VAALCO ENERGY, INC.

August 2018 Update

VAALCO ENERGY, INC.

Safe Harbor Statement

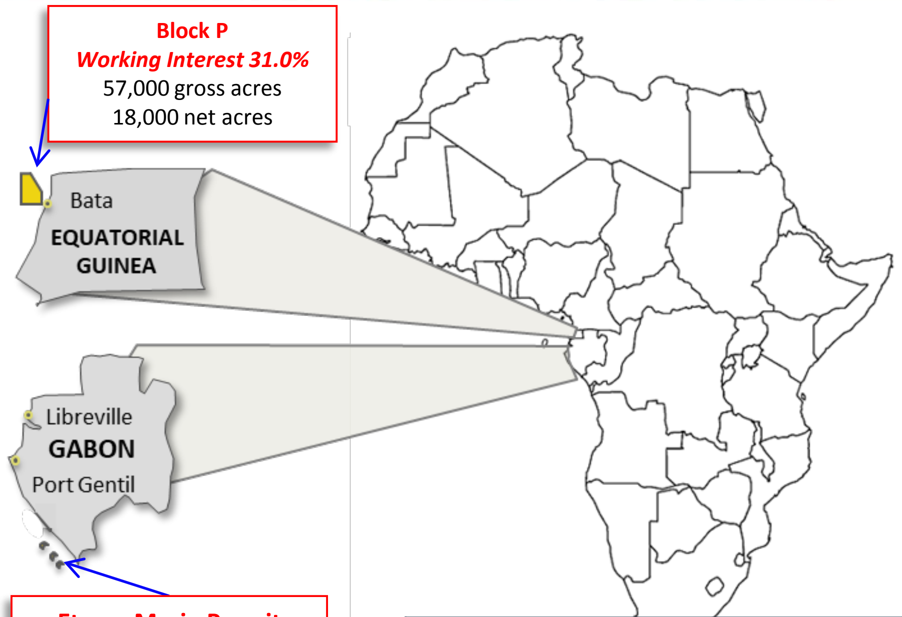
This document includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this document that address activities, events, plans, expectations, objectives or developments that VAALCO expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements may include amounts due in connection with the Company's withdrawal from Angola, expected sources of future capital funding and future liquidity, future operating losses, future changes in oil and natural gas prices, future strategic alternatives, capital expenditures, future drilling plans, prospect evaluations, negotiations with governments and third parties including with the government of the Republic of Gabon in connection with a revised production sharing contract, timing of the settlement of Gabon income taxes, expectations regarding processing facilities, production, sales and financial projections, reserve growth, and other issues related to our exit from Angola. These statements are based on assumptions made by VAALCO based on its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond VAALCO's control. These risks include, but are not limited to, oil and gas price volatility, inflation, general economic conditions, the Company's success in discovering, developing and producing reserves, production and sales differences due to timing of liftings, decisions by future lenders, the risks associated with liquidity, the risk that our negotiations with the governments of the Republic of Gabon and the Republic of Angola will be unsuccessful, lack of availability of goods, services and capital, environmental risks, drilling risks, foreign regulatory and operational risks, and regulatory changes. These and other risks are further described in VAALCO's annual report on Form 10-K for the year ended December 31, 2017, quarterly reports on Form 10-Q and other reports filed with the SEC which can be reviewed at http://www.sec.gov, or which can be received by contacting VAALCO at 9800 Richmond Avenue, Suite 700, Houston, Texas 77042, (713) 623-0801. Investors are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. VAALCO disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

The SEC generally permits oil and natural gas companies, in filings made with the SEC, to disclose proved reserves, which are reserve estimates that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. In this press release and the conference call, the Company may use the terms “resource potential” and “oil in place”, which the SEC guidelines restrict from being included in filings with the SEC without strict compliance with SEC definitions. These terms refer to the Company’s internal estimates of unbooked hydrocarbon quantities that may be potentially added to proved reserves. Unbooked resource potential and oil in place do not constitute reserves within the meaning of the Society of Petroleum Engineer’s Petroleum Resource Management System or SEC rules and do not include any proved reserves. Actual quantities of reserves that may be ultimately recovered from the Company’s interests may differ substantially from those presented herein. Factors affecting ultimate recovery include the scope of the Company’s ongoing drilling program, which will be directly affected by the availability of capital, decreases in oil and natural gas prices, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, transportation constraints, processing costs, regulatory approvals, negative revisions to reserve estimates and other factors as well as actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of unproved reserves may change significantly as development of the Company’s assets provides additional data. In addition, our production forecasts and expectations for future periods are dependent upon many assumptions, including estimates of production decline rates from existing wells and the undertaking and outcome of future drilling activity, which may be affected by significant commodity price declines or drilling cost increases.

VAALCO Overview

VAALCO ENERGY, INC.
NYSE:EGY

- **Houston-based independent E&P with excellent reputation as a West Africa operator**
- **Gabon-focused with 100% oil production and reserves**
- **Increased working capital from continuing operations by $10.9 million in the 1H 2018**
- **Generated $23.3 million of Adjusted EBITDAX YTD 2018**
- **Debt free balance sheet for the first time since June 30, 2014**
- **Equatorial Guinea development and exploration upside**
- **Operational capacity to take on new assets and projects**

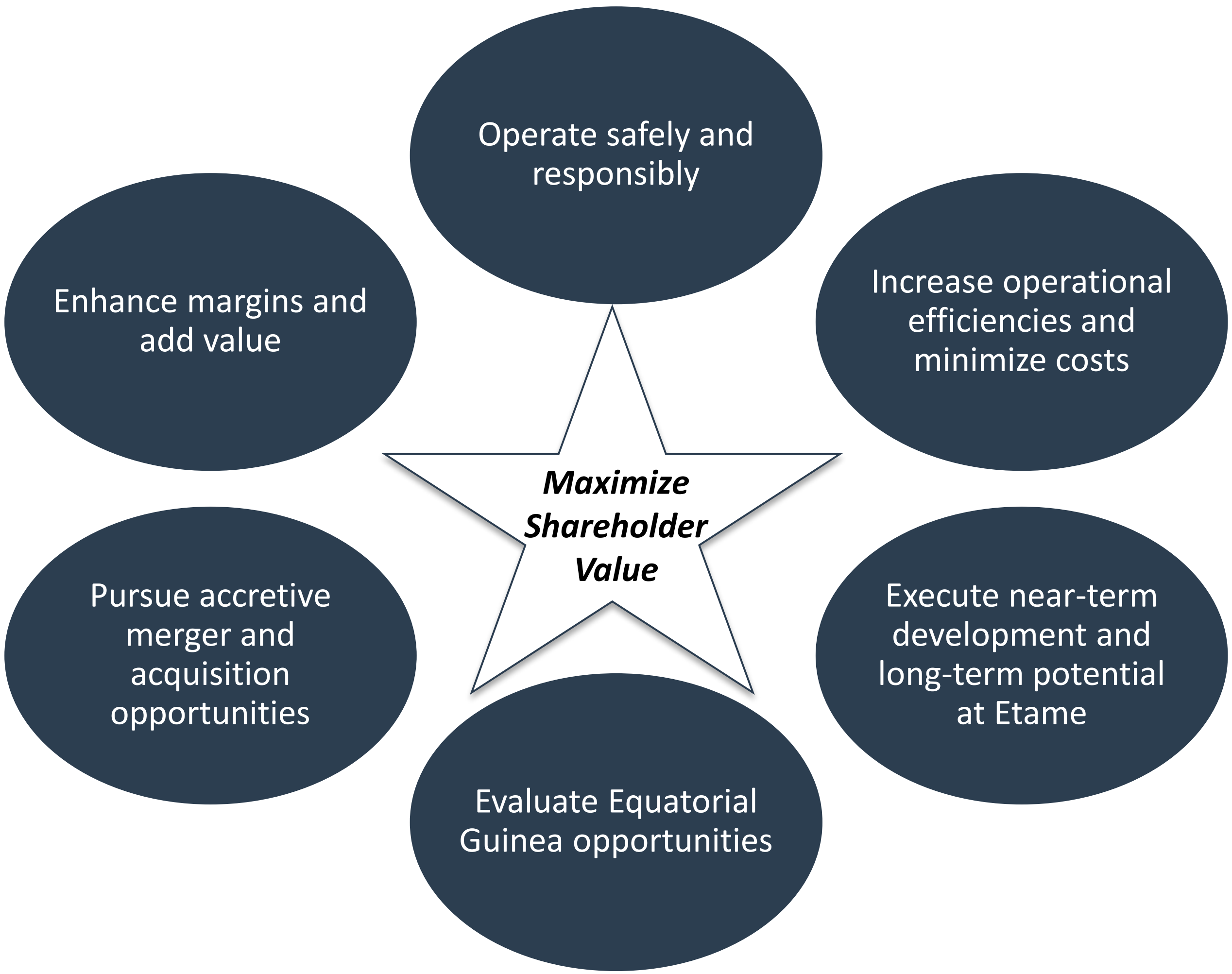


Key Metrics		
Share Price[1]	$3.02	
52-Week Range[1]	$0.68 - $3.38	
Market Capitalization[1]	$ 179	Million
Enterprise Value[2]	$ 138	Million
Net Production[3]	3,549	BOPD
Proved Reserves[4] 2P Reserves[4]	3.0 4.0	MMBO MMBO
% Oil *(Brent Based Pricing)*	100%	
% Operated	100%	

Proven Operator with a Track Record of Success

1) As of 8/3/2018
2) Market Cap less cash and cash equivalents
3) Q2 2018 average
4) As of 12/31/2017

VAALCO Strategy



Execution of Our Strategy Will Drive Future Growth

Highlights and Recent Key Items

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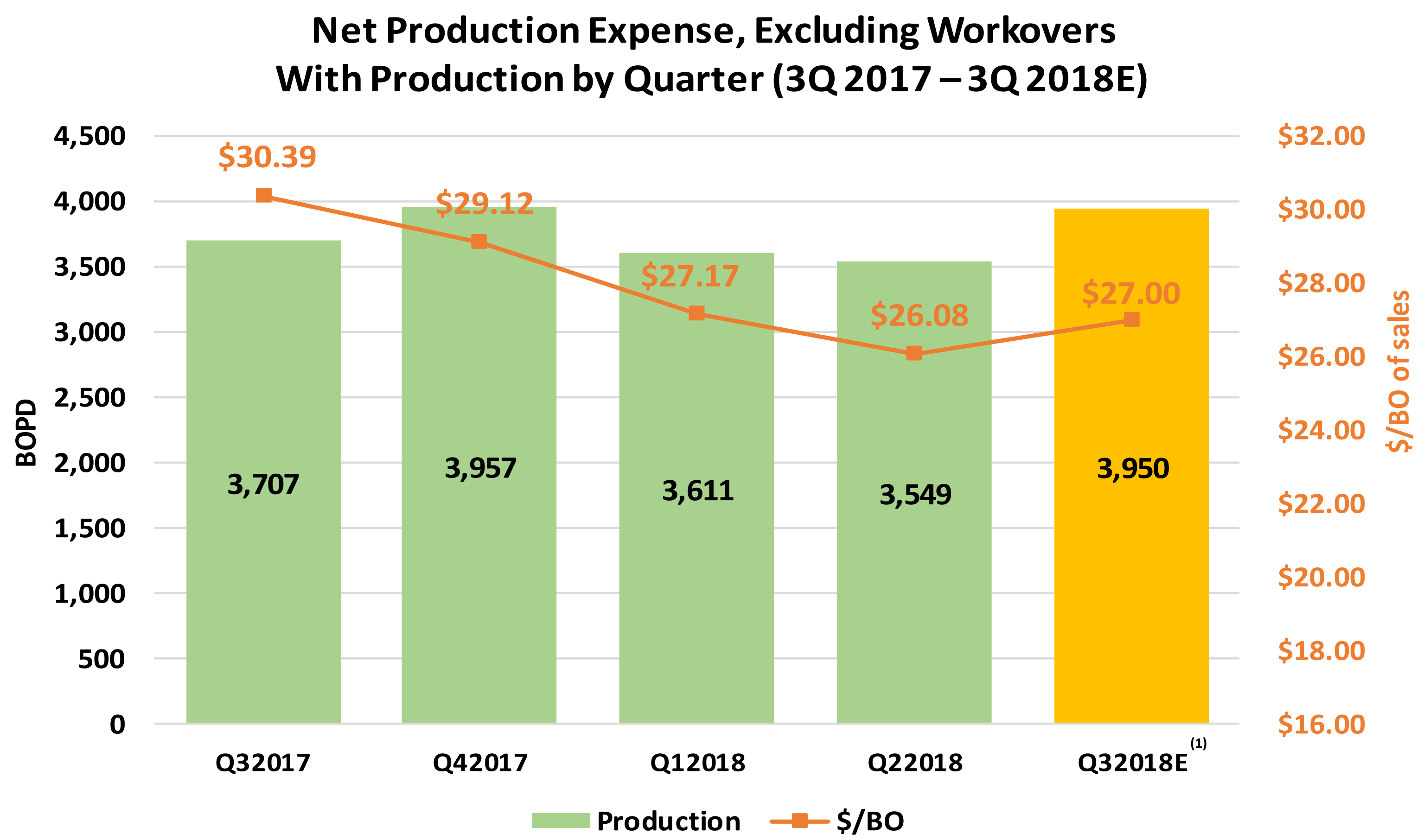
- **Produced an average of 3,549 net BOPD in Q2 2018, within guidance range**
- **Successfully completed a three-well workover program within cost guidance, restoring 1,100 BOPD of net production**
- **Reported revenues from continuing operations of $24.4 million, slightly below the $27.6 million amount for the first quarter of 2018, despite the additional partial lifting that benefited Q1 2018**
- **Reported income from continuing operations of $0.9 million or $0.02 per diluted share for Q2 2018**
  - **Adversely impacted by three expenses totaling $7.5 million or $0.13 per diluted share:**
    1. ***Successful workover operations $4.5 million ($0.08 per diluted share)***
    2. ***Non-cash employee Stock Appreciation Rights ("SARs") $2.0 million ($0.03 per diluted share) primarily driven by the increase in VAALCO's stock price***
    3. ***Non-cash mark-to market crude oil swaps $1.0 million ($0.02 per diluted share)***
- **Excluding these items Q2 2018 earnings would have been $8.4 million, nearly unchanged from Q1 2018 earnings of $8.7 million $0.15 per diluted share**
- **Generated Adjusted EBITDAX of $23.3 million for 1H 2018 and forecasted Adjusted EBITDAX for 2H 2018 to be in the range of $27.0 million to $30.0 million(1)**
- **Increased working capital from continuing operations by $10.9 million in 1H 2018, which contributed to the increase in cash and cash equivalents to $40.5 million**
- **Paid off outstanding debt balance, leaving VAALCO with no debt on the balance sheet for the first time since June 30, 2014**

Focused on Maximizing Margins and Maintaining Production

1) Based on Brent strip pricing as of August 3, 2018, and the mid-point of production and expense guidance previously provided by VAALCO

Production and Net Production Expense per BO



Minimizing Base Decline and Focused on Cost Containment

1) Q3 2018 midpoint of production guidance

VAALCO Free Cash Flow Overview (2018E)

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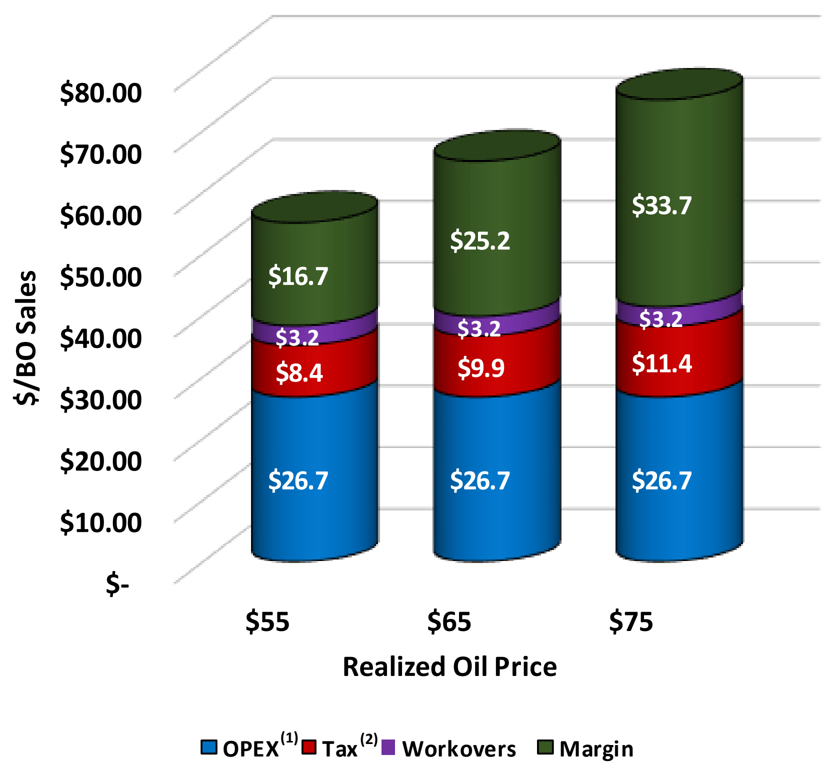
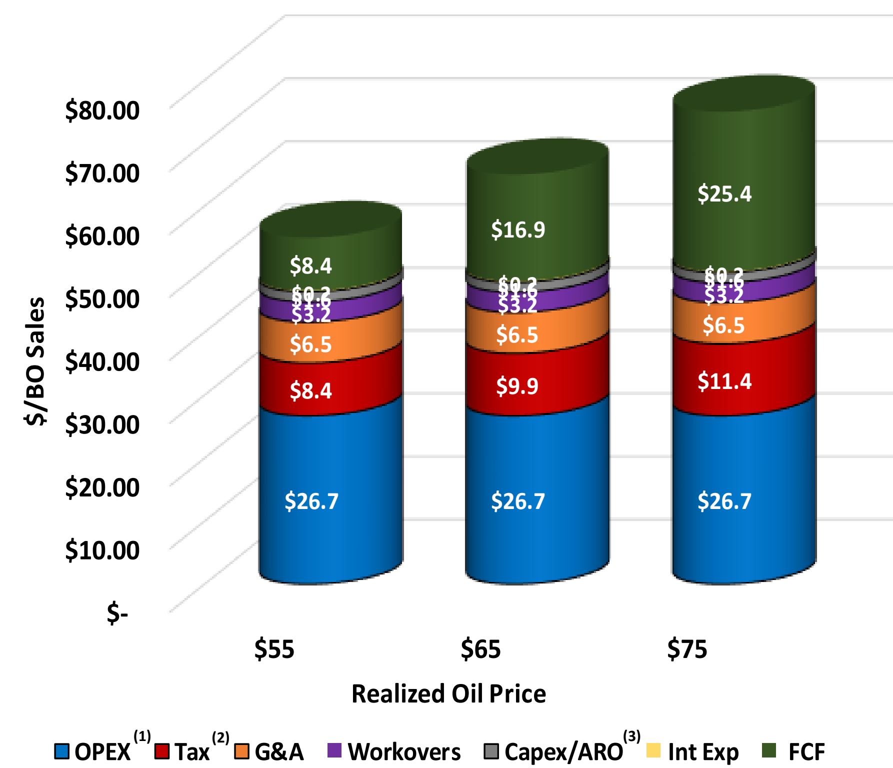
2018 Operational Margin Per Barrel



2018 Free Cash Flow Per Barrel



Each $5/barrel improvement in oil price increases Free Cash Flow by more than $4 million and increases Adjusted EBITDAX by ~$6 million

Free cash flow per barrel excludes 2018 debt repayment of ~$9.0 million

Operational Breakeven: ~$35/BBL **Free Cash Flow Break-Even: ~$45/BBL**

1) Excludes discontinued operations and workovers
2) Midpoint of 2018 guidance
3) Forecasted 2018 Capex & ARO payment, excludes potential development drilling

Working Capital From Continuing Operations

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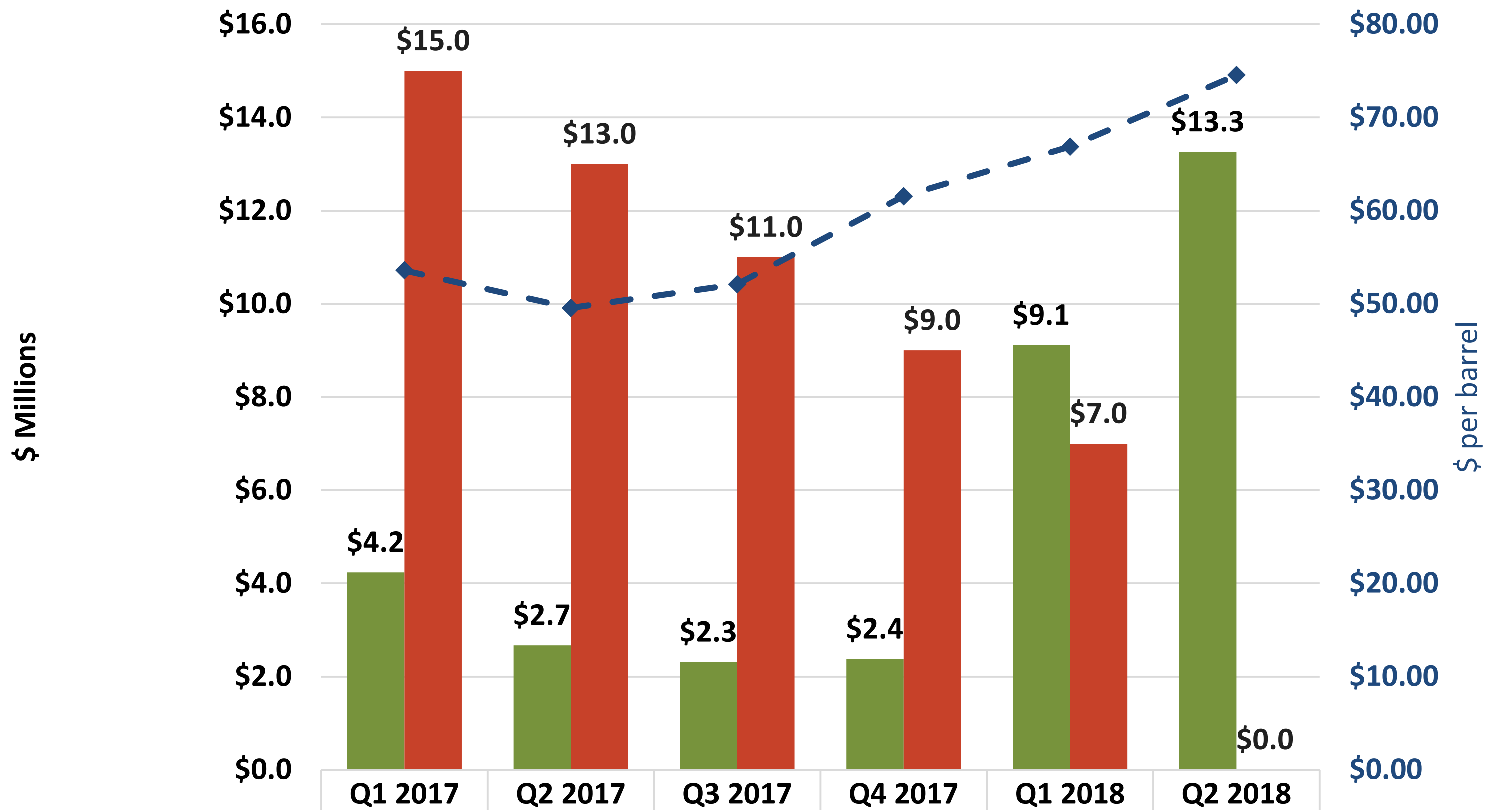
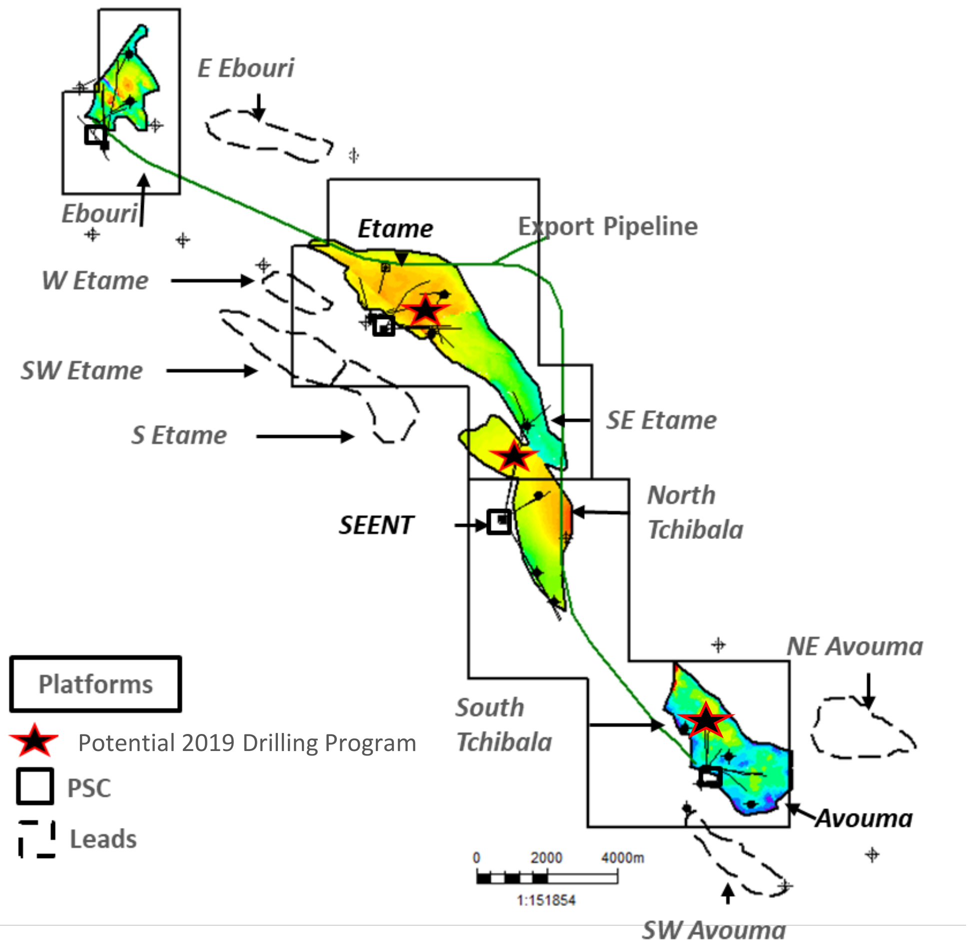


	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Working Capital[(1)]	4.2	2.7	2.3	2.4	9.1	13.3
Debt	15.0	13.0	11.0	9.0	7.0	-
Avg Brent Price	$53.59	$49.55	$52.10	$61.53	$66.86	$74.53

Fixed Cost Structure Highly Leveraged to Increases in Oil Prices

1) Excludes working capital from discontinued operations

ETAME Opportunities for Future Growth



Infrastructure in place to develop opportunities

Near-Term Potential

- Offset successful wells from 2014/2015 campaign
- Evaluating up to 3 wells to drill in 2019

Etame Platform:

- Two Gamba horizontal and one Dentale pilot appraisal

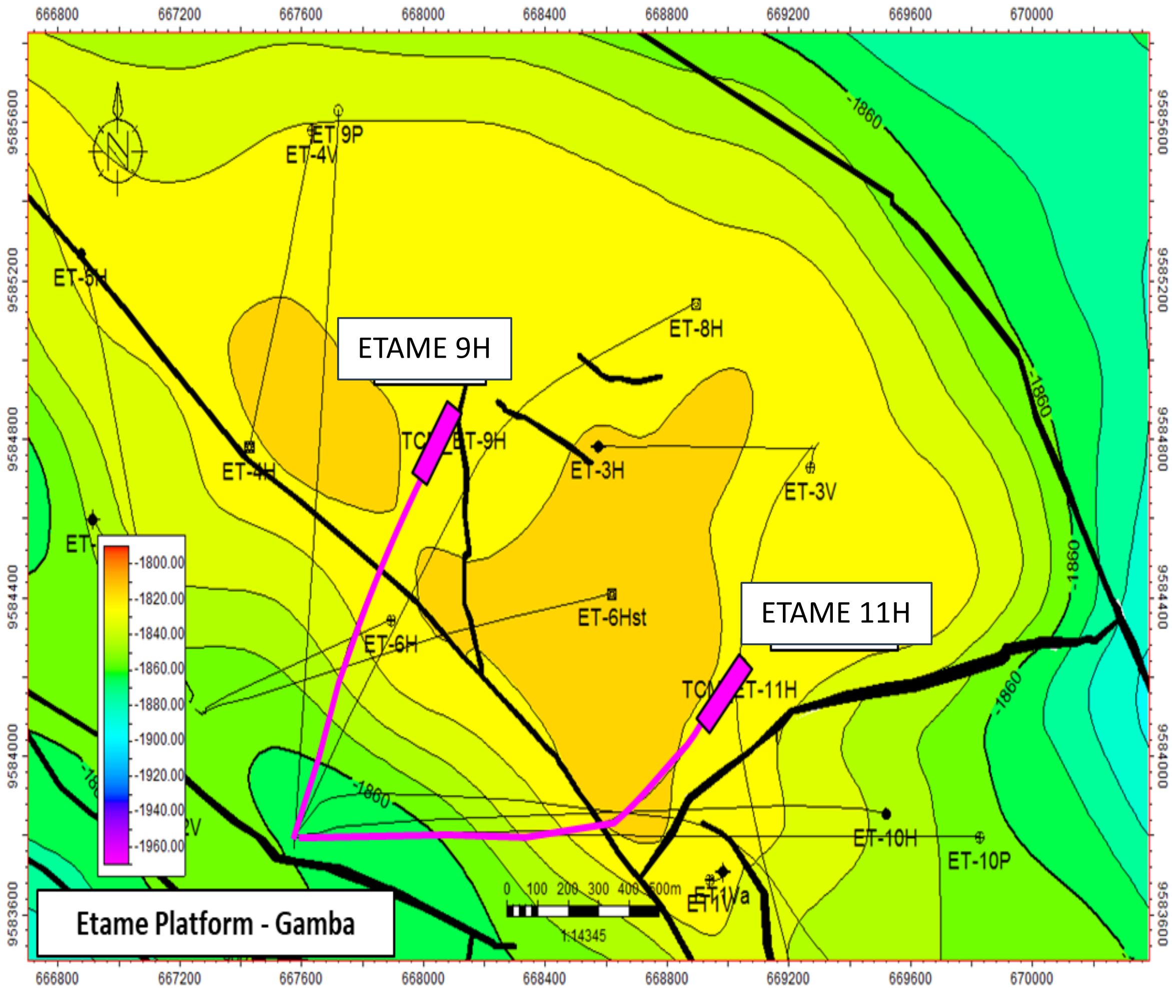
SEENT Platform:

- One pilot appraisal and one Gamba horizontal

Avouma Platform:

- One Gamba horizontal

Near-Term Opportunities:
Etame Field Main Fault Block Development



- **The Etame-9H is a horizontal development well offsetting the Etame-4H and Etame-6H**
- **The Etame-11H is a horizontal development well at the crest of the Gamba reservoir**
- **Combined potential:**
  8 – 12 MMBO gross EUR
  2 – 3.25 MMBO net EUR
- **Combined estimated development costs:**
  $50 - $60 million gross
  $15 – $19 million net

Near-Term Opportunities:
SE Etame Fault Compartment & Step-Out Area

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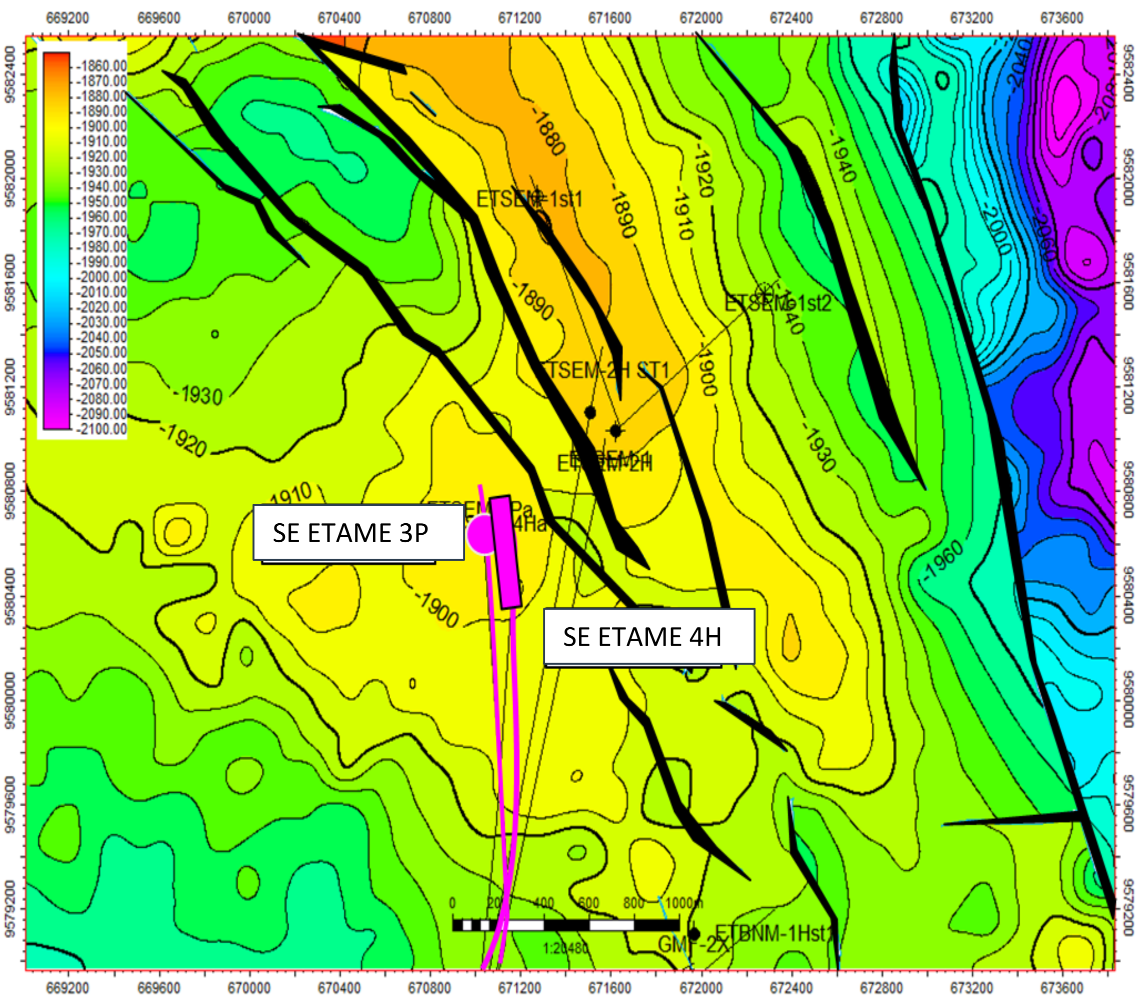

- **SE Etame 3P Pilot hole will evaluate the Step-Out area, interpreted as an extension from the SE Etame 2H**
- **The SE Etame 4H will be drilled into the Step Out area targeting the Gamba**
- **SE Etame 4H potential: ~4 MMBO gross EUR ~1.1 MMBO net EUR**
- **Estimated development costs: $30 - $35 million gross $9 - $11 million net**
- **Step Out area could add up to two additional production wells, with ~9.0 MMBO gross EUR potential**

Near-Term Opportunities: South Tchibala North Extension Area

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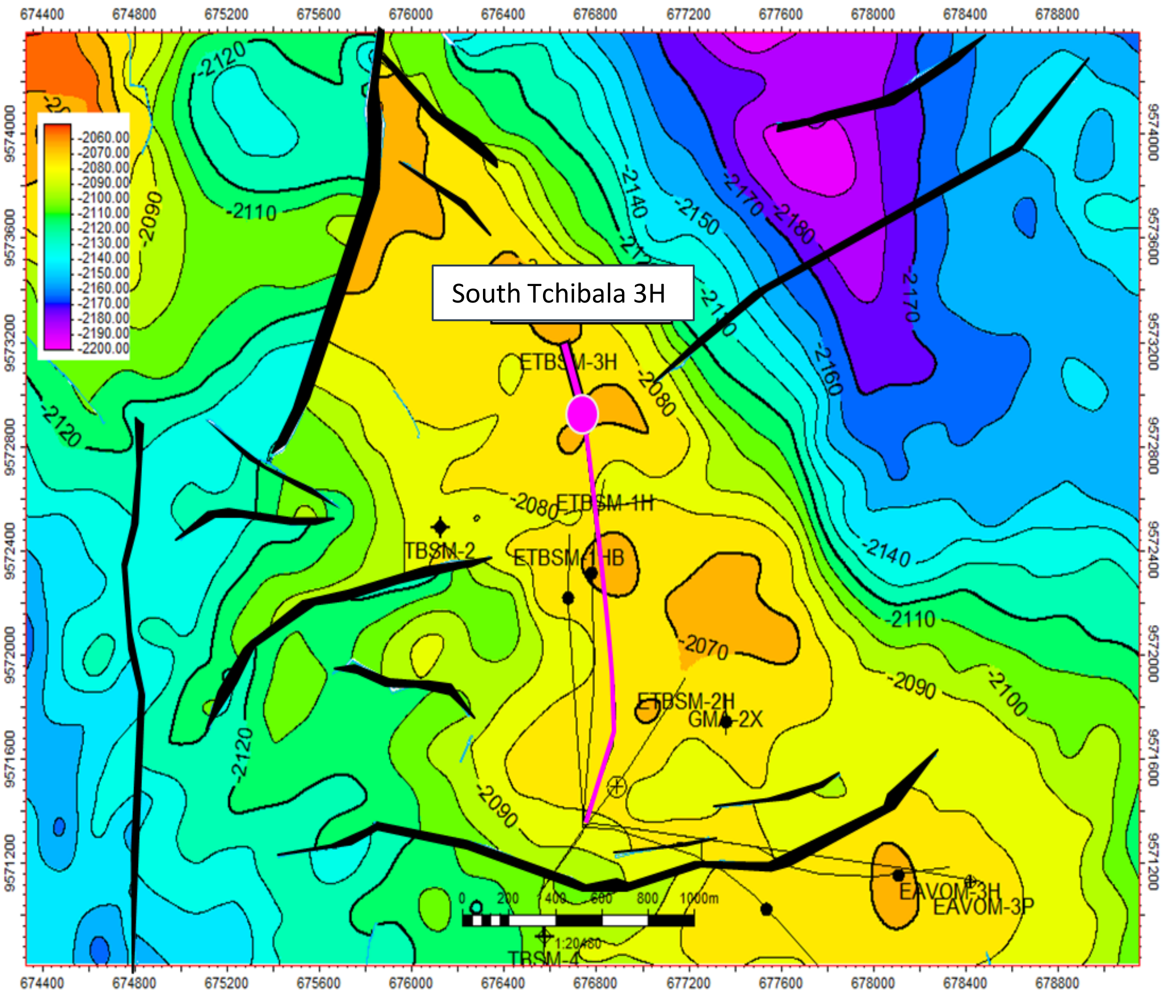
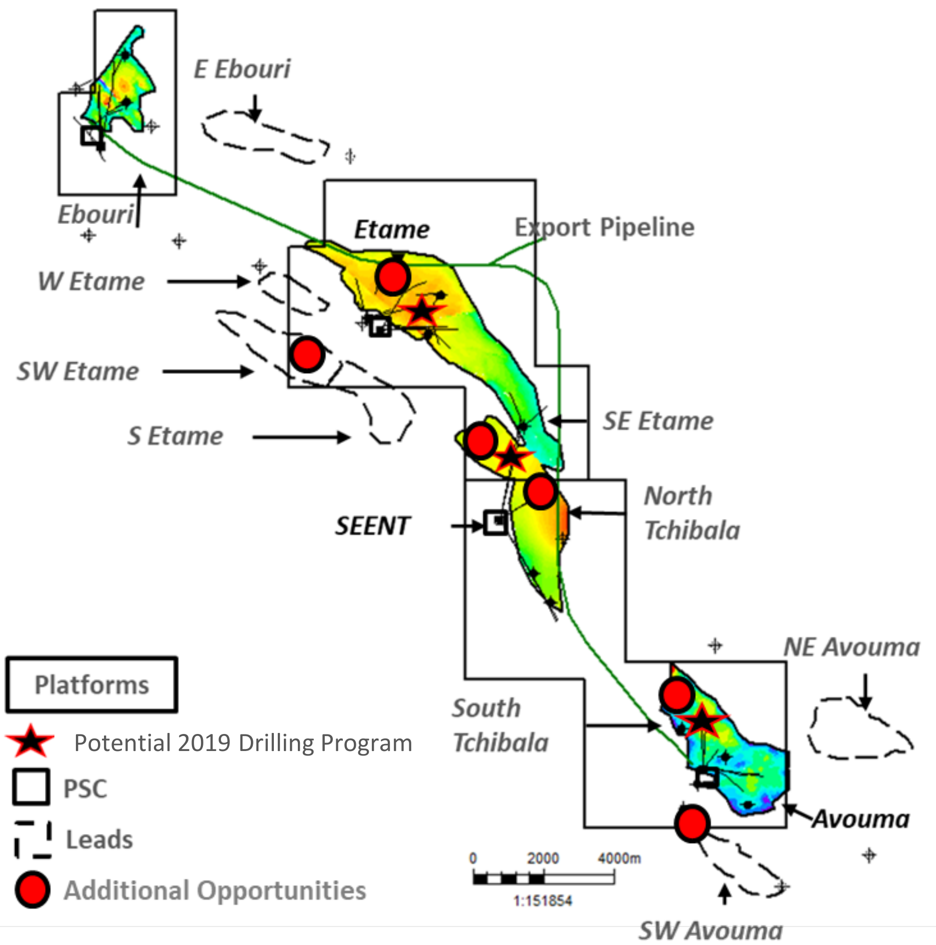


- **Gamba reservoir north of the South Tchibala 1H is currently undeveloped**
- **South Tchibala 3H will be drilled as a high angle development well**
- **South Tchibala 3H potential:**
  3 – 5 MMBO gross EUR
  0.8 – 1.4 MMBO net EUR
- **Estimated development costs:**
  $25 - $30 million gross
  $7.5 - $9 million net

ETAME Opportunities for Future Growth



Infrastructure in place to develop opportunities

Long-Term Potential

Etame Platform:

- Six Dentale infills (~12 MMBO)

SEENT Platform:

- Two Gamba, four Dentale infills (~8 MMBO)

Avouma Platform:

- One Gamba and two Dentale infill (~6 MMBO)

Leads:

- Additional opportunities (~20 MMBO)

Over 70 MMBO of Gross Unrisked Recoverable Contingent Resources

Equatorial Guinea Future Upside Potential

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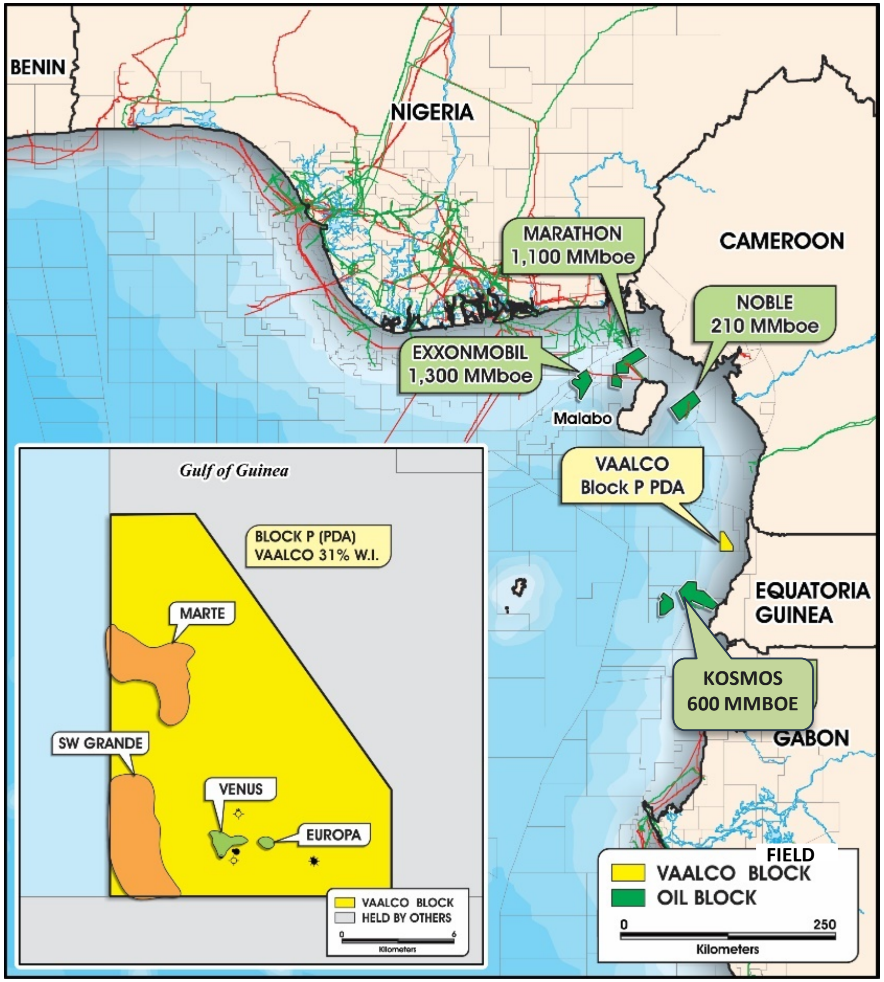

- Evaluating timing and budgeting for unique development opportunities at Venus and Europa (prior discoveries)
- 20+ million BOE gross discovered resource with 31% W.I.
- Costs, development plan and terms are being re-evaluated to improve returns
- Exploration opportunities in Marte and SW Grande with potential for 100+ million BOE gross resource
- Block P surrounded by Miocene to Cretaceous reservoirs with significant reserves

Medium to Long-Term Upside Potential for VAALCO

Financial Performance and Position

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- Maximizing cash by optimizing production and reducing costs
- Straightforward capital structure with no debt burden
- Public company with ability to access multiple sources of capital
- Fully weighted to oil (100%)
- Increase in Brent quickly adds cash to the balance sheet
- Cash increased by $8.3 million driven by an increase of $5.1 million in partner advances and reduced by $7.2 million in debt extinguishment
- Forecasted Adjusted EBITDAX for 2H 2018 to be in the range of $27.0 - $30.0 million(3)

Second Quarter 2018 ($'s in millions)	
Cash and cash equivalents(1)	**$ 40.5**
Debt(1)	**$ 0.0**
Financial performance – continuing operations	
Revenues	**$ 24.4**
Production & G&A expenses	**(17.8)**
Exploration, DD&A, other operating expense	**(0.9)**
Operating income	**5.7**
Other (income) expense and income tax	**(4.8)**
Income from continuing operations	**0.9**
Adjusted EBITDAX(2)	**$ 8.8**
Basic shares outstanding *(in millions)*	**59.1**
Earnings per share from continuing operations	**$0.02**
Earnings per share excluding workovers, non-cash SARs, non-cash crude oil mark-to-market	**$0.14**

Goals: Maximize Margins, Minimize Risk and Manage Liquidity

(1) As of 6/30/2018
(2) See reconciliation in appendix
(3) Based on Brent strip pricing as of August 3, 2018, and the mid-point of production and expense guidance previously provided by VAALCO

Looking to the Future

Significant Development Opportunities at Etame

- Development opportunities identified for drilling in 2019, CapEx to be funded by cash on hand
- Operating infrastructure in place to support development
- Over 70 MMBO of gross unrisked recoverable contingent resources

Etame License Extension

- Continuing dialogue with government of Gabon to extend license at Etame
- License extension would enhance field economics

Angola Exit

- Seeking resolution to further strengthen the balance sheet and improve access to capital
- VAALCO believes that the accrued $15 million liability will be reduced

Growth

- Leverage expertise and experience in international, offshore major projects
- Pursue accretive merger and acquisition opportunities

Each Opportunity, When Realized, Should Add Significant Value

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APPENDIX

2018 Full Year Guidance *(As of August 7, 2018)*

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Production (BOPD)	**3,500 – 4,100***
*3rd Quarter 3,800 – 4,100	
Production Expense(1)	**$36 - $42 MM***
	($24.00 - $28.00 per BO)
*3rd Quarter Guidance ($26.00 - $28.00 per BO)	
Workovers*	**$4.5 - $5.5 MM**
*Planned workovers completed in July 2018	
Cash G&A	**$9 - $10 MM**
Stock-based G&A	~$5-6 MM
Total G&A	$14 - $16 MM
DD&A ($/BO)	**$3.00 - $4.00/BO**
Sales Volume (BOPD)	**3,700 – 4,300**

(1) Excludes workover expense

VAALCO Year End 2017 Reserves

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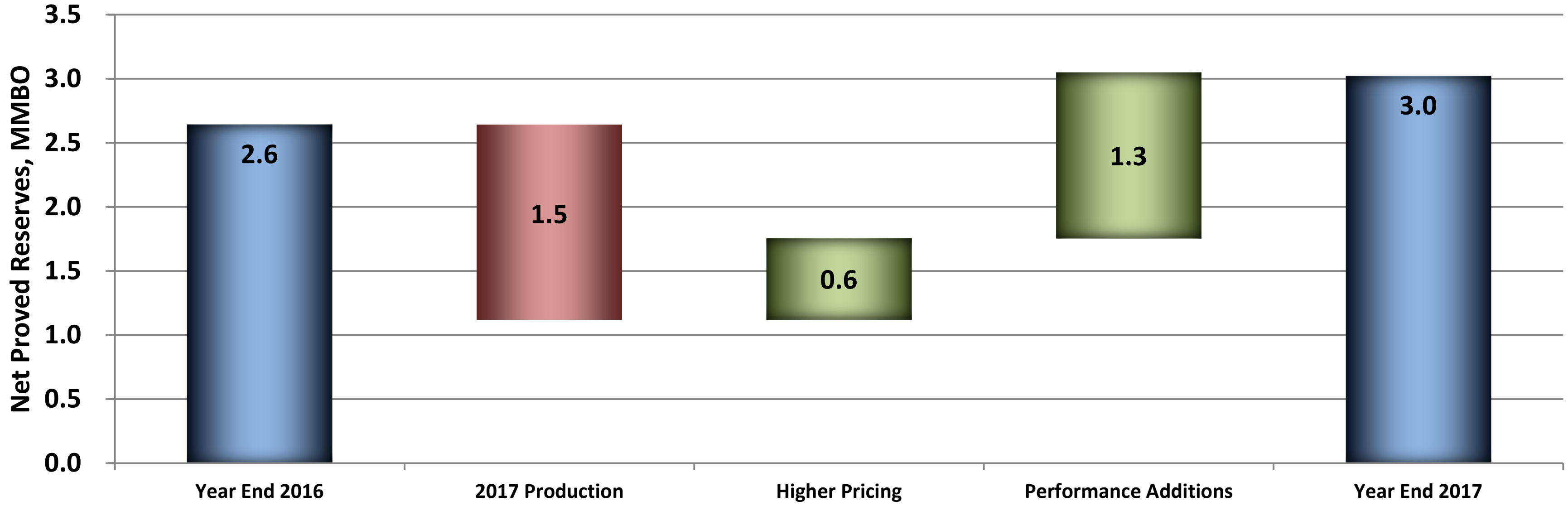
3.0 MMBO Net Proved Reserves for YE-2017
4.0 MMBO Net Proved + Probable (2P) Reserves for YE-2017
Replaced 127% of 2017 Production



- **PV-10 of 1P Reserves at SEC Pricing = $22.5 MM; at 12/29/17 Strip[1] = $39.3 MM**
- **PV-10 of 2P Reserves at SEC Pricing = $33.9 MM; at 12/29/17 Strip[1] = $52.7 MM**
- **Amounts are net of expected P&A liabilities**

Significant Upward Revisions as a Result of Strong Production Performance

[1] Brent Oil pricing assumptions used in Strip Pricing PV-10 calculations: $65.38 (2018); $61.65 (2019); $59.10 (2020); and, $57.96 (2021). The higher Strip Pricing assumptions increase the recoverable reserves.

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NON-GAAP MEASURES

Adjusted EBITDAX is a supplemental non-GAAP financial measure used by VAALCO's management and by external users of the Company's financial statements, such as industry analysts, lenders, rating agencies, investors and others who follow the industry as an indicator of the Company's ability to internally fund exploration and development activities and to service or incur additional debt. Adjusted EBITDAX is a non-GAAP financial measure and as used herein represents net income before interest income (expense) net, income tax expense, depletion, depreciation and amortization, impairment of proved properties, exploration expense, non-cash and other items including stock compensation expense.

Adjusted EBITDAX has significant limitations, including that it does not reflect the Company's cash requirements for capital expenditures, contractual commitments, working capital or debt service. Adjusted EBITDAX should not be considered as a substitute for net income (loss), operating income (loss), cash flows from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Adjusted EBITDAX excludes some, but not all, items that affect net income (loss) and operating income (loss) and these measures may vary among other companies. Therefore, the Company's Adjusted EBITDAX may not be comparable to similarly titled measures used by other companies.

Adjusted EBITDAX and working capital from continuing operations are Non-GAAP financial measures and are described and reconciled to the closest GAAP measure in the attached table under "Non-GAAP Reconciliations."

Non-GAAP Reconciliations

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VAALCO ENERGY, INC AND SUBSIDIARIES
Reconciliations of Non-GAAP Measures
(Unaudited)
(in thousands)

Reconciliation of Net income to Adjusted EBITDAX	**Three Months Ended** June 30, 2018	June 30, 2017	March 31, 2018
Net income	$ 544	$ 2,283	8,659
Add back:			
Impact of discontinued operations	343	168	52
Interest expense, net	30	378	354
Income tax expense	3,582	3,096	4,042
Depreciation, depletion and amortization	1,035	1,970	1,124
Non-cash or unusual items:			
Stock-based compensation	2,442	629	314
Commodity derivative loss (income), unrealized	999	(130)	—
Equipment recovery	(314)	—	(24)
Bad debt expense (recovery) and other	145	183	(56)
Adjusted EBITDAX	$ 8,806	$ 8,577	$ 14,465

Reconciliation of Changes in Working Capital from continuing operations	**June 30, 2018**	**December 31, 2017**	**Change**
Current assets	$ 56,267	$ 33,616	$ 22,651
Current liabilities	43,007	31,241	11,766
Working capital from continuing operations[1]	$ 13,260	$ 2,375	$ 10,885

(1) Excludes current assets and current liabilities attributable to discontinued operations.