



VAALCO ENERGY, INC.

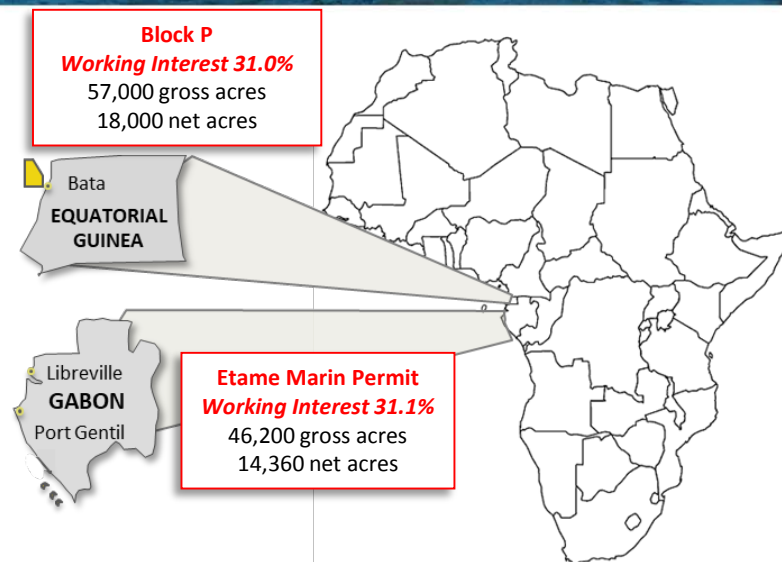


*Building the Future from
a Strong Foundation*
1st Quarter 2019 Supplemental Update

Premier International Operator

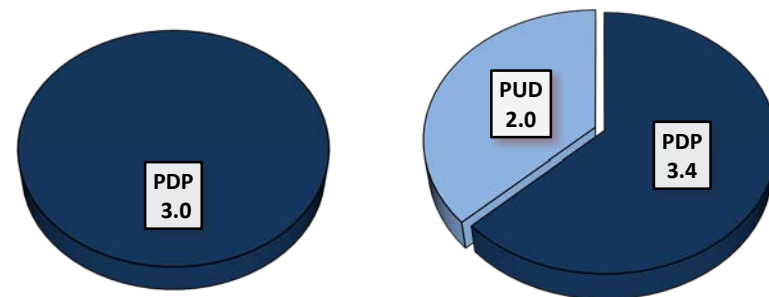
Strong Balance Sheet and Poised for Growth

- **Houston-based E&P operator of established shallow-water international properties**
- **Excellent operator with high ethical standards**
- **Quality assets anchored by the premier Gabon Etame Marin field**
 - Produced ~108 million barrels of oil thru 3/31/19
 - Identified additional potential of ~126 million barrels of oil (1P, 2P, 1C, 2C, Prospective)
- **Growth from low-risk reserves and production while exercising capital discipline**
- **Levered to currently higher Brent oil prices**
- **Strong, clean balance sheet with no debt**
- **Actively pursuing strategic, value-accretive mergers and acquisitions of similar properties**



Q1'19 Production 3,496 BOPD⁽¹⁾
100% Oil with Brent Pricing

2017 Proved Reserves⁽²⁾ (MMBO) 2018 Proved Reserves⁽²⁾ (MMBO)



Profitable Operator Positioned for Long-Term Value Creation

Vision 2025

Premier Africa Operator with a diversified portfolio,
5X Growth from 2019 (Reserves/Production/Value), top quartile TSR

Stakeholder Engagement

- Top-tier employees, aligned with shareholder interests
- Cultivate relationships with host governments
- Improve quality of life and education in the communities where we operate

Operational Excellence

- Maintain high HSE and ethical standards
- Optimize production and minimize costs to maximize margins
- Organically grow identified resources in Gabon and EG

Financial Flexibility

- Broaden access to capital markets
- Maintain optimal liquidity to fund Gabon drilling and operations
- Seek partners to fund EG growth opportunities

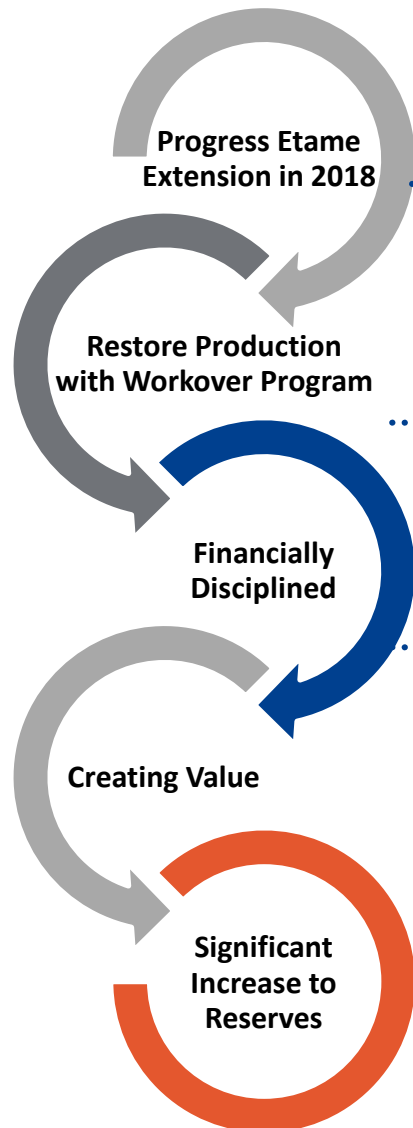
Transformational Growth

- Maintain focus in Africa
- Acquisition of producing assets with upside opportunities
- Pursue merger and acquisition opportunities that create value

Foundation: Producing asset in Gabon generating significant cash with a 20 year runway to add production and increase reserves, track record of operating responsibly, clean balance sheet with no debt and ample working capital, high performing team, capacity for growth

Delivering Value Through Execution

Maintain Strong Cash Flow and Income Generation

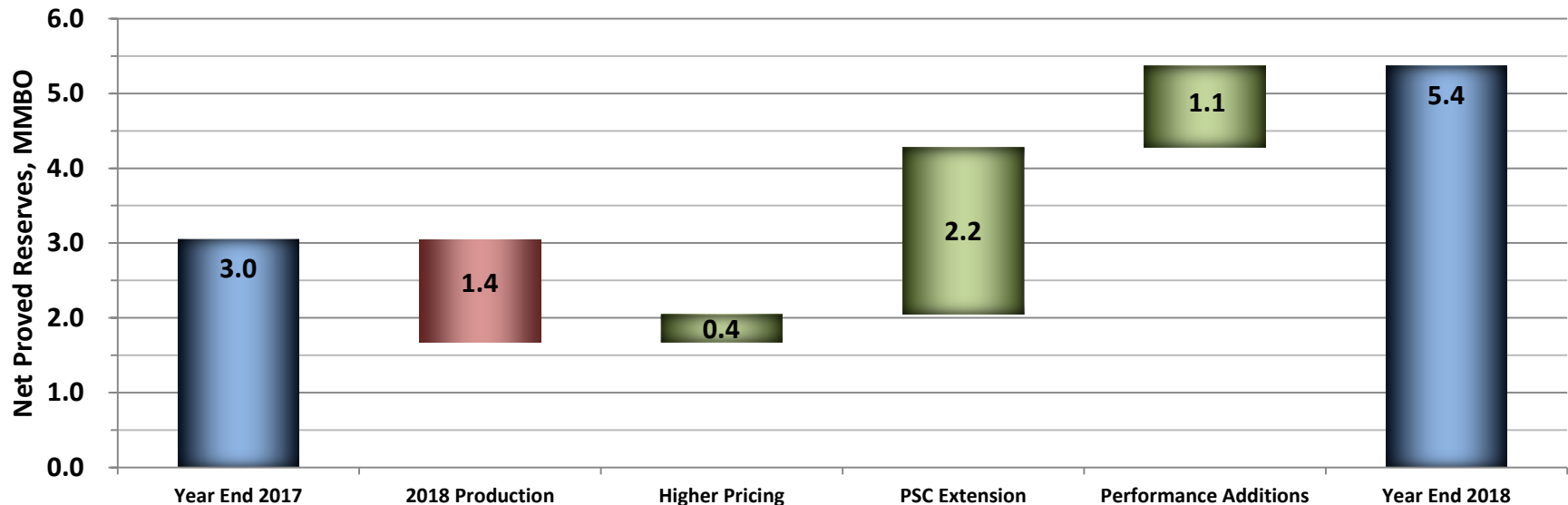


- ✓ Finalized Etame Marin PSC extension, increasing the term of the three existing exploitation authorizations to September 16, 2028, with 2 additional 5 year options
- ✓ Completed successful workover program on Avouma platform that addressed ESP problems and restored production
- ✓ Produced an average of 3,496 net BOPD in Q1'19, which was reduced by approximately 200 BOPD due to 3rd party work stoppage on the FPSO
- ✓ Paid off all outstanding debt in 2018
- ✓ Funding 2019 Etame drilling program with cash from operations and cash on hand
- ✓ 2019 Operational Breakeven ~\$37/BBL and Free Cash Flow Breakeven ~\$47/BBL⁽¹⁾
- ✓ Delivered Adjusted EBITDAX of \$9.7 MM in Q1'19
- ✓ Generated Net Income of \$6.5 MM in Q1'19
- ✓ Signed a settlement agreement to exit Angola which includes a cash payment of \$4.5 MM and elimination of outstanding receivable from Sonangol P&P
- ✓ Significantly enhanced ability to create long-term value at Etame through PSC Extension including improved financial terms and an expanded license area
- ✓ Increased 1P and 2P proved reserves to 5.4 MMBO and 9.7 MMBO, respectively
- ✓ Grew 2018 PV10 of 1P reserves to \$80.1 MM and 2P reserves to \$131.9 MM
- ✓ More details on next slide

¹ Additional details and calculation on slide 20

VAALCO Year End 2018 Reserves

5.4 MMBO Net Proved Reserves for YE-2018
9.7 MMBO Net Proved + Probable (2P) Reserves for YE-2018
Replaced 270% of 2018 Production



- PV-10 of 1P Reserves at SEC Pricing = \$80.1 MM
- PV-10 of 2P Reserves at SEC Pricing = \$131.9 MM
- Amounts are net of expected P&A liabilities

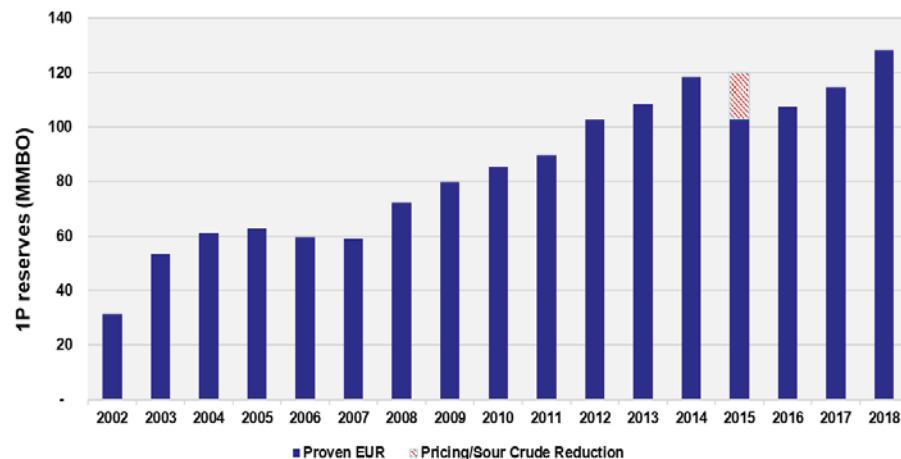
Significant Upward Revisions as a Result of Strong Production Performance

Repeatable Track Record of Success Continuing to Create Value at Etame

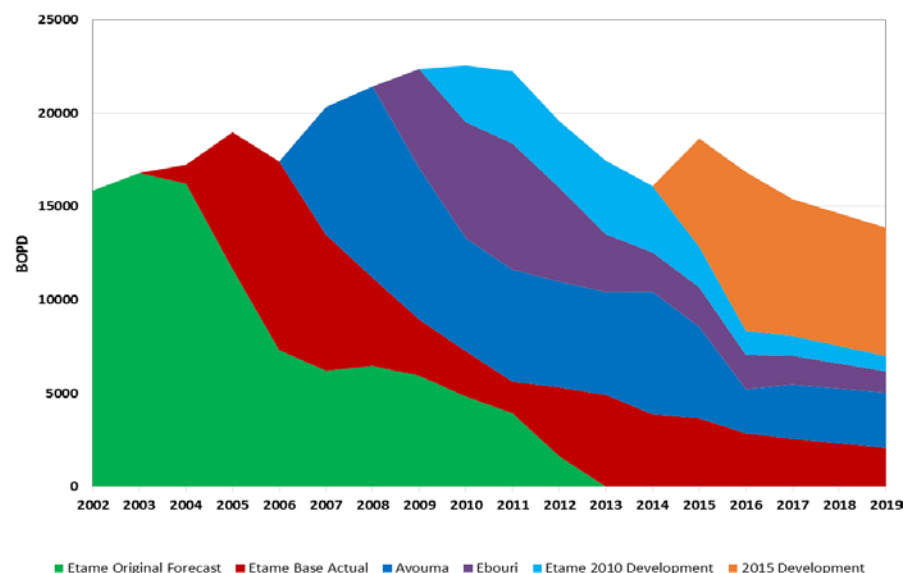
Etame Opportunities

- **2019 development program**
 - Drill at least two development wells
 - Drill two appraisal well bores
- **2020+ additional drilling opportunities**
- **Gamba step-out wells**
- **Gamba satellite wells (leads)**
- **Dentale wells**
- **Crude Sweetening Project**
- **Contingent resources beyond 2028**

Etame Marin : Gross Proven EUR



ETAME Marin Gross Production





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OPERATIONAL OVERVIEW

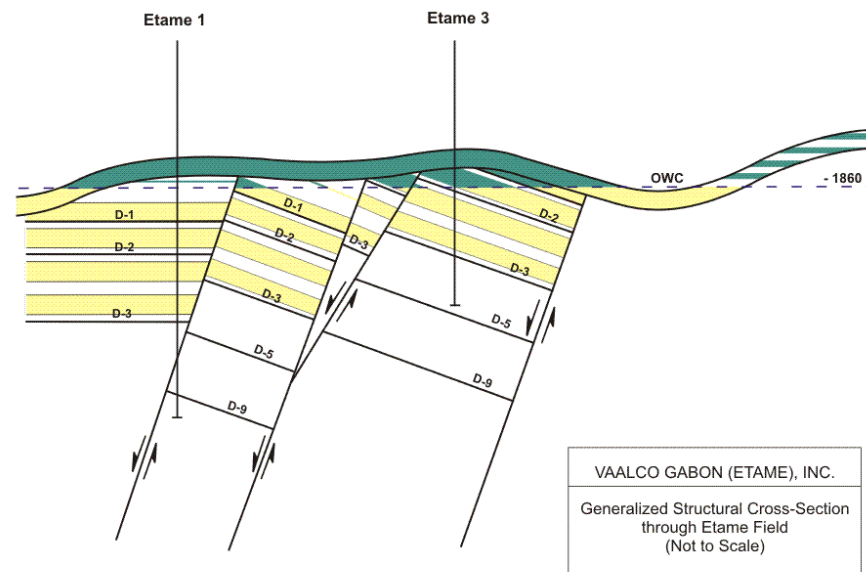


VAALCO Offshore Gabon Etame Reservoirs



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- 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 world-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 up to 33%
 - 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

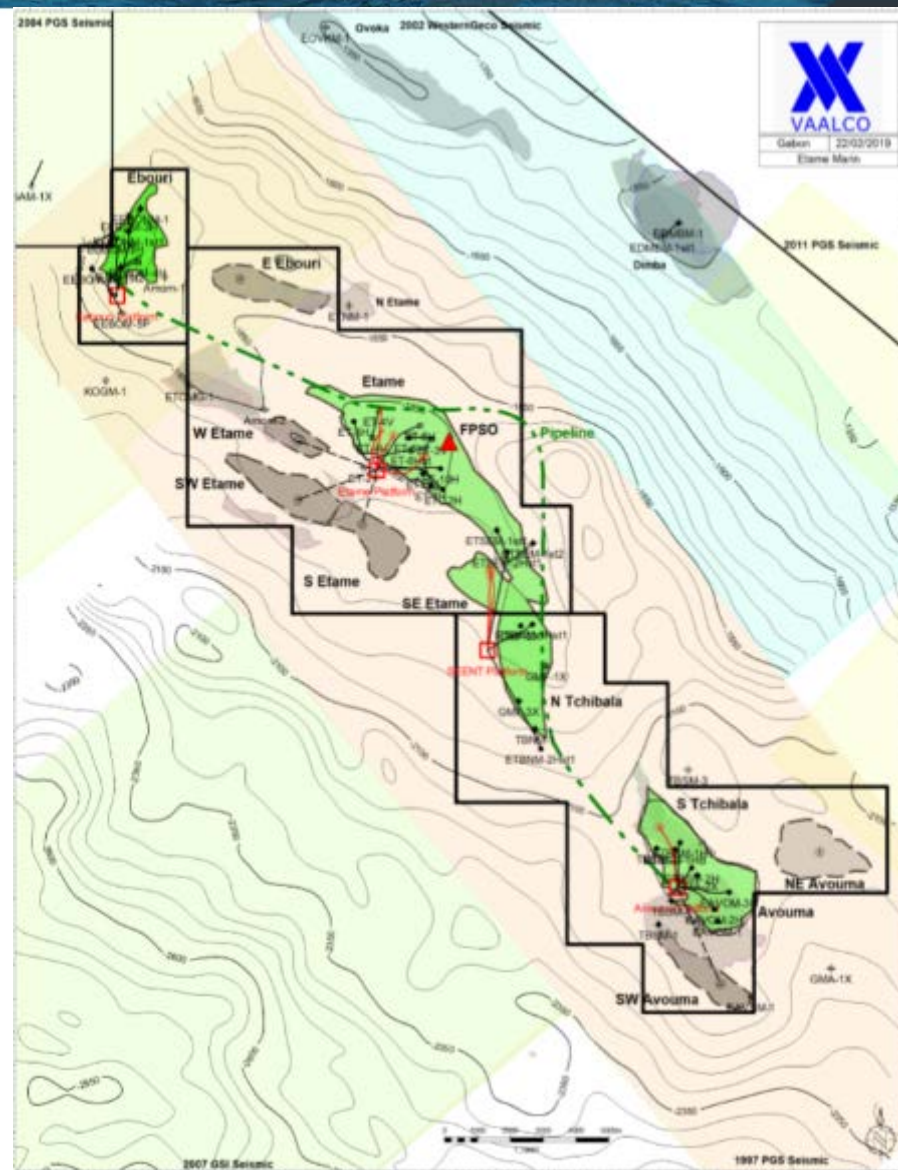
	Age	Lithology	Formation	Tectonic Phase
Upper Cret.	Recent - Pleist.		Akasso	Drift - Sag
	Miocene		M'Bega	
			Mandorove	
	Eocene		Animba	
			Ozouri	
	Senonian		Ewongue	
Lower Cretaceous	Turonian		Pt. Clairette	Transitional
	Cenomanian		Anguille	
			Azile	Late Rift
			Cap Lopez	
	Albian		Mediela	
	Aptian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

VAALCO Etame Offshore License



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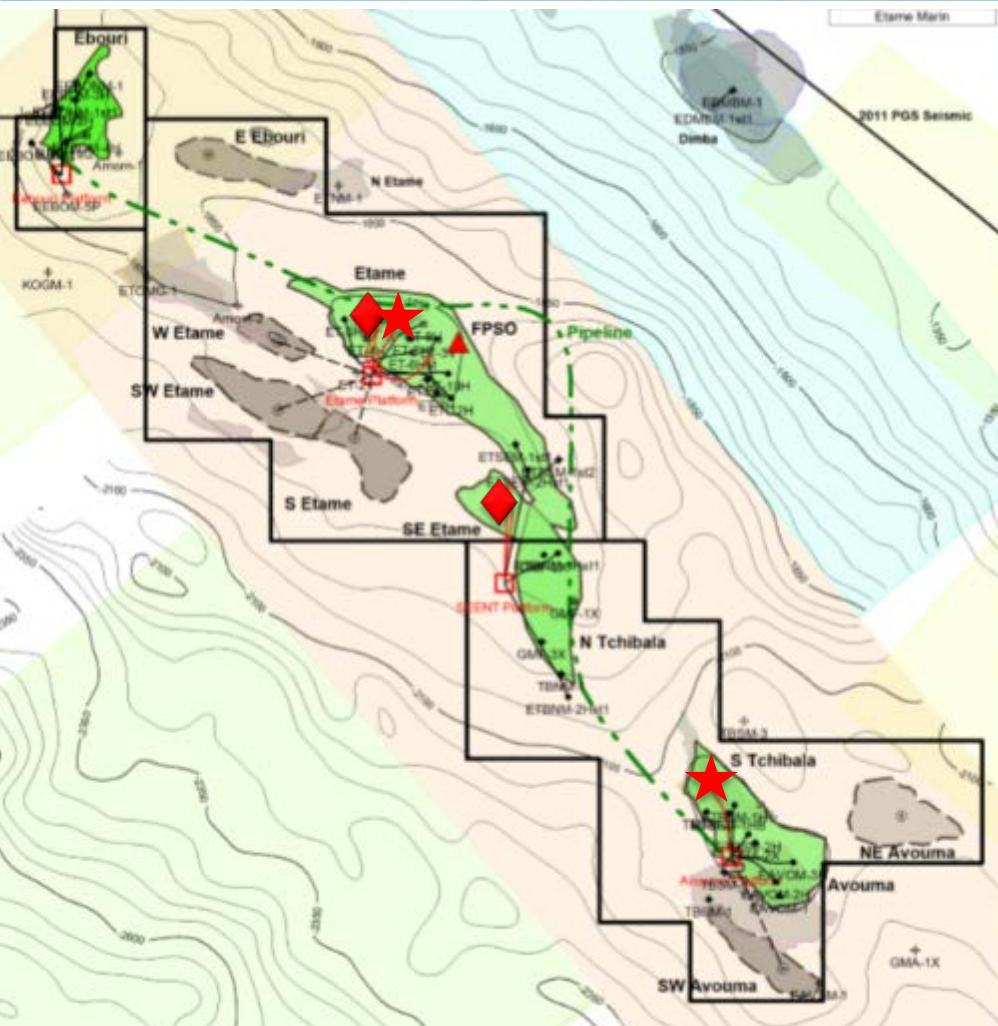
- Operator with 31.1% WI and 27.1% NRI (net of royalty)
- Joint Owners: Sinopec (Addax), Sasol, PetroEnergy and Tullow
- Current producing wells:
 - 12.5 MMBO of proved and 7.7 MMBO probable gross developed reserves at year-end 2018
 - Gross reserve additions associated with field life extension through drilling campaigns are 3.6 MMBO proved and 2.7 MMBO probable
- Infrastructure in place for further development



Platform	Producing Wells	Gross BOPD
Etame	2	~ 3,000
SEENT	3	~ 3,550
Avouma	3	~ 4,100
Ebouri	1	~ 900
FPSO Subsea	3	~ 2,250
Total	12	~ 13,800

2019 Development Program

Profitable Growth Funded Internally



2019 Drilling Commitment

2 Development Wells and 2 Appraisal Well Bores

★ 2019 Development Drilling Locations

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

Avouma Platform 3H well: Gamba horizontal well in an untapped area offsetting South Tchibala wells

2P reserves recovered by wells: ~6.4MMBO gross/
1.7MMBO net reserves

2P reserve additions of existing wells (Field Life Extension): 6.3 MMBO Gross/1.7 MMBO net reserves

◆ 2019 Appraisal Locations

Etame Platform 9P well: Dentale appraisal well bore

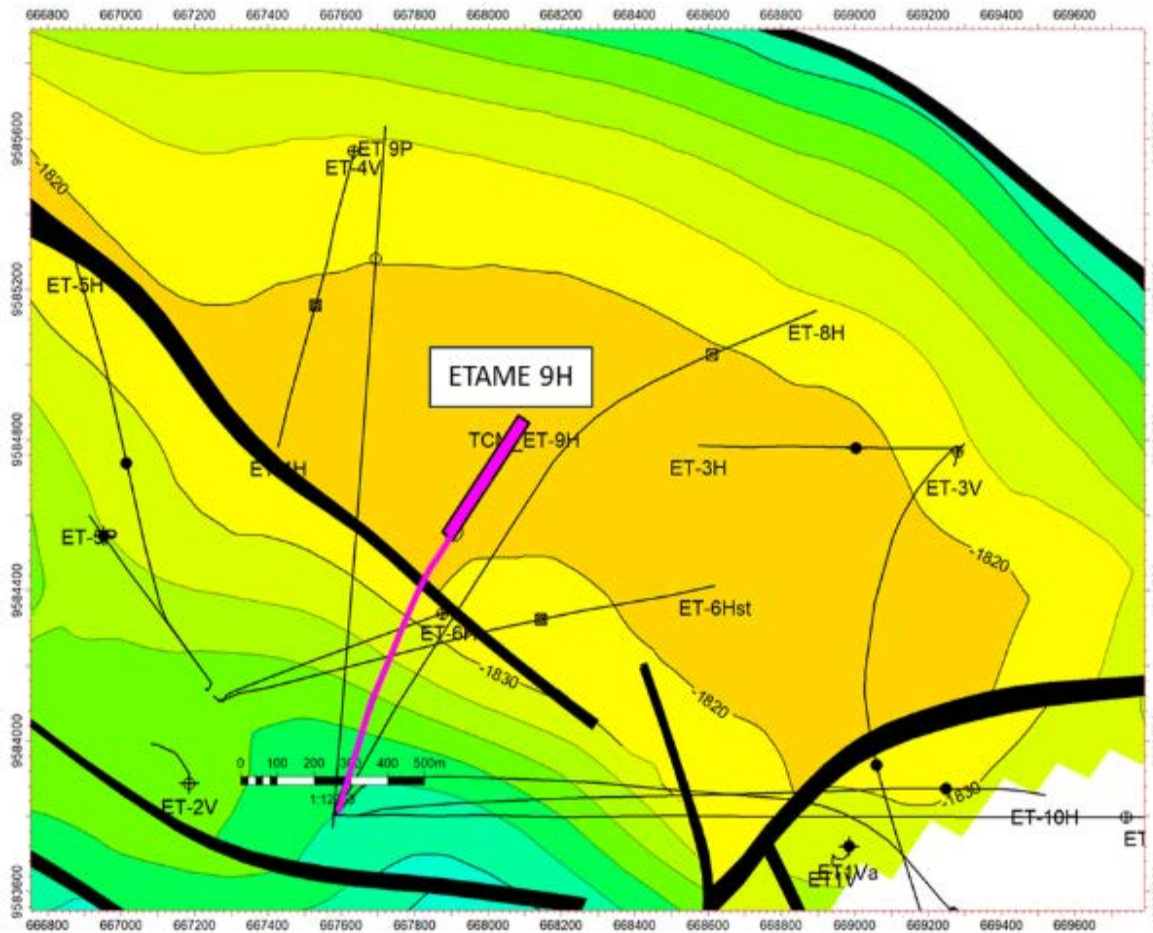
SEENT Platform 4P/4H well: Gamba appraisal well bore if successful will result in immediate development well ~4.2MMBO gross/1.1MMBO net prospective resources

Future Probable (2P) Location

Etame Platform 11H well: Gamba horizontal 2P reserves ~3.1 MMBO gross/0.8 MMBO net reserves

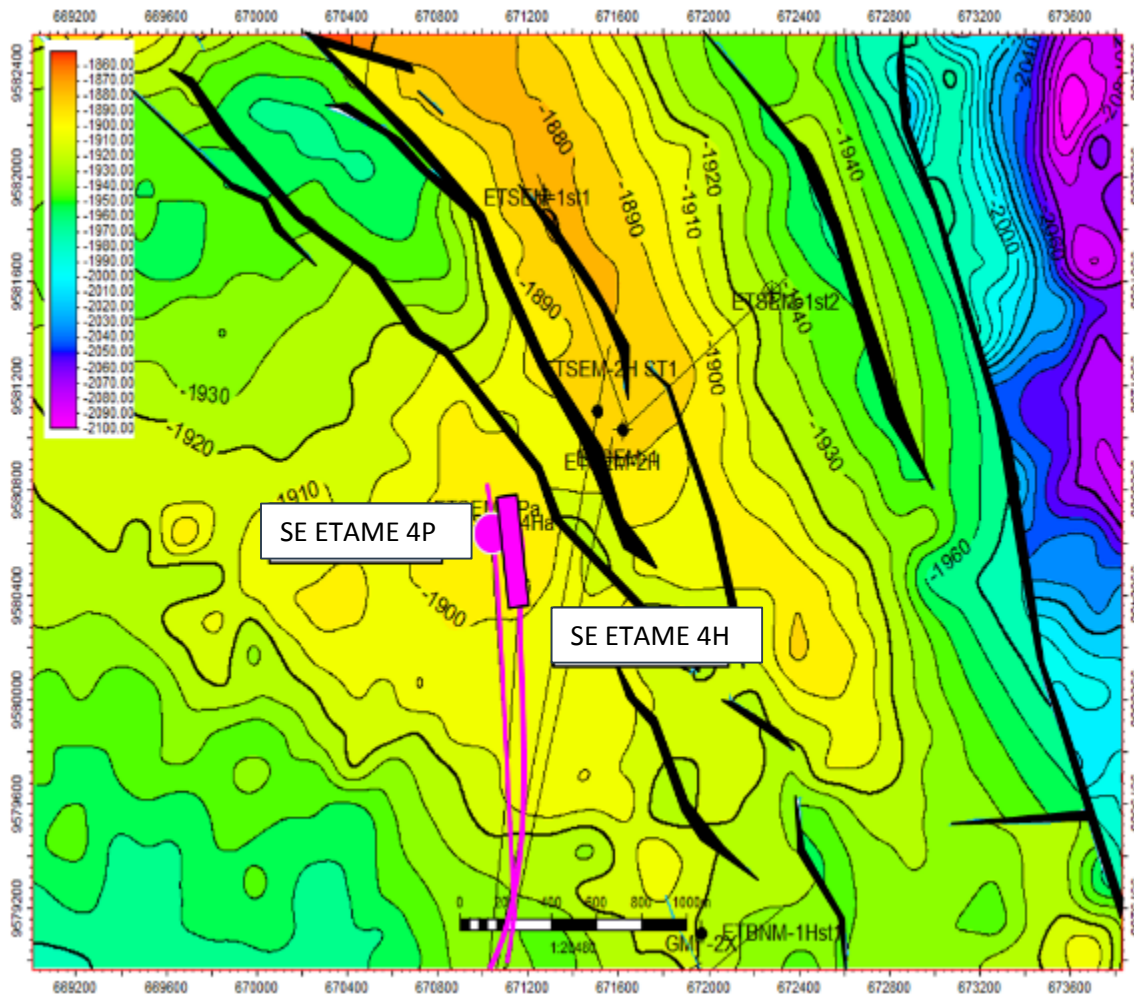
Drilling A Minimum of 2 Development Wells and 2 Appraisal Well Bores, with a Possible 3rd Development Well

2019 Drilling Program: Etame Field Main Fault Block Development



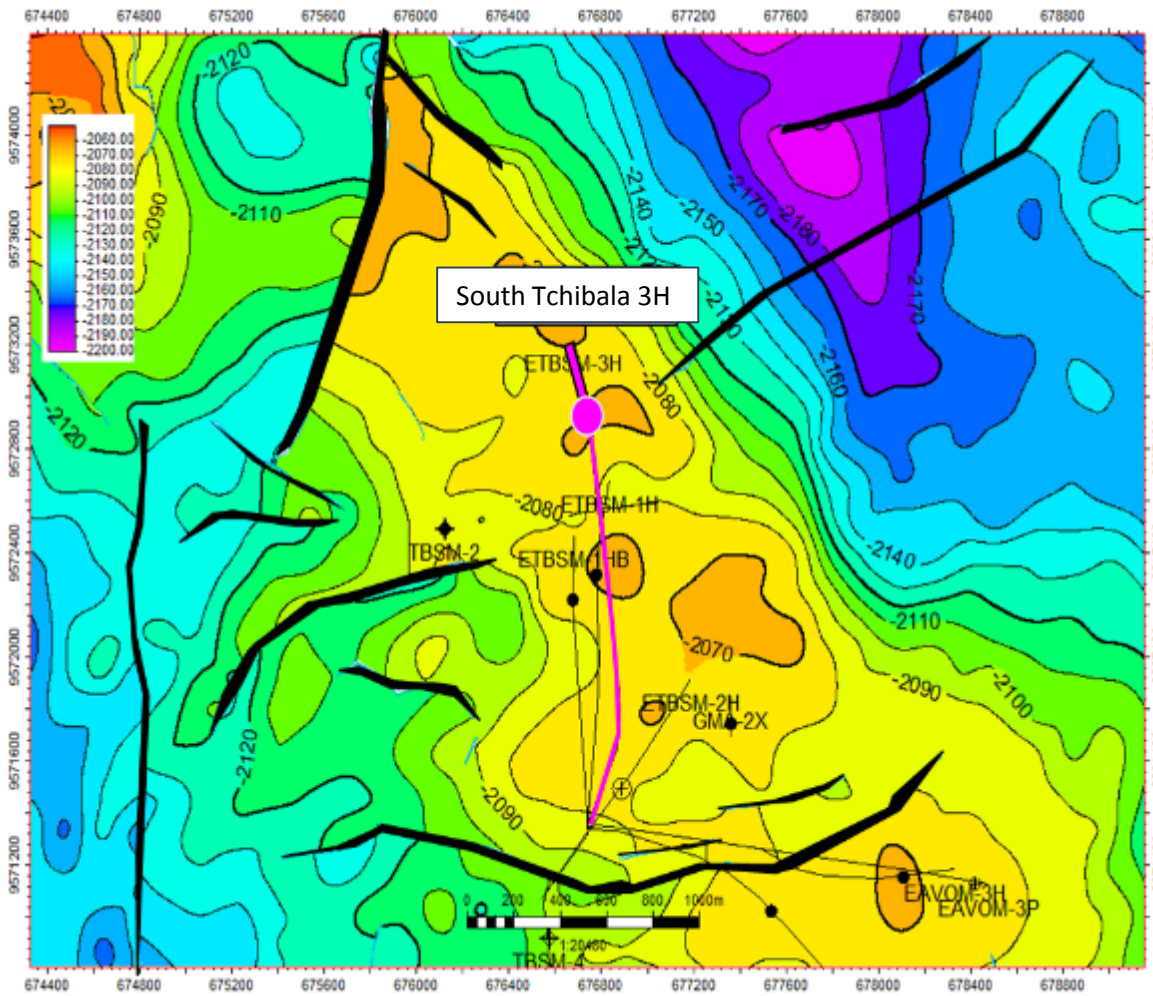
- The Etame-9H is a horizontal development well offsetting the Etame-4H and Etame-6H
- Reserve potential:
4.8 MMBO gross 2P
1.3 MMBO net 2P
- Estimated development costs:
\$22.5 - \$27.5 million gross
\$7.5 - \$9.5 million net
- Expected stabilized IP rate:
2,500 - 3,500 gross BOPD
675 - 960 net BOPD
- Etame 9P appraisal well bore evaluates the Dentale and de-risks potentially up to 3 Dentale wells (~3.5 - 6.0 MMBO gross EUR)

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



- SE Etame 4P 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:
4.2 MMBO gross prospective
1.1 MMBO net prospective
- Estimated development costs:
\$30 - \$35 million gross
\$9 - \$11 million net
- Expected stabilized IP rate:
3,000 – 4,200 gross BOPD
825 – 1,100 net BOPD

2019 Drilling Program: 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:
1.6 MMBO gross 2P
0.4 MMBO net 2P
- 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

Additional Etame Gamba Opportunities

Additional Prospective Locations:

SEENT Platform:

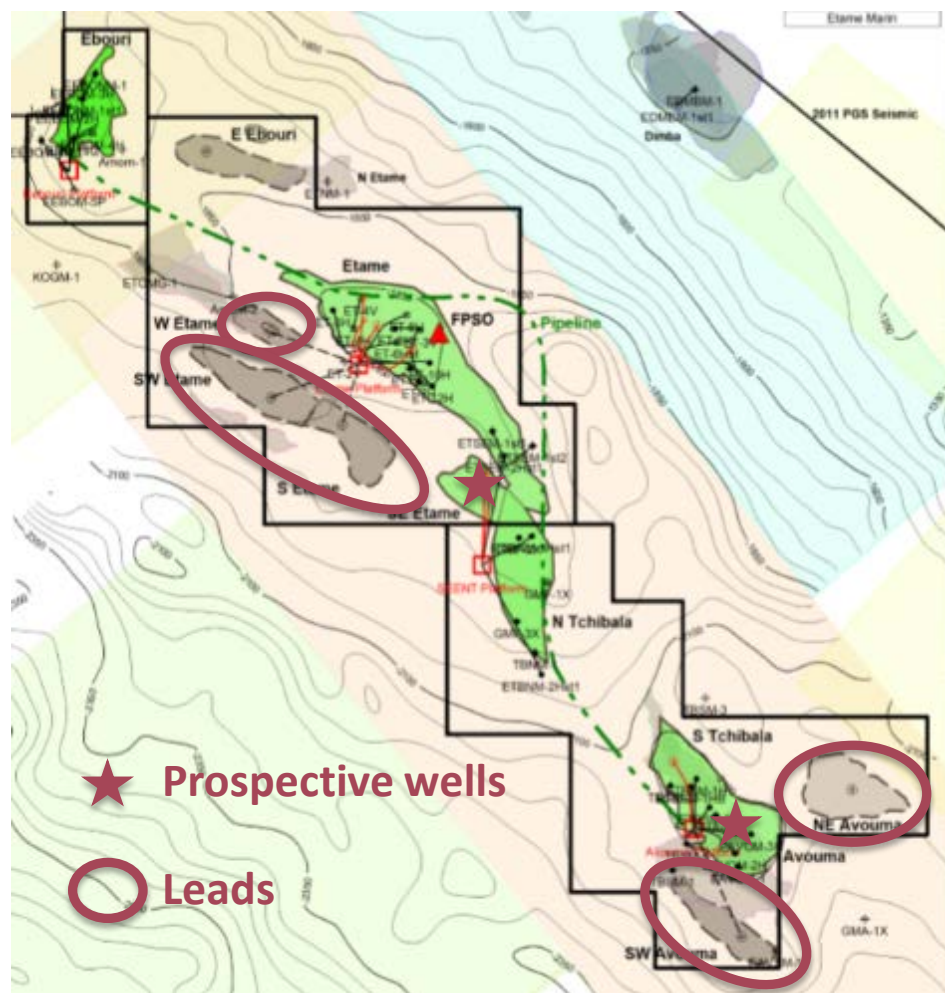
- Three Gamba wells (~7.7 MMBO)

Avouma Platform:

- One Gamba well (~2.1 MMBO)

Leads:

- Provide significant upside opportunities
- Additional opportunities (~19.9 MMBO)
- Determine viability of additional resources on expanded acreage

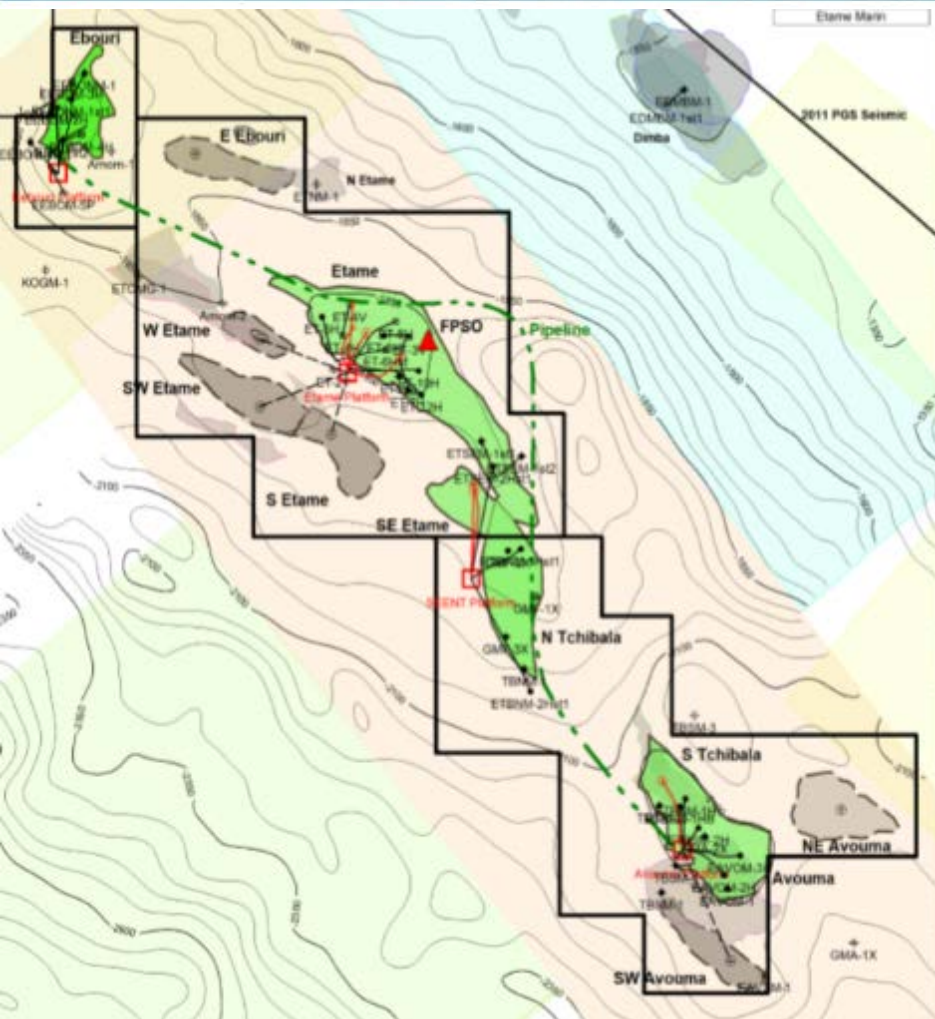


~30 MMBO of Gross Unrisked Recoverable Prospective Resources from Gamba Opportunities

Additional Etame Dentale Opportunities



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Additional Prospective Opportunities:

Etame Platform:

- Six Dentale infills (~10.2 MMBO)

SEENT Platform:

- Three Dentale infills (~4.5 MMBO)

Avouma Platform:

- Two Dentale infills (~3.5 MMBO)

Additional Contingent Opportunities:

SEENT Platform:

- One Dentale infill (~2.6 MMBO)
- One Dentale stimulation (~1.8 MMBO)

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

Potential 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: 5.3 MMBO gross contingent resource
 - 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
 - East Ebouri additional drilling potential of 6.6 MMBO gross prospective resources
- CSP assessment to be conducted in 2019 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 ~17 MMBO of Gross Upside Potential

Etame Marin Gross Contingent Resources

Upside Resources Beyond 2028

Etame Marin Contingent Resources (2C)

Etame Platform: 3.9 MMBO

SEENT Platform: 0.5 MMBO

Avouma Platform: 7.2 MMBO

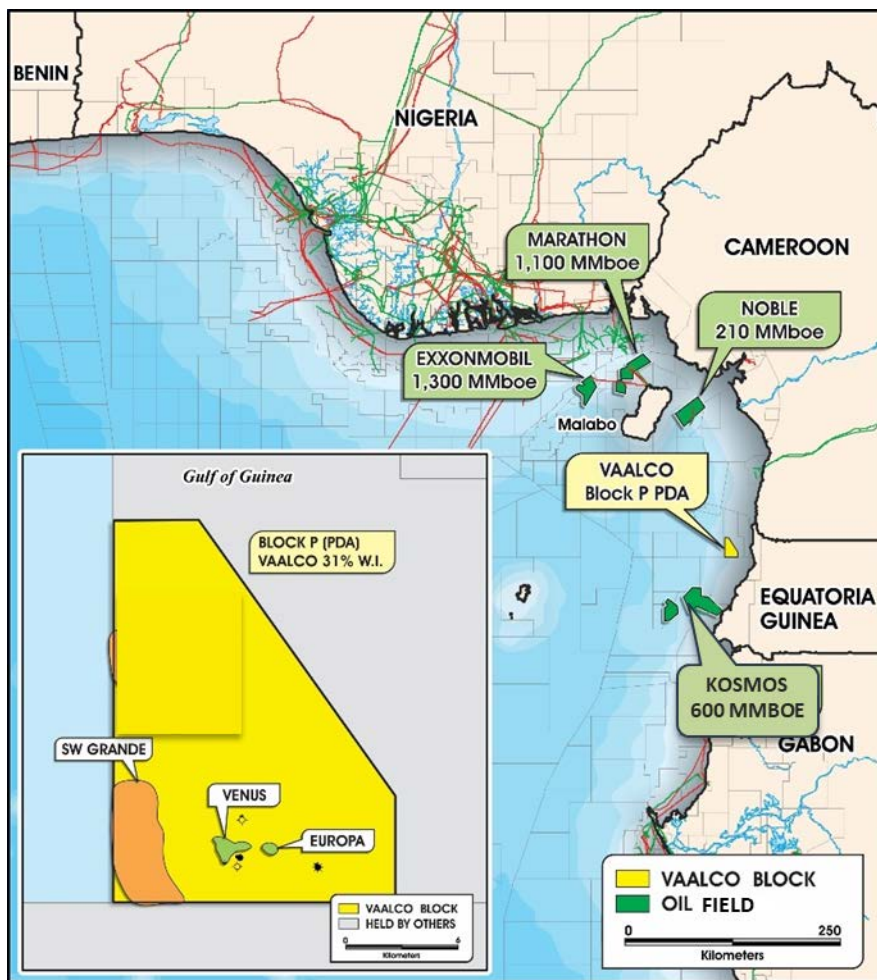
Ebouri Platform: 1.2 MMBO

Undeveloped Locations: 3.0 MMBO

VAALCO will have the option to extend the Etame license for at least ten years beyond 2028 and convert these resources to reserves

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

Equatorial Guinea: Significant Upside Potential



- 20+ million BOE gross resource discovery with 31% W.I as operator
- Block P suspension lifted; awaiting approval of transfer of GEPetrol's WI
- EGY will seek partner on a promoted basis to drill exploratory well required under terms to lift suspension
- If EGY does not proceed forward \$10 million of leasehold costs would be impaired
- Timing, costs, development plan and terms are being re-evaluated
- 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



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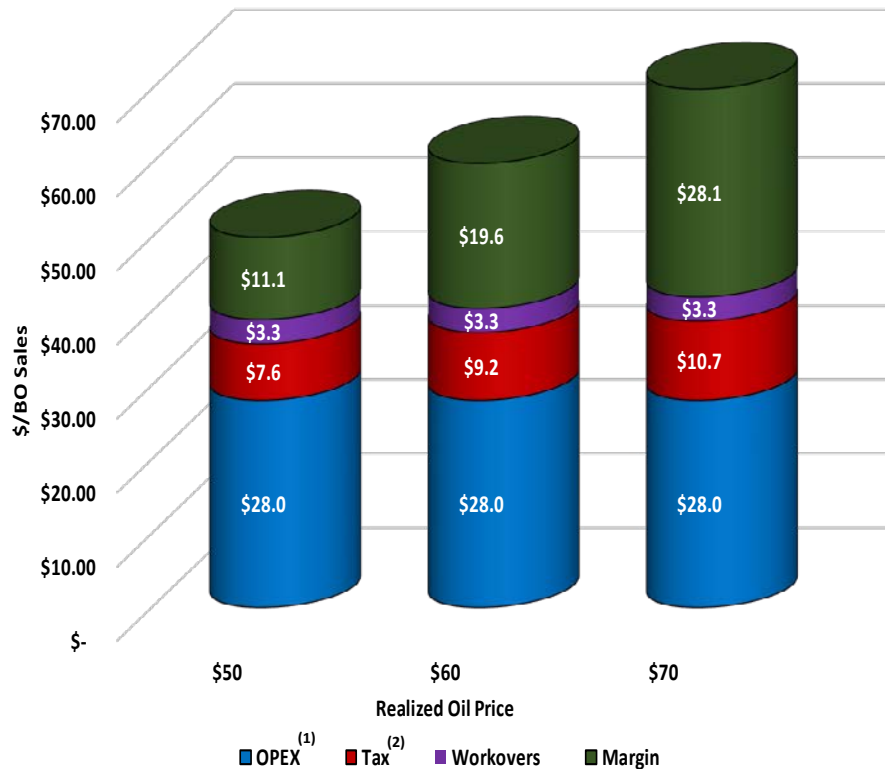
FINANCIAL OVERVIEW



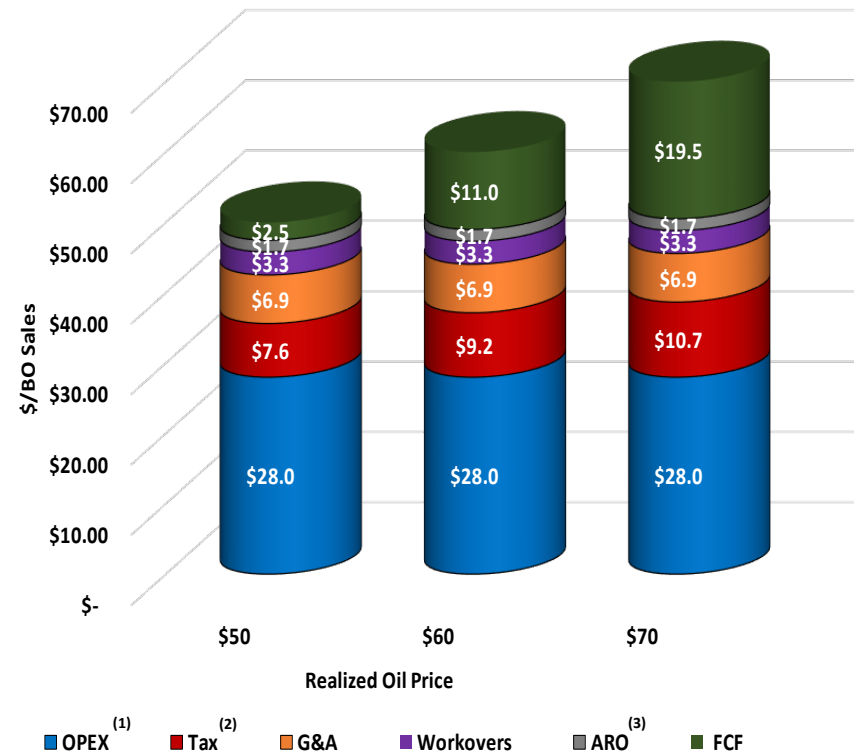
VAALCO Free Cash Flow Overview (2019E)

Maintain Strong Cash Flow and Income Generation

2019 Operational Margin Per Barrel



2019 Free Cash Flow Per Barrel



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 ~\$25 - \$30 million

Operational Breakeven: ~\$37/BBL

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

1) Excludes discontinued operations and workovers
2) Midpoint of 2019 guidance

3) Forecasted 2019 ARO payment, excludes development drilling

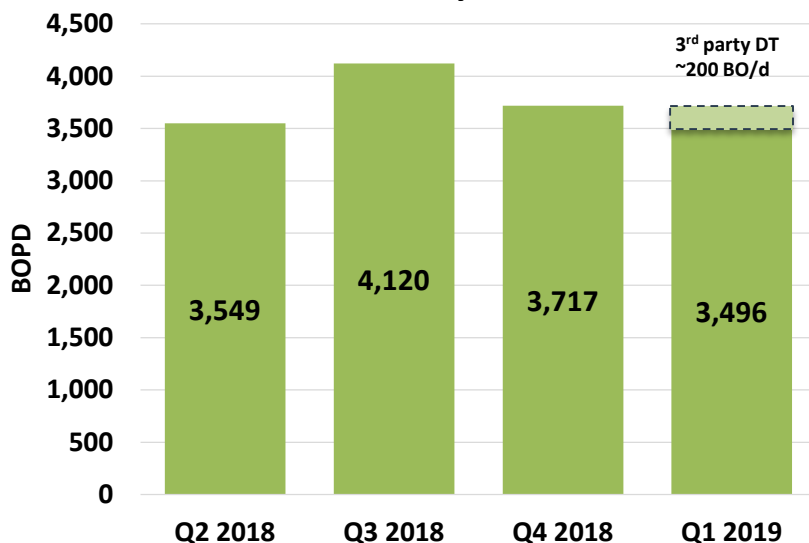
Key Performance Metrics

Strong Consistent Results

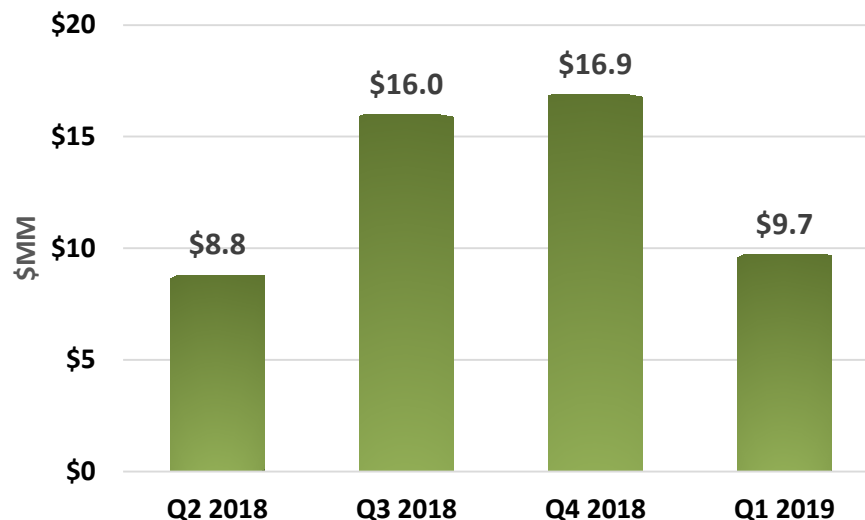


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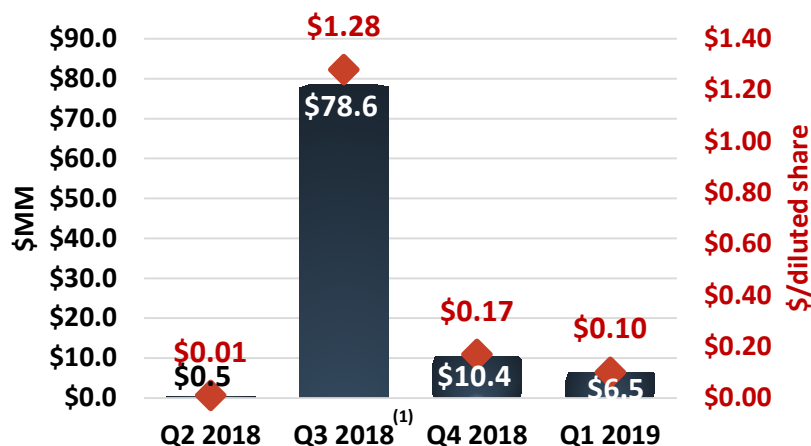
Production by Quarter



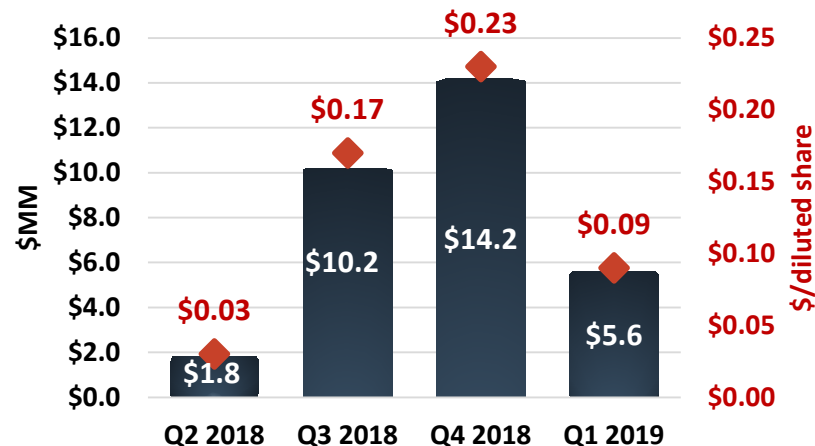
Adjusted EBITDAX



Net Income



Adjusted Net Income



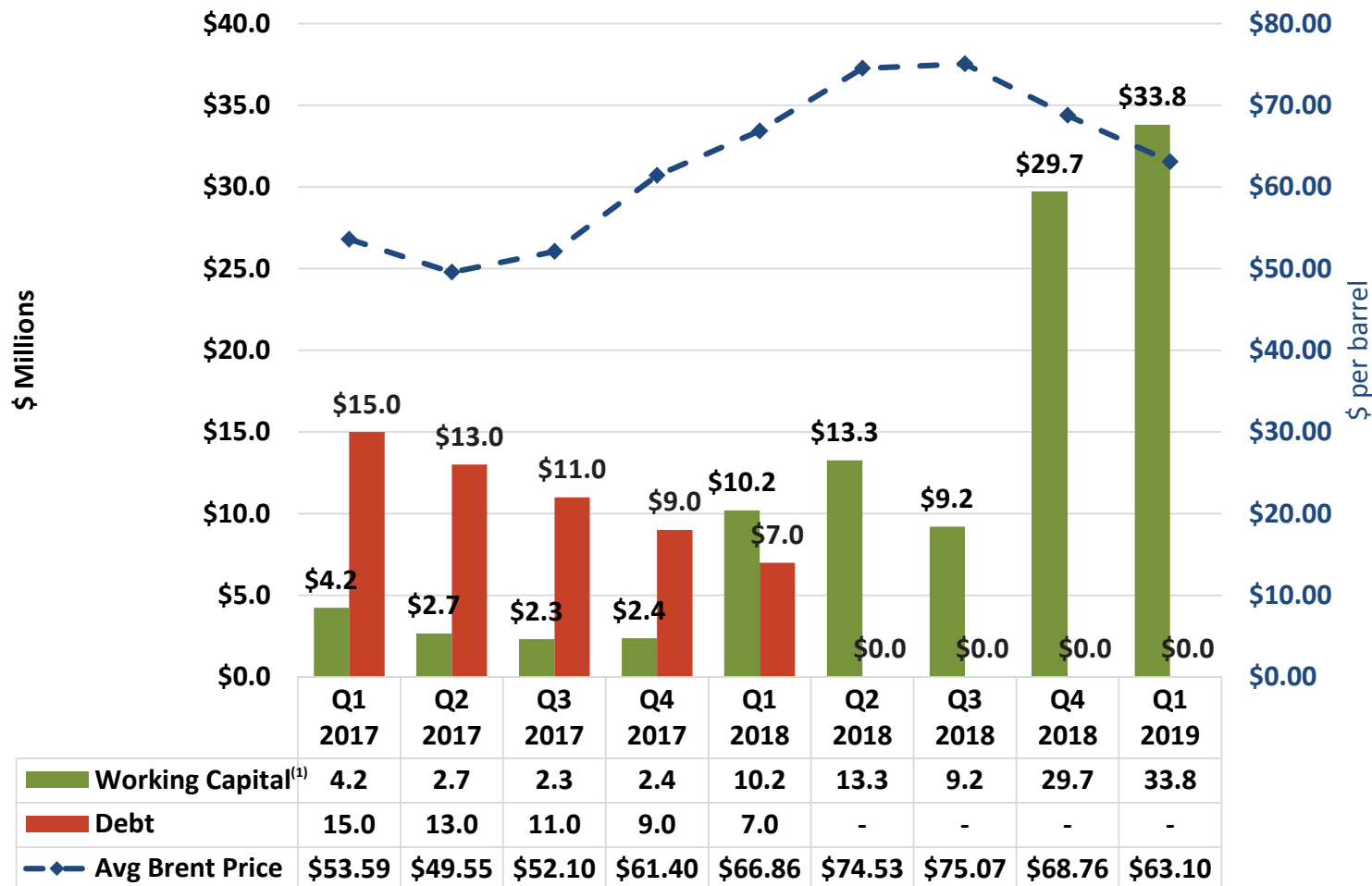
1) Q3 2018 included a \$66.2MM (\$1.08/share) non-cash deferred tax benefit and a \$3.3MM (0.05/share) non-cash ARO benefit associated with the Etame PSC extension

Working Capital From Continuing Operations

Liquidity Position Continues to Improve



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

1) Excludes Working Capital from discontinued operations and lease liabilities

2019 Full Year Guidance *(As of May 9, 2019)*

Production (BOPD)

3,300 – 3,900*

***2nd Quarter 3,600 – 3,800**

Production Expense⁽¹⁾

\$36 - \$42 MM*

(\$26.00 - \$30.00 per BO)

***2nd Quarter Guidance (\$27.00 - \$31.00 per BO)**

Workovers*

\$3.0 - \$6.0 MM

Cash G&A

Stock-based G&A

Total G&A

\$9 - \$10 MM

~\$3 - 5 MM

\$12 - \$15 MM

DD&A (\$/BO)

\$5.50 - \$6.50/BO

CAPEX

\$20 - \$25 MM

Sales Volume (BOPD)

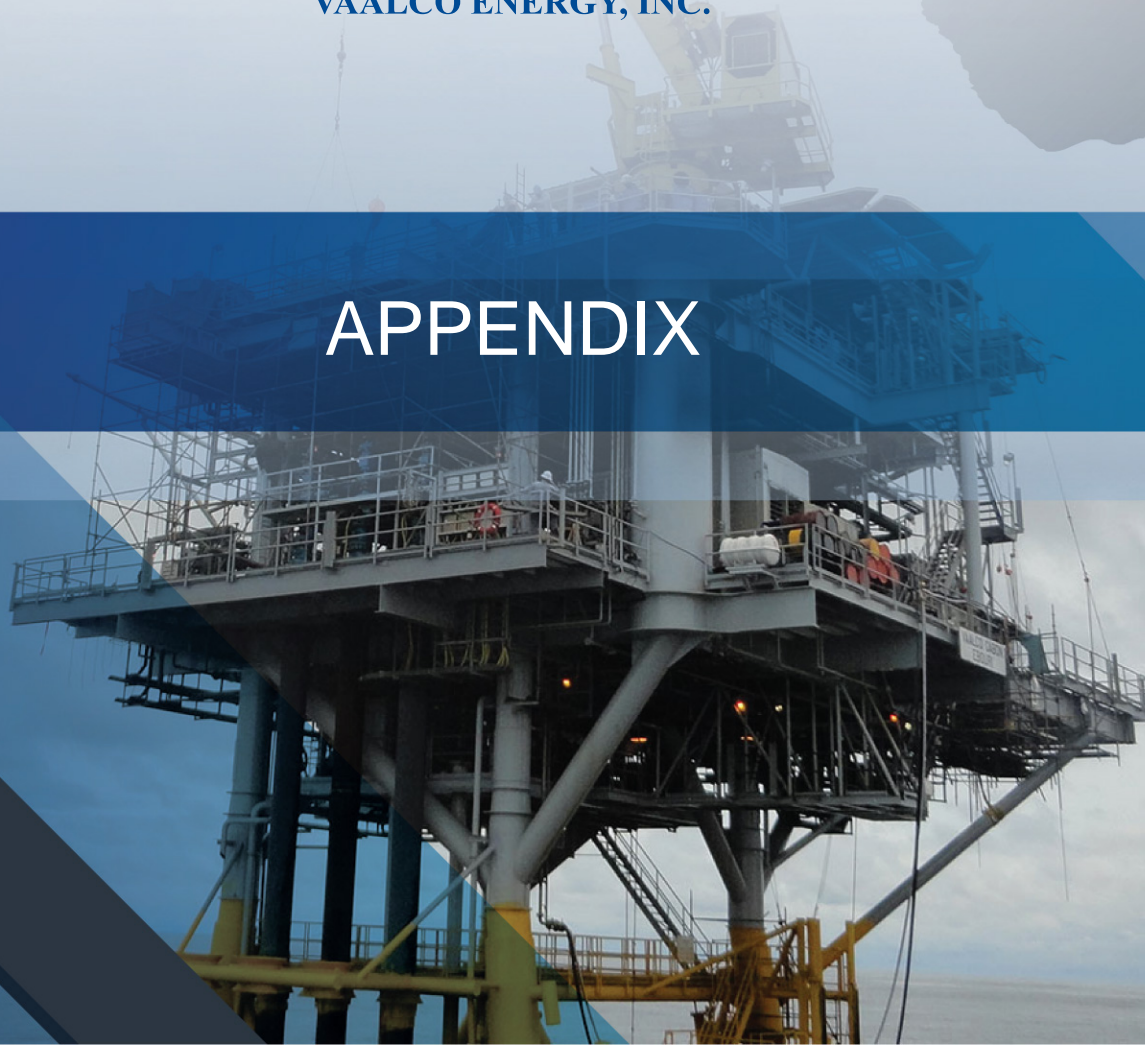
3,400 – 3,800

(1) Excludes workover expense



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APPENDIX



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, 2018, 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.

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		
	March 31, 2019	March 31, 2018	December 31, 2018
Net income	\$ 6,501	\$ 8,659	\$ 10,424
Add back:			
Impact of discontinued operations	(5,671)	52	80
Interest expense (income), net	(187)	354	(128)
Income tax expense	2,753	4,042	11,346
Depreciation, depletion and amortization	1,553	1,124	2,307
Exploration expense	—	—	2
Non-cash or unusual items:			
Stock-based compensation	1,723	314	(1,486)
Unrealized derivative instruments (gain) loss	3,043	—	(5,584)
Equipment recovery (disposal)	37	(24)	(33)
Bad debt recovery and other	(29)	(56)	(9)
Adjusted EBITDAX	\$ 9,723	\$ 14,465	\$ 16,919

Reconciliation of Net Income to Adjusted Net Income	Three Months Ended		
	March 31, 2019	March 31, 2018	December 31, 2018
Net income	\$ 6,501	\$ 8,659	10,424
Adjustment for discrete items:			
Discontinued operations, net of tax	(5,671)	52	80
Unrealized derivative instruments (gain) loss	3,043	—	(5,584)
Deferred income tax expense	1,742	—	9,284
Adjusted net income	\$ 5,615	\$ 8,711	\$ 14,204

Reconciliation of changes in working capital from continuing operations	March 31, 2019	December 31, 2018	Change
Current assets	\$ 62,026	\$ 55,504	\$ 6,522
Current liabilities	28,258	25,799	2,459
Working capital from continuing operations ⁽¹⁾	\$ 33,768	\$ 29,705	\$ 4,063

¹ Excludes current assets and current liabilities attributable to discontinued operations and lease liabilities