



VAALCO ENERGY, INC.

Q4 2021 Supplemental Information

PROFITABLY AND SUSTAINABLY GROWING IN WEST AFRICA



SAFE HARBOR STATEMENT



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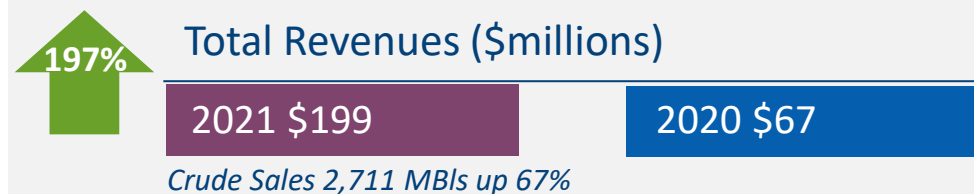
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The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC's definitions for such terms, and price and cost sensitivities for such reserves, and prohibits disclosure 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.

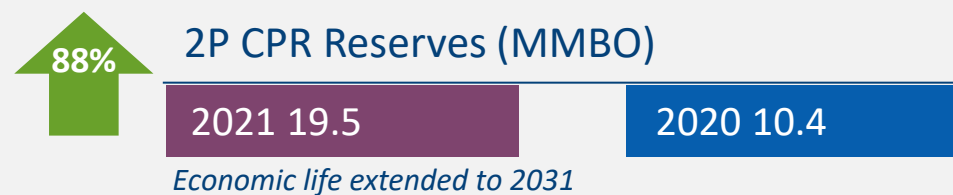
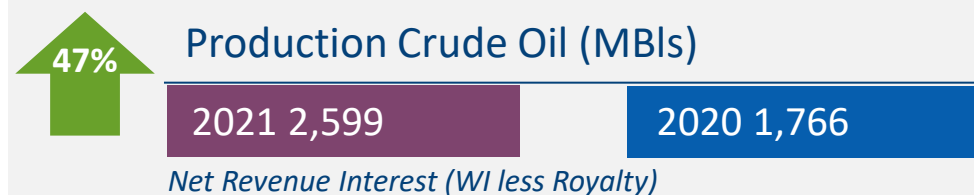
Estimates of reserves provided in this presentation are estimates only and there is no guarantee that estimated reserves will be recovered. Actual reserves may be greater than or less than estimates provided in this presentation and differences may be material. There is no assurance that forecast price 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.

TRANSFORMATIVE RESULTS THROUGH FOCUSED EXECUTION

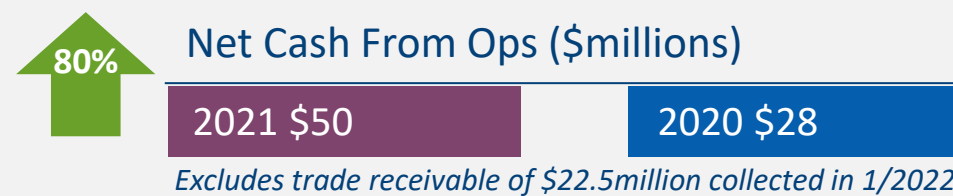
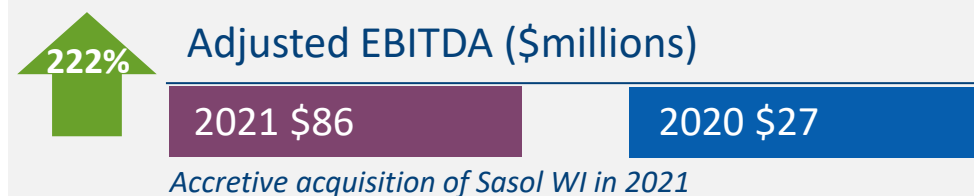
Revenue & Price



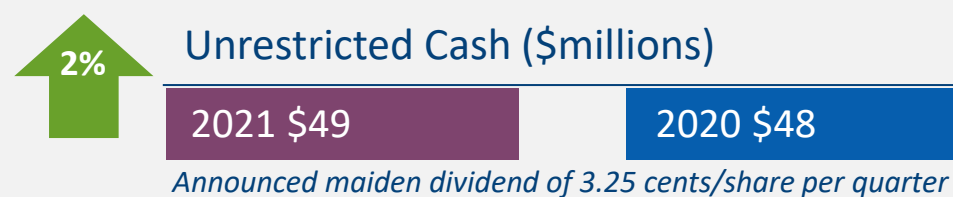
Production & Reserves



Profitability & Cash Generation



Investment



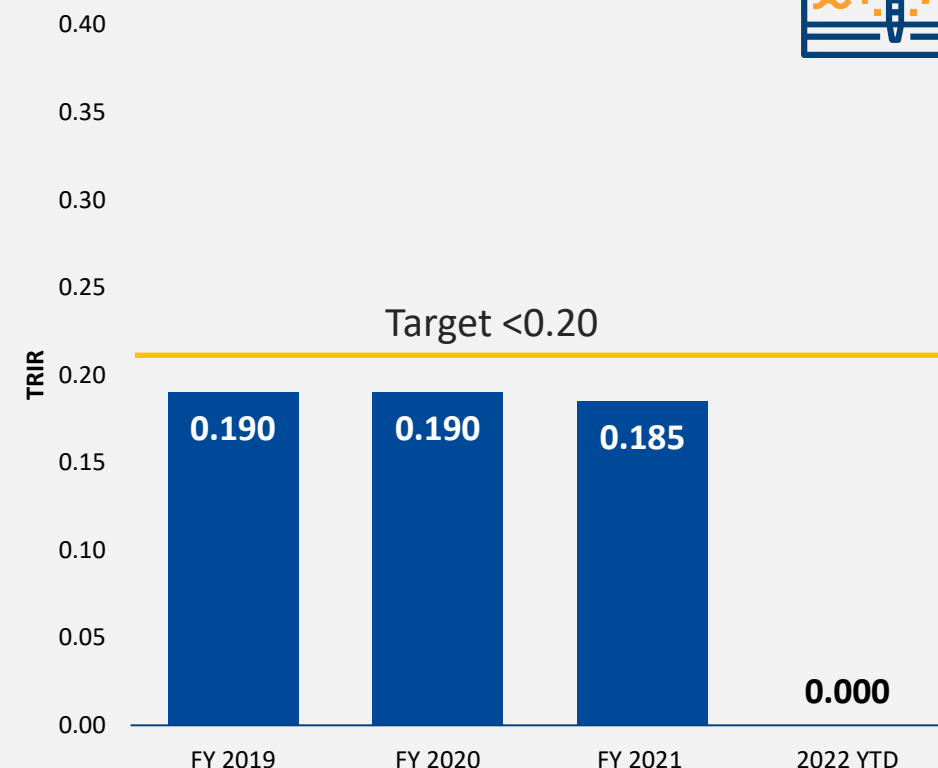
**Company
Remains Debt
Free and is Fully
Funding 2022
Growth and
Dividends
Through Cash on
Hand and Cash
from Operations**

Q4 AND RECENT OPERATIONAL HIGHLIGHTS

Continued Strong Performance

- Increased year-end 2021 SEC proved reserves by 250% to 11.2 MMBO, and increased year-end 2P CPR reserves by 88% to 19.5 MMBO
- Sold 709,000 barrels of oil in Q4 2021 and produced 7,554 NRI BOPD (8,683 WI BOPD) in Q4 2021, above the midpoint of guidance
- Successfully drilled, completed and placed on production the Etame 8H-ST development well, the first well in the 2021/2022 drilling campaign, with an initial flow rate of about 5,000 gross BOPD
- Progressing FSO solution, on time and on budget, forecasted to be online in Q3 2022 with significant projected reduction in storage and offloading costs of almost 50%
- Provisionally awarded 2 offshore blocks in Gabon adjacent to Etame, as part of a consortium, with a non-operated WI of 37.5%

Safety is a Priority



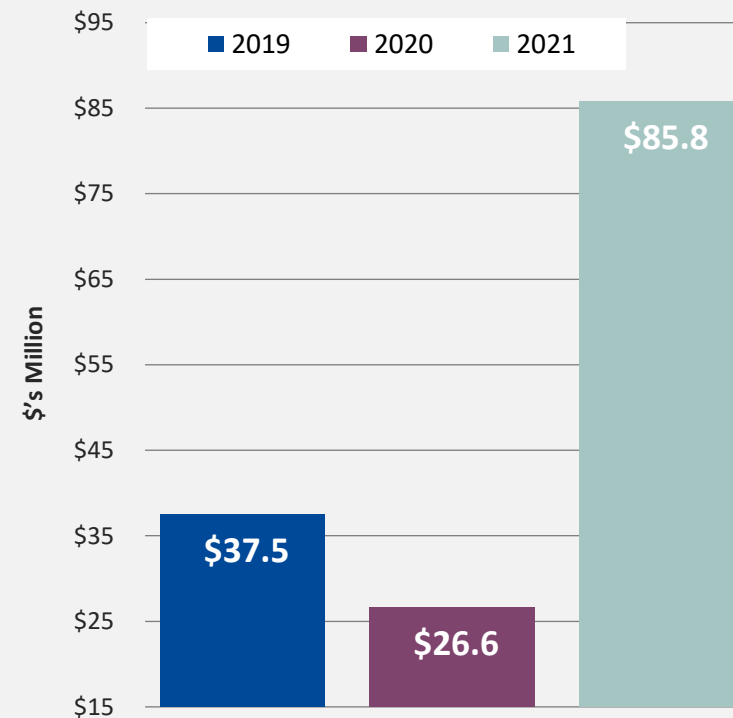
Executing Strategic Initiatives While Delivering Strong Operational Results and Cash Flow Growth

Q4 AND RECENT FINANCIAL HIGHLIGHTS¹

Continued Strong Performance

- Adopted sustainable, quarterly cash dividend with 1st dividend payment to be made March 2022
- Generated Adjusted EBITDAX of \$22.6 million in Q4 2021 and \$85.8 million for the full year 2021
- Reported strong Q4 2021 net income of \$34.4 million (\$0.58 per diluted share) and Adjusted Net Income of \$12.5 million (\$0.21 per diluted share)
- Maintained strong cash balance of \$48.7 million as of 12/31/2021, which does not include \$22.5 million from 12/2021 lifting received in 1/2022
- Announced 2022 operational and financial guidance, which includes the benefit of the cost savings associated with the FSO conversion in late 2022

Adjusted EBITDAX



1) Adjusted EBITDAX and Adjusted Net Income are Non-GAAP financial measures and reconciled in VAALCO's earnings release issued 3/9/2022

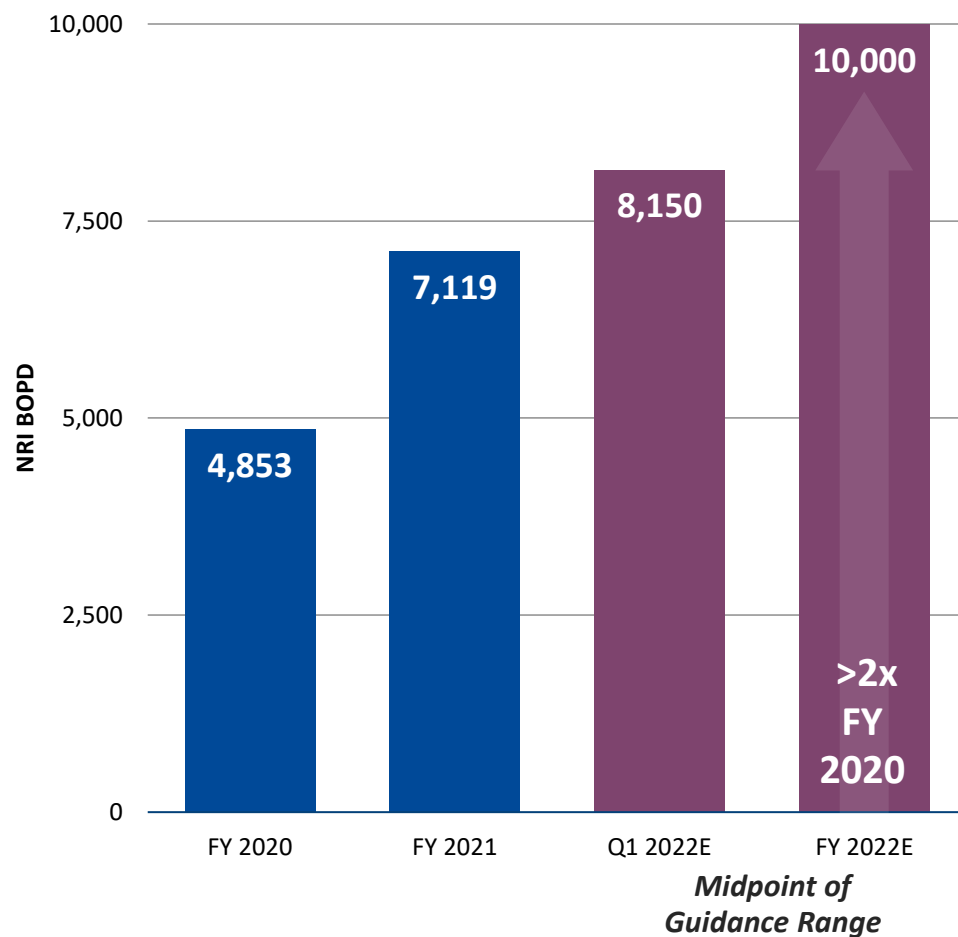


Continued Strong Cash Flow Generation Fully Funding Upcoming Capital Investment and Dividends

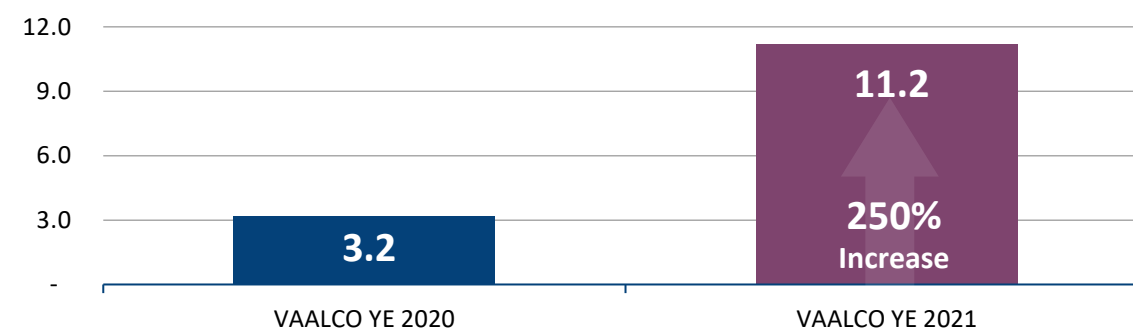
STEP CHANGE IN TOTAL PRODUCTION AND RESERVES

| Significant Increase in Size and Scale

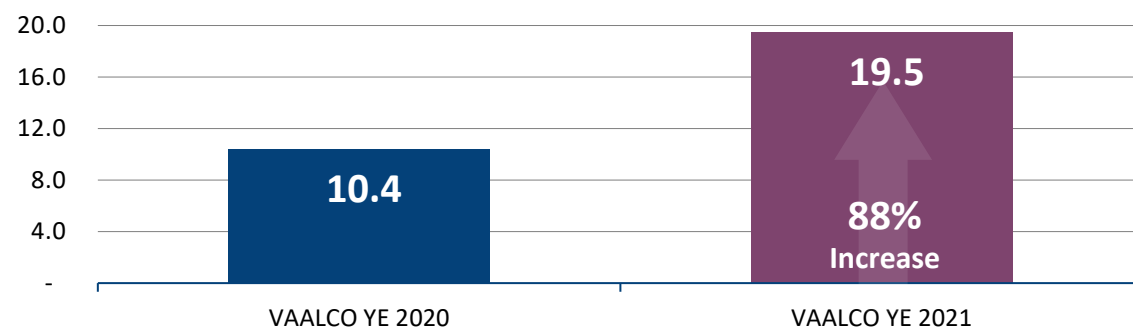
Production Outlook



Proved NRI Reserves⁽¹⁾ (MMBO)



2P CPR WI Reserves⁽²⁾ (MMBO)



1) SEC reserves are NSAI estimates as of December 31, 2020 and December 31, 2021

2) 2P CPR Reserves are NSAI estimates as of December 31, 2021 with VAALCO's management assumptions for escalated crude oil price and costs

YEAR-END 2021 RESERVES

| Proved NRI Reserve Reconciliation 2020 to 2021 (MMBO)



Substantial Additions Driven by Performance, Pricing and Accretive Acquisitions

2021/22 DRILLING CAMPAIGN

| Converting Capital Into Additional Scale and Production



2021/2022 Drilling Program

- Initiated drilling campaign in December with the Etame 8H-ST development well
 - Successfully placed on production, with an initial flow rate of ~5,000 gross BOPD, above internal estimates
- Currently drilling the Avouma 3H-ST1 development well
 - Next planned development well is the Avouma ETBSM 1H
- Program includes total of four wells
- Initially forecasted to increase gross production 7,000 – 8,000 BOPD when program is completed
- Continue to estimate \$117 to \$143 million gross or \$74 to \$91 million net in total capital costs with about \$65 to \$75 million net capital to be incurred in 2022

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

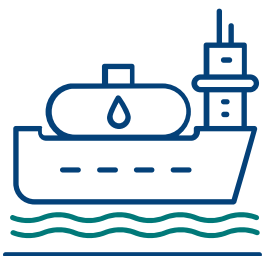
- Improved 3D seismic used to optimize 2021/2022 drilling campaign
- Allows for better planning to help reduce costs and optimize future drilling locations
- Identifies additional upside opportunities



**Strong Initial
Results with
Potential to Add
Material Cash
Flow in 2022
and Beyond**

NEW LOWER COST FSO SOLUTION

for 2022 and Beyond



The Nautipa FPSO at Etame is owned and operated by BW Offshore.

- The FPSO contract expires in September 2022
- New FSO solution to replace FPSO in Q3 2022



Lower Operating Costs will lead to Increased Margins, Material Additional Free Cash Flow While Also Extending the Economic Field Life and Thereby Increasing Ultimate Resource Recovery

VAALCO and its co-venturers approved a Bareboat Contract and Operating Agreement with World Carrier Offshore Services Corp to replace the existing FPSO with a FSO for 8 years with additional 1 year options. In the new field configuration, the FSO will store and offload the production and processing will be completed on the existing platforms.



- › FSO conversion is proceeding in-line with the project timelines and expected delivery schedules for the deployment of the FSO in the third quarter of 2022
- › Field reconfiguration activities are expected to begin in March 2022, as planned
- › The Cap Diamant arrived at a shipyard in Bahrain in late February 2022 on schedule, for the final modifications and certifications to convert to FSO
- › VAALCO expects the vessel will begin sea trials in late June before being mobilized to Gabon

This approach has significant advantages:

- › Greatly reduce storage and offloading costs by almost 50%, increase effective capacity for storage by over 50%, leading to Etame field life extension;
- › Total field level capital conversion estimates are \$40 to \$50 million gross (\$26 to \$32 million net to VAALCO) with \$25 to \$30 million net expected in 2022;
- › Projected to save ~\$13 to \$16 million net to VAALCO in operational costs through 2030, giving the project a very attractive payback period of ~2 years

PROVISIONALLY AWARDED OFFSHORE BLOCKS IN GABON

Consortium with VAALCO, BW Energy and Panoro Energy



BW Energy

37.5% WI

Operator

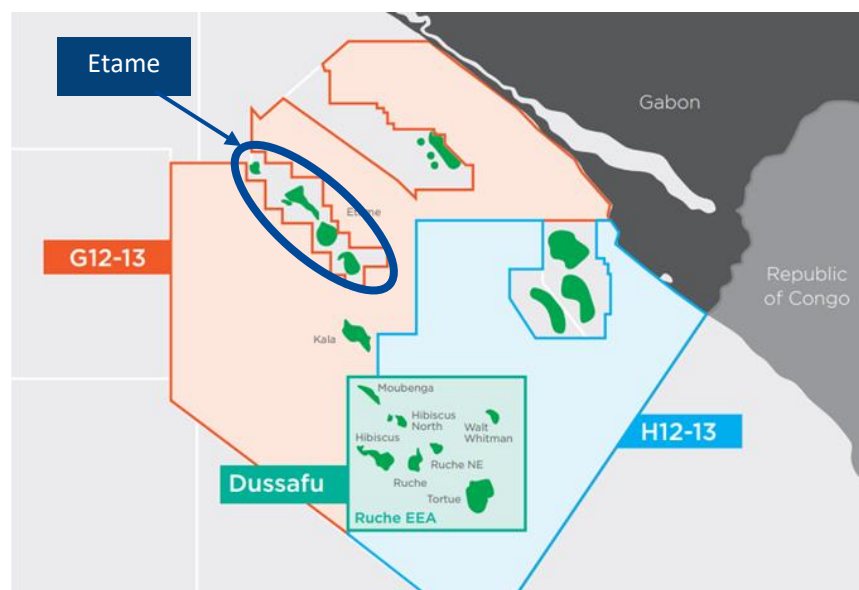
VAALCO

37.5% WI

Panoro Energy

25% WI

Blocks Adjacent to Etame and Dussafu Producing Fields



› Consortium provisionally awarded two blocks in the 12th Offshore Licensing Round in Gabon, subject to concluding the terms of the PSC with the Gabonese government

- Block G12-13 covers an area of 2,989 km² and block H12-13 covers an area of 1,929 km²
- 2 exploration periods totaling 8 years which may be extended by two additional years

› Adjacent to Etame and Dussafu, which are highly successful exploration, development and production projects

- Etame operated by VAALCO; Dussafu operated by BW Energy
- Over the past 20 years Etame and Dussafu have ~ 250 MMBO discovered

› During the first exploration period:

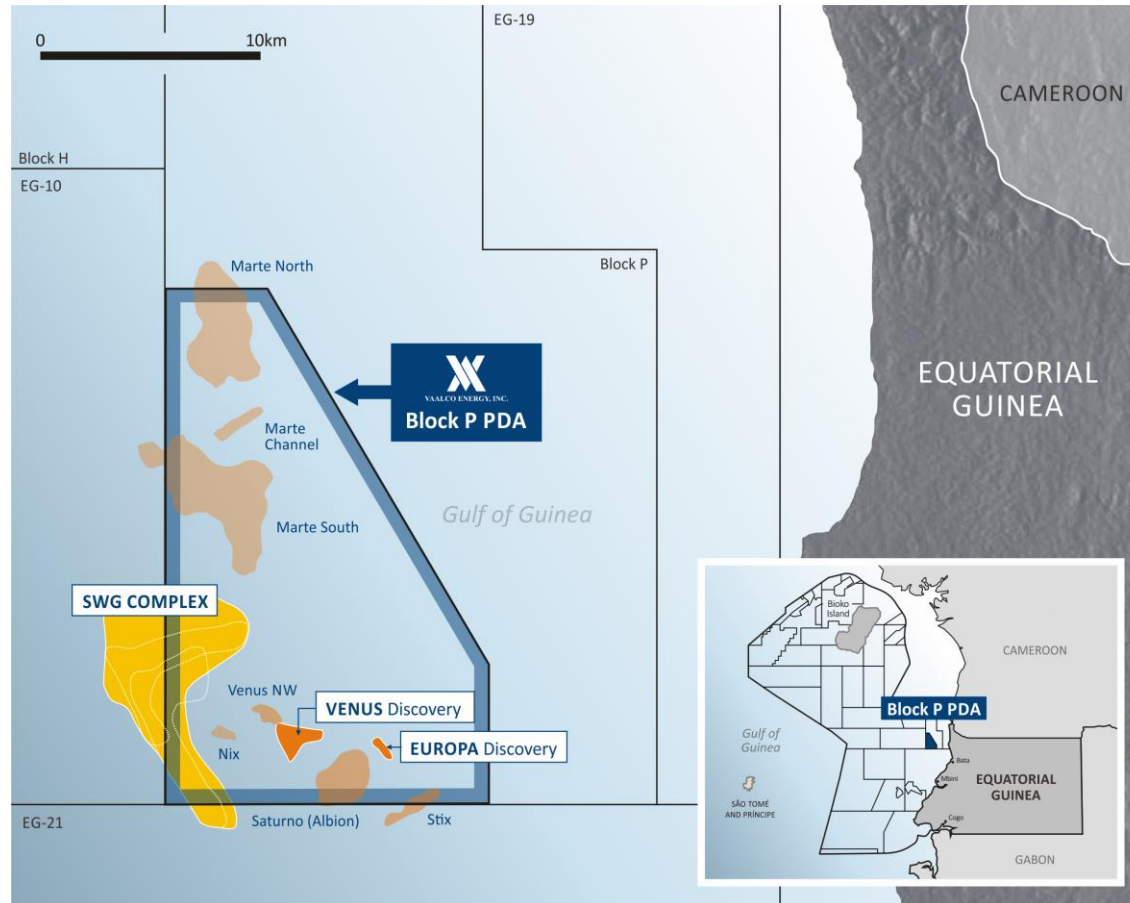
- Intend to reprocess existing seismic and carry out a 3-D seismic campaign
- Drilling one exploration well on each of the two blocks
- In the event the consortium elects to enter the second exploration period, the consortium will be committed to drilling at least one exploration well on each block



Additional Upside in Gabon Outside of Etame Adjacent to Existing Discoveries

FUTURE GROWTH POTENTIAL

Maximizing the Value in VAALCO's Portfolio



VENUS DISCOVERY

15.5 - 23.8

million BOE
unrisked gross
2C resource⁽¹⁾

EUROPA DISCOVERY

7.9

million BOE
unrisked gross
2C resource⁽¹⁾

SW GRANDE PROSPECT

164.4

million BOE
unrisked gross Best Estimate
Prospective Resources

Material Development Opportunity with Further Upside

- › All wells drilled on block P have oil shows or oil sands
- › PSC license period is for 25 years from date of approval of a development and production plan
- › VAALCO 45.9%, Atlas 34.1%, GEPetrol 20% carried interest through first production; GEPetrol carried interest will be recovered from their share of production
- › Discoveries on Block were made by Devon, a prior operator/owner

Current Status

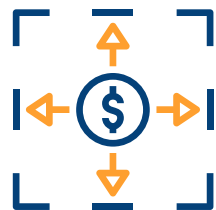
- › In 2021, completed feasibility study of Venus standalone project
- › In 2022, proceeding to full development plan



Strategy to Accelerate Value Creation While Adding Second Core Area, Reduces Risk and Enhances Upside

HEDGING

| Materially Derisking Funding of 2021/2022 Drilling Campaign and FSO Solution



Settlement Period	Type of Contract	Index	Barrels	Weighted Average Price
March 2022 to June 2022	Swaps	Dated Brent	460,000	\$72.00
April 2022 to June 2022	Swaps	Dated Brent	234,000	\$85.01
July 2022 to September 2022	Swaps	Dated Brent	375,000	\$76.53

1,069,000



**~1/3 of production hedged
in 2022 at a Dated Brent
weighted average price of
\$76.44 per barrel**

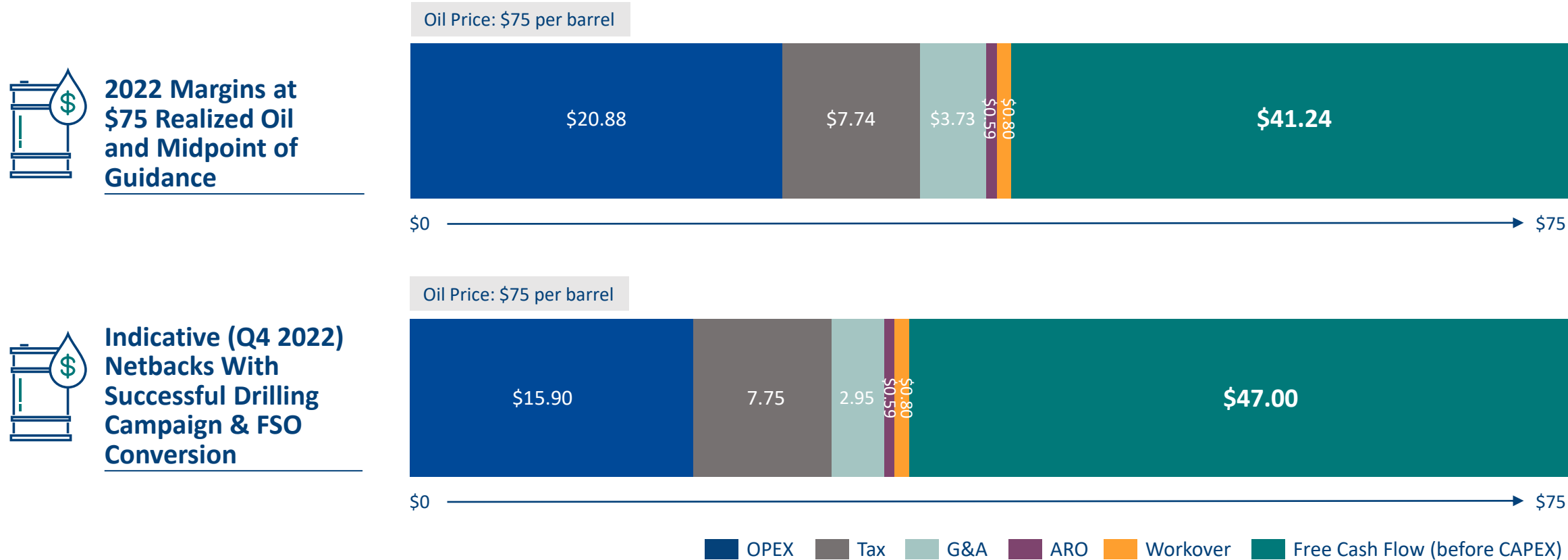


**No hedges currently
in place beyond
Sept. 2022**



Hedged Production Volumes to Protect Cash Flows and Fully Fund the 2021/2022 Drilling Program, 2022 FSO Conversion and 2022 Dividend Program

POTENTIAL INDICATIVE NETBACKS WITH INCREASED PRODUCTION AND LOWER OPEX



At 2022 Midpoint of Guidance for Costs and Production of 10,000 BOPD with \$75 Realized Oil Price Implies >\$150MM in Adjusted EBITDAX for full year 2022

2022 GUIDANCE

(As of March 9, 2022)

		Q1 2022	FY 2022
Production (BOPD)	WI ⁽¹⁾ NRI ⁽¹⁾	9,200 – 9,550 8,000 – 8,300	10,900 – 12,050 9,500 – 10,500
Sales Volume (BOPD)	WI ⁽¹⁾ NRI ⁽¹⁾	7,600 – 7,950 6,600 – 6,900	10,900 – 12,050 9,500 – 10,500
Production Expense ⁽²⁾	WI ⁽¹⁾ & NRI ⁽¹⁾	\$17.5 - \$19.0 MM	\$73 - \$83 MM
Production Expense per BO ⁽²⁾	WI ⁽¹⁾ NRI ⁽¹⁾	\$24.25 - \$27.00 \$28.00 - \$31.00	\$17.00 - \$19.50 \$19.50 - \$22.50
Workovers	WI ⁽¹⁾ & NRI ⁽¹⁾	\$0 MM	\$2 - \$4 MM
Cash G&A ⁽³⁾	WI ⁽¹⁾ & NRI ⁽¹⁾	\$2.5 - \$3.5 MM	\$9.5 - \$12.5 MM
2022 CAPEX	WI ⁽¹⁾ & NRI ⁽¹⁾	\$36 - \$44 MM	\$90 - \$110 MM

- 1) WI 58.8% and NRI uses net revenue interest after 13% royalty deduction
- 2) Excludes workover expense
- 3) Excludes stock-based compensation

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