

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
TRANSGLOBE ENERGY CORPORATION			
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
AL PETRIE	713-543-3422	APETRIE@VAALCO.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
9800 RICHMOND AVENUE, SUITE 700		HOUSTON, TX 77042	
8 Date of action		9 Classification and description	
10-13-2022		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
893662106		TGA	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

- 14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► SEE ATTACHMENT.

- 15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► SEE ATTACHMENT.

- 16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► SEE ATTACHMENT.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► SEE ATTACHMENT.

18 Can any resulting loss be recognized? ► SEE ATTACHMENT.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► SEE ATTACHMENT.

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

Digitally signed by Ron Bain
Date: 2022.11.23 16:28:59 Z

Date ►

Print your name ► Ronald Bain

Title ► Chief Financial Officer

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

TransGlobe Energy Corporation
Attachment to Form 8937

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”),¹ and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Acquisition (as defined below) on certain securities. The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular persons or categories of persons. You are encouraged to consult your own tax advisor regarding the applicability and effect of all United States (“U.S.”) federal, state, local and foreign tax laws.

Line 14

On October 13, 2022 (the “Effective Time”), VAALCO Energy, Inc. (“VAALCO”), a Delaware corporation, and VAALCO Energy Canada ULC (“AcquireCo”), an unlimited liability company existing under the laws of the Province of Alberta and indirect wholly-owned subsidiary of VAALCO, completed the previously announced acquisition of TransGlobe Energy Corporation (“TransGlobe” and the “Acquisition”), a corporation existing under the laws of the Province of Alberta, pursuant to an arrangement agreement entered into by VAALCO, AcquireCo and TransGlobe on July 13, 2022 (the “Arrangement Agreement”).² An election under section 338(g) is expected to be made with respect to the Acquisition.

Immediately prior to the Acquisition, VAALCO wholly owned VAALCO Energy (International) LLC (“LLC 1”), which wholly owned VAALCO Energy (Holdings), LLC (“LLC 2”). Both of LLC 1 and LLC 2 are classified as corporations for U.S. federal tax purposes. LLC 2 wholly owned AcquireCo, an entity disregarded as separate from its sole owner for U.S. federal tax purposes.

As of the Effective Time, each share of TransGlobe common stock (“TransGlobe common share”) issued and outstanding immediately prior to the Effective Time of the Acquisition was converted into the right to receive 0.6727 common share of VAALCO (“VAALCO common share”) and TransGlobe became a direct wholly-owned subsidiary of AcquireCo. Cash was paid in lieu of any fractional VAALCO common shares that otherwise would have been issued.

Line 15

A holder of TransGlobe common shares will generally recognize gain or loss on the exchange of TransGlobe common shares for VAALCO common shares and cash (if any) equal to the difference, if any, between (i) fair market value of the VAALCO common shares and cash (if

¹ Unless otherwise specified herein, “section” references are to the Code.

² Unless otherwise defined herein, capitalized terms used in this attachment have the meaning ascribed to them in the Arrangement Agreement.

any) received and (ii) such holder's adjusted tax basis in the TransGlobe common shares surrendered in exchange therefor. Such holder's tax basis in each VAALCO common share received will generally equal the fair market value of such VAALCO common share.

Line 16

One reasonable method to determine the fair market value of each VAALCO common share is to use the average of the highest and lowest quoted price on October 13, 2022, which is \$5.28 (high of \$5.57 and low of \$4.99). Shareholders should consult their tax advisor to determine the appropriate method of determining the fair market value of each VAALCO common share received.

Line 17

Sections 338(g), 1001 and 1012.

Line 18

Loss with respect to the exchange of TransGlobe common shares for VAALCO common shares and cash (if any) may be recognized.

Line 19

The reportable tax year is 2022 with respect to taxpayers reporting taxable income on a calendar year basis.

The information contained herein does not constitute tax advice and is intended to provide only a general summary and is not intended to be a complete analysis or description of all potential U.S. federal income tax consequences of the transactions described herein. Moreover, the discussion set forth above does not address tax consequences that may vary with, or are dependent on, individual circumstances. Shareholders are urged to consult with their own tax advisors with respect to the tax consequences of the transactions described herein as applicable to their particular circumstances.