

Profitably and Sustainably Growing in West Africa

Virtual 33rd Annual ROTH Conference
March 2021



VAALCO ENERGY, INC.

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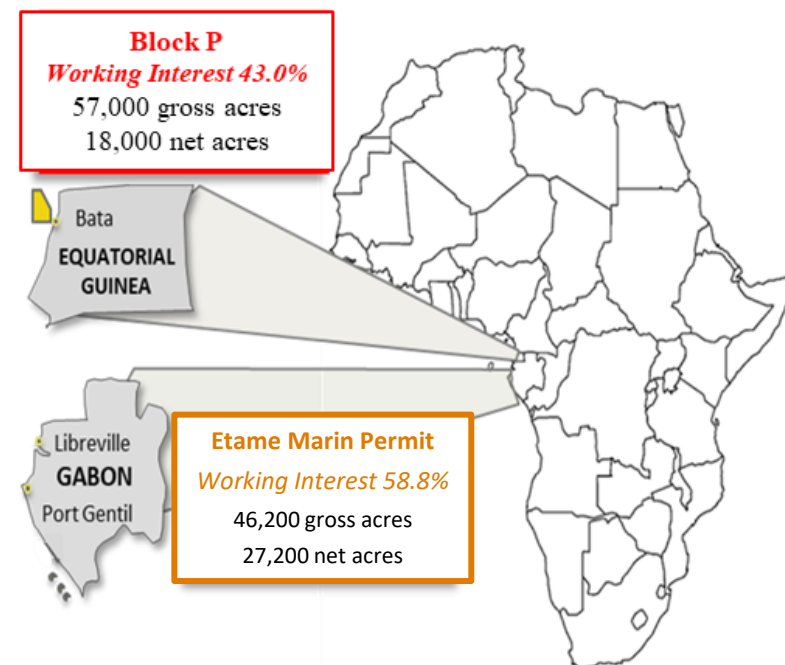
The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC's definitions for such terms, and price and cost sensitivities for such reserves, and prohibits disclosure of resources that do not constitute such reserves. The Company uses terms in this presentation, such as "potential reserves", "potential resources", "2P", "2P reserves", "2C", "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 realized. 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.

Established Operator Generating Free Cash Flow

Recent Acquisition and Successful Drilling Programs Increase Size and Scale⁽¹⁾

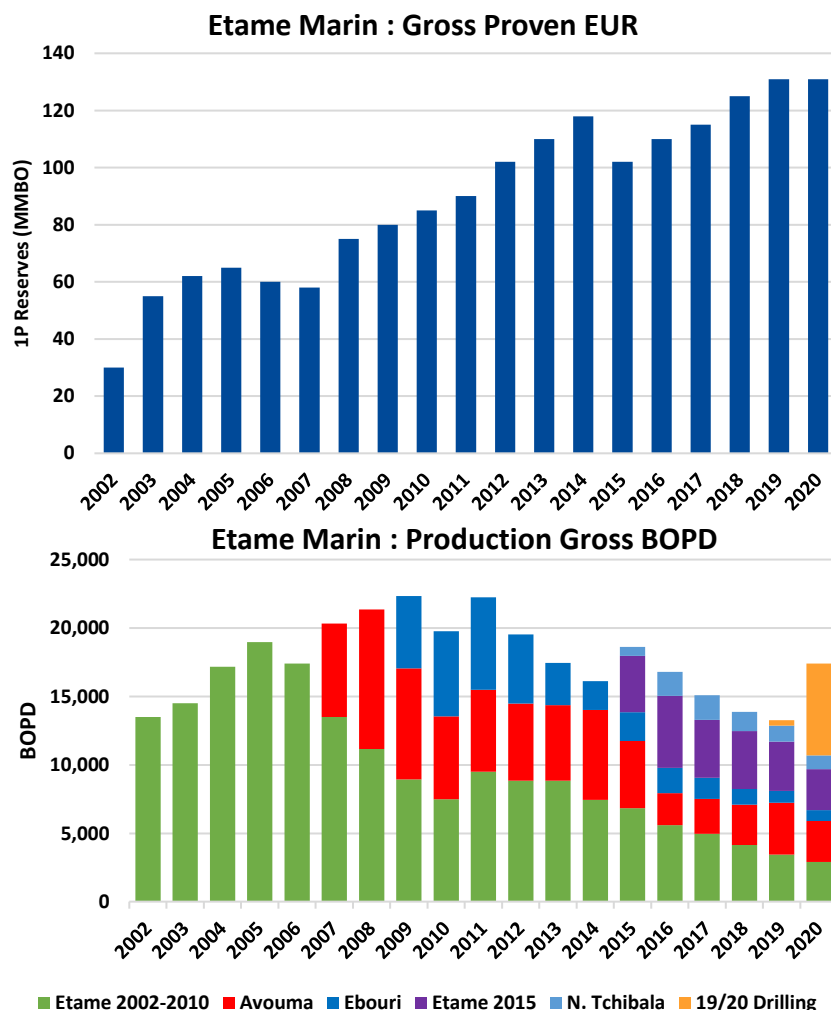
- International E&P focused on low-risk, producing assets in West Africa with net cash and significant cash flow generation
- Operator of Gabon offshore Etame license
 - Participating interests: VAALCO (operator) **63.6%**, Addax (Sinopec) 33.9%, PetroEnergy 2.5%
- Produced ~120 gross MMBO to date with remaining reserves and resources of ~113 gross MMBO at Etame⁽⁴⁾
- Highly successful 2019/2020 work program; resulting in ~40% year over year increase in production for FY'20 to 4,853 NRI BOPD
- Accretive acquisition of Sasol's WI at Etame nearly doubles VAALCO's total net production and reserves
- Inventory of well locations available for multiple future drilling campaigns de-risked by new proprietary 3-D seismic data at Etame
- 2021/2022 drilling program forecasted to increase gross production by 7,000 – 8,000 BOPD when program is completed
- Significant potential in Equatorial Guinea with 98.7 MMBOE unrisked working interest resources⁽⁴⁾



	Etame	Gross	WI⁽²⁾	NRI⁽³⁾
YE'20 SEC Proved Reserves (MMBO)⁽⁵⁾		11.9	7.0	6.1
YE'20 2P CPR Reserves (MMBO)⁽⁶⁾		33.7	19.6	17.1
YE'20 Resources (MMBO)⁽⁴⁾		78.8	46.6	40.5
	Equatorial Guinea			
YE'20 Best Est Contingent Resources⁽⁴⁾		24.4	10.5	
YE'20 Best Est Prospective Resources⁽⁴⁾		282.8	88.2	

Etame Track Record of Success

Repeatable Ability to Create Value



- Gamba reservoir plus deeper Dentale resource potential
- 30 MMBO initial gross proven EUR at YE 2002
- >120 MMBO gross barrels of oil produced
- ~131 MMBO gross proven EUR at YE 2020⁽¹⁾
- Seven successful drilling programs over 20 years
- Three development wells drilled in 2019/2020
- Infrastructure in place for continued development
- Typical gross development well cost: \$20 - \$30 million
- 2019/2020 drilling program cost ~\$29 million, \$4.30/ NRI barrel of 2P reserves ⁽²⁾

1) 12/31/2020 NSAI SEC pricing reserve report

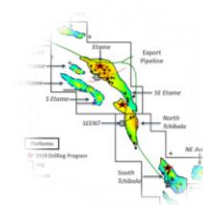
2) For purposes of this calculation, costs for the Etame 9P appraisal well have been excluded and 2P reserves includes NRI barrels of 3.3 million for the three completed wells plus 2.4 million for field life extension.

Vision 2025

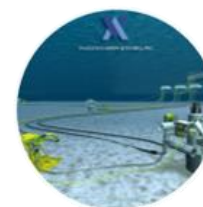
Significant Success Already Achieved Towards Our Long-term Goals

Since 2018 VAALCO has made material progress towards growth targets:

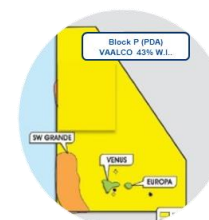
- Achieve material increase in scale as a premier Africa operator
 - 2018 license extension increased license acreage by 60% and added a further 31 MMBO of Best Estimate Resources⁽¹⁾
- Pursue value accretive M&A opportunities within strategic focus
 - Acquisition of Sasol WI at Etame nearly doubles net production, reserves and resources and increases free cash flow per barrel
- Maintain operational excellence, cost discipline and strong balance sheet
 - Best-in-class balance sheet, net cash, decreased opex per barrel by ~\$5 (~18%) YE'18 to YE'20
- Execute work programs at Etame to grow production and reserves
 - Highly successful 2019/2020 drilling program increasing production by 6,900 BOPD between FY'19 and FY'20
- Unlock meaningful potential in Equatorial Guinea
 - VAALCO appointed operator of asset in 2020. Active discussions to partner with established company in exploration opportunity.



**2021/22 Etame
Work Program
Targeting 7,000 –
8,000 Gross BOPD
Production Increase**



**World-Class Etame
Asset Generates
Significant Free
Cash Flow**



**~100 MMBO WI
Resource Upside
Potential at
Block P in EG⁽²⁾**



**Accretive
Opportunities,
New Ventures and
M&A**

Sasol Acquisition Highlights

Closed February 25, 2021 and Immediately Accretive to VAALCO

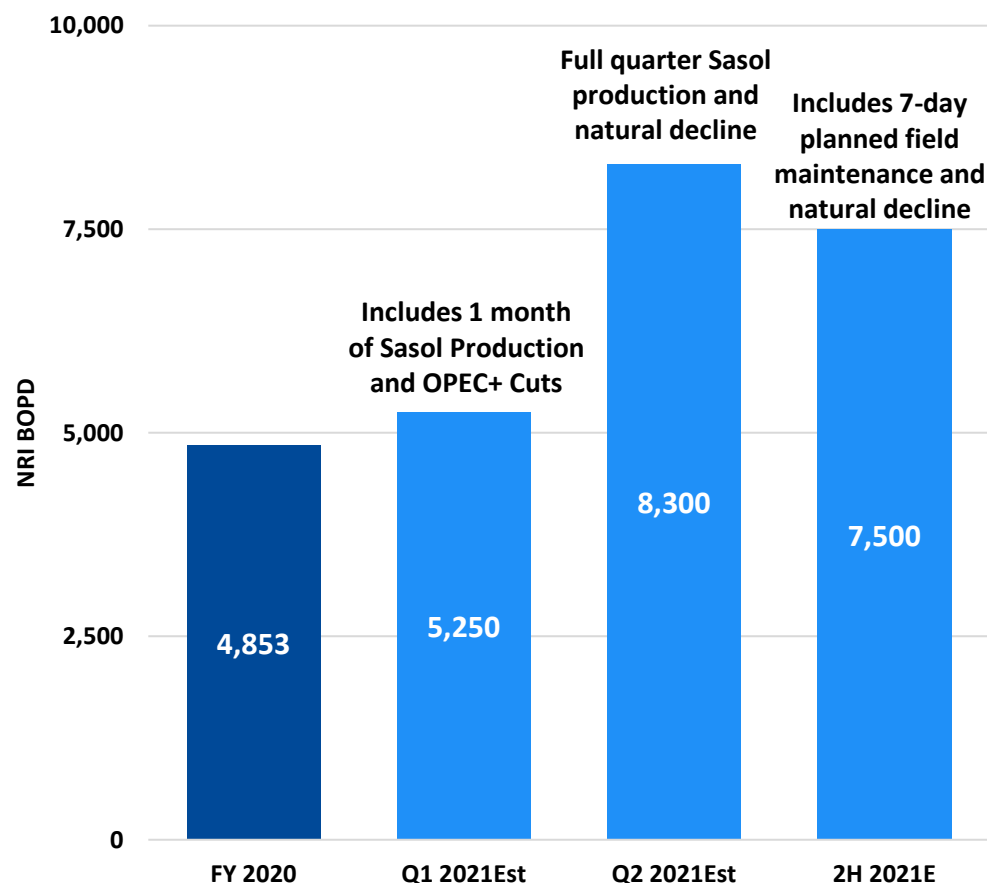
- ❑ Acquired an additional 27.8% WI in the VAALCO operated Etame Marin block offshore Gabon, increasing VAALCO's total WI to 58.8%
- ❑ Nearly doubles VAALCO's total net production and reserves
 - ❑ Increases NRI production from 4,853 BOPD to 9,190 BOPD for FY 2020
 - ❑ Acquired 2.7 MMBO of proved NRI reserves⁽¹⁾ as of February 25, 2021
 - ❑ Acquired 7.9 MMBO of 2P CPR NRI reserves⁽¹⁾ as of February 25, 2021
 - ❑ Estimated acquisition cost per NRI barrel of \$14.41 for SEC proved reserves and \$4.91 for 2P CPR reserves
- ❑ Acquisition Terms
 - ❑ Agreed to \$44 million purchase price and paid \$4.3 million cash deposit in November 2020
 - ❑ Cash paid at closing \$29.6 million after taking into consideration the net cash flows attributable from the July 1, 2020 effective date until the February 25, 2021 closing date
 - ❑ Acquisition was funded by cash on hand
 - ❑ Contingent payment of \$5 million if Brent averages >\$60/bbl for 90 consecutive days 7/1/20 to 6/30/22

Transformational Acquisition Forecasted to Meaningfully Increase 2021 Free Cash Flow

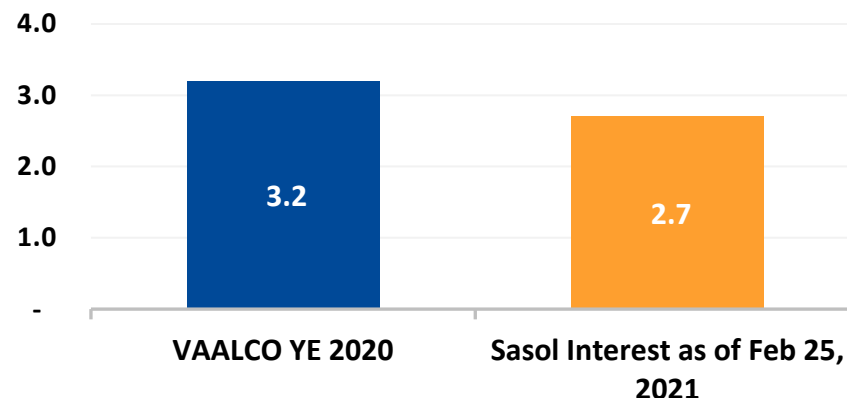
Step Change in Total Production and Reserves

Significant Increase in Size and Scale

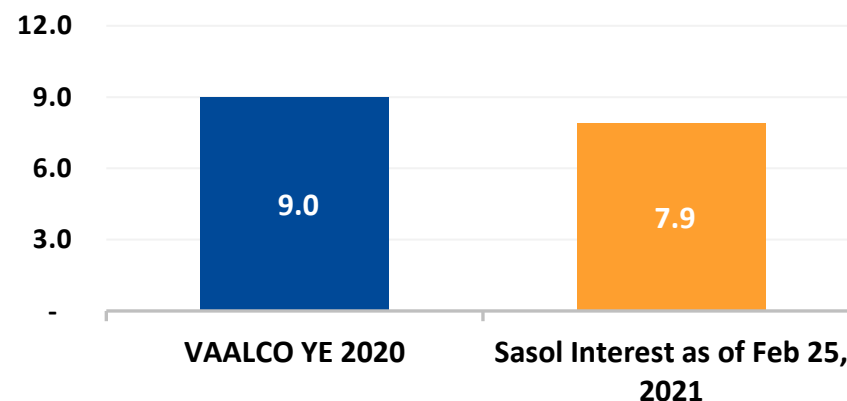
Production Outlook



PROVED NRI RESERVES⁽¹⁾ (MMBO)



2P CPR NRI RESERVES⁽²⁾ (MMBO)



2019/2020 Program Internally Funded

Successful Results Build Size and Scale

Completed the September 2019 to March 2020 drilling campaign with a 100% success rate, on time and within budget

- ☑ The 6-month drilling campaign increased FY production by ~40% between 2019 to 2020
- ☑ SE Etame discovery well and 2 development wells with 6.7 NRI MMBO 2P CPR Reserves⁽¹⁾
- ☑ Discovery in the Dentale with 2.7 NRI MMBO contingent and prospective resources ⁽¹⁾

Highly Successful Development Wells

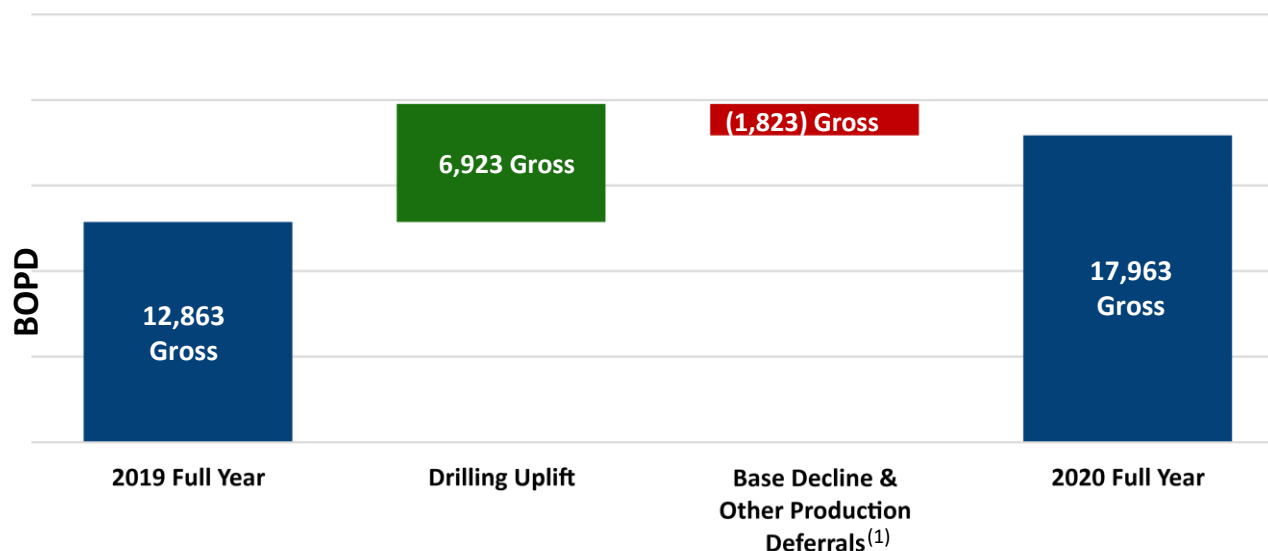
Well Name	IP Gross (BOPD)	1 st Prod	2020 Prod'n (MMBO)	2P Reserves (MMBO) ⁽¹⁾	2C Resources (MMBO) ⁽¹⁾	Remarks
Etame 9H	5,500	Dec 2019	0.94	4.7	3.6	Significantly exceeded predrill estimates
Etame 11H	5,200	Jan 2020	1.28	4.2	3.0	Significantly exceeded predrill estimates
SE Etame 4H	2,200	Mar 2020	0.54	1.5	0.1	Strong results in new step out area

Appraisal Wellbores

Wellbore Name	Remarks
Etame 9P	Discovered oil-filled Dentale and Gamba reservoirs, each was ~45 feet thick - In addition to Etame 9H Gamba, the Dentale added 5.3 MMBO gross resources ⁽¹⁾
South East Etame 4P	Verified good-quality Gamba oil sands in new step out area

Meaningful Production Growth

Positive Impacts from 2019/2020 Drilling Program



WI	4,000	2,153	(567)	5,586
NRI	3,476	1,871	(493)	4,853

WI and NRI numbers exclude the impact of the Sasol Acquisition which closed in Feb'21

Highly Successful Drilling Results Exceeded Pre-drill Expectations

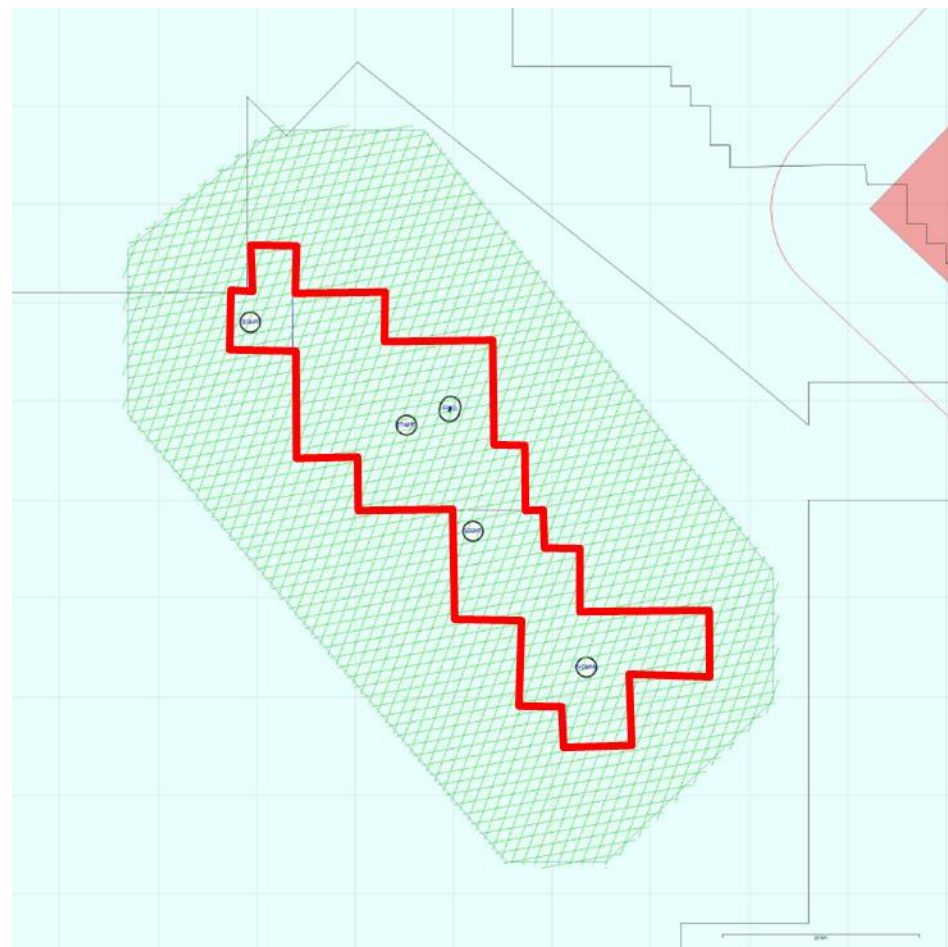
- Etame 9H well online in Q4'19 above pre-drill expectations
- Etame 11H well online in Q1'20 above pre-drill expectations
- Successful subsea repair restored production at Etame 4H in Dec 2019
- Successful workover replaced ESP and restored production at Etame 10H in Jan 2020
- South East Etame 4H well online in Q1'20 within pre-drill estimates
- Successful workover replaced ESP and restored production at South East Etame 2H in March 2020

Etame 3-D Seismic Acquisition

Optimizing and De-Risking Future Drilling Locations

Expected to optimize future drilling locations, provide better imaging of existing satellite and infill locations, as well as identify additional upside opportunities

- New proprietary 3-D seismic data over the entire Etame Marin block
 - Full Acquisition Area: 742 Km² (green polygon)
- Survey was completed in Q4 2020
- Seismic processing started in January 2021 and will be completed by Q4 2021
- Significant improvements in imaging and will be 1st full field 3-D seismic of Etame Marin Block since discovery in 1998



2021/22 Drilling Campaign

Converting Capital Into Additional Scale And Production

New 2020/2021 Proprietary 3-D Seismic Data Over Entire Etame Marin Block

- Improved 3D seismic will help VAALCO optimize future drilling locations
- Allows for better planning to help reduce costs
- Identifies additional upside opportunities

2,000

2,000

2021/2022 Drilling Program

- Program includes up to four wells
 - Potentially two development and two appraisal wells
- Expected to begin in Q4 2021
- Forecasted to increase gross production 7,000 – 8,000 BOPD when program is completed
- Targeting 2P reserves and prospective resources which could add materially to reserves (likely in 2022)
- Preliminary cost estimate \$115 to \$125 million gross or \$73 to \$79 million net to VAALCO

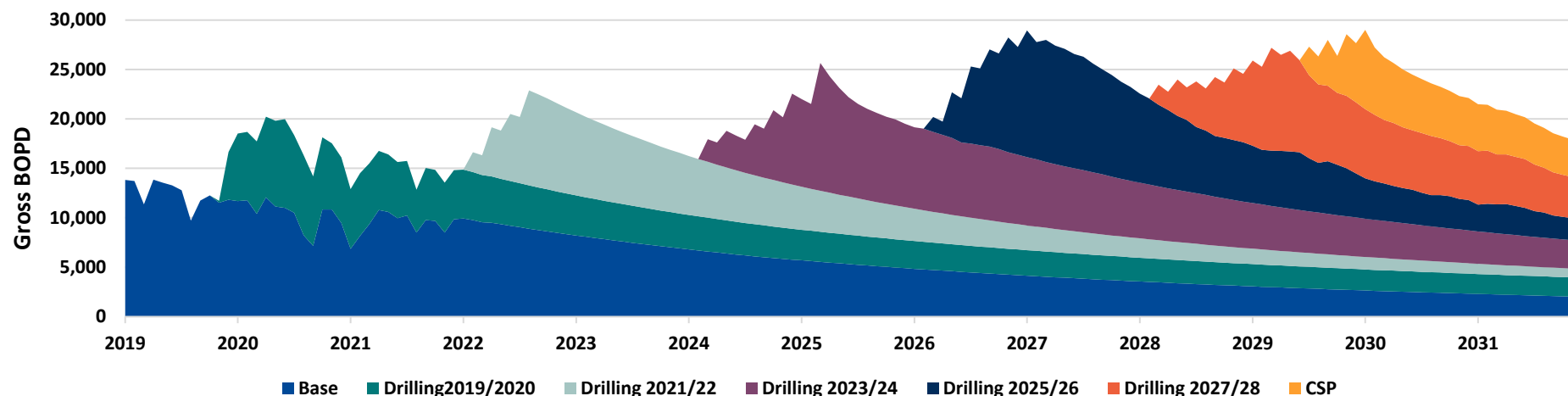
3,000

3,000

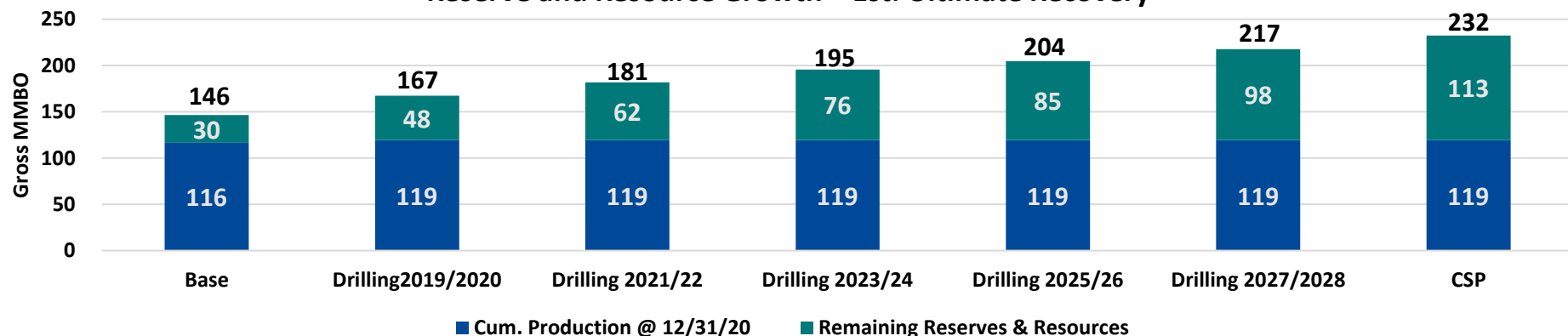
Potential to Add Material Free Cash Flow In 2022 and Beyond

Etame Organic Growth

Underpinning Vision 2025



Reserve and Resource Growth – Est. Ultimate Recovery⁽¹⁾



Significant Remaining Upside at Etame

Organic Growth Opportunities

Gamba Development: 1 South East Etame and 1 South Tchibala Gamba wells

Gamba Leads/Prospects: 5 potential satellite prospects identified

Dentale Sub Crop & Dentale Development: 3 sub crop wells and 10 development wells

Crude Sweetening Project: Reactivation of 3 shut in wells, 2 potential new wells and testing a satellite prospect

Extension based on economics: Reserves and resources beyond economic life which management estimates can be recovered prior to end of PSC in 2038

CPR @ 12/31/2020 Producing

2021/2022 Drilling Program

Future Opportunities:

Gamba Development

Gamba Satellite Prospects

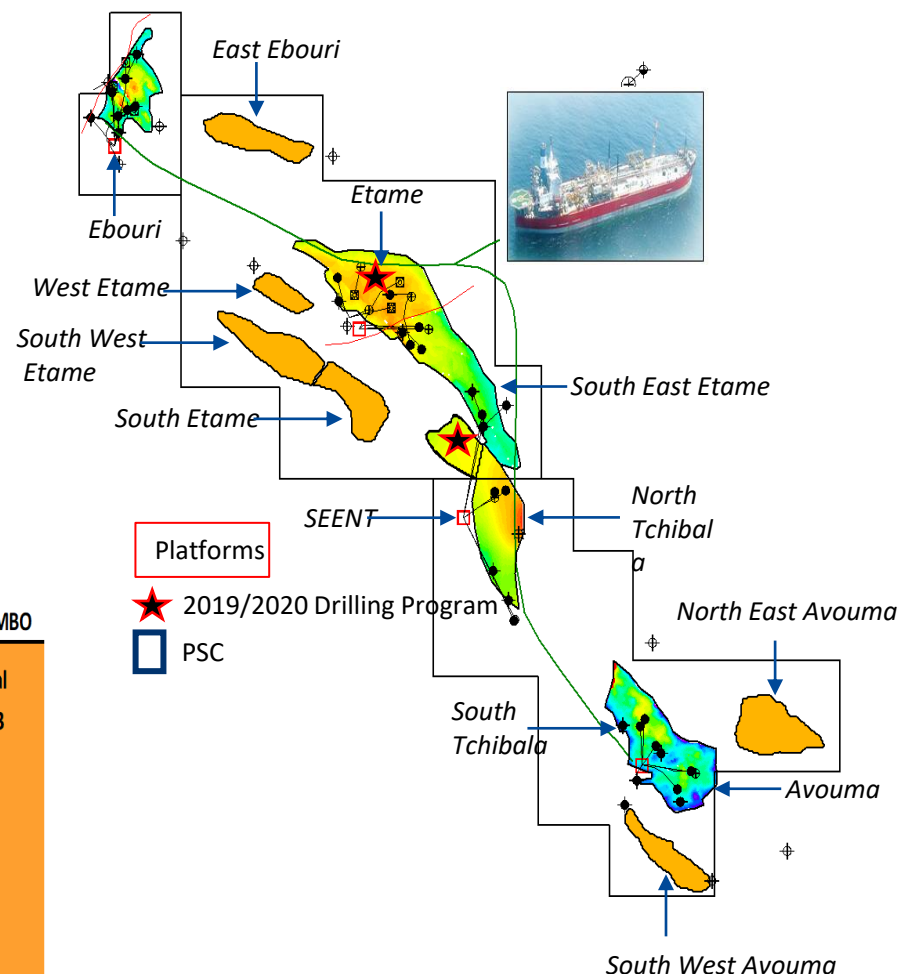
Dentale Sub Crop

Dentale Development Wells

Crude Sweetening Project

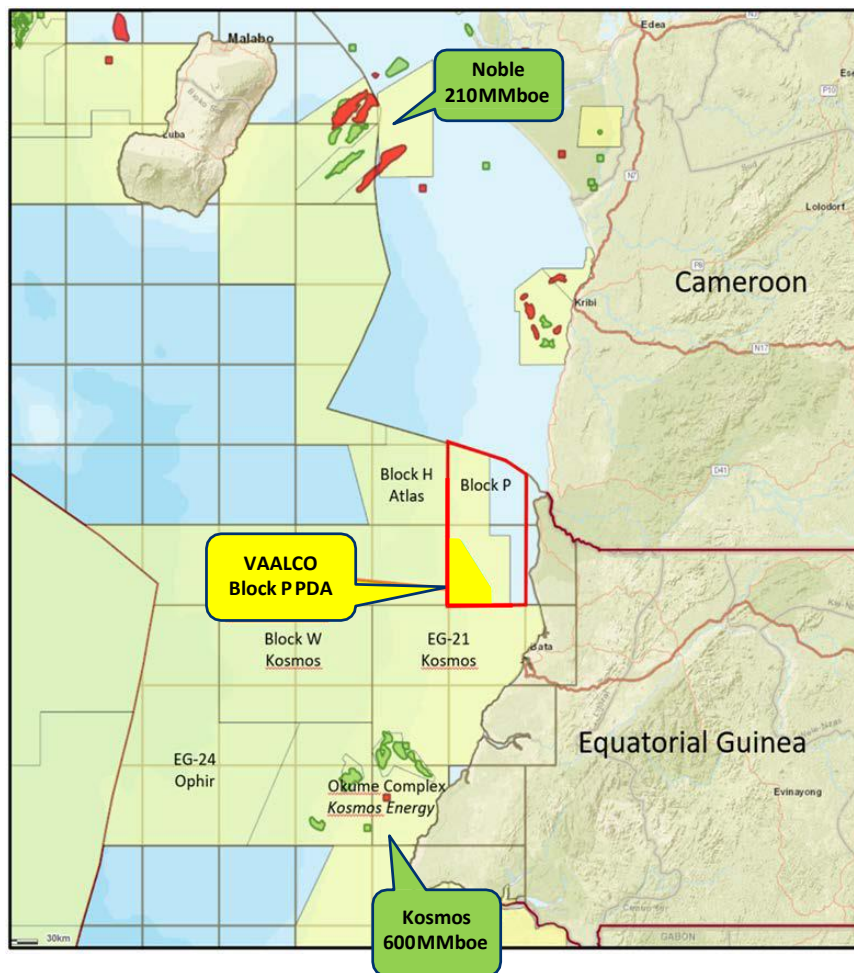
Extension based on economics

	Gross MMBO				WI MMBO	NRI MMBO
	2P ⁽¹⁾	Contingent ⁽¹⁾	Prospective ⁽²⁾	Total	Total	Total
CPR @ 12/31/2020 Producing	29.9	0.0	0.0	29.9	17.6	15.3
2021/2022 Drilling Program	3.8	0.0	10.3	14.1	8.3	7.2
Future Opportunities:						
Gamba Development	0.0	0	4.0	4.0	2.4	2.0
Gamba Satellite Prospects	0.0	0.0	10.0	10.0	5.9	5.1
Dentale Sub Crop	0.0	3.2	2.1	5.3	3.1	2.7
Dentale Development Wells	0.0	4.6	12.5	17.1	10.1	8.7
Crude Sweetening Project	0.0	5.6	8.2	13.8	8.1	7.0
Extension based on economics	0.0	18.4	0.0	18.4	10.8	9.4
Total	33.7	31.8	47.0	112.5	66.2	57.6



Equatorial Guinea

Significant Upside Potential



- 16.5 million BOE unrisked gross 2C resource⁽¹⁾ Venus discovery; 7.9 million BOE unrisked gross 2C resource⁽¹⁾ Europa discovery
- Well defined exploration opportunity with 164.4 MMBOE unrisked gross resource⁽¹⁾ and 44.9 MMBO unrisked WI resource⁽¹⁾ potential in SW Grande on Block P
- PSC license period is for 25 years from date of approval of a development and production plan
- VAALCO 43%, Atlas 32%, Crown 5%, GEPetrol 20% carried interest through first production; GEPetrol carried interest will be recovered from their share of production
- Farm-down to another company
 - Would acquire a portion of VAALCO EG's 43% WI in Block P carried for substantially all exploration well costs
 - Subject to approval by the government
- Evaluating Venus stand-alone development scenarios
- Discoveries on Block were made by Devon, a prior operator/owner

Low-Cost Optionality with Significant Upside

Health, Safety, Security & Environment

Our Commitment to World Class Safety

Health & Safety

- Distinguished health and safety record with only one recordable incident in 2019 and one in 2020 across 2,000,000+ man hours combined
- Aligning the safety management systems with international standards (ISO 45001, 2018)
- Empowering workforce to take ownership of safety performance in order to reduce risk

Environmental Management

- Committed to environmental stewardship with dedicated emergency environmental response capabilities
- Gathering greenhouse gas emissions data for building base line study to determine operational modifications required to meet recognized international standards
- Enhance environmental performance through Process Safety Management by creating awareness and accountability



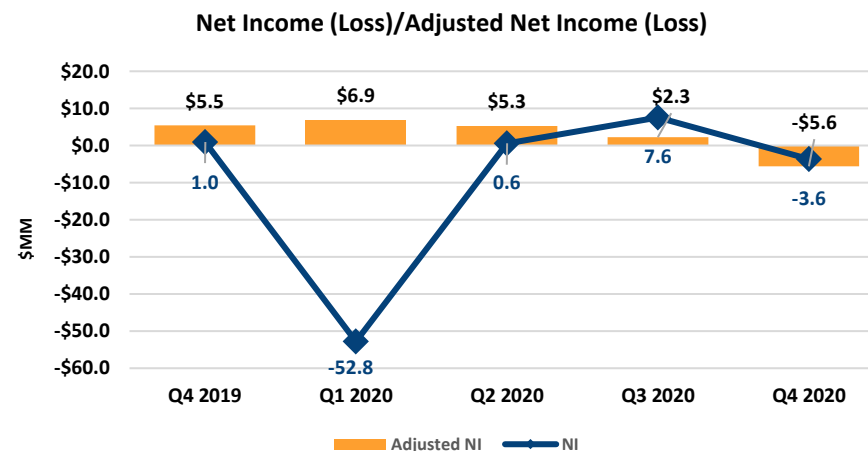
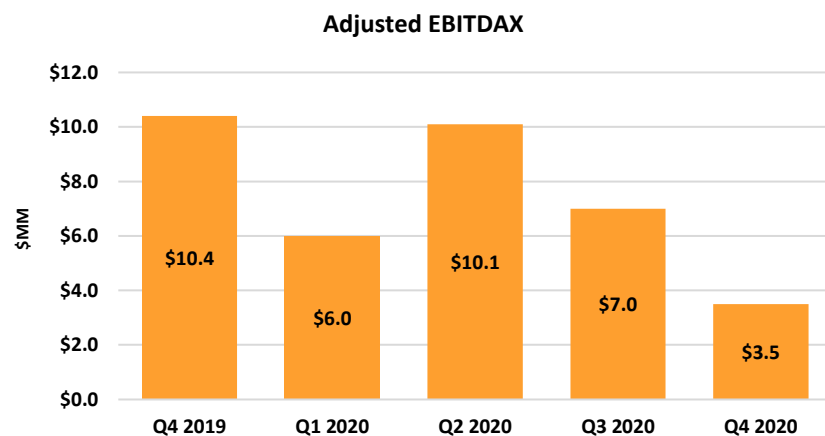
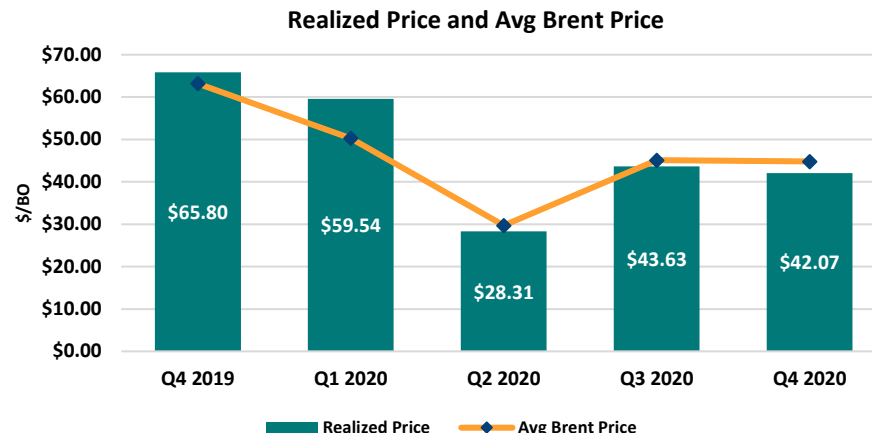
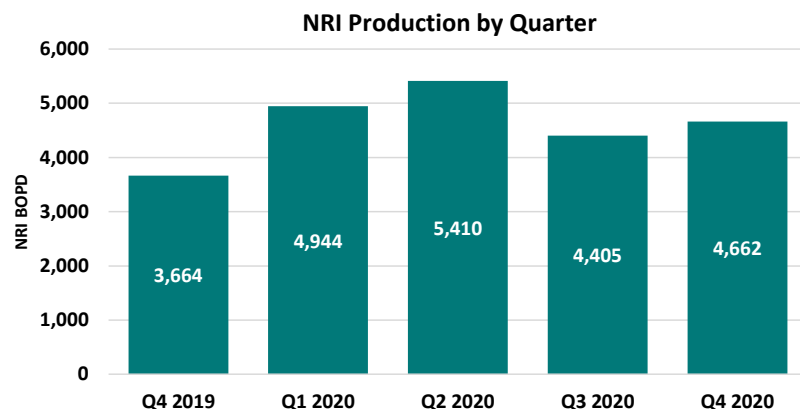
People Based Safety

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

**2019 Inaugural Sustainability Report is Available on VAALCO's Website;
2020 Expanded ESG Report to be Delivered by Mid-Year**

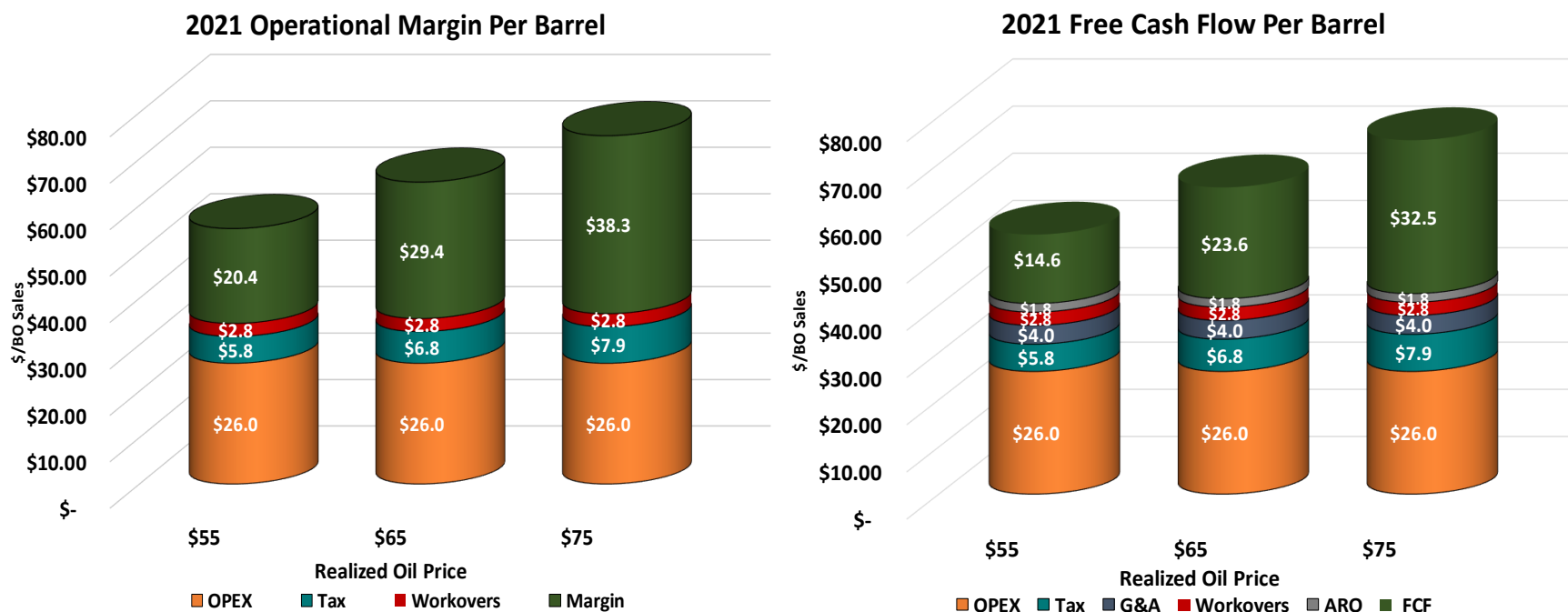
Key Performance Metrics

Profitable Results Build Financial Strength⁽¹⁾



VAALCO Free Cash Flow Overview (Q2-Q4 2021E)

Maximize Margins Through Cost Discipline



All numbers are prorated estimates of Q2'21 to Q4'21: OPEX excludes workovers, G&A excludes stock-based compensation

Each \$5/barrel improvement in oil price increases Free Cash Flow by ~\$12.5 million and increases Adjusted EBITDAX by ~\$14 million

Operational Margin Excludes Hedging

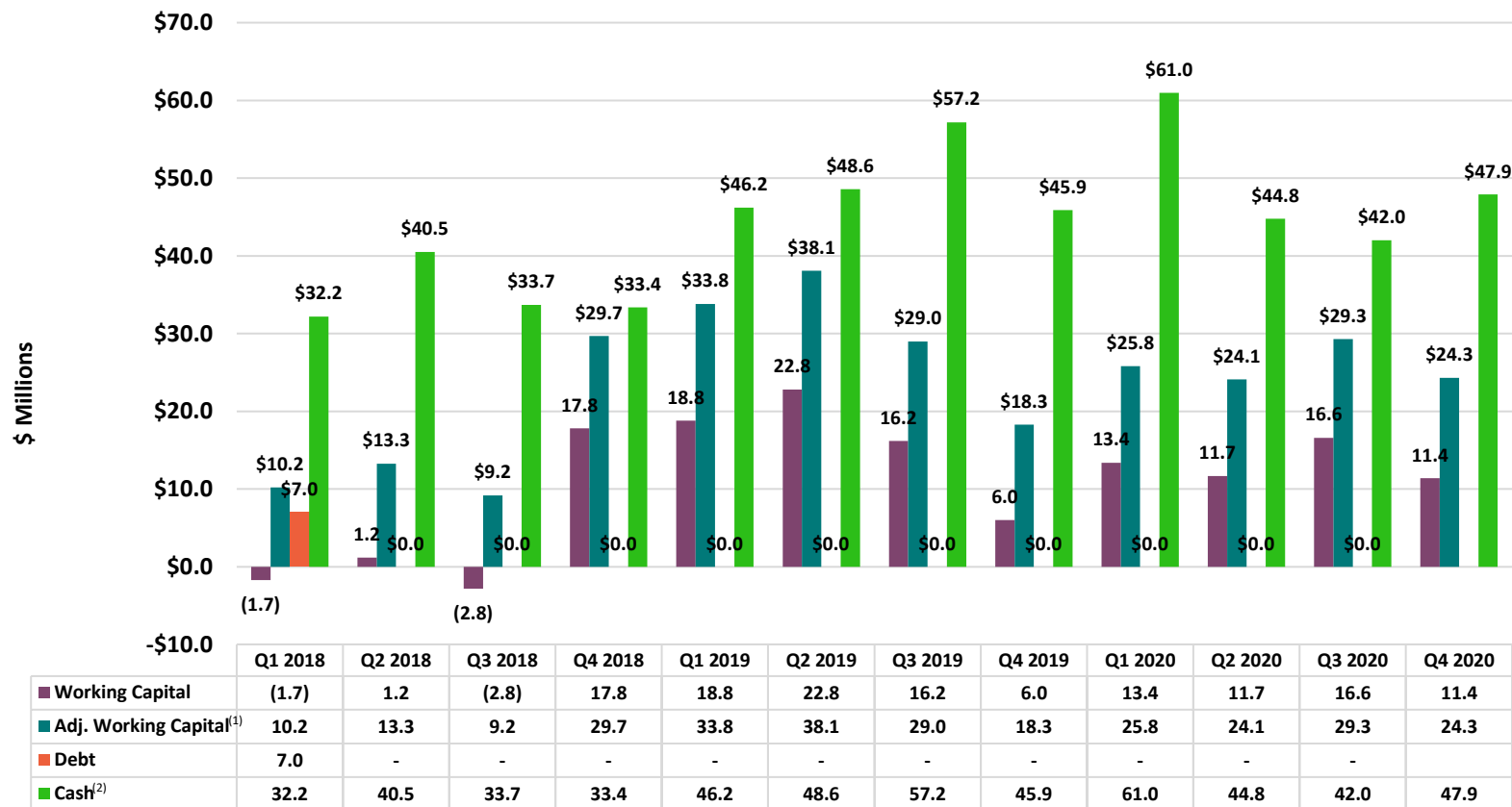
Free cash flow per barrel excludes Hedging and Capex

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

Generating \$23.60/BO of Free Cash Flow at \$65 Realized Pricing in 2021

Working Capital and Adjusted Working Capital

Liquidity Position Remains Strong⁽¹⁾



Near-Term and Long-Term Catalysts

Strong Upside Potential at Etame and Block P

Gabon Etame – Seismic & Future Drilling

- New proprietary 3-D seismic data over entire Etame Marin block completed in Q4'20 with processing to be completed in 2021
- Optimizes future drilling locations, provides better imaging of existing satellite and infill locations, as well as identifies additional upside opportunities
- High upside potential with relatively low risk Gamba satellite and extension prospects targeted for 2021/2022 drilling program
- PSC in place for up to 17 years with significant remaining reserves and resources of ~113 gross MMBO at Etame

Equatorial Guinea Block P

- Future potential with PSC license period of 25 years from date of approval of a development and production plan
- 16.5 MMBOE unrisked gross 2C resource Venus discovery;
7.9 MMBOE unrisked gross 2C resource Europa discovery
- Well defined exploration opportunity with 164 MMBOE unrisked gross resource potential in SW Grande
- Continuing to evaluate timing and budgeting for development and exploration activity
- Evaluating Venus stand-alone development scenarios

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VAALCO ENERGY, INC.

Appendix



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2021 Guidance⁽¹⁾

(As of March 9, 2021)

		Q1 2021	FY 2021
Production (BOPD)	WI ⁽²⁾	5,850 - 6,200	7,800 – 8,500
	NRI ⁽²⁾	5,100 - 5,400	6,800 - 7,400
Sales Volume (BOPD)	WI ⁽²⁾	7,700 - 8,050	8,150 – 8,950
	NRI ⁽²⁾	6,700 – 7,000	7,100 - 7,800
Production Expense ⁽³⁾	WI ⁽²⁾ & NRI ⁽²⁾	\$16.5 - \$18.5 MM	\$69 - \$77 MM
Production Expense per BO ⁽³⁾	WI ⁽²⁾	\$22.50 - \$27.00	\$21.25 - \$25.50
	NRI ⁽²⁾	\$26.00 - \$31.00	\$24.50 - \$29.25
Workovers	WI ⁽²⁾ & NRI ⁽²⁾	\$0 MM	\$5 - \$10 MM
Cash G&A ⁽⁴⁾	WI ⁽²⁾ & NRI ⁽²⁾	\$2.5 - \$3.5 MM	\$10 - \$12 MM
FY 2021 CAPEX (excl. 2021/2022 drilling campaign) ⁽⁵⁾	WI ⁽²⁾ & NRI ⁽²⁾	\$2 - \$3 MM	\$3 - \$6 MM
2021/2022 Drilling Campaign Total Capex Forecast \$73 - \$79 MM WI ⁽²⁾ & NRI ⁽²⁾ (Split between 2021 and 2022 depends on rig availability and 1st well spud date)			

To Date, VAALCO's Operations Have Not Been Materially Impacted By Worldwide COVID-19 Pandemic. This Guidance Excludes Any Potential Future Impact Not Currently Being Experienced.

Supplemental Non-GAAP Financial Measures

This presentation contains crude oil and natural gas metrics which do not have standardized meanings or standard methods of calculation as classified by the SEC and therefore such measures may not be comparable to similar measures used by other companies. Such metrics have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company and future performance may not compare to the performance in previous periods.

PV-10 Value and Probable Reserves

PV-10 is a non-GAAP financial measure and represents the period-end present value of estimated future cash inflows from VAALCO's reserves, less future development and production costs, discounted at 10% per annum to reflect timing of future cash flows. PV-10 values for both SEC reserves and 2P CPR reserves have been calculated using SEC pricing assumptions in the case of SEC reserves and using VAALCO's management assumptions for escalated crude oil price and cost in the case of 2P CPR reserves. PV-10 generally differs from standardized measure, the most directly comparable GAAP financial measure, because it generally does not include the effects of income taxes; however, VAALCO's PV-10 does include the effect of income taxes. PV-10 is a widely used measure within the industry and is commonly used by securities analysts, banks and credit rating agencies to evaluate the estimated future net cash flows from proved reserves on a comparative basis across companies or specific properties. VAALCO's PV-10 on an SEC basis and 2P CPR basis includes the effect of income taxes, and the PV-10 on an SEC basis is the same as its standardized measure for the periods presented herein. Neither PV-10 nor the standardized measure purports to represent the fair value of the Company's crude oil and natural gas reserves.

VAALCO has provided summations of its PV-10 for its proved and probable reserves on a 2P CPR basis in this press release. The SEC strictly prohibits companies from aggregating proved, probable and possible reserves in filings with the SEC due to the different levels of certainty associated with each reserve category. GAAP does not provide a measure of estimated future net cash flows for reserves other than proved reserves and accordingly it is not practicable to reconcile the PV-10 value of 2P CPR reserves to a GAAP measure, such as the standardized measure. Investors should be cautioned that estimates of PV-10 of probable reserves, as well as the underlying volumetric estimates, are inherently more uncertain of being recovered and realized than comparable measures for proved reserves. Further, because estimates of probable reserve volumes have not been adjusted for risk due to this uncertainty of recovery, their summation may be of limited use. Nonetheless, VAALCO believes that PV-10 estimates for probable reserves present useful information for investors about the future net cash flows of its reserves in the absence of a comparable GAAP measure such as standardized measure.

2P CPR Reserves

2P CPR reserves represent proved plus probable estimates as reported by NSAI and prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management Systems approved by the Society of Petroleum Engineers as of December 31, 2020 using escalated crude oil price and cost assumptions made by VAALCO's management. The SEC definitions of proved and probable reserves are different from the definitions contained in the 2018 Petroleum Resources Management Systems approved by the Society of Petroleum Engineers as of December 31, 2020. As a result, 2P CPR reserves may not be comparable to United States standards. The SEC requires United States oil and gas reporting companies, in their filings with the SEC, to disclose only proved reserves after the deduction of royalties and production due to others but permits the optional disclosure of probable and possible reserves in accordance with SEC definitions.

2P CPR reserves the PV-10 value for 2P CPR reserves, as calculated herein, may differ from the SEC definitions of proved and probable reserves because: Pricing for SEC is the average closing price on the first trading day of each month for the prior year which is then held flat in the future, while the 2P CPR pricing is based on management pricing assumptions for future Brent oil pricing for 2021-2029: \$51.75, \$55.90, \$57.52, \$59.41, \$62.72, \$67.85, \$73.28, \$77.29, \$80.08 and thereafter escalated 2% per year. Lease operating expenses are not escalated in the SEC case, while for the 2P CPR reserves case they are escalated at 2% annually beginning on January 1, 2023.

Management uses 2P CPR reserves as a measurement of operating performance because it assists management in strategic planning, budgeting and economic evaluations and in comparing the operating performance of the Company to other companies. Management believes that the presentation of 2P CPR reserves is useful to its international investors, particularly those that invest in companies trading on the London Stock Exchange, in order to better compare the Company's reserve information to other London Stock Exchange-traded companies that report similar measures. VAALCO also believes that this information enhances its investors' and securities analysts' understanding of its business. However, 2P CPR reserves should not be used as a substitute for proved reserves calculated in accordance with the definitions prescribed by the SEC. In evaluating VAALCO's business, investors should rely on the Company's SEC proved reserves and consider 2P CPR reserves only supplementally.

Non-GAAP Reconciliations

(in thousands)

	Three Months Ended				
	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Reconciliation of Net Income (Loss) to Adjusted EBITDAX					
Net income (loss)	\$ 1,014	\$ (52,800)	\$ 596	\$ 7,618	\$ (3,595)
Add back:					
Impact of discontinued operations	37	63	(11)	(11)	57
Interest expense (income), net	(152)	(116)	(11)	(23)	(5)
Income tax expense (benefit)	4,248	33,478	(2,249)	(2,759)	(789)
Depreciation, depletion and amortization	2,112	3,103	2,801	2,212	1,266
Exploration expense	—	—	—	16	3,572
Impairment of proved crude oil and natural gas properties	—	30,625	—	—	—
Non-cash or unusual items:					
Stock-based compensation	736	(2,569)	720	(248)	2,211
Unrealized derivative instruments (gain) loss	3,095	(6,621)	7,254	—	6
Other operating income (expense), net	20	31	815	37	786
Gain on revision of asset retirement obligations	(379)	—	—	—	—
Bad debt (recovery) recovery and other	(371)	810	179	151	25
Adjusted EBITDAX	\$ 10,360	\$ 6,004	\$ 10,094	\$ 6,993	\$ 3,534

(in thousands)

	Three Months Ended				
	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Reconciliation of Net Income (Loss) to Adjusted Net Income					
Net income (loss)	\$ 1,014	\$ (52,800)	\$ 596	\$ 7,618	\$ (3,595)
Adjustment for discrete items:					
Discontinued operations, net of tax	37	63	(11)	(11)	57
Impairment of proved crude oil and natural gas properties	—	30,625	—	—	—
Unrealized derivative instruments (gain) loss	3,095	(6,621)	7,254	—	6
Deferred income tax expense (benefit)	1,755	35,638	(3,367)	(5,299)	(2,813)
Other operating income (expense), net	20	31	815	37	786
Gain on revision of asset retirement obligations	(379)	—	—	—	—
Adjusted Net Income (Loss)	\$ 5,542	\$ 6,936	\$ 5,287	\$ 2,345	\$ (5,559)
Diluted adjusted net income (loss) per share	\$ 0.09	\$ 0.12	\$ 0.09	\$ 0.04	\$ (0.10)
Diluted weighted average shares outstanding ⁽¹⁾					
(1) No adjustments to weighted average shares outstanding	59,136	57,975	57,594	57,741	57,493

Non-GAAP Reconciliations

(in thousands)

Reconciliation of Changes in Working Capital from Continuing Operations	As of			
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Current assets	\$ 49,507	\$ 59,439	\$ 44,591	\$ 58,794
Current liabilities	(51,252)	(58,193)	(47,343)	(41,044)
Working capital	(1,745)	1,246	(2,752)	17,750
Less current assets - discontinued operations	(3,030)	(3,172)	(3,222)	(3,290)
Add operating lease liabilities - current portion	—	—	—	—
Add current liabilities - discontinued operations	15,002	15,186	15,191	15,245
Adjusted Working Capital	\$ 10,227	\$ 13,260	\$ 9,217	\$ 29,705

(in thousands)

Reconciliation of Changes in Working Capital from Continuing Operations	As of			
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019
Current assets	\$ 62,026	\$ 69,914	\$ 74,543	\$ 69,758
Current liabilities	(43,267)	(47,136)	(58,341)	(63,750)
Working capital	18,759	22,778	16,202	6,008
Less current assets - discontinued operations	-	-	-	-
Add operating lease liabilities - current portion	10,334	10,500	12,432	11,990
Add current liabilities - discontinued operations	4,675	4,847	326	350
Adjusted Working Capital	\$ 33,768	\$ 38,125	\$ 28,960	\$ 18,348

(in thousands)

Reconciliation of Changes in Working Capital from Continuing Operations	As of			
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Current assets	\$ 79,049	\$ 62,234	\$ 54,398	\$ 63,978
Current liabilities	(65,687)	(50,498)	(37,823)	(52,576)
Working capital	13,362	11,736	16,575	11,402
Less current assets - discontinued operations	-	-	-	-
Add operating lease liabilities - current portion	12,050	12,274	12,696	12,890
Add current liabilities - discontinued operations	395	48	15	7
Adjusted Working Capital	\$ 25,807	\$ 24,058	\$ 29,286	\$ 24,299

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%

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.



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 thirty 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.