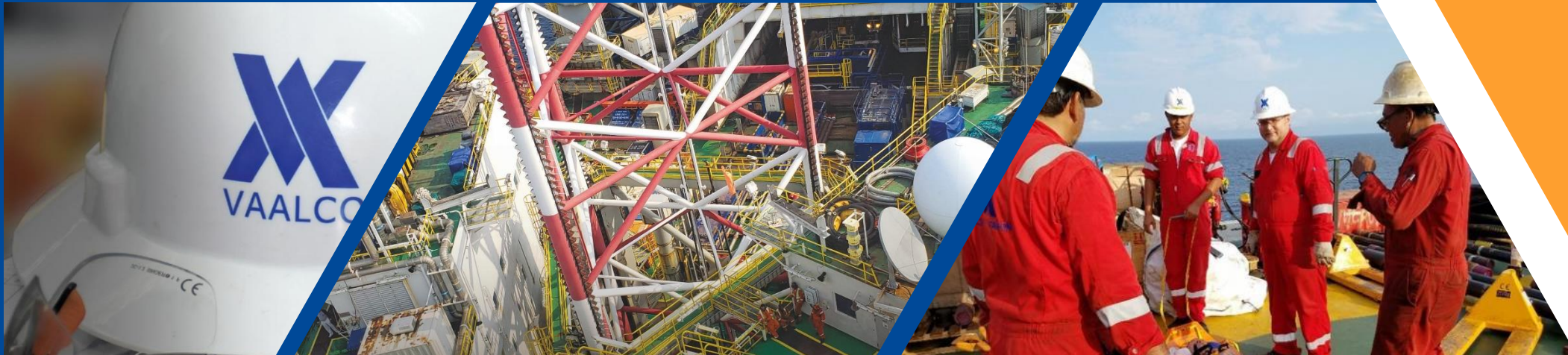




VAALCO ENERGY, INC.

Q2 2022 Supplemental Information

PROFITABLY AND SUSTAINABLY GROWING IN WEST AFRICA



SAFE HARBOR STATEMENT



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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) the Transaction and its expected timing and closing; (ii) estimates of future drilling, production and sales of crude oil and natural gas; (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 may acquire as a result of the Transaction into its operations; (v) expectations regarding future exploration and the development, growth and potential of VAALCO’s and TransGlobe’s operations, project pipeline and investments, and schedule and anticipated benefits to be derived therefrom; (vi) expectations regarding future investments or divestitures; (vii) expectations of future dividends and returns to stockholders; (viii) expectations of future balance sheet strength; (ix) expectations of future equity and enterprise value; (x) VAALCO’s ability to effectively and timely demobilize the FPSO and deploy the FSO unit; (xi) expectations of the continued listing of VAALCO’s common stock on the NYSE and LSE; (xii) expectations of future plans, priorities and focus and benefits of the Transaction; and (xiii) VAALCO’s environmental, social and governance related focus and commitments, and the anticipated benefits derived therefrom. Forward-looking statements regarding the percentage share of the Combined Company that are expected to be owned by existing VAALCO stockholders and TransGlobe shareholders have been calculated based on each company’s vested outstanding shares as of the date of the Arrangement Agreement.

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: the ability to obtain stockholder, shareholder, court and regulatory approvals, if any, of the Transaction; the ability to complete the Transaction on anticipated terms and timetable; the possibility that various closing conditions for the transaction may not be satisfied or waived; risks relating to any unforeseen liabilities of VAALCO or TransGlobe; the tax treatment of the Transaction 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; transition to the new FSO could result in additional costs, interruption in production and delayed sales to customers, potentially materially; 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 asses 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 Transaction 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 stakeholders; and other risks described under the caption “Risk Factors” in VAALCO’s 2021 Annual Report on Form 10-K filed with the SEC on March 11, 2022.

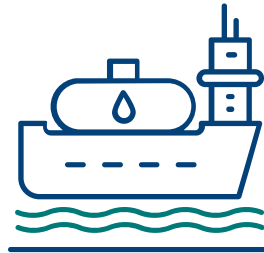
Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect. Although VAALCO believes the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because VAALCO can give no assurance that such expectations will prove to be correct. Many factors could cause actual results to differ materially from those expressed or implied in any forward-looking statements contained herein.

In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things, anticipated production volumes; the timing of receipt of regulatory and shareholder approvals for the arrangement; the ability of the combined business to realize the anticipated benefits of the arrangement; ability to effectively integrate assets and property as a result of the arrangement; ability to obtain qualified staff and equipment in a timely and cost-efficient manner; regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which TransGlobe and VAALCO conducts and the combined business will conduct its business; future capital expenditures; future sources of funding for capital programs; current commodity prices and royalty regimes; future exchange rates; the price of oil; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; future operating costs; uninterrupted access to areas of operation and infrastructure; recoverability of reserves and future production rates; the combined business will have sufficient cash flow, debt and equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; results of operations will be consistent with expectations; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect; the estimates of reserves and resource volumes and the assumptions related thereto are accurate in all material respects; and other matters.

Q2 AND RECENT OPERATIONAL HIGHLIGHTS

Continued Strong Performance

- Increased production by 14% quarter-over-quarter to 9,211 net BOPD
- Sold record quarterly high 958,000 barrels of oil in Q2 2022
- Announced plans to exercise extension option on currently contracted drilling rig and add two additional wells to current 2021/22 drilling program for a total of six wells
- Currently drilling the ETBNM 2H-ST on the Southeast Etame North Tchibala (“SEENT”) platform, the fourth development well in the 2021/2022 program;
- New FSO arriving in offshore Gabon in mid-August with field reconfiguration and FPSO changeout forecasted in Q3 2022 with projected reduction in storage and offloading costs of almost 50%
- Submitted a plan of development to the Ministry of Mines and Hydrocarbons in Equatorial Guinea for the Venus development in Block P on July 15, 2022 in which VAALCO will hold an 80% WI
- Announced strategic and accretive combination with TransGlobe creating a diversified African-focused E&P company focused on supporting shareholder returns and sustainable growth (additional details can be found in the Transaction presentation posted on VAALCO’s website on August 8th)

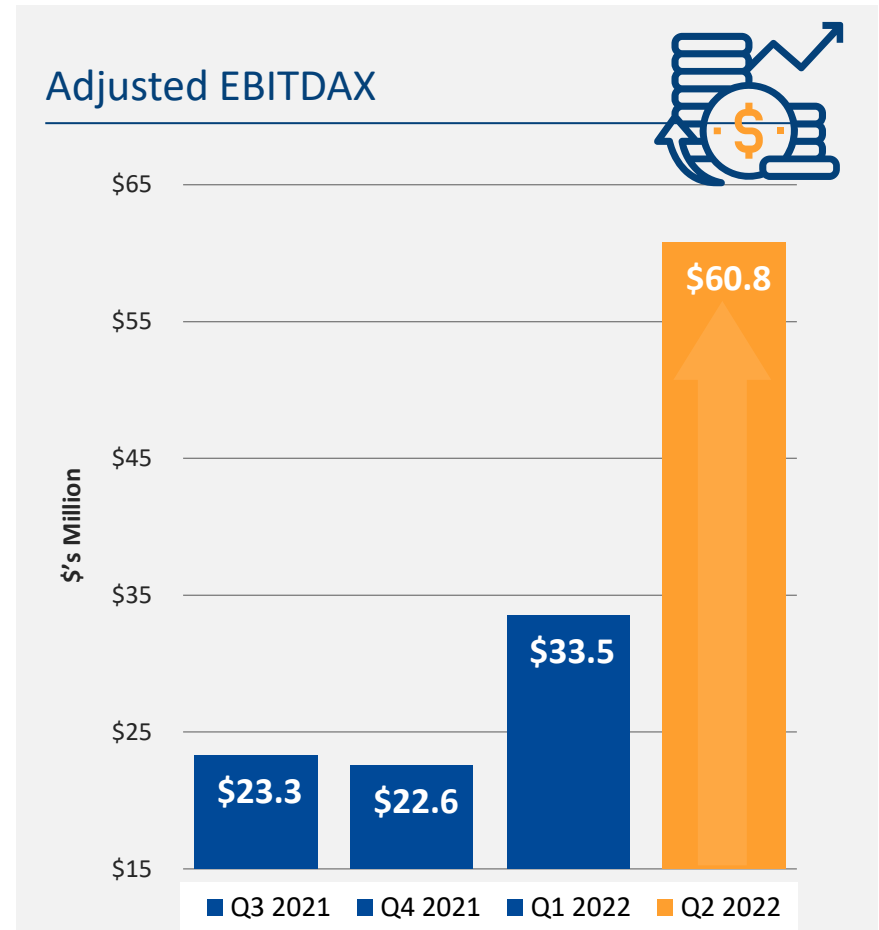


Executing Strategic Initiatives While Delivering Strong Operational Results and Cash Flow Growth

Q2 AND RECENT FINANCIAL HIGHLIGHTS¹

Continued Strong Performance

- Increased Adjusted EBITDAX⁽¹⁾ by 81% quarter-over-quarter to \$60.8 million, a record high for VAALCO
- Reported strong Q2 2022 net income of \$15.1 million (\$0.25 per diluted share) and Adjusted Net Income⁽¹⁾ of \$30.7 million (\$0.52 per diluted share)
- Funded \$37.1 million cash capital expenditures during Q2 2022 with cash on hand and cash from operations
- Further strengthened the balance sheet with no debt and grew unrestricted cash balance to \$53.1 million, not including the proceeds from the May and June liftings of \$70.3 million, which were received in July and August 2022
- Announced quarterly cash dividend payment of \$0.0325 per common share to be paid in Q3 2022 and have paid two dividends in 1H 2022



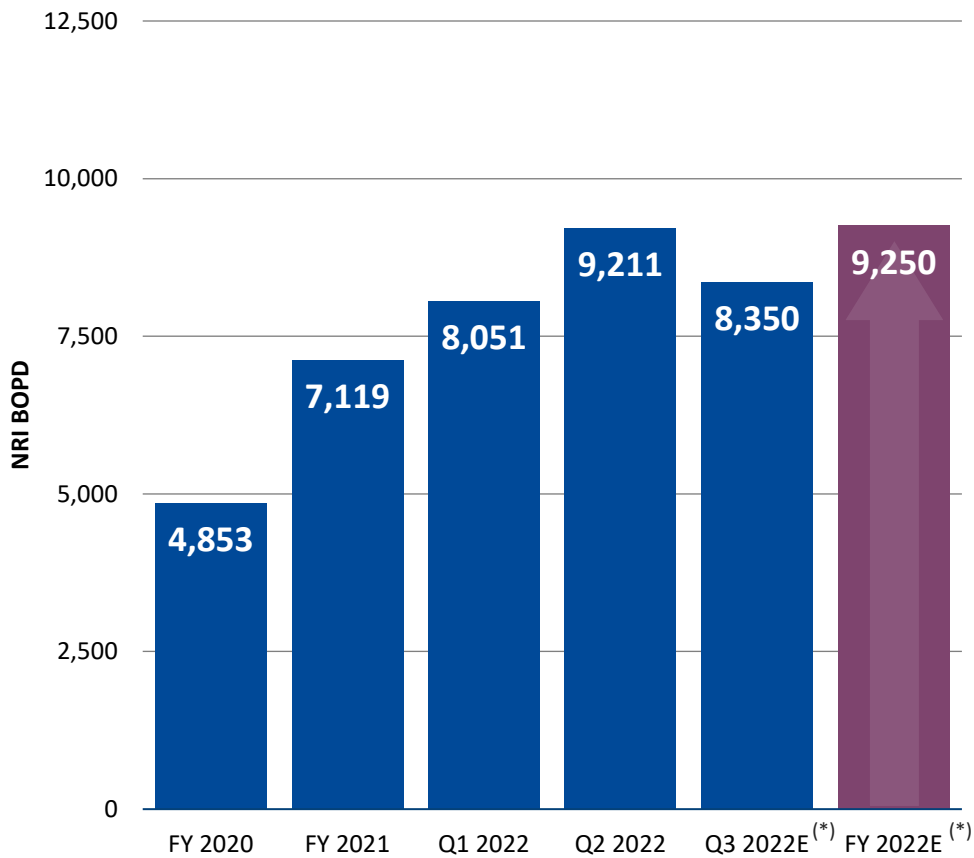
Continued Strong Cash Flow Generation Fully Funding Upcoming Capital Investment and Dividends

STEP CHANGE IN TOTAL PRODUCTION AND RESERVES

Significant Increase in Size and Scale



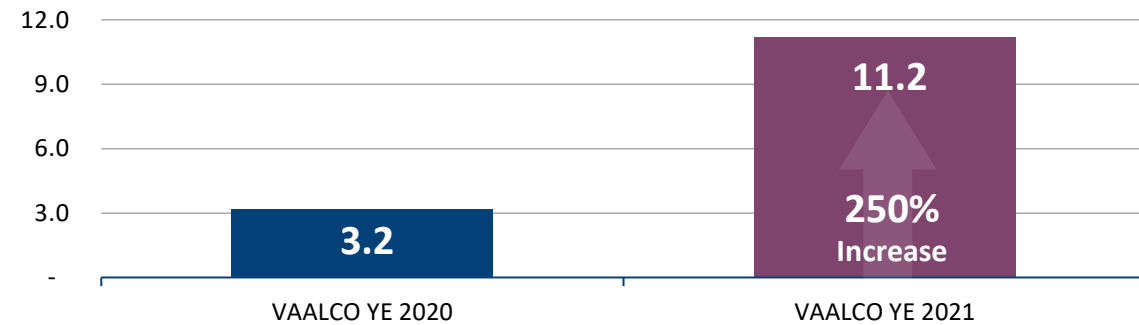
Production Outlook



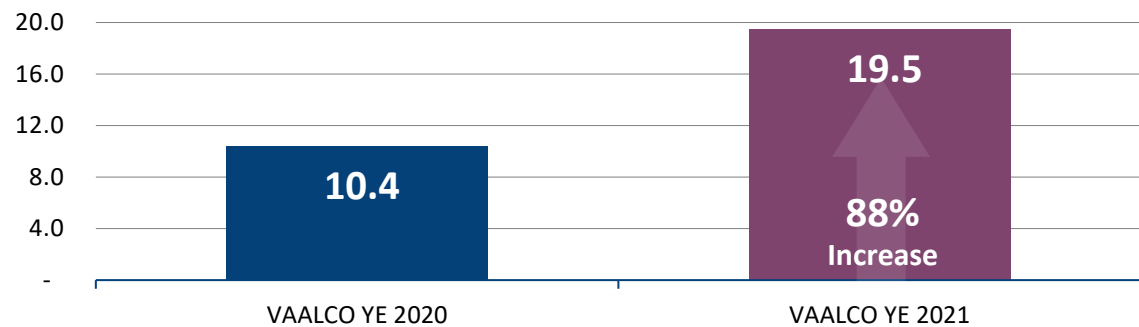
* Reflects expected impact of transition from FPSO to FSO and full field turnaround

Midpoint of Guidance Range

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

2021/22 DRILLING CAMPAIGN

Converting Capital Into Additional Scale and Production



2021/2022 Drilling Program

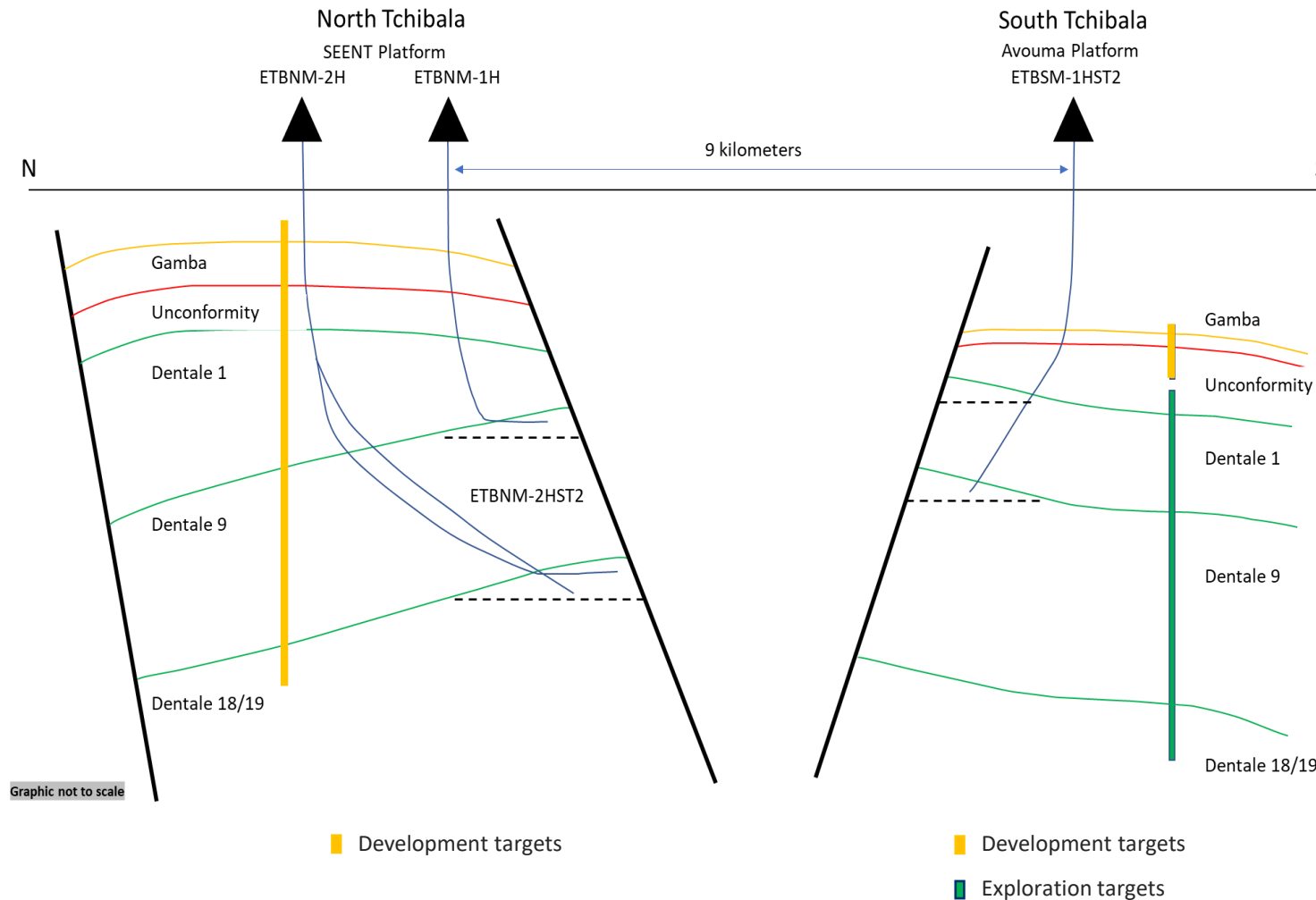
- Successfully drilled, completed and placed on production the first three development wells of the 2021/2022 drilling campaign
 - Successfully placed the Etame 8H-ST development well on production in February 2022, with an initial flow rate of ~5,000 gross BOPD, above internal estimates
 - Successfully placed the Avouma 3H-ST development well on production in April 2022, with an initial flow rate of ~3,100 gross BOPD, above internal estimates
 - Completed the South Tchibala 1HB-ST well in the deeper Dentale D1 zone using a small frac pack in July 2022, with rates of 150 to 200 BOPD, plan to evaluate and recomplete the deeper Dentale D9 zone during the next drilling campaign
- Currently drilling the ETBNM 2H-ST development well from the SEENT platform
 - Targeting the Dentale formation currently productive in the area
- In July 2022, exercised rig option to add two wells, a development well and an exploration well, to the drilling program which is currently expected to be a total of six wells
- Estimate \$174 to \$213 million gross or \$111 to \$135 million net in total capital costs for all six wells with about \$90 to \$110 million net capital to be incurred in 2022



**Adding Material
Cash Flow in
2022 and
Beyond**

2021/22 DRILLING CAMPAIGN

Dentale at North Tchibala and South Tchibala



- › South Tchibala 1H-ST well was completed in July 2022 in the Dentale D1 zone (which is not productive elsewhere at Etame)
 - › Well is cycling at 150 to 200 BOPD
 - › Plan is to complete the Dentale D9 during the next drilling campaign
- › North Tchibala 1H well, drilled in 2015, is currently producing from the Dentale D9
- › North Tchibala 2H well, drilled in 2015, was producing from the Dentale D18; utilizing the wellbore for the 2HB-ST well
- › North Tchibala 2HB-ST well, currently drilling, is targeting the Dentale D18 and D19
 - › Once drilling is completed, VAALCO will perform a 10 to 20 times larger stacked frac on the 2HB-ST well looking to commingle the Dentale D18 and D19 zones

NEW LOWER COST FSO SOLUTION

for Q4 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 began in March 2022, as planned
- › The Teli is arriving in offshore Gabon in early August

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 \$55 to \$70 million gross (\$35 to \$45 million net to VAALCO) with \$30 to \$35 million net expected in 2022;
- › Projected to save ~\$13 to \$16 million net annually to VAALCO in operational costs through 2030

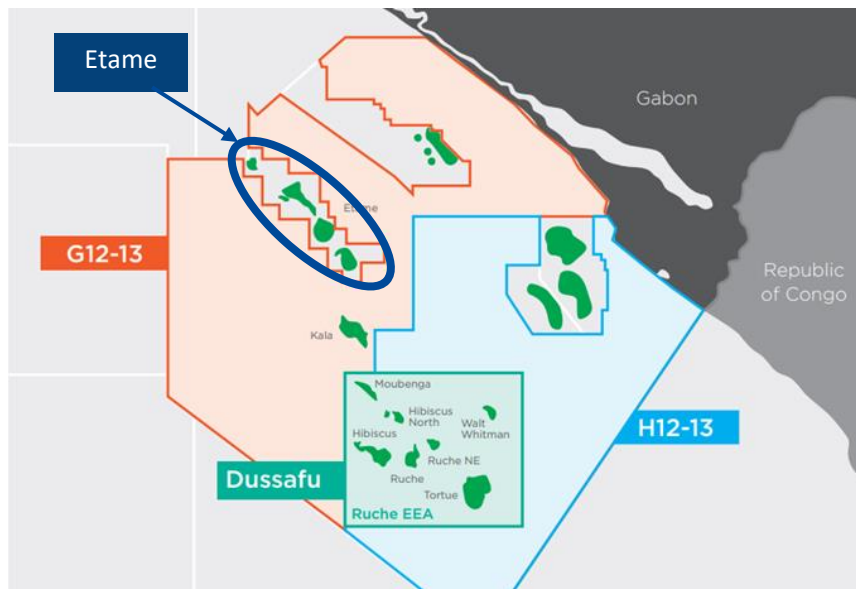
PROVISIONALLY AWARDED OFFSHORE BLOCKS IN GABON



Consortium with VAALCO, BW Energy and Panoro Energy

BW Energy	VAALCO	Panoro Energy
37.5% WI	37.5% WI	25% WI
Operator		

Blocks Adjacent to Etame and Dussafu Producing Fields



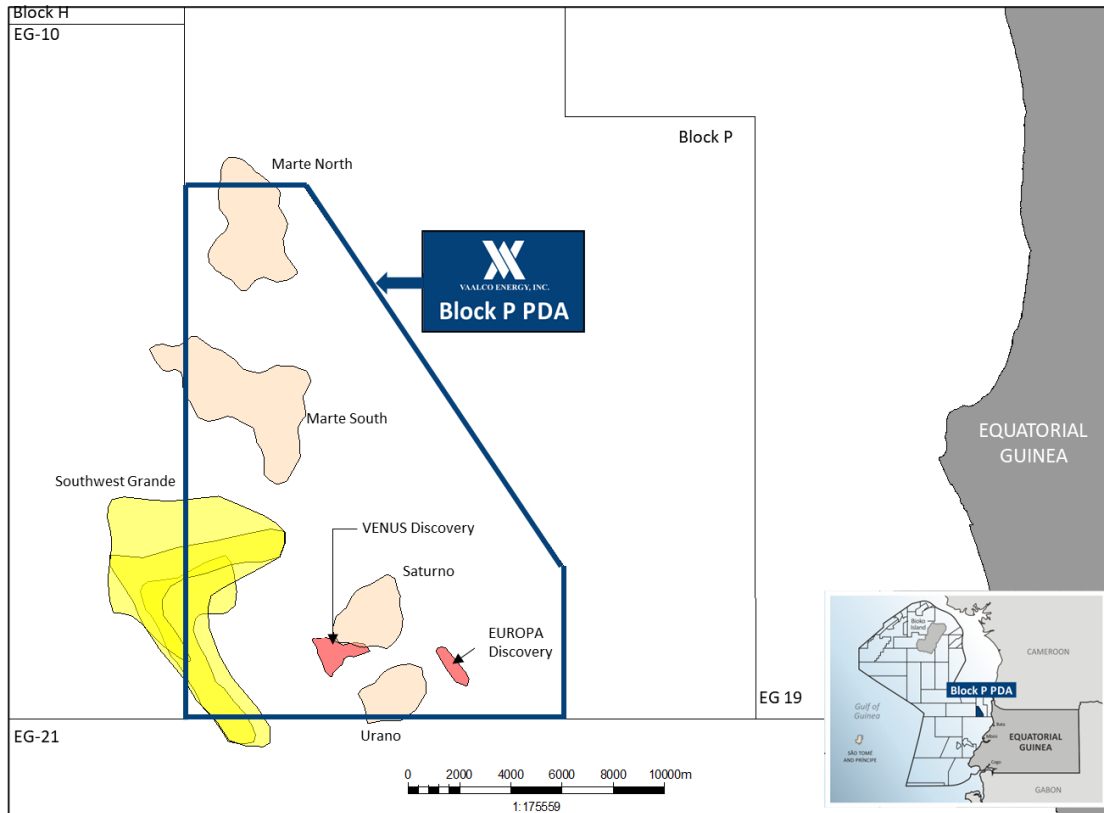
- › Consortium provisionally awarded two blocks in the 12th Offshore Licensing Round in Gabon, subject to concluding the terms of the PSC with the Gabonese government
 - Block G12-13 covers an area of 2,989 km² and block H12-13 covers an area of 1,929 km²
 - 2 exploration periods totaling 8 years which 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

EQUATORIAL GUINEA: 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
- › Discoveries on Block were made by Devon, a prior operator/owner

Current Status

- › In 2021, completed feasibility study of Venus standalone project
- › Plan of development submitted to EG government for approval
- › EG approval expected to result in an addition to 2P reserves



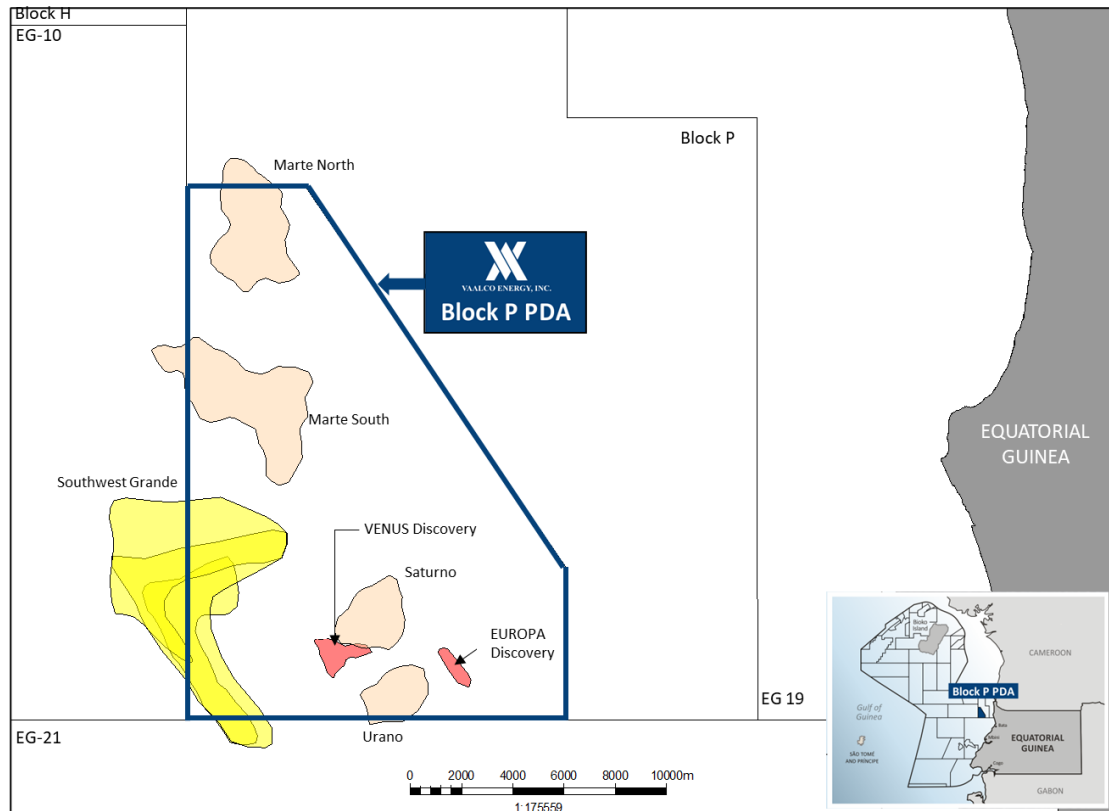
Strategy to Accelerate Value Creation While Adding Second Core Area, Reduces Risk and Enhances Upside

EQUATORIAL GUINEA: VENUS DEVELOPMENT IN BLOCK P



Submitted Plan Of Development (POD) to Ministry of Mines and Hydrocarbons in July 2022

VAALCO	GEPetrol
80%⁽¹⁾ WI Operator	20% WI Carried Interest



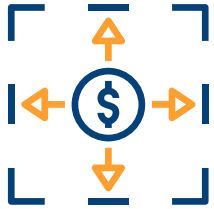
POD Awaiting Approval

- > On July 15, 2022 VAALCO, on behalf of itself and GEPetrol, submitted to the EG MMH a POD for the Venus development in Block P
- > The other Block P joint venture owner, Atlas Petroleum International Limited, opted not to participate in the POD
- > As a result, VAALCO will hold an 80% working interest in the Venus development in Block P and GEPetrol will hold a 20% carried interest
- > The Block P PSC provides for a development and production period of 25 years from the date of approval of the POD
- > VAALCO expects to add new 2P reserves once the development plan is approved

(1) Interest would change from 45.9% to 80% upon approval of the plan of development by the Minister of Mines and Hydrocarbons

HEDGING

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



Settlement Period	Type of Contract	Index	Barrels	Weighted Average Price
July 2022 - Sept. 2022	Swaps	Dated Brent	375,000	\$76.53
Oct. 2022 - Dec. 2022	Costless Collars	Dated Brent	326,000	Floor US\$70 / Ceiling US\$122
			<u>701,000</u>	

- › VAALCO entered into new costless collars in July 2022
- › Protects shareholder return and investment commitments to the market in the near-term
- › No hedges currently in place beyond 2022
- › No hedging required if RBL is undrawn



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

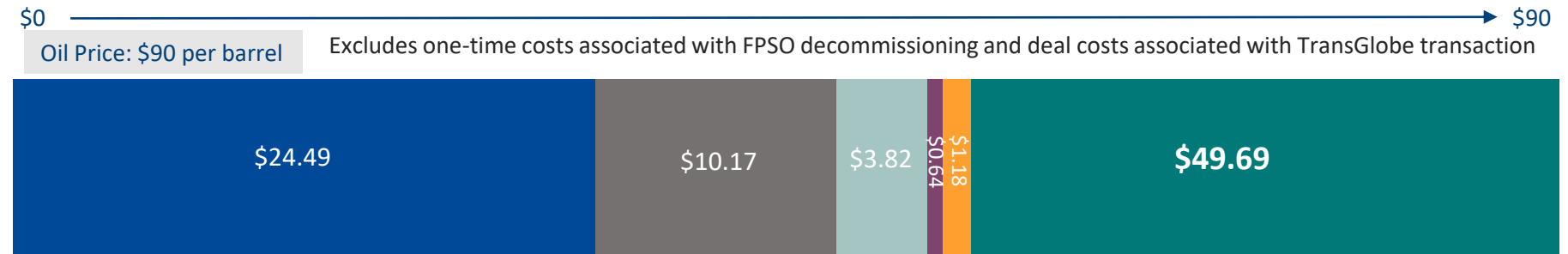
2022 NETBACKS SIGNIFICANTLY IMPROVED COMPARED TO 2021 @ \$90 REALIZED OIL



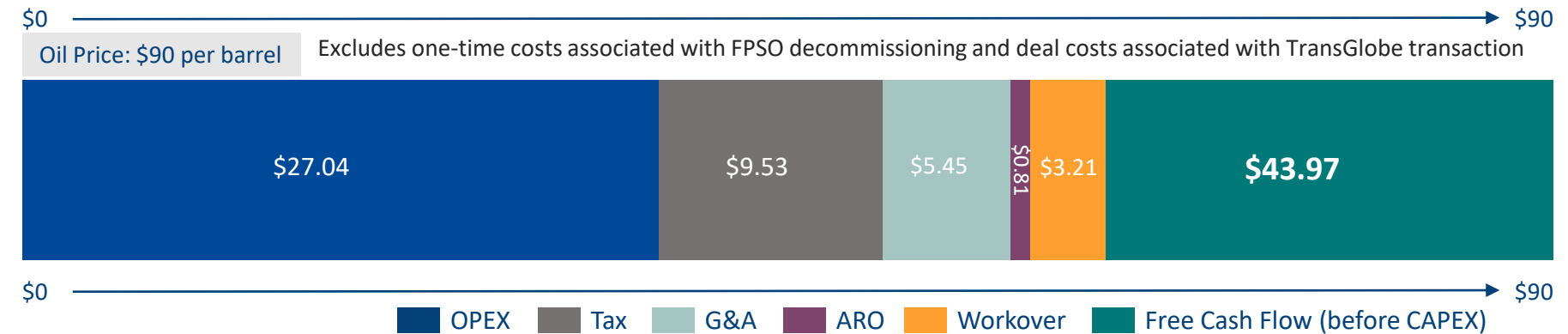
Q42022 Indicative Margins at \$90 Realized Oil



FY2022 Margins at \$90 Realized Oil and Midpoint of Guidance



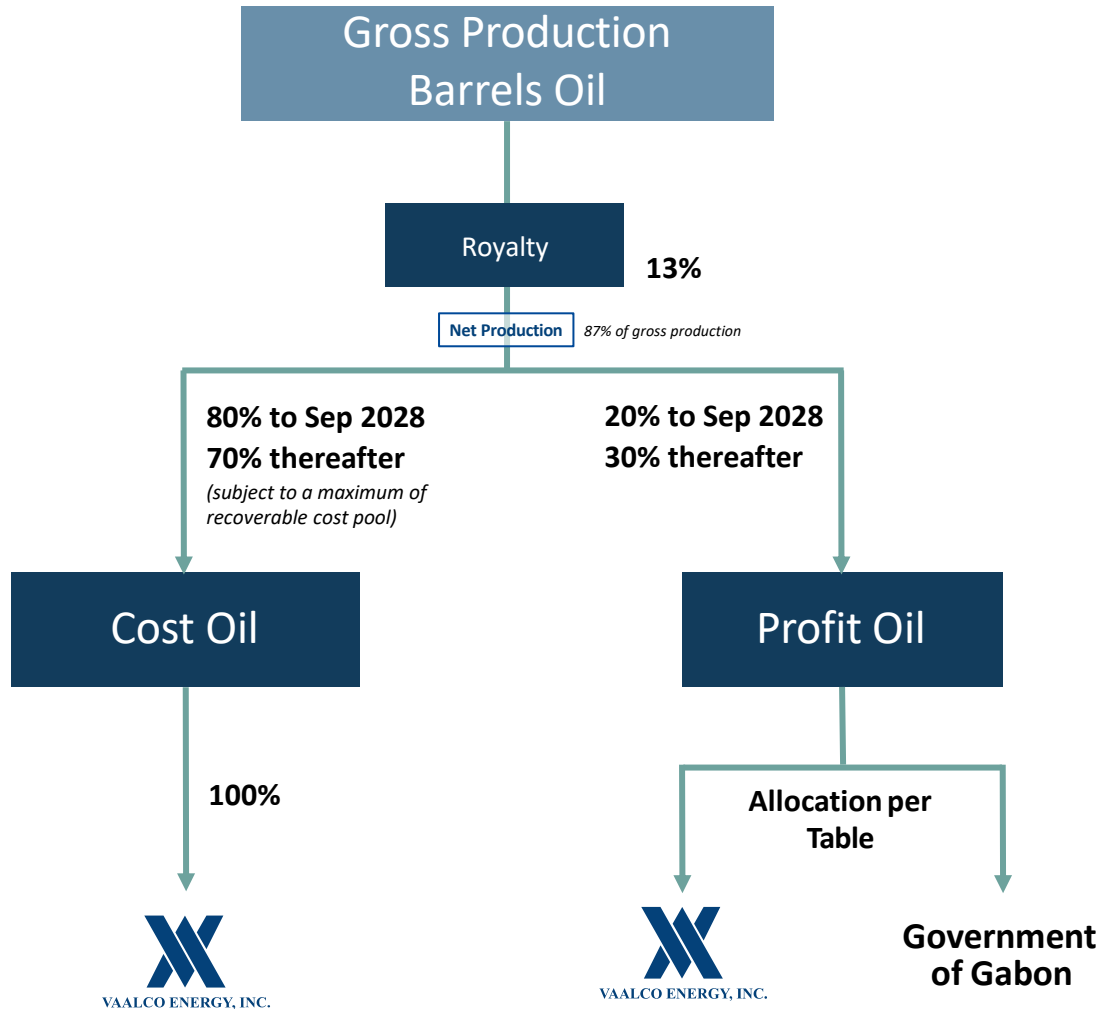
Actual FY2021 Netbacks Adjusted to \$90 Oil



Successful 2021/2022 Drilling Campaign Growing Production Coupled with Field Reconfiguration and FSO Cost Savings are Meaningfully Improving Netbacks

Etame: PSC Terms

Attractive PSC with 80% Cost Recovery Until 2028



Etame: Key Terms

Key Terms	
Government back-in - Tullow	7.5% carried through June 2026, 10% thereafter
Abandonment	Abandonment fund fully funded through operations
Production and Development Term	10 yrs through 2028 plus two 5 yr options

Etame: Profit Oil Split

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

Profit oil is split based on a weighted average of production across the different levels shown above

ETAME TAX SCENARIOS

Understanding the PSC Cost Recovery and Tax

Scenario 1) Capital-intensive year with unrecovered cost oil

Scenario 2) Capital-intensive year with no unrecovered cost oil

Scenario 3) Limited capital spend with no unrecovered cost oil

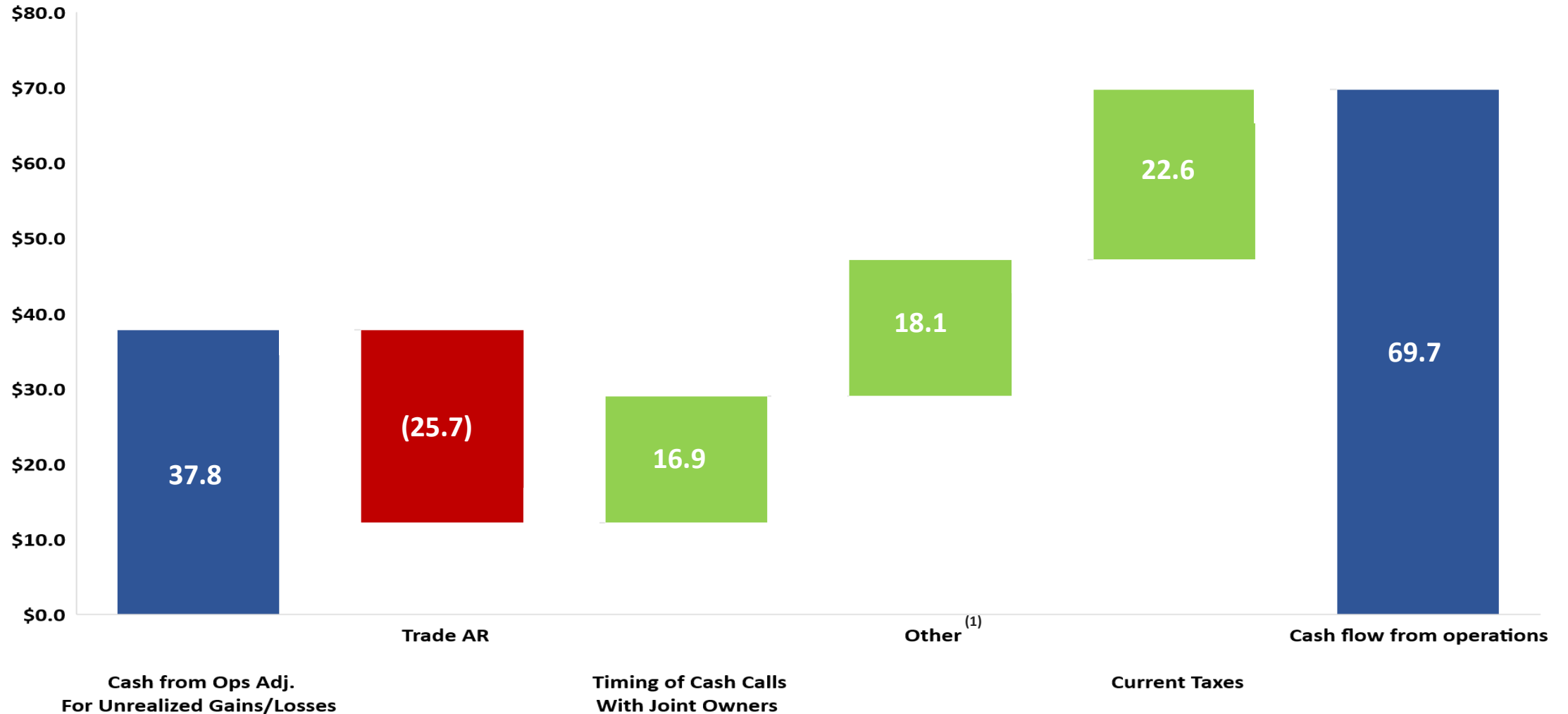
	(Per barrel)		
	Scenario 1	Scenario 2	Scenario 3
A Oil Revenue	\$ 90.00	\$ 90.00	\$ 90.00
Cost oil - OPEX	(30.00)	(30.00)	(23.00)
Cost oil - CAPEX	(27.40)	(27.40)	(1.92)
Cost oil Unrecovered	(14.60)	-	-
B Total Cost Oil	\$ (72.00)	\$ (57.40)	\$ (24.92)
(A-B) Profit oil - Taxable Income	\$ 18.00	\$ 32.60	\$ 65.08
C Profit oil tax rate	52.50%	52.50%	52.50%
(A-B) x C Current taxes	\$ (9.45)	\$ (17.12)	\$ (34.17)
((A-B) x C)/A Etame tax rate	11%	19%	38%
Cost Oil Unrecovered Beg Period	50.00	-	-
Cost Oil Unrecovered +-Addition(Usage)	(14.60)	-	-
Cost Oil Unrecovered End Period	35.40	-	-

- › Capital and opex costs provide cost recovery lowering Gabonese tax rate
- › Corporate costs and derivatives cannot be used in cost recovery within the PSC
- › When oil prices increase, total tax increases and depletes the cost pool faster enabling a faster investment recovery



Capital and Opex Spending Lower Tax Rate Due to 80% Cost Recovery / Cost Stop

WORKING CAPITAL CHANGES



 **Trade AR for March Lifting Collected in April, Timing of Cash Calls and Current Taxes Were the Main Drivers of Working Capital Changes**

YEAR-END 2021 RESERVES

Proved NRI Reserve Reconciliation 2020 to 2021 (MMBO)



Substantial Additions Driven by Performance, Pricing and Accretive Acquisitions

2022 GUIDANCE

(As of August 10, 2022)



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		Q3 2022	FY 2022
Production (BOPD)	WI ⁽¹⁾ NRI ⁽¹⁾	9,200 – 10,000 8,000 – 8,700	10,350 – 10,900 9,000 – 9,500
Sales Volume (BOPD)	WI ⁽¹⁾ NRI ⁽¹⁾	7,000 – 9,900 6,100 - 8,600	10,350 – 10,900 9,000 - 9,500
Production Expense ⁽²⁾	WI ⁽¹⁾ & NRI ⁽¹⁾	\$18.0 - \$24.5 MM	\$82 - \$90 MM
Production Expense per BO ⁽²⁾	WI ⁽¹⁾ NRI ⁽¹⁾	\$26.00 - \$28.75 \$30.00 - \$33.00	\$21.00 - \$24.25 \$24.00 - \$28.00
Workovers	WI ⁽¹⁾ & NRI ⁽¹⁾	\$0 - \$3 MM	\$2 - \$6 MM
Cash G&A ⁽³⁾	WI ⁽¹⁾ & NRI ⁽¹⁾	\$2.0 - \$3.0 MM	\$9.5 - \$11.5 MM
2022 CAPEX	WI ⁽¹⁾ & NRI ⁽¹⁾	\$40 - \$50 MM	\$130 - \$150 MM
DD&A per BO	WI ⁽¹⁾ NRI ⁽¹⁾	\$10.00 - \$11.75 \$11.50 - \$13.50	\$9.50 - \$11.25 \$11.00 - \$13.00

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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