

Leveraging From A Strong Platform To Deliver Ambitious Growth

Updated Investor Presentation

February 2020



VAALCO ENERGY, INC.

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The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC's definitions for such terms, and price and cost sensitivities for such reserves, and prohibits disclosure of resources that do not constitute such reserves. The Company uses terms in this presentation, such as "potential reserves", "potential resources", "2P", "2P reserves", "2C resources", "EUR", "contingent resources", "net resources", "recoverable resources", "prospective resources", "gross reserves and resource potential", "gross unrisks", "unrisks gross resource", "prospective mean resources", "gross unrisks recoverable prospective and contingent resources" and similar terms or other descriptions of volumes of reserves potentially recoverable that the SEC's guidelines strictly prohibit the Company from including in filings with the SEC. These terms refer to the Company's internal estimates of unbooked hydrocarbon quantities that may be potentially added in accordance with the 2018 Petroleum Resources Management System approved by the Society of Petroleum Engineers. These estimates are by their nature more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realised. 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, the Company's 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.

Estimates of reserves provided in this presentation are estimates only and there is no guarantee that estimated reserves will be recovered. Actual reserves may be greater than or less than estimates provided in this presentation and differences may be material. There is no assurance that forecast price and cost assumptions applied by NSAI or by the Company in evaluating VAALCO's reserves will be attained and variances could be material. References to thickness of oil pay or of a formation where evidence of hydrocarbons have been encountered is not necessarily an indicator that hydrocarbons will be recoverable in commercial quantities or in any estimated volume. Well test results should be considered as preliminary and not necessarily indicative of long-term performance or of ultimate recovery. Well log interpretations indicating oil accumulations are not necessarily indicative of future production or ultimate recovery.

Corporate Overview

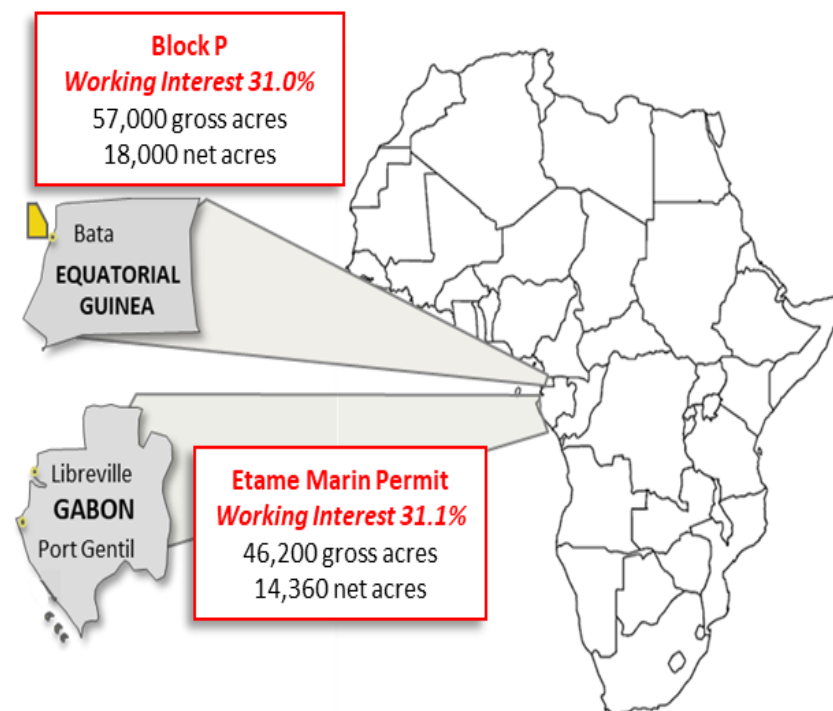


VAALCO ENERGY, INC.

VAALCO Today

Experienced Operator Undertaking Transformational Growth

- International E&P focused on low-risk, producing assets in Africa
- Operator of Gabon offshore Etame license
Etame Joint Owners⁽¹⁾: VAALCO (operator) 33.6%, Addax (Sinopec) 33.9%, Sasol 30%, PetroEnergy 2.5%
- Produced ~113 million gross barrels of oil to date
- Remaining reserves and resources of ~123 million gross barrels of oil at Etame⁽⁴⁾
- Highly successful 2019/2020 work program in progress resulting in significant production increase over FY'19 production average
- Significant development and exploration potential in Equatorial Guinea
- Actively pursuing M&A opportunities within strategic focus areas



	Gross	WI⁽¹⁾	NRI⁽²⁾
YE'18 2P Reserves (MMBO) ⁽³⁾	36.0	11.2	9.7
FY'19 Production (BOPD)	12,863	3,995	3,476

Delivering Value Through Execution

Turnaround Driven by Management Team

- New strategy adopted by management team in 2017
- Delivered on objectives to position the Company for sustainable growth
- Initiated Vision 2025 to achieve material increase in scale

Management Objectives		Delivered to Date
Negotiate long-term license extension at Etame	▶	Extended PSC to 9/2028, with two 5-year options
Restore production and grow reserves	▶	Completed multiple workover programs Increased reserves 76% from 2017 to 2018
Strengthen financial position	▶	Reduced debt from \$15 MM to zero Self funding 2019/20 Etame drilling program
Rationalize portfolio	▶	Angola – Negotiated exit on reasonable terms Acquired 3.23% Etame interest from Sojitz
Pursue near/long term growth	▶	2019/2020 drilling program currently ongoing New ventures team actively pursuing M&A

Recent Highlights

Gaining Momentum Towards Strategic Objectives

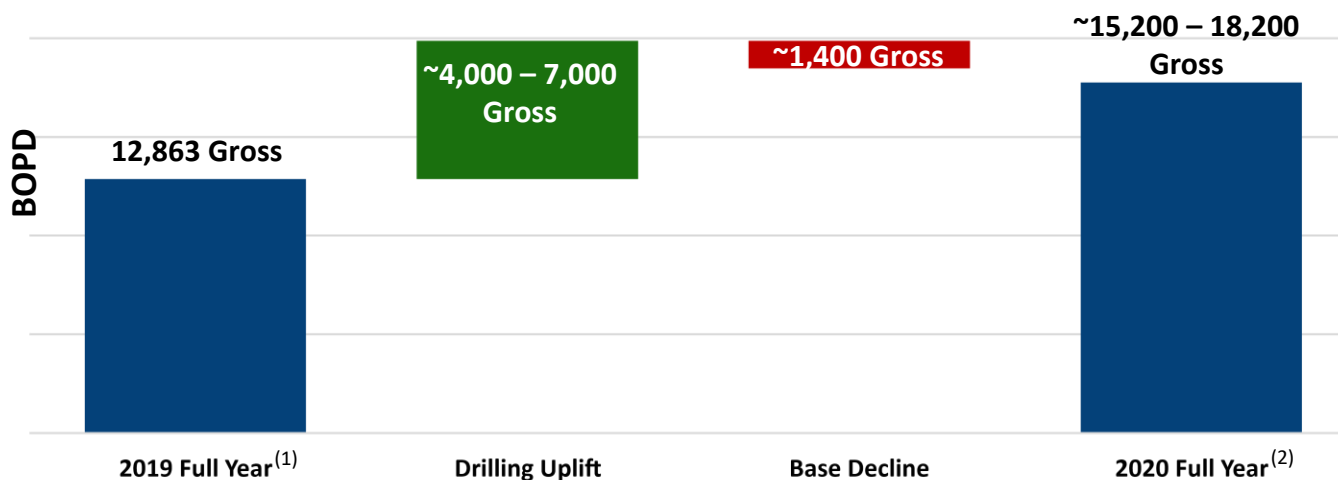


- Multiple successes in 2019/2020 drilling program
 - Etame 9P appraisal wellbore discovered oil-filled Dentale and Gamba reservoirs ~45 feet thick
 - Etame 9H brought online at 5,500 gross BOPD (1,500 net BOPD) in December 2019
 - Etame 11H brought online at 5,200 gross BOPD (1,400 net BOPD) in January 2020
 - Estimate 2020 average production will be 20% to 40% higher than the average for 2019
- Currently drilling South East Etame 4P appraisal wellbore evaluating a Gamba formation step out area
- Finalized Angola exit settlement removing all liabilities and outstanding obligations for Block 5
- Finalized agreement with Etame joint venture owners to resolve 10 years of past audit findings
- Repurchased 2.1 million shares under the common stock repurchase program Jun'19 – Jan'20
- Dual listing on the London Stock Exchange completed on September 26, 2019

Significant Near-Term Catalysts

Meaningful Production Growth with Moderate Risk

2019/2020 Program Potential Impact to 2020 Full Year Production Average



- Etame 9H well online in Q4'19 above pre-drill expectations
- Etame 11H well online in Q1'20 above pre-drill expectations
- Successful subsea repair restored production at Etame 4H in Dec 2019
- Successful workover replaced ESP and restored production at Etame 10H in Jan 2020

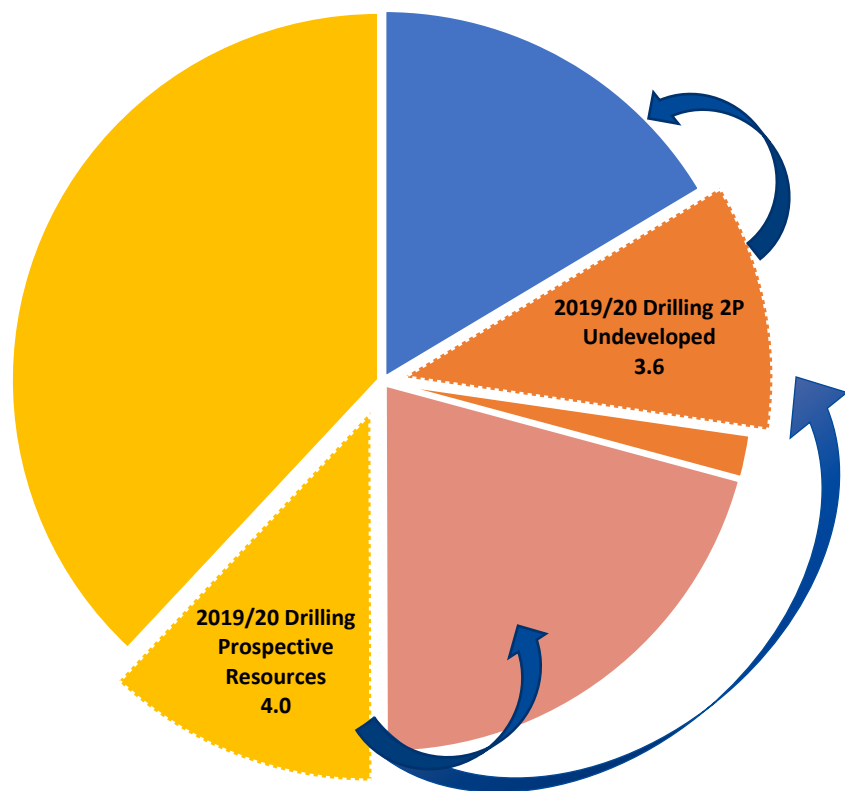
WI (BOPD)	3,995	~1,250 – 2,175	~450	~4,700 – 5,650
NRI (BOPD)	3,476	~1,075 – 1,900	~375	~4,100 – 4,925

1) 2019 is full year production reported in January 8, 2020 release

2) 2020 is the potential annualized range resulting from the 2019/2020 program uplift

Significant Near-Term Catalysts

Meaningful Potential Reserve Growth with Moderate Risk



- YE 2018 Net Reserves^(1,2)
 - 16.7 MMBO Prospective
 - 6.9 MMBO Contingent
 - 9.7 MMBO 2P
- 2019/20 drilling program
 - Converting ~3.6 net MMBO from proved undeveloped to proved developed
 - Potentially converting ~4.0 net MMBO from prospective to contingent and 2P

■ YE 2018 Net Prospective 16.7 MMBO ■ YE 2018 Net 2P Undeveloped 4.2 MMBO

■ YE 2018 Net Contingent 6.9 MMBO ■ YE 2018 Net 2P Developed 5.5 MMBO

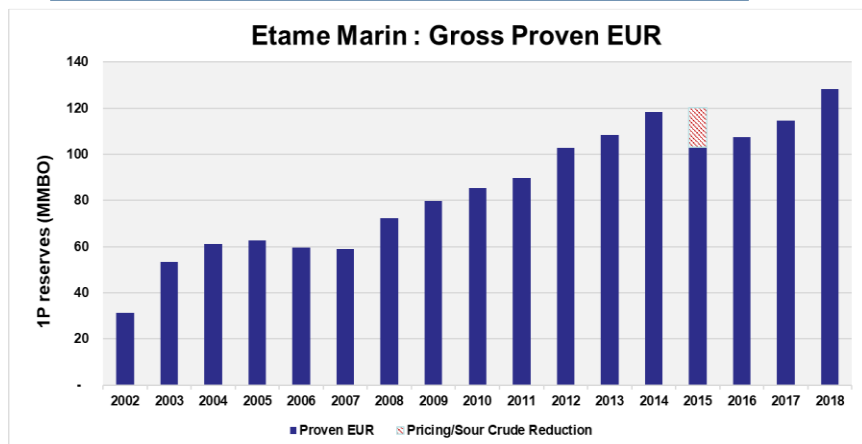
Operational Outlook



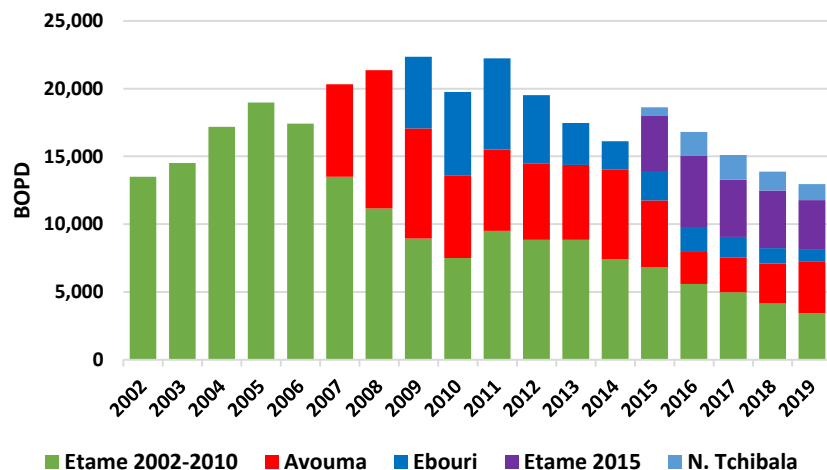
VAALCO ENERGY, INC.

Etame Track Record of Success

Repeatedly Creating Value



- Gamba reservoir plus deeper Dentale resource potential
- 30 MMBO initial gross proven EUR at YE 2002
- >113 MMBO gross barrels of oil produced
- ~123 MMBO gross proven EUR at YE 2018⁽¹⁾
- Six successful drilling programs over 20 years
- Two additional platforms installed in 2014
- Six development wells drilled in 2015
- Infrastructure in place for continued development
- Typical gross development well cost: \$20 - \$30 million



Fully Funded 2019/20 Work Program

Meaningful Growth with Moderate Risk

2019/20 Drilling Results

Etame Dentale Sub Crop: Etame 9P appraisal success with gross recoverable resources of 3.9 to 14.9 MMBO⁽²⁾

Etame 9H Development Well: Strong initial production rate of 5,500 gross BOPD, 1,500 net BOPD in Dec 2019

Etame 11H Development Well: Continued success with initial rate of 5,200 gross BOPD, 1,400 net BOPD in Jan 2020

2019/20 Remaining Objectives

South East Etame Extension: South East Etame 4P appraisal wellbore intended to prove up to two future Gamba development locations in addition to the South East Etame 4H well

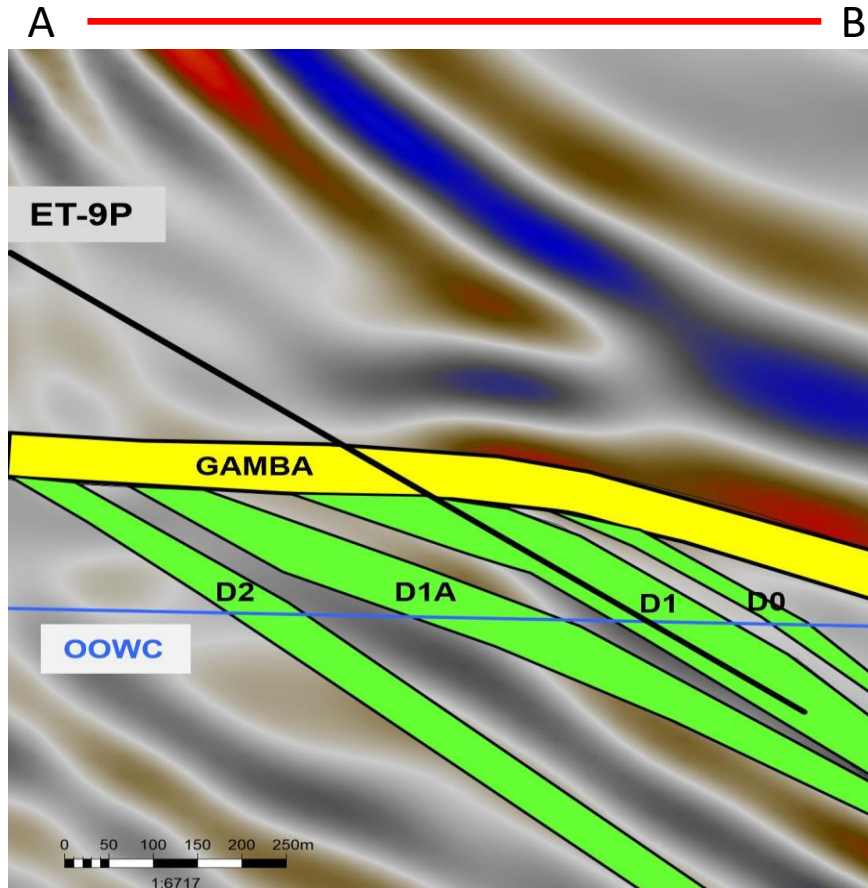
South East Etame Development: South East Etame 4H Gamba well

2019/2020 Program	Pre-Drill Gross Unrisked (MMBO)			WI	NRI
	2P Undeveloped ⁽¹⁾	Prospective ⁽²⁾	Total	Total	Total
Etame Field Development	13.4	-	13.4	4.2	3.6
SE Etame Development	-	4.2	4.2	1.3	1.1
SE Etame Extension	-	6.0	6.0	1.9	1.6
Dentale Sub Crop	-	4.6	4.6	1.4	1.2
Total	13.4	14.8	28.2	8.8	7.5

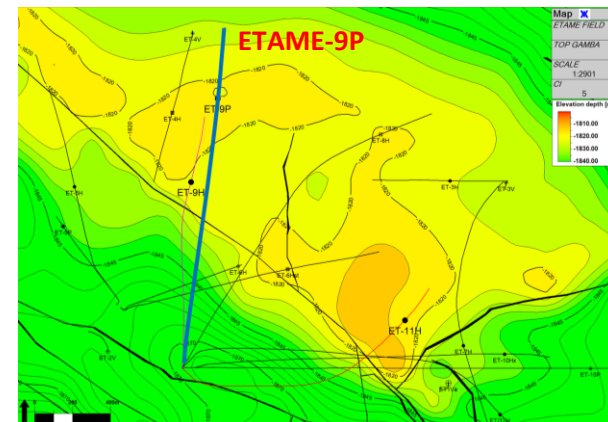
Program Success Could Increase 2P Reserves by 41%

2019/20 Drilling Program: Etame 9P

Etame Field Main Fault Sub Crop Dentale Appraisal



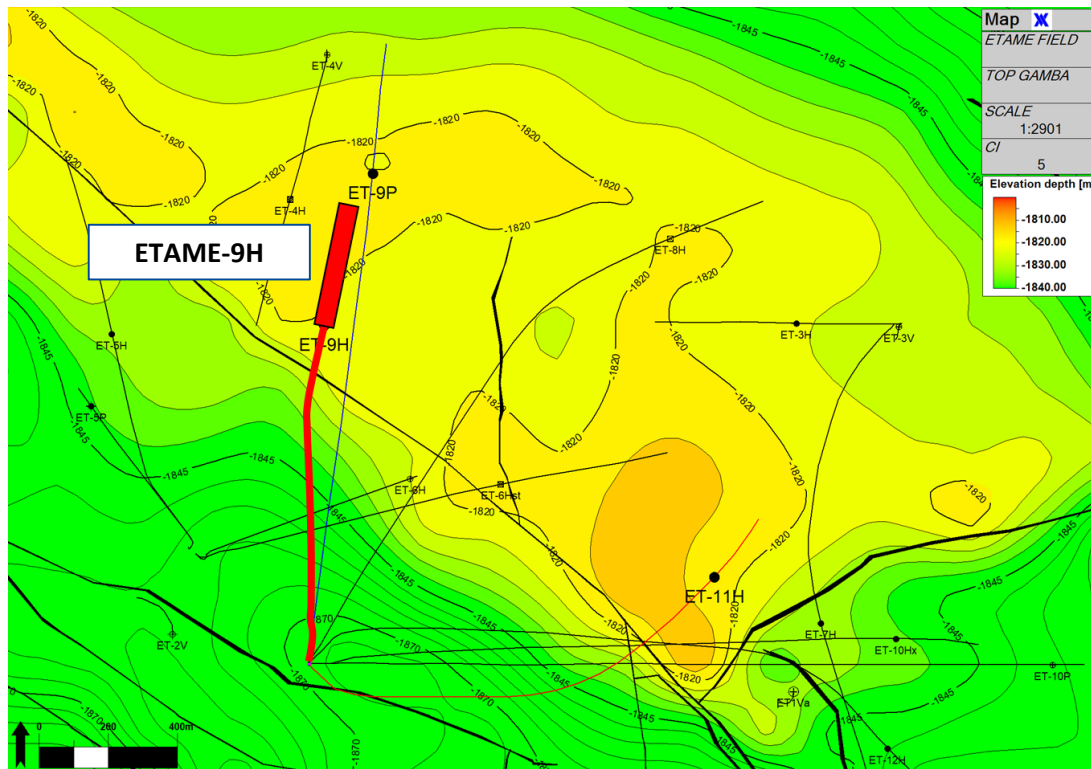
- Etame 9P appraisal wellbore successfully drilled and encountered Gamba and Dentale reservoirs
- Gamba and Dentale oil columns thicker than pre-drill expectations with no H₂S
 - Gamba reservoir at least 45 feet thick with no oil-water contact
 - Dentale reservoir at least 45 feet thick with 27% porosity and 3,000 md of permeability
- Estimated gross recoverable oil resources of 3.9 to 14.9 MMBO⁽¹⁾ present in subcropping Dentale reservoirs



1) VAALCO's internal resource estimate

2019/20 Drilling Program: Etame 9H

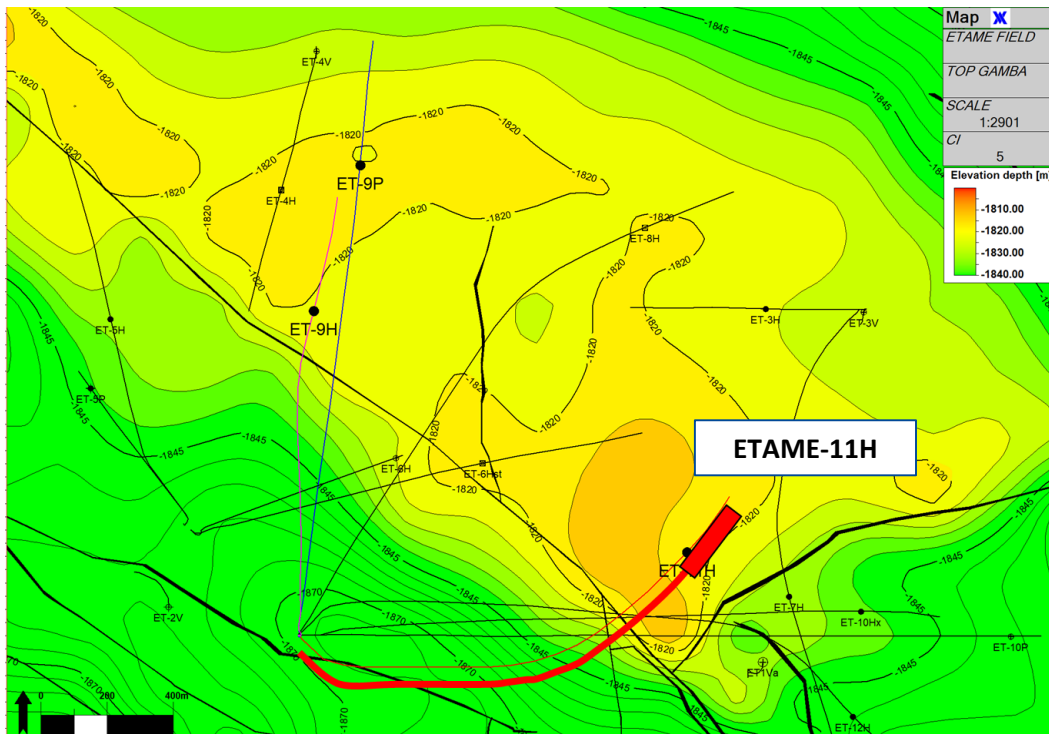
Etame Field Main Fault Block Gamba Development



- Etame 9H development well successfully drilled and brought online in December 2019
- Pre-drill expected stabilized IP rate:
2,500 – 3,500 gross BOPD
675 – 960 NRI BOPD
- Actual IP rate:
5,500 gross BOPD, 1,500 NRI BOPD
- The Etame 9H is a horizontal development well offsetting the Etame 4H and Etame 6H
- Reserve potential:
6.2 MMBO gross 2P ⁽¹⁾
1.7 MMBO NRI 2P ⁽¹⁾

2019/20 Drilling Program: Etame 11H

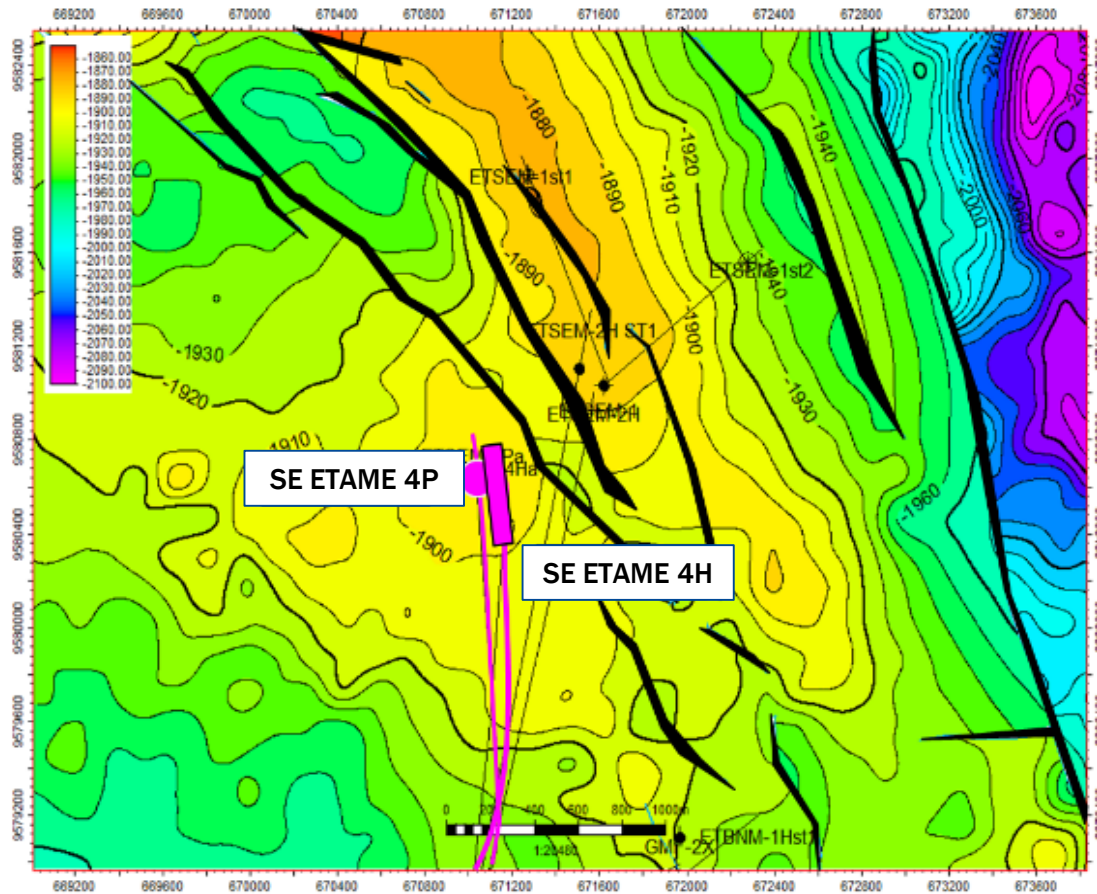
Etame Field Main Fault Block Gamba Development



- Etame 11H development well successfully drilled and brought online in January 2020
- Pre-drill expected stabilized IP rate:
2,500 – 3,500 gross BOPD
675 – 960 NRI BOPD
- Actual IP rate:
5,200 gross BOPD, 1,400 NRI BOPD
- The Etame 11H is a horizontal development well to optimize production in the east side of the main fault block
- Reserve potential:
7.2 MMBO gross 2P⁽¹⁾
2.0 MMBO NRI 2P⁽¹⁾

2019/20 Drilling Program: South East Etame 4P

South East Etame Fault Compartment/Step Out Area



- South East Etame 4P appraisal well bore will evaluate the Step Out area, interpreted as an extension from the South East Etame 2H
- The South East Etame 4H will be drilled into the Step Out area targeting the Gamba
- South East Etame 4H potential:
4.2 MMBO gross prospective⁽¹⁾
1.1 MMBO NRI prospective⁽¹⁾
- Expected stabilized IP rate:
3,000 – 4,200 gross BOPD
825 – 1,100 NRI BOPD

Additional Etame Opportunities

Moderate Risk Growth

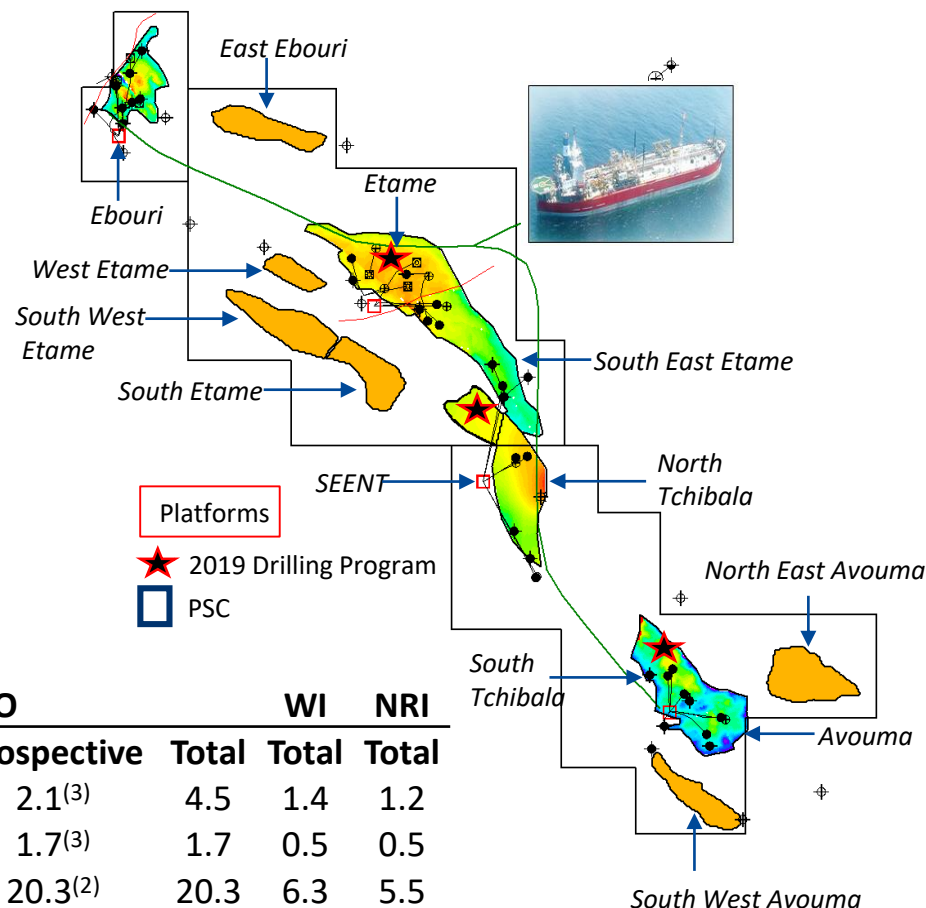
South Tchibala Extension: South Tchibala 3H Gamba well and proves up a future development location

Gamba Leads/Prospects: Five potential satellite prospects identified

Dentale Development: Nine development wells

Crude Sweetening Project: Reactivation of three shut in wells, drilling a development well and testing a satellite prospect

License Extension beyond 2028: Options to extend Etame license up to 2038 and convert resources to reserves

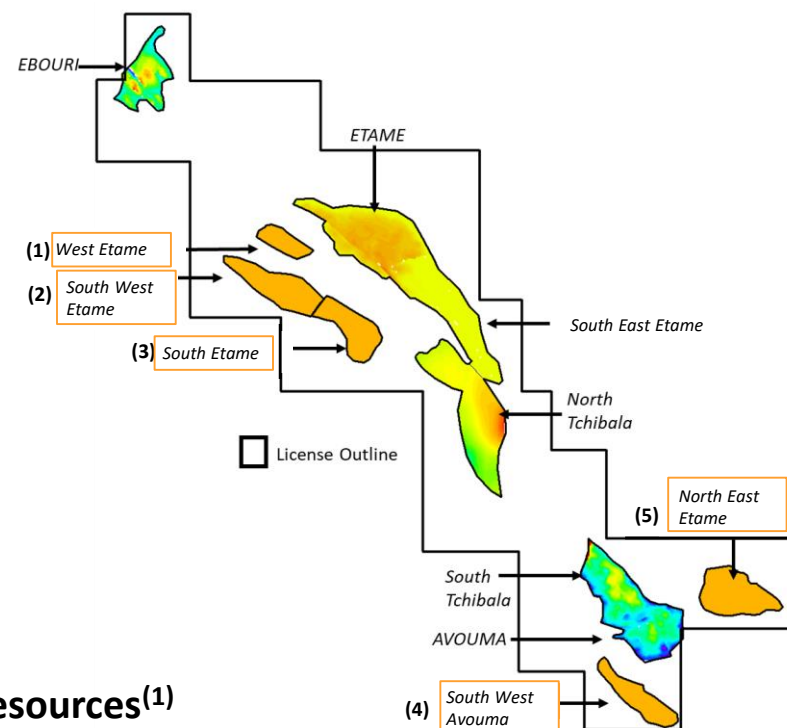


Additional Opportunities	Gross Unrisked MMBO			Total	WI Total	NRI Total
	2P Undeveloped ⁽¹⁾	Contingent ⁽¹⁾	Prospective			
South Tchibala Extension	2.4	-	2.1 ⁽³⁾	4.5	1.4	1.2
Gamba Development Wells	-	-	1.7 ⁽³⁾	1.7	0.5	0.5
Gamba Prospects	-	-	20.3 ⁽²⁾	20.3	6.3	5.5
Dentale Development Wells	-	4.4	13.6 ⁽³⁾	18.0	5.6	4.9
Crude Sweetening Project	-	5.3	9.2 ⁽³⁾	14.5	4.5	3.9
2028 License Extension	-	15.9	-	15.9	4.9	4.3
Total	2.4	25.6	46.9	74.9	23.2	20.3

Gamba Satellite Prospects

High Upside Potential with Relatively Lower Risk

- Five potential satellite prospects identified
- High upside potential prospective resources with relatively low geological risk as assessed by NSAI, VAALCO's independent 3rd party reserve engineering firm
- Evaluating targets for near-term drilling campaigns

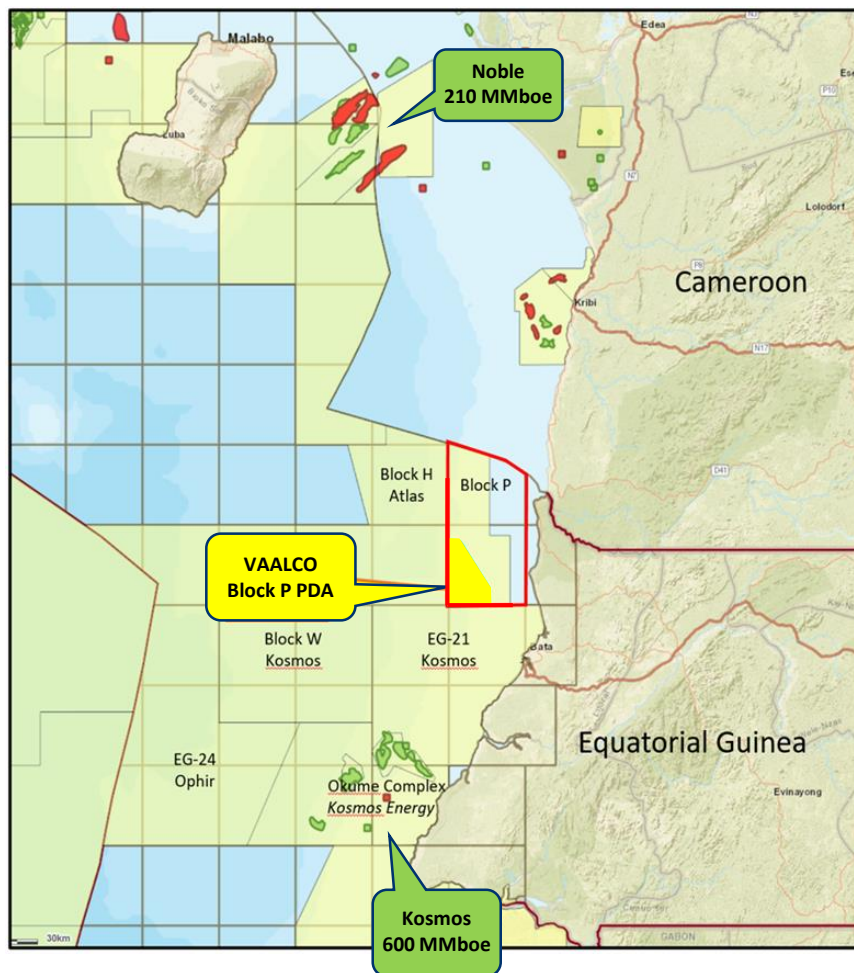


Netherland Sewell & Associates Inc Prospective Mean Resources⁽¹⁾

Gamba Satellites Prospects	Gross MMBO	WI MMBO	NRI MMBO	Probability of Geological Success P(g)
(1) West Etame	1.0	0.3	0.3	56%
(2) South West Etame	5.2	1.6	1.4	64%
(3) South Etame	4.6	1.4	1.2	64%
(4) South West Avouma	5.1	1.6	1.4	73%
(5) North East Avouma	4.4	1.4	1.2	73%
Total	20.3	6.3	5.5	

Equatorial Guinea

Significant Upside Potential



- Block P suspension lifted; awaiting approval of transfer of GEPetrol's WI
- Executed a Memorandum of Understanding with Levene regarding potential commercial relationship
 - VAALCO EG potentially serving as a non-owner contract operator on Levene's Blocks 3,4 and 19
 - Levene potentially acquiring a portion of VAALCO EG's 31% WI in Block P
- Timing, costs, development plan and terms are being re-evaluated
- If VAALCO does not proceed forward, \$10 million of leasehold costs will be impaired
- Reviewing exploration opportunity in SW Grande with potential for 164 million BOE unrisked gross resource⁽¹⁾
- 16+ million BOE unrisked gross resource⁽¹⁾ Venus discovery; 4 million BOE unrisked gross resource⁽²⁾ Europa discovery

Low-Cost Optionality with Significant Upside

1) 3/31/2019 NSAI resource report (non-SEC pricing)

2) VAALCO's internal resource estimate

Inorganic Growth

Achieving 5x Value

- Seeking to complement organic growth with value accretive M&A opportunities
- Strategic focus on producing assets in Africa
- Seeking merger candidates of similar size and corporate strategy
- Screening acquisition opportunities that create value through technical and operational synergies
- LSE dual-listing to provide access to additional sources of capital to fund inorganic growth objectives



Stakeholder Engagement



VAALCO ENERGY, INC.

Health, Safety, Security & Environment

Commitment to World Class Safety

Health & Safety

- Complying with all applicable health and safety regulations resulting in only one serious incident on Company operated facilities in the past three years
- Aligning the safety management systems with international standards (ISO 45001, 2018)
- Empowering workforce to take ownership of safety performance

Environmental Management

- Fostering environmental stewardship with continuous training and dedicated emergency environmental response capabilities
- Expanding greenhouse gas emissions database and designing operational modifications to align with recognized standards for air emissions
- Enhancing personal and environmental performance through Process Safety Management training and implementation



People Based Safety

VAALCO Energy's People Based Safety Program –
complementing Behaviour Based Safety through
strengthening Safety Leadership Skills

Social License to Operate

Commitment to Society

Diversified workforce

- VAALCO is committed to supporting the socioeconomic development of the communities in which we operate
- Our local workforce in Gabon comprises 93.7% national representation and the female workforce in Gabon is at 20% with 8% represented on the management team
- Houston workforce is diversified on the basis of merit and qualification without regard to race, religion, color, national origin, physical disability, sex, or age and the female workforce in Houston office is at 40% with 14% represented on executive leadership and management teams

Community initiatives

- Education: school supplies, training, facility upgrades, orphanage
- Social and health development campaigns that support the improvement in quality of life
- Environmental programs
- Programs are a mixture of contributions, training and workforce participation in activities



Colleagues and members of local communities engaging to discuss Women's education and career development opportunities, obstacles and solutions



In 2019 VAALCO GABON S.A. volunteers visited over 11 schools with educational programs. Company sponsors MISSION NISSI local center for young women who are at risk of human trafficking.

In Houston, VAALCO supports the Krause Children's Center that serves young women between the ages of 12-17 on their road to recovery from difficult domestic situations.

Houston office employees volunteer with Junior Achievement programs that help students realize that the education they are getting today will help them to have a bright future tomorrow.

Governance

Commitment to High Ethical Standards

- Long-standing governance practices designed in conformance with SEC and UK Corporate Governance Code
- Majority independent Board oversight
- Code of conduct, code of ethics, employee education and monitoring for compliance with applicable U.S. and U.K anticorruption laws
- As a responsible operator, VAALCO operates at the highest ethical standards, and holds a zero-tolerance policy to bribery and corruption
- Employees are empowered to uphold strong governance standards in our everyday operation with STOP authority and clear reporting systems for any issues

Financial Overview



VAALCO ENERGY, INC.

Financial Snapshot⁽¹⁾

Delivering Strong Cash Flow and Financial Results

US \$34.6 MM

Adjusted Net Income

242%

FY 2018

US \$56.3 MM

Adjusted EBITDAX

81%

FY 2018

US \$37.2 MM

Cash from Operations

315%

FY 2018

US\$25.04

Production cost per BO⁽²⁾

1%

FY 2018

US \$104.9 MM

Revenues

36%

FY 2018

3,751 BOPD

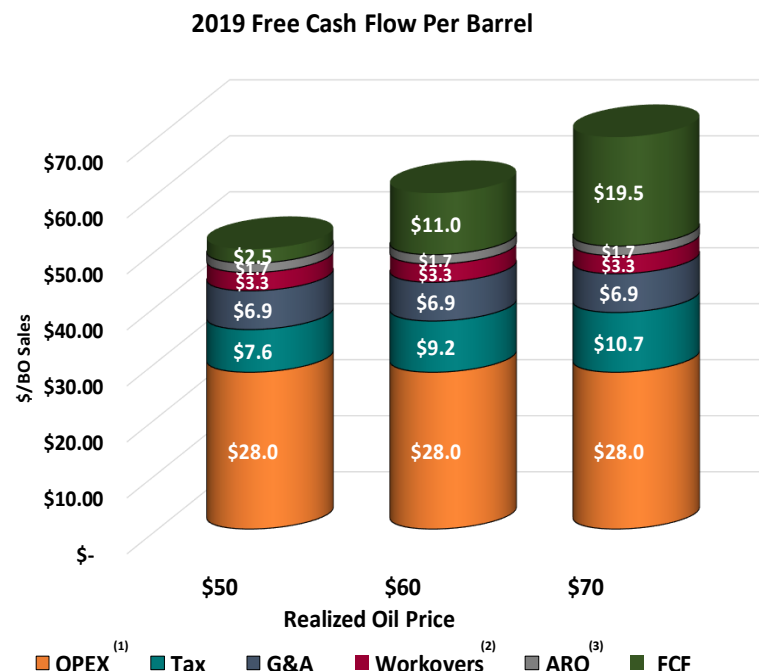
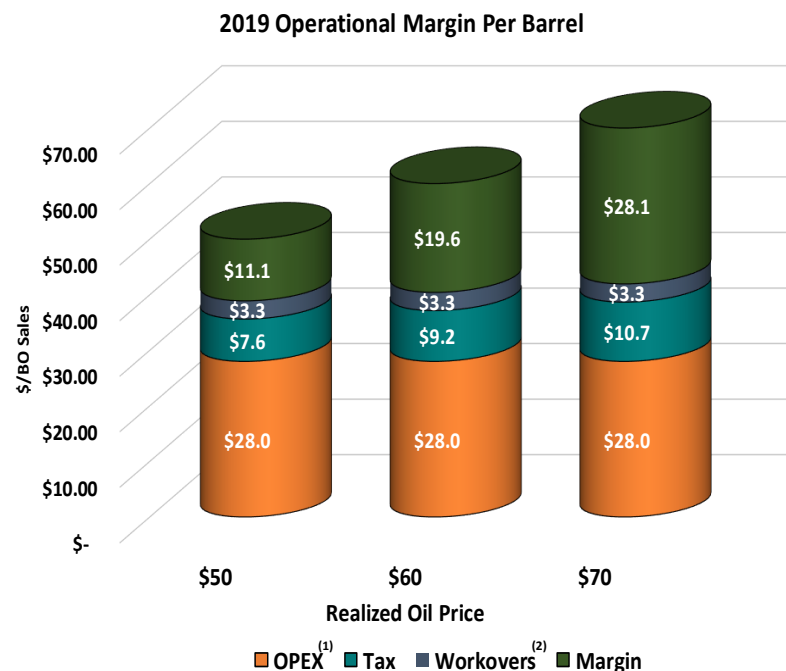
Production Volume per day

10%

FY 2018

VAALCO Free Cash Flow Overview (2019E)

Maximize Margins Through Cost Discipline



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

Free cash flow per barrel excludes 2019 Capex of ~\$20 - \$25 million

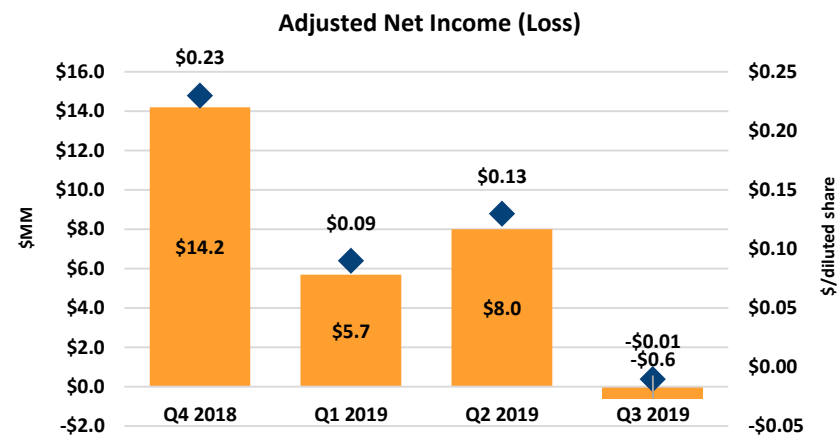
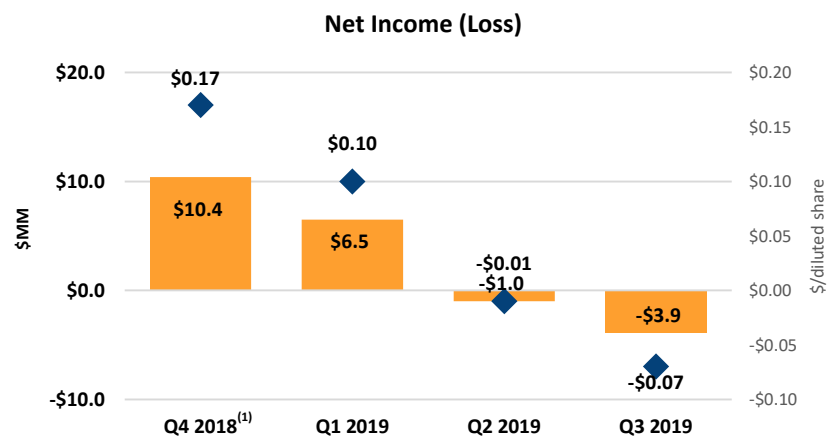
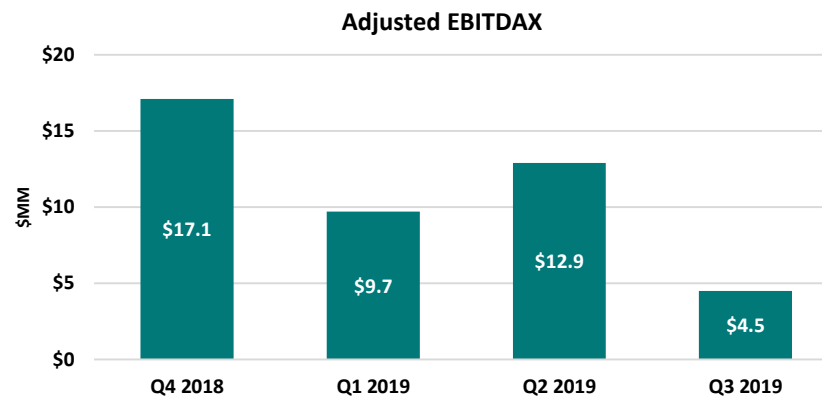
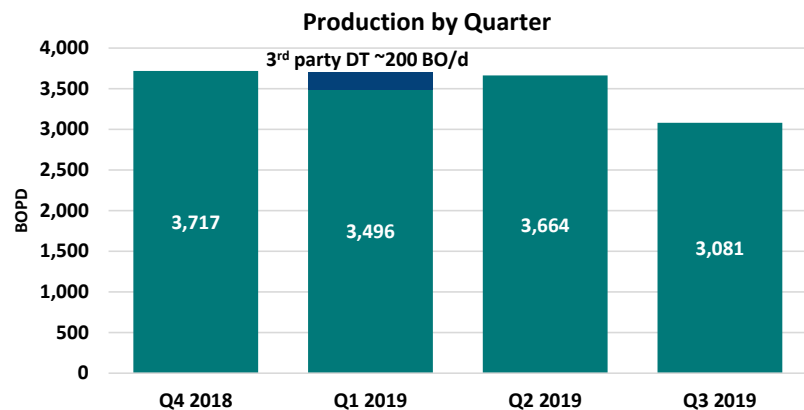
Approximately 90% of estimated opex is fixed, majority of costs don't increase with additional production levels

Operational Breakeven: ~\$37/BBL

Free Cash Flow Break-Even: ~\$47/BBL

Key Performance Metrics

Profitable Results Build Financial Strength

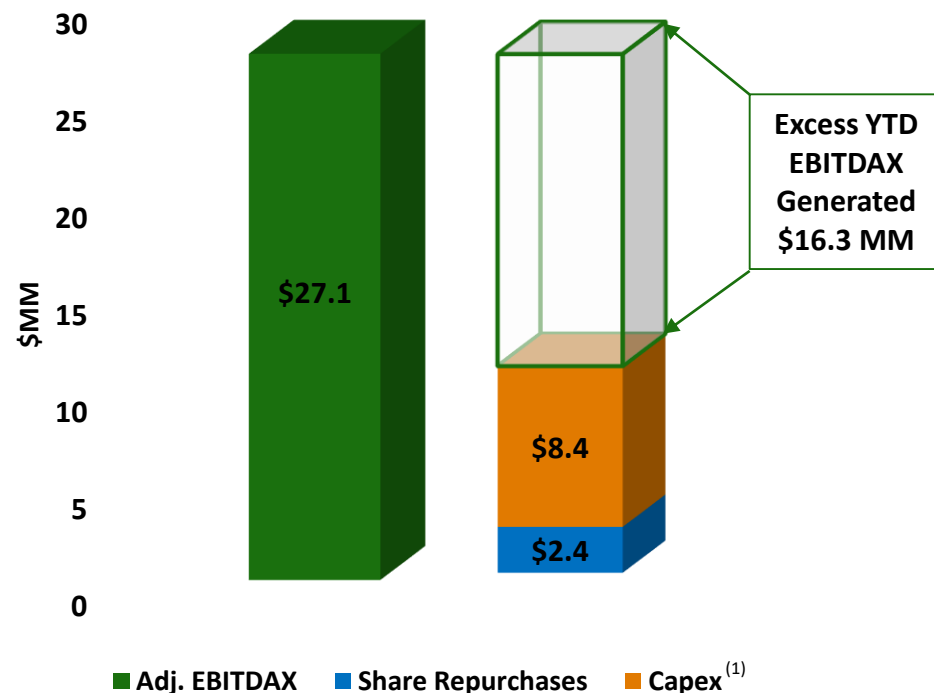


Strong Cash Flow Generation

Adj. EBITDAX Exceeding Capex and Share Repurchases

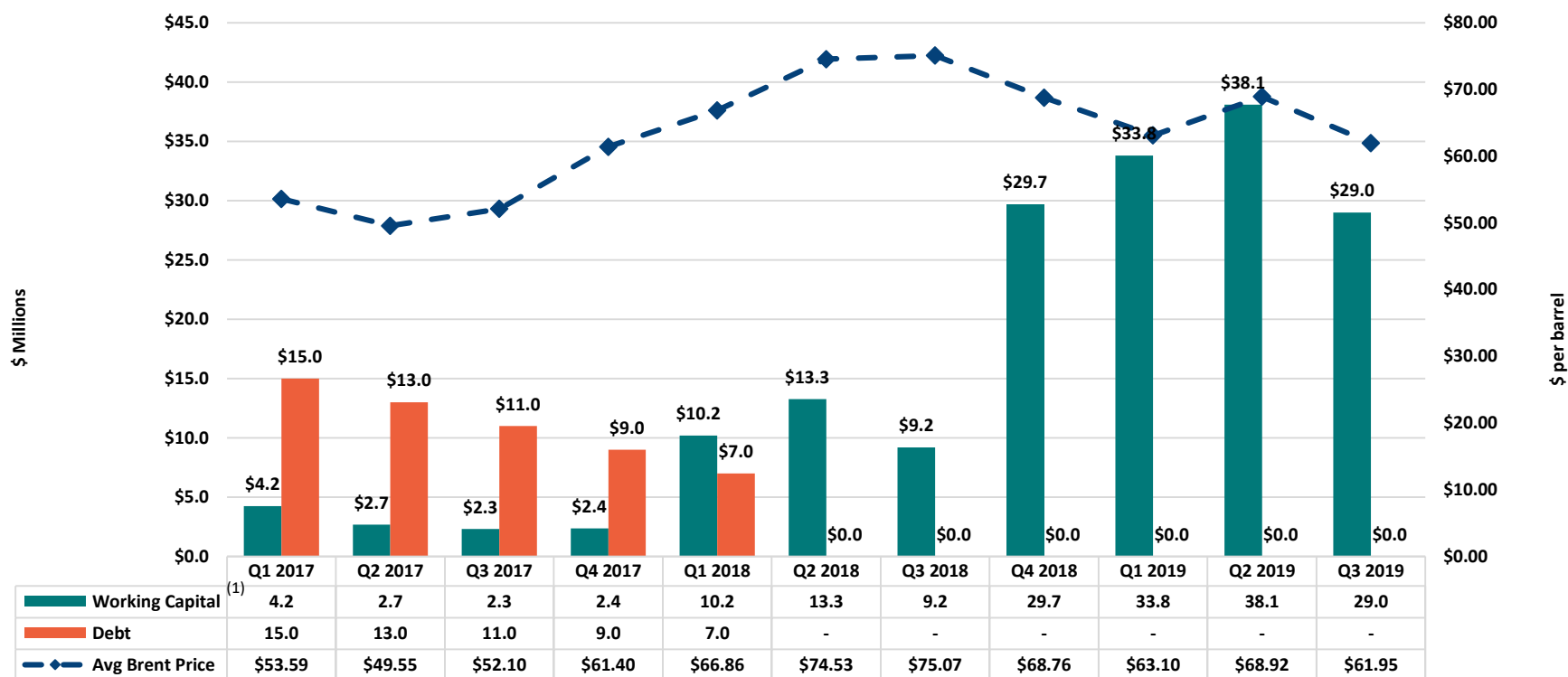
- Generated \$27.1 million Adjusted EBITDAX in first 9 months of 2019
- Repurchased 1.3 million of outstanding VAALCO shares in first 9 months of 2019 for \$2.4 million
- 2019 full year net capital spend forecasted to be \$20 - \$25 million
 - Includes long lead time purchases for the 2019/20 drilling program
 - Drilling Etame 9P appraisal wellbore
 - Drilling and completing Etame 9H development well
 - Drilling of Etame 11H development well
- Total 2019/20 drilling program net capital forecasted to be \$30 - \$35 million

2019 YTD Results Thru Q3



Working Capital From Continuing Operations

Liquidity Position Continues to Improve



Hedging

Ensure Sufficient Cash Flow to Fund Future Drilling Campaigns

- May 2019: Swaps for 500,000 BBLS at \$66.70 dated Brent for the July 2019 to June 2020 period
- Volumes represent approximately one-third of net sales for the hedged period
- At September 30, 2019, there were swaps outstanding for 394,735 BBLS



Share Repurchase Program

Returning Value to Shareholders

- On June 20, 2019 the Board authorized a stock repurchase program
- VAALCO can repurchase up to \$10 million of the currently outstanding shares of common stock
- The program period will last up to 12 months through open market purchases, privately-negotiated transactions, or otherwise in compliance with SEC Rule 10b-18
- Strong cash flow and overall financial position allows for share repurchase program as well as planned 2019/20 drilling program at Eteme
- Through January 31, 2020, VAALCO has repurchased 2,067,188 shares of VAALCO stock at an average price of \$1.81 per share (\$3.7 million)



Major Shareholders

Top 20 Shareholders as of September 30, 2019

<u>Shareholder</u>	<u>Shares Held</u>	<u>% of Outstanding</u>
Radoff, Bradley + Fondren Management, L.P.	4,494,905	7.7%
Tieton Capital Management, LLC	3,819,456	6.6%
Renaissance Technologies LLC	3,626,355	6.2%
Kornitzer Capital Management Inc.	2,485,510	4.3%
Wilens Management Company, Inc.	2,309,731	4.0%
The Vanguard Group, Inc.	1,960,866	3.4%
BlackRock Institutional Trust Company, N.A.	1,302,332	2.2%
LSV Asset Management	1,213,577	2.1%
Bridgeway Capital Management, Inc.	1,132,700	2.0%
Ancora Advisors, L.L.C.	791,183	1.4%
Dimensional Fund Advisors, L.P.	776,790	1.3%
John Knapp (Director)	476,418	0.8%
Cary Bounds (CEO & Director)	470,095	0.8%
Arrowstreet Capital, Limited Partnership	413,717	0.7%
J.P. Morgan Securities LLC	377,223	0.7%
Geode Capital Management, L.L.C.	374,992	0.6%
DIM Funds SICAV S.A.	321,000	0.6%
Connor, Clark & Lunn Investment Management Ltd.	256,940	0.4%
Ancora Family Wealth Advisors, LLC	230,659	0.4%
Andrew Fawthrop (Chairman & Director)	197,577	0.3%
Total of top 20 shareholders	27,032,026	46.5%

- Large, stable shareholder base
- Average daily trading volume for 2019 was ~275,000 shares
- Management aligned with shareholder interests and owns ~3% of outstanding shares

Vision 2025 Strategy

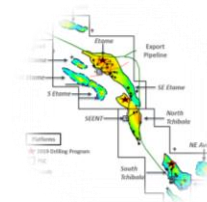


VAALCO ENERGY, INC.

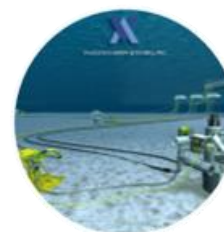
Vision 2025

Roadmap to Transformational Growth

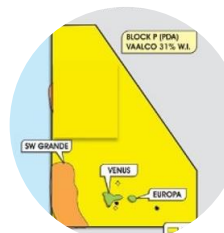
- Achieve material increase in scale as a premier Africa operator
- Maintain operational excellence, cost discipline and strong balance sheet
- Execute work programs at Etame to grow production and reserves
- Partner with established African exploration company in Equatorial Guinea
- Pursue value accretive M&A opportunities within strategic focus
- Targeting 5x growth in value by 2025 and top quartile TSR



2019/20 Etame License Work Program



Future Etame License Work Programs



Equatorial Guinea – Block P



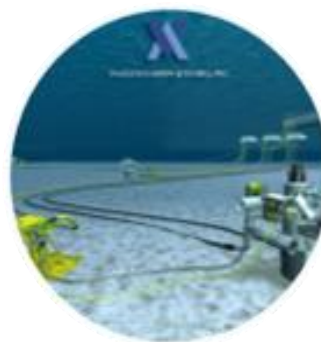
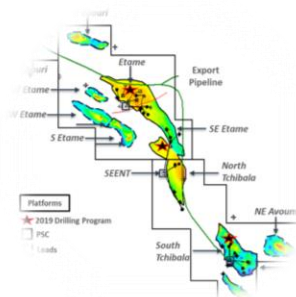
New Ventures and M&A

Vision 2025

Building Blocks to Achieve Growth

2019/20 Etame License Work Program

- One Dentale appraisal wellbore to evaluate sub crop reservoirs
- Two Etame Field Gamba development wells
- One Gamba appraisal wellbore to extend the South East Etame Field
- One potential South East Etame Field Gamba development well

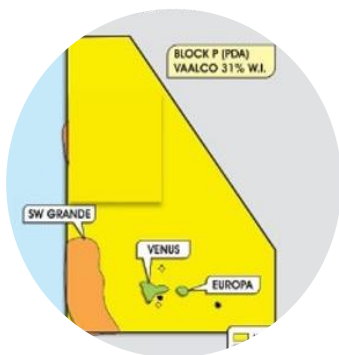


Future Etame License Work Programs

- Five Gamba development wells
- Five Gamba near field leads/prospects
- Three Dentale sub crop development wells
- Nine Dentale development wells
- Crude Sweetening Project

Equatorial Guinea – Block P

- 20+ million BOE unrisked gross resource discovery with 31% W.I as operator^(1,2)
- South West Grande prospect with potential for 164 million BOE unrisked gross resource⁽¹⁾
- Multiple Miocene and Cretaceous prospects with significant reserves



New Ventures and M&A

- Acquisition of producing assets with upside potential
- Pursuing accretive merger candidates with synergies to create scale
- Multiple direct negotiations and bid round opportunities in progress



Appendix



VAALCO ENERGY, INC.

2019 Full Year Guidance

(As of November 6, 2019, Except Production)

	WI ⁽¹⁾	NRI ⁽¹⁾
Production (BOPD)	4,000 ⁽³⁾	3,476 ⁽³⁾
Q4 2019 Production (BOPD)	4,217 ⁽³⁾	3,664 ⁽³⁾
Sales Volume (BOPD)	3,900 – 4,350	3,400 – 3,800
Production Expense ⁽²⁾	\$37 - \$39 MM	\$37 - \$39 MM
Production Expense per BO	\$22.50 - \$26.50	\$26.00 - \$30.00
Q4 2019 Production Expense per BO	\$25.50 - \$31.50	\$30.00 - \$36.00
Workovers	\$0.5 - \$1.0 MM	\$0.5 - \$1.0 MM
Cash G&A	\$11 - \$12 MM	\$11 - \$12 MM
Stock-based	~\$3 - 5 MM	~\$3 - 5 MM
Total G&A	\$14 - \$17 MM	\$14 - \$17 MM
DD&A (\$/BO)	\$4.75 - \$5.75/BO	\$5.50 - \$6.50/BO
CAPEX	\$20 - \$25 MM	\$20 - \$25 MM

Non-GAAP Reconciliations

Reconciliation of Net Income (Loss) to Adjusted Net Income	Three Months Ended		
	September 30, 2019	September 30, 2018	June 30, 2019
Net income (loss)	\$ (3,919)	\$ 78,605	\$ (1,033)
Adjustment for discrete items:			
Discontinued operations, net of tax	61	21	162
Unrealized derivative instruments (gain) loss	(1,774)	1,065	(1,479)
Gain on revision of asset retirement obligations	—	(3,325)	—
Other operating (income) expense, net	(35)	6	4,399
Deferred income tax expense (benefit)	5,058	(66,191)	5,925
Adjusted Net Income (Loss)	<u>\$ (609)</u>	<u>\$ 10,181</u>	<u>\$ 7,974</u>

Reconciliation of Net Income (Loss) to Adjusted EBITDAX	Three Months Ended		
	September 30, 2019	September 30, 2018	June 30, 2019
Net income (loss)	\$ (3,919)	\$ 78,605	\$ (1,033)
Add back:			
Impact of discontinued operations	61	21	162
Interest expense (income), net	(193)	(111)	(201)
Income tax expense (benefit)	7,681	(62,224)	9,208
Depreciation, depletion and amortization	1,509	1,130	1,909
Non-cash or unusual items:			
Stock-based compensation	1,150	973	(103)
Unrealized derivative instruments (gain) loss	(1,774)	1,065	(1,479)
Other operating (income) expense, net	(35)	6	4,399
Gain on revision of asset retirement obligations	—	(3,325)	—
Bad debt recovery and other	54	(157)	5
Adjusted EBITDAX	<u>\$ 4,534</u>	<u>\$ 15,983</u>	<u>\$ 12,867</u>

Reconciliation of Changes in Working Capital from Continuing Operations	September 30,	June 30, 2019	Change
	2019		
Current assets	\$ 74,543	\$ 69,914	\$ 4,629
Current liabilities	(58,341)	(47,136)	(11,205)
Operating lease liabilities - current portion	12,432	10,500	1,932
Current liabilities - discontinued operations	326	4,847	(4,521)
Working Capital From Continuing Operations	<u>\$ 28,960</u>	<u>\$ 38,125</u>	<u>\$ (9,165)</u>

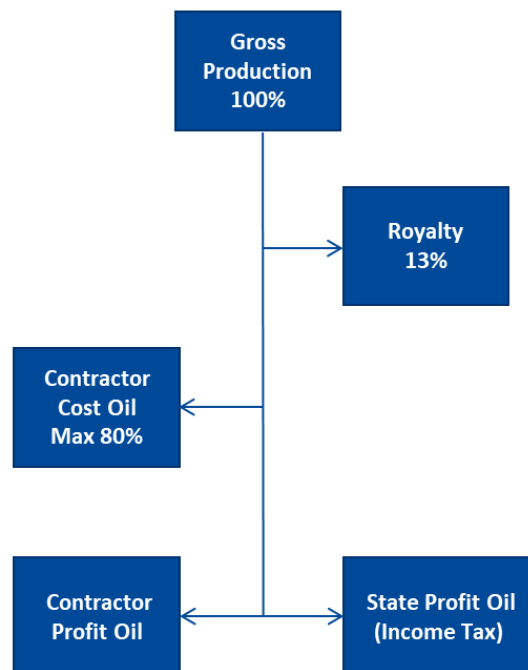
Etame PSC Contractual Summary

PSC Terms	Gabon - Etame
Royalty Rate	13%
Cost Oil	80% through Sept. 2028, 70% thereafter
Profit Oil Split/Income Tax	See Table Below
Government back-in - Tullow	7.5% carried through June 2026, 10% thereafter
Abandonment	Cost recoverable: Estimated \$61.8MM, Pre-funded \$37.4MM
Production and Development Term	10 yrs through 2028 plus two 5 yr options

Profit Oil Split (BOPD)	Contractor	State
0 - 10,000	50%	50%
10,000 – 25,000	45%	55%
25,000 +	40%	60%

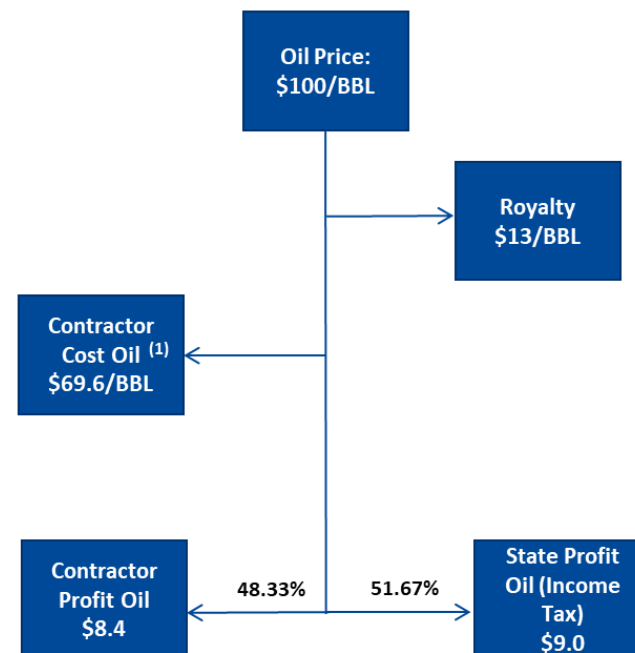
Etame Fiscal Terms

Contractual Fiscal Parameters



Contractual Fiscal Parameters

(assuming 15,000 BOPD gross production)



Etame Marin Block Interest	Working Interest %	Participating Interest%	Net Royalty Interest %
VAALCO	31.1%	33.6%	27.1%

Management Team

Deep Industry, Technical and Financial Experience



Cary Bounds – Chief Executive Officer and Director

Joined VAALCO in 2015 as COO and was named CEO in December 2016. Mr. Bounds began his career at Conoco in 1991. Most recently led Noble's Central Africa BU, overseeing operations in Equatorial Guinea. Held technical and leadership positions with Noble Energy, SM Energy, Dominion, and ConocoPhillips. Fifteen years domestic experience and ten years international experience, primarily West Africa and UK. Holds B.S. in Petroleum Engineering from Texas A&M University.



William Thomas – President and Director

Joined the Board in 2019 and brought on as President in February 2020 and is responsible for VAALCO's strategic M&A activity. Mr. Thomas has over 30 years of experience in the international energy industry including investment banking and advising energy clients on upstream mergers and acquisitions. Since 2010, through his wholly-owned entity, Texas Oceanic Petroleum Co., Mr. Thomas has negotiated transactions involving exploration and production (E&P) companies around the world including in West Africa. Holds a BA in Economics from University of Texas at Austin.



Elizabeth Prochnow – Chief Financial Officer

Joined VAALCO in 2015. Over thirty years serving in senior level accounting and financial officer roles with publicly traded companies. Holds a Bachelor of Arts and a Masters of Accounting from Rice University and is a certified public accountant in the State of Texas.



David DesAutels – Executive Vice President Corporate Development

Joined VAALCO in 2017. Over forty years of domestic & international experience in oil and gas development and exploration. Held technical and leadership positions with Noble Energy and Occidental. Holds a M.S. in Geology from University of Minnesota-Twin Cities.



Thor Pruckl – Executive Vice President International Operations

Joined VAALCO in 2019. Over thirty years of domestic & international experience in both upstream and midstream operations and is well versed in both onshore and offshore operations. Held technical and leadership positions with Noble Energy, Talisman Energy, Nexen Energy and BP Resources Canada. Holds an undergraduate degree from the University of Saskatchewan and a Master's from Royal Roads University, UK.



Michael Silver – Executive Vice President and General Counsel

Joined VAALCO in 2018. Over twenty-five years of experience as in-house counsel with ExxonMobil and BHP Billiton supporting international petroleum operations. Areas of experience includes M&A, negotiations, compliance and dispute resolution. Holds a J.D. from the Duke University School of Law, an M.B.A. from the Fuqua School of Business and a B.A. in International Affairs from Lafayette College.

Additional Etame Technical Detail



VAALCO ENERGY, INC.

Etame Complex

A World Class Asset With Material Upside Potential

Gross Reserves and Resources

Producing Wells

>113 MMBO produced to date

12.5 MMBO proved reserves⁽¹⁾

7.7 MMBO probable reserves⁽¹⁾



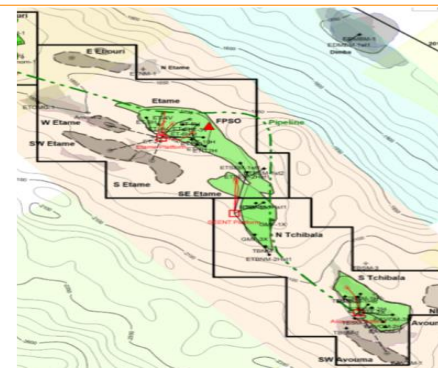
Undeveloped Reserves

2019/20 Gamba

Drilling: 13.4 MMBO⁽¹⁾
2P

South Tchibala

Extension: 2.4 MMBO⁽¹⁾
probable undeveloped reserves in one well

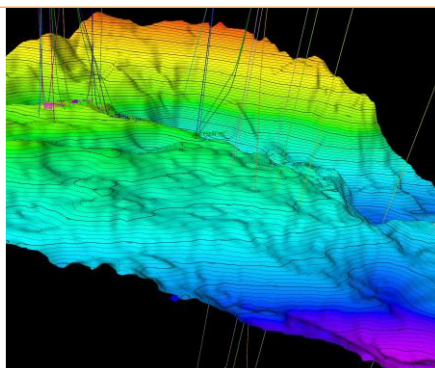


Contingent Resources

Future Dentale Drilling:
4.4 MMBO⁽¹⁾

Crude Sweetening: 5.3
MMBO⁽¹⁾

2028 License Extension:
15.9 MMBO⁽¹⁾



Prospective Resources

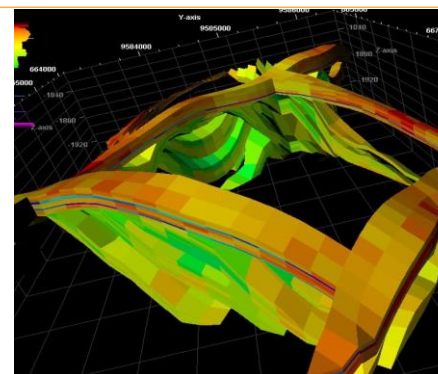
2019/20 Gamba

Drilling: 4.2 MMBO⁽²⁾

Future Gamba Drilling:
30.1 MMBO⁽²⁾

Future Dentale Drilling:
18.2 MMBO⁽²⁾

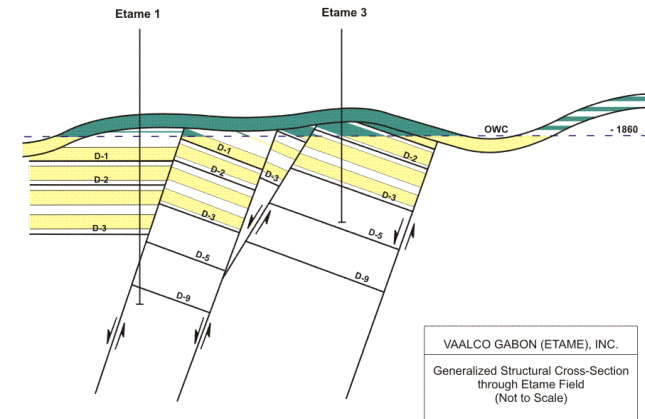
Crude Sweetening: 9.2
MMBO⁽²⁾



Accelerating Growth, Increasing Reserves, Reducing Cost Per Barrel

VAALCO Offshore Gabon Etame Reservoirs

- Located in prolific South Gabon basin in shallow water (~85m)
- Numerous undrilled opportunities at moderate drilling depths (1800m TVD to 2900m TVD)
- Continuous overlying salt sheet provides an effective seal for Gamba/Dentale reservoirs
- Oil was generated from high-class lacustrine source rocks
- Gamba Sandstone reservoir characteristics:
 - Aptian age (mid-Cretaceous)
 - A nearly-continuous deposit across the entire block
 - Exceptional aquifer support
 - Porosity ranges between 20% to 30%
 - Permeability approaches or exceeds 4 Darcies (4000 mD)
- Production rates from horizontal wells can exceed 5,000 BOPD, with limited pressure drawdown
- Recovery factors approach or exceed 50%
- The deeper Dentale formation includes a number of targets in a sand-shale sequence with favorable reservoir properties



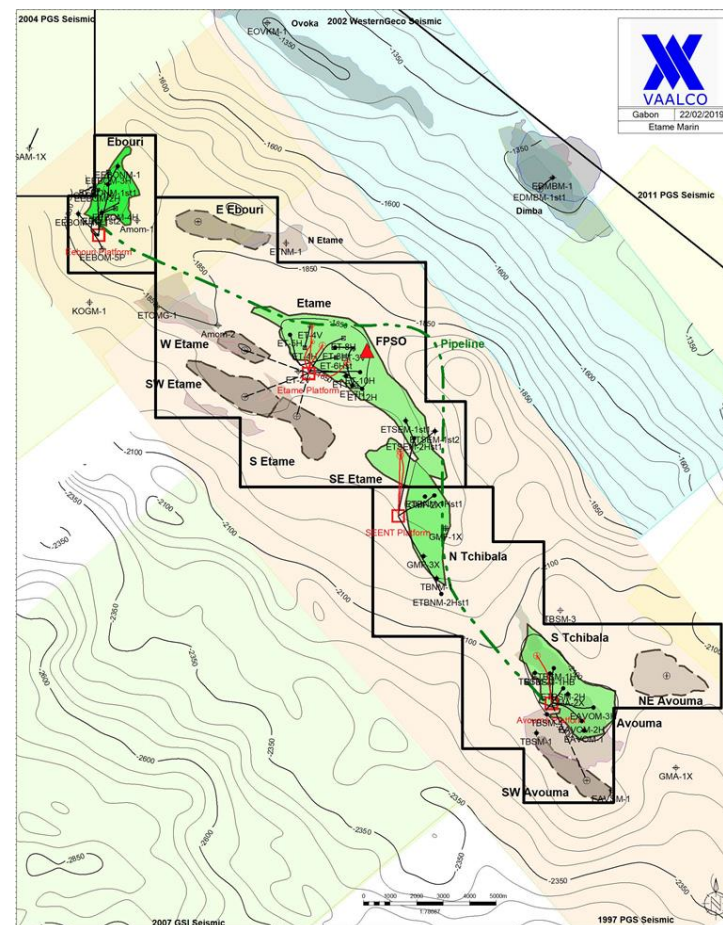
Stratigraphic Column

	Age	Lithology	Formation	Tectonic Phase
Upper Cret.	Recent - Pleist.		Akasso	Drift - Sag
	Miocene		M'Bega	
			Mandorove	
	Eocene		Animba	
	Senonian		Ozouri	
	Turonian		Pt. Clairette	
	Cenomanian		Anguille Azile Cap Lopez	
Lower Cretaceous	Albian		Mediela	Transitional
	Aptian		Ezanga	
			Vembo Gamba	
	Barremian		Dentale	Late Rift
			Melania	

VAALCO Etame Offshore License

- Operator with 31.1% WI and 27.1% NRI (net of royalty)
- Joint Owners: Sinopec (Addax), Sasol, PetroEnergy
- Current producing wells: 12.5 MMBO of proved and 7.7 MMBO probable gross developed reserves at YE 2018⁽¹⁾
- Infrastructure in place for further development

Platform	Producing Wells	Gross BOPD
Etame	3	2,956
SEENT	2	3,280
Avouma	3	3,794
Ebouri	1	851
FPSO Subsea	3	1,982
Total	12	12,863⁽²⁾



2019/20 Work Program

Creating Value through Development Drilling

2019 Development Drilling Locations ★

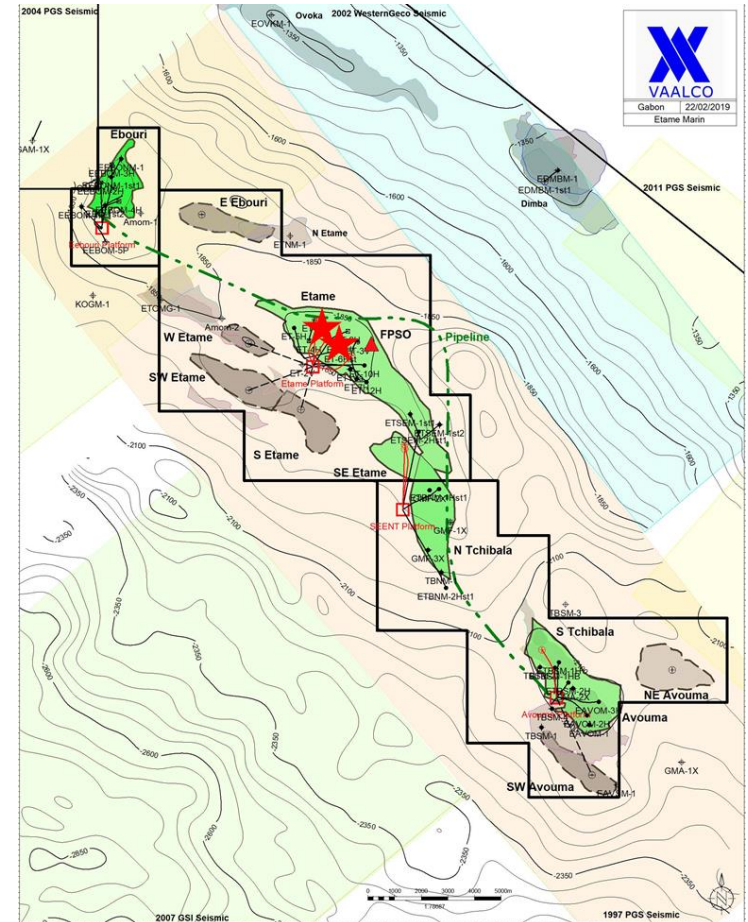
Etame 9H well: Gamba horizontal between the two highest gross producing wells in Etame Marin

- Successfully brought online at 5,500 gross BOPD (1,500 net BOPD) in December 2019

Etame 11H well: Gamba horizontal well to maximize and accelerate recovery from Main Fault Block

- Successfully brought online at 5,200 gross BOPD (1,400 net BOPD) in January 2020

2018 YE 2P development well reserves: 13.4 MMBO gross/3.6MMBO NRI reserves⁽¹⁾



Fully Funded 2019/20 Work Program

Creating Value through Appraisal Drilling

2019 Appraisal Locations

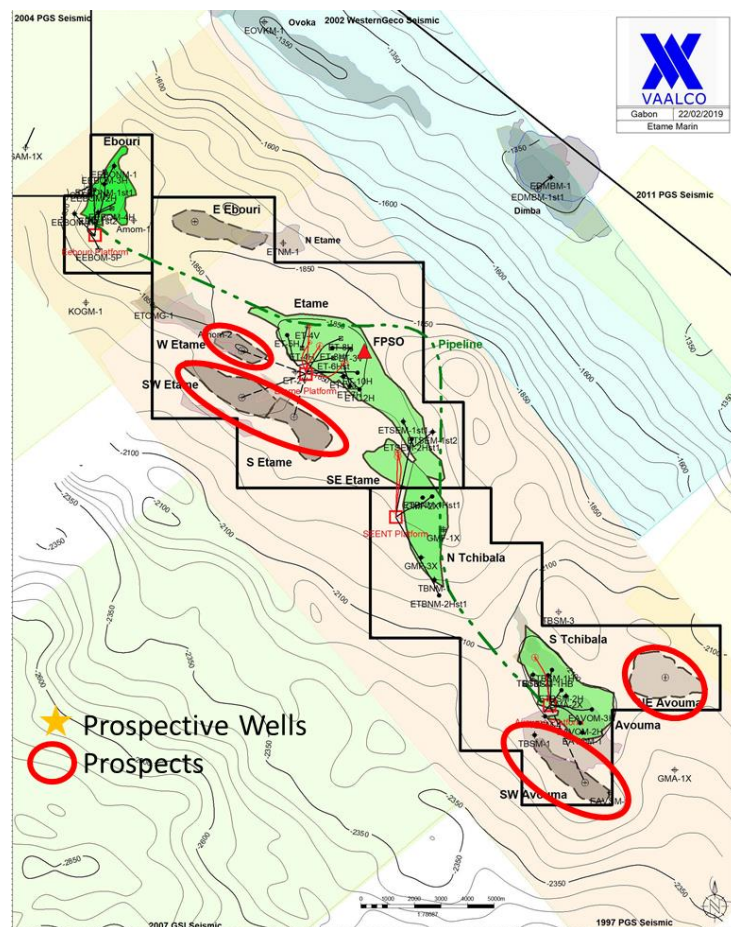
Etame 9P: Successfully drilled with estimated gross recoverable oil resources of 3.9 to 14.9 MMBO ⁽¹⁾ present in subcropping Dentale reservoirs

SE Etame 4P: Gamba appraisal wellbore, if successful proves SE Etame 4H well and 2 additional Gamba locations, converting ~10.2 MMBO prospective resources to ~7.7MMBO 2P and ~2.5MMBO to contingent⁽¹⁾

SE Etame 4H well: Drilled if SE Etame 4P is successful, Gamba horizontal development well that will convert ~4.2MMBO gross/ 1.1MMBO NRI of these prospective resources to ~4.0MMBO PDP and ~0.2MMBO contingent⁽¹⁾



Additional Etame Gamba Opportunities



Probable Drilling Location:

- South Tchibala 3H: Gamba horizontal 2P reserves 2.4 MMBO gross/0.6 MMBO NRI reserves⁽¹⁾

Prospective Step Out Locations:

SEENT Platform:

- Three Gamba wells (7.7 MMBO gross)⁽²⁾

Avouma Platform, South Tchibala:

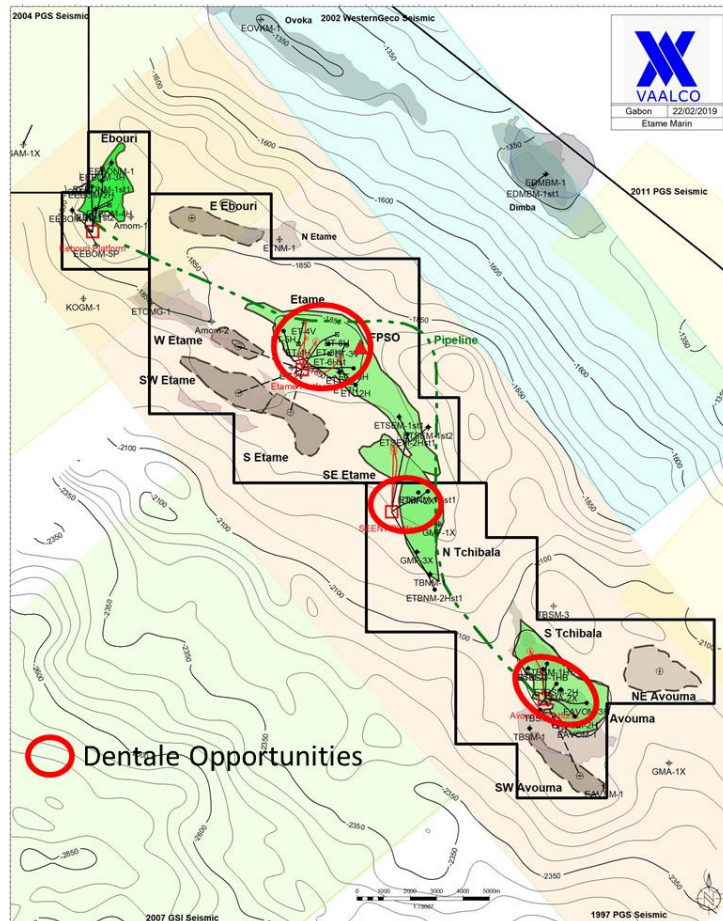
- One Gamba well (2.1 MMBO gross)⁽²⁾

Prospects:

- Provide significant upside opportunities
- Additional opportunities (20.3 MMBO gross)⁽³⁾
- Determine viability of additional resources on expanded acreage

~32.5 MMBO of Gross Unrisked Recoverable Prospective Resources from Gamba Opportunities

Additional Etame Dentale Opportunities



Additional Prospective Locations:

Etame Platform:

- Six Dentale infills (10.2 MMBO gross)⁽¹⁾

SEENT Platform:

- Three Dentale infills (4.5 MMBO gross)⁽¹⁾

Avouma Platform:

- Two Dentale infills (3.5 MMBO gross)⁽¹⁾

Additional Contingent Opportunities:

SEENT Platform:

- Two Dentale infills (2.6 MMBO gross)⁽¹⁾
- Dentale pressure maintenance (1.8 MMBO gross)⁽¹⁾

**~23 MMBO of Gross Unrisked Recoverable
Prospective & Contingent Resources from
Dentale Opportunities**

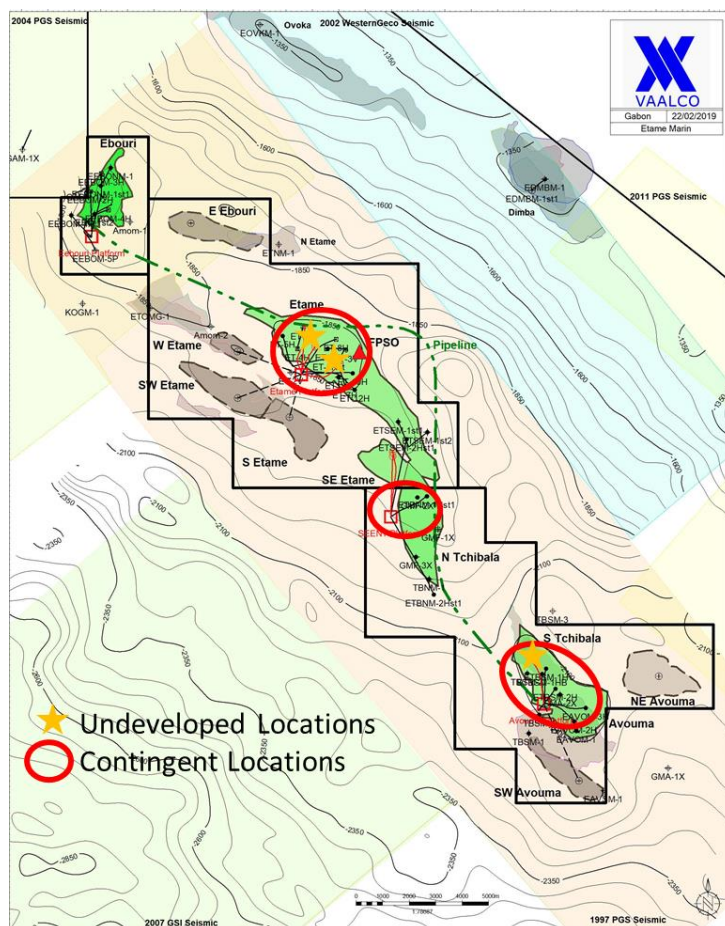
Crude Sweetening Project (CSP)

- 3 wells drilled and shut in due to H₂S in Ebouri and Etame fields
 - Ebouri 3H and Ebouri 4H existing wells, Ebouri 5H potential future well: 5.3 MMBO gross contingent resource⁽¹⁾
 - Initial tests of ~ 800 – 1,500 gross BOPD per well
 - Management's gross internal prospective resource estimate is 1.2 MMBO higher than the contingent resource amount
 - Etame 8H existing well: 4.3 MMBO gross prospective resources⁽²⁾
 - East Ebouri additional drilling potential of 3.6 MMBO gross prospective resources⁽³⁾
- CSP assessment to be conducted as a result of the commitment made with the Etame Marin license extension
- Evaluating economic potential in current pricing environment and looking at ways to minimize costs to enhance returns
- CSP could extend total Etame field life

Lower Resource Risk with ~14 MMBO of Gross Upside Potential

Etame Marin Gross Contingent Resources

Upside Resources Beyond 2028



Etame Marin Contingent Resources (2C)

Etame Platform: (3.9 MMBO gross)⁽¹⁾

SEENT Platform: (0.5 MMBO gross)⁽¹⁾

Avouma Platform: (7.2 MMBO gross)⁽¹⁾

Ebouri Platform: (1.2 MMBO gross)⁽¹⁾

Undeveloped Locations: (3.0 MMBO gross)⁽¹⁾

VAALCO has two five-year options to extend the Etame license beyond 2028 and convert these resources to reserves

~16 MMBO of Gross Unrisked Recoverable Contingent Resources from Existing Fields at Etame

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