L. Kian Granmayeh
Chief Financial Officer
(as Principal Financial Officer)

/s/ Khaled A. Sharafeldin

Khaled A. Sharafeldin
Chief Accounting Officer
(as Principal Accounting Officer)

Houston, Texas
February 23, 2022

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, 2021 and 2020, the related consolidated statements of operations, stockholders' equity and cash flows, for each of the three years in the period ended December 31, 2021, and the related notes (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, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, 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, 2021, 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 23, 2022, 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 Natural Gas Properties and Depletion – Natural Gas Reserves – Refer to Note 2 and 4 to the financial statements

Critical Audit Matter Description

The Company's proved natural gas properties are depleted using the units-of-production method based upon natural gas reserves. The development of the Company's natural gas reserve quantities requires management to make significant estimates and assumptions. The Company engages an independent reservoir engineer, management's specialist, to estimate natural gas quantities using generally accepted methods, calculation procedures and engineering data. Changes in assumptions or engineering data could have a significant impact on the amount of depletion. Proved natural gas properties were \$47.7 million as of December 31, 2021, and depletion expense was \$11.0 million for the year then ended.

Given the significant judgments made by management and management's specialist, performing audit procedures to evaluate the Company's natural gas reserve quantities, including management's estimates and assumptions related to natural gas prices requires 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 natural gas reserves included the following, among others:

- We tested the effectiveness of controls related to the Company’s estimation of natural gas properties reserve quantities, including controls relating to the natural gas prices.
- We evaluated the reasonableness of natural gas prices by comparing such amounts to:
 - Third party industry sources.
 - Historical realized natural gas prices.
 - Historical realized natural gas price differentials.
- We evaluated the Company’s estimates around production volumes by evaluating wells’ past production performance to ensure it was appropriately reflected in production forecasts used in generating proved reserves.
- We evaluated the experience, qualifications and objectivity of management’s specialist, an independent reservoir engineering firm, including the methodologies and calculation procedures used to estimate natural gas reserves and performing analytical procedures on the reserve quantities.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 23, 2022

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, 2021, 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, 2021, 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, 2021, of the Company and our report dated February 23, 2022, 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 23, 2022

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

	December 31,	
	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 305,496	78,297
Accounts receivable	9,270	4,500
Prepaid expenses and other current assets	12,952	2,105
Total current assets	327,718	84,902
Property, plant and equipment, net	150,545	61,257
Deferred engineering costs	110,025	110,499
Other non-current assets	33,518	36,337
Total assets	\$ 621,806	\$ 292,995
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,852	23,573
Accounts payable due to related parties (Note 8)	—	910
Accrued and other liabilities	85,946	22,003
Borrowings	—	72,819
Total current liabilities	88,798	119,305
Long-term liabilities:		
Borrowings	53,687	38,275
Other non-current liabilities	61,020	26,325
Total long-term liabilities	114,707	64,600
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, 800,000,000 and 800,000,000 authorized: 500,453,575 and 354,315,739 shares outstanding, respectively	4,774	3,309
Additional paid-in capital	1,344,526	922,042
Accumulated deficit	(931,060)	(816,322)
Total stockholders' equity	418,301	109,090
Total liabilities and stockholders' equity	\$ 621,806	\$ 292,995

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,		
	2021	2020	2019
Revenues:			
Natural gas sales	\$ 51,499	\$ 30,441	28,774
LNG sales	19,776	6,993	—
Total revenue	<u>71,275</u>	<u>37,434</u>	<u>28,774</u>
Operating costs and expenses:			
Cost of sales	36,438	17,223	7,071
Development expenses	50,186	27,492	59,629
Depreciation, depletion and amortization	11,481	17,228	20,446
General and administrative expenses	85,903	47,349	87,487
Impairment charges	—	81,065	—
Severance and reorganization charges	—	6,359	—
Related party charges (Note 8)	—	7,357	—
Total operating costs and expenses	<u>184,008</u>	<u>204,073</u>	<u>174,633</u>
Loss from operations	(112,733)	(166,639)	(145,859)
Interest expense, net	(9,378)	(43,445)	(16,355)
Gain on extinguishment of debt, net	1,422	—	—
Other (expense) income, net	5,951	(612)	10,447
Loss before income taxes	(114,738)	(210,696)	(151,767)
Income tax benefit (provision)	—	—	—
Net loss	<u>\$ (114,738)</u>	<u>\$ (210,696)</u>	<u>\$ (151,767)</u>
Net loss per common share:			
Basic and diluted	<u>\$ (0.28)</u>	<u>\$ (0.79)</u>	<u>\$ (0.69)</u>
Weighted average shares outstanding:			
Basic and diluted	<u>407,615</u>	<u>267,615</u>	<u>218,548</u>

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

TELLURIAN INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands)

	Year Ended December 31,		
	2021	2020	2019
Total shareholders' equity, beginning balance	\$ 109,090	\$ 166,285	\$ 297,934
Preferred stock	61	61	61
Common stock:			
Beginning balance	3,309	2,211	2,195
Common stock issuance	1,361	808	—
Share-based compensation, net ⁽¹⁾	43	55	15
Severance and reorganization charges	—	22	—
Share-based payments	1	—	1
Settlement of Final Payment Fee (Note 10)	—	110	—
Borrowings principal repayment (Note 10)	—	93	—
Warrants exercised	60	10	—
Ending balance	<u>4,774</u>	<u>3,309</u>	<u>2,211</u>
Additional paid-in capital:			
Beginning balance	922,042	769,639	749,537
Common stock issuance	406,493	98,867	—
Share-based compensation, net ⁽¹⁾	7,892	8,589	15,934
Severance and reorganization charges	—	2,667	—
Share-based payments	200	561	868
Settlement of Final Payment Fee (Note 10)	—	9,036	—
Warrants issued in connection with Borrowings (Note 12)	—	17,998	3,300
Borrowings principal repayment (Note 10)	—	13,695	—
Warrants exercised	8,117	990	—
Debt extinguishment	(218)	—	—
Ending balance	<u>1,344,526</u>	<u>922,042</u>	<u>769,639</u>
Accumulated deficit:			
Beginning balance	(816,322)	(605,626)	(453,859)
Net loss	(114,738)	(210,696)	(151,767)
Ending balance	<u>(931,060)</u>	<u>(816,322)</u>	<u>(605,626)</u>
Total shareholders' equity, ending balance	<u>\$ 418,301</u>	<u>\$ 109,090</u>	<u>\$ 166,285</u>

⁽¹⁾ Includes settlement of 2019 and 2018 bonuses that were accrued for in 2019 and 2018, respectively.

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,		
	2021	2020	2019
Cash flows from operating activities:			
Net loss	\$ (114,738)	\$ (210,696)	\$ (151,767)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation, depletion and amortization	11,481	17,228	20,446
Amortization of debt issuance costs, discounts and fees	3,102	28,741	10,148
Share-based compensation	5,950	2,699	4,238
Severance and reorganization charges	—	2,689	—
Share-based payments	200	562	869
Interest elected to be paid-in-kind	508	3,317	—
Impairment charge and loss on transfer of assets	—	81,065	—
Gain on sale of assets	—	—	(4,218)
Unrealized loss (gain) on financial instruments not designated as hedges	(8,693)	2,618	(3,443)
Net gain on extinguishment of debt	(1,422)	—	—
Other	1,035	3,378	(459)
Net changes in working capital (Note 18)	41,017	(1,566)	11,178
Net cash used in operating activities	<u>(61,560)</u>	<u>(69,965)</u>	<u>(113,008)</u>
Cash flows from investing activities:			
Acquisition and development of natural gas properties	(32,364)	(1,307)	(45,354)
Payment of engineering services	(15,208)	—	(25,997)
Proceeds from sale of assets	—	—	8,140
Purchase of property and equipment	(10,293)	—	(2,732)
Net cash used in investing activities	<u>(57,865)</u>	<u>(1,307)</u>	<u>(65,943)</u>
Cash flows from financing activities:			
Proceeds from common stock issuances	421,809	103,664	—
Equity issuance costs	(13,955)	(3,989)	—
Proceeds from borrowings	56,500	50,000	75,000
Borrowings issuance costs	(2,854)	(2,612)	(2,246)
Borrowings principal repayments	(119,725)	(60,100)	—
Proceeds from warrant exercise	8,177	1,000	—
Tax payments for net share settlements of equity awards (Note 18)	(3,064)	(1,659)	(6,686)
Finance lease principal payments	(1,926)	(1,777)	(2,224)
Net cash provided by financing activities	<u>344,962</u>	<u>84,527</u>	<u>63,844</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	225,537	13,255	(115,107)
Cash, cash equivalents and restricted cash, beginning of period	81,737	68,482	183,589
Cash, cash equivalents and restricted cash, end of period	<u>307,274</u>	<u>81,737</u>	<u>\$ 68,482</u>
Supplementary disclosure of cash flow information:			
Interest paid	\$ 4,105	\$ 11,025	\$ 8,414

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

TELLURIAN INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — ORGANIZATION AND NATURE OF OPERATIONS

Tellurian Inc. (“Tellurian,” “we,” “us,” “our,” or the “Company”), a Delaware corporation, is a Houston-based company which 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 plan 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, LNG marketing, and infrastructure assets that includes an LNG terminal facility (the “Driftwood terminal”), an associated pipeline (the “Driftwood pipeline”), other related pipelines, and upstream natural gas assets. The Driftwood terminal and the Driftwood pipeline are collectively referred to as the “Driftwood Project.”

The terms “we,” “our,” “us,” “Tellurian” and the “Company” as used in this report refer collectively to Tellurian Inc. and its subsidiaries unless the context suggests otherwise. These terms are used for convenience only and are not intended as a precise description of any separate legal entity associated with Tellurian Inc.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our Consolidated Financial Statements have been 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.

Certain reclassifications have been made to conform prior period information to the current presentation. The reclassifications did not have a material effect on our consolidated financial position, results of operations or cash flows.

Liquidity

Our Consolidated Financial Statements have been 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 and negative cash flows from operations, and have an accumulated deficit. We have not yet established an ongoing source of revenues that is sufficient to cover our future operating costs and obligations as they become due during the twelve months following the issuance of the Consolidated Financial Statements.

The Company has sufficient cash on hand and available liquidity to satisfy its obligations and fund its working capital needs for at least twelve months following the date of issuance of the Consolidated Financial Statements. The Company has the ability to generate additional proceeds from various other potential financing transactions. We are currently focused on securing financing for the construction of plants one and two of the Driftwood terminal.

Segments

We have determined that we operate as a single operating and reportable segment. Our chief operating decision maker allocates resources and assesses financial performance on a consolidated basis in the execution of our strategy to develop, own and operate a global natural gas business and to deliver natural gas to our customers worldwide.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

Revenue Recognition

TELLURIAN INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the sale of natural gas, we consider the delivery of each unit (MMBtu) to be a separate performance obligation that is satisfied upon delivery to the designated sales point and therefore is recognized at a point in time. 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.

Each LNG cargo, in its entirety, is deemed to be a single performance obligation due to each molecule of LNG being distinct and substantially the same and therefore meeting the criteria for the transfer of a series of distinct goods. Accordingly, LNG sales are recognized at a point in time when the LNG has completed discharging to the customer. These are contracts with a fixed differential to an index price, which is deemed fixed consideration that is allocated to each performance obligation and represents the relative standalone selling price basis. These LNG sales are recorded on a gross basis and reported in "LNG sales" on the Consolidated Statements of Operations.

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.

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. The carrying value of cash, cash equivalents and restricted cash approximates their fair value.

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.

We have not elected and do not apply hedge accounting for our derivative instruments; therefore, all changes in fair value of the Company's derivative instruments are recognized within Other income, net, in the Consolidated Statements of Operations. Settlements of derivative instruments are reported as a component of cash flows from operations in the Consolidated Statements of Cash Flows.

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. The carrying values of our proved natural gas properties are reviewed for impairment when events or circumstances indicate that the remaining carrying value may not be recoverable. If there is an indication that the carrying amount of our proved natural gas properties may not be recoverable, we compare the estimated expected undiscounted future cash flows from our natural gas properties to the carrying values of those properties. Proved properties that have carrying amounts in excess of estimated future undiscounted cash flows are written down to fair value.

Leases

The Company adopted Accounting Standards Update ASU 2016-02, *Leases (Topic 842)*, and subsequent amendments thereto ("ASC 842") on January 1, 2019 using the optional transition approach to apply the standard at the beginning of the first quarter of 2019 with no retrospective adjustments to prior periods. We elected the transition package of practical expedients to carry-forward prior conclusions related to lease identification and classification for existing leases, combine lease and non-lease

TELLURIAN INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

components of an arrangement for all classes of our leased assets and omit short-term leases with a term of 12 months or less from recognition on the balance sheet.

The Company determines if an arrangement is a lease at inception. Leases are recognized as either finance or operating leases on our Consolidated Balance Sheets by recording a lease liability representing the obligation to make future lease payments and a right-of-use asset representing the right to use the underlying asset for the lease term. Refer to Note 17 - *Leases* for operating and finance right-of-use assets and lease liabilities classification within our Consolidated Balance Sheets. In the absence of a readily determinable implicit interest rate, we discount our expected future lease payments using our incremental borrowing rate. Options to renew a lease are included in the lease term and recognized as part of the right-of-use asset and lease liability, only to the extent they are reasonably certain to be exercised.

Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Lease expense for finance leases is recognized as the sum of the amortization of the right-of-use assets on a straight-line basis and the interest on lease liabilities over the lease term.

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 complying with 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 met: (i) the necessary regulatory permits have been obtained, (ii) financing for the project has been secured and (iii) management has committed to commence construction.

In addition, certain costs incurred prior to achieving the NTP State will be capitalized although 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. All amounts capitalized are periodically assessed for impairment and may be impaired if indicators are present. For additional details regarding capitalized amounts, please refer to Note 5, *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 our indebtedness on the accompanying Consolidated Balance Sheets. See Note 10, *Borrowings*, for additional details about our loans.

Share-Based Compensation

We have awarded share-based compensation in the form of stock, restricted stock, restricted stock units and stock options to employees, directors and outside consultants. 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.

TELLURIAN INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Postemployment benefits

The Company provides cash and other termination benefits pursuant to ongoing benefit arrangements to its employees in connection with a qualifying termination of their employment. The cost of providing postemployment benefits is recognized when the obligation is probable of occurring and can be reasonably estimated.

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 3 — PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	December 31,	
	2021	2020
Prepaid expenses	\$ 605	\$ 1,156
Deposits	3,589	100
Derivative asset, net - current (Note 7)	8,693	843
Other current assets	65	6
Total prepaid expenses and other current assets	<u>\$ 12,952</u>	<u>\$ 2,105</u>

NOTE 4 — PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment consist of the following (in thousands):

	December 31,	
	2021	2020
Land and Land improvements	\$ 25,399	\$ 13,808
Proved properties	96,297	62,227
Wells in progress	17,653	492
Corporate and other	3,476	3,476
Total property, plant and equipment, at cost	<u>142,825</u>	<u>80,003</u>
Accumulated depreciation, depletion and amortization	(50,163)	(38,764)
Right of use asset — finance leases	57,883	20,018
Total property, plant and equipment, net	<u>\$ 150,545</u>	<u>\$ 61,257</u>

Depreciation, depletion and amortization expenses for the years ended December 31, 2021, 2020 and 2019 were approximately \$1.5 million, \$17.2 million and \$20.4 million, respectively.

Land and Land improvements

We own land in Louisiana for the purpose of constructing the Driftwood terminal. During the year ended December 31, 2021, we capitalized approximately \$9.4 million in land improvement costs to prepare the land for its intended use.

Proved Properties

During the year ended December 31, 2021, we completed the drilling and put in production four new Haynesville operated natural gas wells. We also participated in the drilling of six Haynesville non-operated natural gas wells.

During the year ended December 31, 2020, we recognized an Impairment charge of approximately \$1.1 million primarily associated with our assets located in northern Louisiana.

TELLURIAN INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 — DEFERRED ENGINEERING COSTS

Deferred engineering costs of approximately \$110.0 million and \$110.5 million at December 31, 2021 and 2020, respectively, 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 6 — OTHER NON-CURRENT ASSETS

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

	December 31,	
	2021	2020
Land lease and purchase options	\$ 6,368	\$ 5,831
Permitting costs	13,408	13,092
Right of use asset — operating leases	10,166	11,884
Restricted cash	1,778	3,440
Other	1,798	2,090
Total other non-current assets	<u>\$ 33,518</u>	<u>\$ 36,337</u>

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 an affirmative FID by the Company's Board of Directors.

Restricted Cash

Restricted cash as of December 31, 2021 represents cash collateralization of a letter of credit associated with a finance lease. Restricted cash as of December 31, 2020 represents unused proceeds from the 2018 Term Loan as described under Note 10 - *Borrowings*.

NOTE 7 — FINANCIAL INSTRUMENTS

Natural Gas Financial Instruments

During the year ended December 31, 2021, we entered into natural gas future options to economically hedge the commodity price exposure for a portion of our natural gas production. As of December 31, 2021, there were no open natural gas financial instruments positions.

LNG Financial Futures

During the fourth quarter of 2021, we entered into LNG financial future contracts to reduce our exposure to commodity price fluctuations, and to achieve more predictable cash flows relative to two LNG cargos that we are committed to purchase from and sell to unrelated third-party LNG merchants in the normal course of business in January and April 2022. As of December 31, 2021, the Company hedged approximately 2.4 million MMBtu of LNG, which represents a portion of its expected LNG cargo transactions. The open LNG financial futures positions at December 31, 2021 had maturities extending through April 2022.

The following table summarizes the effect of the Company's financial instruments on the consolidated Statements of Operations (in thousands):

TELLURIAN INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Year ended December 31, 2021	Year ended December 31, 2020
Natural Gas Financial Instruments		
Realized (loss) gain	\$ (826)	\$ 5,050
Unrealized loss	—	(2,618)
LNG Financial Futures		
Realized gain	1,010	—
Unrealized gain	8,693	—

The following table presents the classification of the Company's financial derivative assets and liabilities that are required to be measured at fair value on a recurring basis on the Company's Consolidated Balance Sheets (in thousands):

	Year ended December 31, 2021	Year ended December 31, 2020
Current Assets:		
Natural Gas Financial Instruments	\$ —	\$ 843
LNG Financial Futures	8,693	—
Non-Current Assets:		
Natural Gas Financial Instruments	—	84

The Company's natural gas and LNG financial instruments are valued using quoted prices in active exchange markets as of the balance sheet date and are classified as Level 1 within the fair value hierarchy.

NOTE 8 — RELATED PARTY TRANSACTIONS

Accounts Payable due to Related Parties

In conjunction with the dismissal of prior litigation, we agreed to reimburse the Vice Chairman of our Board of Directors, Martin Houston, for reasonable attorneys' fees and expenses he incurred during the litigation. We paid approximately \$5.1 million to third parties to settle outstanding amounts incurred by Mr. Houston for reasonable attorneys' fees and expenses for the year ended December 31, 2020. As of December 31, 2021 and 2020, we had also paid Mr. Houston approximately \$ 0.9 million and \$1.4 million, respectively, for other expenses he incurred in connection with the litigation. As of December 31, 2021, all amounts owed to Mr. Houston were fully settled.

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 \$0.1 million and \$0.4 million for the years ended December 31, 2020 and 2019, respectively. There were no fees incurred for such services for the year ended December 31, 2021.

NOTE 9 — ACCRUED AND OTHER LIABILITIES

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

TELLURIAN INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	December 31,	
	2021	2020
Project development activities	26,421	3,228
Payroll and compensation	50,243	9,454
Accrued taxes	991	1,057
Professional services (e.g., legal, audit)	2,934	1,004
Warrant liabilities	—	3,774
Lease liabilities	2,279	1,950
Other	3,078	1,536
Total accrued and other liabilities	<u>\$ 85,946</u>	<u>\$ 22,003</u>

NOTE 10 — BORROWINGS

The following tables summarize the Company's borrowings as of December 31, 2021, and December 31, 2020 (in thousands):

	December 31, 2021		
	Principal repayment obligation	Unamortized debt issuance costs and discounts	Carrying value
Senior Notes due 2028	\$ 56,500	\$ (2,813)	\$ 53,687
2020 Unsecured Note	—	—	—
2019 Term Loan, due March 2022	—	—	—
2018 Term Loan, due September 2021	—	—	—
Total borrowings	<u>\$ 56,500</u>	<u>\$ (2,813)</u>	<u>\$ 53,687</u>

	December 31, 2020		
	Principal repayment obligation and other fees	Unamortized debt issuance costs and discounts	Carrying value
2020 Unsecured Note	\$ 16,000	\$ (2,376)	\$ 13,624
2019 Term Loan, due March 2022 ^(a)	43,217	(4,942)	38,275
2018 Term Loan, due September 2021	60,000	(805)	59,195
Total borrowings	<u>\$ 119,217</u>	<u>\$ (8,123)</u>	<u>\$ 111,094</u>

(a) Includes paid-in-kind interest on the 2019 Term Loan of \$3.3 million.

Senior Notes due 2028

On November 10, 2021, we sold in a registered public offering, \$50.0 million aggregate principal amount of 8.25% Senior Notes due November 30, 2028 (the "Senior Notes"). Net proceeds from the Senior Notes were approximately \$47.5 million after deducting fees. The underwriter was granted an option to purchase up to an additional \$7.5 million of the Senior Notes within 30 days. On December 7, 2021, the underwriter exercised the option and purchased an additional \$6.5 million of the Senior Notes resulting in net proceeds of approximately \$6.2 million after deducting fees. The Senior Notes have quarterly interest payments due on January 31, April 30, July 31, and October 31 of each year and on the maturity date.

At-the-Market Debt Offering Program

On December 17, 2021, we entered into an at-the-market debt offering program under which the Company may offer and sell, from time to time on the NYSE American, up to an aggregate principal amount of \$200.0 million of additional Senior Notes. During the year ended December 31, 2021, we did not sell any additional Senior Notes under the at-the-market debt offering program. See Note 19, *Subsequent Events*, for further information.

2020 Senior Unsecured Note

TELLURIAN INC. AND SUBSIDIARIES
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On April 29, 2020, we issued a zero coupon \$6.0 million senior unsecured note (the “2020 Unsecured Note”) to an unrelated third party. The 2020 Unsecured Note was repaid in installments with the final contractually required payment made on March 31, 2021.

2019 Term Loan

On May 23, 2019, Driftwood Holdings LP (“Driftwood Holdings”), a wholly owned subsidiary of the Company, entered into a senior secured term loan agreement (the “2019 Term Loan”) to borrow an aggregate principal amount of \$60.0 million. On July 16, 2019, the principal amount was increased by an additional \$5.0 million. Upon maturity or early repayment of the 2019 Term Loan, Driftwood Holdings was obligated to pay to the lender a fee equal to 20% of the principal amount borrowed less financing costs and cash interest paid (the “Final Payment Fee”). We issued to the lender a warrant to purchase approximately 1.5 million shares of our common stock at \$10.00 per share (the “Original Warrant”). On March 3, 2020, the Original Warrant was replaced with a new warrant (the “Replacement Warrant”) which provided the lender with the right to purchase 9.0 million shares of our common stock at \$1.00 per share.

On March 12, 2021 (the “Extinguishment Date”), we finalized a voluntary repayment of the remaining outstanding principal balance of the 2019 Term Loan. The extinguishment of the 2019 Term Loan resulted in an approximately \$2.1 million gain, which was recognized within Gain on extinguishment of debt, net, on our Consolidated Statements of Operations for the year ended December 31, 2021. As a result of repaying the outstanding balance prior to its contractual maturity, an approximately \$4.4 million in unamortized debt issuance costs and discount were written off and included in the computation of the gain from the extinguishment of the 2019 Term Loan for the year ended December 31, 2021.

The holder of the 2019 Term Loan held approximately 3.5 million unvested warrants that had a fair value of approximately \$6.3 million as of the Extinguishment Date. Due to the extinguishment of the 2019 Term Loan, all the unvested warrants were contractually terminated, and their respective fair value was included in the computation of the gain on extinguishment of the 2019 Term Loan.

2018 Term Loan

On September 28, 2018, Tellurian Production Holdings LLC, a wholly owned subsidiary of Tellurian Inc., entered into a three-year senior secured term loan credit agreement (the “2018 Term Loan”) in an aggregate principal amount of \$60.0 million.

On April 23, 2021, we voluntarily repaid the remaining outstanding principal balance of the 2018 Term Loan. As a result of the voluntary repayment, we recognized an approximately \$0.7 million loss, which was recognized within Gain on extinguishment of debt, net, on our Consolidated Statements of Operations for the year ended December 31, 2021.

Covenant Compliance

As of December 31, 2021, the Company was in compliance with all covenants under the indentures governing the Senior Notes.

Fair Value

The Senior Notes are traded on the NYSE American under the symbol “TELZ,” and are classified as Level 1 within the fair value hierarchy. As of December 31, 2021, the closing market price of \$25.02 per Senior Note was substantially the same as its carrying value.

Trade Finance Credit Line

On July 19, 2021, we entered into an uncommitted trade finance credit line for up to \$0.0 million that is intended to finance the purchase of LNG cargos for ultimate resale in the normal course of business. On December 7, 2021, the uncommitted trade finance credit line was amended and increased to \$150.0 million. As of the period ended December 31, 2021, no amounts were drawn under this credit line.

NOTE 11 — COMMITMENTS AND CONTINGENCIES

Contractual Obligations

In connection with our LNG trading activities, we have previously entered into agreements with unrelated third-party LNG merchants pursuant to which we are obligated to purchase one cargo of LNG per quarter through October 2022 at a price based on then-prevailing JKM prices. The volume of each cargo is expected to range from 3.3 to 3.6 million MMBtu, and each cargo will be purchased under DES terms.

NOTE 12 — STOCKHOLDERS' EQUITY

At-the-Market Equity Offering Programs

We maintain multiple at-the-market equity offering programs pursuant to which we may sell shares of our common stock from time to time on the NYSE American. For the year ended December 31, 2021, we issued approximately 95.9 million shares of our common stock under our at-the-market programs for net proceeds of approximately \$292.0 million. As of December 31, 2021, we had remaining availability under the at-the-market programs to raise aggregate gross sales proceeds of up to approximately \$32.8 million. See Note 19, *Subsequent Events*, for further information.

Common Stock Issuances

On August 6, 2021, we sold 35.0 million shares of our common stock in an underwritten public offering at a price of \$9.00 per share. Net proceeds from this offering, after deducting fees and expenses, were approximately \$100.8 million. The underwriters were granted an option to purchase up to an additional 5.3 million shares of common stock within 30 days. On August 31, 2021, the underwriters exercised this option, which generated net proceeds, after deducting fees, of approximately \$5.1 million.

Common Stock Purchase Warrants

2020 Unsecured Note

In conjunction with the issuance of the 2020 Unsecured Note, we issued a warrant providing the lender with the right to purchase up to 20.0 million shares of our common stock at \$1.542 per share (the "2020 Warrant"). The 2020 Warrant, which vested immediately, will expire in October 2025. The 2020 Warrant was valued using a Black-Scholes option pricing model that resulted in a relative fair value of approximately \$16.1 million on the Issuance Date and is not subject to subsequent remeasurement. The 2020 Warrant has been classified as equity and is recognized within Additional paid-in capital on our Consolidated Balance Sheets. The 2020 Warrant 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.

2019 Term Loan

During the first quarter of 2021, the lender of the 2019 Term Loan exercised warrants to purchase approximately 6.0 million shares of our common stock for total proceeds of approximately \$8.2 million. As discussed in Note 10, *Borrowings*, the 2019 Term Loan has been repaid in full and the lender no longer holds any warrants.

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, pursuant to which we sold to Bechtel Holdings approximately 6.1 million shares of our Series C convertible preferred stock (the "Preferred Stock").

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.

NOTE 13 — 2020 SEVERANCE AND REORGANIZATION

We implemented a cost reduction and reorganization plan during the first quarter of 2020 due to the sharp decline in oil and natural gas prices as well as the negative economic effects of the COVID-19 pandemic. We satisfied all amounts owed to former employees and incurred approximately \$6.4 million of severance and reorganization charges during the year ended December 31, 2020.

Employee Retention Plan

In July 2020, the Company's Board of Directors approved an employee retention incentive plan (the "Employee Retention Plan") aggregating \$2.0 million. The Employee Retention Plan vests in four equal installments upon the attainment of a ten-day average closing price of the Company's common stock above \$2.25, \$3.25, \$4.25 and \$5.25 (the "Stock Performance Targets"). Subject to continued employment, the Employee Retention Plan's awards are payable over a period of twelve months commencing with the later of (i) the first month following the month in which the applicable Stock Performance

TELLURIAN INC. AND SUBSIDIARIES
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Target is attained, and (ii) June 2021. The Employee Retention Plan will expire if the Stock Performance Targets are not attained by March 31, 2022. During the year ended December 31, 2021, three of the four installments vested and we recognized approximately \$7.9 million in retention charges within General and administrative expenses and Development expenses in our Consolidated Statements of Operations, of which \$3.7 million will be paid during 2022.

NOTE 14 — SHARE-BASED COMPENSATION

We have granted restricted stock and restricted stock units (collectively, “Restricted Stock”), as well as unrestricted stock and stock options, to employees, directors and outside consultants 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, 2021, 2020 and 2019, Tellurian recognized approximately \$6.0 million, \$2.7 million and \$4.2 million, respectively, of share-based compensation expense related to all share-based awards. As of December 31, 2021, unrecognized compensation expense, based on the grant date fair value, for all share-based awards totaled approximately \$200.7 million.

Restricted Stock

As of December 31, 2021, we had approximately 30.8 million shares of performance-based Restricted Stock outstanding, of which approximately 19.2 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 10.8 million shares will vest in one-third increments at FID and the first and second anniversaries of FID. The remaining shares of primarily performance-based Restricted Stock, totaling approximately 0.8 million shares, will vest based on other criteria. As of December 31, 2021, no expense had been recognized in connection with performance-based Restricted Stock.

The approximately 30.8 million shares of performance-based and time-based Restricted Stock have been excluded from the computation of diluted loss per share because including them in the computation would have been antidilutive for the periods presented.

The following table provides a summary of our Restricted Stock transactions for the year ended December 31, 2021 (shares and units in thousands):

	Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2021	34,961	\$ 5.78
Granted ⁽¹⁾	1,857	2.90
Vested	(5,658)	1.31
Forfeited	(356)	5.59
Unvested at December 31, 2021	30,804	\$ 6.43

⁽¹⁾ The weighted-average per share grant date fair values of Restricted Stock granted during the years ended December 31, 2020 and 2019 were \$1.17 and \$8.53, respectively.

The total grant date fair value of restricted stock vested during the years ended December 31, 2021, 2020 and 2019 were approximately \$0.4 million, \$11.7 million and \$1.2 million, respectively.

Stock Options

Participants in the 2016 Plan 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. The following table provides a summary of our stock option transactions for the year ended December 31, 2021 (stock options in thousands):

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	Stock Options	Weighted Average Exercise Price
Outstanding at January 1, 2021	11,355	\$ 5.19
Granted ⁽¹⁾	—	—
Exercised	—	—
Forfeited or expired	(276)	10.32
Outstanding at December 31, 2021	11,079	5.07
Exercisable at December 31, 2021	4,413	\$ 5.17

The stock options that were granted to a member of the Company's executive management team during the year ended December 31, 2020, vest and become exercisable upon the achievement of both triggers as follows (stock options in thousands):

Service Trigger ⁽¹⁾	Stock Price Trigger ⁽²⁾	Amount
December 15, 2021 ⁽³⁾	\$3.50	3,333
December 15, 2022	\$4.50	3,333
December 15, 2023	\$5.50	3,334
		10,000

⁽¹⁾ Satisfied through continued employment or other service to the Company through the designated date.

⁽²⁾ Satisfied upon the Company's common stock price closing at a price per share at or equal to the designated closing price for anyten consecutive trading days.

⁽³⁾ Vested during the year ended December 31, 2021.

The stock options granted during the year ended December 31, 2020, expire on the fifth anniversary of the date of its grant. There were no stock options granted during the years ended December 31, 2019 or 2018.

The fair value of each stock option awarded in 2020 was estimated using a Monte Carlo simulation and, due to the service trigger, is being recognized as compensation expense ratably over the vesting term. Valuation assumptions used to value stock options granted during the year ended December 31, 2020 were as follows:

Expected volatility	113.6 %
Expected dividend yields	— %
Risk-free rate	0.4 %

Due to our limited history, the expected volatility is based on a blend of our historical annualized volatility and the implied volatility utilizing options quoted or traded. 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 approximately zero, zero and seven thousand stock options exercised during the years ended December 31, 2021, 2020, and 2019, respectively. Further, the approximately 11.1 million stock options outstanding have been excluded from the computation of diluted loss per share because including them in the computation would have been antidilutive for the periods presented.

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NOTE 15 — INCENTIVE COMPENSATION PROGRAM

On November 18, 2021, the Company’s Board of Directors approved the adoption of the Tellurian Incentive Compensation Program (the “Incentive Compensation Program” or “ICP”). The ICP allows the Company to award short-term and long-term performance and service-based incentive compensation to full-time employees of the Company. ICP awards may be earned with respect to each calendar year and are determined based on guidelines established by the Compensation Committee of the Board of Directors, as administrator of the ICP.

Short-term incentive awards

Short-term incentive (“STI”) awards are payable in cash annually at the discretion of the Company’s Board of Directors. Compensation expense for STI awards is recognized over the performance period when it is probable that the performance condition will be achieved. For the year ended December 31, 2021, we recognized approximately \$26.2 million in compensation expenses for STI awards.

Long-term incentive awards

Long-term incentive (“LTI”) awards are granted in the form of “tracking units,” at the discretion of the Company’s Board of Directors. Each tracking unit will have a value equal to one share of Tellurian common stock and entitles the grantee to receive, upon vesting, a cash payment equal to the closing price of our common stock on the trading day prior to the vesting date. Tracking units will vest in three equal tranches at grant date, and the first and second anniversaries of the grant date. As of December 31, 2021, no tracking units for LTI awards had been granted under the ICP.

We recognize compensation expense for awards with graded vesting schedules over the requisite service periods for each separately vesting portion of the award as if each award was in substance multiple awards. Compensation expense for the first tranche of the LTI award that vests at the grant date is recognized over the performance period when it is probable that the performance condition will be achieved. Compensation expense for the second and third tranches will be recognized on a straight-line basis over the requisite service period. Compensation expense for unvested tracking units is subsequently adjusted each reporting period to reflect the estimated payout levels based on the changes in the Company’s stock price and actual forfeitures. For the year ended December 31, 2021, we recognized approximately \$19.9 million in compensation expenses for LTI awards that have been earned over the 2021 performance period.

NOTE 16 — INCOME TAXES

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

	Year Ended December 31,		
	2021	2020	2019
Current:			
Federal	\$ —	\$ —	\$ —
State	—	—	—
Foreign	—	—	—
Total Current	—	—	—
Deferred:			
Federal	—	—	—
State	—	—	—
Foreign	—	—	—
Total Deferred	—	—	—
Total income tax benefit (provision)	\$ —	\$ —	\$ —

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

	Year Ended December 31,		
	2021	2020	2019
Domestic	\$ (111,114)	\$ (202,831)	\$ (139,654)
Foreign	(3,624)	(7,865)	(12,113)
Total loss before income taxes	\$ (114,738)	\$ (210,696)	\$ (151,767)

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

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	Year Ended December 31,		
	2021	2020	2019
Income tax benefit (provision) at U.S. statutory rate	\$ 24,095	\$ 44,246	\$ 31,871
Share-based compensation	1,352	—	—
Impairment	—	—	—
Change in U.S. tax rate	—	—	—
Change in valuation allowance due to change in U.S. tax rate	—	—	—
U.S. state tax	4,333	8,563	7,529
Change in valuation allowance	(29,648)	(49,802)	(38,953)
Other	(132)	(3,007)	(447)
Total income tax benefit (provision)	\$ —	\$ —	\$ —

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

	December 31,	
	2021	2020
Deferred tax assets:		
Capitalized engineering costs	\$ 59,366	\$ 45,865
Capitalized start-up costs	15,012	16,361
Compensation and benefits	14,740	4,475
Property, plant and equipment	—	10,569
Lease liability	15,514	5,977
Net operating loss carryforwards and credits:		
Federal	80,246	68,515
State	13,406	11,449
Foreign	5,687	5,242
Other, net	1,593	3,329
Deferred tax assets	205,564	171,782
Less valuation allowance	(201,366)	(171,782)
Deferred tax assets, net of valuation allowance	4,198	—
Deferred tax liabilities		
Property and equipment	(4,198)	—
Net deferred tax assets	\$ —	\$ —

As of December 31, 2021, we had federal, state and international net operating loss (“NOL”) carryforwards of approximately \$60.8 million, \$253.7 million and \$31.4 million, respectively. Approximately \$270.5 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 federal, state and international deferred tax assets as of December 31, 2021 and 2020. We will continue to evaluate the realizability of our deferred tax assets in the future. The increase in the valuation allowance was approximately \$29.6 million for the year ended December 31, 2021.

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, 2021, 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.

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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, 2021, 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 17 — LEASES

Our land leases are classified as finance leases and include one or more options to extend the lease term for up to 40 years, as well as to terminate the lease 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. 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 none of our leases provide an implicit rate, we have determined our own discount rate.

The following table shows the classification and location of our right-of-use assets and lease liabilities on our Consolidated Balance Sheets (in thousands):

Leases	Consolidated Balance Sheets Classification	December 31,	
		2021	2020
Right of use asset			
Operating	Other Non-Current Assets	\$ 10,166	\$ 11,884
Finance	Property, plant and equipment, net	57,883	20,018
Total Leased Assets		\$ 68,049	\$ 31,902
Liabilities			
Current			
Operating	Accrued and other liabilities	\$ 2,147	\$ 1,947
Finance	Accrued and other liabilities	132	3
Non-Current			
Operating	Other non-current liabilities	9,563	11,709
Finance	Other non-current liabilities	50,103	13,506
Total leased liabilities		\$ 61,945	\$ 27,165

Lease costs recognized in our Consolidated Statements of Operations is summarized as follows (in thousands):

Lease Costs	Year Ended December 31,		
	2021	2020	2019
Operating lease cost	\$ 2,519	\$ 2,741	\$ 3,616
Finance lease cost			
Amortization of lease assets	788	367	44
Interest on lease liabilities	2,904	1,694	197
Finance lease cost	\$ 3,692	\$ 2,061	\$ 241
Total lease cost	\$ 6,211	\$ 4,802	\$ 3,857

TELLURIAN INC. AND SUBSIDIARIES
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Other information about lease amounts recognized in our Consolidated Financial Statements is as follows:

Lease term and discount rate	December 31,	
	2021	2020
Weighted average remaining lease term (years)		
Operating lease	4.7	5.7
Finance lease	49.4	50.2
Weighted average discount rate		
Operating lease	8.0 %	8.0 %
Finance lease	9.4 %	13.5 %

The following table includes other quantitative information for our operating and finance leases (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 2,953	\$ 2,847	\$ 3,173
Operating cash flows from finance leases	\$ 1,813	\$ 1,056	\$ —
Financing cash flows from finance leases	\$ 1,926	\$ 1,777	\$ 2,224

The table below presents a maturity analysis of our lease liability on an undiscounted basis and reconciles those amounts to the present value of the lease liability as of December 31, 2021 (in thousands):

	Operating	Finance
2022	\$ 3,006	\$ 4,111
2023	3,044	4,111
2024	3,081	4,111
2025	3,119	4,111
2026	1,261	4,111
After 2026	600	182,222
Total lease payments	\$ 14,111	\$ 202,777
Less: discount	2,401	152,542
Present value of lease liability	\$ 11,710	\$ 50,235

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 — SUPPLEMENTAL CASH FLOW INFORMATION

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

	Year Ended December 31,		
	2021	2020	2019
Accounts receivable	\$ (4,770)	\$ 506	\$ (3,508)
Prepaid expenses and other current assets	(2,536)	6,915	1,147
Accounts payable	(5,514)	(1,069)	(699)
Accounts payable due to related parties	(910)	910	—
Accrued liabilities	55,884	(6,842)	18,167
Other, net	(1,137)	(1,986)	(3,929)
Net changes in working capital	<u>\$ 41,017</u>	<u>\$ (1,566)</u>	<u>\$ 11,178</u>

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

	Year Ended December 31,		
	2021	2020	2019
Non-cash accruals of property, plant and equipment and other non-current assets	\$ 56,305	8,370	11,759
Non-cash settlement of Final Payment Fee	—	8,539	—
Future proceeds from sale of Magellan Petroleum UK	—	—	1,384
Tradable equity securities	—	—	5,069
Non-cash settlement of withholding taxes associated with the 2019 and 2018 bonus paid and vesting of certain awards, respectively	3,064	1,659	6,686
Non-cash settlement of the 2019 and 2018 bonus paid, respectively	5,430	7,602	18,396
Asset retirement obligation additions and revisions	76	—	182

For the year ended December 31, 2020, the statement of cash flows reflects approximately \$8.5 million and \$2.1 million in non-cash movements related to the 2019 Term Loan and the Replacement Warrant, respectively. For the year ended December 31, 2019, the statement of cash flows reflects a non-cash movement of approximately \$0.4 million associated with 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):

	Year Ended December 31,		
	2021	2020	2019
Cash and cash equivalents	\$ 305,496	78,297	64,615
Non-current restricted cash	1,778	3,440	3,867
Total cash, cash equivalents and restricted cash in the statement of cash flows	<u>\$ 307,274</u>	<u>\$ 81,737</u>	<u>\$ 68,482</u>

NOTE 19 — SUBSEQUENT EVENTS

At-the-Market Programs

Since January 1, 2022, and through February 7, 2022, we sold approximately \$1.2 million aggregate principal amount of Senior Notes for total proceeds of approximately \$1.1 million after fees and commissions and 17.9 million shares of common stock for total proceeds of approximately \$48.2 million, net of approximately \$1.5 million in fees and commissions under our at-the-market debt and equity offering programs, respectively. As of the date of this filing, we have remaining availability to

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raise aggregate gross sales proceeds of approximately \$581.9 million under our at-the-market debt and equity offering programs.

Cancellation of a Commitment to Purchase LNG Cargos

On January 26, 2022, our wholly owned subsidiary Tellurian Trading UK Ltd entered into an agreement to cancel three LNG cargos that the Company was committed to purchase in April, July and October 2022. The Company will be nrequired to pay a cancellation fee of approximately \$1.0 million for all three LNG cargos. Refer to Note 11, *Commitments and Contingencies*, for further information.

TELLURIAN INC.
SUPPLEMENTAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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,		
	2021	2020	2019
Proved properties	\$ 113,950	\$ 62,718	\$ 142,494
Unproved properties	—	—	—
Gross capitalized costs	113,950	62,718	142,494
Accumulated DD&A	(48,637)	(37,639)	(21,010)
Net capitalized costs	<u>\$ 65,313</u>	<u>\$ 25,079</u>	<u>\$ 121,484</u>

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,		
	2021	2020	2019
Property acquisitions:			
Proved	\$ 3,409	\$ 1,307	\$ 45,484
Unproved	—	—	—
Exploration costs	—	—	—
Development	28,955	—	800
Costs incurred	<u>\$ 32,364</u>	<u>\$ 1,307</u>	<u>\$ 46,284</u>

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,		
	2021	2020	2019
Natural gas sales	\$ 51,499	\$ 30,441	\$ 28,774
Operating costs	20,576	15,814	14,923
Depreciation, depletion and amortization	10,998	16,703	19,736
Impairment charge	—	81,065	—
Total operating costs and expenses	31,574	113,582	34,659
Results of operations	<u>\$ 19,925</u>	<u>\$ (83,141)</u>	<u>\$ (5,885)</u>

SUPPLEMENTAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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, 2021, 2020 and 2019 have been prepared by Netherland, Sewell & Associates, Inc., independent petroleum consultants.

	Gas (MMcf)	Condensate (Mbbbl)	Gas Equivalent (MMcfe)
Proved reserves:			
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
Extensions, discoveries and other additions	—	—	—
Revisions of previous estimates	(152,132)	—	(152,132)
Production	(16,898)	—	(16,898)
Sale of reserves-in-place	—	—	—
Purchases of reserves-in-place	—	—	—
December 31, 2020	99,508	—	99,508
Extensions, discoveries and other additions	202,897	—	202,897
Revisions of previous estimates	35,237	—	35,237
Production	(14,306)	—	(14,306)
Sale of reserves-in-place	—	—	—
Purchases of reserves-in-place	—	—	—
December 31, 2021	323,336	—	323,336
Proved developed reserves:			
December 31, 2019	30,699	—	30,699
December 31, 2020	26,593	—	26,593
December 31, 2021	73,927	—	73,927
Proved undeveloped reserves:			
December 31, 2019	237,839	—	237,839
December 31, 2020	72,915	—	72,915
December 31, 2021	249,409	—	249,409

2020 to 2021 Overall Reserve Changes

- Added 203 Bcfe of proved reserves comprised of 152 Bcfe from additional proved undeveloped locations and 51 Bcfe of proved developed reserves from drilling activities.
- Had total positive revisions of approximately 35 Bcfe, comprised primarily of a 9 Bcfe positive revision due to an increase in commodity prices, a 15 Bcfe positive revision from changes in ownership and an 11 Bcfe positive revision from improved well performance.

2020 to 2021 PUD Changes

SUPPLEMENTAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Added approximately 152 Bcfe from additional proved undeveloped locations.
- Had total positive revisions of approximately 25 Bcfe, comprised of a 3 Bcfe positive revision due to an increase in commodity prices, a 16 Bcfe positive revision from changes in ownership and a 6 Bcfe positive revision from improved well performance.

2019 to 2020 Overall Reserve Changes

- Had total negative revisions of approximately 152 Bcfe, comprised primarily of a 149 Bcfe negative revision due to the downturn in commodity prices and a 17 Bcfe negative revision from the loss of leases. These downward revisions were offset by a 14 Bcfe positive revision due to improved well performance.

2019 to 2020 PUD Changes

- Had total negative revisions of approximately 165 Bcfe, comprised of a 148 Bcfe negative revision due to the downturn in commodity prices and a 17 Bcfe negative revision from lease expirations.

2018 to 2019 Overall Reserve 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 a 4 Bcfe negative revision due to prices, a 2 Bcfe negative revision from changes in operating expenses, a 9 Bcfe positive revision from well performance and a 1 Bcfe positive revision from changes in ownership.

2018 to 2019 PUD Changes

- Converted approximately 29 Bcfe to proved developed reserves.
- Added approximately 12 Bcfe from additional proved undeveloped locations.
- Had total positive revisions of approximately 8 Bcfe, comprised primarily of a 9 Bcfe positive revision from well performance, a 2 Bcfe negative revision due to prices and a 1 Bcfe positive revision from changes in ownership.

SUPPLEMENTAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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, 2021, 2020 and 2019 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,		
	2021	2020	2019
Future cash inflows	\$ 945,651	\$ 132,563	\$ 534,577
Future production costs	(133,909)	(34,624)	(102,268)
Future development costs	(211,836)	(71,557)	(287,111)
Future income tax provisions	(54,401)	—	(6,612)
Future net cash flows	545,505	26,382	138,586
Less effect of a 10% discount factor	(181,302)	(19,497)	(85,415)
Standardized measure of discounted future net cash flows	<u>\$ 364,203</u>	<u>\$ 6,885</u>	<u>\$ 53,171</u>

SUPPLEMENTAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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, 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
Sales and transfers of gas and condensate produced, net of production costs		(20,211)
Net changes in prices and production costs		(58,136)
Extensions, discoveries, additions and improved recovery, net of related costs		—
Development costs incurred		—
Revisions of estimated development costs		—
Revisions of previous quantity estimates		26,133
Accretion of discount		5,725
Net change in income taxes		4,077
Purchases of reserves in place		—
Sales of reserves in place		—
Changes in timing and other		(3,874)
December 31, 2020	\$	6,885
Sales and transfers of gas and condensate produced, net of production costs		(39,806)
Net changes in prices and production costs		110,850
Extensions, discoveries, additions and improved recovery, net of related costs		255,246
Development costs incurred		—
Revisions of estimated development costs		10,643
Revisions of previous quantity estimates		35,012
Accretion of discount		688
Net change in income taxes		(27,455)
Purchases of reserves in place		—
Sales of reserves in place		—
Changes in timing and other		12,140
December 31, 2021	\$	364,203

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

None.

ITEM 9A. CONTROLS AND PROCEDURES**Disclosure Controls and Procedures**

Octávio Simões, the Company's Chief Executive Officer and President, in his capacity as principal executive officer, and Kian Granmayeh, the Company's Chief Financial Officer, in his capacity as principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2021, 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, 2021, 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 ended December 31, 2021, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable

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 2022 Annual Meeting of Stockholders to be filed not later than May 2, 2022.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from Tellurian's Definitive Proxy Statement with respect to its 2022 Annual Meeting of Stockholders to be filed not later than May 2, 2022.

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 2022 Annual Meeting of Stockholders to be filed not later than May 2, 2022.

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 2022 Annual Meeting of Stockholders to be filed not later than May 2, 2022.

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 2022 Annual Meeting of Stockholders to be filed not later than May 2, 2022.

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: All valuation and qualifying accounts schedules were 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 (incorporated by reference to Exhibit 1.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019)
1.2‡	Distribution Agency Agreement, dated as of December 17, 2021, by and between Tellurian Inc. and T.R. Winston & Company, LLC (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed on December 17, 2021)
1.3‡	At Market Issuance Sales Agreement, dated as of December 17, 2021, by and between Tellurian Inc. and B. Riley Securities, Inc. (incorporated by reference to Exhibit 1.2 to the Company's Current Report on Form 8-K filed on December 17, 2021)
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 Amendment to 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 June 10, 2020)
3.1.2	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	Warrant to Purchase Common Stock, dated as of April 29, 2020, issued to HT Investments MA LLC (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020)
4.3	Indenture, dated as of November 10, 2021, by and between the Tellurian Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 10, 2021)
4.4	First Supplemental Indenture, dated as of November 10, 2021, by and between the Tellurian Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on November 10, 2021)
4.5*	Second Supplemental Indenture, dated as of November 10, 2021, by and between the Tellurian Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee
4.6	Form of 8.25% Senior Note due 2028 (included as Exhibit A to Exhibit 45)
10.1††	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)
10.1.1	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)

Exhibit No.	Description
10.1.2††	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)
10.1.3††	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)
10.1.4††	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. (incorporated by reference to Exhibit 10.5.4 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019)
10.1.5††	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. (incorporated by reference to Exhibit 10.5.5 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019)
10.1.6††	Change Order CO-006, executed on October 20, 2020, 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.
10.2††	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)
10.2.1	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)
10.2.2††	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)
10.2.3††	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. (incorporated by reference to Exhibit 10.6.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019)
10.2.4††	Change Order CO-004, dated as of January 21, 2020, 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 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020)
10.3††	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)
10.3.1	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)

Exhibit No.	Description
10.3.2	<u>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)</u>
10.3.3††	<u>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. (incorporated by reference to Exhibit 10.7.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019)</u>
10.3.4††	<u>Change Order CO-004, dated as of January 21, 2020, 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 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020)</u>
10.4††	<u>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)</u>
10.4.1	<u>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)</u>
10.4.2	<u>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)</u>
10.4.3††	<u>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. (incorporated by reference to Exhibit 10.8.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019)</u>
10.4.4††	<u>Change Order CO-004, dated as of January 21, 2020, 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 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020)</u>
10.5††‡	<u>LNG Sale and Purchase Agreement by and between Driftwood LNG LLC and Gunvor Singapore Pte Ltd, dated as of May 27, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 27, 2021)</u>
10.6††‡	<u>LNG Sale and Purchase Agreement by and between Driftwood LNG LLC and Vitol Inc., dated as of June 2, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 3, 2021)</u>
10.7††‡	<u>LNG Sale and Purchase Agreement 1 by and between Driftwood LNG LLC and Shell NA LNG LLC, dated as of July 29, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 29, 2021)</u>
10.8††‡	<u>LNG Sale and Purchase Agreement 2 by and between Driftwood LNG LLC and Shell NA LNG LLC, dated as of July 29, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 29, 2021)</u>
10.9†‡	<u>Executive Chairman Employment Agreement, effective as of October 1, 2021, by and between Tellurian Inc. and Charif Souki (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 4, 2021)</u>
10.10†‡	<u>President and Chief Executive Officer Employment Agreement, effective as of October 1, 2021, by and between Tellurian Inc. and Octávio Simões (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on October 4, 2021)</u>

Exhibit No.	Description
10.11†	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)
10.12†	Employment Letter Agreement by and between Tellurian Services LLC and Daniel A. Bellhumeur, 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)
10.13†	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)
10.14†‡	Tellurian Inc. Executive Severance Plan, effective as of January 6, 2022 (incorporated by reference to Exhibit 10.5 to the Company’s Current Report on Form 8-K filed on January 6, 2022)
10.15†‡*	Tellurian Inc. Employee Severance Plan, effective as of January 1, 2022
10.16†	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)
10.17†	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)
10.18†	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)
10.18.1†	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)
10.18.2†	Form of Restricted Stock Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (U.S. Selected Senior Management) (incorporated by reference to Exhibit 10.23.3 to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021)
10.18.3†	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)
10.18.4†	Form of Restricted Stock Unit Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (U.S. Employees) (Time-Based Vesting) (incorporated by reference to Exhibit 10.5 to the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2020)
10.18.5†	Form of Restricted Stock Unit Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (U.S. Employees) (Milestone-Based Vesting) (incorporated by reference to Exhibit 10.6 to the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2020)
10.18.6†	Form of Restricted Stock Unit 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 10.5 to the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2021)
10.18.7†*	Form of Restricted Stock Unit Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (U.S. Selected Senior Management) (Milestone-Based Vesting)
10.18.8†	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)
10.18.9†	Stock Option Agreement pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan, dated December 15, 2020, by and between Tellurian Inc. and Charif Souki
10.18.10†	Form of Omnibus Amendment to Outstanding Restricted Stock Agreement under Tellurian Inc. Amended and Restated 2016 Omnibus Incentive Compensation Plan, effective as of January 6, 2022 (incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K filed on January 6, 2022)
10.19†	Tellurian Inc. Incentive Compensation Program, effective as of November 18, 2021 (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed on January 6, 2022)
10.19.1†	Form Long Term Incentive Award Agreement under the Tellurian Inc. Incentive Compensation Program (U.S. Selected Senior Management) (incorporated by reference to Exhibit 10.4 to the Company’s Current Report on Form 8-K filed on January 6, 2022)
10.19.2†	Long Term Incentive Award Agreement under the Tellurian Inc. Incentive Compensation Program, effective as of January 13, 2022, by and between Tellurian Inc. and Khaled Sharafeldin
10.20†	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)

Exhibit No.	Description
10.20.1†	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)
10.20.2†	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)
10.20.3†	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)
10.20.4†	Form of Omnibus Amendment to Outstanding Restricted Stock Agreement under Tellurian Investments Inc. 2016 Omnibus Incentive Plan, effective as of January 6, 2022 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on January 6, 2022)
10.21†	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)
10.22†	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)
10.23†	Form of Performance-based Retention Incentive Award Agreement (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020)
10.24†*	2020 Cash Incentive Award Agreement, dated as of September 28, 2020, by and between Tellurian Management Services LLC and Octávio Simões (Milestone-Based Vesting)
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*	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

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- * 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 23, 2022 By: /s/ L. Kian Granmayeh
L. Kian Granmayeh
Chief Financial Officer
(as Principal Financial Officer)
Tellurian Inc.

Date: February 23, 2022 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.

<u>/s/ Octávio M.C. Simões</u> President and Chief Executive Officer, Tellurian Inc. (as Principal Executive Officer)	Date: February 23, 2022
<u>/s/ L. Kian Granmayeh</u> L. Kian Granmayeh, Chief Financial Officer, Tellurian Inc. (as Principal Financial Officer)	Date: February 23, 2022
<u>/s/ Khaled A. Sharafeldin</u> Khaled A. Sharafeldin, Chief Accounting Officer, Tellurian Inc. (as Principal Accounting Officer)	Date: February 23, 2022
<u>/s/ Charif Souki</u> Charif Souki, Director and Executive Chairman, Tellurian Inc.	Date: February 23, 2022
<u>/s/ Martin J. Houston</u> Martin J. Houston, Director and Vice Chairman, Tellurian Inc.	Date: February 23, 2022
<u>/s/ Jean P. Abiteboul</u> Jean P. Abiteboul, Director, Tellurian Inc.	Date: February 23, 2022
<u>/s/ James D. Bennett</u> James D. Bennett, Director, Tellurian Inc.	Date: February 23, 2022
<u>/s/ Diana Derycz-Kessler</u> Diana Derycz-Kessler, Director, Tellurian Inc.	Date: February 23, 2022
<u>/s/ Dillon J. Ferguson</u> Dillon J. Ferguson, Director, Tellurian Inc.	Date: February 23, 2022
<u>/s/ Jonathan S. Gross</u> Jonathan S. Gross, Director, Tellurian Inc.	Date: February 23, 2022
<u>/s/ Claire R. Harvey</u> Claire R. Harvey, Director, Tellurian Inc.	Date: February 23, 2022
<u>/s/ Brooke A. Peterson</u> Brooke A. Peterson, Director, Tellurian Inc.	Date: February 23, 2022
<u>/s/ Don A. Turkleson</u> Don A. Turkleson, Director, Tellurian Inc.	Date: February 23, 2022

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, as amended by a certificate of amendment, 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 3.1 to the Company’s Current Report on Form 8-K filed with the SEC on June 10, 2020, 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 800,000,000 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 7, 2022, 518,493,398 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. 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.

Tellurian Inc.

and

The Bank of New York Mellon Trust Company, N.A.,

as Trustee

SECOND SUPPLEMENTAL INDENTURE

Dated as of November 10, 2021

to the Indenture dated as of November 10, 2021

and to the First Supplemental Indenture dated as of November 10, 2021

8.25% Senior Notes due 2028

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SECOND SUPPLEMENTAL INDENTURE

SECOND SUPPLEMENTAL INDENTURE (this "Second Supplemental Indenture"), dated as of November 10, 2021, between Tellurian Inc., a Delaware corporation (the "Company"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

RECITALS OF THE COMPANY

WHEREAS, the Company and the Trustee executed and delivered an Indenture, dated as of November 10, 2021 (the "Base Indenture"), as supplemented by the First Supplemental Indenture, dated as of November 10, 2021 (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), to provide for the issuance by the Company from time to time of Securities to be issued in one or more series as provided in the Indenture;

WHEREAS, Section 9.1 of the Indenture provides, among other things, that the Company and the Trustee may enter into indentures supplemental to the Indenture, without the consent of any Holders of Securities, to establish the form of any Security, as permitted by Section 2.1 of the Indenture, and to provide for the issuance of the Notes (as defined below), as permitted by Section 3.1 of the Indenture, and to set forth the terms thereof;

WHEREAS, the Company desires to execute this Second Supplemental Indenture, pursuant to Section 2.1 of the Indenture, to establish the form and, pursuant to Section 3.1 of the Indenture, to provide for the issuance, of a series of its senior notes designated as its 8.25% Senior Notes due 2028 (the "Notes"), in an initial aggregate principal amount of up to \$57,500,000. The Notes are a series of Securities as referred to in Section 3.1 of the Indenture;

WHEREAS, the Company has requested and hereby requests that the Trustee execute and deliver this Second Supplemental Indenture;

WHEREAS, the execution and delivery of this Second Supplemental Indenture has been duly authorized by the Company and all things necessary have been done by the Company to make this Second Supplemental Indenture, when executed and delivered by the Company, a valid and binding supplement to the Indenture and agreement of the Company;

WHEREAS, all things necessary have been done by the Company to make the Notes, when executed by the Company and authenticated and delivered by the Trustee in accordance with the provisions of the Indenture, the valid and binding obligations of the Company; and

WHEREAS, all conditions precedent provided for in the Indenture relating to this Second Supplemental Indenture have been complied with.

NOW, THEREFORE, in consideration of the premises stated herein and the purchase of the Notes by the Holders thereof, the Company and the Trustee mutually covenant and agree for the equal and proportionate benefit of the respective Holders from time to time of the Notes as follows:

ARTICLE 1 APPLICATION OF SECOND SUPPLEMENTAL INDENTURE

Section 1.01 Application of Second Supplemental Indenture.

Notwithstanding any other provision of this Second Supplemental Indenture, all provisions of this Second Supplemental Indenture are expressly and solely for the benefit of the Holders of the Notes, and any such provisions shall not be deemed to apply to any other Securities issued under the Indenture and shall not be deemed to amend, modify or supplement the Indenture for any purpose other than with respect to the Notes. Unless otherwise expressly specified, references in this Second Supplemental Indenture to specific Article numbers or Section numbers refer to Articles and Sections contained in this Second Supplemental Indenture and not the Indenture or any other document. All Initial Notes and Additional Notes, if any, shall be treated as a single class for all purposes of the Indenture, including waivers, amendments, redemptions and offers to purchase.

ARTICLE 2 DEFINITIONS

Section 1.01 Certain Terms Defined in the Indenture.

For purposes of this Second Supplemental Indenture, all capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture.

Section 1.02 Definitions.

(a) For the benefit of the Holders of the Notes, the following terms shall have the meanings set forth in this Section 2.02:

“Additional Notes” has the meaning specified in Section 3.02(b) of this Second Supplemental Indenture.

“Depository” has the meaning specified in Section 3.01(c) of this Second Supplemental Indenture.

“Global Notes” means the Notes in the form of Global Securities issued to the Depository or its nominee, substantially in the form of Exhibit A.

“Initial Notes” has the meaning specified in Section 3.02(b) of this Second Supplemental Indenture.

“Make-Whole Amount” means, in connection with any optional redemption of any Note, the excess, if any, of (i) the sum of the present values, as of the Redemption Date, of the remaining scheduled payments of principal (including the applicable redemption price of such Note at November 30, 2023) of, and interest (exclusive of interest accrued to, but excluding, the Redemption Date) on, such Note, assuming such Note matured on, and that accrued and unpaid interest on such Note was payable through, November 30, 2023, determined by the Company or its designee by discounting, on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), such principal and interest at the Reinvestment Rate (determined on the third business day preceding the Redemption Date) over (ii) the aggregate principal amount of such Notes being redeemed.

“Notes” has the meaning specified in the recitals of this Second Supplemental Indenture.

“Reinvestment Rate” means, 0.500%, or 50 basis points, plus the arithmetic mean (rounded to the nearest one-hundredth of one percent) of the yields displayed for each day in the preceding calendar week published in the most recent Statistical Release under the caption “Treasury constant maturities” for the maturity (rounded to the nearest month) corresponding to the remaining life to maturity of the Notes (assuming that the Notes matured on November 30, 2023) as of the Redemption Date. If no maturity exactly corresponds to such remaining life to maturity, yields for the two published maturities most closely corresponding to such remaining life to maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purpose of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Reinvestment Rate shall be used.

“Statistical Release” means that statistical release designated “H.15” or any successor publication that is published daily by the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturities, or, if such statistical release (or a successor publication) is not published at the time of any determination under the Indenture, as supplemented by this Second Supplemental Indenture, then such other reasonably comparable index that shall be designated by the Company.

ARTICLE 3 FORM AND TERMS OF THE NOTES

Section 1.01 Form and Dating.

a) The Notes and the Trustee’s certificate of authentication shall be substantially in the form of Exhibit A attached hereto. The Notes shall be executed on behalf of the Company by an Officer of the Company. The Notes may have notations, legends or endorsements required by law, stock exchange rules or usage. Each Note shall be dated the date of its authentication. The Notes and any beneficial interest in the Notes shall be in minimum denominations of \$25 and integral multiples of \$25 in excess thereof.

b) The terms and notations contained in the Notes shall constitute, and are hereby expressly made, a part of the Indenture, and the Company, by its execution and delivery of this Second Supplemental Indenture, expressly agrees to such terms and provisions and to be bound thereby.

c) Global Notes. The Notes shall be issued initially in the form of fully registered Global Securities, which shall be deposited on behalf of the purchasers of the Notes represented thereby with The Depository Trust Company, New York, New York (the “Depository”) or its custodian and registered in the name of Cede & Co., the Depository’s nominee, duly executed by the Company and authenticated by the Trustee.

d) Book-Entry Provisions. This Section 3.01(d) shall apply only to the Global Notes deposited with or on behalf of the Depository. The Company shall execute and the Trustee shall, in accordance with this Section 3.01(d), authenticate and deliver the Global Notes that shall be registered in the name of the Depository or the nominee of the Depository and shall be delivered by the Trustee to the Depository or its custodian.

e) Paying Agent. The Company initially appoints the Trustee as Paying Agent for the payment of the principal of (and premium, if any) and interest on the Notes and the Corporate Trust Office of the Trustee is hereby designated as the Place of Payment where the Notes may be presented for payment.

Section 1.02 Terms of the Notes.

The following terms relating to the Notes are hereby established:

a) Title. The Notes shall constitute a series of Securities having the title “8.25% Senior Notes due 2028”.

b) Principal Amount. The aggregate principal amount of the Notes that may be initially authenticated and delivered under the Indenture (the “Initial Notes”) shall be up to \$57,500,000 (except for Notes authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, other Notes pursuant to Sections 3.4, 3.5, 3.6, 9.6 or 11.7 of the Indenture). The Company may from time to time, without the consent of the Holders of Notes, issue additional Notes (in any such case “Additional Notes”) having the same terms as to status, redemption or otherwise (except the price to public, the issue date and, if applicable, the initial interest accrual date and the initial interest payment date) that may constitute a single fungible series with the Initial Notes; provided that if any such Additional Notes are not fungible with the Initial Notes for U.S. federal income tax purposes, such Additional Notes will have one or more separate CUSIP numbers. Any Additional Notes and the Initial Notes shall constitute a single series under the Indenture and all references to the Notes shall include the Initial Notes and any Additional Notes unless the context otherwise requires.

c) Maturity Date. The entire outstanding principal amount of the Notes shall be payable on November 20, 2028 (the “Maturity Date”).

d) Interest Rate. The rate at which the Notes shall bear interest shall be 8.25% per annum; the date from which interest shall accrue on the Notes shall be November 10, 2021, or the most recent Interest Payment Date to which interest has been paid or provided for; the Interest Payment Dates for the Notes shall be January 31, April 30, July 31 and October 31 of each year and on the Maturity Date, beginning January 31, 2022; the interest so payable, and punctually paid or duly provided for, on any Interest Payment Date, will be paid, in immediately available funds, to the Persons in whose names the Notes (or predecessor Notes) are registered (which shall initially be the Depository) at the close of business on the Regular Record Date for such interest, which shall be the January 15, April 15, July 15 or October 15 (whether or not a Business Day), as the case may be, preceding such Interest Payment Date, and the November 15 immediately preceding the Maturity Date. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months. For so long as the Notes are represented in global form by one or more Global Securities, all payments of principal (and premium, if any) and interest shall be made by wire transfer of immediately available funds to the Depository or its nominee, as the case may be, as the registered owner of the Global Security representing such Notes. In the event that definitive Notes shall have been issued, all payments of principal (and premium, if any) and interest shall be made by wire transfer of immediately available funds to the accounts of the registered Holders thereof; provided, that the Company may elect to make such payments at the office of the Paying Agent in the City of Chicago; and provided further, that the Company may at its option pay interest by check to the registered address of each Holder of a definitive Note.

e) Currency. The currency of denomination of the Notes is United States Dollars. Payment of principal of and interest and premium, if any, on the Notes shall be made in United States Dollars.

f) Sinking Fund. The Notes are not subject to any sinking fund.

g) **Additional Interest.** At the Company's election, the sole remedy with respect to an Event of Default due to a failure to comply with reporting requirements under the Trust Indenture Act or under Section 4.02 below, for the first 180 calendar days after the occurrence of such Event of Default, consists exclusively of the right to receive additional interest on the Notes at an annual rate equal to (1) 0.25% for the first 90 calendar days after such Event of Default and (2) 0.50% for calendar days 91 through 180 after such Event of Default. On the 181st day after such Event of Default, if such violation is not cured or waived, the Trustee or the Holders of not less than 25% of the outstanding principal amount of the Notes may declare the principal, together with accrued and unpaid interest, if any, on the Notes to be due and payable immediately. If the Company chooses to pay such additional interest, the Company must notify the Trustee and the Holders of the Notes by certificate of the Company's election at any time on or before the close of business on the first business day following the Event of Default.

Section 1.03 Optional Redemption.

- a) The provisions of Article XI of the Indenture, as supplemented by the provisions of this Second Supplemental Indenture, shall apply to the Notes.
- b) At any time prior to November 30, 2023, the Company may redeem the Notes for cash in whole or in part at any time at its option at a redemption price equal to 100.0% of the principal amount thereof plus the Make-Whole Amount as of, and accrued and unpaid interest to, but excluding, the Redemption Date.
- c) In addition, the Company may redeem the Notes for cash in whole or in part at any time at its option (i) on or after November 30, 2023 and prior to November 30, 2024, at a price equal to \$25.75 per note, plus accrued and unpaid interest to, but excluding, the Redemption Date, (ii) on or after November 30, 2024 and prior to November 30, 2025, at a price equal to \$25.50 per note, plus accrued and unpaid interest to, but excluding, the Redemption Date, (iii) on or after November 30, 2025 and prior to November 30, 2026, at a price equal to \$25.25 per note, plus accrued and unpaid interest to, but excluding, the Redemption Date, and (iv) on or after November 30, 2026 and prior to maturity, at a price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding, the Redemption Date.
- d) In each case, redemption shall be upon notice not fewer than 30 days and not more than 60 days prior to the Redemption Date. If less than all of the Notes are to be redeemed, the particular Notes to be redeemed will be selected not more than 45 days prior to the Redemption Date by the Trustee from the outstanding Notes not previously called for redemption, by lot, or in the Trustee's discretion, on a pro-rata basis, provided that the unredeemed portion of the principal amount of any Notes will be in an authorized denomination (which will not be less than the minimum authorized denomination) for such Notes. The Trustee will promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount thereof to be redeemed, provided that, any Notes held in the form of Global Notes, or portions thereof called for redemption that are registered in the name of the Depositary or its nominee will be selected by the Depositary in accordance with the Depositary's applicable procedures and the Trustee shall have no duty to notify the Company of the Depositary's selection. The Trustee shall have no obligation to calculate any redemption price, including any Make-Whole Amount, or any component thereof, and the Trustee shall be entitled to receive and conclusively rely upon an Officer's Certificate delivered by the Company that specifies any redemption price.
- e) Unless the Company defaults on the payment of the redemption price, on and after the Redemption Date, interest will cease to accrue on the Notes called for redemption.

**ARTICLE 4
CERTAIN COVENANTS**

The following covenants shall be applicable to the Company for so long as any of the Notes are Outstanding. Nothing in this Article will, however, affect the Company's rights or obligations under any other provision of the Indenture or this Second Supplemental Indenture.

Section 1.01 Merger, Consolidation or Sale of Assets.

The Company shall not merge or consolidate with or into any other Person (other than a merger of a wholly owned Subsidiary of the Company into the Company) or sell, transfer, lease, convey or otherwise dispose of all or substantially all of its property (provided that, for the avoidance of doubt, a pledge of assets pursuant to any secured debt instrument of the Company or its Subsidiaries shall not be deemed to be any such sale, transfer, lease, conveyance or disposition) in one transaction or series of related transactions unless:

a) the Company shall be the surviving Person (the “Surviving Person”) or the Surviving Person (if other than the Company) formed by such merger or consolidation or to which such sale, transfer, lease, conveyance or disposition is made shall be a corporation or limited liability company organized and existing under the laws of the United States of America, any state thereof or the District of Columbia;

b) the Surviving Person (if other than the Company) expressly assumes, by supplemental indenture in form reasonably satisfactory to the Trustee, executed and delivered to the Trustee by such Surviving Person, the due and punctual payment of the principal of, and premium, if any, and interest on, all the Notes Outstanding, and the due and punctual performance and observance of all the covenants and conditions of the Indenture (as supplemented by this Second Supplemental Indenture) to be performed by the Company;

c) immediately before and immediately after giving effect to such transaction or series of related transactions, no Default or Event of Default shall have occurred and be continuing; and

d) in the case of a merger where the Surviving Person is other than the Company, the Company or such Surviving Person shall deliver, or cause to be delivered, to the Trustee, an Officer’s Certificate and an Opinion of Counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto comply with this Section 4.01 and that all conditions precedent in the Indenture (as supplemented by this Second Supplemental Indenture) relating to such transaction have been complied with.

Section 1.02 Reporting.

If, at any time, the Company is not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the Securities and Exchange Commission, the Company agrees to furnish to Holders and the Trustee, for the period of time during which the Notes are outstanding, its audited annual consolidated financial statements, within 90 days of its fiscal year end, and unaudited interim consolidated financial statements, within 45 days of its fiscal quarter end (other than the Company’s fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with Generally Accepted Accounting Principles, as applicable.

Delivery of such reports, information and documents to the Trustee pursuant to this Section 4.02 is for informational purposes only and the Trustee’s receipt of such shall not constitute actual or constructive knowledge or notice of any information contained therein or determinable from information contained therein, including the Company’s compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on an Officer’s Certificate).

Section 1.03 Payment of Taxes.

The Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, all taxes, assessments and governmental charges levied or imposed upon the Company or upon the income, profits or property of the Company, except where the failure to do so would not be reasonably expected to have a material adverse effect on the business, assets, financial condition or results of operations of the Company; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment or charge whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

**ARTICLE 5
EVENTS OF DEFAULT**

Section 1.01 Events of Default.

Solely for the benefit of the Holders of the Notes, Section 5.1 of the Indenture is hereby deleted in its entirety and replaced with the following:

“Section 5.1. Events of Default.

“Event of Default”, wherever used herein with respect to the Notes means any one of the following events:

- (1) default in the payment of any interest upon any Note when it becomes due and payable, and continuance of such default for a period of 30 days;

(2) default in the payment of the principal of any Note when due and payable;

(3) default in the performance, or breach, of any covenant of the Company in the Indenture (as supplemented by this Second Supplemental Indenture) with respect to the Notes, and continuance of such default or breach for a period of 60 days after receipt by the Company from the Trustee or from the Holders of at least 25% in principal amount of the Notes, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Indenture (as supplemented by this Second Supplemental Indenture);

(4) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of all or substantially all of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; or

(5) the commencement by the Company of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of all or substantially all of its property, or the making by the Company of an assignment for the benefit of creditors, or the admission by the Company in writing of its inability to pay its debts generally as they become due.

The Trustee shall not be deemed to have notice or be charged with knowledge of an Event of Default hereunder (except for those described in paragraphs (1) and (2) above if the Trustee is then the Paying Agent) unless written notice of such Event of Default from the Company or any Holder is received by a Responsible Officer of the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and the Indenture (as supplemented by this Second Supplemental Indenture).

ARTICLE 6 MISCELLANEOUS

Section 1.01 Trust Indenture Act Controls.

If any provision of this Second Supplemental Indenture limits, qualifies or conflicts with another provision which is required to be included in this Second Supplemental Indenture by the Trust Indenture Act, the required provision shall control. If any provision of this Second Supplemental Indenture modifies or excludes any provision of the Trust Indenture Act which may be so modified or excluded, the latter provision shall be deemed to apply to this Second Supplemental Indenture as so modified or to be excluded, as the case may be.

Section 1.02 New York Law to Govern.

This Second Supplemental Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York.

Section 1.03 Counterparts.

This Second Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Second Supplemental Indenture and of signature pages that are executed by manual signatures that are scanned, photocopied or faxed or by other electronic signing created on an electronic platform (such as DocuSign) or by digital signing (such as Adobe Sign), in each case that is approved by the Trustee, shall constitute effective execution and delivery of this Second Supplemental Indenture for all purposes. Signatures of the parties hereto that are executed by manual signatures that are scanned, photocopied or faxed or by other electronic signing created on an electronic platform (such as DocuSign) or by digital signing (such as Adobe

Sign), in each case that is approved by the Trustee, shall be deemed to be their original signatures for all purposes of this Second Supplemental Indenture as to the parties hereto and may be used in lieu of the original.

Anything in the Indenture, this Second Supplemental Indenture or the Notes to the contrary notwithstanding, for the purposes of the transactions contemplated by the Indenture, this Second Supplemental Indenture, the Notes and any document to be signed in connection with the Indenture, this Second Supplemental Indenture or the Notes (including the Trustee's Certificate of Authentication on the Notes, amendments, waivers, consents and other modifications, Officer's Certificates, Company Requests, Company Orders and Opinions of Counsel and other issuance, authentication and delivery documents) or the transactions contemplated hereby may be signed by manual signatures that are scanned, photocopied or faxed or other electronic signatures created on an electronic platform (such as DocuSign) or by digital signature (such as Adobe Sign), in each case that is approved by the Trustee, and contract formations on electronic platforms approved by the Trustee, and the keeping of records in electronic form, are hereby authorized, and each shall be of the same legal effect, validity or enforceability as a manually executed signature in ink or the use of a paper-based recordkeeping system, as the case may be.

Section 1.04 Severability.

If any provision of this Second Supplemental Indenture or the Notes shall be held to be illegal or unenforceable under applicable law, then the remaining provisions hereof shall be construed as though such invalid, illegal or unenforceable provision were not contained therein.

Section 1.05 Ratification.

The Indenture, as supplemented by this Second Supplemental Indenture, is in all respects ratified and confirmed. All provisions included in this Second Supplemental Indenture supersede any conflicting provisions included in the Indenture, unless not permitted by law. The Trustee accepts the trusts created by the Indenture, as supplemented by this Second Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Indenture (as supplemented by this Second Supplemental Indenture).

Section 1.06 Effectiveness.

The provisions of this Second Supplemental Indenture shall become effective as of the date hereof.

Section 1.07 Trustee Makes No Representation.

The recitals and statements contained herein and in the Notes are made solely by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity, adequacy or sufficiency of this Second Supplemental Indenture or the Notes. All rights, protections, privileges, indemnities, immunities and benefits granted or afforded to the Trustee under the Indenture shall be deemed incorporated herein by this reference and shall be deemed applicable to all actions taken, suffered or omitted to be taken by the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act under this Second Supplemental Indenture.

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IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed as of the date first above written.

TELLURIAN INC.

By: _____
Name:
Title:

[Signature Page to Second Supplemental Indenture]

THE BANK OF NEW YORK MELLON TRUST COMPANY N.A., as
Trustee

By: _____
Name:
Title:

[Signature Page to Tellurian Inc. Second Supplemental Indenture]

EXHIBIT A

THIS NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY (AS DEFINED IN THE INDENTURE) OR A NOMINEE THEREOF. THIS GLOBAL SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR ITS NOMINEE ONLY IN LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY, OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TELLURIAN INC.

8.25% Senior Note due 2028

No.	Principal Amount
CUSIP No. 87968A203	\$50,000,000
ISIN No. US87968A2033	

Tellurian Inc., a Delaware corporation (hereinafter called the “Company”, which term includes any successor Person under the Indenture referred to below), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of Fifty Million Dollars (U.S. \$50,000,000.00) on November 30, 2028 (the “Maturity Date”) and to pay interest thereon from November 10, 2021 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, quarterly on January 31, April 30, July 31 and October 31 in each year and on the Maturity Date (each an “Interest Payment Date”), beginning January 31, 2022 at the rate of 8.25% per annum, until the principal hereof is paid or duly made available for payment. The interest so payable and punctually paid or duly provided for on any Interest Payment Date shall, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the January 15, April 15, July 15 or October 15 (whether or not a Business Day), as the case may be, preceding such Interest Payment Date, and the November 15 immediately preceding the Maturity Date. Any such interest which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date shall forthwith cease to be payable to the Holder hereof on the relevant Regular Record Date by virtue of having been such Holder, and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of the Notes not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

The amount of interest payable for any interest period, including interest payable for any partial interest period, will be computed on the basis of a 360-day year comprised of twelve 30-day months. If an interest payment date falls on a non-Business Day, the applicable interest payment will be made on the next Business Day and no additional interest will accrue as a result of such delayed payment.

Payment of the principal of (and premium, if any) and the interest on this Note shall be made at the designated office of the Trustee (as defined below) at The Bank of New York Mellon Trust Company, N.A., 2 North LaSalle Street, 7th Floor, Chicago, IL 60602, in such currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, for so long as the Notes are represented in global form by one or more Global Securities, all payments of principal (and premium, if any) and interest shall be made by wire transfer of immediately available funds to the Depositary or its nominee, as the case

may be, as the registered owner of the Global Security representing such Notes. In the event that definitive Notes shall have been issued, all payments of principal (and premium, if any) and interest shall be made by wire transfer of immediately available funds to the accounts of the registered Holders thereof; provided, that the Company may at its option pay interest by check to the registered address of each Holder of a definitive Note.

This Note is one of the duly authorized series of Securities of the Company, designated as the Company's "8.25% Senior Notes due 2028", initially limited to an aggregate principal amount of \$57,500,000 all issued or to be issued under and pursuant to an Indenture (the "Base Indenture"), dated as of November 10, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (hereinafter referred to as the "Trustee"), as supplemented by the First Supplemental Indenture thereto, dated as of November 10, 2021 (the "First Supplemental Indenture"), and by the Second Supplemental Indenture thereto, dated as of November 10, 2021 (the "Second Supplemental Indenture" and, together with the Base Indenture and the First Supplemental Indenture, the "Indenture"). Reference is hereby made to the Indenture for a description of the respective rights, limitation of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Notes.

At any time prior to November 30, 2023, the Company may redeem the Notes for cash in whole or in part at any time at its option at a redemption price equal to 100.0% of the principal amount thereof plus the Make-Whole Amount as of, and accrued and unpaid interest to, but excluding, the Redemption Date.

In addition, the Company may redeem the Notes for cash in whole or in part at any time at its option (i) on or after November 30, 2023 and prior to November 30, 2024, at a price equal to \$25.75 per note, plus accrued and unpaid interest to, but excluding, the Redemption Date, (ii) on or after November 30, 2024 and prior to November 30, 2025, at a price equal to \$25.50 per note, plus accrued and unpaid interest to, but excluding, the Redemption Date, (iii) on or after November 30, 2025 and prior to November 30, 2026, at a price equal to \$25.25 per note, plus accrued and unpaid interest to, but excluding, the Redemption Date, and (iv) on or after November 30, 2026 and prior to maturity, at a price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding, the Redemption Date.

In each case, redemption shall be upon notice not fewer than 30 days and not more than 60 days prior to the Redemption Date. If less than all of the Notes are to be redeemed, the Notes to be redeemed shall be selected not more than 45 days prior to the Redemption Date by the Trustee from the outstanding Notes not previously called for redemption, by lot, or in the Trustee's discretion, on a pro-rata basis, provided that the unredeemed portion of the principal amount of any Notes will be in an authorized denomination (which will not be less than the minimum authorized denomination) for such Notes. The Trustee will promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Notes selected for partial redemption, the principal amount thereof to be redeemed, provided that, any Notes held in the form of Global Notes, or portions thereof called for redemption that are registered in the name of the Depository or its nominee will be selected by the Depository in accordance with the Depository's applicable procedures and the Trustee shall have no duty to notify the Company of the Depository's selection.

The Notes are not subject to any sinking fund.

The Trustee shall have no obligation to calculate any redemption price, including any Make-Whole Amount, or any component thereof, and the Trustee shall be entitled to receive and conclusively rely upon an Officer's Certificate delivered by the Company that specifies any redemption price.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of each series affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of any series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the right of the Holder of this Note, which is absolute and unconditional, to receive payment of the principal of and interest on this Note at the Maturity thereof (or in the case of redemption, on the redemption date) and to institute

suit for the enforcement of any such payment unless the Holder of this Note shall have consented to the impairment of such right.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Note are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the Holder hereof or by such Holder's attorney duly authorized in writing, and thereupon one or more new Notes of this series and of any authorized denominations and of a like aggregate principal amount and tenor, shall be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in minimum denominations of \$25 and integral multiples of \$25 in excess thereof. Subject to certain limitations therein set forth in the Indenture and in this Note, the Notes are exchangeable for a like aggregate principal amount of Notes of this series in different authorized denominations, as requested by the Holders surrendering the same.

No service charge shall be made for any such registration of transfer or for exchange of this Note, but the Company or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of a Note, other than in certain cases provided in the Indenture.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture contains provisions whereby (i) the Company may be discharged from its obligations with respect to the Notes (subject to certain exceptions) or (ii) the Company may be released from its obligations under specified covenants and agreements in the Indenture, in each case if the Company irrevocably deposits with the Trustee money or U.S. Government Obligations sufficient to pay and discharge the entire indebtedness on all Notes of this series, and satisfies certain other conditions, all as more fully provided in the Indenture.

This Note shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee under the Indenture by the manual signature (which may be scanned, photocopied or faxed or otherwise signed electronically (including by DocuSign or Adobe Sign)) of one of its authorized signatories, this Note shall not be entitled to any benefits under the Indenture or be valid or obligatory for any purpose.

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IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated:

TELLURIAN INC.

By: _____

Name:

Title:

[Signature Page to Tellurian Inc. Global Note]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as
Trustee

By: _____
Authorized Signatory

[Authentication Certificate to Tellurian Inc. Global Note]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - . . .Custodian (Cust) (Minor) Under Uniform Gifts to Minor Act

(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please insert Assignee's legal name)

(Please insert Social Security or other identifying number of Assignee)

(Please print or typewrite name and address including postal zip code of Assignee)

the within Note of TELLURIAN INC. and does hereby irrevocably constitute and appoint attorney to transfer the said Note on the books of the Company, with full power of substitution in the premises. Dated:

Your Signature:

(Sign exactly as your name appears on the face of this Note)

[NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatever.]

TELLURIAN INC.

EMPLOYEE SEVERANCE PLAN

(Effective January 1, 2022)

**TELLURIAN INC.
EMPLOYEE SEVERANCE PLAN**

(Effective January 1, 2022)

**ARTICLE I
INTRODUCTION; ESTABLISHMENT OF PLAN**

Tellurian, Inc. (the “Company”) hereby establishes a severance benefit plan known as the Tellurian Inc. Employee Severance Plan (the “Plan”), effective as of the Effective Date, as set forth in this document. The Plan is intended to provide separation benefits to certain specified employees who are designated as eligible for benefits under this Plan, who lose their employment (other than for Cause) under the circumstances set forth herein.

**ARTICLE II
DEFINITIONS**

1.1 Defined Terms. As used herein, the following words and phrases shall have the following respective meanings unless the context clearly indicates otherwise.

(a) Affiliate. The Company and any entity that is treated as the same employer as the Company under Sections 414(b), (c), (m), or (o) of the Code, any entity required to be aggregated with the Company pursuant to regulations adopted under Section 409A of the Code, or any entity otherwise designated as an Affiliate by the Company.

(b) Base Pay. The Eligible Employee’s monthly base pay, determined as follows:

(i) Hourly Employees. For Eligible Employees paid on an hourly basis, the regular hourly rate of pay on the Eligible Employee’s Date of Termination multiplied by 2080, with the result divided by 12.

(ii) Salaried Employees. The Eligible Employee’s annualized base salary in effect on the Date of Termination, divided by 12.

(c) Board. The Board of Directors of the Company.

(d) Cause. Termination of employment resulting from (a) the Participant’s indictment for, conviction of, or pleading of guilty or nolo contendere to, any felony or any crime involving fraud, dishonesty or moral turpitude; (b) the Participant’s gross negligence with regard to the Company or any Affiliate (including Tellurian Services LLC) in respect of the Participant’s duties for the Company or any Affiliate (including Tellurian Services LLC); (c) the Participant’s willful misconduct having or, which in the good faith discretion of the Plan Administrator could have, an adverse impact on the Company or any Affiliate (including Tellurian Services LLC) economically or reputation-wise; (d) the Participant’s material breach of the Plan, or any employment, consulting or similar agreement between the Participant and the Company or one of its Affiliates (including Tellurian Services LLC) or material breach of any code of conduct or ethics or any other policy of the Company or any Affiliate (including Tellurian Services LLC), which breach (if curable in the good faith discretion of the Plan Administrator) has remained uncured for a period of ten (10) days following delivery of written notice to the Participant specifying the manner in which the agreement or policy has been materially breached; or (e) the Participant’s continued or repeated failure to perform his or her duties or responsibilities to the Company or any Affiliate (including Tellurian Services LLC) at a level and in a manner satisfactory to the Plan Administrator or its designee in its sole discretion,

which failure has not been cured to the satisfaction of the Plan Administrator or its designee following notice to the Participant. Any voluntary termination of a Participant's employment in anticipation of a termination of such Participant's employment by the Company or any of its Affiliates for Cause shall be deemed to be a termination by the Company for Cause. Whether the Participant has been terminated for Cause will be determined by the Company's Chief Executive Officer (or his or her designee) in his or her sole discretion or, if the Participant is or is reasonably expected to become subject to the requirements of Section 16 of the Exchange Act, by the Board in its sole discretion.

(e) Change in Control. Means the occurrence of any of the following after the Effective Date:

(i) any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (an "Exchange Act Person") acquires beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (A) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); *provided, however*, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company or any Subsidiary or Affiliate, (2) any acquisition by the Company or any Subsidiary or Affiliate, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, (4) any acquisition pursuant to a transaction which complies with clauses (A) and (B) of Section 2.1(e)(iii), below, or (5) any acquisition of additional securities by any Exchange Act Person who, as of the Effective Date, held 15% or more of either (x) the Outstanding Company Common Stock or (y) the Outstanding Company Voting Securities;

(ii) individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board; or

(iii) consummation by the Company of a reorganization, merger, or consolidation, or sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets of another entity (a "Business Combination"), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common

Stock and Outstanding Company Voting Securities, as the case may be, and (B) at least a majority of the members of the board of directors (or equivalent governing authority) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination.

(iv) approval by the stockholders of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, in any circumstance or transaction in which compensation payable pursuant to this Plan would be subject to the tax under Section 409A of the Code if the foregoing definition of "Change in Control" were to apply, but would not be so subject if the term "Change in Control" were defined herein to mean a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5), then "Change in Control" means, but only with respect to the applicable Participant and only to the extent necessary to prevent such compensation from becoming subject to the tax under Section 409A of the Code, a transaction or circumstance that satisfies the requirements of both (1) a Change in Control under the applicable clause (a) through (c) above, and (2) a "change in control event" within the meaning of Treasury Regulation § 1.409A-3(i)(5).

(f) Code. The Internal Revenue Code of 1986, as amended from time to time.

(g) Company. Tellurian Inc. and any successor to such entity.

(h) Date of Termination. The date on which a Participant has a Separation from Service from the Participant's Employer.

(i) Disability. The Participant is eligible to receive benefits under the Company's group long-term disability plan maintained by the Company or the applicable Employer, as in effect from time to time.

(j) Effective Date. January 1, 2022.

(k) Eligible Employee. Any full-time employee of the Company or a Related Entity, other than (i) any employee who is eligible to participate in any other severance plan, program or policy sponsored by the Company or an Employer or that is entitled to receive severance benefits pursuant to an employment agreement with the Company or an Employer, (ii) an individual classified by the Employer as an independent contractor, (iii) a temporary employee, (iv) an employee covered by a collective bargaining agreement between the Employer and a union, (v) a leased employee, (vi) a part-time employee, or (vii) an employee in the Probationary Period.

(l) Employer. The Company or Related Entity that is the common law employer of the Eligible Employee.

(m) ERISA. The Employee Retirement Income Security Act of 1974, as amended from time to time.

(n) Exchange Act. The Securities Exchange Act of 1934, as amended, and any successor law thereto.

(o) Participant. An Eligible Employee who meets the requirements of ARTICLE III.

- (p) Plan. The Tellurian Inc. Employee Severance Plan, as set forth in this document.
- (q) Plan Administrator. The Company shall be the Plan Administrator.
- (r) Probationary Period. The first six (6) months of a Participant's employment with an Employer.
- (s) Protection Period. The period beginning on the date of a Change in Control and ending on the first anniversary of such Change in Control.
- (t) Related Entity. Any Affiliate that is treated as the same "service recipient" or "employer" as the Company pursuant to Treasury Regulation Section 1.409A-1(h)(3).
- (u) Separation from Service. A "separation from service" within the meaning of Section 409A(a)(2)(A)(i) of the Code and Treasury Regulation Section 1.409A-1(h).
- (v) Severance Pay. Cash severance payable to a Participant as determined pursuant to ARTICLE IV and the Severance Schedules appended to this Plan.
- (w) Severance Period. The period of time over which Severance Pay is payable, which shall be equal to the number of months of Base Pay to which the Participant is entitled to receive as Severance Pay.
- (x) Severance Schedule. The schedules appended to this Plan that set forth the severance guidelines for Eligible Employees based on job designation/level. Each Eligible Employee shall be provided with a copy of the Severance Schedule for his or her designation/employment level only, and no Eligible Employee shall have any right to view or receive the Severance Schedule for any other job designation/employment level.
- (y) Subsidiary. A corporation, partnership, joint venture, limited liability company, limited liability partnership, or other entity in which the Company owns directly or indirectly, fifty percent (50%) or more of the voting power or profit interests, or as to which the Company or one of its Affiliates serves as general or managing partner or in a similar capacity.
- (z) Target STI Amount. The product of (i) the current target short-term incentive multiple established for the Participant under the short-term incentive compensation component of the Tellurian Inc. Incentive Compensation Program as of immediately preceding the Date of Termination, multiplied by (ii) the Participant's current annual Base Pay.

ARTICLE III ELIGIBILITY FOR BENEFITS

1.1 Eligibility Requirements. Only Eligible Employees who meet all of the requirements of Sections 3.2 through 3.3 of this ARTICLE III shall become Participants in the Plan and be entitled to the severance benefits set forth in ARTICLE IV.

1.2 Qualifying Termination. The Eligible Employee's employment with an Employer must be terminated by an Employer other than for Cause, death or Disability (a "Qualifying Termination"). Notwithstanding the foregoing, the termination of an Eligible Employee's employment by an Employer that occurs because the Eligible Employee was offered but unwilling to accept another position with the Employer or Related Entity shall not be deemed to be a Qualifying Termination.

1.3 Active Employment Required. The Eligible Employee must continue to work productively for the Employer, as determined in the sole discretion of the Plan Administrator, until it is determined that the Eligible Employee's services are no longer necessary. If the Eligible Employee terminates employment prior to the Eligible Employee's termination date that would otherwise qualify under Section 3.2, the Eligible Employee will not be eligible for severance benefits hereunder.

ARTICLE IV **SEPARATION BENEFITS**

1.1 Outside of Protection Period. In the event the Participant's Date of Termination as resulting from a Qualifying Termination occurs outside of the Protection Period, and contingent upon (i) the Participant timely executing and not revoking the Release in accordance with Section 4.3 below, and (ii) the Participant's compliance with the restrictive covenants set forth in ARTICLE VII below, the Company shall pay or provide to Participant the Severance Pay and benefits set forth in the applicable Severance Schedule.

1.2 During Protection Period Upon a Change in Control. In the event the Participant's Date of Termination resulting from a Qualifying Termination occurs during the Protection Period and contingent upon (i) the Participant timely executing and not revoking the Release in accordance with Section 4.3 below, and (ii) the Participant's compliance with the restrictive covenants set forth in ARTICLE VII below, the Company shall pay or provide to Participant the Severance Pay and benefits set forth in the applicable Severance Schedule.

1.3 Release. As a condition precedent to the payment or provision by the Company of the amounts or benefits due under the relevant sections of this ARTICLE IV, the Participant must execute a release in substantially the form attached hereto as Exhibit A (the "Release") within twenty-one (21) days following the Date of Termination, or within forty-five (45) days following the Date of Termination in case of a group layoff, and not revoke such Release within the subsequent seven (7) day revocation period (if applicable). No severance payments under this Plan shall be paid or provided unless and until the Release becomes effective. Any payments that would otherwise have been due prior to the date the Release becomes effective shall be withheld and paid on the first payroll period on which severance pay is paid.

1.4 Board Resignation. As a condition precedent to the payment or provision by the Company of the amounts or benefits due under the relevant sections of this ARTICLE IV, the Participant must tender his or her resignation from the Board and the board of directors of any of the Company's Affiliates upon termination of Participant's employment with the Company, which resignation the Board or the applicable board of directors may or may not accept.

ARTICLE V **REEMPLOYMENT BY EMPLOYER OR SUCCESSOR**

1.1 Severance Offset. If a Participant who has received Severance Pay under ARTICLE IV of this Plan, or any other severance payment or benefits from the Company or an Employer within the previous 24 months (collectively, the "Prior Severance") is reemployed by any Employer, then in the event of such Participant's subsequent Qualifying Termination, the Participant's Severance Pay payable to the Participant under this Plan shall be offset by the amount of any such Prior Severance. For the avoidance of doubt, in the event that the amount of any Prior Severance equals or exceeds any Severance Pay payable pursuant to this Plan upon a subsequent Qualifying Termination, the Participant shall not be eligible to receive any Severance Pay under this Plan.

1.2 Ineligibility for Certain Engagements. Participants who have received or are currently receiving Severance Pay shall not be eligible for temporary employment, or work as an independent contractor or a contract laborer with any Employer, unless the Participant agrees as a condition of such engagement to forfeit any Severance Pay otherwise payable during the period of that engagement.

ARTICLE VI
SUCCESSOR TO COMPANY

This Plan shall bind any successor of the Company, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that the Company would be obligated under this Plan if no succession had taken place. In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by this Plan, the Company shall require such successor expressly and unconditionally to assume and agree to perform the Company's obligations under this Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. The term "Company," as used in this Plan, shall mean the Company as hereinbefore defined and any successor or assignee to the business or assets which by reason hereof becomes bound by this Plan.

ARTICLE VII
CONFIDENTIAL MATERIAL AND PARTICIPANT OBLIGATIONS

1.1 Proprietary and Confidential Information. Each Participant's employment with the Company allows the Participant access to Proprietary and Confidential Information to which Participant would not otherwise be privy. For purposes of this Plan, "Proprietary and Confidential Information" is defined as all information and any idea in whatever form, tangible or intangible, of a confidential or secret nature that pertains in any manner to the business of the Company or its Affiliates. This includes, but is not limited to, any and all non-public information relating to the Company, its Affiliates, or their business, operations, financial affairs, performance, assets, pricing and pricing strategies, technology, research and development, processes, products, contracts, customers, licensees, sublicensees, suppliers, personnel, plans or prospects, whether or not in written form and whether or not expressly designated as confidential, including any such information consisting of or otherwise relating to trade secrets, know-how, technology (including software and programs), designs, drawings, photographs, samples, processes, license or sublicense arrangements, formulae, proposals, product specifications, customer lists or preferences, referral sources, marketing or sales techniques or plans, operating manuals, service manuals, financial information or projections, lists of suppliers or distributors or sources of supply. Proprietary and Confidential Information includes both information developed by Participant for the Company and its Affiliates and information Participant obtained while in the Company's employment. All Proprietary and Confidential Information, whether created by Participant or other employees, shall remain the property of the Company and its Affiliates.

1.2 Non-Disclosure and Return. Each Participant understands and agrees that the Proprietary and Confidential Information is confidential information that the law treats as privileged, thereby protecting an employer from use without consent. Accordingly, as a condition of participation in this Plan, each Participant agrees that the Participant will not, under any circumstances, or at any time, whether as an individual, partnership, or corporation, or employee, principal, agent, partner or shareholder thereof, in any way, either directly or indirectly, divulge, disclose, copy, use, divert or attempt to divulge, disclose, copy, use or divert the Company's Proprietary and Confidential Information, except to the extent authorized and necessary to carry out Participant's responsibilities during employment with the Company, or as required by law. Upon termination of a Participant's employment with the Company, the

Participant shall immediately return to the Company all property in Participant's possession or control that belongs to the Company, including all property in electronic form and all copies of Proprietary and Confidential Information.

1.3 Statutory Notification. 18 U.S.C. § 1833(b) provides: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Accordingly, Participants have the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Participants also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

1.4 Former Employer Information. Each Participant agrees that the Participant will not, during the Participant's employment with the Company, improperly use or disclose any proprietary information or trade secrets of any former or concurrent employer or other person or entity and that the Participant will not bring onto the premises of the Company any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity.

1.5 Third Party Information. Each Participant recognizes that the Company may have received and in the future may continue to receive from third parties their confidential or proprietary information as they may so designate, subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Each Participant agrees to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in carrying out the Participant's work for the Company consistent with the Company's agreement with such third party.

1.6 Notification to New Employer. In the event that a Participant's employment with the Company ends, the Participant consents to notification by the Company to any subsequent employer of the Participant's rights and obligations under this Plan.

1.7 No Solicitation of Clients Using Proprietary and Confidential Information. Each Participant further agrees not to, directly or indirectly, during or after termination of employment, make known to any person, firm, or company any Proprietary and Confidential Information concerning any of the clients of the Company. In addition, each Participant shall not use any such Proprietary and Confidential Information to solicit, take away, or attempt to call on, solicit or take away any of the clients of the Company on whom the Participant called or whose accounts the Participant had serviced during employment with the Company, whether on the Participant's own behalf or for any other person, firm, or the Company.

1.8 No Solicitation of Employees. Each Participant understands and acknowledges that as an employee of the Company the Participant has certain fiduciary duties to the Company that would be violated by the solicitation and/or encouragement of the Company employees to leave the employ of the Company. Each Participant therefore agrees that the Participant will not, either during employment or for a number of months equal to the Severance Period applicable to the Participant (the "Restricted Period"), solicit any of the Company's employees for a competing business or otherwise induce or attempt to induce such employees to terminate employment with the Company, either directly or through any third parties. Each Participant

agrees that any such solicitation during the Restricted Period would constitute unfair competition.

1.9 Remedies. Each Participant acknowledges and agrees that the Company's remedy at law for a breach or a threatened breach of the provisions herein would be inadequate, and in recognition of this fact, in the event of a breach or threatened breach by the Participant of any of the provisions of this Plan, it is agreed that the Company will be entitled to equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available, without posting bond or other security. Each Participant acknowledges that the granting of a temporary injunction, a temporary restraining order or other permanent injunction merely prohibiting the Participant from engaging in any business activities would not be an adequate remedy upon breach or threatened breach of this Plan, and consequently agrees upon any such breach or threatened breach to the granting of injunctive relief prohibiting the Participant from engaging in any activities prohibited by this Plan. No remedy herein conferred is intended to be exclusive of any other remedy, and each and every such remedy will be cumulative and will be in addition to any other remedy given hereunder now or hereinafter existing at law or in equity or by statute or otherwise. In addition, in the event of any breach or suspected breach of the provisions of this ARTICLE VII or of any protective covenants or similar provisions in any other agreement with the Company or any Affiliate (including, but not limited to, any protective covenants set forth in any grant agreement or other award agreement), the Company shall have the right to terminate immediately any payments or benefits that may otherwise be due the Participant pursuant to this Plan.

ARTICLE VIII **DURATION, AMENDMENT AND TERMINATION**

1.1 Duration. The Plan shall continue in full force and effect until terminated pursuant to Section 8.2 below; *provided, however*, that all Participants who previously become entitled to any payments hereunder shall continue to receive such payments notwithstanding the termination of the Plan.

1.2 Amendment or Termination. The Board may amend or terminate this Plan for any reason prior to a Change in Control. In the event of a Change in Control, this Plan may not be amended or terminated during the Protection Period unless (i) required by law, (ii) the amendment increases the benefits payable to Eligible Employees or otherwise improves their rights under the Plan, or (iii) the amendment or termination is otherwise consented to in writing by the affected Eligible Employees.

1.3 Procedure for Extension, Amendment or Termination. Any amendment or termination of this Plan by the Board in accordance with the foregoing shall be made by action of the Board in accordance with the Company's charter and by-laws and applicable law.

ARTICLE IX **MISCELLANEOUS**

1.1 Offset. To the extent permitted under Section 409A of the Code, a Participant's Severance Pay or other benefits under this Plan shall be reduced by any amount that the Participant owes to the Employer or a Related Entity on the Participant's Date of Termination.

1.2 Employment Status. This Plan does not constitute a contract of employment or impose on the Participant or the Employer any obligation for the Participant to remain an employee or change the status of the Participant's employment or the policies of the Employer regarding termination of employment.

1.3 Named Fiduciary; Administration.

(a) Plan Administration. The Company is the named fiduciary and Plan Administrator of the Plan and shall administer the Plan acting through its chief human resources officer or other designee. The Plan Administrator shall have full and complete discretionary authority to administer, construe, and interpret the Plan, to decide all questions of eligibility, to determine the amount, manner and time of payment, and to make all other determinations deemed necessary or advisable for the Plan, which determinations (to the extent made in good faith) shall be final and conclusive on all persons claiming payments or benefits hereunder. The Plan Administrator shall review and determine all claims for benefits under this Plan.

(b) Indemnification. The Company shall indemnify and hold harmless any designee in the performance of his or her duties under the Plan against any and all expenses and liabilities arising out of his or her administrative functions or fiduciary responsibilities under the Plan, including any expenses and liabilities that are caused by or result from an act or omission constituting the negligence of such member in the performance of such functions or responsibilities, but excluding expenses and liabilities that are caused by or result from such member's own gross negligence or willful misconduct. Expenses against which any designee shall be indemnified shall include, without limitation, the amounts of any settlement or judgment, costs, counsel fees, and related charges reasonably incurred in connection with a claim asserted or a proceeding brought or settlement thereof.

1.4 Claim Procedure. In the event that the Plan is subject to ERISA, all claims and inquiries concerning benefits under the Plan shall be processed in a manner compliant with Section 502(a) of ERISA.

1.5 Unfunded Plan Status. All payments pursuant to the Plan shall be made from the general funds of the Company (or if so provided by the Company, the relevant Employer) and no special or separate fund shall be established or other segregation of assets made to assure payment. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company or any Affiliate as a result of participating in the Plan. Notwithstanding the foregoing, the Company or any Employer may (but shall not be obligated to) create one or more grantor trusts, the assets of which are subject to the claims of the Company's or the Employer's creditors, to assist in accumulating funds to pay obligations under the Plan.

1.6 Section 409A.

(a) General. The payments and benefits provided hereunder are intended to be exempt from or compliant with the requirements of Section 409A of the Code. Notwithstanding any provision of this Plan to the contrary, in the event that the Company reasonably determines that any payments or benefits hereunder are not either exempt from or compliant with the requirements of Section 409A of the Code, the Company shall have the right to adopt such amendments to this Plan or adopt such other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that are necessary or appropriate (i) to preserve the intended tax treatment of the payments and benefits provided hereunder, to preserve the economic benefits with respect to such payments and benefits, and/or (ii) to exempt such payments and benefits from Section 409A of the Code or to comply with the requirements of Section 409A of the Code and thereby avoid the application of penalty taxes thereunder; *provided, however*, that this Section 9.6 does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments, policies or procedures or to take any other such actions or to indemnify any Participant for any failure to do so.

(b) Exceptions to Apply. The Company shall apply the exceptions provided in Treasury Regulation Section 1.409A-1(b)(4), Treasury Regulation Section 1.409A-1(b)(9) and all other applicable exceptions or provisions of Code Section 409A to the payments and benefits provided under this Plan so that, to the maximum extent possible, (i) such payments and benefits are not deemed to be “nonqualified deferred compensation” subject to Code Section 409A, and (ii) such payments and benefits are not subject to the payment delay required by Section 9.6(c) below. All payments and benefits provided under this Plan shall be deemed to be separate payments (and any payments made in installments shall be deemed a series of separate payments) for purposes of Code Section 409A.

(c) Specified Employees. Notwithstanding anything to the contrary in this Plan, no compensation or benefits that are “nonqualified deferred compensation” subject to Code Section 409A shall be paid to a Participant during the 6-month period following his or her Date of Termination to the extent that the Company determines that the Participant is a “specified employee” as of the Date of Termination and that paying such amounts at the time or times indicated in this Plan would be a prohibited distribution under Code Section 409A(a)(2)(B) (i). If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such 6-month period (or such earlier date upon which such amount can be paid under Code Section 409A without being subject to such additional taxes, including as a result of the Participant’s death), the Company shall pay to the Participant a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Participant during such 6-month period.

(d) Taxable Reimbursements. To the extent that any payments or reimbursements provided to the Participant are deemed to constitute “nonqualified deferred compensation” subject to Code Section 409A, such amounts shall be paid or reimbursed reasonably promptly, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any payments or expense reimbursements that constitute compensation in one year shall not affect the amount of payments or expense reimbursements constituting compensation that are eligible for payment or reimbursement in any subsequent year, and the Participant’s right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit.

1.7 Validity and Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

1.8 Governing Law. The validity, interpretation, construction and performance of the Plan shall in all respects be governed by the laws of Texas, without reference to principles of conflict of law, except to the extent pre-empted by Federal law.

1.9 Venue. Any controversy or claim under the Plan that has not been resolved after exhaustion of the claims procedure set forth in Section 9.4 shall be brought in a court located in Houston, Harris County, Texas.

1.10 Notices. All notices and all other communications which are required to be given under this Plan must be in writing and shall be deemed to have been duly given when (i) personally delivered, (ii) mailed by United States registered or certified mail postage prepaid, (iii) sent via a nationally recognized overnight courier service, (iv) sent via facsimile to the recipient, or (v) sent via e-mail to the recipient, in each case (A) if to the Company or to the Plan Administrator, to Tellurian Inc., 1201 Louisiana Street, Suite 3100, Houston, TX 77002, Attn: Daniel Belhumeur, EVP and General Counsel and Margie Harris, SVP, Chief Human Resources Officer (or to the Company’s then-current headquarters if different than above), or to the EVP

and General Counsel's and Chief Human Resources Officer's then-current e-mail or facsimile, and (B) if to a Participant, to the most recent contact information on file with the Employer.

1.11 Payment Obligation May be Satisfied by Employer; Tax Withholding. The Company may satisfy any payment obligation under this Plan by having the Employer make the payment due hereunder. All payments made to Participants in accordance with the provisions of this Plan shall be subject to applicable withholding of local, state, Federal and foreign taxes, as determined in the sole discretion of the Company or the Employer making such payment.

SUMMARY PLAN DESCRIPTION PROVISIONS

I. WHAT ARE MY RIGHTS REGARDING THIS PLAN AND ANY BENEFITS DUE ME UNDER THE PLAN?

If you are a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (“ERISA”). ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits. Examine, without charge, at the Plan Administrator’s office and at other specified locations, such as worksites, all documents governing the Plan, including a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Prudent Actions by Plan Fiduciaries. In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including the Company or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit that the employer has promised you in writing under this Plan or exercising your rights under ERISA.

Enforce Your Rights. If your Plan eligibility or your benefit claim is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have been selected as the recipient of benefits under this Plan and you have a claim for those benefits which is denied or ignored, in whole or in part, you may file suit in a State or Federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions. If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of

Technical Assistance and Inquiries, Employee Benefit Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration or on the World Wide Web (<http://askebsa.dol.gov/>).

II. OTHER IMPORTANT FACTS

1. Plan Name:

Tellurian Inc. Employee Severance Plan

2. Plan Year:

The Plan year is the calendar year.

3. Name and Address of Plan Sponsor:

Tellurian Inc.
1201 Louisiana Street, Suite 3100
Houston, TX 77002

4. Type of Plan:

The Plan is a severance plan and is a welfare plan under ERISA. It is unfunded. Benefits under the Plan are paid from the Company's general assets.

5. Plan Numbers:

The Plan Number is 511.

6. Employer Identification Number of the Company, the Plan Sponsor, is:

06-0842255.

7. Amendment or Termination of Plan:

The Company may amend or terminate the Plan for any reason prior to a Change in Control. In the event of a Change in Control, the Plan may not be amended or terminated during the one-year period following the Change in Control unless (i) the amendment is required by law, (ii) the amendment increases the benefits payable to eligible employees or otherwise improves their rights under the Plan, or (iii) the amendment or termination is otherwise consented to in writing by the affected eligible employees.

8. Plan Administrator:

The Plan Administrator shall be the Company or its designated representative. The Plan Administrator authorizes benefits payments, resolves claims and makes rules to ensure the Plan is administered correctly.

9. Agent for Legal Process:

Service of legal process may be made upon the Plan Administrator.

SEVERANCE SCHEDULES

Senior Vice Presidents and Vice Presidents

Appendix A - Severance Benefits for Termination Outside of Protection Period

- (a) A cash severance payment equal to six (6) months of Base Pay, payable in equal installments on regular payroll dates over the Severance Period (subject to the payment timing rules in Section 4.3);
 - (b) Any earned but unpaid short-term incentive under the Tellurian Inc. Incentive Compensation Plan for any performance period completed as of the date of the Qualifying Termination, with payment to occur no later than sixty (60) days after the Date of Termination;
 - (c) An additional amount equal to a pro-rated Target STI Amount, determined by multiplying the Target STI Amount by a fraction, the numerator of which is the number of days during the fiscal year of termination that the Participant is employed by the Company and the denominator of which is 365, to be paid in a single lump sum no later than sixty (60) days after the Date of Termination;
 - (d) Subject to the Participant's timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall subsidize and cover the full cost of COBRA coverage for the Participant and the Participant's eligible dependents' for the period of six (6) months; *provided, however*, that the foregoing subsidy shall immediately cease on the date on which the Participant obtains other employment that offers group health benefits, irrespective of whether the Participant elects to be covered under such other group health benefits. Notwithstanding the foregoing, in the event that the Company determines in its sole discretion that the provision of the COBRA subsidy provided under this paragraph cannot be provided without potentially violating applicable law, or the provision of the subsidy under this paragraph would subject the Company or any of its Affiliates or the Participant to a material tax or penalty, the Participant shall be provided, in lieu of the COBRA subsidy, with a taxable monthly payment in an amount equal to the monthly premium that the Participant would be required to pay to continue the Participant's and his or her covered dependents' group health benefit coverages under COBRA as then in effect (which amount shall be based on the premiums for the first month of COBRA coverage) for the remainder of the Benefits Continuation Period (the benefits described in this paragraph being the "H&W Benefits"); and
 - (e) Outplacement services with a provider of the Company's choice at a level commensurate with the Participant's position for the period of six (6) months following the Date of Termination.
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Senior Vice Presidents and Vice Presidents

Appendix B - Severance Benefits for Termination Within Protection Period

- (a) A cash severance payment equal to twelve (12) months of Base Pay, payable in a lump sum no later than sixty (60) days after the Date of Termination (subject to the payment timing rules in Section 4.3);
- (b) Any earned but unpaid short-term incentive under the Tellurian Inc. Incentive Compensation Plan for any performance period completed as of the date of the Qualifying Termination, with payment to occur no later than sixty (60) days after the Date of Termination;
- (c) An additional amount equal to 100% of the Target STI Amount, payable a single lump sum no later than sixty (60) days after the Date of Termination;
- (d) The H&W Benefits set forth in Section (c) of Appendix A; and
- (e) Outplacement services with a provider of the Company's choice at a level commensurate with the Participant's position for the period of three (6) months following the Date of Termination.

2020 FID-Based Cash Incentive Award (Simões)



To: Octávio M.C. Simões (“you” or the “Grantee”)

2020 CASH INCENTIVE AWARD AGREEMENT

Congratulations! Tellurian Management Services LLC (the “Employer”) hereby awards you (“you” or the “Grantee”) the opportunity to participate in a cash incentive award (the “Award”) on the terms and subject to the conditions (including the vesting restrictions) set forth in this 2020 Cash Incentive Award Agreement (this “Agreement”).

All capitalized words used in this Agreement that are not defined in the main body of this Agreement are defined in the Glossary at the end of this Agreement.

Grant Date: 09/28/2020 (the “Grant Date”)

Award Generally: The Award under this Agreement consists of an opportunity to vest and receive payments in respect of a fixed dollar bonus amount, subject to your Continuous Service. The terms and conditions, including as to vesting and payment, of the Award are set forth below.

Award: The Award shall be in an amount equal to \$5,000,000 (the “Award Amount”), which shall vest and become payable in accordance with the terms and conditions set forth below.

Award Vesting: Subject to the other provisions contained herein, the Award shall vest and become payable to you as follows, subject to your Continuous Service following the Grant Date and through and including each applicable vesting date (and there shall be no proportionate or partial vesting in the periods prior to the applicable vesting date):

- One-third (1/3) of the Award Amount will vest upon the affirmative final investment decision by the Board with respect to the Driftwood LNG project (“FID”, and the date of FID, the “FID Date”);
- One-third (1/3) of the Award Amount will vest on the one (1)- year anniversary of the FID Date; and
- One-third (1/3) of the Award Amount will vest on the two (2)- year anniversary of the FID Date.

Payment: Subject to your satisfaction of the vesting conditions set forth above, on or as soon as administratively practicable following each applicable vesting date, and in any event not later than thirty (30) days after the

vesting date, you will be paid an amount in cash equal to the vested portion of the Award Amount (subject to applicable withholdings and deductions, as set forth below).

Notwithstanding the foregoing, all or any portion of any payment in respect of the Award may, in the sole discretion of the Employer (or its successors or assigns) and the Company (or such other parent of the Employer, successor or assignee) (the "Relevant Entity"), be satisfied through delivery of a number of shares of Common Stock (or securities or other equity interests of a permitted successor or assignee) having an equivalent fair market value on the applicable date of payment; provided, however, that such Common Stock (or securities or other equity interests of a permitted successor or assignee, to the extent applicable), if any, shall be delivered solely to the extent determined by the Relevant Entity in its sole discretion and shall be issued only pursuant to a written award agreement under and subject to the terms and conditions of a shareholder-approved equity compensation plan.

Termination of Service (Generally):

In the event of your Termination of Service for any reason (whether notice of termination is given by you or the Company, the Employer, one of their Subsidiaries or the Partnership, or such Termination of Service is due to your death), except as otherwise provided below, you shall not be entitled to receive and shall forfeit, without any right to compensation, any rights in respect of the Award that are unvested as of the date of such Termination of Service.

Termination Without Cause; Termination of Service Due to Death; Termination of Service due to Disability:

If you experience a Termination of Service that is (A) a Termination Without Cause, (B) due to your death or (C) by reason of Disability, in each case, while any portion of the Award is unvested, then notwithstanding anything in the foregoing to the contrary, such unvested portion of the Award shall remain outstanding and vest in accordance with the terms of this Agreement without regard to the requirement of your Continuous Service, subject to and conditioned upon, other than in the case of a Termination of Service as a result of your death: (1) your continued compliance with the Restrictive Covenants; and (2) your timely execution and delivery (without revocation) to the Employer of the Release within twenty-one (21) days (or such longer period as may be required by law) after delivery of the form of Release by the Employer.

Change of Control: In the event of a Change of Control during your Continuous Service while any portion of the Award is unvested, such unvested portion of the Award shall remain outstanding and vest in accordance with the terms of this Agreement, except as otherwise determined by the Board, subject to Code Section 409A.

Withholding of Taxes: Amounts payable in respect of the Award shall be subject to withholding and deductions for federal, state and/or local taxes, and the Employer shall have the right to withhold such amounts from any amounts otherwise payable to you in respect of the Award or to otherwise require, prior to the grant, vesting or payment of the Award, payment by you of any federal, state or local taxes required by law to be withheld.

Code Section 409A: It is intended that this Agreement and the Award granted hereunder will comply with or be exempt from Code Section 409A, and this Agreement will be construed and interpreted in accordance with such intent.

A termination of employment (or other service, as the case may be) shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment (or other service, as the case may be) unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

Notwithstanding anything herein to the contrary, the following shall apply, if and to the extent required by Code Section 409A, in the event that (A) you are deemed to be a "specified employee" within the meaning of Code Section 409A(a)(2)(B)(i) and (B) amounts or benefits under the Award or any other program, plan or arrangement of the Employer or a controlled group affiliate thereof are due or payable on account of "separation from service" within the meaning of Treasury Regulations Section 1.409A-1(h): No such payments that are "nonqualified deferred compensation" subject to Code Section 409A shall be made prior to the date that is six (6) months after the date of separation from service or, if earlier, the date of death; following any applicable six (6) month delay, all such delayed payments will be paid in a single lump sum (without interest) on the earliest permissible payment date.

Notwithstanding anything herein to the contrary, to the extent that the Award is (i) subject to Code Section 409A and (ii) a Change of Control would accelerate the timing of payment thereunder, the payment of such Award shall not occur until the earliest of (I) the Change of Control if such Change of Control constitutes a "change in the ownership of the corporation," a "change in the effective control of the corporation" or a "change in the ownership of a substantial portion of the assets of the corporation," within the meaning of Code Section 409A(2)(A)(v), (II) the date such Award would otherwise be settled pursuant to the terms of this Agreement and (III) your "separation of service" within the meaning of Code Section 409A.

No Right to Employment or Consultancy Service:

Nothing in this Agreement shall confer upon you any right with respect to continuation as an employee, consultant or director with the Company, the Employer, any of their Subsidiaries or the Partnership, nor shall it interfere with or restrict in any way the right of the Company, the Employer, any of their Subsidiaries or the Partnership, which is hereby expressly reserved, to remove, terminate or discharge you at any time for any reason whatsoever, with or without cause and with or without advance notice. This Agreement is not intended to and does not amend any existing employment or consultancy contract between you and the Company, the Employer, any of their Subsidiaries or the Partnership.

No Shareholder Rights:

The grant of the Award hereunder shall not make you, nor give you any of the rights or privileges of, a shareholder of the Company or any of its Affiliates.

Unsecured Obligation: The obligations of the Employer with respect to the Award is an unfunded and unsecured promise, and ultimately your right to receive payment in respect of the Award and this Agreement shall be no greater than the rights of any other unsecured general creditor of the Employer.

Restrictions on Transfer:

You shall not sell, transfer, pledge, hypothecate, assign or otherwise dispose of any portion of the Award or any rights or interest therein, including without limitation any rights under this Agreement or any amounts payable in respect of any portion of the Award, prior to payment hereunder. Any attempted sale, transfer, pledge, hypothecation, assignment or other disposition of any portion of the Award in violation of this provision shall be void and of no effect.

Severability: If any provision of this Agreement (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of this agreement, and the validity and enforceability of the other provisions of this Agreement shall not be affected.

Counterparts: This Agreement may be executed in one or more counterparts but shall not be effective until each party has executed at least one counterpart. Each such counterpart shall constitute an original of this Agreement but all the counterparts shall together constitute the same instrument.

Governing Law: All matters arising out of or relating to this Agreement and the transactions contemplated hereby, including its validity, interpretation, construction, performance and enforcement, shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to principles of conflict of laws which would result in the application of the laws of any other jurisdiction. The Award and

any payments in connection therewith shall be subject to all applicable federal, state and local laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required, if any.

This Agreement is intended to be a cash "bonus program" (as described in 29 C.F.R. Section 2510.3-2(c) or any successor thereto), and not a pension or welfare benefit plan that is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and shall be construed accordingly. All interpretations and determinations hereunder shall be made on a basis consistent with that status and intent.

Data Protection: By accepting the Award (whether by electronic means or otherwise), you hereby consent to the holding and processing of personal data provided by you to the Company and the Employer for all purposes necessary for the operation of this Agreement and the Award. This includes, but is not limited to, administering and maintaining records regarding you; providing information to third party administrators of benefit plans and awards; and providing information to future purchasers of the Company, the Employer or the business in which you work. You are hereby advised and directed to refer to any Employer data protection policy and/or notice from time to time in place for more details about how your personal data is used.

Successors and Assigns:

The Employer and/or the Company (or their respective successors and assigns) may require any of their respective subsidiaries or any of their respective successors or assigns to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Employer and/or the Company (or their respective successors and assigns, as applicable), would be required to perform it if no such succession or assignment had taken place. All obligations of the Employer granted hereunder shall be binding on the Employer and any such successors and assigns.

Waiver: No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this Agreement shall preclude or restrict the further exercise of that or any other right or remedy.

Entire Agreement: This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between you and the Company or the Employer with respect to the subject matter hereof. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and a duly authorized officer of the Employer.

No party has been induced to enter into this Agreement in reliance upon, nor have they been given, any warranty, representation, statement, assurance, covenant, agreement, undertaking, indemnity or commitment of any nature whatsoever other than as are expressly set out in this Agreement and, to the extent that any of them have been, they unconditionally and irrevocably waive any claims, rights or remedies which any of them might otherwise have had in relation thereto.

[Remainder of page intentionally blank.]

By your signature and the signature of the Employer's representative below, you and the Employer hereby acknowledge that you have been issued the right to participate in the Award with effect from the Grant Date on the terms and conditions of this Agreement. Further, you acknowledge your agreement to be bound to the terms of this Agreement in connection with your acceptance of the Award issued hereby through procedures, including electronic procedures, provided by or on behalf of the Employer.

To accept this award, execute this form and return an executed copy to Margie M. Harris, (the "Designated Recipient") by October 28, 2020. Failure to return the executed copy to the Designated Recipient by such date will render this award invalid.

EMPLOYER

Tellurian Management Services LLC

By: /s/ Margie M. Harris

Name: Margie M. Harris

Title: SVP, Chief Human Resources Officer

GRANTEE

Accepted by:

/s/ Octávio M.C. Simões

Octávio M.C. Simões

Date: 9/29/2020

GLOSSARY

(a) “Affiliate” shall mean any person that directly or indirectly controls, is controlled by or is under common control with the Company. The term “control” (including, with correlative meaning, the terms “controlled by” and “under common control with”), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting or other securities, by contract or otherwise.

(b) “Board” shall mean the Board of Directors of the Company.

(c) “Cause” shall mean a Termination of Service resulting from (a) your indictment for, conviction of, or pleading of guilty or nolo contendere to, any felony or any crime involving fraud, dishonesty or moral turpitude; (b) your gross negligence with regard to the Company or any Affiliate (including the Employer) in respect of your duties for the Company or any Affiliate (including the Employer); (c) your willful misconduct having or, which in the good faith discretion of the Board could have, an adverse impact on the Company or any Affiliate (including the Employer) economically or reputation-wise; (d) your material breach of this Agreement, or any employment, consulting or similar agreement between you and the Company or one of its Affiliates (including the Employer) or material breach of any code of conduct or ethics or any other policy of the Company or any Affiliate (including the Employer), which breach (if curable in the good faith discretion of the Board) has remained uncured for a period of ten (10) days following delivery of written notice to you specifying the manner in which the agreement or policy has been materially breached; or (e) your continued or repeated failure to perform your duties or responsibilities to the Company or any Affiliate (including the Employer) at a level and in a manner satisfactory to the applicable party in its sole discretion (including by reason of your habitual absenteeism or due to your insubordination), which failure has not been cured to the satisfaction of the applicable party following notice to you. Whether you have been terminated for Cause will be determined by the Company’s Chief Executive Officer (or his or her designee) in his or her sole discretion or, if you are or are reasonably expected to become subject to the requirements of Section 16 of the Exchange Act, by the Board in its sole discretion. To the extent you are terminated as a member of the Board of the Company or the board of directors of any Subsidiary, “Cause” shall include a termination of such directorship for “cause” as determined in accordance with the provisions of Section 141(k) of the Delaware General Corporation Law. In addition to the foregoing, if you are an employee or other service provider of the Partnership at the time of your Termination of Service, then a termination by the Partnership for any act or omission by you that, if done (or not done) with respect to the Company or an Affiliate would be grounds for “Cause” hereunder or in any applicable employment, consulting or similar agreement between you and the Partnership that is then in-effect, then such termination shall be deemed to be a Termination of Service for Cause for purposes of this Agreement.

(d) “Change of Control” shall mean the occurrence of any of the following:

(i) any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) acquires beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (A) the then outstanding shares of Common Stock of the Company (the “Outstanding Company”

Common Stock”) or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities.”); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company or any Subsidiary or Affiliate, (2) any acquisition by the Company or any Subsidiary or Affiliate, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, (4) any acquisition pursuant to a transaction which complies with clauses

(A) and (B) of Section d(iii) of this Glossary, below, or (5) any acquisition of additional securities by any Person who, as of the Grant Date, held 15% or more of either (x) the Outstanding Company Common Stock or (y) the Outstanding Company Voting Securities;

(ii) individuals who, as of the Grant Date, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Grant Date whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;

(iii) consummation by the Company of a reorganization, merger, or consolidation, or sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets of another entity (a “Business Combination”), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then outstanding shares of Common Stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, and (B) at least a majority of the members of the board of directors (or equivalent governing authority) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination. Notwithstanding anything in the foregoing to the contrary, a sale or other disposition of the Partnership or the Company’s interest in the Partnership shall not constitute a sale or other disposition of all or substantially all of the assets of the Company or any other Change of Control for purposes of this Agreement; or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(e) “Code” shall mean The U.S. Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor provision of the Code.

(f) “Common Stock” shall mean the Common Stock of the Company, \$0.01 par value per share.

(g) “Company” shall mean Tellurian Inc.

(h) “Continuous Service” shall mean continued employment or other service to the Employer, the Company, any of their Subsidiaries or the Partnership from the Grant Date through the relevant date.

(i) “Disability” shall mean you have experienced a “permanent and total disability” within the meaning of Code Section 22(e)(3). The determination of whether you have experienced a Disability shall be determined under procedures established by the Board. Notwithstanding the foregoing, if the Award constitutes “non-qualified deferred compensation” pursuant to Code Section 409A, the foregoing definition shall apply for purposes of vesting of the Award, provided that for purposes of payment of the Award, the Award shall not be paid until the earliest of: (A) your “disability” within the meaning of Code Section 409A(a)(2)(C)(i) or (ii), (B) your “separation from service” within the meaning of Code Section 409A and (C) the date your Award would otherwise be paid pursuant to the terms of this Agreement.

(j) “Exchange Act” shall mean U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(k) “Partnership” shall mean Driftwood Holdings LP and its subsidiaries and successors.

(l) “Release” shall mean a general release of all claims of any kind that you have or may have (including but not limited to contractual and statutory rights for unfair dismissal and unlawful discrimination arising out of your employment and/or its termination) against the Company and its Affiliates (including the Employer) and their respective affiliates, officers, directors, employees, shareholders, agents and representatives, in a form satisfactory to the Employer.

(m) “Restrictive Covenants” shall mean all confidentiality obligations and post- termination provisions and restrictive covenants to which you are subject under your contract of employment or otherwise.

(n) “Subsidiary” shall mean a corporation, partnership, joint venture, limited liability company, limited liability partnership, or other entity in which the Company owns directly or

indirectly, fifty percent (50%) or more of the voting power or profit interests, or as to which the Company or one of its Affiliates serves as general or managing partner or in a similar capacity.

(o) “Termination of Service” shall mean the termination of your Continuous Service for any reason (and whether such termination results from notice from you, the Company, the Employer, one of their Subsidiaries or the Partnership); provided, however, that notwithstanding the foregoing, a Termination of Service will not be deemed to occur for purposes of this Agreement if you become an employee or other service provider of the Partnership immediately following a Termination of Service with the Company, the Employer or any of their Subsidiaries (or if you become an employee or other service provider of the Company, the Employer or any of their Subsidiaries immediately following a Termination of Service with the Partnership), or if your employment or other service with the Company, the Employer or any of their Subsidiaries is transferred, assigned or seconded to the Partnership (or if your employment or other service with the Partnership is transferred, assigned or seconded to the Company, the Employer or any of their Subsidiaries), it being understood that in such cases, continuous employment or other service with the Company, the Employer, any of their Subsidiaries and/or the Partnership shall be treated as continuous service with the Company for purposes of the Award, and a Termination of Service shall be deemed to occur upon the cessation of all employment or other service to the Company, the Employer, any of their Subsidiaries and the Partnership.

(p) “Termination Without Cause” shall mean a Termination of Service by the Company, the Employer or any of their Subsidiaries (or the Partnership, if applicable) other than

(i) for Cause or (ii) as a result of your death or Disability. If you incur a Termination of Service by the Company, the Employer or any of their Subsidiaries (or the Partnership, if applicable) after rejecting an offer of employment or other service with any entity for which such employment or other service would be credited as continued service with the Company or a Subsidiary for purposes of the vesting of the Award, there will be no deemed Termination Without Cause.

KPT6UD2N

09/29/2020 11:49 AM U.S. Eastern Standard Time ACCEPTED

TELLURIAN INC. RESTRICTED STOCK UNIT AGREEMENT
PURSUANT TO THE TELLURIAN INC.
AMENDED AND RESTATED 2016 OMNIBUS INCENTIVE COMPENSATION PLAN

This RESTRICTED STOCK UNIT AGREEMENT (“**Agreement**”) is effective as of [____], [__], 20[___] (the “**Grant Date**”), between Tellurian Inc., a Delaware corporation (the “**Company**”), and [INSERT NAME] (the “**Participant**”).

Terms and Conditions

The Participant is hereby granted as of the Grant Date, pursuant to the Amended and Restated Tellurian Inc. 2016 Omnibus Incentive Compensation Plan (as it may be amended and/or restated from time to time, the “**Plan**”), in order to retain and reward the Participant, and incentivize the Participant to promote strong Company performance, and for other good and valuable consideration, the number of Restricted Stock Units in respect of shares of the Company’s Common Stock set forth in Section 1 below. Except as otherwise indicated, any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Plan. A copy of the Plan and the prospectus with regard to the shares under an effective registration on Form S-8 have been delivered or made available to the Participant. By signing and returning this Agreement, the Participant acknowledges having received and read a copy of the Plan and the prospectus and agrees to comply with the Plan, this Agreement and all applicable laws and regulations.

Accordingly, the parties hereto agree as follows:

1. **Grant of Restricted Stock Units.** Subject in all respects to the Plan and the terms and conditions set forth herein and therein, effective as of the Grant Date, the Company hereby grants to the Participant an award consisting of [_____] restricted stock units (the “**Restricted Stock Units**”) in respect of shares of its Common Stock (“**Shares**”). Such Restricted Stock Units are subject to certain vesting restrictions set forth in Section 2 hereof and, to the extent vested, shall be settled in Shares, cash or a combination thereof, as determined pursuant to Section 3 hereof.

2. **Restricted Stock Units.**

(a) **Rights as a Holder of Restricted Stock Units.** The Company shall record in its books and records the number of Restricted Stock Units granted to the Participant. No Shares shall be issued to the Participant at the time the grant is made and, except as set forth in this Section 2(a), the Participant shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including the right to vote the underlying Shares and receive dividends and other distributions paid with respect to the underlying Shares, with respect to any Restricted Stock Units, unless (and in such case, until) settled in Shares; provided, however, that, pursuant to Section 11.4 of the Plan, to the extent that the Company pays a dividend on Shares after the Grant Date, but prior to the settlement of the Restricted Stock Units, subject to and upon vesting and settlement of the Restricted Stock Units, dividend equivalents will be credited to the Participant in the form of additional Restricted Stock Units in respect of a number of Shares having a Fair Market Value equal to the fair market value of the corresponding dividend and paid in Shares, cash or a combination thereof, as determined pursuant to Section 3 hereof, at such time as the Restricted Stock Units to which such additional Restricted Stock Units relate vest and settle. The Participant shall not have any interest in any fund or specific assets of the Company by reason of this Agreement.

(b) **Vesting.** Subject to Section 2(c) below, the Restricted Stock Units shall only vest in accordance with this Section 2(b) based on the following (and there shall be no proportionate or partial vesting in the periods prior to the applicable vesting date(s) and all vesting shall occur only on the applicable vesting date(s)), subject to the Participant's continued employment or other service to the Company and its Subsidiaries through the applicable vesting date:

(i) One-third of the Restricted Stock Units shall vest upon the affirmative final investment decision by the Board with respect to the Driftwood LNG project ("**FID**", and the date of FID, the "**FID Date**");

(ii) One-third of the Restricted Stock Units shall vest on the one-year anniversary of the FID Date;

(iii) One-third of the Restricted Stock Units shall vest on the two-year anniversary of the FID Date.

(c) **Termination of Service.**

(i) Except as otherwise provided in this Section 2(c), in the event the Participant experiences a Termination of Service for any reason, the Participant shall forfeit to the Company, without compensation, any Restricted Stock Units that are unvested as of the date of such Termination of Service.

(ii) Notwithstanding the foregoing, if the Participant experiences (A) a Termination of Service due to the Participant's death or Disability, or (B) a Termination of Service by the Company without "Cause" (as defined below), in either case, while any of the Restricted Stock Units are unvested, the Restricted Stock Units shall not be forfeited and instead shall remain outstanding and eligible to vest in accordance with Section 2(b), without regard to the requirement of the Participant's continued employment or other service through the date of vesting; provided however that, if the FID Date has not occurred as of such Termination of Service, the FID Date must occur no later than one (1) year following the date of such Termination of Service in order for such Restricted Stock Units to remain outstanding and eligible to vest; provided further that such continued vesting shall be subject to and conditioned upon, other than in the case of a Termination of Service due to the Participant's death: (I) the Participant's continued compliance with all confidentiality obligations and restrictive covenants to which the Participant is subject and (II) the Participant's timely execution and delivery (without revocation) to the Company of a general release of all claims of any kind that Participant has or may have against the Company and its Affiliates and their respective affiliates, officers, directors, employees, shareholders, agents and representatives, in a form satisfactory to the Company, within twenty-one (21) days (or such longer period as may be required by law) after delivery of the form of release by the Company. For the avoidance of doubt, if the FID Date has not occurred as of the date of the Participant's Termination of Service and does not occur within one (1) year following the date of such Termination of Service the Participant shall forfeit to the Company, without compensation, any Restricted Stock Units that are unvested as of such one (1) year anniversary of such Termination of Service.

(iii) For purposes of this Agreement, notwithstanding anything in the Plan to the contrary, "**Cause**" shall have the meaning assigned to such term in any employment, consulting or similar agreement between the Participant and the Company

or one of its Subsidiaries. To the extent that the Participant is not a party to any such agreement, or there is no definition assigned to "Cause" in such agreement, "**Cause**" shall mean a Termination of Service resulting from (A) the Participant's indictment for, conviction of, or pleading of guilty or nolo contendere to, any felony or any crime involving fraud, dishonesty or moral turpitude; (B) the Participant's gross negligence with regard to the Company or any Affiliate in respect of the Participant's duties for the Company or any Affiliate; (C) the Participant's willful misconduct having or, which in the good faith discretion of the Board could have, an adverse impact on the Company or any Affiliate economically or reputation-wise; (D) the Participant's material breach of this Agreement, or any employment, consulting or similar agreement between the Participant and the Company or one of its Affiliates or material breach of any code of conduct or ethics or any other policy of the Company, which breach (if curable in the good faith discretion of the Board) has remained uncured for a period of ten (10) days following the Company's delivery of written notice to the Participant specifying the manner in which the agreement or policy has been materially breached; or (E) the Participant's continued or repeated failure to perform the Participant's duties or responsibilities to the Company or any Affiliate at a level and in a manner satisfactory to the Company in its sole discretion (including by reason of the Participant's habitual absenteeism or due to the Participant's insubordination), which failure has not been cured to the Company's satisfaction following notice to the Participant. Whether the Participant has been terminated for Cause will be determined by the Company's Chief Executive Officer (or his or her designee) in his or her sole discretion or, if the Participant is or is reasonably expected to become subject to the requirements of Section 16 of the Exchange Act, by the Board or the Compensation Committee in its sole discretion. To the extent the Participant is terminated as a member of the Board of the Company or any of its Affiliates, such termination for "cause" shall be determined in accordance with the provisions of Section 141(k) of the Delaware General Corporation Law.

(d) **Change of Control.**

(i) In the event the Participant experiences (A) a Termination of Service by the Company without Cause or (B) a Termination of Service by the Participant for Good Reason, in either case, within one (1) year following a "Change of Control" (as defined below) that is not a "100% Change of Control" (as defined below), all outstanding and unvested Restricted Stock Units shall immediately vest in full effective as of the date of such Termination of Service, subject to and conditioned upon (A) the Participant's continued compliance with all confidentiality obligations and restrictive covenants to which the Participant is subject, and (B) the Participant's timely execution and delivery (without revocation) to the Company of a general release of all claims of any kind that Participant has or may have against the Company and its Affiliates and their respective affiliates, officers, directors, employees, shareholders, agents and representatives, in a

form satisfactory to the Company, within twenty-one (21) days (or such longer period as may be required by law) after delivery of the form of release by the Company.

(ii) Upon the occurrence of a 100% Change of Control, all outstanding and unvested Restricted Stock Units shall immediately vest in full effective as of the date of such 100% Change of Control.

(iii) Subject to Section 11 of this Agreement, for purposes of this Agreement and notwithstanding anything in the Plan to the contrary, “**100% Change of Control**” shall mean the occurrence of any of the following after the Grant Date:

(A) an event as defined in Section 2 (d)(iv)(A), provided that the phrase “more than 50%” as set forth in such clause shall be replaced with “[100]%”; or

(B) an event as defined in Section 2 (d)(iv)(C), provided that the phrase “more than 50% of” shall be replaced with “[any of]”.

(iv) Subject to Section 11 of this Agreement, for purposes of this Agreement and notwithstanding anything in the Plan to the contrary, “**Change of Control**” shall mean the occurrence of any of the following after the Grant Date:

(A) any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “**Person**”) acquires beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of either (1) the then outstanding shares of Common Stock of the Company (the “**Outstanding Company Common Stock**”) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); provided, however, that for purposes of this subsection (A), the following acquisitions shall not constitute a Change of Control: (I) any acquisition directly from the Company or any Subsidiary or Affiliate, (II) any acquisition by the Company or any Subsidiary or Affiliate, (III) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, (IV) any acquisition pursuant to a transaction which complies with clauses (1) and (2) of Section 2(d)(ii)(C) of this Agreement, below, or (V) any acquisition of additional securities by any Person who, as of the Grant Date, held 15% or more of either
(x) the Outstanding Company Common Stock or (y) the Outstanding Company Voting Securities;

(B) a majority of the individuals who, as of the Grant Date, constitute the Board (the “**Incumbent Board**”) cease for any reason during any twelve (12)-month period to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Grant Date whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual

or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;

(C) consummation by the Company of a reorganization, merger, or consolidation, or sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets of another entity (a “**Business Combination**”), in each case, unless, following such Business Combination, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then outstanding shares of Common Stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, and (2) at least a majority of the members of the board of directors (or equivalent governing authority) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(D) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(v) For purposes of this Agreement, notwithstanding anything in the Plan to the contrary, “**Good Reason**” shall have the meaning assigned to such term in any employment, consulting or similar agreement between the Participant and the Company or one of its Subsidiaries. To the extent that the Participant is not a party to any such agreement, or there is no definition assigned to “Good Reason” in such agreement, “**Good Reason**” shall mean the occurrence of any of the following events: (A) a material diminution in the Participant’s base compensation, or (B) a material change in the geographic location at which the Participant must perform services, in each case, subject to delivery of written notice by the Participant to the Company (or applicable employer) of the existence of one or more of the above conditions not later than sixty (60) days following the first occurrence thereof, and provided that the Company (or applicable employer) shall have thirty (30) following its receipt of such written notice to cure such conditions in all material respects and that the Participant must resign within ninety (90) days following the Company’s (or the applicable employer’s) failure to so cure such conditions.

3. **Settlement.** Upon becoming vested, each Restricted Stock Unit shall be settled in cash, Shares or a combination thereof, as determined by the Company in its sole discretion. Such settlement (regardless of form) shall occur as soon as administratively practicable following the applicable vesting date, and in any event not later than thirty (30) days after the date of vesting, subject to the provisions of Section 11. With respect to any portion of the Participant’s Restricted Stock Units that are settled in cash, the Company shall pay to the Participant an amount in cash equal to the product of (i) the number of such Restricted Stock Units (including any Restricted Stock Units credited thereon pursuant to Section

2(a) above, if applicable), and (ii) the Fair Market Value of a Share on the applicable vesting date. With respect to any portion of the Participant's Restricted Stock Units that are settled in Shares, the Company shall issue to the Participant a number of Shares equal to the number of such Restricted Stock Units (including any Restricted Stock Units credited thereon pursuant to Section 2(a) above, if applicable), and deliver to the Participant any stock certificate registered in the Participant's name evidencing such issuance, or credit to a book entry account maintained by the Company (or its designee) on behalf of the Participant, in the sole discretion of the Plan Administrator. The payment of cash or the issuance and delivery of Shares in settlement of the Restricted Stock Units shall in either case be subject to applicable tax withholding, as set forth in Section 6, below.

4. **Delivery Delay; Compliance with Laws and Regulations.** To the extent that the Restricted Stock Units are settled in Shares, the delivery of any certificate or book entry (as applicable) representing the Shares may be postponed by the Company for such period as may be required for it to comply with any applicable foreign, federal, state or provincial securities law, or any national securities exchange listing requirements. The Company is not obligated to issue or deliver any securities if, in the opinion of counsel for the Company, such issuance or delivery shall constitute a violation by the Participant or the Company of any provisions of any applicable foreign, federal, state or provincial law or of any regulations of any governmental authority or any national securities exchange. Moreover, the Restricted Stock Units may not be settled if such settlement, or the receipt of Shares pursuant thereto (if applicable), would be contrary to applicable law. If at any time the Company determines, in its discretion, that the listing, registration, or qualification of Shares upon any national securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable, the Company shall not be required to deliver any Shares or any certificates or book entry (as applicable) for Shares to the Participant or any other person pursuant to this Agreement unless and until such listing, registration, qualification, consent, or approval has been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company. If the Participant is currently a resident or is likely to become a resident in the United Kingdom at any time during the period that the Restricted Stock Units remain unvested, the Participant acknowledges and understands that the Company has the discretion to meet its delivery obligations in Shares, except as may be prohibited by law or described in this Agreement or supplementary materials.

5. **Certain Legal Restrictions.** The Plan, this Agreement, the granting and vesting of the Restricted Stock Units, the settlement of the Restricted Stock Units in cash or Shares, and any obligations of the Company under the Plan and this Agreement, shall be subject to all applicable federal, state and local laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required, and to any rules or regulations of any exchange on which the Common Stock is listed.

6. **Withholding of Taxes.**

(a) The Company shall have the right to deduct from any payment to be made pursuant to this Agreement and the Plan, or to otherwise require, prior to the issuance, vesting, or settlement of any Restricted Stock Units, payment by the Participant of, any federal, state or local taxes required by law to be withheld, in accordance with Section 18.10 of the Plan.

(b) To the extent that the Restricted Stock Units are settled in Shares, except as otherwise agreed in writing by the Participant and the Company or determined pursuant to the establishment by the Plan Administrator of an alternate procedure, (i) if the Participant, at the time of issuance, vesting or settlement, is an executive officer of the Company or an individual subject to Rule 16b-3, tax withholding obligations shall be effectuated by the Company withholding a number of Shares otherwise payable upon the settlement of the Restricted Stock Units (any such shares valued at Fair Market Value on the applicable date), subject to Section 18.10 of the Plan and applicable law, and (ii) if the

Participant, at the time of issuance, vesting or settlement, is not an executive officer of the Company or an individual subject to Rule 16b-3, required withholding shall be implemented through the Participant executing a “sell to cover” transaction through a broker designated or approved by the Company with, in each case, the amount required to satisfy any amounts of tax referred to in Section 6(a).

(c) To the extent permitted under Code Section 409A, the Company shall have the right, in its sole discretion, to accelerate the vesting and settlement of any portion of the Restricted Stock Units in its sole discretion in order to pay any income and/or employment taxes required in respect of the Restricted Stock Units prior to settlement (provided that the Participant shall have no discretion, and may not be given a direct or indirect election, with respect to whether the Company exercises such discretion to accelerate).

7. **Provisions of Plan Control.** This Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Plan Administrator and as may be in effect from time to time. The Plan is incorporated herein by reference. If and to the extent that any provision of this Agreement conflicts or is inconsistent with the terms set forth in the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

8. **Restrictions on Transfer.** The Participant shall not sell, transfer, pledge, hypothecate, assign or otherwise dispose of the Restricted Stock Units or any rights or interest therein, including without limitation any rights under this Agreement or any Shares payable in respect of the settlement of the Restricted Stock Units prior to settlement under Section 3 (to the extent applicable), except as permitted in the Plan or Agreement. Any attempted sale, transfer, pledge, hypothecation, assignment or other disposition of the Restricted Stock Units or any Shares payable in respect of any Restricted Stock Units prior to settlement under Section 3 (to the extent applicable), in violation of the Plan or this Agreement shall be void and of no effect and the Company shall have the right to disregard the same on its books and records and to issue “stop transfer” instructions to its transfer agent.

9. **Recoupment Policy.** The Participant acknowledges and agrees that the Restricted Stock Units and any Shares issued or amounts paid upon settlement thereof (as applicable) shall be subject to the terms and provisions of any “clawback” or recoupment policy that may be adopted by the Company from time to time or as may be required by any applicable law (including, without limitation, the Dodd- Frank Wall Street Reform and Consumer Protection Act and rules and regulations thereunder).

10. **No Right to Employment or Consultancy Service.** This Agreement is not an agreement of employment or to provide consultancy services. None of this Agreement, the Plan or the grant of the Restricted Stock Units hereunder shall (a) guarantee that the Company or its Subsidiaries will employ or retain the Participant as an employee or consultant for any specific time period or (b) modify or limit in any respect the right of the Company or its Subsidiaries to terminate or modify the Participant’s employment, consultancy arrangement or compensation. Moreover, this Agreement is not intended to and does not amend any existing employment or consulting contract between the Participant and the Company or any of its Subsidiaries.

11. **Section 409A.** Subject to and without limitation on Section 19.3 of the Plan, it is intended that the Restricted Stock Units comply with or be exempt from Code Section 409A, and this Agreement shall be construed and interpreted in accordance with such intent. In no event whatsoever will Company be liable for any additional tax, interest or penalties that may be imposed on the Participant under Code Section 409A or any damages for failing to comply with Code Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Code Section 409A upon or following a

termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If the Participant is a "specified employee" upon his or her "separation from service" (within the meaning of such terms in Code Section 409A under such definitions and procedures as established by the Company in accordance with Code Section 409A), any portion of a payment, settlement, or other distribution made upon such a "separation from service" that would cause the acceleration of, or an addition to, any taxes pursuant to Code Section 409A will not commence or be paid until a date that is six (6) months and one

(1) day following the applicable "separation from service." Any payments, settlements, or other distributions that are delayed pursuant to this Section 11 following the applicable "separation from service" shall be accumulated and paid to the Participant in a lump sum without interest on the first business day immediately following the required delay period. Notwithstanding anything in this Agreement, including Sections 2(d) or 3, to the contrary, to the extent that the award of Restricted Stock Units hereunder (a) is subject to Code Section 409A and (b) a Change of Control would affect the timing of payment thereof, then "Change of Control" as defined in this Agreement (including Sections 2(d) and

3) shall mean, but only to the extent necessary to prevent such Restricted Stock Units from becoming subject to the tax under Code Section 409A, a transaction that satisfies the requirements of both (1) a Change of Control or 100% Change of Control, as applicable, as defined in Section 2(d) and (2) a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5). Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of Company.

12. **Notices.** Any notice or communication given hereunder shall be in writing or by electronic means and, if in writing, shall be deemed to have been duly given: (a) when delivered in person or by electronic means; (b) three days after being sent by United States mail; or (c) on the first business day following the date of deposit if delivered by a nationally recognized overnight delivery service, in each case, to the appropriate party at the following address (or such other address as the party shall from time to time specify): (i) if to the Company, to Tellurian Inc. at its then current headquarters; and (ii) if to the Participant, to the address on file with the Company.

13. **Mode of Communications.** The Participant agrees, to the fullest extent permitted by applicable law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or any of its Affiliates may deliver in connection with this grant of Restricted Stock Units and any other grants offered by the Company, including, without limitation, prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. The Participant further agrees that electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system.

14. **Unsecured Obligation.** The Company's obligation under this Agreement shall be an unfunded and unsecured promise. Participant's right to receive the payments and benefits contemplated hereby from the Company under this Agreement shall be no greater than the right of any unsecured general creditor of the Company, and Participant shall not have nor acquire any legal or equitable right, interest or claim in or to any property or assets of the Company. Nothing contained in this Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between Participant and the Company or any other person.

15. **Governing Law.** All matters arising out of or relating to this Agreement and the transactions contemplated hereby, including its validity, interpretation, construction, performance and enforcement, shall be governed by and construed in accordance with the internal laws of the State of

Delaware, without giving effect to principles of conflict of laws which would result in the application of the laws of any other jurisdiction.

16. **Successors.** The Company will require any successors or assigns to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. The terms of this Agreement and all of the rights of the parties hereunder will be binding upon, inure to the benefit of, and be enforceable by, the Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

17. **WAIVER OF JURY TRIAL.** EACH PARTY TO THIS AGREEMENT, FOR ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT.

18. **Construction.** All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement. Wherever any words are used in this Agreement in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply. As used herein, (a) "or" shall mean "and/or" and (b) "including" or "include" shall mean "including, without limitation." Any reference herein to an agreement in writing shall be deemed to include an electronic writing to the extent permitted by applicable law.

19. **Severability of Provisions.** If at any time any of the provisions of this Agreement shall be held invalid or unenforceable, or are prohibited by the laws of the jurisdiction where they are to be performed or enforced, by reason of being vague or unreasonable as to duration or geographic scope or scope of the activities restricted, or for any other reason, such provisions shall be considered divisible and shall become and be immediately amended to include only such restrictions and to such extent as shall be deemed to be reasonable and enforceable by the court or other body having jurisdiction over this Agreement, and the Company and the Participant agree that the provisions of this Agreement, as so amended, shall be valid and binding as though any invalid or unenforceable provisions had not been included.

20. **No Waiver.** No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

21. **Entire Agreement.** This Agreement, together with the Plan, contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

22. **Data Protection.** By accepting this Agreement (whether by electronic means or otherwise), the Participant hereby consents to the holding and processing of personal data provided by him to the Company for all purposes necessary for the operation of the Plan. These include, but are not limited to, administering and maintaining Participant records; providing information to any registrars,

brokers or third party administrators of the Plan; and providing information to future purchasers of the Company or the business in which the Participant works.

23. **Acceptance.** To accept the grant of the Restricted Stock Units, the Participant must execute and return the Agreement by (the "**Acceptance Deadline**"). By accepting this grant, the Participant will have agreed to the terms and conditions set forth in this Agreement and the terms and conditions of the Plan. The grant of the Restricted Stock Units will be considered null and void, and acceptance thereof will be of no effect, if the Participant does not execute and return the Agreement by the Acceptance Deadline.

24. **Counterparts.** This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one instrument. Execution and delivery of this Agreement by facsimile or other electronic signature is legal, valid and binding for all purposes.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

TELLURIAN INC.

By: ___ Name:
Title:

PARTICIPANT

By: _____
Name:

[Signature Page to Restricted Stock Unit Agreement]

LONG TERM INCENTIVE AWARD AGREEMENT

THIS LONG TERM INCENTIVE AWARD AGREEMENT (the “**Agreement**”), is made effective as of **01/13/2022** (the “**Grant Date**”) by and between Tellurian Inc., a Delaware corporation (the “**Company**”), and the individual signatory hereto (“**Participant**”) (each a “**Party**”, and collectively, the “**Parties**”).

WITNESSETH:

WHEREAS, the Company may make Awards pursuant to the Tellurian, Inc. Incentive Compensation Program (as may be amended, modified, supplemented or restated from time to time, the “**Program**”);

WHEREAS, capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Program; and

WHEREAS, the Company desires to grant Participant an Award, subject to the terms and conditions set forth in this Agreement and the Program.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Section 1 Definitions. Except as expressly set forth in this Agreement, capitalized terms used herein shall have the meanings ascribed them in this Section 1.

(a) “**Cause**” shall have the meaning ascribed to that term in Participant’s Individual Agreement or, if such term is not defined in Participant’s Individual Agreement or there is no such agreement, then “Cause” shall mean (i) Participant’s indictment for, conviction of, or pleading of guilty or nolo contendere to, any felony or any crime involving fraud, dishonesty or moral turpitude; (ii) Participant’s gross negligence with regard to the Company or any Affiliate in respect of Participant’s duties for the Company or any Affiliate; (iii) Participant’s willful misconduct having or, which in the good faith discretion of the Board could have, an adverse impact on the Company or any Affiliate economically or reputation-wise; (iv) Participant’s material breach of this Agreement, any other material agreement between Participant and the Company, including, but not limited to, any incentive or equity or equity-based award or agreement, or any code of conduct or ethics or any other policy of the Company, which breach (if curable in the good faith discretion of the Board) has remained uncured for a period of ten (10) days following the Company’s delivery of written notice to Participant specifying the manner in which the agreement or policy has been materially breached; or (v) Participant’s continued or repeated failure to perform Participant’s duties or responsibilities to the Company or any Affiliate at a level and in a manner satisfactory to the Board in its sole discretion, which failure has not been cured to the satisfaction of the Board following notice to Participant. To the extent Participant is terminated as a member of the Board or the board of directors of any Subsidiary of the Company, “Cause” shall include a termination of such directorship for “cause” as determined in accordance with the provisions of

Section 141(k) of the Delaware General Corporation Law. Any voluntary termination of Participant's employment in anticipation of a termination of Participant's employment by any member of the Company Group for Cause shall be deemed to be a termination by the Company for Cause.

- (b) **"Employer"** shall mean as to Participant on any date, the Company Group member that employs or retains Participant on such date.
- (c) **"Exchange Act"** shall mean U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
- (d) **"Individual Agreement"** shall mean an employment or similar agreement between Participant and a member of the Company Group.
- (e) **"One Year Anniversary"** shall mean the date that is the one (1) year anniversary of the Grant Date.
- (f) **"Qualifying Termination"** shall mean a Termination of Employment by any member of the Company Group due to Participant's death, or by the Company without Cause (including disability).
- (g) **"Release Requirement"** shall mean the execution, delivery, and nonrevocation of a release of claims by Participant, Participant's power of attorney or the Participant's estate, as applicable, in favor of the Company and its Subsidiaries and its and their respective Affiliates on such terms and conditions and subject to such provisions as are reasonably determined by the Company, and any revocation period applicable to such release must have expired before the earlier of the fifty-ninth (59th) day after the date of Termination of Employment.
- (h) **"Termination of Employment"** shall mean the time when the employee-employer relationship between an Employee and the Company or any Employer is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, disability, or retirement, but excluding terminations where the Employee simultaneously commences or remains in employment with the Company or any Employer. Notwithstanding the foregoing, to the extent necessary to comply with Section 409A as determined by the Committee, a termination of service means a "separation from service" (within the meaning of Section 409A).
- (i) **"Two Year Anniversary"** shall mean the date that is the two (2) year anniversary of the Grant Date.

Section 2. Award. Subject to the terms and conditions set forth in the Program and this Agreement, the Committee grants Participant an Award under the Program, effective as of the Grant Date, entitling Participant to **466,666** Tracking Units.

Section 3. Vesting and Payment. Except as otherwise provided in Section 4, the Tracking Units shall vest and settle as follows, subject to (i) Participant's continued employment through and including the applicable vesting date (and not having received notice from any member of the Company Group of intent to terminate Participant's employment for Cause), and

(ii) Participant's continued compliance with any restrictive covenants by which Participant may be bound:

(a) Tranche 1. One-third (1/3) (rounded down to the nearest whole number, if applicable) of the Tracking Units ("**Tranche 1**") shall vest on the Grant Date ("**Tranche 1 Vesting Date**"). Subject to Section 6, as soon as practicable following the Tranche 1 Vesting Date, and in no event later than March 15 in the year following the Performance Period, the Company will deliver to Participant an amount in cash equal to the closing Company stock price on the trading day prior to the Grant Date multiplied by the vested Tranche 1 Tracking Units (such amount, the "**Tranche 1 Payment**") and such actual date of payment, the "**Tranche 1 Payment Date**").

(b) Tranche 2. One-third (1/3) (rounded down to the nearest whole number, if applicable) of the Tracking Units ("**Tranche 2**") shall vest on the One Year Anniversary ("**Tranche 2 Vesting Date**"). Subject to Section 6, as soon as practicable following the Tranche 2 Vesting Date, and in no event later than thirty (30) days after such date, the Company will deliver to Participant an amount in cash equal to the closing Company stock price on the trading day prior to the Tranche 2 Vesting Date multiplied by the vested Tranche 2 Tracking Units (such amount, the "**Tranche 2 Payment**").

(c) Tranche 3. The remaining Tracking Units ("**Tranche 3**") shall vest on the Two Year Anniversary ("**Tranche 3 Vesting Date**"). Subject to Section 6, as soon as practicable following the Tranche 3 Vesting Date, and in no event later than thirty (30) days after such date, the Company will deliver to Participant an amount in cash equal to the closing Company stock price on the trading day prior to the Tranche 3 Vesting Date multiplied by the vested Tranche 3 Tracking Units (such amount, the "**Tranche 3 Payment**").

Section 4. Termination of Employment.

(a) Termination for Cause. Upon a Participant's Termination of Employment by any member of the Company Group for Cause, all Tracking Units granted hereunder, whether vested or unvested, will immediately and automatically be forfeited as of the date of such termination for no consideration and without any action by the Company. Participant shall have no further right or interest in or with respect to such Tracking Units.

(b) Resignation. Upon a Termination of Employment by Participant, all vested and unvested Tracking Units granted hereunder will immediately and automatically be forfeited as of the date of such termination for no consideration and without any action by the Company and Participant shall have no further right or interest in or with respect to such Tracking Units.

(c) Qualifying Termination. In the event of a Qualifying Termination, subject to the satisfaction of the Release Requirement and Participant's continued compliance with all confidentiality obligations and restrictive covenants to which Participant is subject:

i. any previously vested Tracking Units, if any, to the extent not yet paid pursuant to Section 3 hereof, shall be paid in accordance with, and in an amount calculated pursuant to, Section 3 hereof;

ii. all unvested Tracking Units shall remain eligible to vest following such Termination of Employment in accordance with Section 3 hereof without regard to the continuous service requirement and the Company will deliver to Participant an amount in cash calculated pursuant to Section 3 hereof, which shall be paid, subject to Section 6 hereof, on the later of the date the payment would be made pursuant to Section 3 hereof and the first payroll date following the sixtieth (60th) day after the date of Termination of Employment.

Section 5. Award Subject to the Program. By entering into this Agreement, Participant acknowledges and agrees that (a) Participant has received and read the copy of the Program, (b) the Award is subject to the Program, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein, and (c) Participant shall execute, and return to the Company, an executed copy of this Agreement. In the event of any conflict between this Agreement and the Program, the terms of the Program shall govern.

Section 6. Other Terms.

(a) Tax Withholding. Payments made pursuant to this Agreement will be reduced by withholding for any applicable federal, state, foreign and local taxes and, to the extent applicable in the relevant jurisdiction, social security and levies required to be withheld by the Company or one of its Subsidiaries or other authorized payroll deductions.

(b) Section 409A. It is intended that this Agreement be interpreted and administered so that the payment of any Award shall either be exempt from the requirements of Section 409A, or shall comply with the requirements of such provisions, and accordingly, to the maximum extent permitted, shall be interpreted to be exempt from or in compliance with Section 409A. Notwithstanding any provision of this Agreement to the contrary, neither the Company nor any of its respective Subsidiaries or Affiliates, nor any of their respective directors, officers, employees, advisors or agents guarantees any particular tax treatment and none of the foregoing shall have any liability for the failure of the terms of this Agreement as written to be exempt from the provisions of Section 409A.

Each payment under this Agreement to which Section 409A applies shall be treated as a separate identified payment for purposes of Section 409A. In no event may Participant, directly or indirectly, designate the calendar year of any payment to be made under this Agreement, which constitutes a “deferral of compensation” within the meaning of Section 409A. To the extent any payment under this Agreement is subject to Section 409A, any reference to termination of service or similar terms shall mean a “separation from service” under Section 409A.

Notwithstanding any provision of this Agreement to the contrary, if on the date of Participant’s termination of employment, Participant is deemed to be a “specified employee” within the meaning of Section 409A using the identification methodology selected by the Company from time to time, or if none, the default methodology under Section 409A, any payments or benefits due upon a termination of Participant’s employment under any arrangement that constitutes a “deferral of compensation” within the meaning of Section 409A shall be delayed and paid or provided in a single lump sum (without interests) on the first payroll date on or following the earlier of (i) the date which is six (6) months and one (1) day after Participant’s termination of employment for any reason other than death, and (ii) the date of Participant’s death,

and any remaining payments and benefits shall be paid or provided in accordance with the normal payment dates specified for such payment or benefit.

(c) Section 280G. Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or any of its Affiliates to Participant or for Participant's benefit pursuant to the terms of this Agreement or otherwise ("**Covered Payments**") constitute "excess parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 7(c), be (x) nondeductible under Section 280G of the Code and/or (y) subject to the excise tax imposed under Section 4999 of the Code (or any successor provisions applicable to such Sections) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "**Excise Tax**"), then the Covered Payments will be reduced to the minimum extent necessary (but in no event to less than zero) so that no portion of any such payment or benefit, as so reduced, is subject to the Excise Tax; provided, however, that the foregoing reduction will be made only if and to the extent that such reduction would result in an increase in the aggregate payment and benefits to be provided, determined on an after-tax basis after taking into account the applicable federal, state, local and foreign income, employment and excise taxes (including the Excise Tax). Any reductions hereunder shall be made in accordance with Section 409A and the following: (A) the payments and benefits that do not constitute nonqualified deferred compensation subject to Section 409A shall be reduced first; and (B) all other payments and benefits shall then be reduced as follows: (I) cash payments shall be reduced before non-cash payments; and (II) payments to be made on a later payment date shall be reduced before payments to be made on an earlier payment date. Any determination required under this Section 6(c), including, but not limited to, whether any payments or benefits are or could be "parachute payments" within the meaning of Section 280G of the Code, shall be determined by the Committee (or its designee).

(d) Restriction on Transfer. Participant shall not sell, transfer, pledge, hypothecate, assign or otherwise dispose of the Award or any rights or interest therein, including without limitation any rights under this Agreement or any amounts payable in settlement of the Award. Any attempted sale, transfer, pledge, hypothecation, assignment or other disposition by Participant of the Award in violation of this provision shall be null and void *ab initio* and of no effect.

(e) Severability. If any provision of this Agreement (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of this agreement, and the validity and enforceability of the other provisions of this agreement shall not be affected.

(f) Counterparts. This Agreement may be executed in one or more counterparts but shall not be effective until each Party has executed at least one counterpart. Each such counterpart shall constitute an original of this Agreement but all the counterparts shall together constitute the same instrument.

(g) Governing Law. This Agreement and all questions concerning the construction, interpretation, and validity this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to any choice or conflict

of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(h) Waiver and Amendment. No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this Agreement shall preclude or restrict the further exercise of that or any other right or remedy. Any waiver, alteration, amendment or modification of any of the terms of this Agreement shall be valid only if made in writing and signed by each of the Parties.

(i) Notices. Any notice provided for in this Agreement or under the Program must be in writing and must be either personally delivered, transmitted via electronic mail, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via electronic mail, five (5) days after deposit in the U.S. mail and one (1) day after deposit for overnight delivery with a reputable overnight courier service.

If to the Company, to:

Tellurian Inc.
1201 Louisiana Street, Suite 3100
Houston, Texas 77002 Attention: General Counsel
Attention: EVP, Chief Human Resources Officer

Email: legal.notices@tellurianinc.com Email: HR@tellurianinc.com

If to Participant, to Participant's physical and/or email address most recently on file with the Company with a copy (which shall not constitute notice) to such other persons as may be designated by Participant in writing.

(j) Entire Agreement. This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes any prior agreements between Participant and the Company with respect to the subject matter hereof.

(k) Data Protection. By accepting the Award (whether by electronic means or otherwise), Participant hereby consents to the holding and processing of personal data provided by Participant to the Company and its Subsidiaries for all purposes necessary for the operation of this Agreement and the Award. This includes, but is not limited to, administering and maintaining records regarding Participant; providing information to third party administrators of benefit plans and awards; and providing information to future purchasers of the Company or the business in which Participant works. Participant is hereby advised and directed to refer to any Company and/or Subsidiary data protection policy and/or notice from time to time in place for more details about how Participant's personal data is used.

(l) Acknowledgment. By Participant's signature and the signature of the Company's representative below, Participant and the Company hereby acknowledge that Participant has been granted the right to participate in the Award with effect from the Grant Date on the terms and conditions of this Agreement. Further, Participant acknowledges Participant's agreement to be bound to the terms of this Agreement in connection with Participant's acceptance of the Award issued hereby through procedures, including electronic procedures, provided by or on behalf of the Company and/or its Subsidiaries.

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Grant Date.

TELLURIAN INC.

/s/ Margie M. Harris

Name: Margie M. Harris
Title: EVP, Chief Human Resources Officer

PARTICIPANT:

/s/ Khaled Sharafeldin
Name: **KHALED SHARAFELDIN**

M376BOYS

01/15/2022 10:59 AM U.S. Eastern Standard Time ACCEPTED

SUBSIDIARIES OF THE REGISTRANT

Below is a list of all direct and indirect subsidiaries of Tellurian Inc. as of December 31, 2021:

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%

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

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement 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 23, 2022, relating to the financial statements of Tellurian Inc. and the effectiveness of Tellurian Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K of Tellurian Inc. for the year ended December 31, 2021.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 23, 2022



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 20, 2022 included in or made a part of Tellurian Inc.'s Annual Report on Form 10-K for the year ended December 31, 2021, and our summary report attached as Exhibit 99.1 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 23, 2022

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT**

I, Octávio M.C. Simões, 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 23, 2022

/s/ Octávio M.C. Simões

Octávio M.C. Simões

Chief Executive Officer

(as Principal Executive Officer)

Tellurian Inc.

**CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT**

I, L. Kian Granmayeh, 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 23, 2022

/s/ L. Kian Granmayeh

L. Kian Granmayeh
Chief Financial Officer
(as Principal Financial Officer)
Tellurian Inc.

**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, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Octávio M.C. Simões, 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 23, 2022

/s/ Octávio M.C. Simões

Octávio M.C. Simões

Chief Executive Officer

(as Principal Executive Officer)

Tellurian Inc.

**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, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, L. Kian Granmayeh, 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 23, 2022

/s/ L. Kian Granmayeh

L. Kian Granmayeh
Chief Financial Officer
(as Principal Financial Officer)
Tellurian Inc.

Exhibit 99.1

January 20, 2022

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, 2021, 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'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, 2021, to be:

Category	Gas Reserves (MMCF)		Future Net Revenue (M\$)	
	Gross (100%)	Net	Total	Present Worth at 10%
Proved Developed Producing	173,352.3	50,393.7	110,241.0	93,654.6
Proved Developed Non-Producing	70,423.6	23,532.6	61,254.8	49,661.2
Proved Undeveloped	476,572.1	249,409.4	428,410.1	248,342.4
Total Proved	720,347.8	323,335.7	599,905.9	391,658.1

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. 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 2021. The average Henry Hub spot price of \$3.598 per MMBTU is adjusted for energy content, transportation fees, and market differentials. The fees associated with Tellurian's gathering and 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 \$2.925 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 workovers, 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. Additionally, we have been informed by Tellurian that it is not party to any firm transportation contracts for these properties.

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 /s/ Zachary R. Long
By: By:
Chad E. Ireton, P.E. 115760 Zachary R. Long, P.G. 11792
Vice President Vice President

Date Signed: January 20, 2022 Date Signed: January 20, 2022
CEI:DEC

Please be advised that the digital document you are viewing is provided by Netherland, Sewell & Associates, Inc. (NSAI) as a convenience to our clients. The digital document is intended to be substantively the same as the original signed document maintained by NSAI. The digital document is subject to the parameters, limitations, and conditions stated in the original document. In the event of any differences between the digital document and the original document, the original document shall control and supersede the digital document.

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.

(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:

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- (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;

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- (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.

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- (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

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- (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.
- (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).

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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.
- (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.

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- (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.