

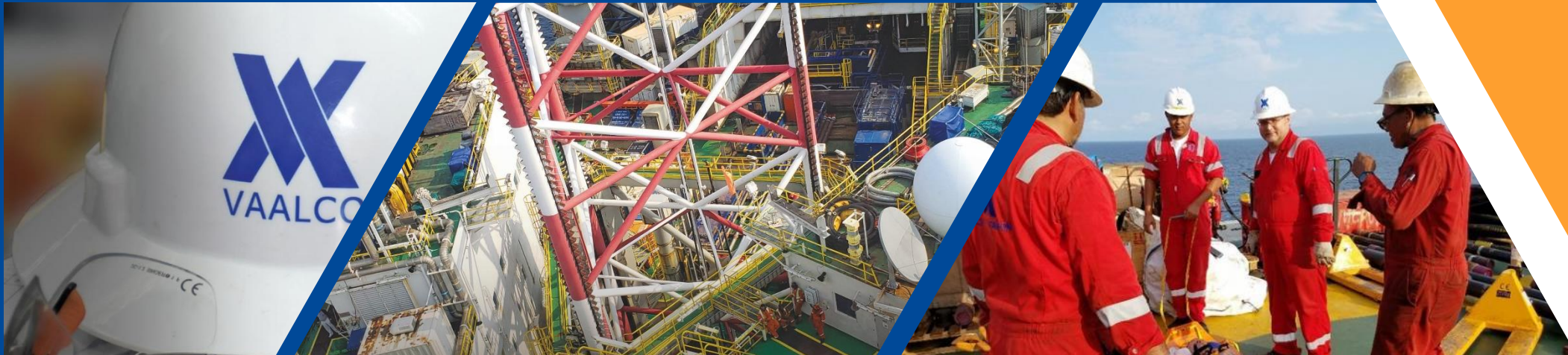


VAALCO ENERGY, INC.

Q2 2023 Supplemental Information

PROFITABLY AND SUSTAINABLY GROWING VALUE

AUGUST 9, 2023



SAFE HARBOR STATEMENT



www.vaalco.com

This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created by those laws and other applicable laws and “forward-looking information” within the meaning of applicable Canadian securities laws. Where a forward-looking statement expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. All statements other than statements of historical fact may be forward-looking statements. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “forecast,” “outlook,” “aim,” “target,” “will,” “could,” “should,” “may,” “likely,” “plan” and “probably” or similar words may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this press release include, but are not limited to, statements relating to (i) VAALCO’s ability to realize the anticipated benefits and synergies expected from the acquisition of TransGlobe; (ii) estimates of future drilling, production, sales and costs of crude oil, natural gas and natural gas liquids; (iii) estimates of future cost reductions, synergies, including pre-tax synergies, savings and efficiencies; (iv) expectations regarding VAALCO’s ability to effectively integrate assets and properties it acquired as a result of the acquisition of TransGlobe into its operations; (v) the amount and timing of stock buybacks, if any, under the VAALCO’s Stock Buyback Program and VAALCO’s ability to enhance stockholder value through such plan; (vi) expectations regarding future exploration and the development, growth and potential of VAALCO’s operations, project pipeline and investments, and schedule and anticipated benefits to be derived therefrom; (vii) expectations regarding future acquisitions, investments or divestitures; (viii) expectations of future dividends, buybacks and other potential returns to stockholders; (ix) expectations of future balance sheet strength; (x) expectations of future equity and enterprise value; (xi) expectations of the continued listing of VAALCO’s common stock on the NYSE and LSE and (xii) VAALCO’s ability to finalize documents and effectively execute the POD for the Venus development in Block P.

Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to: risks relating to any unforeseen liabilities of VAALCO or TransGlobe; the tax treatment of the business combination with TransGlobe in the United States and Canada; declines in oil or natural gas prices; the level of success in exploration, development and production activities; adverse weather conditions that may negatively impact development or production activities; the right of host governments in countries where we operate to expropriate property and terminate contracts (including the Etame PSC and the Block P PSC) for reasons of public interest, subject to reasonable compensation, determinable by the respective government in its discretion; the final terms of the agreements pertaining to Block P in Equatorial Guinea, which remain under negotiation; the timing and costs of exploration and development expenditures; inaccuracies of reserve estimates or assumptions underlying them; revisions to reserve estimates as a result of changes in commodity prices; impacts to financial statements as a result of impairment write-downs; the ability to generate cash flows that, along with cash on hand, will be sufficient to support operations and cash requirements; the ability to attract capital or obtain debt financing arrangements; currency exchange rates and regulations; actions by joint venture co-owners; hedging decisions, including whether or not to enter into derivative financial instruments; international, federal and state initiatives relating to the regulation of hydraulic fracturing; failure of assets to yield oil or gas in commercially viable quantities; uninsured or underinsured losses resulting from oil and gas operations; inability to access oil and gas markets due to market conditions or operational impediments; the impact and costs of compliance with laws and regulations governing oil and gas operations; the ability to replace oil and natural gas reserves; any loss of senior management or technical personnel; competition in the oil and gas industry; the risk that the business combination with TransGlobe may not increase VAALCO’s relevance to investors in the international E&P industry, increase capital market access through scale and diversification or provide liquidity benefits for stockholders; and other risks described under the caption “Risk Factors” in VAALCO’s 2022 Annual Report on Form 10-K filed with the SEC on April 6, 2023.

Dividends beyond the third quarter of 2023 have not yet been approved or declared by the Board. The declaration and payment of future dividends and the terms of share buybacks remains at the discretion of the Board and will be determined based on VAALCO’s financial results, balance sheet strength, cash and liquidity requirements, future prospects, crude oil and natural gas prices, and other factors deemed relevant by the Board. The Board reserves all powers related to the declaration and payment of dividends and the terms of share buybacks. Consequently, in determining the dividend to be declared and paid on VAALCO common stock or the terms of share buybacks, the Board may revise or terminate the payment level or buyback terms at any time without prior notice.

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, GLJ or by VAALCO in evaluating its 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.

Non-GAAP Financial Measures

Certain financial information in this presentation is presented on a non-GAAP basis. Please refer to the reconciliations included in this presentation under “Reconciliation” and the Company’s Earnings Release under “Non-GAAP Financial Measures” for the most directly comparable GAAP financial measures. Non-GAAP measures should be considered in addition to, not as a substitute for or superior to, measures prepared in accordance with GAAP.

For descriptions of reasons why management believes that presentation of the Adjusted Net Income and Adjusted EBITDAX provides useful information to investors regarding the VAALCO’s financial condition and results of operations, please refer to VAALCO’s second quarter earnings release filed with the SEC.

Management uses Free Cash Flow (Available For Equityholders) to evaluate funds that may be available for distribution to stockholders and believes the measure is useful to investors because it eliminates the impact of property and equipment expenditures, finance lease costs and deferred financing costs from period to period. Management also believes this non-GAAP measure is useful to investors to evaluate and compare the Company’s financial position across periods. Free Cash Flow (Available For Equityholders) is a non-GAAP financial measure and as used herein represents cashflows from operating activities after discontinued operations, with add-backs for property and equipment expenditures, finance lease costs and deferred financing costs. Free Cash Flow (Available For Equityholders) 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 pursue objectives beyond ordinary course operations and funding capital expenditures.

Free Cash Flow (Available For Equityholders) has significant limitations, including that it does not represent residual cash flows available for discretionary purposes and should not be used as a substitute for cash flow measures prepared in accordance with GAAP. Free Cash Flow (Available For Equityholders) should not be considered as a substitute for cashflows from operating activities before discontinued operations or any other liquidity measure presented in accordance with GAAP. Free Cash Flow (Available For Equityholders) may vary among other companies. Therefore, the Company’s Free Cash Flow (Available For Equityholders) may not be comparable to similarly titled measures used by other companies.

Q2 2023 KEY METRICS



	Q2 2023	Change ¹
Reported Production (Avg. WI Daily Production Volumes)	24,863 BOEPD	7%
Adjusted EBITDAX ²	\$65.3 million	37%
Adjusted Earnings per share ²	11 cents	63%
Diluted Earnings per share	6 cents	100%
Cash flow from operations	\$35.6 million	-15%
Cash Capital Investment	\$27.1 million	-2%
Free Cash Flow (Available for Equity holders) ²	\$6.7 million	-47%
Shareholder Return (Dividend and buyback)	\$12.7 million	5%



Strong Quarterly Production and Sales Growth Drove Adjusted EBITDAX Higher

1) % Change from Q1 2023 to Q2 2023

2) Adjusted EBITDAX, Adjusted Net Income, Free Cash Flow and Adjusted Earnings Per Diluted Share are Non-GAAP financial measures and are described and reconciled to the closest GAAP measure in the Appendix or in the Q2 2023 earnings release

RECENT HIGHLIGHTS

Captured meaningful synergies on TGA combination in H1 2023 v H1 2022



Reduction in combined G&A of ~ \$13 mm YTD 2023 vs. YTD 2022

Increased FY production guidance 7%, raising guidance in all production areas



Lowering FY 2023 Capital Guidance by \$10 million at midpoint

Highly successful 2023 drilling program in Egypt and Canada nearly complete



Production exceeding expectations, costs lower than forecasted

Protecting FCF¹ for Shareholders

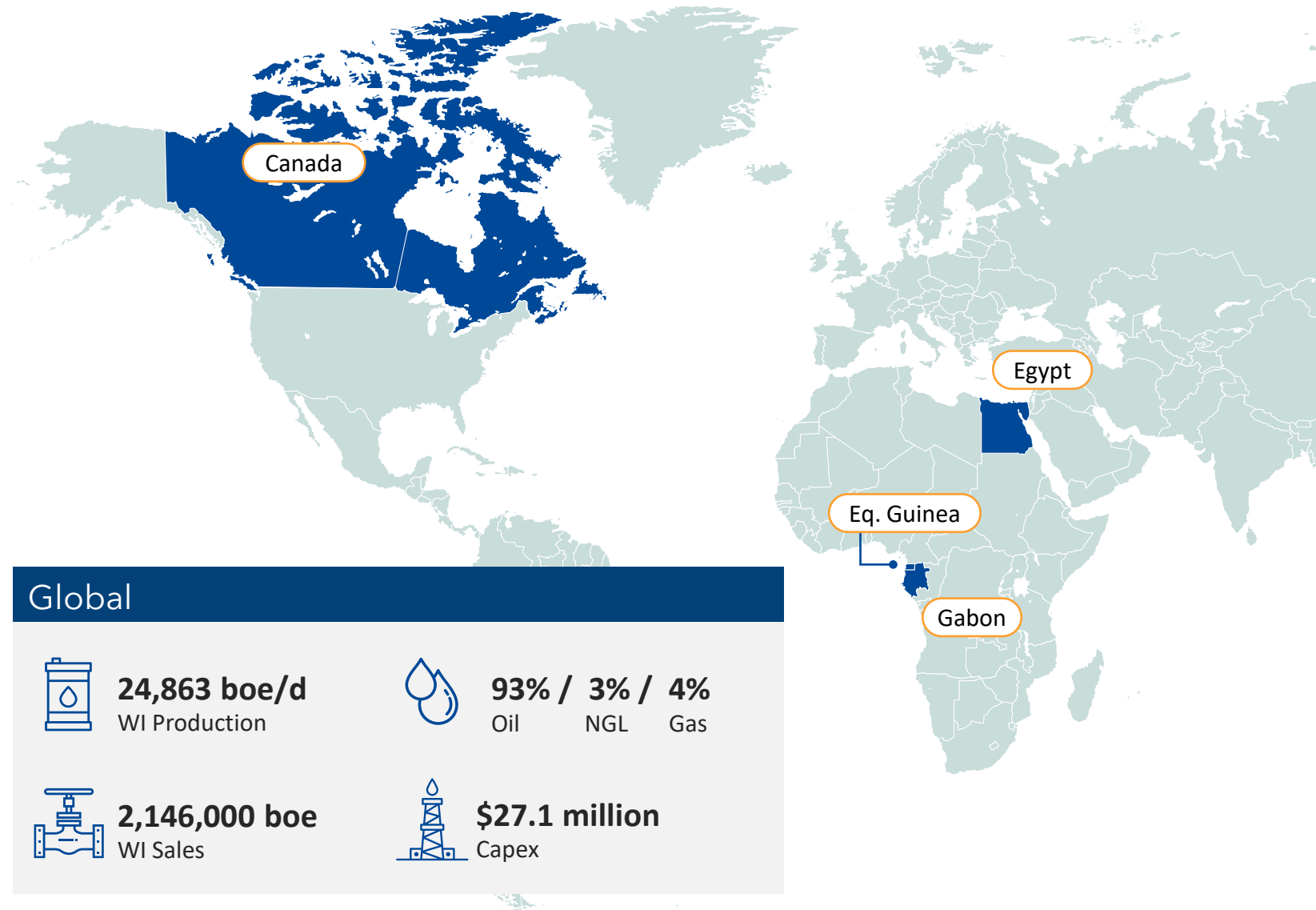


Distributed 128% of FCF in 1H 2023 to Shareholders



 **Operating Efficiently, Increasing Production, Lowering Capital and Capturing Synergies Driving Cash Flow Growth**

Q2 2023 GLOBAL PORTFOLIO



- Diversified and de-risked portfolio of producing assets with individual routes to market and realization
- African focused business with strong management experience in this market
 - Concessions have recently been extended
 - Oil & Gas friendly fiscal systems
- Strong financial position with no debt and ~\$50 mm in cash
- Opportunities to expand our borrowing base allowing for continued growth

Asset Highlights

- Production at the high end of Q2 guidance range and only down 2% sequentially, despite no drilling campaign in 2023
- Strong operational production uptime and optimization efforts, offsetting decline
 - Achieved ~97% production uptime in first half of 2023
 - Focus on back pressures post FPSO change out optimizing field process and production capabilities
- Capital program in 2023 focused on maintenance capex and long lead items for 2024/2025 drilling campaign
- Increasing 2023 production guidance due to strong base performance

2Q 2023 Asset Stats

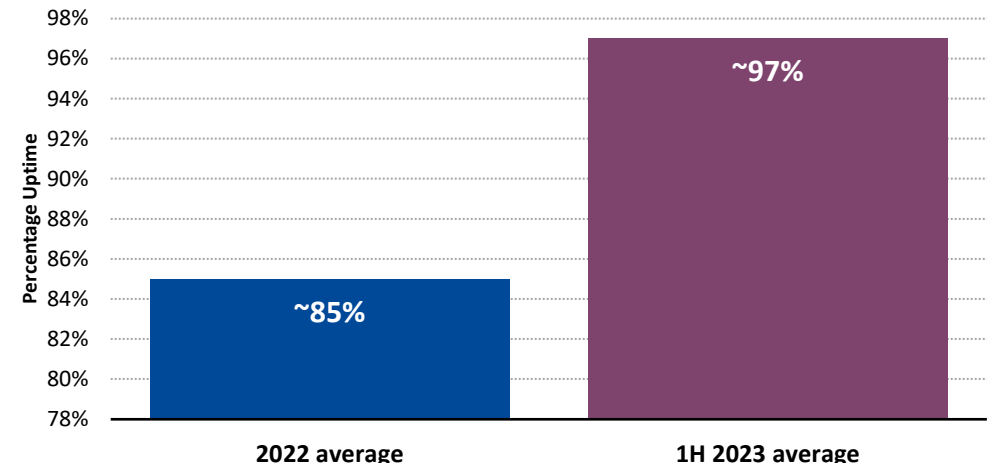


10,262 BOEPD
WI Production



100% / 0% / 0%
Oil NGL Gas

Operational Production Uptime



Maintaining Strong Production and Planning for 2024/2025 Drilling Campaign

EGYPT UPDATE

Production & Drilling Optimization



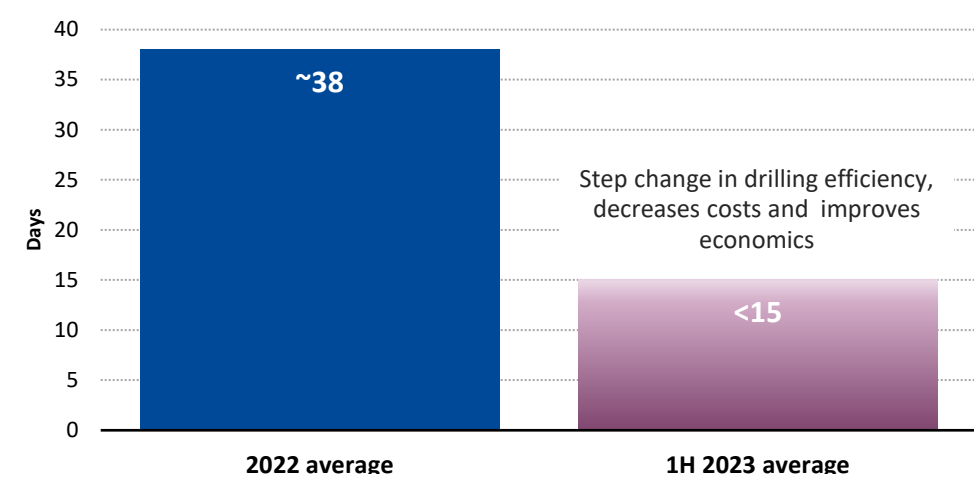
Asset Highlights

- Production up 15% sequentially and at the high end of Q2 guidance range
- Continued drilling success with 2023 capital program reaching drilling efficiency milestones
 - Successfully drilled 12 vertical wells in 1H 2023 and 1 horizontal well
 - Improved drilling and completion performance with average drilling days decreasing by more than 50% from 2022 average of 38 days to under 15 days in 1H 2023
 - Reduced the rig-release to artificial lift production period to less than 6 days
- Capital program strong production performance and operational efficiencies supporting increased production guidance and reduction to capital guidance for FY 2023

2Q 2023 Asset Stats

 11,579 BOEPD WI Production	 100% / 0% / 0% Oil NGL Gas
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Improved Drilling Efficiency



Outstanding 2023 Capital Program Results Driving Production Growth

Asset Highlights

- Successfully and safely drilled 2 wells in Q1 2023
 - Drilled a 1.5 mile lateral well
 - Drilled a 2.75 mile lateral well, the longest to date
- The wells retained acreage and achieved an average cycle time of <90 days
- Both wells continuing to exceed production estimates
 - Wells brought online in May
 - One well was a top 15 new oil well producer in Alberta in May
- Moving to longer laterals exclusively in the future
 - Extending laterals to 2.5 and 3 miles should improve the overall economics of future drilling programs
- Working to further optimize frac intensity and shorten cycle times
- Evaluating facility and pad optimization to further enhance economics

2Q 2023 Asset Stats

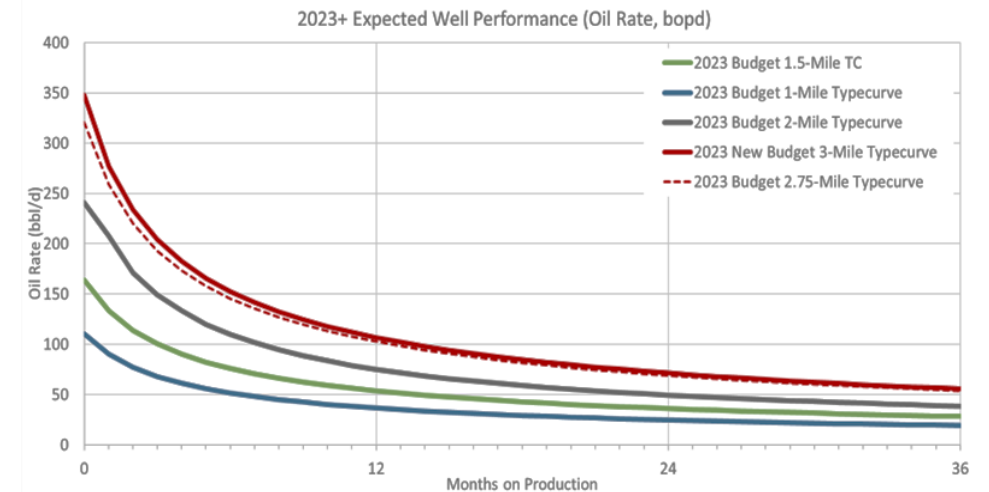


3,021 BOEPD
WI Production



45% / 28% / 27%
Oil NGL Gas

Enhancing Returns By Extending Lateral Length



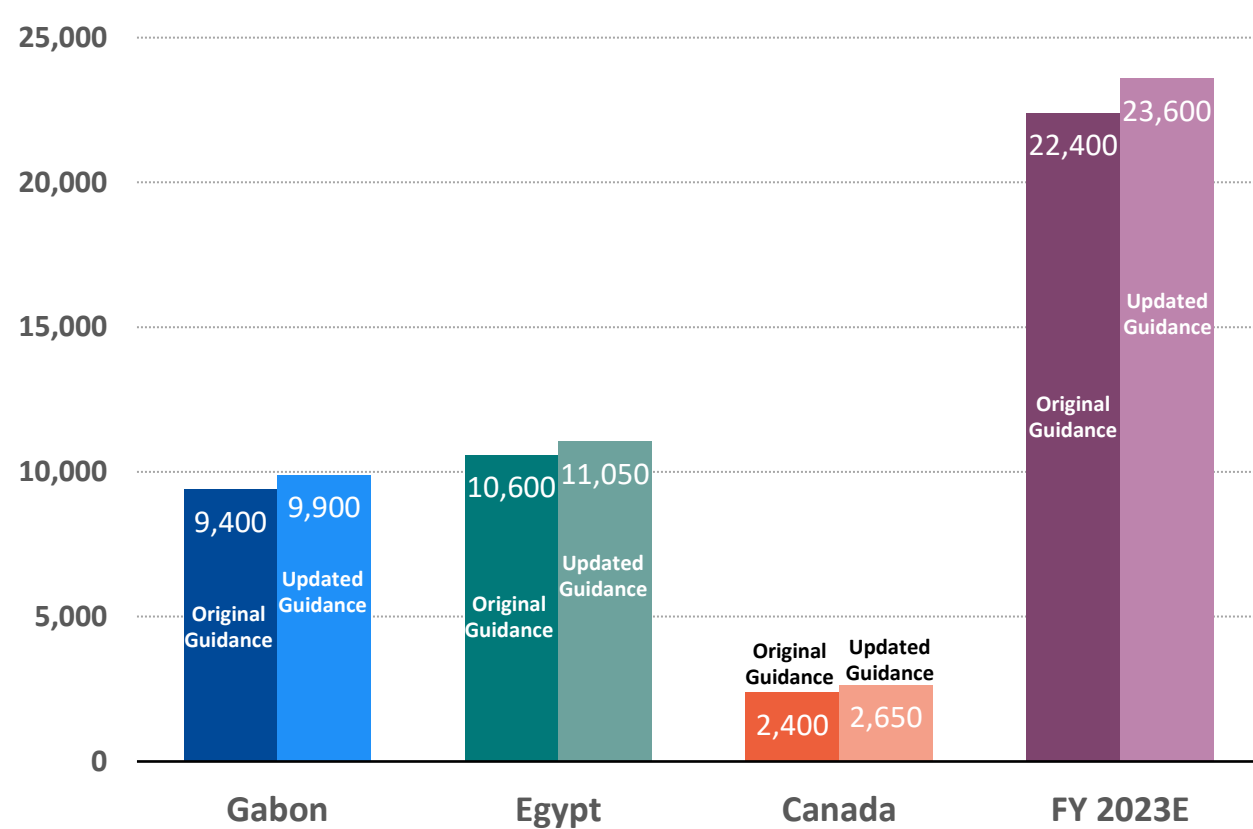
Outstanding 2023 Capital Program Results Driving Production Growth

PRODUCTION AND SALES GROWTH

Driving Revenue Despite Lower Realized Pricing YTD 2023



Production (WI) FY 2023 Guidance (BOEPD)



Midpoints of 2023 Full Year Guidance Range

YTD Summary – Sales, Realized Pricing and Net Revenue

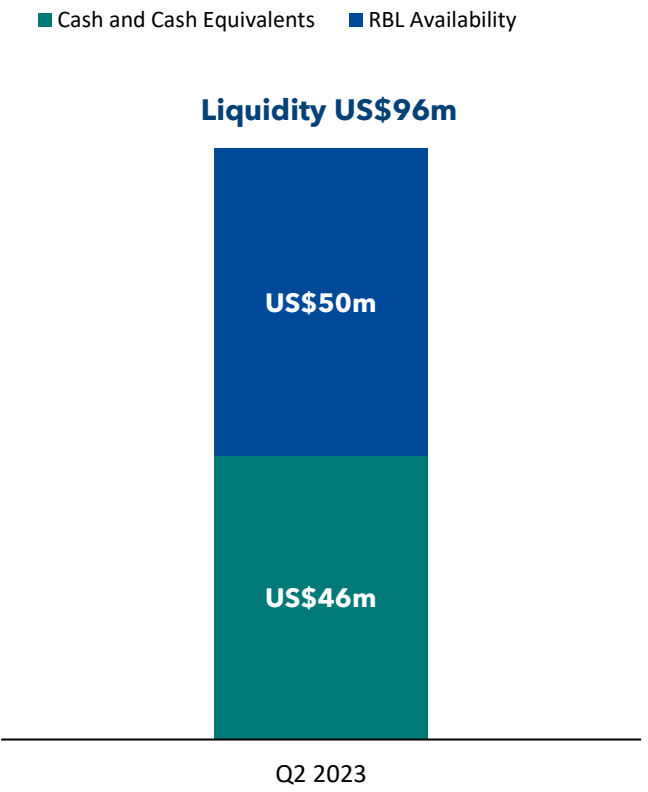
\$ in thousands	Six Months Ended June 30, 2023			
	Gabon	Egypt	Canada	Total
Oil Sales	\$ 130,079	\$ 104,822	\$ 14,979	\$ 249,880
NGL Sales	—	—	\$ 4,348	\$ 4,348
Gas Sales	—	—	\$ 1,661	\$ 1,661
Gross Sales	\$ 130,079	\$ 104,822	\$ 20,988	\$ 255,889
Selling Costs & carried interest	\$ 2,212	\$ (498)	—	\$ 1,714
Royalties & taxes	\$ (17,630)	\$ (48,232)	\$ (2,098)	\$ (67,960)
Net Revenue	\$ 114,661	\$ 56,092	\$ 18,890	\$ 189,643
Oil Sales MMB (working interest)	1,641	1,750	216	3,607
Average Oil Price Received	\$ 79.29	\$ 59.89	\$ 69.27	\$ 69.28
Average Brent Price	—	—	—	\$ 79.47
Gas Sales MMCF (working interest)	—	—	857	857
Average Gas Price Received	—	—	\$ 1.94	\$ 1.94
NGL Sales MMB (working interest)	—	—	155	155
Average Liquids Price Received	—	—	\$ 28.08	\$ 28.08

DEBT FREE BALANCE SHEET, STRONG FINANCIAL FOUNDATION



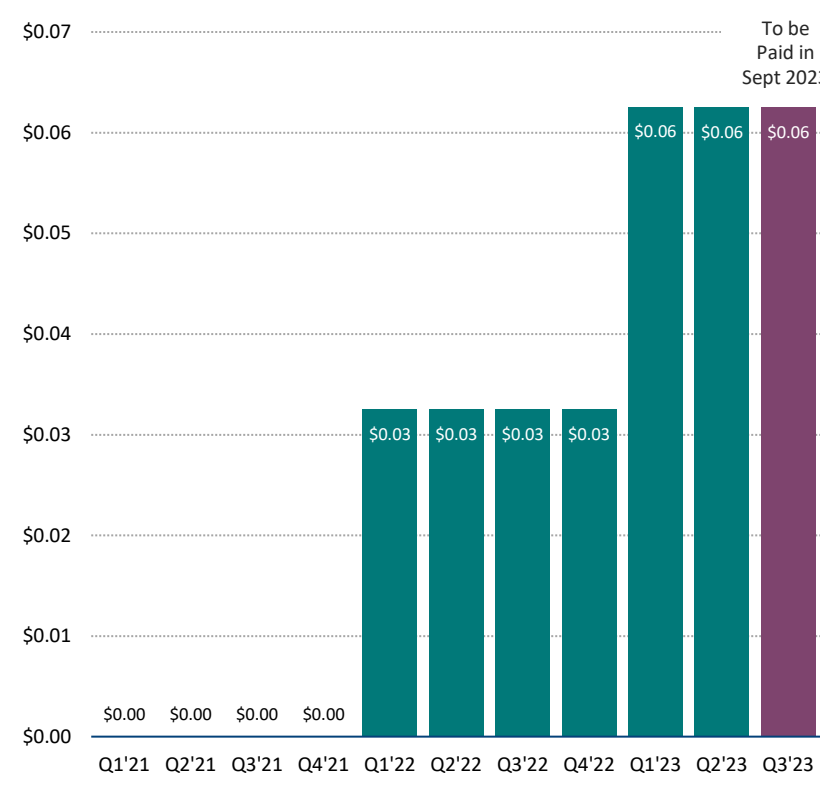
Fully Funding Shareholder Returns and Capital Programs

Strong Liquidity at June 30, 2023 (US\$m)



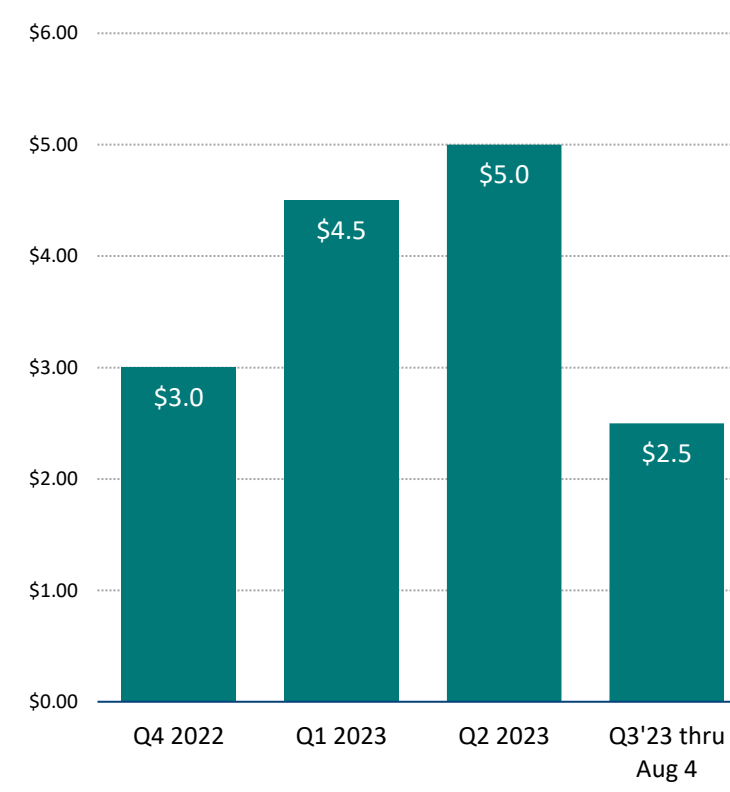
- VAALCO has ~US\$50m undrawn RBL
- Fully funding capex, dividends and share buybacks while maintaining solid liquidity

Initiated Sustainable Dividend Program (US\$/share)



- Initiated \$0.0325/share quarterly dividend in Q1 2022
- Increased dividend in 2023 by 92% to \$0.0625/share quarterly

Share Buyback Program (US\$m)



2023 FULL YEAR GUIDANCE

(As of August 9, 2023)



	Q3 2023	FY 2023
WI Production¹ (BOEPD)		
Gabon	9,400 - 10,100	9,700 - 10,100
Egypt	10,900 - 11,800	10,000 - 11,500
Canada	2,750 - 2,900	2,500 - 2,800
Total VAALCO WI Production	23,050 - 24,800	22,200 - 24,300
NRI Production¹ (BOEPD)		
Total VAALCO NRI Production	17,500 - 19,200	17,300 - 19,000
WI Sales (BOEPD)		
Gabon	11,800 - 12,100	9,700 - 10,100
Egypt	11,100 - 12,500	10,000 - 11,500
Canada	2,750 - 2,900	2,500 - 2,800
Total VAALCO WI Sales	25,650 - 27,500	22,200 - 24,300
NRI Sales (BOEPD)		
Total VAALCO NRI Sales	18,400 - 20,600	17,300 - 19,000
Production Expense² (millions)	\$42.5 – \$48.5	\$151.0 – \$161.5
Production Expense per WI BOE	\$17.00 – \$21.00	\$17.00 – \$20.00
Production Expense per NRI BOE	\$22.00 – \$29.00	\$22.00 – \$25.00
Offshore Workovers (millions)	\$0 – \$0	\$2 – \$5
Cash G&A³ (millions)	\$4.0 – \$6.0	\$18.0 – \$21.0
CAPEX (millions)	\$14 – \$18	\$65 – \$75
DD&A (\$/BO)	\$20.0 – \$22.0	\$20.0 – \$22.00

FY Commentary

Increased range due to production optimization and improved uptime

Increased range due to better than expected 2023 drilling results

Increased range due to better than expected 2023 drilling results

Increased range slightly due to Gabon SEENT pipeline repairs and cost inflation

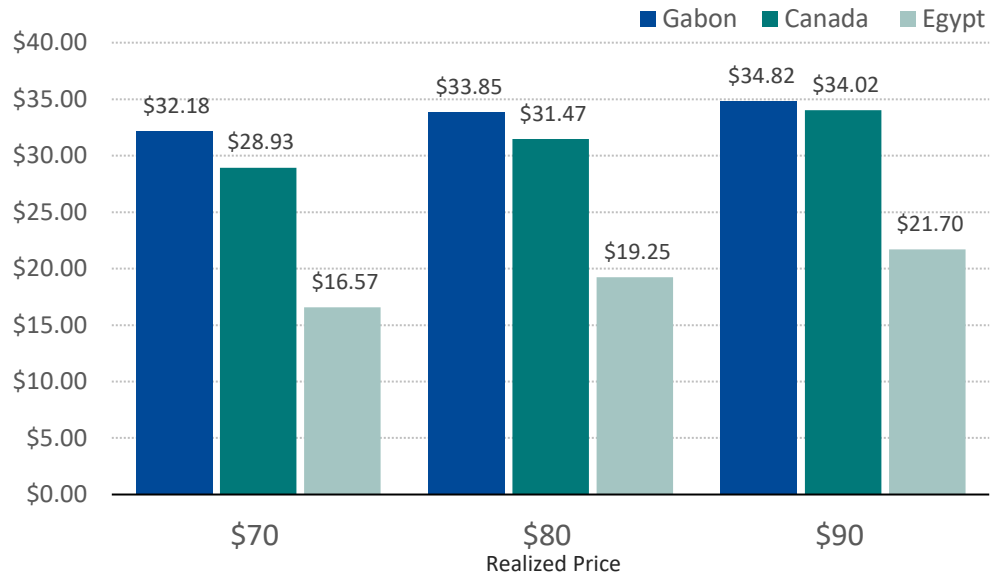
Higher sales almost completely offset higher costs on a per BOE basis

Higher sales almost completely offset higher costs on a per BOE basis

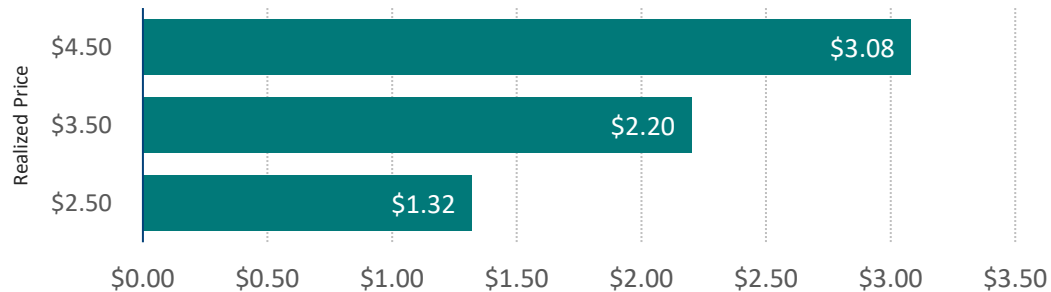
Reducing capex range driven by capital efficiency in Egypt and Canada

2023 NETBACKS AT DIFFERENT PRICE SCENARIOS

Liquids \$/BBL Netback by Area



Natural Gas \$/MCF Netback (Canada)



Total Company Blended Netback on Working Interest Basis

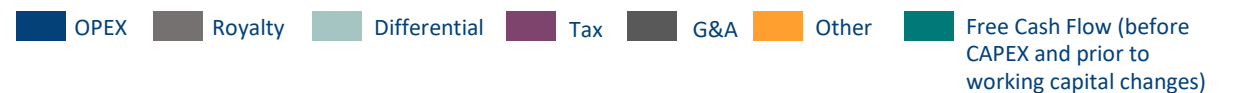
FY2023 Margins at \$90 Realized Oil and Midpoint of Guidance



FY2023 Margins at \$80 Realized Oil and Midpoint of Guidance



FY2023 Margins at \$70 Realized Oil and Midpoint of Guidance



RECONCILIATIONS



Reconciliation of Net Income to Adjusted EBITDAX	Three Months Ended			Six Months Ended	
	30-Jun-23	30-Jun-22	31-Mar-23	30-Jun-23	30-Jun-22
Net income	\$ 6,752	\$ 15,104	\$ 3,470	\$ 10,222	\$ 27,268
Add back:					
Impact of discontinued operations	2	20	13	15	32
Interest expense (income), net	1,703	118	2,246	3,949	121
Income tax expense (benefit)	11,588	46,252	14,771	26,359	41,624
Depreciation, depletion and amortization	38,003	8,191	24,417	62,420	12,864
Exploration expense	57	67	8	65	194
FPSO Demobilization - Norms Waste Disposal	5,647	—	—	5,647	—
Non-cash or unusual items:					
Stock-based compensation	605	842	649	1,254	2,264
Unrealized derivative instruments loss (gain)	(35)	(11,517)	(80)	(115)	7,741
(Gain) /adjustment of acquisition price, net	—	—	1,412	1,412	—
Arrangement Costs	—	1,199	—	—	1,199
Other operating (income) expense, net	303	—	—	303	5
Credit losses and other	680	571	935	1,615	1,063
Adjusted EBITDAX	\$ 65,305	\$ 60,847	\$ 47,841	\$ 113,146	\$ 94,375

Non-GAAP Measure Reconciliation CASH RECONCILIATION OF FREE CASH FLOW FOR EQUITY HOLDERS & SHAREHOLDER RETURNS

Please refer to CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS in our filed 10Q

	Q2 June 2023	YTD MARCH	YTD JUNE
	US\$000	US\$000	US\$000
Cash Flow from operations	35,563	42,006	77,569
Capital Invested	(27,132)	(27,700)	(54,832)
Payments for Leases	(1,678)	(1,701)	(3,379)
Deferred Financing	(30)	—	(30)
Free Cash Flow for Equity Holders	6,723	12,605	19,328
Dividends Paid	(6,717)	(6,735)	(13,452)
Treasury Buyback	(6,026)	(5,377)	(11,403)
Returned to Shareholders	(12,743)	(12,112)	(24,855)
Proceeds from issuance stock	108	274	382
Effects of exchange rate on cash balances	24	(309)	(285)
Change in Cash	132	(35)	97
Cash At Start	(5,888)	458	(5,430)
Net Change in Cash	60,234	59,776	59,776
Cash At End	(5,888)	458	(5,430)
	54,346	60,234	54,346



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