

Louisiana Energy Conference 2018



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 the 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 including with the government of Gabon in connection with a revised production sharing contract, expectations regarding processing facilities, production and sales 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 our current lender or future lenders, the risk that our negotiations with the governments of Gabon and 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, 2017, quarterly report in Form 10-Q for the quarter ended March 31, 2018, 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.

VAALCO Overview

- **Houston-based independent E&P**
- **Excellent reputation as a West Africa operator**
- **Gabon-focused with 100% oil production and reserves moving forward**
- **Operational capacity to take on new assets and projects**
- **Grew cash and cash equivalents to \$32.2 million at March 31, 2018⁽⁵⁾**
- **Debt paid off on May 22,2018⁽⁶⁾**

Key Metrics		
Share Price ⁽¹⁾	\$2.03	
52-Week Range ⁽¹⁾	\$0.68 - \$2.66	
Market Capitalization ⁽¹⁾	\$ 120	Million
Enterprise Value ⁽²⁾	\$ 88	Million
Net Production ⁽³⁾	3,611	BOPD
Proved Reserves ⁽⁴⁾	3.0	MMBO
2P Reserves ⁽⁴⁾	4.0	MMBO
% Oil (Brent Based Pricing)	100%	
% Operated	100%	

Proven Operator with a Track Record of Success

1) As of 5/25/2018
2) Market Cap less Q12018 cash

3) Q1 2018 average
4) As of 12/31/2017

5) Includes non-op partner advance of \$4.8MM
6) Per 5/22/18 press release

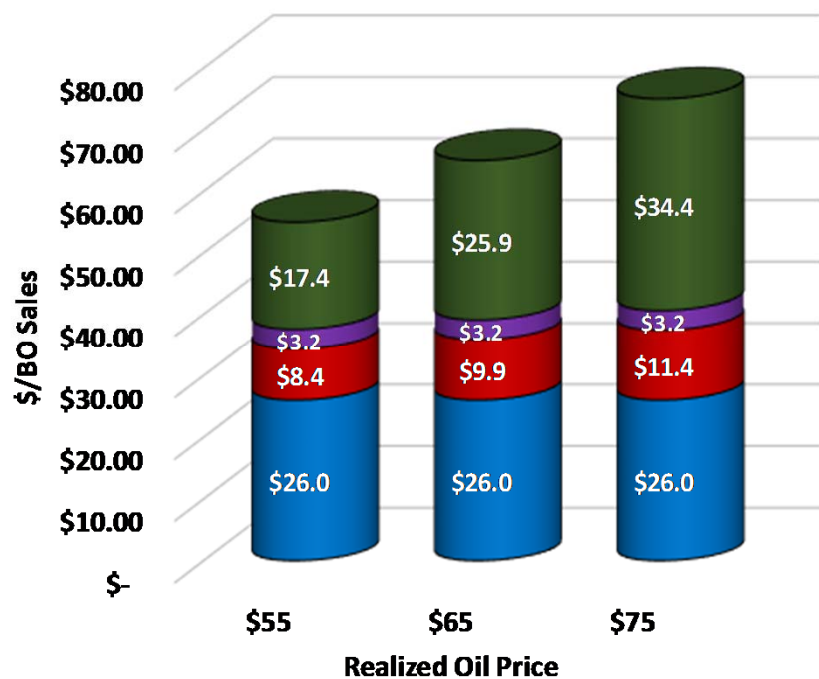
2018 Goals and Objectives

- Pursue extension of Etame license and final exit from Angola
- Grow cash balance with stronger Brent pricing and no hedges in place
- Reduce operating expenses and enhance margins
 - 2018 operational breakeven price of ~\$30 per barrel of oil sales
 - 2018 free cash flow breakeven price of ~\$40 per barrel of oil sales
- Pay down debt and strengthen balance sheet
- Evaluate and determine timing of next development drilling program in Etame
- Examine alternative, lower cost development options for discoveries on Block P offshore Equatorial Guinea

Focused on Maximizing Margins, Maintaining Production and Accretive Acquisitions

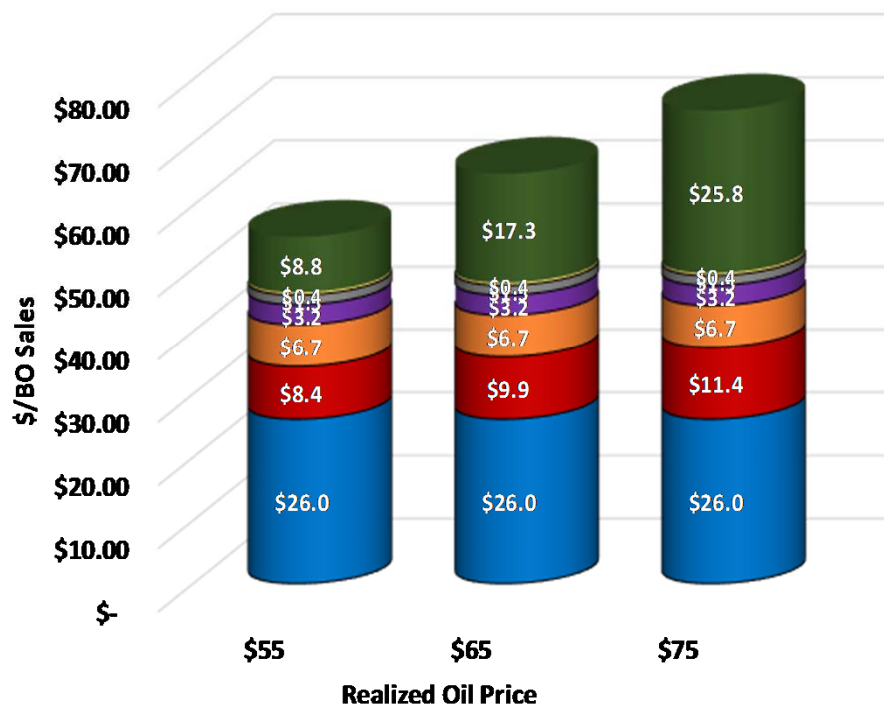
VAALCO Free Cash Flow Overview (2018E)

2018 Operational Margin Per Barrel



■ OPEX⁽¹⁾ ■ Tax⁽²⁾ ■ Workovers ■ Margin

2018 Free Cash Flow Per Barrel



■ OPEX⁽¹⁾ ■ Tax⁽²⁾ ■ G&A ■ Workovers ■ Capex/ARO⁽⁴⁾ ■ Int Exp ■ FCF

Each \$5/barrel improvement in oil price increases annualized cash flow by ~\$6MM
 Free cash flow excludes 2018 principal payments of \$6.7MM⁽³⁾

Operational Breakeven: ~\$34/BBL

Free Cash Flow Break-Even: ~\$44/BBL

1) Excludes discontinued operations and workovers
 2) Midpoint of 2018 guidance

3) Forecasted principal payments for 2018
 4) Forecasted 2018 Capex & ARO payment, excludes potential development drilling

Etame Opportunities for Future Growth Potential

Infrastructure in place to develop opportunities

Near-Term Potential:

- Offset successful wells from the 2014/2015 development campaign

Long-Term Potential:

Etame Platform:

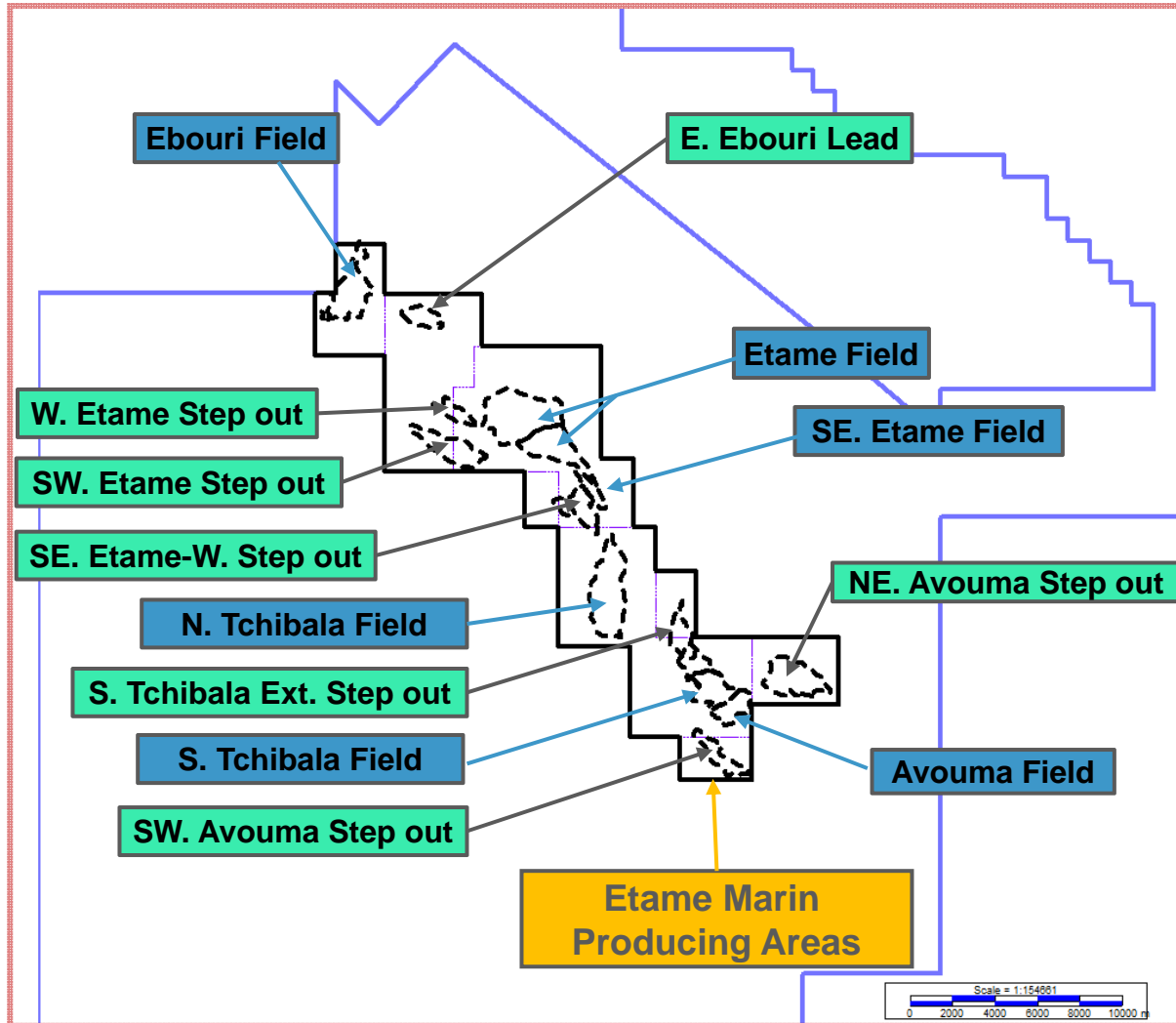
- Three Gamba and six Dentale infills (29 MMBBLS)

SEENT Platform:

- Four Gamba, four Dentale infills (25 MMBBLS)

Avouma Platform:

- Two Gamba and two Dentale infill (12 MMBBLS)



Over 71 MMBO of Gross Unrisked Recoverable Contingent Resources

Looking to the Future

Significant Development Opportunities at Etame

- Development opportunities identified that would extend the economic life
- Over 71 MMBO of gross unrisked recoverable contingent resources
- Operating infrastructure in place to support development

Etame License Extension

- Current license terminates in 2021
- License extension would enhance economics of new development wells

Angola Exit

- Relinquishing exploration license in Angola to focus on development in Gabon
- VAALCO believes that the accrued \$15 million liability will be substantially less
- Resolution would strengthen the balance sheet and improve access to capital

Growth

- Leverage existing infrastructure, technical expertise and experience in international, offshore major projects and production operations
- Seeking attractively valued new development opportunities in West Africa
- Evaluating value accretive merger and acquisition opportunities

Each Opportunity, When Realized, Should Add Significant Value