

# U.S. Americas LNG Forum

May 23, 2018



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TELLURIAN

# Cautionary statements

## Forward looking statements

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

Our forward-looking statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments, and other factors that we believe are appropriate under the circumstances. These statements are subject to numerous known and unknown risks and uncertainties which may cause actual results to be materially different from any future results or performance expressed or implied by the forward-looking statements. These risks and uncertainties include those described in the “Risk Factors” section of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 filed with the Securities and Exchange Commission (the “SEC”) on November 9, 2017 and other filings with the SEC, which are incorporated by reference in this presentation. Many of the forward-looking statements in this presentation relate to events or developments anticipated to occur numerous years in the future, which increases the likelihood that actual results will differ materially from those indicated in such forward-looking statements.

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

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

The information on slide 9 is meant for illustrative purposes only and does not purport to show estimates of actual future financial performance.

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

## Reserves and resources

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

# Tellurian's differentiating factors

## Experienced management

- Management track record at Cheniere and BG Group
- 50% of Tellurian owned by founders and management

## World class partners



## Fixed cost EPC contract

- Guaranteed lump sum turnkey contract with Bechtel
- \$15.2 billion for 27.6 mtpa capacity

## Regulatory certainty

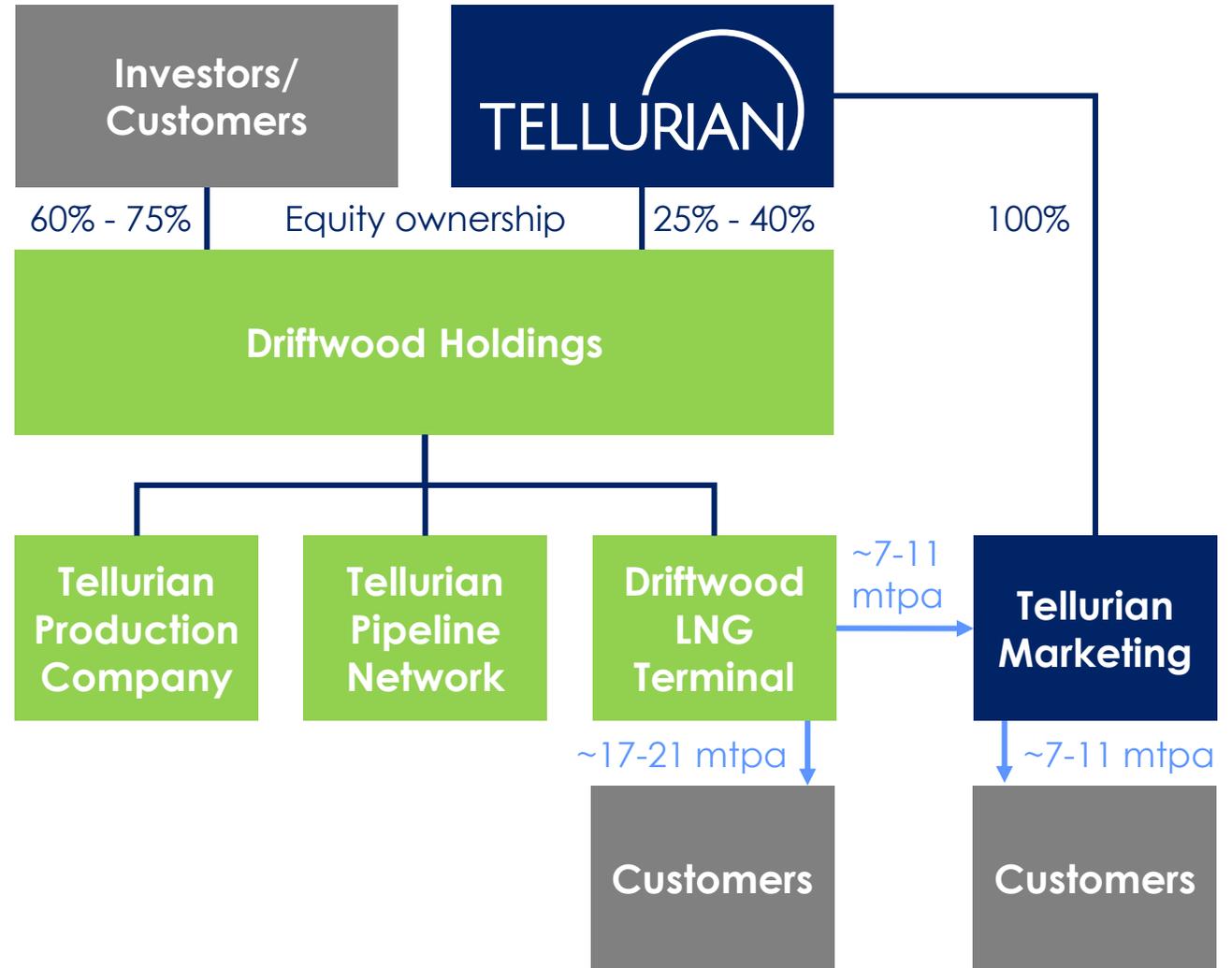
- FERC scheduling notice indicates permits will be received by January 2019

## Unique business model

- Integrated:
  - Upstream reserves
  - Pipeline network
  - LNG terminal
- LNG delivered FOB U.S. Gulf Coast at \$3.00/mmBtu

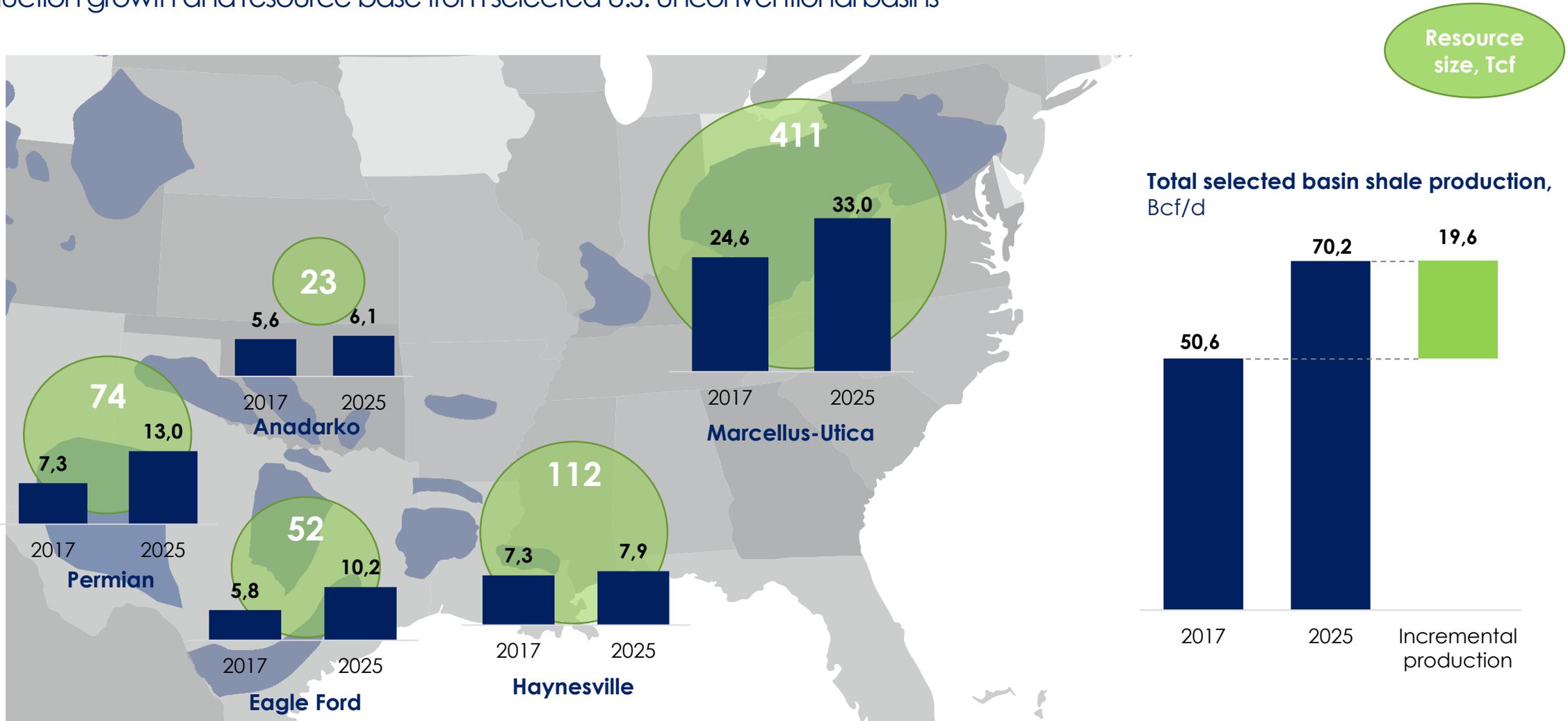
# Business model

- Tellurian will offer equity interest in Driftwood Holdings
- Driftwood Holdings will consist of Tellurian Production Company, Driftwood pipeline and Driftwood LNG terminal (~27.6 mtpa)
- **Equity will cost ~\$1,500 per tonne**
- Investors will receive equity LNG at tailgate of Driftwood LNG terminal at cost
- **Variable and operating costs** expected to be **~\$3.00/mmBtu FOB** (including maintenance)
- Tellurian will **retain 7 to 11 mtpa**
- Tellurian will manage and operate the project



# Plentiful, cheap U.S. gas endowment

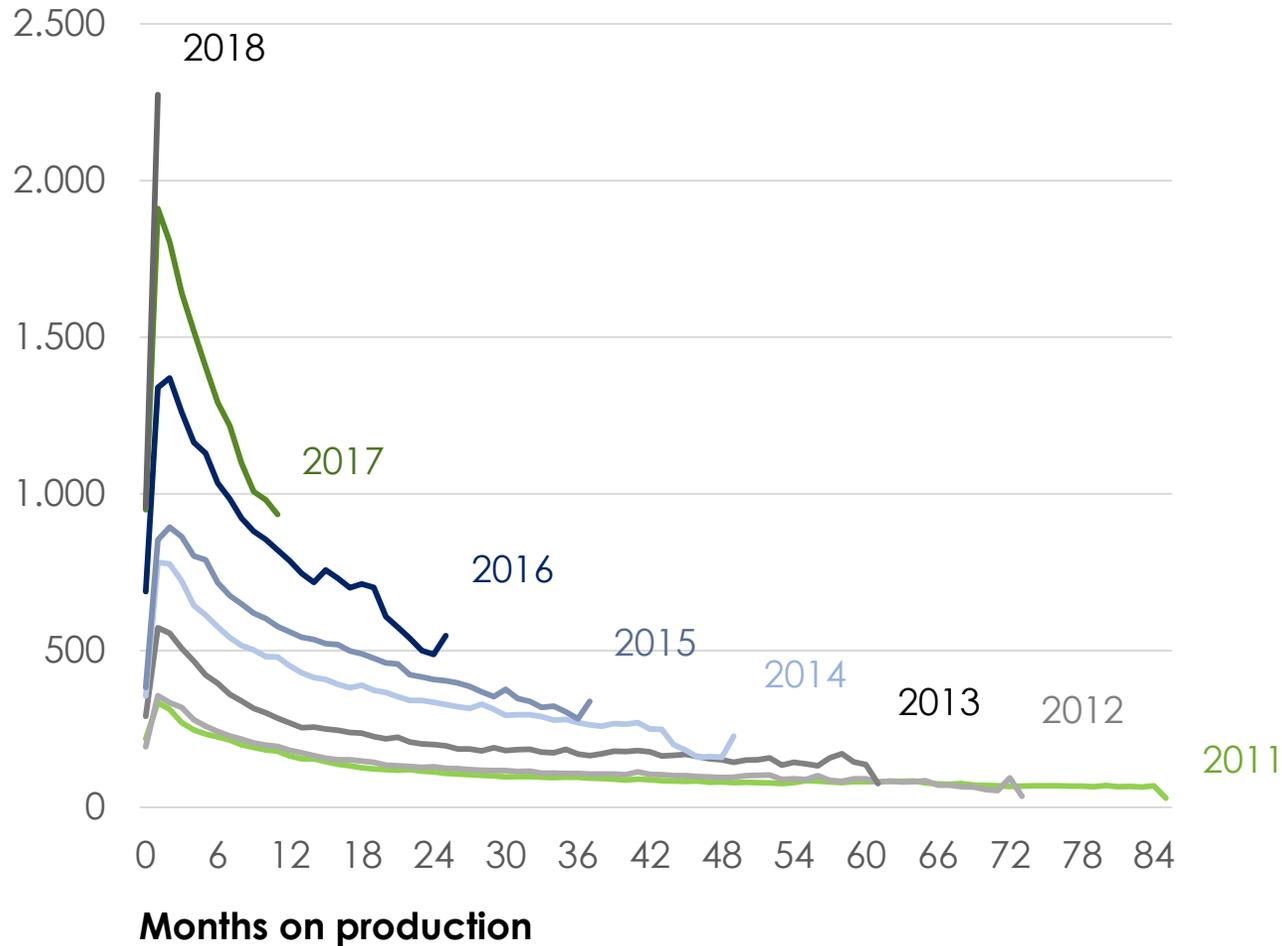
Production growth and resource base from selected U.S. unconventional basins



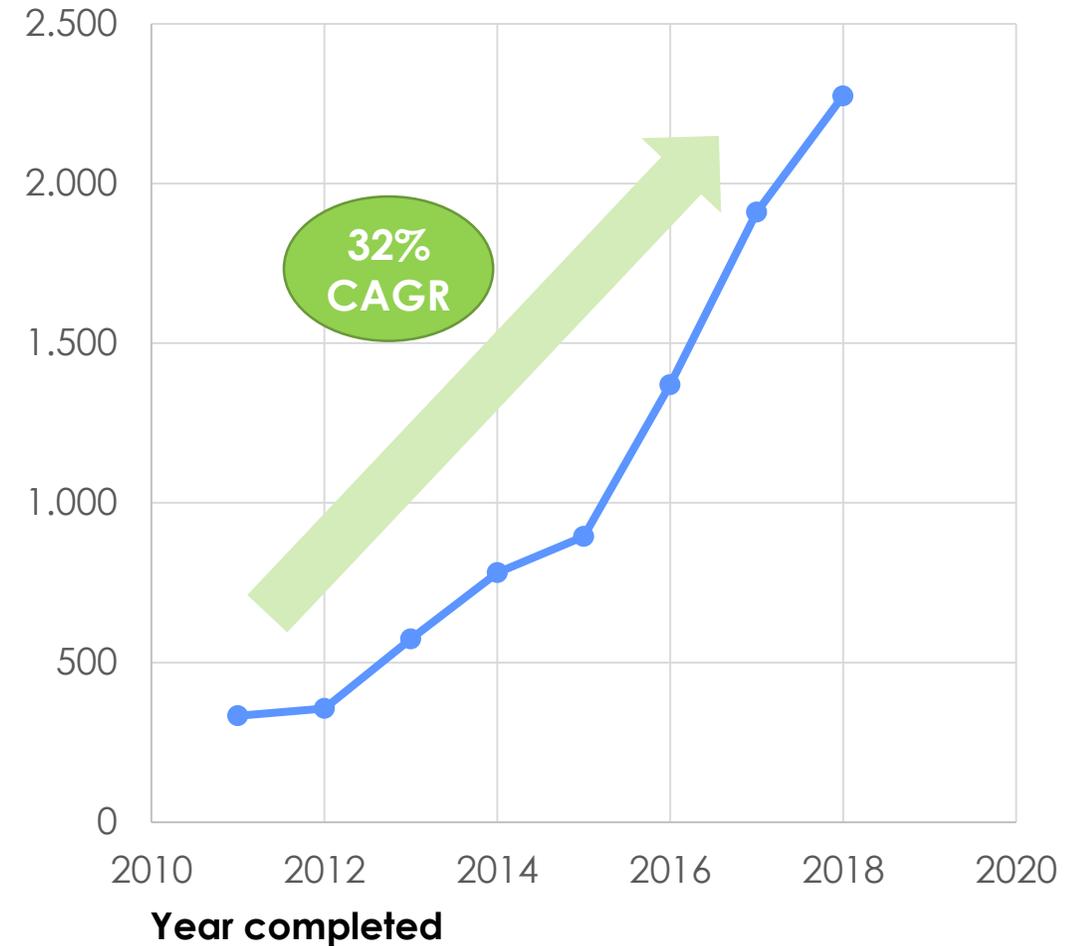
Source: EIA; Tellurian analysis

# Continued shale revolution productivity improvements

**Delaware Basin vintage type curves**  
mcf/d



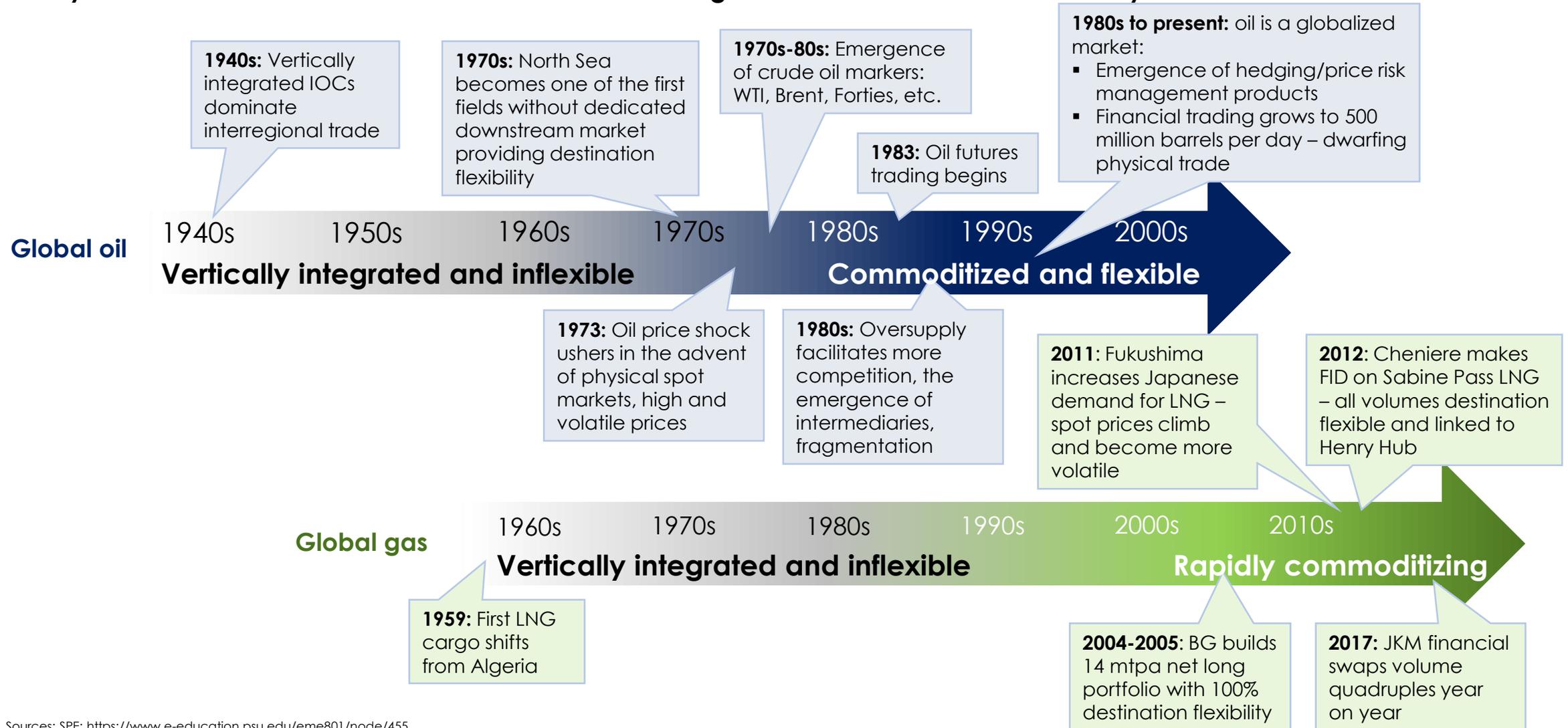
**Average Delaware Basin peak month production**  
mcf/d



Sources: DrillingInfo; Tellurian analysis

# Global gas commoditizing

Today's LNG market exhibits remarkable similarities to the global oil market of late last century



Sources: SPE; <https://www.e-education.psu.edu/eme801/node/455>

# Thank you



  
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