

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest reported): March 17, 2022

VAALCO Energy, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-32167  
(Commission  
File Number)

76-0274813  
(IRS Employer  
Identification No.)

9800 Richmond Avenue, Suite 700  
Houston, Texas  
(Address of principal executive offices)

77042  
(Zip Code)

Registrant's telephone number, including area code: (713) 623-0801

Not Applicable  
(Former Name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class            | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------|-------------------|---|
| Common Stock, par value \$0.10 | EGY               | New York Stock Exchange                   |
| Common Stock, par value \$0.10 | EGY               | London Stock Exchange                     |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 1.01 Entry into a Material Definitive Agreement.**

On March 17, 2022, VAALCO Gabon, SA (“**VAALCO Gabon**”), a wholly owned subsidiary of VAALCO Energy, Inc. (the “**Company**”), entered into an Agreement for the Provision of Subsea Construction and Installation Services (the “**Marine Construction Agreement**”) with DOF Subsea Canada Corp. (“**DOF Subsea**”), to support the subsea reconfiguration in connection with the replacement of the existing floating, production, storage and offloading vessel with a Floating Storage and Offloading vessel (“**FSO**”) at the Company’s Etame Marin field offshore Gabon. Pursuant to the Marine Construction Agreement, DOF Subsea agreed to, among other things, provide all personnel, crew and equipment necessary to assist in the reconfiguration of the Etame field subsea infrastructure to accommodate all field production to the flow to the FSO, which is currently under conversion, including (i) assistance with retrieval of over 5,000 meters of new flexible pipelines from a manufacturing facility in the United Kingdom, transporting the pipelines to Gabon and installing the pipelines in the Etame field, (ii) performing the retrieval and relocation of existing in-field flowlines and umbilicals to accommodate the reconfigured field development plan and (iii) assistance in the connection of new risers to the FSO (collectively, the “**Services**”). Pursuant to the Marine Construction Agreement, DOF Subsea will provide an offshore construction vessel to facilitate the performance of the Services. The Marine Construction Agreement provides that the Services will commence in early July 2022 and be completed by the end of September 2022, subject to certain conditions therein. As consideration for the Services provided to the Company, the Company agreed to pay DOF Subsea certain fixed fees upon the completion of the achievement of Service-related milestones, as well as a day rate, subject to certain conditions, as set forth in the Marine Construction Agreement.

The Marine Construction Agreement may be terminated by VAALCO Gabon (i) by providing DOF Subsea with written notice, (ii) in the event DOF Subsea fails to mobilize the contracted vessel to load and commence transit of flexible pipe reels within certain specified timeframes, (iii) in the event of liquidation, dissolution or winding up of DOF Subsea or (iv) in the event of default by DOF Subsea in accordance with its terms. The Marine Construction Agreement also contains, among other things, customary provisions related to confidentiality, representations and warranties, indemnification, insurance and limitations on liability.

The foregoing description of the Marine Construction Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Marine Construction Agreement, a copy of which will be filed as an exhibit to the Company’s next quarterly report on Form 10-Q.

**Item 7.01 Regulation FD Disclosure.**

On March 23, 2022, the Company issued a press release announcing the entry into the Marine Construction Agreement. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K (including Exhibit 99.1 attached hereto) is being furnished pursuant to Item 7.01 and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, as amended (the “**Exchange Act**”), or otherwise be subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and regardless of any general incorporation language in such filing.

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**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

| <b>Exhibit No.</b>          | <b>Description of Exhibit</b>  |
|-----------------------------|--|
| <a href="#"><u>99.1</u></a> | Press Release, dated March 23, 2022, issued by VAALCO Energy, Inc. (furnished herewith pursuant to Item 7.01). |
| 104                         | Cover Page Interactive Data File (embedded within the Inline XBRL document)                                    |

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**VAALCO Energy, Inc.**  
(Registrant)

Date: March 23, 2022

By: /s/ Jason Doornik  
Name: Jason Doornik  
Title: Chief Accounting Officer and Controller



## **VAALCO ENERGY SIGNS CONTRACT TO SUPPORT SUBSEA RECONFIGURATION AND FSO DEPLOYMENT AT ETAME FIELD**

**HOUSTON – March 23, 2022** – VAALCO Energy Inc. (NYSE: EGY; LSE: EGY) ("VAALCO" or the "Company") today announced that the Company contracted with DOF Subsea to perform subsea construction and installation services to support the subsea reconfiguration associated with the replacement of the existing Floating Production, Storage and Offloading unit ("FPSO") with a Floating Storage and Offloading vessel ("FSO") at the Etame field, offshore Gabon. DOF Subsea will provide all personnel, crew and equipment necessary to assist with reconfiguring the Etame field subsea infrastructure to flow field production to the replacement FSO. Engineering and design work in relation to the field infrastructure upgrade has been completed with subsea work planned to commence in July and be completed before the FSO is operational in September 2022, as previously disclosed.

### **Key Highlights:**

- Utilizing a DOF Subsea offshore construction vessel to perform the work;
- Transporting over 5,000 meters of new flexible pipelines from the UK to install in the Etame field;
- Performing the retrieval and relocation of existing in-field flowlines and umbilicals; and
- Assisting in the connection of new risers to the FSO.

George Maxwell, VAALCO's Chief Executive Officer, commented, "We continue to progress forward with our field reconfiguration and FSO conversion at Etame, on time and within the capital guidance we previously provided. The FSO increases effective storage capacity by over 50% and reduces costs by almost 50% compared to the current FPSO. We continue to estimate total capital conversion costs of \$40 to \$50 million gross (\$26 to \$32 million net to VAALCO), with annual projected operational cost savings of approximately \$20 to \$25 million gross per year (\$13 to \$16 million net to VAALCO) through 2030, giving the project a very attractive payback period of less than two and a half years. This project will significantly improve our margins, enhance our cash flow generation and sustain our operational excellence and robust financial performance at Etame through 2030. We are delivering on our strategic plan with the FSO conversion, our drilling campaign at Etame and continued evaluation of organic and inorganic opportunities."

### **About VAALCO**

VAALCO, founded in 1985, is a Houston, USA based, independent energy company with production, development and exploration assets in the West African region.

The Company is an established operator within the region, holding a 63.6% participating interest in the Etame Marin block, located offshore Gabon, which to date has produced over 125 million barrels of crude oil and of which the Company is the operator.

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## For Further Information

### **VAALCO Energy, Inc. (General and Investor Enquiries)**

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[www.vaalco.com](http://www.vaalco.com)

### **Al Petrie Advisors (US Investor Relations)**

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Ben Romney / Jon Krinks/ James Husband

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## Forward Looking Statements

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 statements related to the impact of the COVID-19 pandemic, including the recent sharp decline in the global demand for and resulting global oversupply of crude oil and the resulting steep decline in oil prices, production quotas imposed by Gabon, disruptions in global supply chains, quarantines of our workforce or workforce reductions and other matters related to the pandemic, well results, wells anticipated to be drilled and placed on production, future levels of drilling and operational activity and associated expectations, the implementation of the Company’s business plans and strategy, prospect evaluations, prospective resources and reserve growth, its activities in Equatorial Guinea, expected sources of and potential difficulties in obtaining future capital funding and future liquidity, its ability to restore production in non-producing wells, our ability to find a replacement for the FPSO or to renew the FPSO charter, future operating losses, future changes in crude oil and natural gas prices, future strategic alternatives, future and pending acquisitions, capital expenditures, future drilling plans, acquisition and interpretation of seismic data and costs thereof, negotiations with governments and third parties, timing of the settlement of Gabon income taxes, and expectations regarding processing facilities, production, sales and financial projections. 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, crude oil and natural gas price volatility, the impact of production quotas imposed by Gabon in response to production cuts agreed to as a member of OPEC, inflation, general economic conditions, the outbreak of COVID-19, 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, lack of availability of goods, services and capital, environmental risks, drilling risks, foreign regulatory and operational risks, and regulatory changes.

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.

### **Inside Information**

This announcement contains inside information as defined in Regulation (EU) No. 596/2014 on market abuse (“MAR”) and is made in accordance with the Company’s obligations under article 17 of MAR.