VAALCO ENERGY, INC.

November 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, 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 government of 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.

Premier West Africa Oil Producer

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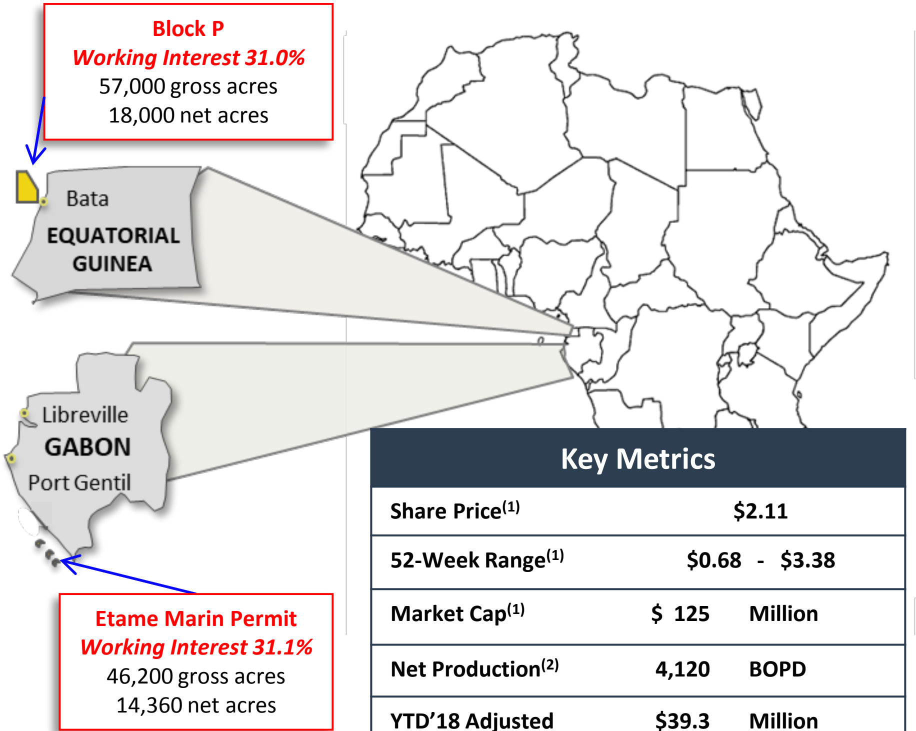
- **Houston-based independent E&P with excellent reputation as a West Africa operator**
- **Gabon-focused with 100% oil production and reserves, priced off of Brent**
- **Gabon license extension in September 2018 provides long-term base production and drilling upside opportunities**
- **Strong financial position, with no debt and \$33.7 million of cash on hand[5]**
- **Equatorial Guinea development and exploration upside potential**
- **Crude sweetening project in Gabon offers upside potential**
- **Operational capacity to take on new assets and projects**



Key Metrics		
Share Price[1]	\$2.11	
52-Week Range[1]	\$0.68 - \$3.38	
Market Cap[1]	\$ 125	Million
Net Production[2]	4,120	BOPD
YTD'18 Adjusted EBITDAX	\$39.3	Million
YTD'18 Income from Continuing Ops	\$1.46	Per share
YTD'18 Adjusted Income from Continuing Ops[3]	\$0.31	Per share
Proved Reserves[4] 2P Reserves[4]	3.0 4.0	MMBO MMBO

Profitable Operator Positioned for Long-Term Value Creation

1) As of 11/7/2018
2) Q3 2018 average
3) Reconciliation in Appendix
4) As of 12/31/2017
5) As of 9/30/2018

Strategy Focused on Value Creation

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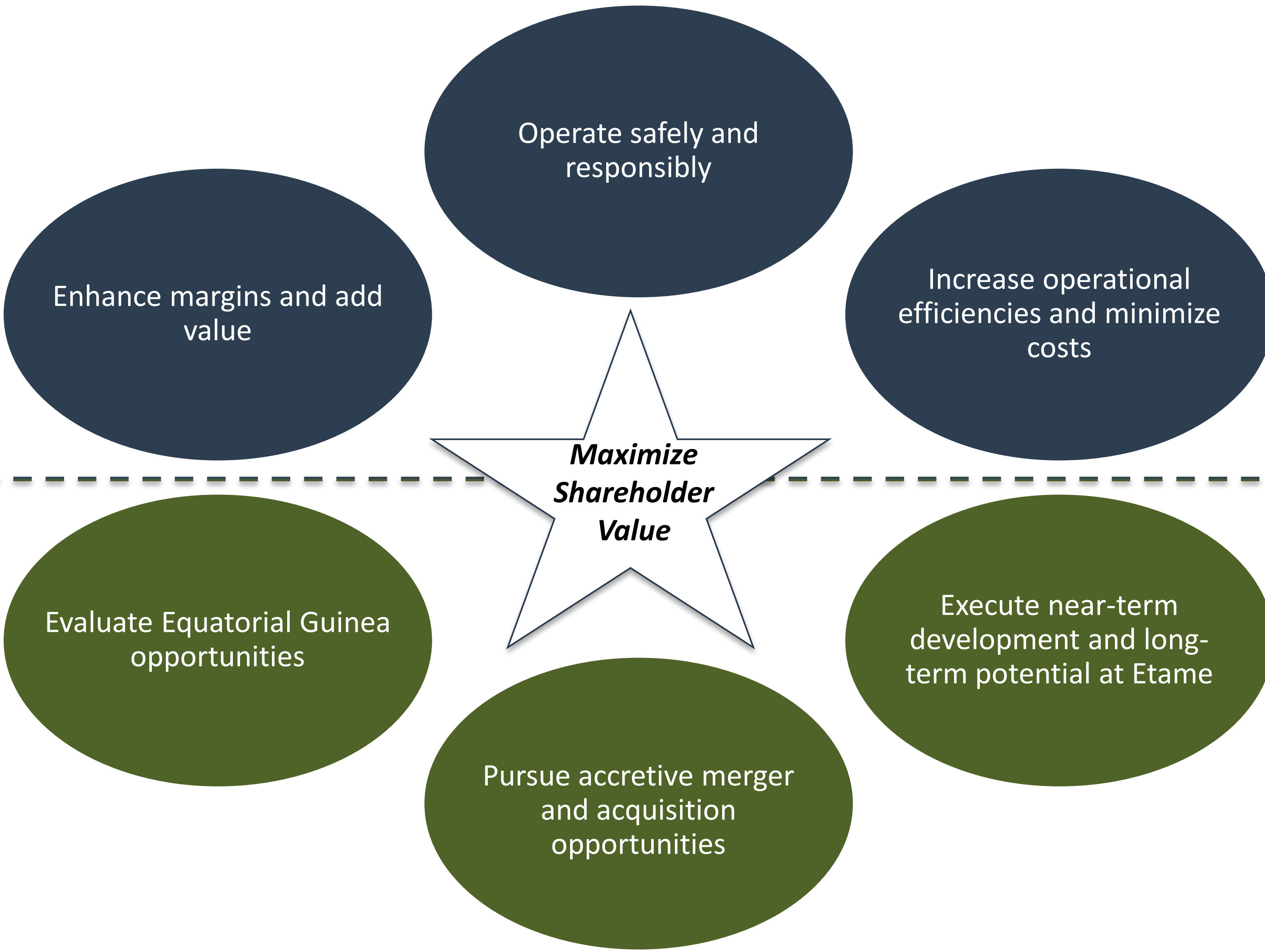

Strong Operational Execution Delivers Value

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Recent 2018 Accomplishments

- ✓ Finalized Etame Marin PSC extension, increasing the term of the three existing exploitation authorizations to September 16, 2028, with 2 additional 5 year options
- ✓ Produced an average of 4,120 net BOPD in Q3 2018, above high end of guidance
- ✓ Generated Income from Continuing Operations of $78.6 million for Q3'18, and $88.2 million for YTD 2018 and Adjusted Income from Continuing Operations of $9.1 million for Q3'18 and $18.7 million for YTD 2018
- ✓ Delivered Adjusted EBITDAX of $16 million for Q3'18, and $39.3 million for YTD 2018
- ✓ Paid off all outstanding debt in 2018, leaving VAALCO with no debt for the first time since June 30, 2014
- ✓ Completed successful workover program on Avouma platform that addressed ESP problems and restored production

2019 Objectives

- ❑ Drill at least two development wells and two appraisal well bores to assess resource opportunities at Etame
- ❑ Further define leads on additional upside potential within the expanded acreage at Etame to extend the field life
- ❑ Conduct Crude Sweetening Project assessment
- ❑ Assume operatorship and progress opportunities at Equatorial Guinea
- ❑ Advance resolution of Angola liability
- ❑ Focus on cost control and preserving strong margins
- ❑ Further strengthen financial flexibility and balance sheet

Creating Value Through Etame Extension

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Near-Term Value

- **2019 Development Drilling Commitment**
  - **Drill at least two development wells**
  - **Drill two appraisal well bores**
  - **Advantaged rig and drilling cost environment enhances well level economics**
- **Increased Cost Recovery Percentage from 70% to 80% through September 2028**
- **Anticipate Meaningful Production and Reserve Growth**

2020+ Potential Value and Upside

- **2020+ Additional Drilling Opportunities**
  - **Over 70 MMBO of Gross Unrisked Recoverable Contingent Resources identified**
- **Extended Existing Well Production past 2021**
- **Expanded Acreage Creates Opportunities to Pursue Identified Leads**
- **Crude Sweetening Project Execution**

Extension Adds Substantial Value in the Near-Term & Long-Term

2019 Development Drilling Commitment

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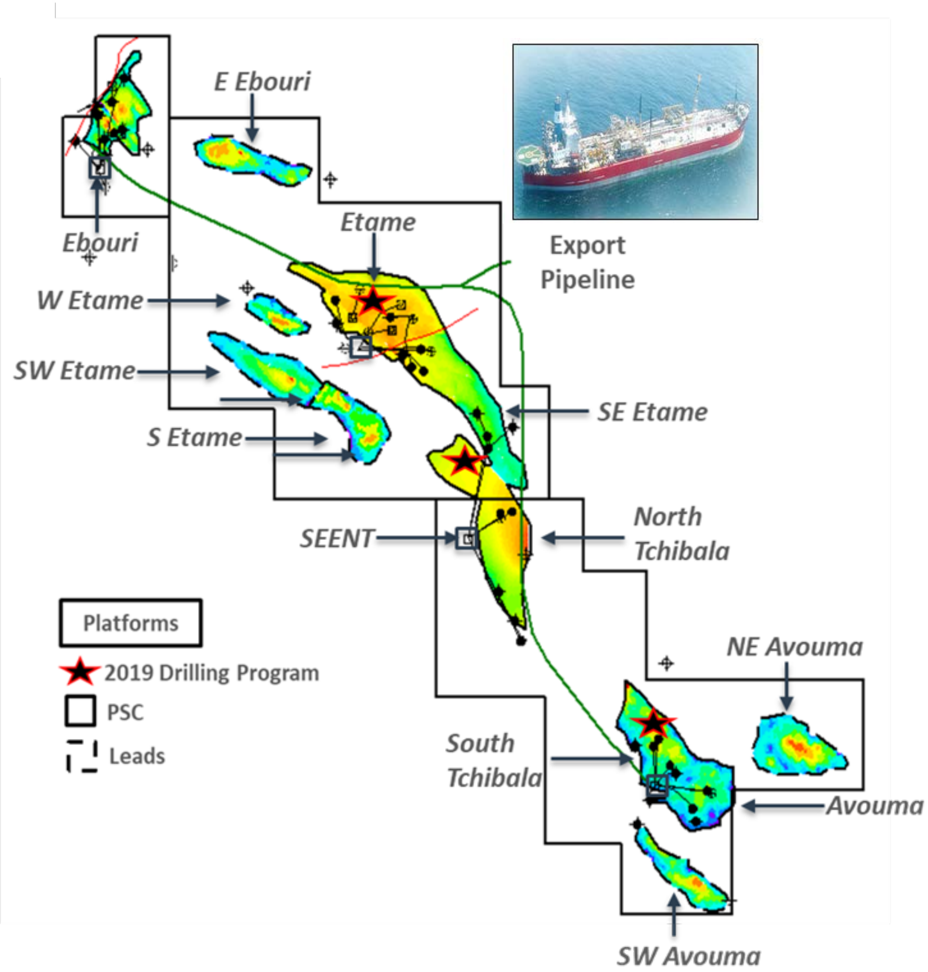

Infrastructure in place to develop opportunities

<u>2019 Drilling Commitment:</u>

<u>2 Development Wells and 2 Appraisal Well Bores</u>

- Following up with successful wells from 2014/2015 campaign

Etame Platform:

- One Dentale appraisal well bore and one Gamba horizontal

SEENT Platform:

- One Gamba appraisal well bore and one potential Gamba horizontal

Avouma Platform:

- One Gamba horizontal

Drilling At Least 2 Development Wells and 2 Appraisal Well Bores in 2019

2019 Drilling Commitment:
Etame Field Main Fault Block Development

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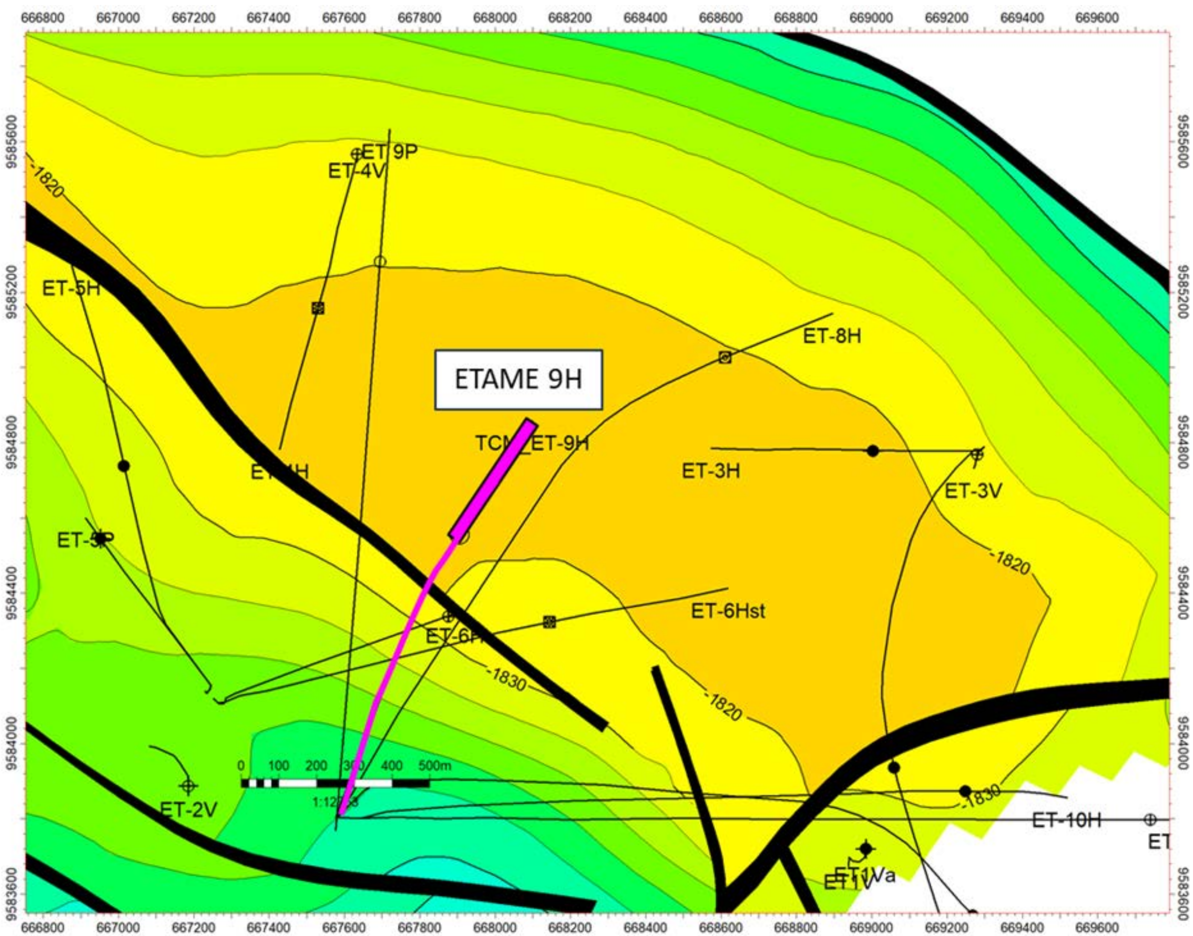

- **The Etame-9H is a horizontal development well offsetting the Etame-4H and Etame-6H**
- **Reserve potential:**
  1.5 – 2.5 MMBO gross EUR
  0.4 – 0.7 MMBO net EUR
- **Estimated development costs:**
  $22.5 - $27.5 million gross
  $7.5 – $9.5 million net
- **Expected stabilized IP rate:**
  2,500 – 3,000 gross BOPD
  675 – 825 net BOPD
- **Etame 9P appraisal well bore evaluates the Dentale and de-risks potentially up to 3 Dentale wells (~6.5 – 8.5 MMBO gross EUR)**

2019 Drilling Commitment: SE Etame Fault Compartment/Step Out Area

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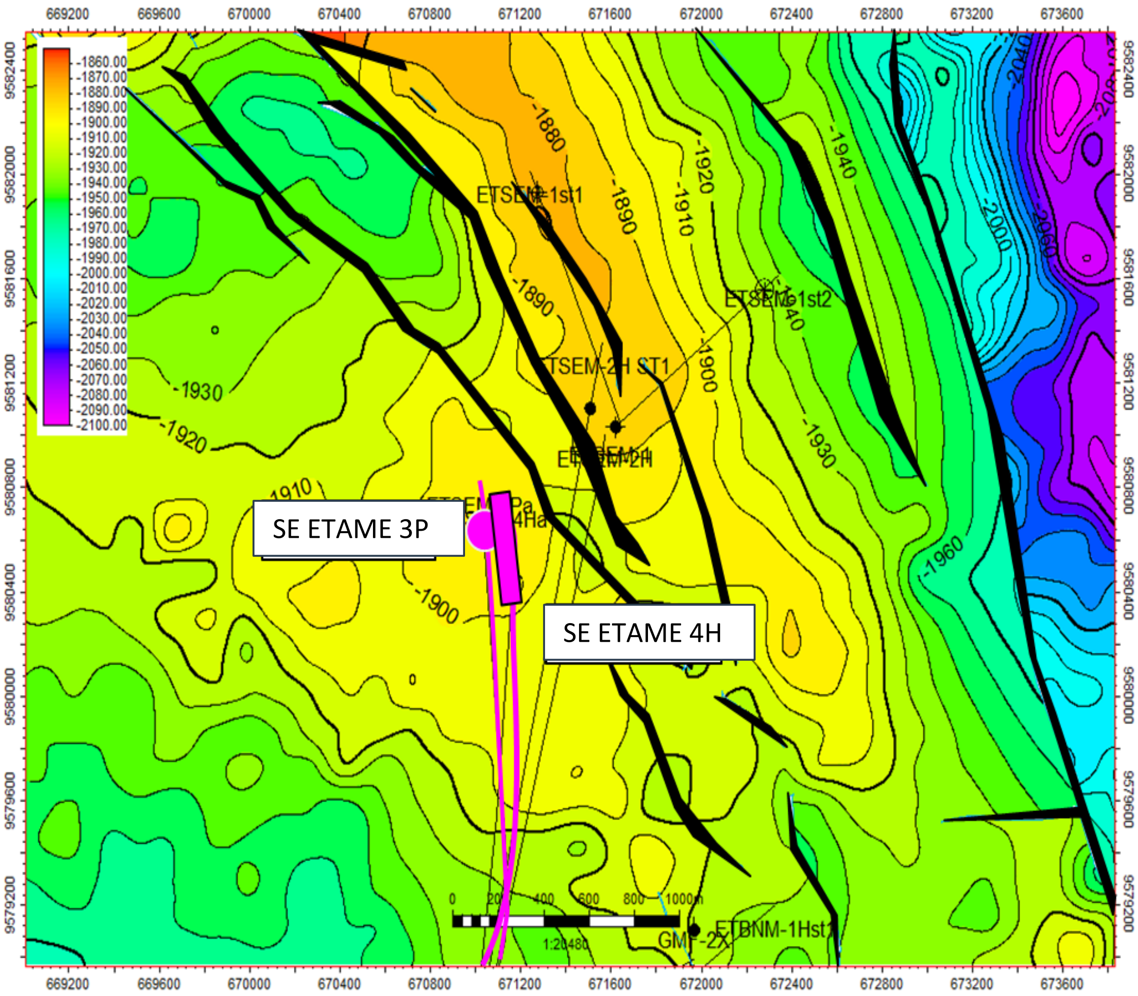
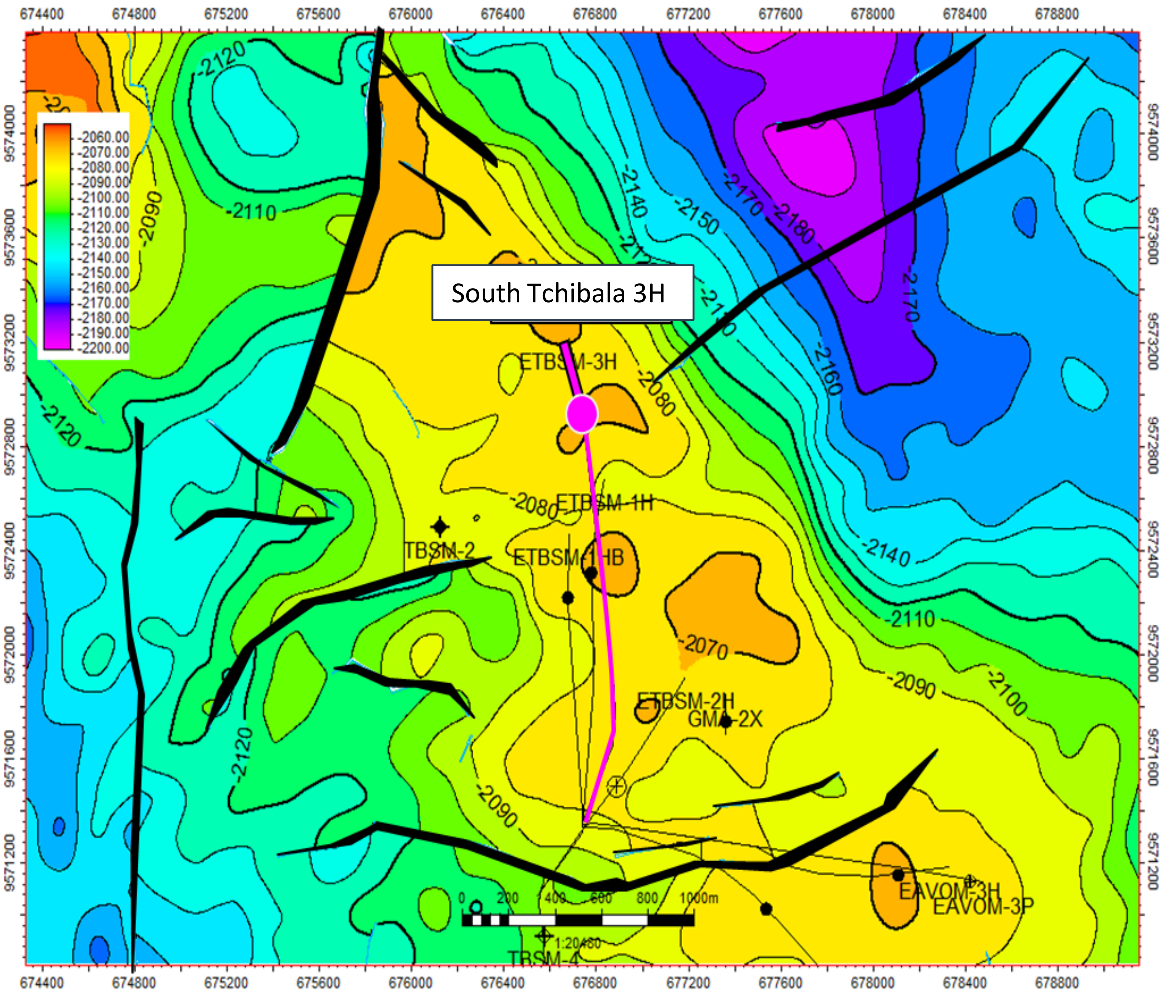


- **SE Etame 3P appraisal well bore will evaluate the Step Out area, interpreted as an extension from the SE Etame 2H**
- **The SE Etame 4H will be drilled into the Step Out area targeting the Gamba**
- **SE Etame 4H potential:**
  2.5 – 3.5 MMBO gross EUR
  0.7 – 1.0 MMBO net EUR
- **Estimated development costs:**
  $30 - $35 million gross
  $9 - $11 million net
- **Expected stabilized IP rate:**
  3,000 – 4,000 gross BOPD
  825 – 1,100 net BOPD

2019 Drilling Committment: South Tchibala North Extension Area



- **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:**
  2 – 3 MMBO gross EUR
  0.5 – 0.8 MMBO net EUR
- **Estimated development costs:**
  $25 - $30 million gross
  $8.5 - $10 million net
- **Expected stabilized IP rate:**
  3,500 – 4,500 gross BOPD
  950 – 1,200 net BOPD

ETAME Opportunities for Future Growth 2020+

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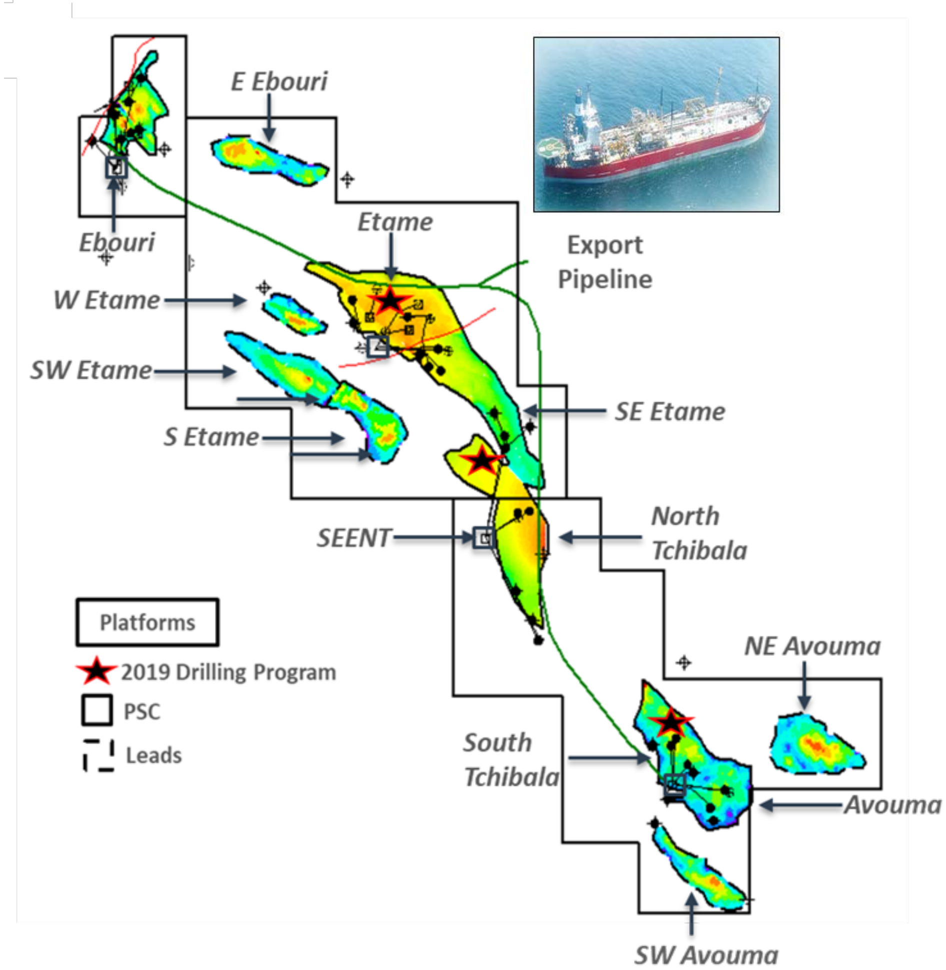


Additional ETAME Opportunities:

Etame Platform:

- One Gamba, six Dentale infills (~17 MMBO)

SEENT Platform:

- Two Gamba, four Dentale infills (~14 MMBO)

Avouma Platform:

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

Leads:

- Determine viability of additional resources on expanded acreage
- Additional opportunities (~29 MMBO)

Additional:

- Crude Sweetening Project Assessment (~9 MMBO)

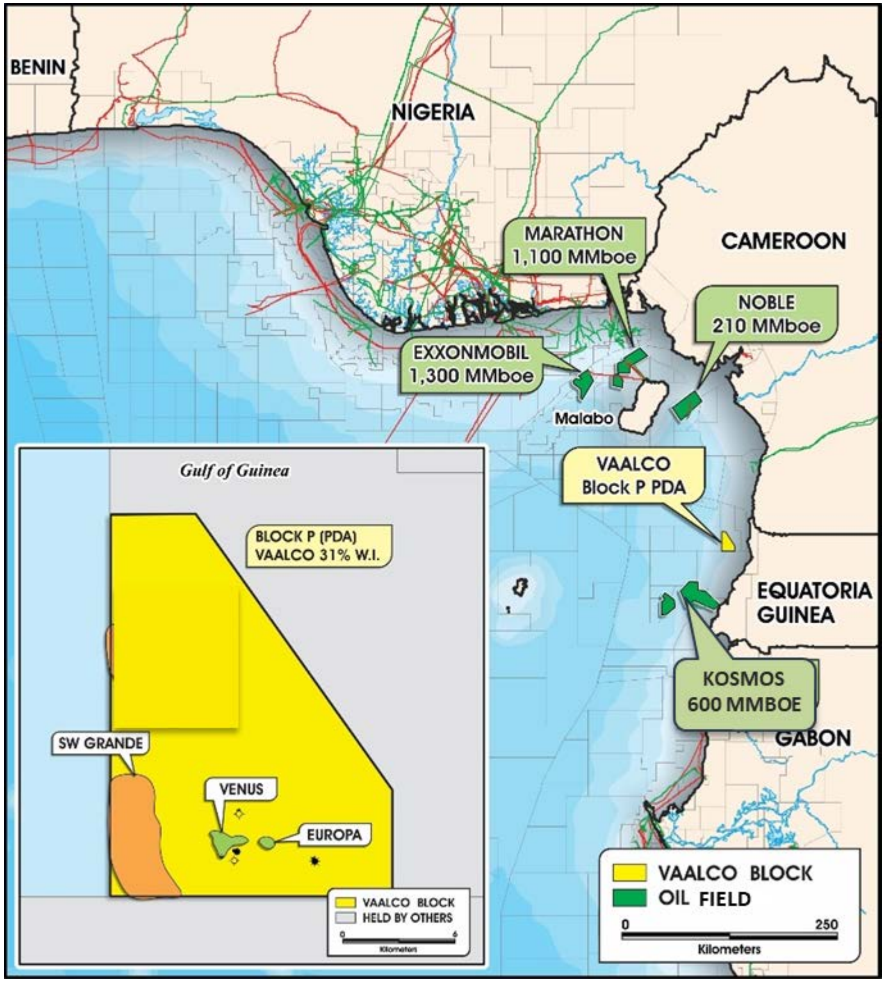
Over 70 MMBO of Gross Unrisked Recoverable Contingent Resources

Potential Crude Sweetening Project

- 3 wells drilled and shut in due to H_2S in Ebouri and Etame fields
  - 7 – 11 MMBO gross (1.9 – 3.0 net) resource
  - Initial tests of ~ 800 – 1,500 gross BOPD per well
  - Ebouri 3H, Ebouri 4H and Etame 8H
- New CSP assessment to be conducted in conjunction with Etame Marin license extension
- Evaluating economic potential in current pricing environment and looking at ways to minimize costs to enhance returns
- Considering project financing options to reduce upfront investment
- CSP could extend total Etame field life

Lower Resource Risk Upside Potential in Etame

Equatorial Guinea Future Upside Potential



- **20+ million BOE gross discovered resource with 31% W.I.**
- **Evaluating timing and updating cost estimates for unique development opportunities at Venus and Europa (prior discoveries)**
- **Costs, development plan and terms are being re-evaluated to improve returns**
- **Reviewing exploration opportunity in SW Grande with potential for 60+ million BOE gross resource**
- **Block P surrounded by Miocene to Cretaceous reservoirs with significant reserves**

Significant Medium to Long-Term Upside Potential

Potential Timeline of Upcoming Projects

Etame Phase 1 Drilling:

- Drill ET-9P/9H
- Drill ETSEM-4P/4H
- Drill ETBSM-3H

Etame Phase 2 Drilling:

- Etame Phase 2 drilling

Etame Phase 3 Drilling:

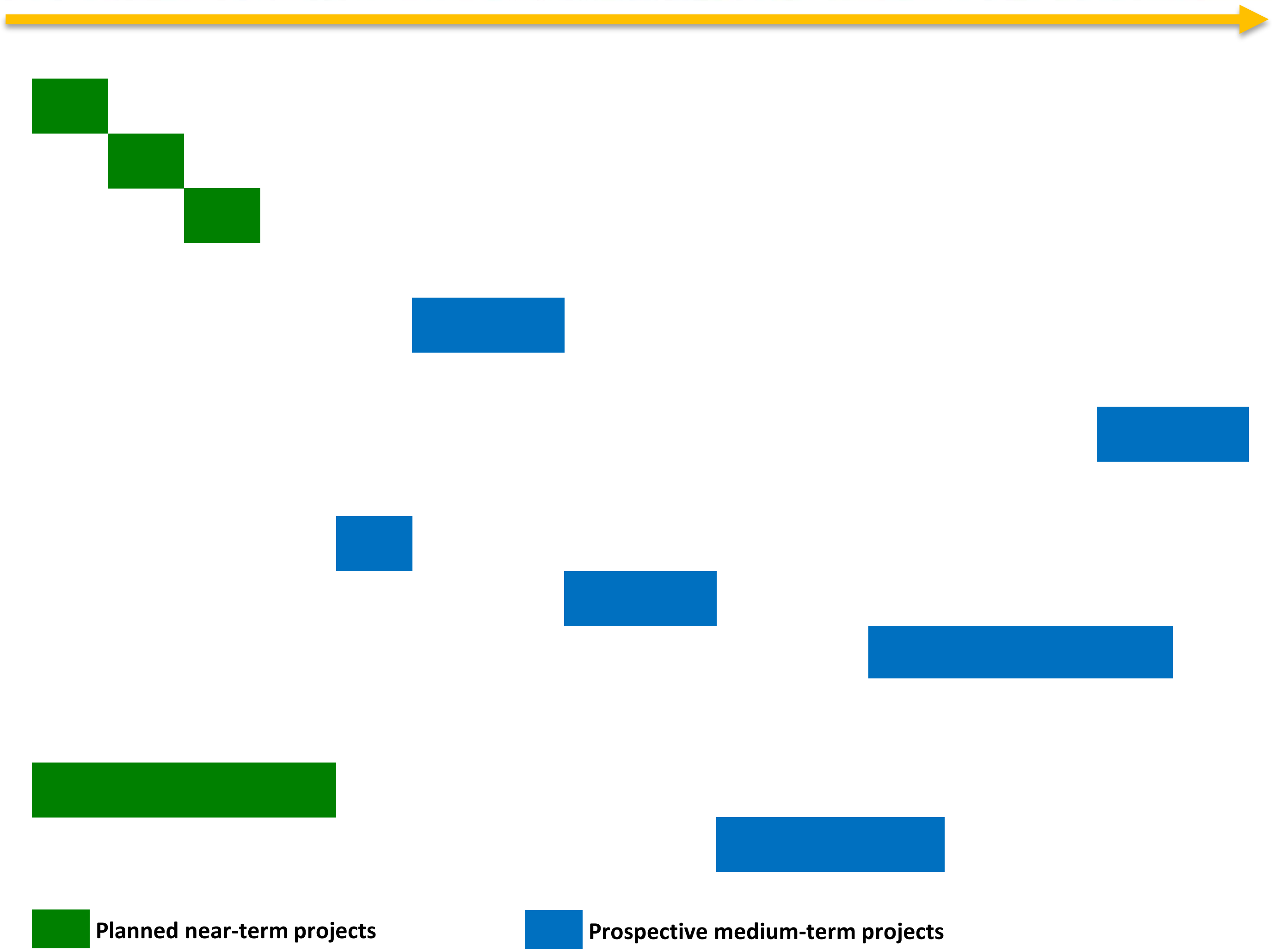
- Etame Phase 3 drilling

Equatorial Guinea:

- EG: Drill Exploration Well
- EG: Appraisal Drilling
- EG: Field Development

Etame Crude Sweetening Project:

- CSP Engineering Study
- CSP Implementation



Pursuing Upside Optionality in Etame and Equatorial Guinea

Financial Performance and Position

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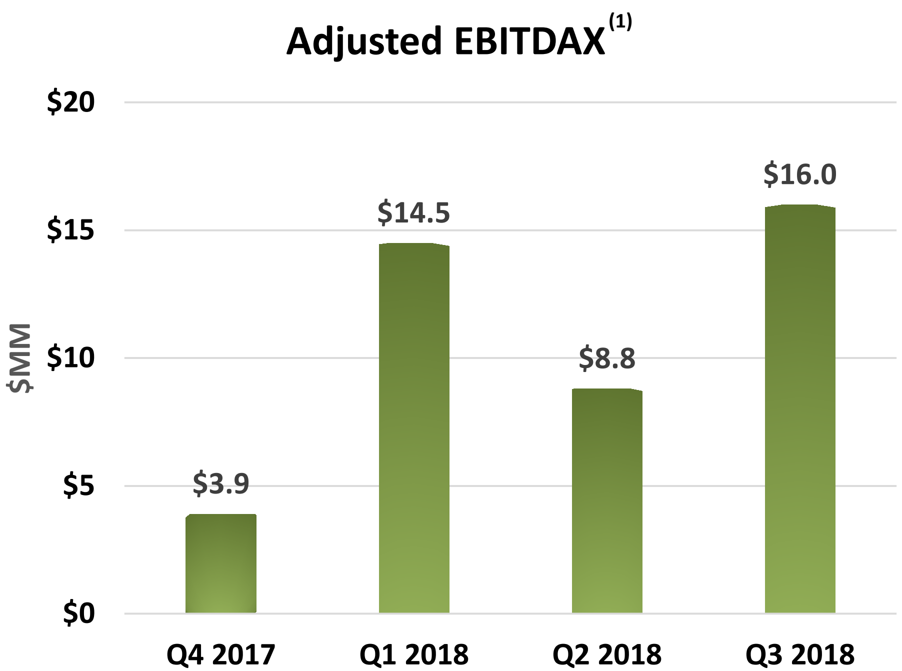
- Public company with straightforward capital structure, no debt burden and the ability to access capital
- Fully weighted to oil (100%), increase in Brent quickly adds cash flow
- Generated $78.6 of Income from Continuing Operations and $9.1 million of Adjusted Income from Continuing Operations(2) in Q3 2018
- Reported $9.2 million in Working Capital from Continuing Operations(2) following the $11.8 million payment for VAALCO's share of the PSC Extension signing bonus
- Forecasted Adjusted EBITDAX for 2H 2018 to be at or above the high end of guidance range $27.0 - $30.0 million(3)

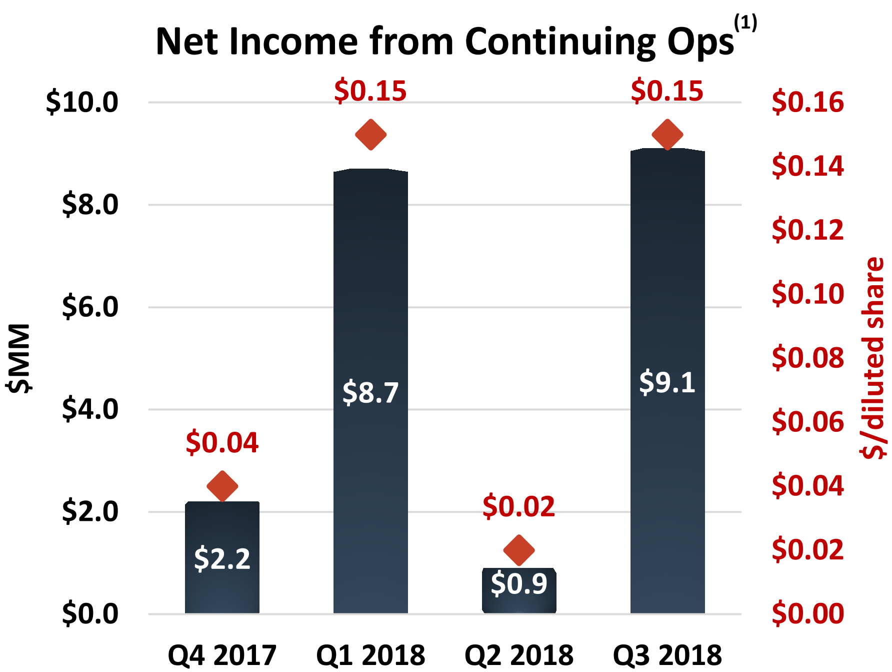
Third Quarter 2018 ($'s in millions, except per share amounts)	
Cash and cash equivalents(1)	**$ 33.7**
Debt(1)	**$ 0.0**
Financial performance – continuing operations	
Revenues	**$ 25.3**
Production & G&A expenses	**(10.3)**
Exploration, DD&A, other operating expense	**2.3**
Operating income	**17.3**
Other (income) expense and income tax	**61.3**
Income from Continuing Operations	**78.6**
Adjusted Income from Continuing Ops(2)	**9.1**
Adjusted EBITDAX(2)	**$ 16.0**
Basic shares outstanding *(in millions)*	**59.5**
Income from Continuing Operations per share	**$1.28**
Adjusted Income from Continuing Ops per share	**$0.15**

Goals: Maximize Margins, Minimize Risk and Manage Liquidity

(1) As of 9/30/2018
(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

Driving Value Through Growth in Adjusted EBITDAX and Adjusted Income from Continuing Ops





- **Brent pricing by quarter:**
  - **Q4 2017: $61.40; Q1 2018: $66.86; Q2 2018: $74.53; Q3 2018: $75.07**

Controlling Costs, Maintaining Production and Strong Pricing Have Contributed to Improving Margins, Strong Adjusted EBITDAX and Adjusted Income

1) Reconciled in Appendix

Production and Net Production Expense per BO

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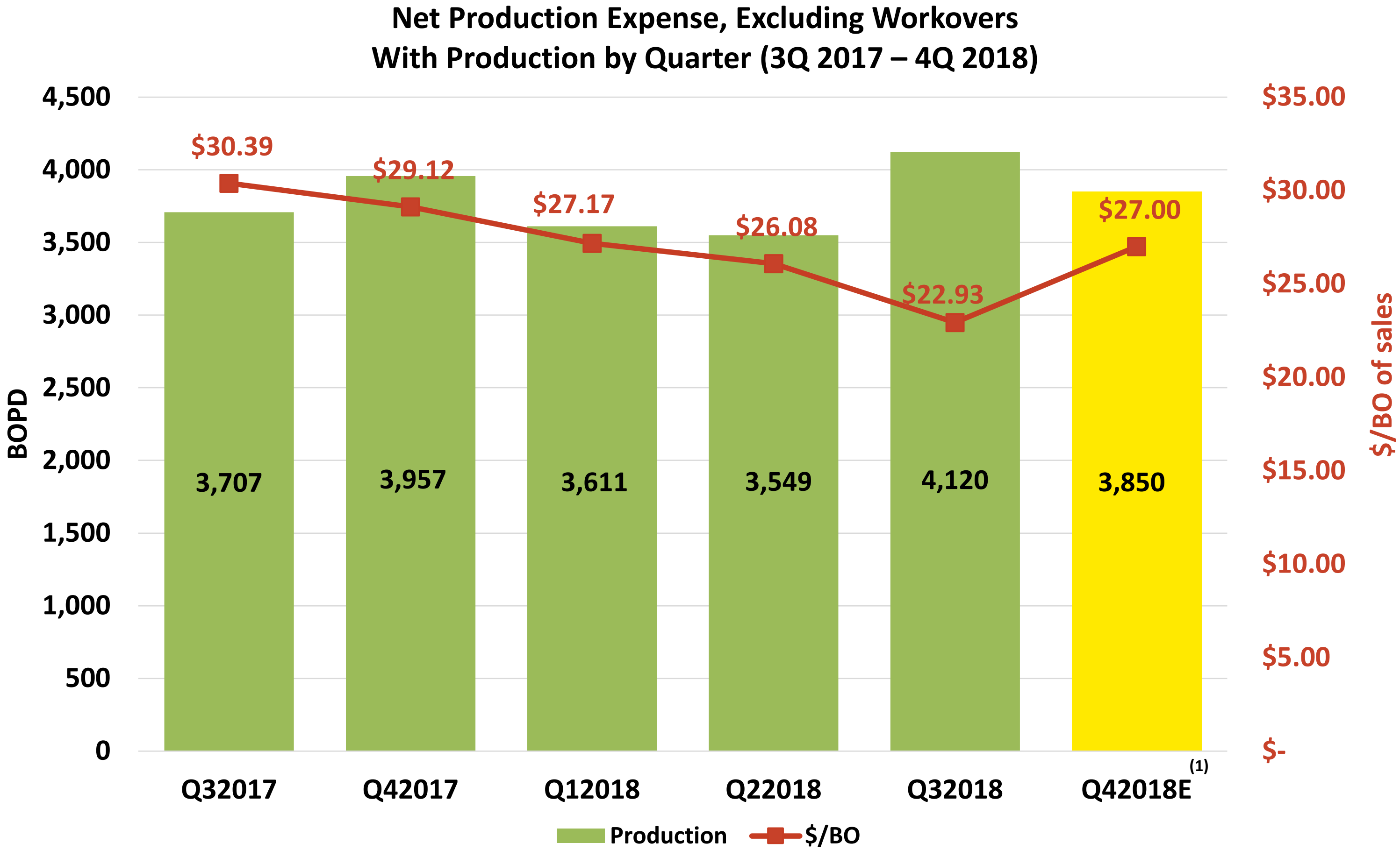

- Q3 2018 LOE/BOE was lower as a result of revised estimates of contractual obligation costs

Minimizing Base Decline and Focused on Cost Containment

(1) Midpoint of guidance range

VAALCO Free Cash Flow Overview (2018E)

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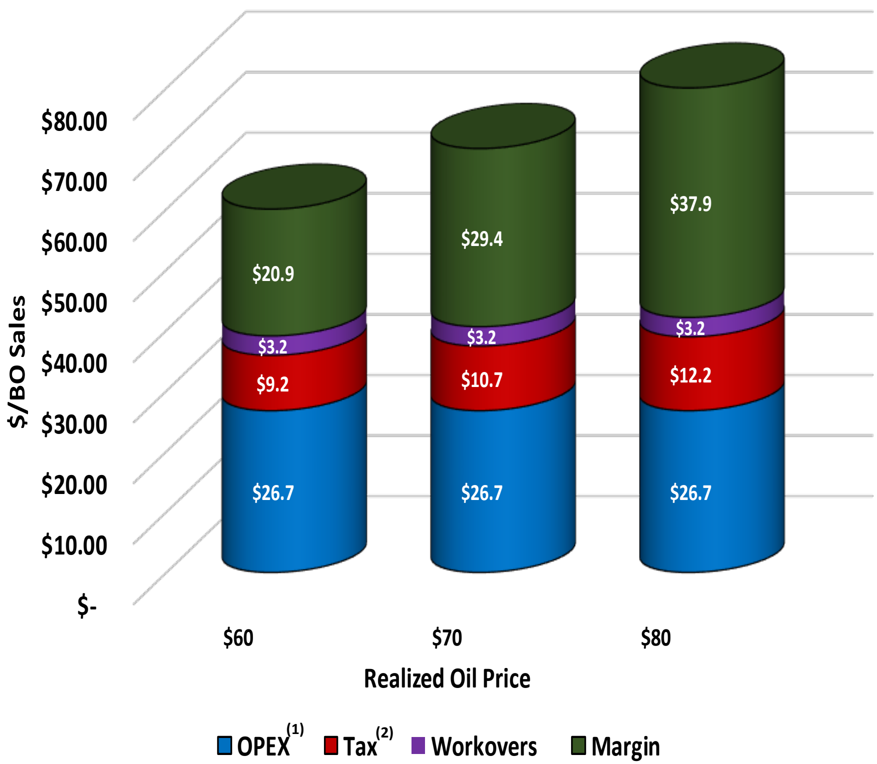
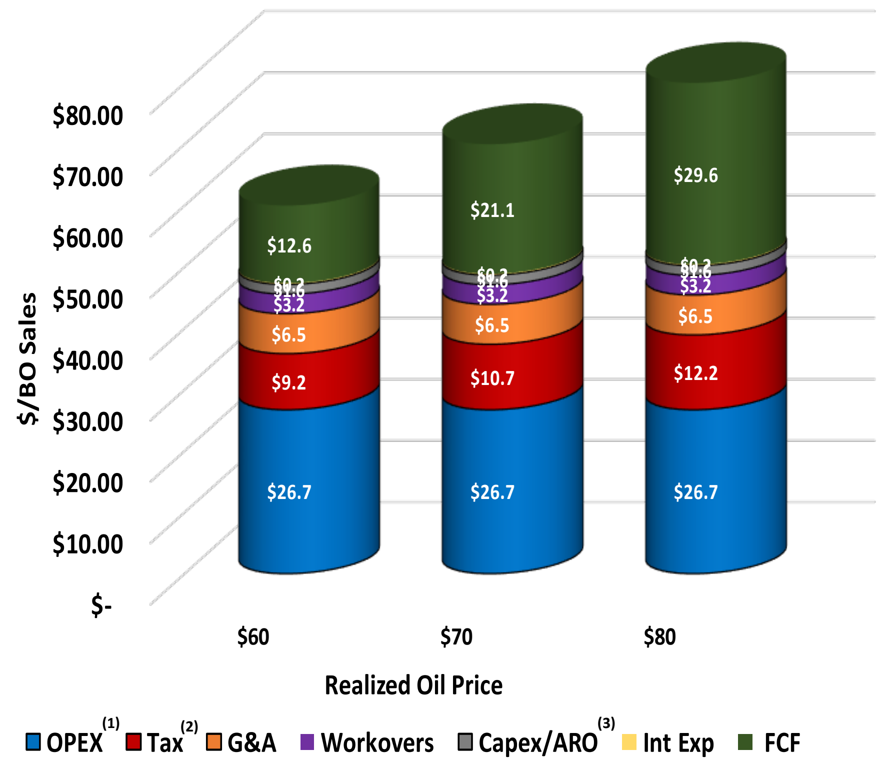
2018 Operational Margin Per Barrel



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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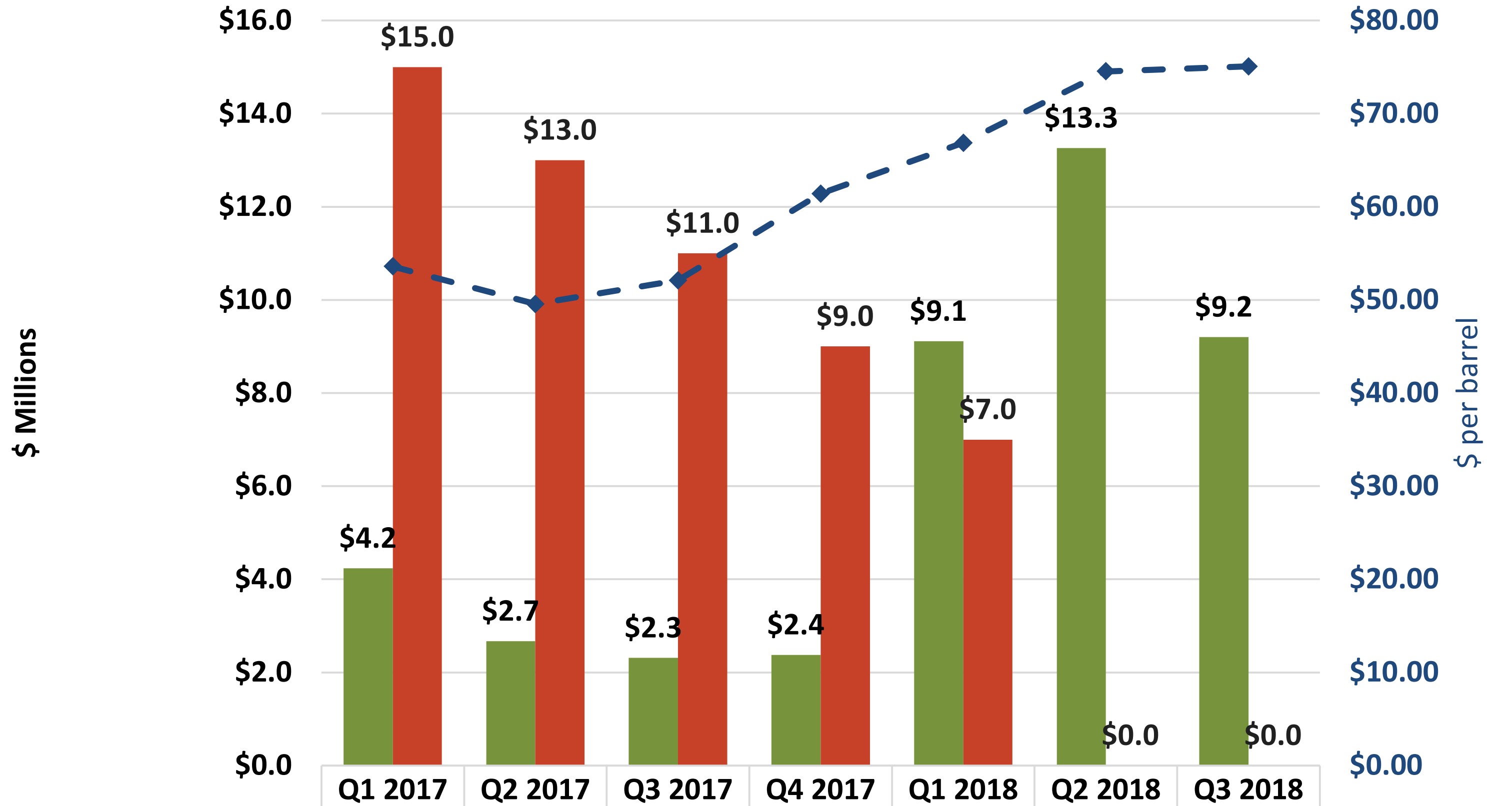

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Working Capital[1]	4.2	2.7	2.3	2.4	9.1	13.3	9.2
Debt	15.0	13.0	11.0	9.0	7.0	-	-
Avg Brent Price	$53.59	$49.55	$52.10	$61.40	$66.86	$74.53	$75.07

In Q3 2018 VAALCO Paid $11.8 Million Cash for the Extension in Etame

1) Excludes Working Capital from discontinued operations

Looking to the Future

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Significant Development Opportunities at Etame

- Drill at least two development wells and two appraisal well bores under Etame Marin extension commitment, Capex forecasted to be funded by cash on hand and cash from operations
- Operating infrastructure in place to support development
- Over 70 MMBO of gross unrisked recoverable contingent resources

Identify Additional Opportunities at Etame

- 2019 Etame Marin extension assessment project to be conducted under Etame Marin extension commitment
- Identifying potential drilling opportunities for 2020+

Perform Crude Sweetening Project Assessment

- 2019 CSP assessment project to be conducted under Etame Marin extension commitment
- Currently have 3 wells with resources shut in due to H_2S

Progress Opportunities at Equatorial Guinea

- 20+ million BOE gross discovered resource with 31% W.I.
- Reviewing exploration opportunity in SW Grande with potential for 60+ million BOE gross resource
- Costs, development plan and terms are being re-evaluated to improve returns

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

Each Opportunity, When Realized, Should Add Significant Value

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APPENDIX

2018 Full Year Guidance *(As of November 8, 2018)*

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Production (BOPD) *4th Quarter 3,700 – 4,000	**3,700 – 3,800***
Production Expense(1) *4rh Quarter Guidance ($26.00 - $28.00 per BO)	**$36 - $42 MM*** **($24.00 - $28.00 per BO)**
Workovers* *Planned workovers completed in July 2018	**$4.5 - $5.5 MM**
Cash G&A Stock-based G&A Total G&A	**$9 - $10 MM** ~$3 - 6 MM $12 - $16 MM
DD&A ($/BO)	**$3.00 - $4.00/BO**
Adjusted EBITDAX (2nd half 2018)	**$27 – $30 MM**
Sales Volume (BOPD)	**3,800 – 4,000**

(1) Excludes workover expense

VAALCO Year End 2017 Reserves

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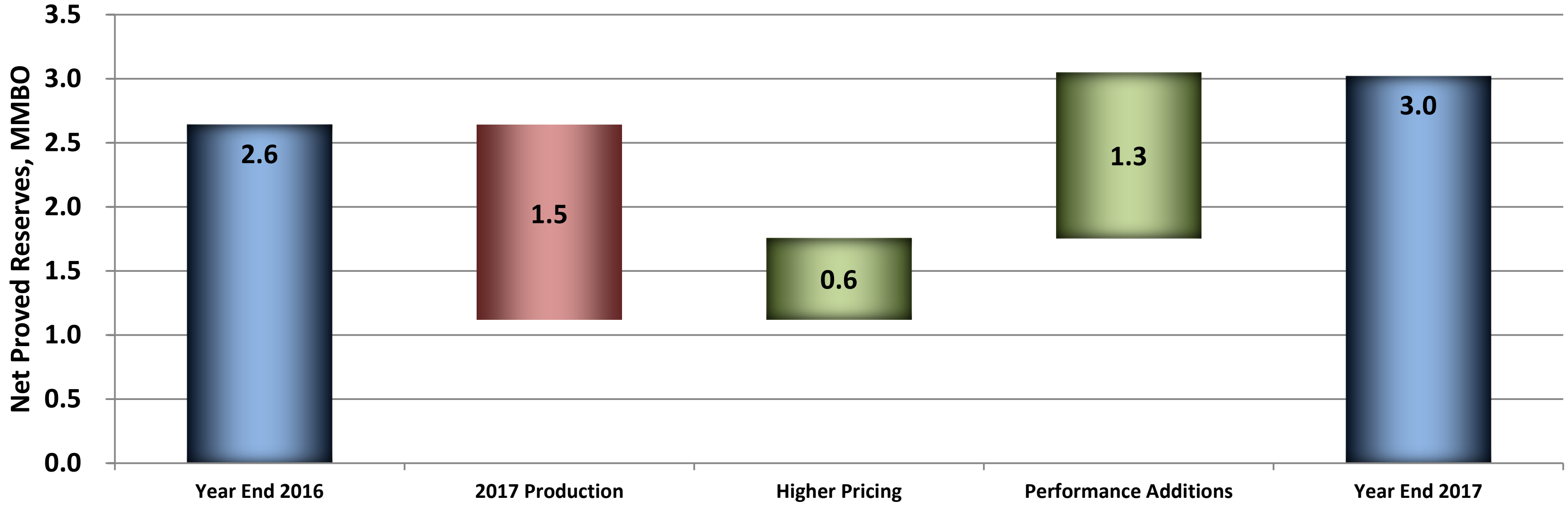
3.0 MMBO Net Proved Reserves for YE-2017
4.0 MMBO Net Proved + Probable (2P) Reserves for YE-2017
Replaced 127% of 2017 Production



- **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 discontinued operations, 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 and unrealized commodity derivative loss.

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, Adjusted Income from Continuing Operations and Working Capital from Continuing Operations are Non-GAAP financial measures and are described and reconciled to the closest GAAP measure in the attached tables under "Non-GAAP Reconciliations."

Non-GAAP Reconciliations

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Reconciliation of Net income to Adjusted EBITDAX	Three Months Ended September 30, 2018	September 30, 2017	June 30, 2018	March 31, 2018	December 31, 2017
Net income (loss)	$ 78,605	$ (322)	$ 544	$ 8,659	$ 3,431
Add back:					
Impact of discontinued operations	21	174	343	52	103
Interest (income) expense, net	(111)	327	30	354	306
Income tax expense (benefit)	(62,224)	2,749	3,582	4,042	1,339
Depreciation, depletion and amortization	1,130	1,700	1,035	1,124	918
Exploration expense	—	4	12	—	3
Non-cash or unusual items:					
Stock-based compensation	973	154	2,442	314	165
Accrued liabilities reversal	—	—	—	—	(2,614)
Commodity derivative loss, unrealized	1,065	921	999		61
Equipment recovery	6	—	(314)	(24)	—
Gain on revision of asset retirement obligations	(3,325)	—	—	—	—
Bad debt expense (recovery) and other	(157)	(49)	145	(56)	220
Adjusted EBITDAX	$ 15,983	$ 5,658	$ 8,818	$ 14,465	$ 3,932

Reconciliation of Income (loss) from Continuing Operations to Adjusted Income (loss) from Continuing Operations	Three Months Ended September 30, 2018	September 30, 2017	June 30, 2018	March 31, 2018	December 31, 2017
Income (loss) from continuing operations	$ 78,626	$ (148)	$ 887	$ 8,711	$ 3,534
Adjustment for discrete items					
Deferred income tax benefit	(66,191)	—	—	—	(1,260)
Gain on revision of asset retirement obligations	(3,325)	—	—	—	—
Adjusted income (loss) from continuing operations	$ 9,110	$ (148)	$ 887	$ 8,711	$ 2,186

Reconciliation of Changes in Working Capital from continuing operations [1]	September 30, 2018	December 31, 2017	Change
Current assets	$ 41,369	$ 33,616	$ 7,753
Current liabilities	32,152	31,241	911
Working capital from continuing operations	$ 9,217	$ 2,375	$ 6,842

[1] Excludes current assets and current liabilities attributable to discontinued operations