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

FORM 10-K

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024
OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 1-32167

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

Delaware	**76-0274813**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

2500 CityWest Blvd.
Suite 400
Houston, Texas 77042
(Address of principal executive offices) (Zip Code)

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

Securities registered under Section 12(b) of the Exchange 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

Securities registered under Section 12(g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15d of the Act. Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer,", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	o	Accelerated filer	x	Non-accelerated filer	o	Smaller reporting company	o

Emerging growth company o

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. o

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report x

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. o

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of June 30, 2024, the aggregate market value of the voting and non-voting common equity of the registrant held by non-affiliates was approximately $641.4 million based on a closing price of $6.27 on June 30, 2024.

As of March 7, 2025, there were outstanding 103,743,163 shares of common stock, $0.10 par value per share, of the registrant.

Documents incorporated by reference: Portions of the definitive Proxy Statement of VAALCO Energy, Inc. relating to the Annual Meeting of Stockholders to be filed within 120 days after the end of the fiscal year covered by this Form 10-K, which are incorporated into Part III of this Form 10-K.

VAALCO ENERGY, INC.

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Glossary of Certain Crude Oil, Natural Gas and Natural Gas Liquid ("NGL") Terms

Terms used to describe quantities of crude oil, natural gas and NGLs

- *Bbl* — One stock tank barrel, or 42 United States ("U.S.") gallons liquid volume, of crude oil or other liquid hydrocarbons.
- *Bbl/d* — Barrels per day.
- *Bcf* — One billion cubic feet.
- *Boe* — Barrel of oil equivalent. Volumes of natural gas converted to barrels of oil using a conversion factor of 6,000 cubic feet of natural gas to one barrel of oil.
- *BOEPD* — One Boe per day
- *BOPD* — One Bbl per day.
- *Km^2* — Square Kilometers.
- *M^3* — Cubic Meters.
- *MBbl* — One thousand Bbls.
- *MMBbl* — One million Bbls.
- *MBoe* — One thousand Boes.
- *MMBoe* — One million Boes.
- *MBopd* — One thousand Bbls per day.
- *MBOEPD* – One thousand Boes per day.
- *MCF* — One thousand cubic feet.
- *MCFD* — One thousand cubic feet per day.
- *MMBTU* – One million British Thermal Units.
- *MMcf* — One million cubic feet.
- *NGLs* — Natural Gas Liquids.
- *NRI* — Working interest volumes less royalty volumes, where applicable.
- *WI* — Working interest volumes

Terms used to describe legal ownership of crude oil, natural gas and NGLs properties, and other terms applicable to our operations

- *2025 RBL Facility (or the "2025 Facility")* — our existing Reserved based lending facility.
- *Arta* — The Arta field in the West Gharib concession in the Egyptian Eastern Desert.
- *BWE Consortium* — A consortium of the Company, BW Energy and Panoro Energy provisionally awarded two blocks, Niosi Marin Block (previously G12-13) and Guduma Marin Block (previously H12-13), in the 12th Offshore Licensing Round in Gabon.
- *C$* — means Canadian dollars.
- *Cardium* — The Cardium formation that spans a large area from southwest Alberta to northeast British Columbia, with the producing area concentrated along the eastern slopes of the Rocky Mountains to the northwest of Calgary.
- *Carried Interest* — Working Interest (as defined below) where the carried interest owner's share of costs is paid by the non-carried working interest owners. The carried costs are repaid to the non-carried working interest owners from the revenues of the carried working interest owner.
- *Crown Royalty* — The payments to be made to the Province of Alberta pursuant to the Alberta Crown Agreement or under the generic crown royalty scheme.
- *EGPC* — Egyptian General Petroleum Corporation.
- *Egypt* — Arab Republic of Egypt.

- *Etame Consortium* — A consortium of four companies granted rights and obligations in the Etame Marin block offshore Gabon under the Etame PSC.
- *FPSO* — A floating, production, storage and offloading vessel.
- *FSO* – A floating storage and offloading vessel.
- *Gabon* — Republic of Gabon.
- *Merged Concession* — The modernized concession that merged the West Bakr, West Gharib and NW Gharib concessions.
- *Merged Concession Agreement* — The agreement with EGPC for the Merged Concession signed by the Ministry of Petroleum of Egypt at an official signing ceremony on January 19, 2022.
- *NW Gharib* — The North West Gharib Concession area in Egypt.
- *Participating Interest* — Working Interest (as defined below) attributable to a non-carried interest owner adjusted to include its relative share of the benefits and obligations attributable to carried working interest owners.
- *PSC* — A production sharing contract.
- *RBL Facility (or the "Facility")* — our prior Reserved based lending facility
- *Royalty Interest* — A real property interest entitling the owner to receive a specified portion of the gross proceeds of the sale of crude oil, natural gas and NGLs production or, if the conveyance creating the interest provides, a specific portion of crude oil, natural gas and NGLs produced, without any deduction for the costs to explore for, develop or produce the crude oil and, natural gas and NGLs.
- *TansGlobe Acquisition* — Acquisition of TransGlobe Energy Corporation completed on October 13, 2022.
- *West Bakr* — The West Bakr Concession area in Egypt.
- *West Gharib* — The West Gharib Concession area in Egypt.
- *Working Interest* — A real property interest entitling the owner to receive a specified percentage of the proceeds of the sale of crude oil, natural gas and NGLs production or a percentage of the production, but requiring the owner of the working interest to bear the cost to explore for, develop and produce such crude oil, natural gas and NGLs. A working interest owner who owns a portion of the working interest may participate either as operator or by voting his percentage interest to approve or disapprove the appointment of an operator and drilling and other major activities in connection with the development and operation of a property.
- *$* — means U.S. dollars.

Terms used to describe interests in wells and acreage

- *Gross crude oil, natural gas and NGLs wells or acres* — Gross wells or gross acres represent the total number of wells or acres in which a working interest is owned, before consideration of the ownership percentage.
- *Net crude oil, natural gas and NGLs wells or acres* — Determined by multiplying "gross" wells or acres by the owned working interest.

Terms used to classify reserve quantities

- *Proved developed crude oil, natural gas and NGLs reserves* — Developed crude oil, natural gas and NGLs reserves are reserves of any category that can be expected to be recovered:

  (i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

  (ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.
- *Proved crude oil, natural gas and NGLs reserves* — Proved crude oil, natural gas and NGLs reserves are those quantities of crude oil, natural gas and NGLs, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible (from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations) prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The

project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible crude oil or natural gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known crude oil elevation and the potential exists for an associated natural gas cap, proved crude oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves that can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first day of the month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

- *Proved undeveloped crude oil, natural gas reserve and NGLs reserves ("PUDs")* — Proved undeveloped crude oil, natural gas and NGLs reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having proved undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for proved undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, or by other evidence using reliable technology establishing reasonable certainty.

- *Reserves* — Reserves are estimated remaining quantities of crude oil, natural gas, NGLs and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering crude oil, natural gas, NGLs or related substances to market, and all permits and financing required to implement the project.
- *Unproved properties* — Properties with no proved reserves.

Terms used to assign a present value to reserves

- *Standardized measure* — The standardized measure of discounted future net cash flows ("standardized measure") is the present value, discounted at an annual rate of 10%, of estimated future net revenues to be generated from the production of proved reserves, determined in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"), using the 12-month unweighted average of first-day-of-the-month Brent prices adjusted for historical marketing differentials, (the "12-month average"), without giving effect to non–property related expenses such as certain general and administrative expenses, debt service, derivatives or to depreciation, depletion and amortization.

Terms used to describe seismic operations

- *Seismic data* — crude oil, natural gas and NGLs companies use seismic data as their principal source of information to locate crude oil, natural gas and NGLs deposits, both to aid in exploration for new deposits and to manage or enhance production from known reservoirs. To gather seismic data, an energy source is used to send sound waves into the subsurface strata. These waves are reflected back to the surface by underground formations, where they are detected by geophones that digitize and record the reflected waves. Computers are then used to process the raw data to develop an image of underground formations.
- *3-D seismic data* — 3-D seismic data is collected using a grid of energy sources, which are generally spread over several miles. A 3-D survey produces a three-dimensional image of the subsurface geology by collecting seismic data along parallel lines and creating a cube of information that can be divided into various planes, thus improving visualization. Consequently, 3-D seismic data is a more reliable indicator of potential crude oil, natural gas and NGLs reservoirs in the area evaluated.

As used in this Annual Report, the terms, "we," "us," "our," the "Company" and "VAALCO" refer to VAALCO Energy, Inc. and its consolidated subsidiaries, unless the context otherwise requires. The Company's consolidated subsidiaries include VAALCO Gabon (Etame), Inc., VAALCO Production (Gabon), Inc., VAALCO Gabon S.A., VAALCO Angola (Kwanza), Inc., VAALCO Energy (EG), Inc., VAALCO Energy Mauritius (EG) Limited, VAALCO Energy, Inc. (UK Branch), VAALCO Energy (USA), Inc, VAALCO Energy (International), LLC, VAALCO Energy (Holdings), LLC, VAALCO International Management, LLC, VAALCO Energy Canada, Inc., TG Energy UK Ltd, VAALCO Egypt Holdings Inc., TransGlobe Holdings Yemen Inc., VAALCO West Bakr Inc., VAALCO West Gharib Inc., TG Energy Marketing Inc., VAALCO NW Gharib Inc., VAALCO S Ghazalat Inc, VAALCO Energy Cote d'Ivoire AB, VAALCO Energy Cote d'Ivoire Holding AB, SPE Nigeria AB, VAALCO Energy Cote d'Ivoire SPE AB and Svenska Nigeria Exploration & Production Ltd.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "Annual Report") 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 (the "Exchange Act") and may also include forward-looking information within the meaning defined under applicable Canadian securities laws (collectively, "forward-looking statements"), which are intended to be covered by the safe harbors created by those laws. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements include information about possible or assumed future results of our operations. All statements, other than statements of historical facts, included in this Annual Report that address activities, events or developments that we expect or anticipate may occur in the future, including without limitation, statements regarding our financial position, operating performance and results, reserve quantities and net present values, market prices, business strategy, derivative activities, the amount and nature of capital expenditures, payment of dividends and plans and objectives of management for future operations are forward-looking statements. When we use words such as "anticipate," "believe," "estimate," "expect," "intend," "forecast," "outlook," "aim," "target," "will," "could," "should," "may," "likely," "plan," and "probably" or the negative of such terms or similar expressions, we are making forward-looking statements. Many risks and uncertainties that could affect our future results and could cause results to differ materially from those expressed in our forward-looking statements include, but are not limited to:

- the impact of world health events, including any related impact on global demand for crude oil and crude oil prices, potential difficulties in obtaining additional liquidity when and if needed, disruptions in global supply chains and disruptions to our workforce;
- the impact of any future production quotas imposed by Gabon, as a member of the Organization of the Petroleum Exporting Countries ("OPEC"), as a result of agreements among OPEC, Russia and other allied producing countries with respect to crude oil production levels;
- volatility of, and declines and weaknesses in crude oil and, natural gas and NGLs prices, as well as our ability to offset volatility in prices through the use of hedging transactions;
- the discovery, acquisition, development and replacement of crude oil, natural gas and NGLs reserves;
- impairments in the value of our crude oil, natural gas and NGLs assets;
- future capital requirements;
- our ability to maintain sufficient liquidity in order to fully implement our business plan;
- our ability to generate cash flows that, along with our cash on hand, will be sufficient to support our operations and cash requirements;
- the ability of the BWE Consortium to successfully execute its business plan;
- our ability to attract capital or obtain debt financing arrangements;
- our ability to pay the expenditures required in order to develop certain of our properties;
- operating hazards inherent in the exploration for and production of crude oil, natural gas and NGLs;
- difficulties encountered during the exploration for and production of crude oil, natural gas and NGLs;
- the impact of competition;
- our ability to identify and complete complementary opportunistic acquisitions;
- our ability to effectively integrate assets and properties that we acquire into our operations;
- weather conditions;
- the uncertainty of estimates of crude oil, natural gas reserves and NGLs;
- currency exchange rates and regulations;
- unanticipated issues and liabilities arising from non-compliance with environmental regulations;
- the ultimate resolution of our abandonment funding obligations with the government of Gabon and the audit of our operations in Gabon currently being conducted by the government of Gabon;
- our limited control over the assets we do not operate;
- our ability to extend the Block CI-40 Petroleum Production Sharing Contract (the "Block CI-40 PSC") in Cote d'Ivoire;

- the impact and duration of scheduled maintenance of the floating, production, storage and offloading vessel in Cote d'Ivoire;
- the timing of payment(s) from EGPC relating to the Effective Date Adjustment (as defined below);
- the availability and cost of seismic, drilling and other equipment;
- difficulties encountered in measuring, transporting and delivering crude oil, natural gas, and NGLs to commercial markets;
- timing and amount of future production of crude oil, natural gas and NGLs;
- hedging decisions, including whether or not to enter into derivative financial instruments;
- general economic conditions, including any future economic downturn, the impact of inflation or tariffs, disruptions in financial credit and other disruptions resulting from geo-political events such as the Russian invasion of Ukraine, the conflict in the Middle East, and trade tensions between the U.S. and China;
- our ability to enter into new customer contracts;
- changes in customer demand and producers' supply;
- actions by governments and other significant actors with respect to events occurring in the countries in which we operate;
- actions by our joint venture owners;
- compliance with, or the effect of changes in, governmental regulations regarding our exploration, production, and well completion operations, including those related to climate change;
- the outcome of any governmental audit; and
- actions of operators of our crude oil, natural gas and NGLs properties.

The information contained in this Annual Report, including the information set forth under the heading "Item 1A. Risk Factors," identifies additional factors that could cause our results or performance to differ materially from those we express in forward-looking statements. Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions and therefore also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. In light of the significant uncertainties inherent in the forward-looking statements that are included in this Annual Report, our inclusion of this information is not a representation by us or any other person that our objectives and plans will be achieved. When you consider our forward-looking statements, you should keep in mind these risk factors and the other cautionary statements in this Annual Report.

Our forward-looking statements speak only as of the date the statements are made and reflect our best judgment about future events and trends based on the information currently available to us. Our results of operations can be affected by inaccurate assumptions we make or by risks and uncertainties known or unknown to us. Therefore, we cannot guarantee the accuracy of the forward-looking statements. Actual events and results of operations may vary materially from our current expectations and assumptions. Our forward-looking statements, express or implied, are expressly qualified by this "Cautionary Statement Regarding Forward-Looking Statements," which constitute cautionary statements. These cautionary statements should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances occurring after the date of this Annual Report.

Risk Factor Summary

Below is a summary of our risk factors. The risks below are those that we believe are the material risks that we currently face but are not the only risks facing us and our business. If any of these risks actually occur, our business, financial condition and results of operations could be materially adversely affected. See "*Item 1A.Risk Factors*" beginning on page 29 and the other information included elsewhere or incorporated by reference in this annual report for a discussion of factors you should carefully consider before deciding to invest in our common stock.

- Our business requires significant capital expenditures, and we may not be able to obtain needed capital or financing to fund our exploration and development activities or potential acquisitions on satisfactory terms or at all.
- Unless we are able to replace the proved reserve quantities that we have produced through acquiring or developing additional reserves, our cash flows and production will decrease over time.
- The Company does not always control decisions made under joint operating agreements, and the parties under such agreements may fail to meet their obligations. In addition, we have limited control over the assets we do not operate.
- Our offshore operations involve special risks that could adversely affect our results of operations.
- Acquisitions and divestitures of properties and businesses may subject us to additional risks and uncertainties, including that acquired assets may not produce as projected, may subject us to additional liabilities and may not be successfully integrated with our business. In addition, any sales or divestments of properties we make may result in certain liabilities that we are required to retain under the terms of such sales or divestments.
- Our reserve information represents estimates that may turn out to be incorrect if the assumptions on which these estimates are based are inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present values of our reserves.
- If our assumptions underlying accruals for abandonment and decommissioning costs are too low, we could be required to expend greater amounts than expected.
- We may not generate sufficient cash to satisfy our payment obligations under the Merged Concession Agreement or be able to collect some or all of our receivables from EGPC, which could negatively affect our operating results and financial condition.
- We could lose our interest in Block P in Equatorial Guinea if we do not meet our commitments under the production sharing contract and there are no assurances that we will be able to extend Block CI-40 PSC.
- The FPSO in Côte d'Ivoire ceased hydrocarbon production on January 31, 2025 for scheduled maintenance. Our results will be adversely affected until the FPSO is returned to service which may be a time later than we expect.
- Commodity derivative transactions that we enter into may fail to protect us from declines in commodity prices and could result in financial losses or reduce our income.
- We are exposed to the credit risks of the third parties with whom we contract.
- Our business could be materially and adversely affected by security threats, including cybersecurity threats, and other disruptions.
- Current and future geopolitical events outside of our control could adversely impact our business, results of operations, cash flows, financial condition and liquidity.
- Production cuts mandated by the government of Gabon, a member of OPEC, could adversely affect our revenues, cash flow and results of operations.
- We have less control over our investments in foreign properties than we would have over our domestic investments.
- Our operations may be adversely affected by political and economic circumstances in the countries in which we operate.
- Inflation could adversely impact our ability to control costs, including operating expenses and capital costs.
- Our results of operations, financial condition and cash flows could be adversely affected by changes in currency exchange rates.
- We operate in international jurisdictions, and we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-corruption laws.

- We have identified material weaknesses in our internal control over financial reporting for the fiscal year ended December 31, 2024. If we are unable to remediate these material weaknesses or if we identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, we may not be able to accurately or timely report financial information.
- Our business could suffer if we lose the services of, or fail to attract, key personnel.
- We may be exposed to the risk of earthquakes in Alberta, Canada and risks related to hydraulic fracking.
- Our results of operations, financial condition and cash flows could be adversely affected by changes in currency regulations.
- Our results of operations, financial condition and cash flows could be adversely affected by changes to interest rates.
- The development of our estimated proved undeveloped reserves may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our estimated proved undeveloped reserves may not be ultimately developed or produced.
- There may be valid challenges to title or legislative changes which affect our title to the oil, natural gas and NGLs properties we control in Canada.
- Crude oil, natural gas and NGLs prices are highly volatile and a depressed price regime, if prolonged, may negatively affect our financial results.
- Exploring for, developing, or acquiring reserves is capital intensive and uncertain.
- Competitive industry conditions may negatively affect our ability to conduct operations.
- Weather, unexpected subsurface conditions and other unforeseen operating hazards may adversely impact our crude oil, natural gas and NGLs activities.
- An increased societal and governmental focus on ESG and climate change issues may adversely impact our business, impact our access to investors and financing, and decrease demand for our product.
- We face various risks associated with increased opposition to and activism against crude oil, natural gas and NGLs exploration and development activities.
- Our operations are subject to risks associated with climate change and potential regulatory programs meant to address climate change; these programs may impact or limit our business plans, result in significant expenditures or reduce demand for our product.
- Compliance with applicable environmental laws and other government regulations could be costly and could negatively impact production.
- A significant level of indebtedness incurred under the 2025 Facility may limit our ability to borrow additional funds or capitalize on acquisition or other business opportunities in the future. In addition, the covenants in the 2025 Facility impose, and any successor debt agreement may impose, restrictions that may limit our ability and the ability of our subsidiaries to take certain actions. Our failure to comply with these covenants could result in the acceleration of any future outstanding indebtedness under the 2025 Facility or such successor debt agreement.
- The borrowing base under the 2025 Facility may be reduced pursuant to the terms of the 2025 Facility Agreement (defined below), which may limit our available funding for exploration and development. We may have difficulty obtaining additional credit, which could adversely affect our operations and financial position.

PART I

Item 1. Business

OVERVIEW AND STRATEGY

We are an independent energy company headquartered in Houston, Texas engaged in the acquisition, exploration, development and production of crude oil, natural gas and NGLs. We have a diversified, African-focused asset portfolio in Gabon, Egypt, Cote d'Ivoire and Equatorial Guinea, as well as producing properties in Canada.

Our overall business strategy is to maximize the value of our current resources and expand into new development opportunities across our strategically complementary asset base. We intend to accelerate shareholder returns and increase shareholder value by controlling operating costs and capital expenditures, maximizing reserve recoveries and making disciplined strategic accretive acquisitions that meet our strategic and financial objectives. Specifically, we seek to:

- Focus on maintaining production and lowering costs to increase margins and preserve optionality to capitalize on an increase in crude oil, natural gas and NGLs prices;
- Manage capital expenditures related to our drilling programs so that expenditures can be funded by cash on hand and cash from operations;
- Continue our focus on operating safely and complying with internationally accepted environmental operating standards;
- Optimize production through careful management of wells and infrastructure;
- Maximize our cash flow and income generation;
- Continue planning for additional development of our properties;
- Preserve a strong balance sheet by maintaining conservative leverage ratios and exhibiting financial discipline;
- Opportunistically hedge against exposures to changes in crude oil, natural gas or NGLs prices; and
- Actively pursue strategic, value-accretive mergers and acquisitions of similar properties to diversify our portfolio of producing assets.

We believe that our quality portfolio, strong management and technical expertise specific to the markets in which we operate, and our ongoing focus on maintaining a competitive cost structure and disciplined capital allocation framework, position us to achieve our business strategy and navigate a variety of commodity price environments. Over the past years, we have delivered on our focused strategy and believe we will continue to do so with the organic growth programs across our diversified portfolio over the coming years.

2024 ACQUISITION

On April 30, 2024, we completed the acquisition of Svenska Petroleum Exploration Aktiebolag, a company incorporated in Sweden (“Svenska”), whereby we acquired all of the issued shares in the capital of Svenska and Svenska became a direct wholly-owned subsidiary of the Company (“Svenska Acquisition”) for a net adjusted purchase price of $40.2 million. The purchase price was funded with the Company's cash on hand. As a result of the Svenska Acquisition, we acquired Svenska’s primary asset: a 27.39% non-operated working interest in the deepwater producing Baobab field in Block CI-40, offshore Cote d’Ivoire in West Africa. We also acquired a 21.05% non-operated working interest in OML 145, a non-producing discovery located offshore of Nigeria that is not expected to be developed at this time.

In March 2025, the Company farmed into the CI-705 block offshore Côte d’Ivoire. The Company will become operator of the CI-705 block with a 70% working interest and a 100% paying interest though a commercial carry arrangement and is partnering with two other parties. The CI-705 block is located in the Tano basin, west of the Company's CI-40 Block, where the Baobab and Kossipo oil fields are located. The Company has made approximately $3.0 million in cash payments related to the acquisition.

SEGMENT AND GEOGRAPHIC INFORMATION

For additional operating segment and geographic financial information, see Part IV, Item 15., Note 5. *Segment Information* to the Consolidated Financial Statements. Our reportable operating segments are Gabon, Egypt, Cote d'Ivoire, Canada and Equatorial Guinea.

The following table sets out a brief comparative summary of certain key data for each of the Company's operating segments. Additional data and discussion are provided in Part II, Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations of this Annual Report on Form 10-K.

	Year Ended December 31, 2024			As of December 31, 2024	
	Production Volumes[1]	Percentage of Total Production	Revenue	Year-End Estimated Proved Reserves	Percentage of Total Estimated Proved Reserves
	(In MBoe)		(In thousands)	(in MBoe)	
Gabon	2,783	38 %	$ 205,954	11,063	25 %
Egypt	2,585	35 %	145,966	9,448	21 %
Cote d'Ivoire[2]	1,058	15 %	95,082	16,381	36 %
Canada	870	12 %	31,986	8,126	18 %
Equatorial Guinea[3]	—	— %	—	—	— %
	7,296	100 %	$ 478,988	45,018	100 %

[1] Production volumes are reported on NRI basis.
[2] For the period from April 30, 2024, the close date of the Svenska Acquisition, through December 31, 2024.
[3] Undeveloped properties.

Gabon Segment

During 2024, our producing properties in Gabon produced approximately 2,783 MBoe or 38% of our total production. Our Gabon production for the period was 100% crude oil.

We own a working interest in, and are the operator of, the Etame PSC related to the Etame Marin block located offshore Gabon in West Africa. The Etame Marin block covers an area of approximately 46,200 gross acres located 20 miles offshore in water depths of approximately 250 feet. Currently, we own a 58.8% working interest in the Etame Marin block, and we are designated as the operator on behalf of the Etame Consortium. The block is subject to a 7.5% back-in carried interest by the government of Gabon, which they have assigned to a third party. Our working interest will decrease to 57.2% in June 2026 when the back-in carried interest increases to 10%.

The terms of the Etame PSC include provisions for payments to the government of Gabon for: royalties based on 13% of production at the published price and a shared portion of Profit Oil determined based on daily production rates, as well as a gross carried working interest of 7.5% (increasing to 10% beginning June 20, 2026) for all costs. The term of the Etame PSC extends through 2028 with two five-year options to extend the PSC (the "PSC Extension"). The PSC Extension provides us with the extended time horizon necessary to pursue developing the resources we have identified at Etame. The government of Gabon has currently elected to take its Profit Oil in-kind.

We are a member of the BWE Consortium that was provisionally awarded two blocks in the 12th Offshore Licensing Round in Gabon. The BWE Consortium and the government came to an agreement on the fiscal terms of the PSC on February 9, 2024. All parties to the BWE Consortium signed the PSC with the Gabonese Government during the fourth quarter of 2024. Pursuant to the terms of the PSC, BW Energy will be the operator with a 37.5% working interest, and VAALCO and Panoro Energy will have 37.5% and 25% working interests, respectively, as non-operating joint owners. The two blocks, covered by the PSC, Niosi Marin Block (previously G12-13) and the Guduma Marin Block (previously H12-13) cover an area of 2,989 square kilometers and 1,929 square kilometers, respectively, are adjacent to our Etame PSC

as well as BW Energy and Panoro's Dussafu PSC offshore Southern Gabon. In February 2025, the decree by the Gabonese government approving the PSCs for the Niosi Marin Block and the Guduma Marin Block was published.

Egypt Segment

For the year ended December 31, 2024, our Egypt Segment properties contributed approximately 2,585 MBoe or 35% of our total production. Our Egyptian production for the period was 100% crude oil.

In Egypt, our interests are spread across two regions: the Eastern Desert, which contains the West Gharib, West Bakr and North West Gharib merged concessions, and the Western Desert, which contains the South Ghazalat concession. The Eastern Desert merged concession is approximately 45,067 acres and the Western Desert, South Ghazalat concession, is approximately 7,340 acres. Both of our Egyptian blocks are subject to PSCs with EGPC, the Egyptian government and VAALCO. We have an equal ownership interest, with EGPC owning the other portion, in the joint venture that has a 100% working interest in both PSCs. The PSC for the Merged Concession has a term ending year 2035, while for South Ghazalat, we have until the end of March 2025 to extend the term of PSC depending on successful drilling activity.

Under the terms of the Merged Concession Agreement, the Company is obligated to make modernization payments to the Minister of Petroleum and Mineral Resources and is also required to deliver minimum financial work commitments. Please see Part IV, Item 15., Note 12. *Commitments and Contingencies*, to the Consolidated Financial Statements for further discussion on the modernization payments.

Cote d'Ivoire Segment

For the period from April 30, 2024, the closing date of the Svenska Acquisition, through December 31, 2024, the properties in Cote d'Ivoire produced approximately 1,058 MBoe or 15% of our total 2024 production. Our Cote d'Ivoire production for the period was 100% crude oil.

The Company holds a 27.4% non-operated working interest (30.4% paying interest) in CI-40 in the deepwater producing Baobab field in Block CI-40, offshore Cote d'Ivoire in West Africa. Crude oil from the Baobab field is produced to a dedicated FPSO with the associated natural gas delivered onshore via a subsea pipeline. The PSC license in Cote d'Ivoire has an initial term expiring on April 11, 2028 with a ten-year extension option that, if exercised, would extend the term until April 2038. The field has been developed with 24 subsea production wells and 5 water injector wells tied back to a leased FPSO. At year end, 9 of these wells were in production with the other 20 being shut in.

The FPSO will be in transit to dry dock in early 2025 for planned maintenance and upgrades. It has ceased hydrocarbon production as scheduled on January 31, 2025 and the final lifting of crude oil from the FPSO concluded on February 6, 2025. The project team mobilization efforts are on schedule and have significantly progressed, deploying the necessary workforce support vessels and equipment to facilitate the safe disconnection of the FPSO. The vessel is planned to be wet towed to the shipyards in Dubai for refurbishment upon departure from the field.

Significant development drilling is expected to begin in 2026 after the FPSO is expected to return to service with meaningful additions to production from the main Baobab field in CI-40.

Canada Segment

During 2024, the properties in Canada produced approximately 870 MBoe or 12% of our total production. Our Canadian production for the period was 40% crude oil, 29% natural gas and 31% NGLs.

We own production and working interests in Cardium light oil and Mannville liquids-rich gas assets in Harmattan, which is a core play in the Western Canadian Sedimentary Basis, and is located approximately 80 kilometers north of Calgary, Alberta. These properties produce oil and associated natural gas from the Cardium zone and liquids-rich natural gas from zones in the Lower Mannville and Rock Creek formations at vertical depths of 2,000 to 2,600 meters. The Harmattan property covers 49,100 gross acres of developed land and 28,900 gross acres of undeveloped land. We also own a 100% working interest in a large oil battery and a compressor station where a majority of oil volumes are processed. All gas is delivered to a third party non-operated gas plant for processing.

Under the Modernized Royalty Framework (the "MRF") in Alberta, producers initially pay a flat royalty of 5% on production revenue from each producing well until payout, which is the point at which cumulative gross revenues from the

well equals the applicable drilling and completion cost allowance. After payout, producers pay an increased royalty of up to 40% that will vary depending on the nature of the resource and market prices. Once the rate of production from a well is too low to sustain the full royalty burden, its royalty rate is gradually adjusted downward as production declines, eventually reaching a floor of 5%.

Equatorial Guinea Segment

We currently own a 60% working interest in an undeveloped portion of Block P offshore Equatorial Guinea where we are the designated operator. In the event that there is commercial production from Block P, the Company is obligated to make a potential future payment of $6.8 million to the national oil company of Equatorial Guinea, who is a party to the Block P PSC. The Block P PSC provides for a development and production period of 25 years, commencing from the first oil production from Block P. We have completed a feasibility study of a standalone production development opportunity of the Venus field discovery on Block P and submitted a plan of development ("Venus Plan of Development") to the Equatorial Guinea Ministry of Mines and Hydrocarbons ("EG MMH"), which was approved in September 2022. After further negotiations and the agreement on certain terms relating to the joint operations were reached, the EG MMH directed that activities relating to the Venus Plan of Development resume in August 2023. These developments required a Third Amendment to the Joint Operating Agreement before proceeding.

The Third Amendment to the Joint Operating Agreement ("JOA") was approved by all parties to the JOA, and the EG MMH in February 2024. With the approval of the JOA, the work could commence on the engineering for the Venus Development to enable a Final Investment Decision ("FID") on the Venus Development. The 2024 amended budget was approved by all partners in May 2024, and then approval was requested from EG MMH. At the end of the 30-day waiting period, the budget was deemed to be approved, and the corresponding Authorization for Expenditures was sent to all partners. It was unanimously approved in June 2024, and the implementation of the FEED phase was initiated. The project is on schedule and focuses on key areas of drilling evaluations, facilities design, market inquiries and metocean review. The ultimate objective is to obtain an FID determination by the end of the second quarter of 2025.

Production Sharing Contracts

Exploration and production activities of our assets in Gabon, Egypt, Cote d'Ivoire, and Equatorial Guinea are generally governed by PSCs.

Our oil entitlement under the PSCs is generally the sum of cost oil, profit oil and excess cost oil, if applicable. Under the terms of the PSCs, the Company is typically the contractor partner ("Contractor") and bears the risk and cost of exploration, development, and production activities. In return, if exploration is successful, the Contractor receives entitlement to variable physical volumes of hydrocarbons, representing recovery of the costs incurred ("Cost Oil") and a stipulated share of production after cost recovery ("Profit Oil").

The Contractor may be obligated to make royalty payments to the host government of each country using a variable percentage based on gross daily production levels. The remaining oil production, after deducting the gross royalty, if any, is split between Cost Oil and Profit Oil. Cost Oil is up to a maximum percentage and is allocated to recover approved operating and capital costs spent on specific projects. Excess Cost Oil, which is Cost Oil less the actual cost recovery, is further shared between the host government and the Contractor. Except as otherwise disclosed, all crude oil sales are priced at current market rates at the time of sale.

In Egypt, our share of royalties is paid out of the government's share of production, while in Gabon, the government receives a fixed royalty rate of 13%. Additionally, the income tax to which the Contractor is subject to ("Profit Oil Tax"), is deemed to have been paid to the host government as part of the payment of Profit Oil or is captured in the entitled share of Profit Oil production paid in-kind to the host government, and therefore no additional tax burden is due. Under this arrangement taxation is based on a set percentage of average daily production volume.

DRILLING ACTIVITY

The following table sets forth the total number of completed exploratory and development wells in 2024, 2023 and 2022 on a gross and net basis:

	Gross			Net		
	2024	**2023**	**2022**	**2024**	**2023**	**2022**
Exploratory wells						
Productive	—	—	—	—	—	—
Dry	—	2	2	—	2	2
In progress	—	—	—	—	—	—
Development wells						
Productive	**6**	18	9	**6**	18	7.4
Dry	—	—	—	—	—	—
In progress	**1**	—	1	**1**	—	1
Total wells	**7**	20	12	**7**	20	10.4

See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations, Recent Operational Updates,” for additional description of Vaalco’s drilling and completion activities during the year ended December 31, 2024.

ACREAGE AND PRODUCTIVE WELLS

The following table sets forth information as of December 31, 2024 relating to our leasehold acreage.

	Developed		Undeveloped		Total	
Acreage in thousands	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Gabon	6.9	4.1	39.4	23.1	46.3	27.2
Egypt	29.2	29.2	23.3	23.3	52.5	52.5
Cote d'Ivoire	3.5	1.0	43.3	11.4	46.8	12.4
Canada	49.1	44.6	28.9	24.9	78	69.5
Equatorial Guinea	—	—	57.3	34.4	57.3	34.4
Total acreage	88.7	78.9	192.2	117.1	280.9	196.0

Summary of Acreage Terms

The expiration dates of the term of our concessions associated with each operating area are as follows:

	Term	**Extension Option**
Gabon	2028	Two 5-Year Options
Egypt		
Merged Concession	2035	5 years
Western Desert[(1)]	2025	—
Cote d'Ivoire	2028	10 years
Equatorial Guinea	25 years from first oil production	

[(1)] We are currently in negotiations with EGPC to extend the term of the Western Desert concession as we continue to evaluate our strategic options in the area.

For Canada, a significant portion of undeveloped acres is generally held by production by areas that are producing reserves. At December 31, 2024, approximately 59% of Canada's net undeveloped acreage (14,584 acres) has no expiration risk within the next three years (2025 through 2027).

The following table sets forth information at December 31, 2024 relating to the productive wells in which we owned a working interest as of that date. Gross wells are the total number of producing wells in which we have an interest, and net wells are the sum of our fractional working interests owned in gross wells.

	Productive crude oil wells		Productive natural gas wells	
	Gross	Net	Gross	Net
Gabon	14	8.2	—	—
Egypt	130	130	—	—
Cote d'Ivoire	7	1.9	—	—
Canada	70	68.3	54	51.1
Total Productive crude oil wells	221	208.4	54	51.1

RESERVE INFORMATION

Estimated Reserves and Estimated Future Net Revenues

Reserve Data

The tables below sets forth our estimated net proved reserve quantities for the year ended December 31, 2024. The Gabon, Egypt and Cote d'Ivoire information was evaluated by the independent petroleum engineering firm, Netherland, Sewell & Associates, Inc. ("NSAI"). Canada information was evaluated by the independent firm, GLJ Ltd. ("GLJ"). The proved reserve quantities are calculated based on our NRI.

	Year Ended December 31, 2024			
	Crude Oil (MBbls)	Natural Gas (MMcf)[1]	NGLs (MBbls)	Total (MBoe)[1]
Proved developed reserves				
Gabon	6,830	—	—	6,830
Egypt	8,962	—	—	8,962
Cote d'Ivoire	118	47	—	126
Canada	1,480	10,490	1,744	4,972
Total proved developed reserves	17,390	10,537	1,744	20,890
Proved undeveloped reserves				
Gabon	4,233	—	—	4,233
Egypt	486	—	—	486
Cote d'Ivoire	15,134	6,504	—	16,255
Canada	1,286	5,590	936	3,154
Total proved undeveloped reserves	21,139	12,094	936	24,128
Total proved reserves	38,529	22,631	2,680	45,018

(1) To convert Natural Gas to MBoe, MMcf is divided by 6 for Canada reserves, and MMcf is divided by 5.8 for Cote d'Ivoire reserves.

In accordance with the current SEC guidelines, estimates of future net cash flow from our properties and the present value thereof are made using the average of the first-day-of-the-month price for each of the twelve months of the year adjusted for quality, transportation fees and market differentials. Such prices are held constant throughout the life of the properties except where such guidelines permit alternate treatment, including the use of fixed and determinable contractual price escalations.

For 2024 and 2023, the adjusted average prices of crude oil used for our reserves estimates were as follows:

	Year Ended December 31,	
	2024	2023
	Crude Oil ($/Bbl)	
Gabon	$ 81.08	$ 83.22
Egypt	$ 65.48	$ 64.59
Cote d'Ivoire	$ 79.70	$ —
Canada	$ 69.12	$ 71.67

For 2024 and 2023, the adjusted average prices for our reserves associated with natural gas and NGLs were as follows:

	Year Ended December 31,	
	2024	2023
Cote d'Ivoire		
Natural Gas ($/Mcf)	$ 2.77	$ —
Canada		
Natural Gas ($/Mcf)	$ 0.95	$ 1.91
Canada		
Ethane ($/Bbl)	$ 3.52	$ 5.20
Propane ($/Bbl)	$ 19.46	$ 20.18
Butane ($/Bbl)	$ 30.68	$ 36.69
Condensates ($/Bbl)	$ 69.59	$ 74.76

Standardized Measure

The following table sets forth the standardized measure of discounted future net cash flows:

	As of December 31,		
	2024	2023	2022
		(in thousands)	
Gabon	**$ 73,011**	$ 107,824	$ 244,427
Egypt	**135,139**	161,747	226,888
Cote d'Ivoire	**124,143**	—	—
Canada	**47,107**	72,363	153,150
Standardized measure of discounted future net cash flows	**$ 379,400**	$ 341,934	$ 624,465

The information set forth in the tables includes revisions for certain reserve estimates attributable to proved properties included in preceding years' estimates. Such revisions are the result of additional information from subsequent completions and production history from the properties involved or the result of an increase or decrease in the projected economic life of such properties resulting from changes in product prices, estimated operating costs and other factors. Crude oil amounts shown for Gabon, Egypt and Cote d'Ivoire are recoverable under the respective PSCs, and the reserves in place at the end of the contract remain the property of each host government. The reserves at the end of the contract, including extensions, are not included in the table above.

We do not reflect proved reserves on discoveries in our reserve estimates until such time as a development plan has been prepared and approved by our joint venture owners and the host government, where applicable.

There are numerous uncertainties inherent in estimating quantities of proved reserves and in projecting future rates of production and timing of development expenditures, including many factors beyond our control. Reserve engineering is a subjective process of estimating underground accumulations of crude oil, natural gas and NGLs that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and of engineering

and geological interpretation and judgment. The quantities of crude oil, natural gas and NGLs that are ultimately recovered, production and operating costs, the amount and timing of future development expenditures and future crude oil, natural gas and NGLs sales prices may all differ from those assumed in these estimates. The standardized measure of discounted future net cash flows should not be construed as the current market value of the estimated crude oil, natural gas and NGLs reserves attributable to our properties.

Proved Undeveloped Reserves

Historically, we have reviewed on an annual basis all of our PUDs to ensure an appropriate plan for development exists.

The following table discloses our estimated PUD reserve activities:

	Proved Undeveloped Reserves
	(MBoe)
Beginning proved undeveloped reserves at December 31, 2023	6,193
Undeveloped reserves converted to developed reserves	(56)
Acquisitions	15,670
Revisions	2,698
Extensions and discoveries	(377)
Ending proved undeveloped reserves at December 31, 2024	24,128

Our PUD reserves at December 31, 2024 increased by 17.9 MMBoe, primarily due to:

Acquisition — Acquisition of reserves of 15.7 MMBoe from the Svenska Acquisition.

Conversion to Proved Developed — Conversions of 0.1 MMBoe are attributable to our Egypt segment where one well was drilled, which was previously classified as PUDs was converted to proved developed producing ("PDP") as part of the 2024 drilling program. The Company spent approximately $11.4 million in 2024 to convert PUDs to PDPs in Egypt.

Revisions of Previous Estimates — We had positive revisions of 3.9 MMBoe primarily attributable to our Gabon segment due to increased recovery both from field performance and development activities, offset by negative revisions of 1.2 MMBoe in Canada.

Extensions and Discoveries — Extensions and discoveries of 0.4 MMBoe are primarily due to our Canada segment where the wells drilled in 2024 proved up areas surrounding the drilling locations and future drilling locations were added in that area.

Controls over Reserve Estimates

Our policies and practices regarding internal controls over the recording of reserves are structured to objectively and accurately estimate our crude oil, natural gas, and NGLs reserves quantities and present values in compliance with SEC regulations and generally accepted accounting principles in the U.S. ("GAAP"). Compliance with these rules and regulations with respect to our reserves is the responsibility of the Technical & Reserves Committee of the Board of Directors (the "Technical & Reserves Committee") and our reservoir engineer, who is our principal engineer. Our principal engineer has over 30 years of experience in the crude oil and natural gas industry, including over 10 years as a reserve evaluator and trainer, and is a qualified reserves estimator, as defined by the Society of Petroleum Engineers' standards. Further professional qualifications include a Master's degree in petroleum engineering and Texas Professional Engineering (PE) certification, extensive internal and external reserve training, and asset evaluation and management. In addition, the principal engineer is an active participant in industry reserve seminars, professional industry groups and is a member of the Society of Petroleum Engineers. The Technical & Reserves Committee meets periodically with senior management to discuss matters and policies related to reserves.

Our controls over reserve estimation include engaging and retaining qualified independent petroleum and geological firms with respect to reserves information. We provide information to our independent reserve engineers about our crude oil, natural gas and NGLs properties in Gabon, Egypt, Cote d'Ivoire and Canada which includes, but is not limited to, production profiles, ownership and production sharing rights, prices, costs and future drilling plans. Our independent reserve engineers prepare their own estimates of the reserves attributable to our properties. The reserves estimates for our

Gabon, Egypt, Cote d'Ivoire and Canada assets shown herein have been independently evaluated by NSAI (Gabon, Egypt and Cote d'Ivoire), GLJ (Canada) and our Technical & Reserves Committee.

NET VOLUMES SOLD, PRICES, AND PRODUCTION COSTS

Net volumes sold, average sales prices per unit, and production costs per unit for our 2024, 2023 and 2022 operations are shown in the tables below.

	Production Volumes [3]			Sales Volumes [3]			Average Sales Price [3]			Average Production Cost [3]
	Crude Oil (MBbl)	Natural Gas (MMcf)	NGLs (MBbl)	Crude Oil (MBbl)	Natural Gas (MMcf)	NGLs (MBbl)	Crude Oil (Per Bbl)	Natural Gas (per Mcf)	NGLs (Per Bbl)	Total (per BoE)
Year Ended December 31, 2024										
Gabon	2,783	—	—	2,584	—	—	$ 78.81	$ —	$ —	$ 24.08
Egypt	2,585	—	—	2,585	—	—	56.47	—	—	19.64
Cote d'Ivoire [1]	1,058	—	—	1,223	—	—	77.74	—	—	31.08
Canada	350	1,542	269	350	1,542	269	70.69	1.04	25.43	12.99
Total	6,776	1,542	269	6,742	1,542	269	$ 65.64	$ 1.04	$ 25.43	$ 22.51
Year Ended December 31, 2023										
Gabon	3,197	—	—	3,196	—	—	$ 79.80	$ —	$ —	$ 27.26
Egypt	2,771	—	—	2,771	—	—	58.11	—	—	19.77
Canada	334	1,528	270	334	1,528	270	71.88	1.93	26.58	11.02
Total	6,302	1,528	270	6,301	1,528	270	$ 69.84	$ 1.93	$ 26.58	$ 22.16
Year Ended December 31, 2022										
Gabon	2,971	—	—	2,919	—	—	$ 103.09	$ —	$ —	$ 33.18
Egypt[2]	547	—	—	547	—	—	69.00	—	—	21.84
Canada[2]	72	396	73	93	335	63	79.56	4.00	36.12	9.33
Total	3,590	396	73	3,559	335	63	$ 97.24	$ 4.00	$ 36.12	$ 30.12

(1) Reflects sales and production costs from April 30, 2024 through December 31, 2024 related to the Svenksa Acquisition.
(2) Reflects sales and production costs from October 14, 2022 through December 31, 2022 related to the TransGlobe Acquisition.
(3) The production volumes, average sales price, sales volumes and per Boe information are reported on NRI basis.

AVAILABLE INFORMATION

VAALCO Energy, Inc. is a Delaware corporation, incorporated in 1985 and headquartered at 2500 CityWest Blvd., Suite 400, Houston, Texas 77042. Our telephone number is (713) 623-0801 and our website address is www.vaalco.com. We make available, free of charge on our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, at https://www.vaalco.com/investors/sec-filings as soon as reasonably practicable after such reports are electronically filed with or furnished to the SEC. These reports and other information are also available on the SEC's website at https://www.sec.gov. Information contained on our website and the SEC's website is not incorporated by reference into this Annual Report. We have placed on our website copies of charters for our Audit Committee, Compensation Committee and Environmental, Social and Governance Committee as well as our Code of Business Conduct and Ethics ("Code of Ethics"), Corporate Governance Principles and Code of Ethics for the CEO and Senior Financial Officers. Stockholders may request a printed copy of these governance materials by writing to the Company Secretary, VAALCO Energy, Inc., 2500 CityWest Blvd., Suite 400, Houston, Texas 77042. We intend to disclose updates or amendments to our Code of Ethics and Code of Ethics for the CEO and Senior Financial Officers on our website within four business days following the date of such update or amendment.

CUSTOMERS

For the years ended December 31, 2024, 2023 and 2022, our revenue concentration by customer for each operating segment are shown on the table below.

	Year Ended December 31,		
	2024 [1]	**2023**	**2022** [2]
Gabon	100%	100%	100%
Egypt	100%	62% and 38%	100%
Cote d'Ivoire	87% and 13%	—	—
Canada	41%, 32% and 21%	52%, 37% and 7%	54%, 32% and 14%

(1) For Cote d'Ivoire, reflects sales from April 30, 2024 through December 31, 2024 related to the Svenska Acquisition.
(2) For Egypt and Canada, reflects sales from October 14, 2022 through December 31, 2022 related to the TransGlobe Acquisition.

EMPLOYEES AND HUMAN CAPITAL RESOURCE MANAGEMENT

We operate on the fundamental philosophy that people are our most valuable asset as every person who works for us has the potential to impact our success. Identifying quality talent is at the core of everything we do and our success is dependent upon our ability to attract, develop and retain highly qualified employees. Our core values include honesty/integrity, treating people fairly, high performance, efficient and effective processes, open communication and being respected in our local communities. These values establish the foundation on which our culture is built and represent the key expectations we have of our employees. We believe our culture and commitment to our employees creates an environment that allows us to attract and retain our qualified talent, while simultaneously providing significant value to us and our stockholders by helping our employees attain their highest level of creativity and efficiency.

Demographics

As of December 31, 2024, we had 230 full-time employees, 119 of whom were located in Gabon, 39 in Egypt, 11 in Canada, 1 in Cote d'Ivoire, 1 in Equatorial Guinea, 54 in Houston and 5 corporate employees based in London. We also had 61 contractors in Gabon, 14 contractors in Egypt, 6 contractors in Canada and 24 contractors in Houston as of December 31, 2024. We are not subject to any collective bargaining agreements, although some of the national employees in Gabon are members of the NEOP (National Organization of Petroleum Workers) union. We believe relations with our employees are satisfactory.

Diversity and Inclusion

We value building diverse teams, embracing different perspectives and fostering an inclusive, empowering work environment for our employees. We have a long-standing commitment to equal employment opportunity as evidenced by our Equal Employment Opportunity policy. Approximately 19% of our management team are female employees, 96% of our Gabon workforce is Gabonese and 85% of our Egypt workforce is Egyptian.

Compensation and Benefits

Critical to our success is identifying, recruiting, retaining, and incentivizing our existing and future employees. We strive to attract and retain the most talented employees in the industry by offering competitive compensation and benefits. Our pay-for-performance compensation philosophy is based on rewarding each employee's individual contributions and striving to achieve equal pay for equal work regardless of gender, race or ethnicity. We use a combination of fixed and variable pay including base salary, bonus, and merit increases, which vary across the business. In addition, as part of our long-term incentive plan for executives and certain employees, we provide share-based compensation to foster our pay-for-performance culture and to attract, retain and motivate our key leaders.

As the success of our business is fundamentally connected to the well-being of our people, we offer benefits that support their physical, financial and emotional well-being. We provide our employees with access to flexible and convenient medical programs intended to meet their needs and the needs of their families. In addition to this medical coverage, we offer eligible employees dental and vision coverage, health savings and flexible spending accounts, paid time off, employee assistance programs, voluntary short-term and long-term disability insurance and term life insurance. Additionally, we

offer a 401(k) Savings Plan and Deferred Compensation Plan to certain employees. Certain employees receive additional compensation for working in foreign jurisdictions.

Workplace environment is also crucial in attracting and retaining key talent. Most of our offices offer a certain level of flexibility (i.e. work from home days and/or flexible core hours) to help meet the needs of the multigenerational workforce and the needs of the business. Our benefits and compensation packages vary by location and are designed to meet or exceed local laws and to be competitive in the marketplace.

Commitment to Values and Ethics

Along with our core values, we act in accordance with our Code of Ethics, which sets forth expectations and guidance for employees to make appropriate decisions. Our Code of Ethics covers topics such as anti-corruption, discrimination, harassment, privacy, appropriate use of company assets, protecting confidential information, and reporting Code of Ethics violations. The Code of Ethics reflects our commitment to operating in a fair, honest, responsible and ethical manner and also provides direction for reporting complaints in the event of alleged violations of our policies (including through an anonymous hotline). Our executive officers and supervisors maintain “open door” policies and any form of retaliation is strictly prohibited.

Professional Development, Safety and Training

We believe that key factors in employee retention are professional development, safety and training. We have training programs across all levels to meet the needs of various roles, specialized skill sets and departments across the Company. We provide compliance education as well as general workplace safety training to our employees and offer Occupational Safety and Health Administration training to key employees. We are committed to the security and confidentiality of our employees’ personal information and employ software tools and periodic employee training programs to promote security and information protection at all levels. We utilize certain employee turnover rates and productivity metrics in assessing our employee programs to ensure that they are structured to instill high levels of in-house employee tenure, low levels of voluntary turnover and the optimization of productivity and performance across our entire workforce. Additionally, we have a performance evaluation program which adopts a modern approach to valuing and strengthening individual performance through on-going interactive progress assessments related to established goals and objectives.

Communication and Engagement

We strongly believe that our success depends on employees understanding how their work contributes to our overall strategy. To this end, we communicate with our workforce through a variety of channels and encourage open and direct communication, including: (i) quarterly company-wide CEO updates; (ii) regular company-wide calls with management and (iii) frequent corporate email communications.

COMPETITION

The crude oil, natural gas and NGLs industry is highly competitive. Competition is particularly intense from other independent operators and from major crude oil, natural gas and NGLs companies with respect to acquisitions and development of desirable crude oil, natural gas and NGLs properties and licenses, and contracting for drilling equipment. There is also competition for the hiring of experienced personnel. In addition, the drilling, producing, processing and marketing of crude oil, natural gas and NGLs is affected by a number of factors beyond our control, which may delay drilling, increase prices and have other adverse effects, which cannot be accurately predicted.

Our competition for acquisitions, exploration, development and production includes the major crude oil, natural gas and NGLs companies in addition to numerous independent crude oil companies, individual proprietors, investors and others. We also compete against companies developing alternatives to petroleum-based products, including those that are developing renewable fuels. Many of these competitors have financial and technical resources and staff that are substantially larger than ours. As a result, our competitors may be able to pay more for desirable crude oil, natural gas and NGLs assets, or to evaluate, bid for and purchase a greater number of properties and licenses than our financial or personnel resources will permit. Furthermore, these companies may also be better able to withstand the financial pressures of lower commodity prices, unsuccessful wells, volatility in financial markets and generally adverse global and industry-wide economic conditions. These companies may also be better able to absorb the burdens resulting from changes in relevant laws and regulations, which may adversely affect our competitive position. Our ability to generate reserves in the

future will depend on our ability to select and acquire suitable producing properties and/or develop prospects for future drilling and exploration.

INSURANCE

For protection against financial loss resulting from various operating hazards, we maintain insurance coverage, including insurance coverage for certain physical damage, blowout/control of a well, comprehensive general liability, worker's compensation and employer's liability. We maintain insurance at levels we believe to be customary in the industry to limit our financial exposure in the event of a substantial environmental claim resulting from sudden, unanticipated and accidental discharges of certain prohibited substances into the environment. Such insurance might not cover the complete claim amount and would not cover fines or penalties for a violation of environmental law. We are not fully insured against all risks associated with our business either because such insurance is unavailable or because premium costs are considered uneconomic. A material loss not fully covered by insurance could have an adverse effect on our financial position, results of operations or cash flows.

REGULATORY

General

Our operations and our ability to finance and fund our operations and growth are affected by political developments and laws and regulations in the areas in which we operate. In particular, crude oil, natural gas and NGLs production operations and economics are affected by:

- change in governments;
- civil unrest;
- price and currency controls;
- limitations on crude oil, natural gas and NGLs production;
- tax, environmental, safety and other laws relating to the petroleum industry;
- changes in laws relating to the petroleum industry;
- changes in administrative regulations and the interpretation and application of administrative rules and regulations; and
- changes in contract interpretation and policies of contract adherence.

In any country in which we may do business, the crude oil, natural gas and NGLs industry legislation and agency regulation are periodically changed, sometimes retroactively, for a variety of political, economic, environmental and other reasons, the impact of which could substantially increase our costs or affect our operations. Numerous governmental departments and agencies issue rules and regulations binding on the crude oil, natural gas and NGLs industry. Failure to comply with these laws and regulations may result in the suspension or termination of our operations and subject us to administrative, civil and criminal penalties. The regulatory burden on the crude oil, natural gas and NGLs industry increases our cost of doing business and our potential for economic loss.

Gabon

The 2019 Hydrocarbons Law in Gabon contains provisions applicable to both the upstream and downstream segments. However, despite the publication of the 2019 Hydrocarbons Law, there are various issues and matters yet to be fully enacted by implementing regulations. Under the transitory provision contained in the 2019 Hydrocarbons Law, existing PSCs and other petroleum contracts, permits and authorizations remain in full force and effect until their expiration. However, any renewal or extension of those instruments is subject to the provisions of the 2019 Hydrocarbons Law, and its implementing regulations.

The 2019 Hydrocarbons Law also provides for obligations for immediate application, irrespective of the date of signature of existing PSCs or petroleum contracts and/or granting of petroleum permits and authorizations. These include (i) the requirement for foreign producers and explorers applying for an exclusive development and production authorization to conduct their operations in Gabon through a company incorporated in Gabon rather than through branches of entities incorporated in other jurisdictions; and (ii) the obligation for all companies undertaking hydrocarbon activities to domicile their site rehabilitation funds with the Bank of Central African States, which is the Central African Economic and

Monetary Community ("CEMAC") or a Gabonese bank or financial institution subject to the Central African Banking Commission, which supervises banks and financial institutions licensed to operate in CEMAC countries, within one year after the entry into force of the 2019 Hydrocarbons Law.

PSCs entered into between independent contractors and the State of Gabon since the implementation of the 2019 Hydrocarbons Law must include a clause providing that participation by the State of Gabon cannot exceed a 10% participating interest in the operations, to be carried by the contractor.

Under the 2019 Hydrocarbons Law, the direct or indirect assignment of a Contractor's rights or obligations to third parties (non affiliates) under the PSC is subject to approval of the Minister of Petroleum. The State and the national operator have preemption rights, which the State must exercise within 60 days and the national operator must exercise within 45 days if the State does not exercise its rights within the 60 days. The preemption right of the State and the national operator also applies in change of control situations. In February 2024, the State/national operator exercised its preemption right in a share transaction involving a number of PSCs and concessions already in effect prior to 2014.

The 2019 Hydrocarbons Law also entitles the national operator to acquire a maximum 15% stake at market value in all PSCs as of the date of signature. Further, it also provides that the State of Gabon may acquire an equity stake of up to 10%, at market value, in an operator applying for or already holding an exclusive development and production authorization.

Egypt

Laws and Regulations

The Egyptian Ministry of Petroleum and Mineral Resources ("MOP") is the ministerial governmental authority responsible for the regulation and development of the oil and gas industry in Egypt. Certain government agencies ("government entities") have been set up to help the MOP achieve its objectives.

Under the Egyptian Constitution, all oil and gas resources are under the control of the State of Egypt. Accordingly, only the State can grant rights for exploration and exploitation of oil and gas resources for interested investors. The Egyptian Constitution provides that concessions for the exploitation of such resources shall be issued by virtue of a law for a period not exceeding 30 years.

Concession Agreement

The mechanism for granting a contractor the right to carry out oil and gas exploration and development activities is the concession agreement. Concession agreements have the force and privileges of law in Egypt, meaning each agreement is an Egyptian Act of Parliament. The concession agreement overrides any contradictory Egyptian laws but not the Egyptian Constitution. In the absence of any legal rule under the relevant concession agreement, the exploration and exploitation operations will be subject to the rules of the Fuel Materials Law No. 66/1953, as amended, and its executive regulation issued by Minister of Industry Decree No. 758/1972, as amended (the "Fuel Materials Law"), and related ministerial decrees, where applicable.

Concession agreements usually follow a standard format which may be updated by the MOP and the relevant government entity from time to time, with slight variations. The commercial terms of concession agreements are open to negotiation, but each concession agreement will typically set out certain factors such as: (i) minimum work and financial commitments associated with each exploration and development program; (ii) any bonus payment(s) to be paid by the contractor to the relevant government agency upon triggering events (usually tied to certain production milestones); (iii) royalties payable to the government in cash or in kind; (iv) exploration and development periods and extensions of each; (v) rules concerning the contractor's recovery of its costs and expenses in association with exploration, development and related operations; (vi) production sharing valuations; (vii) priority right to the relevant government entity to offtake the production for domestic needs; (viii) relinquishment obligations and the associated triggering events; and (ix) requirements and procedures to convert an area to a development and to obtain a development lease, conclude sales and offtake agreement, and to dispose of the contractor's share of production.

Cost Recovery and Production Allocation

The concession agreement will set out in detail the distribution of cost recovery for the contractor, including a dedicated annex outlining the accounting procedures for treatment of costs, expenses, and taxes under the concession agreement.

Typically, the contractor bears all the risks until a commercial discovery is made, and, following which, the joint operating committee ("JOC") is formed. The contractor will then be entitled to recover a certain percentage of its costs related to its previous and ongoing exploration and development activities in proportion to its working interest in the concession agreement. These costs may be recovered from the total petroleum production at a rate set out under the concession agreement on a quarterly basis. If the recoverable expenditures exceed the amount recoverable from petroleum production in any period, the unrecovered portion of the expenditures can usually be carried forward to subsequent periods. Full title to fixed and movable assets that are charged to cost recovery will usually pass from the contractor to the relevant government agency when its total costs have been recovered in accordance with the concession agreement, or at the time of relinquishment of the concession agreement with respect to all assets chargeable to the operations whether recovered or not, whichever occurs earlier.

Ownership of Assets

Under the model concession agreements, the movable and immovable assets (other than lands, which become the government entities' property as of the purchase thereof) are transferred automatically and gradually from the contractor to the government entity, as they become subject to cost recovery pursuant to the cost recovery provisions of the concession. The contractor (through the JOC) only has the right to use such assets for the purpose of petroleum operations under the concession agreement.

Termination and Revocation of Concession

The concession agreement is terminated by the lapse of its term, unless terminated prematurely. In addition, the government has the right to prematurely terminate the concession agreement in several instances set out in the concession. The government may, among other things, terminate the concession in the event of a misrepresentation by the contractor, an assignment of the contractor's rights without obtaining the required approvals, or the contractor being declared bankrupt, or committing any material breach under the concession or the Fuel Materials Law. If the government deems that one of these causes (other than force majeure events) exists, it will give the contractor 90 days' written notice to remedy and remove the cause. If, at the end of the 90-day notice period, the cause has not been remedied and removed, the concession agreement may be terminated by a presidential decree.

Cote d'Ivoire

The Petroleum Code of Cote d'Ivoire (the "Petroleum Code") is the main legislation governing the country's oil and gas sector. Due to the general nature of the Petroleum Code, most of the specific provisions governing petroleum exploration and production are included in petroleum contracts (the "Petroleum Contracts") which implement the principles of the Extractive Industries Transparency Initiative, a global framework for disclosure and multi-stakeholder oversight. The Uniform Acts adopted by the Organization for the Harmonisation of Business Law in Africa (the "OHADA"), of which Cote d'Ivoire is a member state, apply to companies carrying out oil and gas activities in Cote d'Ivoire, especially the OHADA Companies Act. Oil and gas activities are subject to exchange control regulations applicable within the West African Economic and Monetary Union, which is an organization of West African states established to promote economic integration among countries that share the CFA franc as a common currency, and the Economic Community of West African States, a regional group of West African nations created to promote economic integration across the region. The main regulatory oversight bodies in Cote d'Ivoire include, among others, the Ministry of Mines, Petroleum and Energy, the Direction Générale des Hydrocarbures, the Department of Hydrocarbons, and Société Nationale d'Opérations Pétroliéres de la Cote d'Ivoire, the national oil company for oil and gas operations.

The Petroleum Code requires abandonment and rehabilitation obligations to be included in the Petroleum Contracts. In addition, the Petroleum Code provides for the obligation to include environmental provisions, in particular environmental management plans, in the Petroleum Contracts.

Canada

Pursuant to The Constitution Act, 1867 (Canada), the Canadian federal government has primary jurisdiction over interprovincial oil and gas pipelines, import and export trade in oil and gas, and offshore oil and gas exploration and production. Proposed interprovincial pipeline projects require a regulatory review by the Canada Energy Regulator under the Canadian Energy Regulator Act (Canada) to proceed. An impact assessment by the Impact Assessment Agency and a determination by the Cabinet that a pipeline project is in the public interest will also likely be required under the Impact Assessment Act (Canada)("IAA"). Certain oil and gas projects were subject to federal environmental assessments prior to the Supreme Court of Canada finding the "designated projects" component of the IAA to be unconstitutional in a judgment

released on October 13, 2023. The federal government has yet to introduce legislative changes to the IAA clarifying the scope of federal environmental assessments following the Supreme Court of Canada's ruling.

The Alberta Energy Regulator ("AER") is the primary regulator of resource development in Alberta. It derives its authority from the Responsible Energy Development Act (Alberta) and several related statutes. AER regulatory approval is required for all oil and natural gas projects or activities in Alberta. An environmental impact assessment under the Environmental Protection and Enhancement Act (Alberta) will also likely be required.

In addition to conducting project approvals, the AER regulates the lifecycle of projects and performs ongoing monitoring of oil and gas projects to ensure compliance with standards and conditions set out in the licenses and approvals it issues and in the AER directives and regulations. The AER also oversees project closure obligations.

Canada also has extensive climate change regulations at both the federal and provincial level mandating greenhouse gas ("GHG") emission reductions by oil and natural gas producers. The federal government enacted the Greenhouse Gas Pollution Pricing Act (Canada) (the "GGPPA"), which came into force on January 1, 2019. One component of this regime is an emissions trading system for large industry. The GGPPA allows provinces to develop their own carbon pollution pricing systems that meet the minimum federal benchmark, failing which the federal carbon pollution pricing system applies. Alberta's Technology Innovation and Emissions Reduction Regulation ("TIER") regulates emissions of heavy industry in line with federal standards and has since been amended broadening the scope of "large emitters" subject to TIER and strengthening facility specific benchmarks, among other things. The Government of Alberta also enacted the Methane Emission Reduction Regulation (Alberta), which, in line with AER Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting and AER Directive 017: Measurement Requirements for Oil and Gas Operations sets vent gas limits for methane per month, which are monitored through the collection of representative measuring data.

In Canada, there is a general presumption against the retroactive application of legislation absent an express statutory statement to the contrary. Significant changes to oil and gas regulations impacting existing projects are also often implemented through a prospective phase-in approach.

Equatorial Guinea

All hydrocarbons existing in Equatorial Guinea's onshore territory, as well as in its sovereign and jurisdictional waters, are Equatorial Guinea property and part of the public domain. The monetization of such hydrocarbons is to be pursued exclusively by Equatorial Guinea under its constitution, which reserves the exploitation of mineral and hydrocarbons resources exclusively to Equatorial Guinea and the public sector. However, the constitution also provides that Equatorial Guinea can delegate to, grant a concession to or associate itself with private parties for purposes of exploration and production activities in the manner and cases set forth by law.

All contracts signed with the State of Equatorial Guinea for the exploration and production of hydrocarbons have taken the form of PSCs. PSCs are subject to ratification by the President of the Republic of Equatorial Guinea and become effective only on the date the contractor is notified of presidential ratification. The powers to sign and amend PSCs and supervise their performance belong to the ministry responsible for petroleum operations (the "EG Petroleum Ministry"). In addition, the national oil company of Equatorial Guinea holds, manages and takes participations in petroleum activities on behalf of Equatorial Guinea.

The 2006 Hydrocarbons Law currently in effect in Equatorial Guinea (the "Hydrocarbons Law") incorporates the regime applicable to the exploration, appraisal, development and production of hydrocarbons, as well as the rules on their transportation, distribution, storage, preservation, decommissioning, refining, marketing, sale and other disposal. The Hydrocarbons Law contains provisions on a number of aspects concerning exploration and production operations and contracts, such as national content obligations, unitization, transfers and abandonment. The EG MMH, which is currently the appointed EG Petroleum Ministry, has been exercising the powers contained within the Hydrocarbons Law.

ENVIRONMENTAL REGULATIONS

General

Our operations are subject to various federal, state, local and international laws and regulations, including laws and regulations in Gabon, Egypt, Cote d'Ivoire, Canada and Equatorial Guinea, governing the discharge of materials into the environment or otherwise relating to environmental protection or pollution control. The cost of compliance could be significant. While we are currently complying in all material respects with all environmental laws and regulations, failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial and damage payment obligations, or the issuance of injunctive relief (including orders to cease operations). Environmental laws and regulations are complex and have tended to become more stringent over time. We also are subject to various environmental permit requirements. Some environmental laws and regulations may impose strict liability, which could subject us to liability for conduct that was lawful at the time it occurred or joint and several liability, which could subject us to liability for conduct or conditions caused by prior operators or third parties. To the extent laws are enacted or other governmental action is taken that prohibits or restricts drilling or imposes environmental protection requirements that result in increased costs to the crude oil, natural gas and NGLs industry in general, our business and financial results could be adversely affected. Although no assurances can be made, we believe that, absent the occurrence of an extraordinary event, compliance with existing laws, rules and regulations regulating the release of materials into the environment or otherwise relating to the protection of the environment will not have a material effect upon our capital expenditures, earnings or competitive position with respect to our existing assets and operations. We cannot predict, however, what effect future environmental regulation or legislation, enforcement policies, or claims for damages to property, employees, other persons, the environment or natural resources could have on us.

In addition, a number of governmental bodies have adopted, have introduced or are contemplating regulatory changes in response to the potential impact of climate change. Legislation, increased regulation and litigation regarding climate change could impose significant costs on us, our joint venture owners, and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting, and other costs to comply with such regulations. For example, several nations, including Gabon, Egypt, Cote d'Ivoire, Canada and Equatorial Guinea, have signed and officially entered into an international climate change accord (the "Paris Agreement"). The Paris Agreement calls for signatory countries to set their own GHG emissions targets, make these emissions targets more stringent over time and be transparent about the GHG emissions reporting and the measures each country will use to achieve its GHG targets. A long-term goal of the Paris Agreement is to limit global temperature increase to well below two degrees Celsius from temperatures in the pre-industrial era. The Paris Agreement is effectively a successor agreement to the Kyoto Protocol treaty, an international treaty aimed at reducing emissions of GHG, to which various countries and regions are parties. On January 20, 2025, the US President signed an executive order to withdraw the United States from the Paris Agreement for the second time. Such executive order could impact the SEC's adopted new rules requiring public companies to disclose extensive climate-related information in their SEC filings, which the SEC voluntarily stayed followed a number of petitions for review filed against the SEC that were consolidated before the US Court of Appeals for the Eighth Circuit.

The State of Gabon and the Republic of Equatorial Guinea did not sign the Global Renewables and Energy Efficiency Pledge at COP 28. However, a few oil companies operating in Gabon signed the Oil and Gas Decarbonization Charter at COP 28.

The United States has previously announced a target for the US to achieve a 50-52% reduction from 2005 levels in economy-wide GHG emissions by 2030. Following the Paris Agreement and its ratification in Canada, the Government of Canada also pledged to cut its emissions by 40-45% from 2005 levels by 2030. In June 2021, the Canadian federal government passed the Canadian Net-Zero Emissions Accountability Act (Canada), which provides a legal foundation and framework for Canada to achieve net-zero GHG emissions by 2050. In November 2024, the Canadian government released draft regulations aimed at capping GHG emissions from the oil and gas sector. Of note, the proposed regulations set a cap on GHG emissions within the sector, equivalent to 35% below 2019 levels by 2030 and introduce a cap-and-trade system designed to recognize better-performing companies and incentivize higher polluters to invest in cleaner production processes

Given the political significance and uncertainty around the impact of climate change and how it should be dealt with, we cannot predict how legislation and regulation, including the Paris Agreement and any related GHG emissions targets, potential prices on carbon emissions, incentives to use renewable forms of energy or other requirements, will affect our financial condition and operating performance. Apart from any new legal developments, increased awareness and any

adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation, restrict our access to capital or impact the marketability of crude oil, natural gas and NGLs. In addition, the potential physical impacts of climate change on our operations are highly uncertain and would be particular to the geographic circumstances in areas in which we operate. These may include changes in rainfall amounts, storm patterns and storm intensities, water shortages, changing sea levels, and changing temperatures. These impacts may adversely impact the cost, production, and financial performance of our operations.

In part because they are economically developing countries, it is unclear how quickly and to what extent Gabon, Equatorial Guinea or Egypt will increase their regulation of climate change issues in the future. As of the date of this Annual Report, Equatorial Guinea has not adopted any new environmental legislation. Gabon has adopted Ordinance No. 019/2021 of September 13, 2021 on Climate Change, which ratification law has been published in the Official Gazette, with the objective of complying with the Paris Agreement (the "Ordinance on Climate Change"). The Ordinance on Climate Change particularly aims to: (a) provide a framework for targets to be set for controlling and reducing emissions and for increasing GHG absorption in the national climate change strategy and the national plans for climate change adaptation and mitigation; (b) define and develop tools and mechanisms for climate change adaptation and mitigation; (c) provide a framework for, and implement, strategies for adaptation, monitoring mitigation and assessment, action plans, policies, programs and adaptation and mitigation measures; (d) provide a framework and take effective response for adaptation and mitigation measures to facilitate the setting of specific sustainable development, security and energy efficiency goals; (e) promote and manage sustainable development through climate change mitigation and adaptation activities; (f) establish climate change financing mechanisms; and (g) complement international instruments addressing climate change. It also sets forth climate adaptation and mitigation measures for carbon intensive operators (which include petroleum companies) such as (a) the establishment of a National Plan on the Reduction of Gas Flaring with a zero flaring objective; (b) the establishment of a GHG emissions database and quota system, (c) a carbon offset register, and (d) penalties and sanctions for not complying with such measures. Egypt ratified the United Nations Framework Convention on Climate Change (“UNFCCC”) in 1994, signed the Paris Agreement in 2016 and ratified it in 2017. Egypt is among the top affected countries by climate change. Egypt is already implementing plans pertaining to energy resources diversification and acceleration of decreased carbon emissions, in line with its “Sustainable Development Strategy: Egypt Vision 2030”, the “Integrated Sustainable Energy Strategy 2035” and its “National Climate Change Strategy 2050”. Egypt was also host to the United Nations Climate Change Conference-COP27, during which the role of the oil and gas sector was the highlight of the “Decarbonization Day” thereof. Egypt submitted in June 2023 a revised Nationally Determined Contribution (“NDC”) to the United Nations Development Programme, focusing on Egypt’s commitment to reduce emissions by 65% in the oil and gas sector (1.7 Mt CO2e) by 2030, increasing renewable energy capacities and alternative energy (including natural gas) sources to generate 42% of electricity by 2035, and increased policy actions and measures across key sectors including the oil and gas sector. In December 2023, during COP28, Egypt formally launched the first African voluntary carbon marketplace.

In addition to the ratification of the Paris Agreement, Côte d'Ivoire has implemented various climate regulations and policies to address the challenges of climate change. A Central Directorate in charge of the Fight against Climate Change was established to coordinate climate action. In 2022, Côte d'Ivoire submitted its revised NDC for 2021-2030, committing to reduce GHG emissions by 30.41% by 2030. The National Development Plan 2021-2025 includes climate change as one of its six priority areas. Other key climate-related policies include the National Gender and Climate Change Strategy, and the National REDD+ Strategy which look to develop credible carbon credit programs. Additionally, Côte d'Ivoire has joined international climate initiatives such as the Clean Development Mechanism and the Climate and Clean Air Coalition.

The Carbon Border Adjustment Mechanism (“CBAM”) is the EU's carbon pricing tool designed to reduce carbon emissions and prevent carbon leakage by imposing a carbon price on certain imported goods. It requires importers to report embedded emissions in their products and eventually purchase CBAM certificates. Currently it applies to imports of cement, iron and steel, aluminum, fertilizers, hydrogen, and electricity with the aim to create a level playing field between EU and non-EU producers while encouraging cleaner industrial production globally. CBAM is poised to significantly reshape the global oil and gas trade landscape. As the mechanism gradually expands to encompass the oil and gas sector by 2028, with full coverage expected by 2036, industry players are bracing for substantial shifts in market dynamics. Based on WoodMac Research, CBAM's implementation could potentially increase crude and refined product prices by up to $5 per barrel, translating to approximately 30 euro cents per liter at the pump for consumers. This price adjustment is likely to alter the competitive landscape, favoring low-emission intensity crudes and potentially reshaping trade flows as producers and refiners adapt their strategies to maximize value in a carbon-constrained market.

Moreover, Gabon has recently adopted Law no. 007/2023 of November 2, 2023 on the prevention and management of disasters, which requires companies conducting activities defined as dangerous or operating at facilities that are deemed to have an impact on the environment, to obtain, as relevant, authorizations, or establish operational plans. There are no further guidelines on whether and how it will apply to the petroleum industry.

Any significant increase in the regulation or enforcement of environmental issues in any of our operating areas could have a material effect on us. Economically developing countries, in certain instances, have patterned environmental laws after those in the U.S. However, the extent that any environmental laws are enforced in economically developing countries varies significantly.

With regards to our development operations offshore West Africa, we are a member of Oil Spill Response Limited ("OSRL"), a global emergency and crude oil spill-response organization headquartered in London. OSRL has aircraft and equipment available for dispersant application or equipment transport, including various boom systems that can be used for offshore and shoreline recovery operations. In addition, VAALCO has a Tier 1 spill kit in-country for immediate deployment if required. See "*Item 1A. Risk Factors*" for further discussion on the impact of these and other regulations relating to environmental protection.

Item 1A. Risk Factors

Our business faces many risks. You should carefully consider the following risk factors in addition to the other information included in this Annual Report. If any of these risks or uncertainties actually occurs, our business, financial condition and results of operations could be materially adversely affected. Any risks discussed elsewhere in this Annual Report and in our other SEC filings could also have a material impact on our business, financial position or results of operations. Additional risks not presently known to us or that we consider immaterial based on information currently available to us may also materially adversely affect us.

Risks Relating to Our Business, Operations and Strategy

Our business requires significant capital expenditures and we may not be able to obtain needed capital or financing to fund our exploration and development activities or potential acquisitions on satisfactory terms or at all.

Our exploration and development activities, as well as our active pursuit of complementary opportunistic acquisitions, are capital intensive. To replace and grow our reserves, we must make substantial capital expenditures for the acquisition, exploitation, development, exploration and production of crude oil, natural gas and NGLs reserves. Historically, we have financed these expenditures primarily with cash from operations, debt, asset sales and private sales of equity. We are the operator of the Etame Marin block offshore Gabon, and are responsible for contracting on behalf of all the remaining parties participating in the project and rely on our joint venture owners to pay for 36.4% of the offshore Gabon budget. With respect to Block P, the EG MMH approved our appointment as technical operator in August 2020 and, since we were appointed, we rely on the timely payment of cash calls by our joint venture owners to pay for 46.3% of the Equatorial Guinea budget, except during any development phases where we have agreed or will agree to carry their interests. The continued economic health of our joint venture owners could be adversely affected by low crude oil prices, thereby adversely affecting their ability to make timely payment of cash calls.

If low crude oil, natural gas and NGLs prices, operating difficulties or declines in reserves result in our revenues being less than expected or limit our ability to enter into debt financing arrangements, or our joint venture owners fail to pay their share of project costs, we may be unable to obtain or expend the capital necessary to undertake or complete future drilling programs or to acquire additional reserves.

We do not currently have any commitments for future external funding for capital expenditures or acquisitions beyond cash generated from operating activities and the agreement governing our 2025 RBL Facility (the "2025 Facility Agreement") . Our ability to secure additional or replacement financing to finance expenditure beyond our current committed capital expenditure for the next 12 months may be limited. We cannot provide any assurances that such additional debt or equity financing or cash generated by operations will be available to meet our capital requirements and fund acquisitions. We may not be able to obtain debt or equity financing on terms favorable to us, or at all. Even if we succeed in selling additional equity securities to raise funds, at such time the ownership percentage of our existing stockholders would be diluted, and new investors may demand rights, preferences or privileges senior to those of existing stockholders. If we raise additional capital through debt financing, the financing may involve covenants that restrict our business activities or our ability to

make future acquisitions. If cash generated by operations or cash available under any financing sources is not sufficient to meet our capital requirements beyond our current committed expenditure for the next 12 months, the failure to obtain additional financing could result in a curtailment of our operations relating to the development of our properties or prevent us from consummating acquisitions of additional reserves. Such a curtailment in operations or activities could lead to a decline in our estimated net proved reserves and would likely materially adversely affect our business, financial condition and results of operations.

Unless we are able to replace the proved reserve quantities that we have produced through acquiring or developing additional reserves, our cash flows and production will decrease over time.

Our future success depends upon our ability to find, develop or acquire additional crude oil, natural gas and NGLs reserves that are economically recoverable. In general, production from crude oil, natural gas and NGLs properties declines as reserves are depleted, with the rate of decline depending on reservoir characteristics. Our ability to make the necessary capital investment to maintain or expand our asset base of crude oil, natural gas and NGLs reserves would be limited to the extent cash flow from operations is reduced and external sources of capital become limited or unavailable. We may not be successful in exploring for, developing or acquiring additional reserves. Except to the extent that we conduct successful exploration or development activities or acquire properties containing proved reserves, our estimated net proved reserves will generally decline as reserves are produced.

There can be no assurance that our development and exploration projects and acquisition activities will result in significant additional reserves or that we will have continuing success drilling productive wells at economic finding costs. The drilling of crude oil, natural gas and NGLs wells involves a high degree of risk, especially the risk of dry holes or of wells that are not sufficiently productive to provide an economic return on the capital expended to drill the wells. Additionally, seismic and other technology does not allow us to know conclusively prior to drilling a well that crude oil, natural gas or NGLs is present or economically producible. Our drilling operations may be curtailed, delayed or cancelled as a result of numerous factors, including declines in crude oil, natural gas or NGLs prices and/or prolonged periods of historically low crude oil, natural gas and NGLs prices, weather conditions, political instability, availability of capital, economic/currency imbalances, compliance with governmental requirements, receipt of additional seismic data or the reprocessing of existing data, failure of wells drilled in similar formations, equipment failures (such as ESPs), delays in the delivery of equipment, and the availability of drilling rigs. If we are unable to increase our proved quantities, there will likely be a material impact on our cash flows, business and operations.

The Company does not always control decisions made under joint operating agreements, and the parties under such agreements may fail to meet their obligations.

The Company conducts many of its exploration and production operations through joint operating agreements with other parties under which the Company may not control decisions, either because it does not have a controlling interest or is not an operator under the agreement. Such decisions may relate to development and exploitation activities, including the timing of the capital expenditures for such activities. The success and timing of development and exploitation activities on such properties, depends upon a number of factors, including:

- the timing and amount of capital expenditures;
- the availability of suitable offshore drilling rigs, drilling equipment, support vessels, production and transportation infrastructure and qualified operating personnel;
- the operator’s expertise, financial resources and willingness to initiate exploration or development projects;
- approval of other participants in drilling wells;
- risk of a non-operator’s failure to pay its share of costs, which may require us to pay our proportionate share of the defaulting party’s share of costs;
- selection of technology;
- delays in the pace of exploratory drilling or development;
- the rate of production of the reserves; and/or
- the operator’s desire to drill more wells or build more facilities on a project inconsistent with our capital budget, whether on a cash basis or through financing, which may limit our participation in those projects or limit the percentage of our revenues from those projects.

There is also a risk that these parties may at any time have economic, business, or legal interests or goals that are

inconsistent with the Company's, and therefore, decisions may be made that the Company does not believe are in its best interest. Moreover, parties to these agreements may be unable to meet their economic or other obligations, and the Company may be required to fulfill those obligations alone. In either case, the value of the investment may be adversely affected.

The occurrence of any of the foregoing events could have a material adverse effect on our anticipated exploration and development activities.

We have limited control over the assets we do not operate.

We have limited control over matters relating to development and exploitation activities, including the timing of and capital expenditures for such activities and compliance with environmental, safety, and other standards, of assets where we are not the operator. The operator and our fellow non-operating owners of these properties may act in ways that are not in our best interest. Additionally, we are dependent on the operator and our fellow non-operating owners of such projects to fund their contractual share of the capital expenditures of such projects. Our dependence on the operator and such parties could have a material adverse effect on our business, results of operations or financial condition.

Our offshore operations involve special risks that could adversely affect our results of operations.

Offshore operations are subject to a variety of operating risks specific to the marine environment. Our offshore production facilities are subject to hazards such as capsizing, sinking, grounding, collision and damage from severe weather conditions. The relatively deep offshore drilling that we conduct involves increased drilling risks of high pressures and mechanical difficulties, including stuck pipe, collapsed casing and separated cable. We have experienced pipeline blockages in the past and may experience additional pipeline blockages in the future. The impact that any of these risks may have upon us is increased due to the low number of producing properties we own. We could incur substantial expenses that could reduce or eliminate the funds available for exploration, development or license acquisitions, or result in loss of equipment and license interests.

Exploration and development operations offshore Africa often lack the physical and oilfield service infrastructure present in other regions. As a result, a significant amount of time may elapse between an offshore discovery and the marketing of the associated crude oil, natural gas and NGLs, increasing both the financial and operational risks involved with these operations. Offshore drilling operations generally require more time and more advanced drilling technologies, involving a higher risk of equipment failure and usually higher drilling costs. In addition, there may be production risks for which we are currently unaware. The development of new subsea infrastructure and use of floating production systems to transport crude oil from producing wells may require substantial time for installation or encounter mechanical difficulties and equipment failures that could result in loss of production, significant liabilities, cost overruns or delays.

In addition, in the event of a well control incident, containment and, potentially, clean-up activities for offshore drilling are costly. The resulting regulatory costs or penalties, and the results of third-party lawsuits, as well as associated legal and support expenses, including costs to address negative publicity, could well exceed the actual costs of containment and clean-up. As a result, a well control incident could result in substantial liabilities for us and have a significant negative impact on our earnings, cash flows, liquidity, financial position and stock price.

Acquisitions and divestitures of properties and businesses may subject us to additional risks and uncertainties, including that acquired assets may not produce as projected, may subject us to additional liabilities and may not be successfully integrated with our business. In addition, any sales or divestments of properties we make may result in certain liabilities that we are required to retain under the terms of such sales or divestments.

One of our growth strategies is to capitalize on opportunistic acquisitions of crude oil, natural gas and NGLs reserves and/or the companies that own them and other strategic transactions that fit within our overall business strategy. Any future acquisition will require an assessment of recoverable reserves, title, future crude oil, natural gas and NGLs prices, operating costs, potential environmental hazards, potential tax and employer liabilities, regulatory requirements and other liabilities and similar factors. Ordinarily, our review efforts are focused on the higher valued properties and are inherently incomplete because it generally is not feasible to review in depth every potential liability on each individual property involved in each acquisition. Even a detailed review of records and properties may not necessarily reveal existing or potential problems, nor will it permit a buyer to become sufficiently familiar with the properties to assess fully their deficiencies and potential. Inspections may not always be performed on every well, and potential problems, such as ground

water contamination and other environmental conditions and deficiencies in the mechanical integrity of equipment are not necessarily observable even when an inspection is undertaken. Any unidentified problems could result in material liabilities and costs that negatively impact our financial condition.

Additional potential risks related to acquisitions include, among other things:

- incorrect assumptions regarding the reserves, future production and revenues, or future operating or development costs with respect to the acquired properties, as well as future prices of crude oil, natural gas and NGLs;
- decreased liquidity as a result of using a significant portion of our cash from operations or borrowing capacity to finance acquisitions;
- significant increases in our interest expense or financial leverage if we incur additional debt to finance acquisitions;
- the assumption of unknown liabilities, losses or costs (including potential regulatory actions) that we are not indemnified for or that our indemnity, insurance or other protection is inadequate to protect against;
- an increase in our costs or a decrease in our revenues associated with any claims or disputes with governments or other interest owners;
- an incurrence of non-cash charges in connection with an acquisition and the potential future impairment of goodwill or intangible assets acquired in an acquisition;
- the risk that crude oil, natural gas and NGLs reserves acquired may not be of the anticipated magnitude or may not be developed as anticipated;
- difficulties in the assimilation of the assets and operations of the acquired business, especially if the assets acquired are in a new business segment or geographic area;
- the diversion of management's attention from other business concerns during the acquisition and throughout the integration process;
- losses of key employees at the acquired businesses;
- difficulties in operating a significantly larger combined organization and adding operations;
- delays in achieving the expected synergies from acquisitions;
- the failure to realize expected profitability or growth;
- the failure to realize expected synergies and cost savings; and
- challenges in coordinating or consolidating corporate and administrative functions.

If we consummate any future acquisitions, our capitalization and results of operations may change significantly, and you may not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in evaluating future acquisitions. In addition, acquisitions of businesses often require the approval of certain government or regulatory agencies and such approval could contain terms, conditions, or restrictions that would be detrimental to our business after a merger.

In the case of sales or divestitures of our properties and businesses, we may become exposed to future liabilities that arise under the terms of those sales or divestitures. Under such terms, sellers typically are required to retain certain liabilities for matters with respect to their sold properties or businesses. The magnitude of any such retained liability or indemnification obligation may be difficult to quantify at the time of the transaction and ultimately may be material. Also, as is typical in divestiture transactions, third parties may be unwilling to release us from guarantees or other credit support provided prior to the sale of the divested assets. As a result, after a sale, we may remain secondarily liable for the obligations guaranteed or supported to the extent that the buyer of the assets fails to perform these obligations. In addition, we may be required to recognize losses in accordance with exit or disposal activities.

Our reserve information represents estimates that may turn out to be incorrect if the assumptions on which these estimates are based are inaccurate. Any material inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present values of our reserves.

There are numerous uncertainties inherent in estimating quantities of proved crude oil, natural gas and NGLs reserves, including many factors beyond our control. Reserve engineering is a subjective process of estimating the underground accumulations of crude oil, natural gas and NGLs that cannot be measured in an exact manner. The estimates included in

this document are based on various assumptions required by the SEC, including non-escalated prices and costs and capital expenditures subsequent to December 31, 2024, and, therefore, are inherently imprecise indications of future net revenues.

Estimates of economically recoverable crude oil, natural gas and NGLs reserves and the future net cash flows from them are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserves recovery, timing and amount of capital expenditures, marketability of crude oil, natural gas and NGLs, royalty rates, the assumed effects of regulation by governmental agencies, and future operating costs, all of which may vary materially from actual results. For those reasons, among others, estimates of the economically recoverable crude oil, natural gas and NGLs reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery, and estimates of future net revenues associated with reserves may vary and such variations may be material.

Actual future production, revenues, taxes, operating expenses, development expenditures and quantities of recoverable crude oil, natural gas and NGLs reserves may vary substantially from those assumed in the estimates. Any significant variance in these assumptions could materially affect the estimated quantity and value of our reserves.

In addition, our reserves may be subject to downward or upward revision based upon production history, results of future development, availability of funds to acquire additional reserves, prevailing crude oil, natural gas and NGLs prices and other factors. Moreover, the calculation of the estimated present value of the future net revenue using a 10% discount rate as required by the SEC is not necessarily the most appropriate discount factor based on interest rates in effect from time to time and risks associated with our reserves or the crude oil, natural gas and NGLs industry in general. It is also possible that reserve engineers may make different estimates of reserves and future net revenues based on the same available data.

Our reserve estimates are prepared using an average of the first-day-of-the-month prices received for crude oil, natural gas and NGLs for the preceding twelve months. Future reductions in prices, below the average calculated for 2024, would result in the estimated quantities and present values of our reserves being reduced. The forecast prices and costs assumptions assume changes in wellhead selling prices and take into account inflation with respect to future operating and capital costs.

Our proved reserves are in foreign countries and are or will be subject to service contracts, production sharing contracts and other arrangements. The quantity of crude oil, natural gas and NGLs that we will ultimately receive under these arrangements will differ based on numerous factors, including the price of crude oil, natural gas and NGLs, production rates, production costs, cost recovery provisions and local tax and royalty regimes. Changes in many of these factors could affect the estimates of proved reserves in foreign jurisdictions.

If our assumptions underlying accruals for abandonment and decommissioning costs are too low, we could be required to expend greater amounts than expected.

Our estimates of the future abandonment and remediation costs are subject to change and could vary substantially from our actual costs. Under various contracts, permits and regulations, we have material legal obligations to remove tangible equipment and restore the land or seabed at the end of operations at operational sites. Our largest asset removal obligations involve plugging and abandonment of wells, removal and disposal of offshore oil and gas platforms around the world, as well as oil and gas production facilities. Estimating future asset removal costs requires significant judgment. Most of these removal obligations are many years, or decades, in the future and the contracts and regulations often have vague descriptions of what removal practices and criteria must be met when the removal event actually occurs. The carrying value of our asset retirement obligation estimate is sensitive to inputs such as asset removal technologies and costs, regulatory and other compliance considerations, expenditure timing, and other inputs into valuation of the obligation, including discount and inflation rates, which are all subject to change between the time of initial recognition of the liability and future settlement of our obligation.

If we are required to expend greater amounts than expected on abandoning or decommissioning costs or on future abandonment funding, this could materially affect our revenues and financial performance.

We may not generate sufficient cash to satisfy our payment obligations under the Merged Concession Agreement or be able to collect some or all of our receivables from EGPC, which could negatively affect our operating results and financial condition.

Under the Merged Concession Agreement, the Company is obligated to make modernization payments that total $65 million and are payable over six years from the Merged Concession Effective Date, of which $45.0 million plus a $1.0 million signing bonus have been paid as of December 31, 2024. Under the Merged Concession Agreement, the Company will be required to pay an additional $10 million on February 1st for each of the next two years. In accordance with the Merged Concession Agreement, we agreed to substitute the 2023 and 2024 payments and issue two $10.0 million credits against receivables owed from EGPC. In addition, the Company has also committed to spending a minimum of $50 million over each five-year period for the 15 years of the primary term (total $150 million). Our ability to make scheduled payments arising from the Merged Concession Agreement will depend on our financial condition and operating performance, which would be subject to then prevailing economic, industry and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flow sufficient to permit us to satisfy the payment obligations under the Merged Concession Agreement. If we are unable to satisfy our obligations, it is possible that EGPC could seek to terminate the Merged Concession Agreement, which would negatively affect our operating results and financial condition.

In addition, as of the Merged Concession Effective Date, an effective date adjustment was owed to the Company for the difference in the historic commercial terms and the revised commercial terms applied against the production since the Merged Concession Effective Date (as defined herein) (the "Effective Date Adjustment"). The Company recognized a receivable in connection with the Effective Date Adjustment of $67.5 million as of October 2022, based on historical realized prices (the "Backdated Receivable"). In 2023 and 2024, the Company received payments or provided offsets against the Backdated Receivable. As of December 31, 2024, the remaining net receivable of $33.2 million is recorded in the "Egypt receivables and other" line item on our Consolidated Balance Sheet. If EGPC's financial position becomes impaired or if EGPC disputes or refuses to pay some or all of the said amount, our ability to fully collect such receivable from EGPC could be impaired, which could negatively affect our operating results and financial condition.

We could lose our interest in Block P in Equatorial Guinea if we do not meet our commitments under the production sharing contract.

Our Block P production sharing contract provides for a development and production period of 25 years from the first oil production. We and our Block P joint venture owners are evaluating the timing and budgeting for development and exploration activities in the block. There can be no certainty that any such transaction will be completed or that we will be able to commence drilling operations in Block P. If the joint venture owners of Block P fail to meet the commitments under the production sharing contract amendment, our capitalized costs of $10 million associated with Block P interest would be impaired.

There are no assurances that we will be able to extend the Block CI-40 PSC.

The Block CI-40 PSC expires in April 2028. The Block CI-40 PSC can be extended by 10 years so long as certain conditions are met. Negotiations to extend the Block CI-40 PSC began in January 2024, led by the operator, CNR International (Côte d'Ivoire) S.A.R.L (the "Operator"), with the Director General of Hydrocarbons and the Government of the Côte d'Ivoire. Any extension is subject to approval of the Council of Ministers and formal approval by presidential decree. There can be no assurance that an extension will be approved or that any extension's terms will not contain terms less favorable than our present arrangement. If the Block CI-40 PSC expires, our results of operations would be adversely affected.

The FPSO in Côte d'Ivoire ceased hydrocarbon production on January 31, 2025 for scheduled maintenance. Our results will be adversely affected until the FPSO is returned to service which may be a time later than we expect.

As an offshore asset, we, along with the operator and contractors of the Block CI-40 PSC, depend on the FPSO to store the crude oil produced prior to sale to customers. The FPSO contract expires in December 2025. The FPSO will be in transit to dry dock in early 2025 for planned maintenance and upgrades. It ceased hydrocarbon production as scheduled on January 31, 2025 and the final lifting of crude oil from the FPSO concluded on February 6, 2025. The project team mobilization efforts are on schedule and have significantly progressed, deploying the necessary workforce support vessels and equipment to facilitate the safe disconnection of the FPSO. The vessel is planned to be wet towed to the shipyards in Dubai for refurbishment upon departure from the field around March 2025. During this time, production relating to the Block CI-40 PSC will be halted and we will receive no revenues from the Block CI-40 PSC. Additionally, there can be no

assurance that the FPSO will return to service in the expected timeframe or that the costs of returning it to service will not be more than expected, and in either such case our results would be adversely affected.

Commodity derivative transactions that we enter into may fail to protect us from declines in commodity prices and could result in financial losses or reduce our income.

In order to reduce the impact of commodity price uncertainty and increase cash flow predictability relating to the marketing of our crude oil, natural gas and NGLs we have entered into and may continue to enter into derivative arrangements with respect to a portion of our expected production in order to hedge against potential commodity price declines.

Our derivative contracts typically consist of a series of commodity swap contracts, such as puts, collars and fixed price swaps, and are limited in duration.

The hedge counterparty will be obligated to make payments to us to the extent that the floating (market) price is below an agreed fixed (strike) price. However, hedging agreements expose us to risk of financial loss if the counterparty to a hedging contract defaults on its contract obligations. Disruptions in the market could also lead to sudden changes in the liquidity of the counterparties to our hedge transactions, which in turn limits our ability to perform under their hedging contracts with us. Even if we accurately predict sudden changes, our ability to negate the related risk may be limited depending upon market conditions. If the creditworthiness of our counterparties deteriorates and results in their non-performance, we could incur a significant loss.

Derivative arrangements also expose us to the risk of financial loss in some circumstances, including when production is less than the volume covered by the derivative instruments or when there is an increase in the differential between the underlying price and actual prices received pursuant to the derivative instrument. In addition, certain types of derivative arrangements may limit the benefit that we could receive from increases in the prices for crude oil, natural gas and NGLs, and may expose us to cash margin requirements.

We are exposed to the credit risks of the third parties with whom we contract.

We are exposed to third-party credit risk through our contractual arrangements with government entities party to our PSCs, our current or future joint venture owners, marketers of our petroleum and natural gas production, purchasers of our oil, natural gas and NGLs products and other parties. In addition, we are exposed to third-party credit risk from operators of properties in which we have a Working Interest or Royalty Interest. In the event such entities fail to meet their contractual obligations to us, such failures may have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry generally and among our joint venture owners may affect a joint venture owner's willingness to participate in our ongoing capital program, potentially delaying the program and the results of such program until we find a suitable alternative partner. To the extent that any of such third parties go bankrupt, become insolvent, or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in our inability to collect all or a portion of any money owing from such parties. Any of these factors could materially adversely affect our financial and operational results.

Our ability to collect payments from the sale of crude oil, natural gas and NGLs from our customers depends on the payment ability of our customer base, which may include a small number of significant customers. If our significant customers fail to pay for any reason, we could experience a material loss. In addition, if our significant customers cease to purchase or reduce the volume they purchase of our crude oil, natural gas or NGLs, the loss or reduction could have a detrimental effect on our production volumes and may cause a temporary interruption in sales of, or a lower price for, our crude oil, natural gas and NGLs.

In addition, we are and may in the future be exposed to third-party credit risk through our contractual arrangements with governmental entities in countries where we operate. Significant changes in the crude oil industry, including fluctuations in commodity prices and economic conditions, environmental regulations, government policy, royalty rates and other geopolitical factors, could adversely affect our ability to realize the full value of our accounts receivable from government entities in countries where we operate. Historically, we have had significant account receivables outstanding from governmental entities in countries where we operate. For example, while EGPC has made regular payments of these amounts owing, the timing of these payments has historically been longer than the normal industry standard. In addition, EGPC has at times faced difficulties in accessing foreign exchange markets for the purpose of obtaining U.S. dollars in exchange for Egyptian pounds. In the event the governments of the countries where we operate fail to meet their respective obligations or we are forced to accept payment in foreign currencies, such failures could materially adversely affect our financial and operational results.

We are also exposed to third-party credit risk through our banking relationships in the jurisdictions in which we operate. Recent macroeconomic conditions have caused turmoil in the banking sector in the United States and elsewhere. If any of the banks in which we keep our deposits is affected by such turmoil, we could be materially and adversely affected.

Our business could be materially and adversely affected by security threats, including cybersecurity threats, and other disruptions.

As a crude oil, natural gas and NGLs producer, we face various security threats, including cybersecurity threats to gain unauthorized access to sensitive information or to render data or systems unusable; threats to the security of our facilities and infrastructure or third-party facilities and infrastructure, such as processing plants and pipelines; and threats from terrorist acts. The potential for such security threats has subjected our operations to increased risks that could have a material adverse effect on our business. In particular, our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our information, facilities and infrastructure may result in increased capital and operating costs. Costs for insurance may also increase as a result of security threats, and some insurance coverage may become more difficult to obtain, if available at all. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring. If any of these security breaches were to occur, they could lead to losses of sensitive information, critical infrastructure or capabilities essential to our operations and could have a material adverse effect on our reputation, financial position, results of operations and cash flows.

Cybersecurity attacks in particular are becoming more sophisticated, and geopolitical tensions or conflicts, such as Russia's invasion of Ukraine or the ongoing conflicts in the Middle East, may further heighten the risk of such attacks. We rely extensively on information technology systems, including internet sites, computer software, data hosting facilities and other hardware and platforms, some of which are hosted by third parties, to assist in conducting our business. Our technologies systems and networks, and those of our business associates may become the target of cybersecurity attacks, including without limitation malicious software, attempts to gain unauthorized access to data and systems, and other electronic security breaches that could lead to disruptions in critical systems and materially and adversely affect our business in a variety of ways, including the following:

- unauthorized access to and release of seismic data, reserves information, strategic information or other sensitive or proprietary information, which could have a material adverse effect on our ability to compete for crude oil, natural gas and NGLs resources;
- data corruption, communication interruption, or other operational disruption during drilling activities could result in failure to reach the intended target or a drilling incident;
- unauthorized access to and release of personal identifying information of employees and vendors, which could expose us to allegations that we did not sufficiently protect that information and potential liabilities under domestic and international data and privacy laws;
- a cybersecurity attack on a vendor or service provider, which could result in supply chain disruptions that could delay or halt operations;
- a cybersecurity attack on third-party gathering, transportation, processing, fractionation, refining or export facilities, which could delay or prevent us from transporting and marketing our production, resulting in a loss of revenues;
- a cybersecurity attack involving commodities exchanges or financial institutions could slow or halt commodities trading, thus preventing us from engaging in hedging activities, resulting in a loss of revenues; and
- business interruptions, including use of social engineering schemes and/or ransomware, could result in expensive remediation efforts, distraction of management, damage to our reputation, or a negative impact on the price of our common stock.

To protect against such attempts of unauthorized access or attack, we have implemented multiple layers of cybersecurity protection, infrastructure protection technologies, disaster recovery plans and employee training. While we have invested significant amounts in the protection of our technology systems and maintain what we believe are adequate security controls over sensitive data, there can be no guarantee such plans will be effective.

Any cyber incident could damage our reputation and lead to financial losses from remedial actions, loss of business or potential liability. Additionally, certain cyber incidents, such as surveillance, may remain undetected for an extended period.

Current and future geopolitical events outside of our control could adversely impact our business, results of operations, cash flows, financial condition and liquidity.

We face risks related to geopolitical events, international hostility, epidemics, outbreaks and other macroeconomic events that are outside of our control. The occurrence of certain geopolitical events, including those arising from terrorist activity, international hostility, public health crises, and the economic impact of global trade tensions and the imposition of tariffs, could significantly disrupt our business and operational plans and adversely affect our results of operations, cash flows, financial condition and liquidity. For instance, the ongoing conflicts in the Middle East and between Russia and Ukraine have and may continue to cause geopolitical instability, and adversely impact the global economy, supply chains and specific markets and industries. Although we are not able to enumerate all potential risks to our business resulting from these and other similar events, we believe that such risks include, but are not limited to, the following:

- disruption to our supply chain for materials essential to our business, including restrictions on importing and exporting products;
- customers, suppliers and other third parties arguing that their non-performance under our contracts with them is permitted as a result of force majeure or other reasons;
- cybersecurity attacks, particularly as digital technologies may become more vulnerable and experience a higher rate of cyberattacks in the current environment of remote connectivity;
- any reductions of our workforce to adjust to market conditions, including severance payments, retention issues, and possible inability to hire employees when market conditions improve;
- logistical challenges, including those resulting from border closures and travel restrictions, as well as the possibility that our ability to continue production may be interrupted, limited or curtailed if workers and/or materials are unable to reach our offshore platforms and FSO charter vessel or our counterparties are unable to lift crude oil from our FSO charter vessel;
- economic, political and regulatory conditions domestically and internationally, including imposition of tariffs or other tax incentives or disincentives;
- we may be materially adversely affected by the effects of sanctions and other penalties imposed on Russia by the U.S., the European Union and other countries; and
- we may experience a structural shift in the global economy and our demand for crude oil, natural gas and NGLs as a result of changes in the way people work, travel and interact, or in connection with a global recession or depression.

In early 2025, the new U.S. presidential administration announced wide-ranging policy changes and issued numerous executive actions on topics including international trade, energy resources, corporate taxes, global climate change initiatives, employment practices, corporate compliance programs, environmental regulations, as well as other matters. Further, the new presidential administration has indicated an intent to make structural changes to the executive branch of the federal government, including significant reductions in the federal workforce. Continuing legal challenges to many of the policy changes and executive actions are expected. Such actions may directly or indirectly impact our industry and could lead to increased regulatory uncertainty and volatility. We cannot predict how these policy changes and executive actions will be implemented and interpreted, or the ultimate effect they will have on our business, financial condition and results of operations.

We cannot reasonably estimate the period of time that these conditions will persist; the full extent of the impact they will have on our business, results of operations, cash flows, financial condition and liquidity; or the pace or extent of any subsequent recovery.

Production cuts mandated by the government of Gabon, a member of OPEC, could adversely affect our revenues, cash flow and results of operations.

Historically and from time to time, members of OPEC and other leading allied producing countries (collectively, "OPEC+") have entered into agreements to reduce worldwide production of crude oil to reduce the gap between excess supply and demand in an effort to stabilize the international oil market. As a member of OPEC+, Gabon may take measures to comply with such OPEC+ production quota agreements. As a result, the Minister of Hydrocarbons may request us to limit our production for a period of time in compliance with the OPEC+ mandate.

The ability of the OPEC+ to agree on and to maintain crude oil price and production controls has also had, and is likely to continue to have, a significant impact on the market prices of crude oil.

We have not received any mandate to reduce current oil production from the Etame Marin block as a result of an OPEC+ initiative and currently, our production is not impacted by OPEC+ curtailments. However, any future reduction in our crude oil production or export activities for a substantial period could materially and adversely affect our revenues, cash flows and results of operations. Gabon remains a member of OPEC+.

We have less control over our investments in foreign properties than we would have over our domestic investments.

Our exploration, development and production activities are subject to various political, economic and other uncertainties, including but not limited to changes, sometimes frequent or marked, in energy policies or the personnel administering them, expropriation of property, cancellation or modification of contract rights, changes in laws and policies governing operations of foreign-based companies, unilateral renegotiation of contracts by governmental entities, uncertainties as to whether laws and regulations will be applicable in any particular circumstance, uncertainty as to whether we will be able to demonstrate to the satisfaction of the applicable governing authorities compliance with governmental or contractual requirements, redefinition of international boundaries or boundary disputes, foreign exchange restrictions, currency fluctuations, foreign currency availability, royalty and tax increases, changes to tax legislation or the imposition of new taxes, the imposition of production bonuses or other charges and other risks arising out of governmental sovereignty over the areas in which our operations are conducted.

Our operations require, and any future opportunistic acquisitions may require, protracted negotiations with host governments, local governments and communities, local competent authorities, national oil companies, and third parties. Host governments may also conduct audits of our operations, the results of which may have a significant negative impact on our reported earnings or cash flows. Host governments may seek to participate in oil, natural gas or NGLs projects in a manner that could be dilutive to our interests. Host governments may also require us to hire a specified percentage of local citizens in our operations. In addition, if a dispute arises with respect to our foreign operations, we may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons, especially foreign crude oil ministries and national oil companies, to the jurisdiction of the U.S.

Private ownership of crude oil reserves under crude oil leases in the U.S. differs distinctly from our rights in foreign reserves where the state generally retains ownership of the minerals and, in many cases participates in, the exploration and production of hydrocarbon reserves. Accordingly, operations outside the U.S. may be materially affected by host governments. While the laws of each of Gabon, Cote d'Ivoire and Equatorial Guinea recognize private and public property and the right to own property is protected by law, the laws of each country reserve, at the respective government's discretion, the right to expropriate property and terminate contracts (including the Etame PSC, the Block CI-40 PSC, and the Block P PSC) for reasons of public interest, subject to reasonable compensation, determinable by the respective government in our discretion. The terms of the Etame PSC include provisions for, among other things, payments to the government of Gabon for a 13% Royalty Interest based on crude oil production at published prices and payments for a shared portion of Profit Oil, based on daily production rates, which such Profit Oil has been and can continue to be taken in-kind through taking crude oil barrels rather than making cash payments. In Canada, majority of the mineral rights are usually held by a provincial government, also known as the Crown, but a small portion, called the freehold mineral rights, may be held by others such as individuals, families or businesses. In exchange for the right to develop oil and natural gas resources, companies make royalty payments to the Crown, which are calculated by taking a percentage of revenues generated from the sale of oil and natural gas.

We have operated in Gabon since 1995 and believe we have good relations with the current Gabonese government. However, there can be no assurance that present or future administrations or governmental regulations in Gabon will not materially adversely affect our operations or cash flows.

The respective applicable laws governing the exploration and production of hydrocarbons in Gabon, Cote d'Ivoire and Equatorial Guinea (Law No. 002/2019 in Gabon, Law No. 96-669 in Cote d'Ivoire, and Law No. 8/2006 in Equatorial Guinea) each provide their respective government officials with significantly broad regulatory, inspective and auditing powers with respect to the performance of petroleum operations, which include the powers to negotiate, sign, amend and perform all contracts entered into between the respective governments and independent contractors. The executive branches of each respective government also retain significant discretionary powers, giving considerable control over the executive, judiciary and legislative branches of each government, and the ability to adopt measures with a direct impact on private investments and projects, including the right to appoint ministers responsible for petroleum operations. Further, in

Equatorial Guinea, any new PSC or equivalent agreement for the exploration and exploitation of hydrocarbons is subject to presidential ratification before it can become effective.

Any of the factors detailed above or similar factors could have a material adverse effect on our business, results of operations or financial condition. If our operations are disrupted and/or the economic integrity of our projects are threatened for unexpected reasons, our business may be harmed. Prolonged problems may threaten the commercial viability of our operations.

Our operations may be adversely affected by political and economic circumstances in the countries in which we operate.

Our operations are subject to risks of loss due to civil strife, acts of war, acts of terrorism, piracy, disease, guerrilla activities, insurrection, military activities and other political risks, including tension and confrontations among political parties, that may result in:

- volatility in global crude oil prices, which could negatively impact the global economy, resulting in slower economic growth rates, which could reduce demand for our products;
- negative impact on the world crude oil supply if infrastructure or transportation are disrupted, leading to further commodity price volatility;
- difficulty in attracting and retaining qualified personnel to work in areas with potential for conflict;
- the inability of our personnel or supplies to enter or exit the countries where we are conducting operations;
- disruption of our operations due to evacuation of personnel;
- the inability to deliver our production due to disruption or closing of transportation routes;
- a reduced ability to export our production due to efforts of countries to conserve domestic resources;
- damage to or destruction of our wells, production facilities, receiving terminals or other operating assets;
- the incurrence of significant costs for security personnel and systems;
- damage to or destruction of property belonging to our commodity purchasers leading to interruption of deliveries, claims of force majeure, and/or termination of commodity sales contracts, resulting in a reduction in our revenues;
- the inability of our service and equipment providers to deliver items necessary for us to conduct our operations resulting in a halt or delay in our planned exploration activities, delayed development of major projects, or shut-in of producing fields;
- a lack of availability of drilling rig, oilfield equipment or services if third party providers decide to exit the region;
- the imposition of U.S. government or international sanctions that limit our ability to conduct our business;
- a shutdown of a financial system, communications network, or power grid causing a disruption to our business activities; and
- a capital market reassessment of risk and reduction of available capital, making it more difficult for us and our joint owners to obtain financing for potential development projects.

Some of these risks may be higher in the developing countries in which we conduct our activities, namely, Gabon, Cote d'Ivoire, Equatorial Guinea and Egypt.

For example, in September 2023, Gabon experienced a largely non-violent, military coup d’état and the country’s leadership changed hands. The group leading the coup created a Committee for the Transition and Restoration of Institutions and a new president was sworn in on the basis of a transition charter adopted by the group leading the coup. The new president has indicated that a new constitution for Gabon will be adopted and that elections will be held after a transition period. No assurance can be given that any such new constitution will be adopted or if adopted, that the content thereof will be in line with Gabon’s existing laws. Any of these developments may have an adverse effect on our operations and financial results.

While we monitor the economic and political environments of the countries in which we operate, loss of property and/or interruption of our business plans resulting from civil or political unrest could have a significant negative impact on our earnings and cash flow. In addition, losses caused by these disruptions may not be covered by insurance, or even if they are covered by insurance, we may not have enough insurance to cover all of these losses. If any violent action causes us to

become involved in a dispute, we may be subject to the exclusive jurisdiction of courts outside the U.S. or may not be successful in subjecting non-U.S. persons to the jurisdiction of courts in the U.S. or international arbitration, which could adversely affect the outcome of such dispute.

Inflation could adversely impact our ability to control costs, including operating expenses and capital costs.

The U.S. inflation rate steadily rose in 2021 and into 2022 before eventually declining throughout 2023. During 2024, the U.S. inflation rate remained stable when compared to the last half of 2023, yet remained slightly higher than historical averages. However, the U.S. inflation rate rose slightly in January 2025 and the U.S. inflation rate could rise significantly again in the future. In addition, global and industry-wide supply chain disruptions have resulted in shortages in labor, materials and services. Such shortages have resulted in inflationary cost increases for labor, materials and services and could continue to cause costs to increase, or cause a scarcity of certain products and raw materials. To the extent inflation remains elevated, we may experience further cost increases for our operations, including oilfield services and equipment as a result of increasing prices of oil, natural gas and NGLs, increased drilling activity in our areas of operations, and increased labor costs. An increase in the prices of oil, natural gas and NGLs may cause the costs of materials and services we use to rise. We cannot predict any future trends in the rate of inflation, and a significant increase in inflation, to the extent we are unable to recover higher costs through higher commodity prices and revenues, could negatively impact our business, financial condition and results of operation.

Our results of operations, financial condition and cash flows could be adversely affected by changes in currency exchange rates.

We are exposed to foreign currency risk from our foreign operations. While crude oil sales are denominated in U.S. dollars, portions of our costs in Gabon and Cote d'Ivoire are denominated in the local currency. A weakening U.S. dollar will have the effect of increasing costs, while a strengthening U.S. dollar will have the effect of reducing operating costs. The Gabonese and Ivorian local currency is tied to the Euro. The exchange rate between the Euro and the U.S. dollar has fluctuated widely in recent years in response to international political conditions, general economic conditions, the European sovereign debt crisis and other factors beyond our control. Our financial statements, presented in U.S. dollars, may be affected by foreign currency fluctuations through both translation risk and transaction risk. In addition, currency devaluation can result in a loss to us for any deposits of that currency, such as our deposits in the Etame PSC abandonment account, which have been converted from U.S. dollars to the Gabonese local currency.

We are also exposed to foreign currency exchange risk related to certain cash, accounts receivable, lease obligations and accounts payable and accrued liabilities denominated in Canadian dollars, and on cash balances denominated in Egyptian pounds. Some collections of our accounts receivable from the Egyptian Government are received in Egyptian pounds, and while we are generally able to spend the Egyptian pounds received on accounts payable denominated in Egyptian pounds, there remains foreign currency exchange risk exposure on Egyptian pound cash balances.

In addition, from time to time, emerging market countries such as those in which we operate adopt measures to restrict the availability of the local currency or the repatriation of capital across borders. These measures are imposed by governments or central banks, in some cases during times of economic instability, to prevent the removal of capital or the sudden devaluation of local currencies or to maintain in-country foreign currency reserves. In addition, many emerging markets countries require consents or reporting processes before local currency earnings can be converted into U.S. dollars or other currencies and/or such earnings can be repatriated or otherwise transferred outside of the operating jurisdiction. These measures may have a number of negative effects on us, including the reduction of the immediately available capital that we could otherwise deploy for investment opportunities or the payment of expenses. In addition, measures that restrict the availability of the local currency or impose a requirement to operate in the local currency may create other practical difficulties for us.

We do not utilize derivative instruments to manage these foreign currency risks. As a result, our consolidated earnings and cash flows may be impacted by movements in the exchange rates.

We operate in international jurisdictions, and we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-corruption laws.

We are subject to the provisions of the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, the Corruption of Foreign Public Officials Act (Canada) and other similar laws. The foregoing laws prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. In addition, such laws require the maintenance of records relating to transactions and an adequate system of internal controls over accounting. There can be

no assurance that our internal control policies and procedures, compliance mechanisms or monitoring programs will protect us from recklessness, fraudulent behavior, dishonesty or other inappropriate acts or adequately prevent or detect possible violations under applicable anti-bribery and anti-corruption legislation.

Our failure to comply with anti-bribery and anti-corruption legislation, or investigations by governmental authorities, could result in severe criminal or civil sanctions and may subject us to other liabilities, including fines, prosecution, potential debarment from public procurement and reputational damage, all of which could have a material adverse effect on our business, results of operations and financial condition.

We have identified material weaknesses in our internal control over financial reporting for the fiscal year ended December 31, 2024. If we are unable to remediate these material weaknesses or if we identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, we may not be able to accurately or timely report financial information.

As disclosed in Part II, Item 9A, "*Controls and Procedures*," we have identified material weaknesses in our internal control over financial reporting related to general information technology controls, effectiveness of control environment, risk assessment and design and process-level controls. A material weakness is a deficiency or a combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the registrant's financial statements will not be prevented or detected on a timely basis. As a result of the material weaknesses, we concluded that our internal control over financial reporting and related disclosure controls and procedures were not effective as of December 31, 2024. We cannot be certain that the measures we may take in the future will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. In addition, the design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be relative to their costs. Because of the inherent limitations in all control systems, an evaluation of controls can only provide reasonable assurance that all material control issues and instances of fraud, if any, have been or will be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistakes. Further, controls can be circumvented by the individual acts of some persons or by two or more persons acting in collusion. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of inherent limitations in any control system designed under a cost-effective approach, misstatements due to error or fraud may occur and not be detected. A failure of the controls and procedures to detect error or fraud could seriously harm our business and results of operations.

If we are unable to remediate our existing or any future material weaknesses in our internal control over financial reporting, our ability to record, process or report financial information accurately and to prepare financial statements in an accurate and timely manner could adversely be affected, which could subject us to litigation or investigations requiring management resources and payment of legal and other expenses, negatively affect investor confidence in our financial statements and adversely impact our stock price.

Our business could suffer if we lose the services of, or fail to attract, key personnel.

We are highly dependent upon the efforts of our senior management and other key employees. The loss of the services of our Chief Executive Officer, Chief Operating Officer or Chief Financial Officer, as well as any loss of the services of one or more other members of our senior management, could delay or prevent the achievement of our objectives. We do not maintain any "key-man" insurance policies on any of our senior management, and do not intend to obtain such insurance. In addition, due to the specialized nature of our business, we are highly dependent upon our ability to attract and retain qualified personnel with extensive experience and expertise in evaluating and analyzing drilling prospects and producing crude oil, natural gas and NGLs from proved properties and maximizing production from crude oil, natural gas and NGLs properties. There is competition for qualified personnel in the areas of our activities, and we may be unsuccessful in attracting and retaining these personnel.

We are subject to relinquishment obligations under certain of our title documents.

We are subject to relinquishment obligations under certain of our title documents that oblige us to relinquish certain proportions of our concession lease and license areas and thereby reduce our acreage. Additionally, we may be unable to drill all of our prospects or satisfy our minimum work commitments prior to relinquishment and may be unable to meet our

obligations under the title documents. Failure to meet such obligations could result in concessions, leases and licenses being suspended, revoked or terminated which could have a material adverse effect on our business.

We may be exposed to the risk of earthquakes in Alberta, Canada.

The AER monitors seismic activity across the province of Alberta in Canada to assess the risks associated with, and instances of, earthquakes induced by hydraulic fracturing. In recent years, hydraulic fracturing has been linked to increased seismicity in the areas in which hydraulic fracturing takes place, prompting regulatory authorities to investigate the practice further. The AER has developed monitoring and reporting requirements that apply to all oil and natural gas producers working in certain areas where the likelihood of an earthquake is higher, and implemented the requirements in Subsurface Order Nos. 2, 6, and 7 (the "Seismic Protocol Regions"). While we do not have operations in the Seismic Protocol Regions, we own production and working interest facilities and assets in the Harmattan area of west central Alberta and are exposed to the risks of earthquakes in that region. We routinely conduct hydraulic fracturing in our drilling and completion programs.

There may be valid challenges to title or legislative changes which affect our title to the oil, natural gas and NGLs properties we control in Canada.

Although title reviews may be conducted in Canada prior to the purchase of oil, natural gas and NGLs producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise. Due in part to the nature of property rights development historically in Canada as well as the common practice of splitting legal and beneficial title, public registries are not determinative of actual rights held by parties. Further, the fragmented nature of oil and gas rights, which may be held by the government or private individuals and companies, and may be split among a great number of different granting documents, means that despite best efforts of parties, latent defects may not be immediately discoverable. As such, our actual interest in properties may accordingly vary from our records. If a title defect does exist, it is possible that we may lose all or a portion of the properties to which the title defect relates, which may have a material adverse effect on our business, financial condition, results of operations and prospects. There may be valid challenges to title or legislative changes, which affect our title to the oil and natural gas properties that we control in Canada that could impair our activities and result in a reduction of the revenue we receive. Additionally, title claims by Indigenous groups could, among other things, delay or prevent the exploration or development of our properties, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our results of operations, financial condition and cash flows could be adversely affected by changes in currency regulations.

From time to time, emerging market countries such as those in which we operate adopt measures to restrict the availability of the local currency or the repatriation of capital across borders. These measures are imposed by governments or central banks, in some cases during times of economic instability, to prevent the removal of capital or the sudden devaluation of local currencies or to maintain in-country foreign currency reserves. In addition, many emerging markets countries require consents or reporting processes before local currency earnings can be converted into U.S. dollars or other currencies and/or such earnings can be repatriated or otherwise transferred outside of the operating jurisdiction. These measures may have a number of negative effects on us, including the reduction of the immediately available capital that we could otherwise deploy for investment opportunities or the payment of expenses. In addition, measures that restrict the availability of the local currency or impose a requirement to operate in the local currency may create other practical difficulties for us.

In December 2021 and during 2022, the Bank of Central African States ("BEAC"), which is the central bank for the Central African Economic and Monetary Community ("CEMAC"), passed new regulations and instructions for the CEMAC FX regulations, which were introduced in 2018, that only apply to the extractive industry. The intent of the new regulations is to ensure the application of the FX regulations as of January 1, 2022, without impeding the operations of the extractive industry. Due to the lack of necessary banking infrastructure and preparedness by the banking sector and the various government agencies to apply the new regulations, it is foreseeable that we will run the risk of seeing delays in paying our vendors and domiciliation of goods and services into the CEMAC region throughout 2024 and beyond.

As part of securing the first of two five-year extensions to the Etame PSC in 2016, we agreed to a cash funding arrangement for the eventual abandonment of all offshore wells, platforms and facilities on the Etame Marin block. On February 28, 2019, in accordance with certain foreign currency regulatory requirements, the Gabonese branch of the international commercial bank holding the abandonment funds in a U.S. dollar-denominated account transferred the funds to the Central Bank for CEMAC and later converted, at the request of BEAC, the funds in U.S. dollars to franc CFA, the

currency of the CEMAC, of which Gabon is one of the six member states. The Etame PSC provides that these payments must be denominated in U.S. dollars. After continued discussions with CEMAC, they agreed to the return of the USD funds and on January 12, 2023, the abandonment funds were returned to the USD account of the Gabonese branch of the international commercial bank. We were allowed to re-establish a USD denominated account and made whole for the original USD amount. Pursuant to Amendment No. 5 of the Etame PSC, we are working with Directorate of Hydrocarbons in Gabon on establishing a payment schedule to resume funding of the abandonment fund in compliance with the Etame PSC.

Our results of operations, financial condition and cash flows could be adversely affected by changes to interest rates.

As of December 31, 2024, the amount available to be drawn under our Facility Agreement was $31.3 million, none of which had been drawn. An increase in interest rates could result in a significant increase in the amount we pay to service any subsequently drawn, and any future other debt taken out by us, resulting in a reduced amount available to fund our exploration and development activities and, if applicable, the cash available for dividends. Such an increase could also negatively impact the market price of the shares of common stock.

The development of our estimated proved undeveloped reserves may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our estimated proved undeveloped reserves may not be ultimately developed or produced.

At December 31, 2024, approximately 54% of our total estimated proved reserves were undeveloped reserves. Recovery of undeveloped reserves requires significant capital expenditures and successful drilling. Our reserves data assumes that we can and will make these expenditures and conduct these operations successfully. These assumptions, however, may not prove correct. Delays in the development of our reserves, increases in costs to drill and develop such reserves, or decreases in commodity prices will reduce the value of our estimated proved undeveloped reserves and future net revenues estimated for such reserves and may result in some projects becoming uneconomic. If we choose not to spend the capital to develop these reserves, or if we are not otherwise able to successfully develop these reserves, we will be required to write-off these reserves. In addition, under the SEC's reserve rules, because proved undeveloped reserves may be recognized only if they relate to wells planned to be drilled within five years of the date of their initial recognition, we may be required to write off any proved undeveloped reserves that are not developed within this five-year time frame.

Risks Relating to Our Industry

Crude oil, natural gas and NGLs prices are highly volatile and a depressed price regime, if prolonged, may negatively affect our financial results.

Our revenues, cash flow, profitability, crude oil, natural gas and NGLs reserves value and future rate of growth are substantially dependent upon prevailing prices for crude oil, natural gas and NGLs. Our ability to enter into debt financing arrangements and to obtain additional capital on reasonable terms, or at all, is substantially dependent on crude oil, natural gas and NGLs prices.

World-wide crude oil, natural gas and NGLs prices and markets have been volatile and may continue to be volatile in the future. Prices for crude oil, natural gas and NGLs are subject to wide fluctuations in response to relatively minor changes in the supply of and demand for crude oil, natural gas and NGLs, market uncertainty and a variety of additional factors that are beyond our control. These factors include, but are not limited to, increases in supplies from U.S. shale production; international political conditions, including war, uprisings, terrorism and political unrest in the Middle East and Africa; slowdowns to the global supply chain; the domestic and foreign supply of crude oil, natural gas and NGLs; actions by OPEC+ member countries and other state-controlled oil companies to agree upon and maintain crude oil price and production controls; the level of consumer demand that is impacted by economic growth rates; weather conditions; domestic and foreign governmental regulations and taxes; the price and availability of alternative fuels; technological advances affecting energy consumption; the health of international economic and credit markets; and changes in the level of demand resulting from global or national health epidemics and concerns. In addition, various factors including the effect of federal, state and foreign regulation of production and transportation, general economic conditions, changes in supply due to drilling by other producers and changes in demand may adversely affect our ability to market our crude oil, natural gas and NGLs production.

In a period of depressed or declining crude oil, natural gas and NGLs prices, we are subject to numerous risks, including but not limited to the following:

- our revenues, cash flows and profitability may decline substantially, which could also indirectly impact expected production by reducing the amount of funds available to engage in exploration, drilling and production;
- third-party confidence in our commercial or financial ability to explore and produce crude oil, natural gas and NGLs could erode, which could impact our ability to execute on our business strategy;
- our suppliers, hedge counterparties (if any), vendors and service providers could renegotiate the terms of our arrangements, terminate their relationship with us or require financial assurances from us;
- we may take measures to preserve liquidity, such us our decision to cease or defer discretionary capital expenditures during such periods of depressed or declining oil prices; and
- it may become more difficult to retain, attract or replace key employees.

The occurrence of certain of these events may have a material adverse effect on our business, results of operations and financial condition.

If crude oil, natural gas or NGLs prices decline, we expect that the estimated quantities and present values of our reserves will be reduced, which may necessitate further write-downs. Any future write-downs or impairments could have a material adverse impact on our results of operations. A material decline in prices could also result in a reduction of our net production revenue. Any substantial and extended decline in the price of oil, natural gas and NGLs would have an adverse effect on the carrying value of our reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on our business, financial condition, results of operations and prospects. Volatile oil, natural gas and NGLs prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for oil, natural gas and NGLs producing properties, as buyers and sellers have difficulty agreeing on such values. Price volatility also makes it difficult to budget for, and project the return on, acquisitions and development and exploitation projects.

Exploring for, developing, or acquiring reserves is capital intensive and uncertain.

We may not be able to economically find, develop, or acquire additional reserves, or may not be able to make the necessary capital investments to develop our reserves, if our cash flows from operations decline or external sources of capital become limited or unavailable. Drilling activities are subject to many risks, including the risk that no commercially productive reservoirs will be encountered. There can be no assurance that new wells that we drill will be productive or that we will recover all or any portion of our investment. Drilling for crude oil, natural gas and NGLs may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. The cost of drilling, completing and operating wells is often uncertain and cost overruns are common. In particular, offshore drilling and development operations require highly capital-intensive techniques.

Our drilling operations may be curtailed, delayed or cancelled as a result of numerous factors, many of which are beyond our control, including weather conditions, equipment failures or accidents, elevated pressure or irregularities in geologic formations, compliance with governmental requirements and shortages or delays in the delivery of or increased costs for equipment and services. If we are unable to continue drilling operations and we do not replace the reserves we produce or acquire additional reserves, our reserves, revenues and cash flow will decrease over time, which could have a material effect on our ability to continue as a going concern.

Our costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices, and additional government intervention through stimulus spending or additional regulations. Our inability to manage costs may impact project returns and future development decisions, which could have a material adverse effect on our financial performance and cash flows.

Competitive industry conditions may negatively affect our ability to conduct operations.

The crude oil, natural gas, and NGLs industry is intensely competitive. Our competitors include major integrated oil companies and substantial independent energy companies, many of which possess greater financial, technological, personnel and other resources than we do.

We may be outbid by our competitors in our attempts to acquire exploration and production rights in crude oil, natural gas and NGLs properties. These properties include exploration prospects as well as properties with proved reserves. Our competitors may also use superior technology that we may be unable to afford or that would require costly investment in order to compete. There is also competition for contracting for drilling equipment and the hiring of experienced personnel. Factors that affect our ability to compete in the marketplace include, among other things:

- our access to the capital necessary to drill wells and acquire properties;
- our ability to acquire and analyze seismic, geological and other information relating to a property;
- our ability to retain and hire experienced personnel, especially for our engineering, geoscience and accounting departments; and
- the location of, and our ability to access, platforms, pipelines and other facilities used to produce and transport crude oil, natural gas and NGLs production.

In addition, competition due to advances in renewable fuels may also lessen the demand for our products and negatively impact our profitability.

Alternatives to petroleum-based products and production methods are continually under development. For example, a number of automotive, industrial and power generation manufacturers are developing alternative clean power systems using fuel cells or clean-burning gaseous fuels that may address increasing worldwide energy costs, the long-term availability of petroleum reserves and environmental concerns, which if successful could lower the demand for crude oil, natural gas and NGLs. If these non-petroleum based products and crude oil alternatives continue to expand and gain broad acceptance such that the overall demand for crude oil, natural gas and NGLs is decreased, it could have an adverse effect on our operations and the value of our assets.

Weather, unexpected subsurface conditions and other unforeseen operating hazards may adversely impact our crude oil, natural gas and NGLs activities.

The crude oil, natural gas and NGLs business involves a variety of operating risks, including fire, explosions, blow-outs, pipe failure, casing collapse, abnormally pressured formations; and environmental hazards such as crude oil spills, natural gas leaks, ruptures and discharges of toxic gases, underground migration, and surface spills or mishandling of well fluids, including chemical additives. The occurrence of any of these or other related events could result in substantial losses due to injury and loss of life, severe damage to and destruction of property, natural resources and equipment, pollution and other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations.

Climate change could have an effect on the severity of weather (including hurricanes, floods and wildfires), sea levels, the arability of farmland, and water availability and quality. If such effects were to occur, our exploration and production operations may be adversely affected. Potential adverse effects could include damages to our facilities, disruption of our production activities, less efficient or non-routine operating practices necessitated by climate effects or increased costs for insurance coverages in the aftermath of such effects. Significant physical effects of climate change could also have an indirect effect on our financing and operations by disrupting the transportation or process-related services provided by midstream companies, service companies or suppliers with whom we have a business relationship.

We maintain insurance against some, but not all, potential risks; however, there can be no assurance that such insurance will be adequate to cover any losses or exposure for liability. The occurrence of a significant unfavorable event not fully covered by insurance could have a material adverse effect on our financial condition, results of operations and cash flows. Furthermore, we cannot predict whether insurance will continue to be available to us at a reasonable cost or at all.

An increased societal and governmental focus on ESG and climate change issues may adversely impact our business, impact our access to investors and financing, and decrease demand for our product.

An increased expectation that companies address environmental (including climate change), social and governance ("ESG") matters may have a myriad of impacts on our business. Some investors and lenders are factoring these issues into investment and financing decisions. They may rely upon companies that assign ratings to a company's ESG performance. Unfavorable ESG ratings, as well as recent activism around fossil fuels, may dissuade investors or lenders from engaging with us in favor of companies in other industries, which could negatively impact our share price or our access to capital.

Moreover, while we have and may continue to create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures are based on hypothetical expectations and assumptions that

may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters.

Approaches to climate change and the transition to a lower-carbon economy, including government regulation, company policies, and consumer behavior, are continuously evolving. At this time, we cannot predict how such approaches may develop or otherwise reasonably or reliably estimate their impact on our financial condition, results of operations and ability to compete. However, any long-term material adverse effect on the oil and gas industry may adversely affect our financial condition, results of operations and cash flows.

In Canada, opposition by Indigenous groups to the conduct of our operations, development or exploratory activities in any of the jurisdictions in which we conduct business may negatively impact us in terms of public perception, diversion of management's time and resources, legal and other advisory expenses, and could adversely impact our progress and ability to explore and develop properties.

Some Indigenous groups have established or asserted Indigenous treaty and title rights to portions of Canada. Although there are no Indigenous treaty or title rights claims on lands where we operate, no certainty exists that any lands currently unaffected by claims brought by Indigenous groups will remain unaffected by future claims. Such claims, if successful, could have a material adverse impact on our operations and pace of growth.

Canadian federal and provincial governments have a duty to consult with Indigenous people when contemplating actions that may adversely affect asserted or proven Indigenous treaty or title rights and, in certain circumstances, accommodate their concerns. The scope of the duty to consult by federal and provincial governments varies with the circumstances and is often the subject of litigation. The fulfillment of the duty to consult Indigenous people and any associated duties of accommodation may adversely affect our ability, or increase the time required to obtain or renew, permits, leases, licenses and other approvals, or to meet the terms and conditions of those approvals.

Continued development of common law precedent regarding existing laws relating to Indigenous consultation and accommodation as well as the adoption of new laws are expected to continue to add uncertainty to the ability of entities operating in the Canadian oil and gas industry to execute on major resource development and infrastructure projects, including, among other projects, pipelines that could adversely impact our progress and ability to explore and develop properties in Canada. For example, Canada is a signatory to the United Nations Declaration of the Rights of Indigenous Peoples ("UNDRIP") and the principles set forth therein may continue to influence the role of Indigenous engagement in the development of the oil and gas industry in Western Canada. In June 2021, the United Nations Declaration on the Rights of Indigenous Peoples Act (Canada) ("UNDRIP Act") came into force in Canada. The UNDRIP Act requires the Government of Canada to take all measures necessary to ensure the laws of Canada are consistent with the principles of UNDRIP and to implement an action plan to address UNDRIP's objectives. Adding further uncertainty, on June 29, 2021, the British Columbia Supreme Court issued a judgment in Yahey v British Columbia (the "Blueberry Decision"), in which it determined that the cumulative impacts of industrial development on the traditional territory of the Blueberry River First Nation ("BRFN") in northeast British Columbia had breached BRFN's treaty rights. The Blueberry Decision may lead to similar claims of cumulative effects across Canada in other areas covered by treaties.

In February 2025, the European Commission adopted a package of proposals to simplify EU rules and boost competitiveness. Among other things, the package proposes to apply the Corporate Sustainability Reporting Directive only to the largest companies (those with more than 1000 employees), focusing the sustainability reporting obligations on the companies which are more likely to have the biggest impacts on people and the environment. Moreover, it seeks to ensure that reporting requirements on large companies do not burden smaller companies in their value chains.

We face various risks associated with increased opposition to and activism against crude oil, natural gas and NGLs exploration and development activities.

The oil and natural gas exploration, development and operating activities that we conduct may, at times, be subject to public opposition. Opposition against crude oil, natural gas and NGLs drilling and development activity has been growing globally. Companies in the crude oil, natural gas and NGLs industry are often the target of activist efforts from both individuals and non-governmental organizations regarding safety, human rights, climate change, environmental matters, sustainability and business practices. Anti-development activists are working to, among other things, delay or cancel certain operations such as offshore drilling and development.

Such public opposition could expose us to higher costs, delays or even project cancellations, due to increased pressure on governments and regulators by special interest groups, including Indigenous groups, landowners, environmental interest groups (including those opposed to oil and natural gas production operations) and other non-governmental organizations, blockades, legal or regulatory actions or challenges, increased regulatory oversight, reduced support from the federal, provincial or municipal governments, reputational damage, delays in, challenges to or the revocation of regulatory approvals, permits and/or licenses, and direct legal challenges, including the possibility of climate-related litigation. There is no guarantee that we will be able to satisfy the concerns of the special interest groups and non-governmental organizations, and attempting to address such concerns may require us to incur significant and unanticipated capital and operating expenditures.

Further, recent activism directed at shifting funding away from companies with energy-related assets could result in limitations or restrictions on certain sources of funding for the energy sector. Moreover, activist shareholders in our industry have introduced shareholder proposals that may seek to force companies to adopt aggressive emission reduction targets or to shift away from more carbon-intensive activities. While we cannot predict the outcomes of such proposals, they could ultimately make it more difficult for us to engage in exploration and production activities.

Risks Relating to Legal and Regulatory Matters

Our operations are subject to risks associated with climate change and potential regulatory programs meant to address climate change; these programs may impact or limit our business plans, result in significant expenditures or reduce demand for our product.

Climate change continues to be the focus of political and societal attention. Numerous proposals have been made and are likely to be forthcoming on the international, national, regional, state and local levels to reduce the emissions of GHG emissions. These efforts have included or may include cap-and-trade programs, carbon taxes, GHG emissions reporting obligations and other regulatory programs that limit or require control of GHG emissions from certain sources. These programs may limit our ability to produce crude oil, natural gas and NGLs, limit our ability to explore in new areas, or may make it more expensive to produce. In addition, these programs may reduce demand for our product either by incentivizing or mandating the use of other alternative energy sources, by prohibiting the use of our product, by requiring equipment using our product to shift to alternative energy sources, or by directly increasing the cost of fossil fuels to consumers. Additionally, in March 2024, the SEC adopted final rules intended to enhance and standardize climate-related disclosures by public companies and in public offerings; these rules are stayed pending the outcome of consolidated legal challenges in the Eighth Circuit Court of Appeals.

Compliance with applicable environmental laws and other government regulations could be costly and could negatively impact production.

The laws and regulations of countries where we have activities control our current business. These laws and regulations may require that we obtain permits for our development activities, limit or prohibit drilling activities in certain protected or sensitive areas or restrict the substances that can be released in connection with our operations.

Our operations could result in liability for personal injuries, property damage, natural resource damages, crude oil spills, discharge of hazardous materials, remediation and clean-up costs and other environmental damages. Failure to comply with environmental laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties and the issuance of orders enjoining operations. In addition, we could be liable for environmental damages caused by, among others, previous property owners or operators of properties that we purchase or lease. Some environmental laws provide for joint and several strict liability for remediation of releases of hazardous substances, rendering a person liable for environmental damage without regard to negligence or fault on the part of such person. As a result, we may incur substantial liabilities to third parties or governmental entities and may be required to incur substantial remediation costs. We could also be affected by more stringent laws and regulations adopted in the future, including any related to climate change and GHG and the use of hydraulic fracturing fluids, resulting in increased operating costs.

We are also subject to a wide variety of laws relating to health and safety, taxes, employment, labor standards, money laundering, terrorist financing, and other matters in the jurisdictions in which we operate.

These laws and other governmental regulations, which cover matters including drilling operations, taxation and environmental protection, may be changed from time to time in response to economic or political conditions and could have a significant impact on our operating costs, as well as the crude oil, natural gas and NGLs industry in general. The

compliance mechanisms and monitoring programs that we have adopted and implemented may not adequately prevent or detect possible violations of such applicable laws. Our failure to comply with any such legislation could result in severe criminal or civil sanctions and may subject us to other liabilities, including fines, prosecution and reputational damage, all of which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

While we believe that we are currently in compliance with environmental laws and other government regulations applicable to our operations, no assurances can be given that we will be able to continue to comply with such environmental laws and regulations without incurring substantial costs.

We have been, and in the future may become, involved in legal proceedings with governmental bodies and private litigants, and, as a result, may incur substantial costs in connection with those proceedings.

Our business subjects us to liability risks from litigation or government actions. We have been involved in legal proceedings from time to time and may in the future be party to various lawsuits or governmental actions. There is risk that any matter in litigation could be decided unfavorably against us, which could have a material adverse effect on our financial condition, results of operations and cash flows. Litigation can be very costly, and the costs associated with defending litigation could also have a material adverse effect on our results of operation, net cash flows and financial condition. Adverse litigation decisions or rulings may also damage our business reputation.

Often, our operations are conducted through joint ventures over which we may have limited influence and control. Private litigation or government proceedings brought against us could also result in significant delays in our operations.

Risks Relating to the 2025 Facility Agreement

A significant level of indebtedness incurred under the 2025 Facility may limit our ability to borrow additional funds or capitalize on acquisition or other business opportunities in the future. In addition, the covenants in the 2025 Facility impose restrictions that may limit our ability and the ability of our subsidiaries to take certain actions. Our failure to comply with these covenants could result in the acceleration of any future outstanding indebtedness under the 2025 Facility.

The 2025 Facility Agreement governing our 2025 Facility with The Standard Bank of South Africa Limited, Isle of Man Branch, The Standard Bank of South Africa Limited, and the other financial institutions contains certain affirmative and negative covenants, including, among other things, as to compliance with laws (including environmental laws and anti-corruption laws), delivery of quarterly and annual financial statements and compliance certificates, no change of business, no merger and maintenance of corporate existence, field preservations and related contracts relating to the Borrowing Base Assets (as defined in the 2025 Facility Agreement), maintenance of insurance, entry into certain derivatives contracts which are regulated by the 2025 Facility Agreement and the Hedging Policy (as defined in the 2025 Facility Agreement), restrictions on the incurrence of liens, indebtedness, asset dispositions, acquisitions, restricted payments, entry into offtake agreements with Qualifying Offtakers (as defined in the 2025 Facility Agreement) and other customary covenants. The 2025 Facility Agreement also contains certain financial covenants and other covenants that restrict our ability to pay dividends and to enter into certain acquisitions and disposition transactions. We were in compliance with covenants under the 2025 Facility Agreement as of the date hereof.

Restrictions contained in the 2025 Facility Agreement governing any future indebtedness may reduce our ability to incur additional indebtedness, engage in certain transactions or capitalize on proposed acquisition or other business opportunities. Any future indebtedness under the 2025 Facility and other financial obligations and restrictions could have financial consequences. For example, they could:

- impair our ability to obtain additional financing in the future for capital expenditures, potential acquisitions, general business activities or other purposes;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of future cash flows to payments of our indebtedness and other financial obligations, thereby reducing the availability of our cash flows to fund working capital, capital expenditures and other general corporate requirements;
- limit our flexibility in planning for, or reacting to, changes in our business and industry; and
- place us at a competitive disadvantage to those who have proportionately less debt.

In addition, our ability to comply with the 2025 Facility Agreement's covenants could be affected by events beyond our control and we cannot assure you that we will satisfy those requirements. A prolonged period of oil and gas prices at declined levels could further increase the risk of our inability to comply with covenants to maintain specified financial ratios. A breach of any of these provisions could result in a default under the 2025 Facility, which could allow all amounts outstanding thereunder to be declared immediately due and payable. In the event of such acceleration, we cannot assure that we would be able to repay our debt or obtain new financing to refinance our debt. Even if new financing was made available to us, it may not be on terms acceptable to us. We may also be prevented from taking advantage of business opportunities that arise if we fail to meet certain ratios or because of the limitations imposed on us by the covenants under the 2025 Facility.

The borrowing base under the 2025 Facility may be reduced pursuant to the terms of the 2025 Facility Agreement, which may limit our available funding for exploration and development. We may have difficulty obtaining additional credit, which could adversely affect our operations and financial position.

In the future we may depend on the 2025 Facility for a portion of our capital needs. The 2025 Facility has aggregate commitments of $190 million and an initial borrowing base of $182 million. Subject to certain conditions, we may request, at any time prior to the date falling 30 months after the date of the 2025 Facility Agreement to increase the total commitments available under the 2025 Facility by an aggregate principal amount not to exceed $110 million. The total amount of loans which may be drawn under the 2025 Facility is limited to the lower of the amount of the aggregate commitments and the Borrowing Base Amount at the relevant time. The Borrowing Base Amount is calculated pursuant to the 2025 Facility Agreement and redetermined on March 31 and September 30 of each year beginning June 30, 2025 and other interim triggers set out in the 2025 Facility Agreement.

In the future, we may not be able to access adequate funding under the 2025 Facility as a result of (i) a decrease in our borrowing base due to the outcome of a subsequent borrowing base redetermination, or (ii) an unwillingness or inability on the part of the lenders to meet their funding obligations. As a result, we may be unable to obtain adequate funding under the 2025 Facility. If funding is not available when needed, or is available only on unfavorable terms, it could adversely affect our development plans as currently anticipated, which could have a material adverse effect on our production, revenues and results of operations.

Risks Relating to Ownership of Our Common Stock

The price of our Common Stock may fluctuate significantly.

Our common stock currently trades on the New York Stock Exchange (“NYSE”) and the London Stock Exchange (“LSE”), but an active trading market for our common stock may not be sustained. The market price of our common stock could fluctuate significantly as a result of:

- dilutive issuances of our common stock;
- announcements relating to our business or the business of our competitors;
- changes in expectations as to our future financial performance or changes in financial estimates of public market analysis;
- actual or anticipated quarterly variations in our operating results;
- conditions generally affecting the crude oil, natural gas and NGLs industry;
- the success of our operating strategy; and
- the operating and stock price performance of other comparable companies.

Many of these factors are beyond our control, and we cannot predict their potential effects on the price of our common stock. In addition, the stock markets can experience considerable price and volume fluctuations. Recent volatility in the financial markets has resulted in significant price and volume fluctuations that have affected the market prices of equity securities without regard to a company’s operating performance, underlying asset values or prospects. Accordingly, the market price of our common stock may decline even if our operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values, which may result in impairment losses. There is no assurance that fluctuations in the price and volume of publicly traded equity securities will not occur. If such increased levels of volatility and market turmoil continue, our operations could be adversely impacted, and the trading price of our common stock may be adversely affected.

We currently intend to pay dividends on our common stock; however, no assurance can be given that we will be able to pay dividends to our stockholders in the future at indicated levels or at all.

On February 14, 2023, we announced that our Board of Directors adopted a quarterly cash dividend policy of an expected $0.0625 per share of common stock commencing in the first quarter of 2023. To the extent we have adequate cash on hand and cash flows from operations, we will consider continuing to pay dividends on our common stock in the future. Payment of future dividends, if any, and the establishment of future record and payment dates will be at the discretion of our Board of Directors after taking into account various factors, including current financial condition, the tax impact of repatriating cash, operating results and current and anticipated cash needs. As a result, no assurance can be given that we will be able to continue to pay dividends to our stockholders or that the level of any future dividends will achieve a market yield or increase or even be maintained over time, any of which could materially and adversely affect the market price of our common stock.

Dual-listing on the NYSE and the LSE may lead to an inefficient market in our common stock.

Our common stock is quoted on the NYSE and the LSE. Consequently, the trading in and liquidity of our common stock are split between these two exchanges. The price of our common stock may fluctuate and may at any time be different on the NYSE and the LSE. Dual-listing of our common stock will result in differences in liquidity, settlement and clearing systems, trading currencies, and prices and transaction costs between the exchanges where our common stock will be quoted. These and other factors may hinder the transferability of our common stock between the two exchanges.

Investors could seek to sell or buy our common stock to take advantage of any price differences between the two markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both common stock prices on either exchange and in the volumes of our common stock available for trading on either market. This could adversely affect the trading of our common stock on these exchanges and increase their price volatility and/or adversely affect the price and liquidity of the shares of common stock on these exchanges. In addition, holders of our common stock in either jurisdiction will not be immediately able to transfer such shares for trading on the other market without effecting necessary procedures with our transfer agents/registrars. This could result in time delays and additional cost for stockholders.

Our common stock is quoted and traded in USD on the NYSE and traded in GBX on the LSE. The market price of our common stock on those exchanges may also differ due to exchange rate fluctuations.

Substantial future sales of our common stock, or the perception that such sales might occur, or additional offerings of our common stock could depress the market price of our common stock.

We cannot predict what effect, if any, future sales of our common stock, or the availability of our common stock for future sale, or the offer of additional shares of our common stock in the future, will have on the market price of our common stock. Sales or an additional offering of substantial number of shares of our common stock in the public market, or the perception or any announcement that such sales or an additional offering could occur, could adversely affect the market price of our common stock and may make it more difficult for stockholders to sell their common stock at a time and price that they deem appropriate and could also impede our ability to raise capital through the issuance of equity securities.

Any issuance of preferred shares will rank in priority to our shares of common stock.

While we do not currently have any preferred shares outstanding, under our certificate of incorporation, we are authorized to issue up to 500,000 preferred shares. Any issuance of preferred shares would rank in priority to our shares of common stock with respect to the payment of dividends, liquidation, and other matters.

Our certificate of incorporation and bylaws do not contain any rights of pre-emption in favor of existing stockholders, which means that stockholders may be diluted if additional shares of common stock are issued.

Our stockholders do not have pre-emptive rights and we, without stockholder consent, may issue additional shares of common stock, preferred shares, warrants, rights, units and debt securities for general corporate purposes, including, but not limited to, working capital, capital expenditures, investments, acquisitions and repayment or refinancing of borrowings. We actively seek to expand our business through complementary or strategic acquisitions and may issue additional shares of common stock in connection with those acquisitions. We also issue shares of our common stock to our executive officers, employees and independent directors as part of their compensation. This may have the effect of diluting the

interests of existing stockholders. Additionally, to the extent that pre-emptive rights are granted, stockholders in certain jurisdictions may experience difficulties in exercising or the inability to exercise their pre-emptive rights.

The choice of forum provisions in our Third Amended and Restated Bylaws (the "Bylaws") could limit our stockholders' ability to obtain a favorable judicial forum for disputes.

Our Bylaws provide that the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought in the name or right of the Company or on its behalf, (ii) any action asserting a claim for breach of a fiduciary duty owed by any director, officer, employee, stockholder or other agent of the Company to the Company or the stockholders, (iii) any action arising or asserting a claim arising pursuant to any provision of the General Corporation Law of Delaware (the "DGCL") or any provision of our Restated Certificate of Incorporation, as amended (the "Charter"), or the Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine, including, without limitation, any action to interpret, apply, enforce or determine the validity of the Charter or the Bylaws. Nonetheless, pursuant to our Bylaws, the foregoing provisions will not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our Bylaws further provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the U.S. shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Under the Securities Act, federal and state courts have concurrent jurisdiction over all suits brought to enforce any duty or liability created by the Securities Act, and stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and have consented to the provisions in the Bylaws related to choice of forum. The choice of forum provisions in our Bylaws may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. Additionally, the enforceability of choice of forum provisions in other companies' governing documents has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our Bylaws to be inapplicable or unenforceable in such action. If so, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk management and strategy

Our corporate information technology, communication networks, enterprise applications, accounting and financial reporting platforms, and related systems are necessary for the operation of our business. We use these systems, among others, to manage our exploration, development and production processes, for internal communications, for accounting to operate record-keeping function, and for many other key aspects of our business. Our business operations rely on the secure collection, storage, transmission, and other processing of proprietary, confidential, and sensitive data.

We have implemented and maintain various information security processes designed to identify, assess and manage material risks from cybersecurity threats to our critical computer networks, third-party hosted services, communications systems, hardware and software, and our critical data, including confidential information that is proprietary, strategic or competitive in nature ("Information Systems and Data").

We rely on a multidisciplinary team, including our information security function, legal department, management, and third-party service providers, as described further below, to identify, assess, and manage cybersecurity threats and risks. We identify and assess risks from cybersecurity threats by monitoring and evaluating our threat environment and our risk profile using various methods including, for example, using manual and automated tools, subscribing to reports and services that identify cybersecurity threats, analyzing reports of threats and threat actors, conducting scans of the threat environment, evaluating our industry's risk profile, utilizing internal and external audits, and conducting threat and vulnerability assessments.

Depending on the environment, we implement and maintain various technical, physical, and organizational measures, processes, standards, and/or policies designed to manage and mitigate material risks from cybersecurity threats to our Information Systems and Data, including risk assessments, incident detection and response, vulnerability management, disaster recovery and business continuity plans, internal controls within our accounting and financial reporting functions, encryption of data, network security controls, access controls, physical security, asset management, systems monitoring, vendor risk management program, infrastructure protection technologies, disaster recovery plans, employee training, and penetration testing.

We work with third parties from time to time that assist us in identifying, assessing, and managing cybersecurity risks, including professional services firms, consulting firms, threat intelligence service providers and penetration testing firms.

To operate our business, we utilize certain third-party service providers to perform a variety of functions. We seek to engage reliable, reputable service providers that maintain cybersecurity programs. Depending on the nature of the services provided, the sensitivity and quantity of information processed, and the identity of the service provider, our vendor management process may include reviewing the cybersecurity practices of such provider, contractually imposing obligations on the provider, conducting security assessments, and conducting periodic reassessments during their engagement.

We are not aware of any risks from cybersecurity threats, including as a result of any cybersecurity incidents, which have materially affected or are reasonably likely to materially affect our Company, including our business strategy, results of operations, or financial condition. Refer to “Item 1A. Risk factors” in this Annual Report on Form 10-K, including “Our business could be materially and adversely affected by security threats, including cybersecurity threats, and other disruptions”, for additional discussion about cybersecurity-related risks.

Governance

Our Board of Directors holds oversight responsibility over the Company’s strategy and risk management, including the management of systemic risks and material risks related to cybersecurity threats. This oversight is performed by the Board of Directors and its committees. The Board of Directors engages in discussions with management when management identifies any significant financial risk exposures that may result from material cybersecurity threats and the measures implemented to monitor and control these risks.

Our management, represented by our Chief Financial Officer, Ron Bain, and our Information Technology Director (the “IT Director”), Perry Pasloski, leads our cybersecurity risk assessment and management processes and oversees their implementation and maintenance.

Our IT Director is an experienced information technology professional in our information technology department and has served as IT Director since 2024. He works with the Company’s internal information technology department and external partners to monitor and improve our cybersecurity capabilities. Our IT Director possesses extensive experience in technology and cybersecurity, gained over his career spanning more than 25 years.

Management, in coordination with our information technology department, is responsible for hiring appropriate personnel, helping to integrate cybersecurity risk considerations into the Company’s overall risk management strategy, and communicating key priorities to relevant personnel. Management is responsible for approving budgets, approving cybersecurity processes, and reviewing cybersecurity assessments and other cybersecurity-related matters.

Our cybersecurity incident response and vulnerability management processes are designed to escalate certain cybersecurity incidents to members of management depending on the circumstances. Management, including the Information Technology Director and the Chief Financial Officer, serves on the Company’s incident response team to help the Company mitigate and remediate cybersecurity incidents of which they are notified. In addition, the Company’s incident response processes include reporting to the Board of Directors for certain cybersecurity incidents. The Board of Directors holds regular meetings throughout the year and receives periodic reports from management, including our Chief Financial Officer, concerning the Company’s significant cybersecurity threats and risk and the processes the Company has implemented to address them.

Item 2. Properties

The location and general character of our principal crude oil, natural gas and NGLs assets, production facilities, and other important physical properties have been described by segment under Item 1. “*Business*.” Information about crude oil,

natural gas and NGLs reserves, including the basis for their estimation, is discussed in Item 1. "*Business*." Our principal executive office is located at 2500 CityWest Boulevard, Houston, Texas 77042. As of December 31, 2024, we maintained offices in Houston, Texas; London, United Kingdom; Port-Gentil, Gabon; Calgary, Alberta; Cairo, Egypt; Abidjan, Cote d'Ivoire; and Malabo, Equatorial Guinea. All of our office space is leased. While we may in the future require additional office space as our business expands, we believe that our existing facilities are adequate to meet our needs for the immediate future and that additional facilities will be available on commercially reasonable terms as needed. For information regarding the Company's obligations under its office leases, see Part IV, Item 15., Note 14. *Leases* to the Consolidated Financial Statements.

Item 3. Legal Proceedings

We are subject to litigation claims and governmental and regulatory proceedings arising in the ordinary course of business. While we cannot predict the occurrence or outcome of these proceedings with certainty, it is management's opinion that all claims and litigation we are currently involved in are not likely to have a material adverse effect on our consolidated financial position, cash flows or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the New York Stock Exchange and London Stock Exchange under the symbol "EGY".

As of February 28, 2025, based upon information received from our transfer agent and brokers and nominees, there were approximately 93 holders of record of VAALCO common stock. This number does not include beneficial or other owners for whom common stock may be held in "street" names.

Dividends

On February 14, 2023, we announced that our board of directors adopted a quarterly cash dividend policy of an expected $0.0625 per common share per quarter commencing in the first quarter of 2023 and continued throughout the years 2023 and 2024. The following table is a schedule of our dividends paid during 2024:

Dividend Payment Date	Amount per common share	Record Date
March 28, 2024	$ 0.0625	March 8, 2024
June 21, 2024	$ 0.0625	May 17, 2024
September 20, 2024	$ 0.0625	August 23, 2024
December 20, 2024	$ 0.0625	November 22, 2024
Aggregate per share amount paid in 2024	$ 0.2500	

In connection with the 2025 RBL Facility, we are required to provide a group liquidity forecast prior to any distribution, share buyback, or stock repurchase (each, a "Distribution"). The forecast must include the amount of Distribution expected in the forecast period. Provided there is no borrowing base deficiency, and no event of default results or exists, we may make Distributions without further approval as long as (1) the current forecast is above the required ratio and the proposed Distribution, aggregated with the amount declared or paid in any three months within the forecast period, does not exceed 110% of the estimated amount for that period, or (2) we provide an updated forecast that is above the required threshold taking into account the proposed Distribution and the expected Distribution in any three-month period within the relevant forecast period. In the event the liquidity test is not met, an approval or waiver would need to be obtained from the Lenders to make a Distribution. Cash dividends during the expected period of the refurbishment of the FPSO in Cote d'Ivoire, if any are declared, shall not be more than $0.26 per share. For the year ended December 31, 2024, no specific approval or waivers were required to make Distributions.

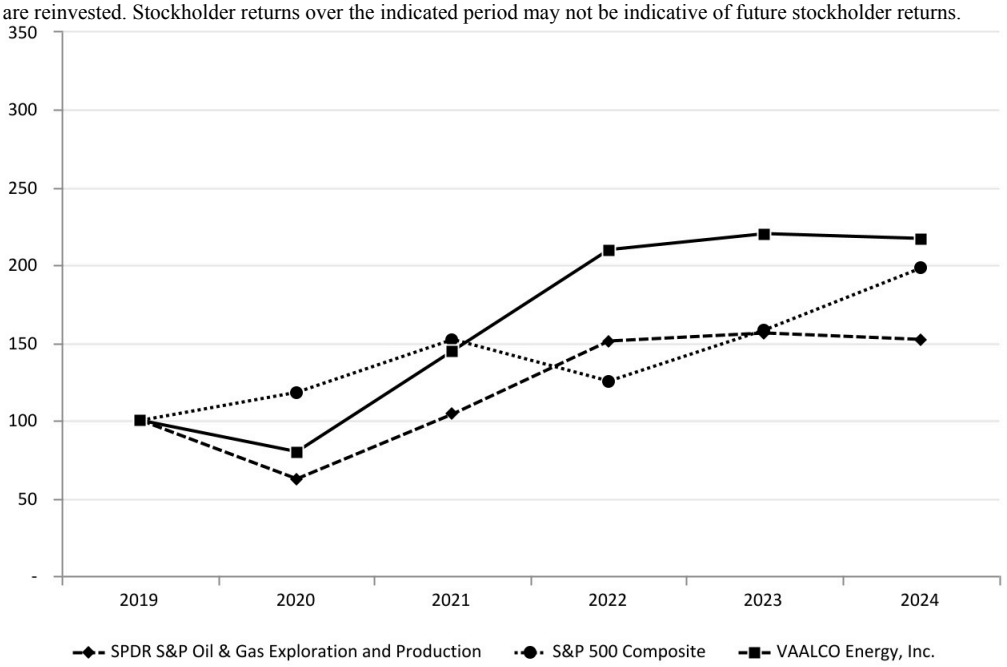
To the extent we have adequate cash on hand and cash flows from operations, we will consider paying additional cash dividends on a quarterly basis; however, any future dividend payments, if any, will be at the discretion of the Board of Directors after taking into account various factors, including current financial condition, the tax impact of repatriating cash, operating results and current and anticipated cash needs.

Securities Authorized for Issuance Under Equity Compensation Plans

See "*Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*" for discussion of shares of common stock that may be issued under our compensation plans.

Performance Graph

The following graph compares the annual percentage change in our cumulative total stockholder return on common shares with the cumulative total return of the S&P 500 Index and the SPDR S&P Oil & Gas Exploration and Production Index. The graph assumes $100 was invested on December 31, 2019 in our common stock and in each index, and that all dividends, if any, are reinvested. Stockholder returns over the indicated period may not be indicative of future stockholder returns.



	2019	2020	2021	2022	2023	2024
SPDR S&P Oil & Gas Exploration and Production	$ 100	$ 62	$ 104	$ 151	$ 156	$ 152
S&P 500 Composite	$ 100	$ 118	$ 152	$ 125	$ 158	$ 198
VAALCO Energy, Inc.	$ 100	$ 80	$ 145	$ 210	$ 220	$ 217

Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered securities during the year ended December 31, 2024 that were not previously reported on a Current Report on Form 8-K.

Issuer Repurchases of Common Stock

The Company previously implemented a Rule 10b5-1 trading plan (the "10b5-1 Plan") to facilitate share purchases through open market purchases, privately negotiated transactions, or otherwise under the Exchange Act. The 10b5-1 Plan provided for an aggregate purchase of currently outstanding common stock of up to $30 million over a maximum period of up to 20 months. Payment for shares repurchased under the share buyback program were funded using the Company's cash on hand and cash flow from operations. The share buyback program was completed on March 12, 2024.

The below table shows the repurchases of equity securities related to the share repurchase program during the fiscal year ended December 31, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Maximum Amount that May Yet Be Used to Purchase Shares Under the Program
January 1, 2024 - January 31, 2024	446,366	$ 4.48	446,366	$ 3,516,205
February 1, 2024 - February 29, 2024	474,100	$ 4.22	474,100	$ 1,516,630
March 1, 2024 - March 12, 2024	347,137	$ 4.33	347,137	$ —
Total	1,267,603		1,267,603	

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following management's discussion and analysis describes the principal factors affecting our capital resources, liquidity, and results of operations. This management's discussion and analysis should be read in conjunction with the accompanying Financial Statements and related notes, information about our business practices, significant accounting policies, risk factors, and the transactions that underlie our financial results, which are included in various parts of this Annual Report. For discussion related to changes in financial condition and results of operations for 2023 as compared with 2022, refer to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2023 Form 10-K, which was filed with the SEC on March 15, 2024. Certain statements in our discussion below are forward-looking statements. These forward-looking statements involve risks and uncertainties. We caution that a number of factors could cause actual results to differ materially from those implied or expressed by the forward-looking statements. Please see "Cautionary Statement Regarding Forward-Looking Statements" and "Item 1A. Risk Factors" for further details about these statements.

INTRODUCTION

We are an independent energy company headquartered in Houston, Texas engaged in the acquisition, exploration, development and production of crude oil, natural gas and NGLs. We have a diversified African-focused asset portfolio in Gabon, Egypt, Cote d'Ivoire, Equatorial Guinea and Nigeria, as well as producing properties in Canada. For further discussion of our five operating segments see *"Item 1. Business – Segment and Geographical Information."*

We intend to accelerate shareholder returns and increase shareholder value by controlling operating costs and capital expenditures, maximizing reserve recoveries and making disciplined strategic accretive acquisitions that meet our strategic and financial objectives.

We believe that our quality portfolio, strong management and technical expertise specific to the markets in which we operate, and our ongoing focus on maintaining a competitive cost structure and disciplined capital allocation framework position us to achieve our business strategy and navigate a variety of commodity price environments. Over the past years,

we have delivered on our focused strategy and believe we will continue to do so with the organic growth programs across our diversified portfolio over the coming years.

Recent Developments and Outlook

2024 Acquisition

On April 30, 2024, we completed the acquisition of Svenska Petroleum Exploration Aktiebolag, a company incorporated in Sweden whereby we acquired all of the issued shares in the capital of Svenska and Svenska became a direct, wholly-owned subsidiary of the Company ("Svenska Acquisition") for a net adjusted purchase price of $40.2 million. The purchase price was funded with the Company's cash on hand. As a result of the Svenska Acquisition, we acquired Svenska's primary asset: a 27.39% non-operated working interest in the deepwater producing Baobab field in Block CI-40, offshore Cote d'Ivoire in West Africa. We also acquired a 21.05% non-operated working interest in OML 145, a non-producing discovery located offshore of Nigeria that is not expected to be developed at this time.

Capital Program

We expect our 2025 capital program to range between $270 million to $330 million, assuming normal operating conditions, that prioritizes free cash flow generation and meaningful return of capital to shareholders. The program includes estimated spending of approximately between $115 million to $135 million for Gabon, $30 million to $40 million for Egypt, $8 million to $13 million for Canada, $1 million to $3 million for Equatorial Guinea, $115 million to $135 million for Cote d'Ivoire for oil and natural gas development and $1 million related to corporate and other capital costs. The foregoing amounts related to Etame projects in Gabon do not include amounts funded by the non-operating partners. See further discussion below under *"Capital Resources, Liquidity and Cash Requirements"* for further discussion on the capital spending for each of our operating segments.

Commodity Prices

Prices for crude oil and condensate, NGLs and natural gas have historically been volatile. This volatility is expected to continue due to the many uncertainties associated with the worldwide political and economic environment and the global supply of, and demand for, crude oil, NGLs and natural gas and the availability of other energy supplies, the relative competitive relationships of the various energy sources in the view of consumers and other factors. Significant changes in oil and natural gas prices have a material impact on our liquidity. Declining commodity prices negatively affect our operating cash flow but have a positive indirect effect on operating expenses. The inverse is also true during periods of rising commodity prices. To mitigate some of the risk inherent in oil and natural gas prices, we have utilized various derivative instruments to hedge commodity price risk.

RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

We reported net income for the year ended December 31, 2024 of $58.5 million compared to a net income of $60.4 million for the year ended December 31, 2023. The year-over-year decrease in net income was due to higher depreciation, depletion and amortization expense, production expenses and credit losses during the year, partially offset by the increase in revenues and a bargain purchase gain related to the Svenska acquisition. Further discussion of results by significant line item follows.

	Year Ended December 31,		Increase/ (Decrease)
	2024	2023	
	(in thousands except per Boe information)		
Net crude oil, natural gas, and NGLs sales volume (MBoe)	**7,262**	6,832	430
Average crude oil, natural gas and NGLs sales price (per Boe)	**$ 65.64**	$ 65.83	$ (0.19)
Net crude oil, natural gas, and NGLs revenue	**$ 478,988**	$ 455,066	$ 23,922
Operating costs and expenses:			
Production expense	**163,500**	153,157	10,343
FPSO demobilization and other costs	**—**	7,484	(7,484)
Exploration expense	**48**	1,965	(1,917)
Depreciation, depletion and amortization	**143,034**	115,302	27,732
General and administrative expense	**29,684**	23,840	5,844
Credit (recovery) losses and other	**6,304**	(4,906)	11,210
Total operating costs and expenses	**342,570**	296,842	45,728
Other operating income (expense), net	**78**	433	(355)
Operating income	**$ 136,496**	$ 158,657	$ (22,161)

The revenue changes between the years ended December 31, 2024 and 2023 identified as related to changes in price or volume are shown in the table below:

(in thousands)	
Price	**$ (1,376)**
Volume	**28,338**
Other [(1)]	**(3,040)**
Total net revenue	**$ 23,922**

(1) The Other in the table above includes revenues attributed to carried interests.

The table below shows net production, sales volumes and realized prices for both years.

	Year Ended December 31,	
	2024	2023
Net crude oil, natural gas and NGLs production (MBoe)	**7,296**	6,833
Net crude oil, natural gas and NGLs sales (MBoe)	**7,262**	6,832
Average realized crude oil, natural gas and NGLs price ($/Boe)	**$ 65.64**	$ 65.83
Average Dated Brent spot price* ($/Bbl)	**$ 80.52**	$ 82.49

* Average of daily Dated Brent spot prices posted on the U.S. Energy Information Administration website.

Costs and Expenses	2024	2023	% Change 2024 vs. 2023
Production expense, excluding offshore workovers ($/BOE)	$ 22.50	$ 22.42	— %
Depreciation, depletion and amortization ($/BOE)	$ 19.69	$ 16.88	17 %
General and administrative expense, excluding stock-based compensation ($/BOE)	$ 3.48	$ 3.49	— %

Crude oil, natural gas and NGLs net revenues increased $23.9 million, or approximately 5%, during the year ended December 31, 2024 compared to the same period of 2023. The revenue increase is primarily attributable to revenues recognized within the Cote d'Ivoire segment during the year ended December 31, 2024 that were not present in the prior period.

Gabon

Crude oil sales in Gabon are a function of the number and size of crude oil liftings in each year and thus crude oil sales do not always coincide with volumes produced in any given year. The Company's Gabon segment contributed $206.0 million of revenue to the Company's total revenue during the year ended December 31, 2024. This compares to the $260.3 million of revenue contributed by the segment during the year ended December 31, 2023. The decrease in revenues is primarily due to lower sales volume in Gabon. The total sales volume in Gabon for the year ended December 31, 2024 was 2,584 MBbls or 612 MBbls lower than the sales volumes of 3,196 MBbls in the same period in 2023. Further, we had a decrease in the Gabon average realized price per barrel received during the year ended December 31, 2024 of $78.81 per barrel (Bbl) compared to the price received in 2023 of $79.80 per Bbl. Our share of crude oil inventory, excluding royalty barrels, was approximately 267,754 barrels and 68,766 barrels at December 31, 2024 and 2023, respectively.

Egypt

Crude oil sales in Egypt are either sold to a third party via a cargo lifting or sold directly to the government, EGPC. The Company's Egypt segment contributed $146.0 million of revenue to the Company's total revenue for the year ended December 31, 2024. This compares to the $161.0 million of revenue contributed by the segment during the year ended December 31, 2023. The decrease in revenues was primarily due to the decrease in sales volumes during the year ended December 31, 2024 to 2,585 MBbls compared to 2,771 MBbls during the same period in 2023. The average realized price received in Egypt was $56.47 per Bbl during the year ended December 31, 2024, which was also lower compared to the $58.11 per barrel received in 2023. At December 31, 2024, the Company's Egypt segment had zero barrels in oil inventory.

Canada

Crude oil sales in Canada are normally sold through pipelines to a third party. The Company's Canadian segment contributed $32.0 million of revenue to the Company's total revenue for the year ended December 31, 2024. This compares to the $33.7 million of revenue contributed by the Canada Segment during the year ended December 31, 2023. The decrease in revenues is due to the lower average realized sales price received during the year ended December 31, 2024 of $36.77 per MBoe or a decrease of $1.79 per Boe from the $38.92 per Boe received during the same period in 2023. The decrease in the average realized price was offset by the increase in sales volumes during the same period. In Canada, the total sales volumes for the year ended December 31, 2024 was 870 MBoe or 5 MBoe higher than the 865 MBoe sold during the year ended December 31, 2023.

Cote d'Ivoire

Crude oil sales in Cote d'Ivoire are sold through a marketing contract with an international oil trading company which offers the cargo shipments to buyers, mainly refineries, around the world. The Company's Cote d'Ivoire Segment contributed $95.1 million of revenue to the Company's total revenue during the year ended December 31, 2024. Total sales volumes in Cote d'Ivoire for the year ended December 31, 2024 was 1,223 MBbls and the average realized sales price received was $77.74 per barrel.

Production expenses increased $10.3 million, or approximately 7%, to $163.5 million in the year ended December 31, 2024 compared to the same period of 2023. The increase in production expense was primarily driven by the crude oil inventory acquired in the Svenska Acquisition that was recorded at fair value upon acquisition and lower of cost or net realizable value in subsequent periods. In addition, VAALCO has seen inflationary pressure on personnel and contractor

costs. In February 2024, the government in Gabon enacted new regulation which has resulted in an increase to withholding taxes on foreign supplied goods and services. On a per barrel basis, production expense, excluding workover expense and stock compensation expense, for the year ended December 31, 2024 decreased to $22.48 per barrel from the prior year of $22.59 per barrel primarily as a result of higher production volumes for the current period.

FPSO demobilization costs decreased $7.5 million, or 100%, to zero in the year ended December 31, 2024 compared to the same period of 2023. In 2023, it was determined that there was additional normally occurring radioactive material (NORMs) waste than anticipated connected to the FPSO from the Contractors' usage. As such, VAALCO and JOA partners incurred an additional $7.5 million (net to VAALCO) in decommissioning fees, which was reported as a separate line item on the income statement. These costs were incurred to retire the FPSO as we transitioned the Etame block to the FSO.

*Exploration expens*es decreased $1.9 million, or approximately 98%, in the year ended December 31, 2024 compared to the same period of 2023 due primarily to the abandonment of the Egyptian East Arta - 54 appraisal well and the abandonment of the NWG-5C1 appraisal well in 2023.

Depreciation, depletion and amortization increased $27.7 million, or approximately 24%, in the year ended December 31, 2024 compared to the same period of 2023. The increase in depreciation, depletion and amortization expense is due primarily to the addition of Cote d'Ivoire related to the Svenska Acquisition partially offset by lower depletable costs in Gabon, Egypt, and Canada.

General and administrative expenses increased $5.8 million, or approximately 25%, in the year ended December 31, 2024 compared to the same period of 2023. The increase in general and administrative expenses is primarily due to professional fees, accounting and legal services, and salaries and wages.

Credit loss and other allowances - Credit loss and other expense increased $11.2 million, or approximately 228%, in the year ended December 31, 2024 compared to the same period of 2023. The increase in credit losses and other for the year ended December 31, 2024, is primarily attributable to the receivables with EGPC regarding the settlement of these receivables owed to the Company. During the year ended December 31, 2023, the decrease in credit loss and other allowances was primarily due to two credit loss and other allowance reversals in 2023. These two reversals were partially offset by a credit loss and other allowance adjustment in Egypt.

Derivative instruments gain (loss), net is attributable to our commodity instruments as discussed in Part IV, Item 15., Note 10. *Derivatives and Fair Value* to the Consolidated Financial Statements. During the years ended December 31, 2024 and 2023, we recognized net realized losses of $0.5 million and $0.1 million, respectively, and unrealized losses of $0.2 million and an unrealized gain of $0.4 million, respectively, or a total net derivative losses of $0.7 million and net derivative gain of $0.2 million, respectively. Derivative losses for 2024 are a result of the increase in the price of Dated Brent crude oil over the initial strike price per barrel of the option over the year ended December 31, 2024. Our derivative instruments currently cover a portion of our production through September 2025.

Interest (expense) income, net decreased $2.7 million to an expense of $3.7 million for the year ended December 31, 2024 from an expense of $6.5 million during the same period in 2023. The decrease of net interest expense for the year ended December 31, 2024 primarily results from a decrease in our amortization of debt issue costs and commitment fees incurred on the RBL Facility partially offset by interest income.

Other (expense) income, net increased $4.9 million to an expense of $5.8 million for the year ended December 31, 2024 from an expense of $0.9 million for the year ended December 31, 2023. Other (expense) income, net normally consists of foreign currency losses as discussed in Part IV, Item 15., Note 2. *Summary of Significant Accounting Policies* to the Consolidated Financial Statements. However, for the year ended December 31, 2024, other (expense) income, net, also included $3.9 million of transaction costs associated with the Svenska Acquisition.

Income tax expense (benefit) for the year ended December 31, 2024 was an expense of $81.3 million. This is comprised of $98.9 million of current tax expense and a deferred tax benefit of $17.6 million. Income tax expense for the year ended December 31, 2023 was an expense of $89.7 million. This was comprised of $92.6 million of current tax expense and a deferred tax benefit of $2.9 million. The current tax expense in both periods is primarily attributable to our operations in Gabon, Egypt, Canada and Cote d'Ivoire. The income tax expense is higher in 2024 than income tax for the comparable 2023 period as a result of higher revenues. See Part IV, Item 15., Note 8. *Income Taxes* to the Consolidated Financial Statements for further discussion.

CAPITAL RESOURCES AND LIQUIDITY

Capital Expenditures

During 2024, we had accrual basis expenditures attributable to operations of $109.4 million, that includes $22.6 million for Gabon, $11.4 million for Egypt, $25.8 million for Canada, $44.4 million for Cote d'Ivoire, $0.6 million for Equatorial Guinea and $4.6 million for the corporate offices, compared to $72.6 million for 2023. Capital expenditures in 2024 were attributable to expenditures primarily related to the new wells drilled as part of the drilling campaign in Canada, the workover and drilling program in Egypt and the expenditures associated with the preparation of the FPSO dry dock project in Cote d'Ivoire. Capital expenditures in 2023 were primarily related to the payments for the 2023 drilling campaigns in Egypt and Canada.

Recent Operational Updates

Gabon

The Company secured a drilling rig in December 2024 in conjunction with its 2025/2026 drilling program, which is planned to begin in mid-2025 to drill multiple development wells, and appraisal or exploration wells, as well as to perform workovers, with options to drill additional wells. We are planning on multiple wells in both the Etame field and at our SEENT platform, and a re-drill and several workovers in the Ebouri field to access production and reserves that were previously shut in and removed from proved reserves due to the presence of hydrogen sulfide.

Egypt

The Company focused on enhancing production in 2024 through a series of planned workovers. The EA-55 well, drilled in October 2023, was completed and put online in January 2024. During the year, the planned workover program for 2024 was completed for 12 wells, including the K-81 well recompletion at the start of the first quarter of 2024, which was a carry-over from our 2023 drilling activity. The focus of the workover activities was to achieve peak production from the wells, significant improvements on the rate of production, and enhance production efficiency.

The Company deferred its 2024 drilling during the year to work up a robust drilling program. We have contracted a rig and commenced with the drilling of two wells December 2024. The first of the two wells was also successfully completed in December 2024, while the second well is expected to come on line in early 2025.

Cote d'Ivoire

As previously discussed, the FPSO will be placed in dry dock in early 2025 for planned maintenance and upgrades. It ceased hydrocarbon production as scheduled on January 31, 2025 and the final lifting of crude oil from the FPSO took place on February 5, 2025. The project team has commenced mobilization efforts, deploying the necessary workforce support vessels and equipment to facilitate the safe disconnection of the FPSO. The vessel is planned to be wet towed to the shipyards in Dubai for refurbishment upon departure from the field around March 2025. Significant development drilling is expected to begin in 2026 after the FPSO is expected to return to service with meaningful additions to production from the main Baobab field in CI-40, as well as a potential future development of the Kossipo field, which is also on the license.

Canada

We successfully drilled and completed four wells in 2024, all of which have been producing during the year. The wells were drilled with longer 2.75 mile laterals to improve the economics of the program. The new wells drilled resulted in a change in the production mix in Canada from about 60% liquids during the first quarter to about 75% after the wells came online with a lower gas-oil ratio. In early November 2024, a fifth well was drilled and we plan to put the well online in early 2025.

Commodity Price Hedging

The price we receive for our crude oil significantly influences our revenue, profitability, liquidity, access to capital and prospects for future growth. Crude oil commodities and, therefore their prices can be subject to wide fluctuations in response to relatively minor changes in supply and demand. We believe these prices will likely continue to be volatile in the future.

Due to the inherent volatility in crude oil prices, we use commodity derivative instruments such as swaps to hedge price risk associated with a portion of our anticipated crude oil production. These instruments allow us to reduce, but not eliminate, the potential effects of variability in cash flow from operations due to fluctuations in commodity prices. The instruments provide only partial protection against declines in crude oil prices and may limit our potential gains from future increases in prices. None of these instruments are used for trading purposes. We do not speculate on commodity prices but rather attempt to hedge physical production by individual hydrocarbon product in order to protect returns. The counterparty to our derivative swap transactions was a major oil company's trading subsidiary, and our costless collars are with Glencore. We have not designated any of our derivative contracts as fair value or cash flow hedges. The changes in fair value of the contracts are included in the consolidated statements of operations and other comprehensive income (loss). We record such derivative instruments as assets or liabilities in the consolidated balance sheet. We do not anticipate any substantial changes in our hedging policy.

Please see Part IV, Item 15., Note 10. *Derivatives and Fair Value* in our Consolidated Financial Statements for more information on the related hedges.

Cash on Hand

At December 31, 2024 and 2023, we had unrestricted cash of $82.6 million and $121.0 million, respectively, which as of certain dates, exceeded Federal Deposit Insurance Corporation insurance limits. We invest cash not required for immediate operational and capital expenditure needs in short-term money market instruments primarily with financial institutions where we determine our credit exposure is negligible. As operator of the Etame Marin block in Gabon, we enter into project-related activities on behalf of our working interest joint venture owners. We generally obtain advances from joint venture owners prior to significant funding commitments. Our cash on hand will be utilized, along with cash generated from operations, to fund our operations.

Capital Resources, Liquidity and Cash Requirements

Our primary source of liquidity has been cash flows from operations and our primary use of cash has been to fund capital expenditures for development activities in the Etame Marin block. We continually monitor the availability of capital resources, including equity and debt financings that could be utilized to meet our future financial obligations, planned capital expenditure activities and liquidity requirements including those to fund opportunistic acquisitions. Our future success in growing proved reserves, production and balancing the long-term development of our assets with a focus on generating attractive corporate-level returns will be highly dependent on the capital resources available to us.

Based on current expectations, we believe we have sufficient liquidity through our existing cash balances, cash flow from operations and our 2025 RBL Facility to support our current cash requirements during the next 12 months and beyond, including the FSO charter, drilling programs, as well as transaction expenses and capital and operational costs associated with our business segments' operations. However, our ability to generate sufficient cash flow from operations or fund any potential future acquisitions, consortiums, joint ventures or pay dividends for other similar transactions depends on operating and economic conditions, some of which are beyond our control. If additional capital is needed, we may not be able to obtain debt or equity financing on terms favorable to us, or at all. We are continuing to evaluate all uses of cash, including opportunistic acquisitions, and whether to pursue growth opportunities and whether such growth opportunities, additional sources of liquidity, including equity and/or debt financings, are appropriate to fund any such growth opportunities.

Merged Concession Agreement

For information on the Merged Concession Agreement, see Part IV, Item 15., Note 12. *Commitments and Contingencies* to the Consolidated Financial Statements.

RBL Facility Agreement and Available Credit

For information on our RBL Facility Agreement and Available Credit, see Part IV, Item 15., Note 13. *Debt* to the Consolidated Financial Statements. For information on our 2025 Facility Agreement and Available Credit, see Part IV, Item 15., Note 13. *Debt* and Note 20. *Subsequent Events* to the Consolidated Financial Statements.

Cash Requirements

Our material cash requirements generally consist of the FPSO refurbishment, finance and operating leases, capital projects, dividend payments, Merged Concession Agreement and abandonment funding, each of which is discussed in further detail below.

Abandonment Funding - Under the terms of the Etame PSC, we have a cash funding arrangement for the eventual abandonment of all offshore wells, platforms and facilities on the Etame Marin block. As a result of the PSC Extension, annual funding payments are spread over the periods from 2018 through 2028, under the applicable abandonment study. The amounts paid will be reimbursed through the Cost Account and are non-refundable. In August 2023, a new abandonment study was completed and such study estimated abandonment costs of approximately $77.9 million ($45.9 million, net to VAALCO) on an undiscounted basis. The new abandonment estimate was presented to the Gabonese Directorate of Hydrocarbons as required by the PSC. In the first quarter of 2023, the Directorate of Hydrocarbons in Gabon approved a $26.6 million ($15.6 million, net to VAALCO) abandonment funding payment associated with the FPSO retirement. The Company received payment of $15.6 million in March 2023. No additional activity was noted in the abandonment funding account during the remainder of 2023 and in 2024. At December 31, 2024, the balance of the abandonment fund was $10.7 million ($6.3 million, net to VAALCO) on an undiscounted basis. The annual payments will be adjusted based on revisions in the abandonment estimate. This cash funding is reflected under "Other noncurrent assets" in the "Abandonment funding" line item of the consolidated balance sheets. The Company is working with the Directorate of Hydrocarbons in Gabon to establish a payment schedule to resume funding of the abandonment fund. Future changes to the anticipated abandonment cost estimate could change the asset retirement obligation and the amount of future abandonment funding payments.

Capital Projects - In December 2024, Vaalco secured a rig for the 2025/26 drilling campaign at Etame. Vaalco is currently finalizing locations and planning for the next drilling campaign, which is expected to commence in Q3 2025. We currently have a 10 to 15 well drilling campaign in Egypt, where we have completed the drilling of two wells. In Canada, we continue to drill, recomplete and workover wells adding to our production base and cash flows.

Leases - We are a party to several operating and financing lease arrangements, including operating leases, which may include corporate offices, drilling rigs, rental of marine vessels and helicopter, warehouse and storage facilities, equipment and financing lease agreements for the FSO, and equipment and vehicles used in operations. The annual costs of these leases are significant to us. For further information see Part IV, Item 15., Note 14. *Leases* to our Consolidated Financial Statements.

Merged Concession Agreement - On January 20, 2022, prior to the consummation of the TransGlobe Acquisition, TransGlobe announced a fully executed Merged Concession Agreement with EGPC that merged the three existing Eastern Desert concessions with a 15-year primary term and improved economics. In advance of the Minister of Petroleum and Mineral Resources of the Arab Republic of Egypt (the "Minister") executing the Merged Concession Agreement, TransGlobe paid the first modernization payment of $15.0 million and signing bonus of $1.0 million as part of the conditions precedent to the official signing ceremony on January 19, 2022. On February 1, 2022, TransGlobe paid the second modernization payment of $10.0 million. In accordance with the Merged Concession Agreement, we agreed to substitute the 2023, 2024 and 2025 payments and issue three $10.0 million credits against receivables owed from EGPC. We plan to make the final annual equalization payment of $10.0 million on or before February 1, 2026. We also have minimum financial work commitments of $50.0 million per each five-year period of the primary development term, commencing on February 1, 2020 (the "Merged Concession Effective Date"). As of December 31, 2024, the $50.0 million of financial work commitments had been delivered to EGPC.

FSO Agreements – On August 31, 2021, we and our Etame co-venturers approved the Bareboat Contract and Operating Agreement (the "Bareboat Charter") with World Carrier to replace the existing FPSO with an FSO unit at the Etame Marin block offshore Gabon. Pursuant to the Bareboat Charter, World Carrier will provide use of the *Teli* vessel to VAALCO Gabon for an initial eight-year term, subject to optional two successive one-year extensions. Pursuant to the Bareboat Charter, VAALCO Gabon agreed to engage World Carrier for the purposes of maintaining and operating the FSO on its behalf in accordance with the specifications therein and to provide other services to VAALCO Gabon in connection with the operation and maintenance of the FSO. As consideration for the performance by World Carrier of the Operator

Services, VAALCO Gabon agreed to pay a daily operating fee (to be paid monthly) beginning on the date of issuance of the Fit to Receive Certificate (as defined in the Bareboat Charter) until the end of the term, with such term being the same as the term in the Bareboat Charter. On October 19, 2022, we issued final acceptance certificate of the FSO. On December 4, 2022, the first lifting from the FSO was successfully completed at the same time the final remaining volumes from the FPSO were removed.

FPSO Maintenance – The FPSO will be in transit to dry dock in early 2025 for planned maintenance and upgrades. It ceased hydrocarbon production as scheduled on January 31, 2025 and the final lifting of crude oil from the FPSO concluded on February 6, 2025. The project team mobilization efforts are on schedule and have significantly progressed, deploying the necessary workforce support vessels and equipment to facilitate the safe disconnection of the FPSO. The vessel is planned to be wet towed to the shipyards in Dubai for refurbishment upon departure from the field around March 2025.

BWE Consortium – We are a member of the BWE Consortium with BW Energy and Panoro Energy, which was awarded the two blocks in the 12th Offshore Licensing Round in Gabon. The BWE Consortium and the Gabonese government came to an agreement on the commercial terms in February 2024. All parties to the BWE Consortium signed the PSC with the Gabonese Government during the fourth quarter of 2024. Pursuant to the terms of the PSC, BW Energy will be the operator with a 37.5% working interest, and VAALCO will have a 37.5% working interest and Panoro Energy will have a 25% working interest as non-operating joint owners. The two blocks, Niosi Marin Block (previously G12-13) and the Guduma Marin Block (previously H12-13), are adjacent to our Etame PSC as well as BW Energy and Panoro's Dussafu PSC offshore Southern Gabon and cover an area of 2,989 square kilometers and 1,929 square kilometers, respectively. The two blocks, held by the BWE Consortium and the PSCs over the blocks, are currently under negotiation with the Gabonese government.

Dividend Policy – On February 14, 2023, we announced that our Board of Directors adopted a quarterly cash dividend policy of an expected $0.0625 per common share per quarter, which commenced in the first quarter of 2023 and continued throughout 2024. Payment of future dividends, if any, will be at the discretion of the board of directors after taking into account various factors, including current financial condition, the tax impact of repatriating cash, operating results and current and anticipated cash needs.

Trends and Uncertainties

Geopolitical Conflict and Other Market Forces – Global conflicts, including Russia's invasion of Ukraine, conflicts in the Middle East, and heightened tensions in the Pacific region, have significantly elevated global geopolitical tensions and security concerns. Economic sanctions, export controls, and other trade restrictions, for instance those that the U.S. Government and other nations implemented against Russia in light of its invasion of Ukraine or those relating to the conflict in the Middle East, could directly and indirectly continue to have, a destabilizing effect on the European continent and the global oil and natural gas markets. The extended war between Russia and Ukraine and increasing hostilities in the Middle East, could continue to intensify and may cause prolonged uncertainty and volatility in commodity prices. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have a substantial negative impact on the global economy and/or our business for an unknown period of time. In addition, increased inflation, higher interest rates and current turmoil in certain governments are impacting the global supply chain market.

Commodity Prices – Historically, the markets for oil, natural gas and NGLs have been volatile. Oil, natural gas and NGLs prices are subject to wide fluctuations in supply and demand. Our cash flows from operations may be adversely impacted by volatility in crude oil and natural gas prices, a decrease in demand for crude oil, natural gas or NGLs and future production cuts by OPEC+.

ESG and Climate Change Effects – Sustainability matters continue to attract considerable public, regulatory and scientific attention. In particular, we expect continued required reporting attention on climate change issues and emissions of GHG, including methane (a primary component of natural gas) and carbon dioxide (a byproduct of crude oil and natural gas combustion) and freshwater use.

For example, in March 2024, the SEC adopted final rules under SEC Release No. 33-11275: The Enhancement and Standardization of Climate-Related Disclosures for Investors, which requires registrants to provide certain climate-related information in their registration statements and annual reports. The rules require information about a registrant's climate-related risks that are reasonably likely to have a material impact on its business, results of operations, or financial condition. These requirements are effective for the Company in various fiscal years, starting with its fiscal year beginning November 1, 2026. On April 4, 2024, the SEC determined to voluntarily stay the final rules pending certain legal

challenges. The Company believes that the impact of these final rules on its consolidated financial statements and disclosures are not material. This increased attention to climate change and environmental conservation coupled with stepped up government incentives around renewable energy sources may result in demand shifts away from crude oil and natural gas products, higher regulatory and compliance costs, additional governmental investigations and private litigation against us. For example, numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government to monitor and limit emissions of GHGs. These efforts have included consideration of cap-and-trade programs, carbon taxes, GHG reporting and tracking programs and regulations that directly limit GHG emissions from certain sources. In addition, institutional investors, proxy advisory firms and other industry participants continue to focus on ESG matters, including climate change. We expect that this heightened focus will continue to drive ESG efforts across our industry and influence investment and voting decisions, which for some investors may lead to less favorable sentiment towards carbon assets and diversion of investment to other industries. Consistent with the increased attention on ESG matters and climate change, we have prioritized and are committed to responsible environmental practices by monitoring our adherence to ESG reporting requirements, including establishing and communicating short and long-term goals and targets, furthering the reduction of our carbon footprint and measurement of GHG emissions. Sustainability remains an important topic to us, and we are in the process of developing a multi-year plan to establish and document our progress in achieving goals we set for ourselves across all areas of sustainability. Our plans will enable us to monitor and improve matters related to ESG and climate change going forward.

For the past four years the Company has matured its reporting in line with the recommendations of the Task force on Climate-related Financial Disclosures (“TCFD”), which is recognized as the global standard in climate-related reporting. The full TCFD report was included within the 2023 Sustainability Report (rather than in this Annual Report on Form 10-K or in the annual report which was published in connection with the annual meeting), as the 2023 Sustainability Report details environmental, social and governance matters which the TCFD report forms an important part. The 2023 Sustainability Report is available on the Company's website, which is not incorporated by reference hereto.

Cash Flows

Our cash flows for the years ended December 31, 2024 and 2023 are as follows:

	Year Ended December 31,		
	2024	2023	**Increase (Decrease) in 2024 over 2023**
		(in thousands)	
Net cash provided by operating activities before changes in operating assets and liabilities	**$ 184,312**	$ 182,730	$ 1,582
Net change in operating assets and liabilities	**(70,594)**	40,867	(111,461)
Net cash provided by (used in) operating activities	**113,718**	223,597	(109,879)
Net cash provided by (used in) investing activities	**(102,119)**	(97,223)	(4,896)
Net cash provided by (used in) in financing activities	**(43,048)**	(56,819)	13,771
Effects of exchange rate changes on cash	**(3)**	(153)	150
Net change in cash, cash equivalents and restricted cash	**$ (31,452)**	$ 69,402	$ (100,854)

The $109.9 million decrease in net cash provided by operating activities during the year ended December 31, 2024 compared to the year ended December 31, 2023, was driven primarily by changes in operating assets and liabilities during the period. The net decrease in changes provided by operating assets and liabilities of $111.5 million for the year ended December 31, 2024 compared to the same period of 2023 was related to a decrease in cash provided by trade receivable, Accounts with joint venture owners, net and Egypt receivables and other, net (collectively $86.1 million). In addition, cash used by operating assets and liabilities increased due to a decrease in the accrued liabilities and other balances of $27.0 million. Partially offsetting these changes was an increase in cash provided on a decrease in cash used in Accounts Payable of $14.9 million.

The $4.9 million increase in net cash used in investing activities during the year ended December 31, 2024 was due to the increase in cash capital spending in 2024. In 2023 we incurred significant capital for the 2021/2022 Etame drilling campaign and the Etame field reconfiguration. In 2024 capital spending was primarily attributable to the costs associated with the recompletion and drilling program. In addition, VAALCO used $40.2 million in cash for the acquisition of

Svenska which is offset by the cash received from Svenska in the amount of $41.0 million. See Part IV, Item 15., Note 4. *Acquisitions* to the Consolidated Financial Statements for further discussion of the acquisition.

Net cash used in financing activities during the year ended December 31, 2024 included $26.2 million for dividend distributions, $6.8 million for treasury stock repurchases made under our stock repurchase plan or as a result of tax withholding on options exercised and on vested restricted stock, and $10.5 million of principal payments on our finance leases partially offset by $0.4 million in proceeds from options exercised. For the twelve months ended December 31, 2023, cash used in financing activities included $26.8 million for dividend distributions, $23.6 million for treasury stock repurchased under our stock repurchase plan, and $7.2 million of principal payments on our finance leases partially offset by $0.7 million in proceeds from options exercised.

Regulatory and Joint Interest Audits

We are subject to periodic routine audits by various government agencies, including audits of our petroleum Cost Account, customs, taxes and other operational matters, as well as audits by other members of the contractor group under our joint operating agreements. See Part IV, Item 15., Note 12. *Commitment and Contingencies* to the Consolidated Financial Statements for further discussion.

CRITICAL ACCOUNTING ESTIMATES

The preparation of Financial Statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the Financial Statements and the reported amounts of revenues and expenses during the respective reporting periods. Accounting estimates are considered to be critical if (1) the nature of the estimates and assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and (2) the impact of the estimates and assumptions on financial condition or operating performance is material. Actual results could differ from the estimates and assumptions used. Further, in some cases, GAAP allows more than one alternative accounting method for reporting. In those cases, our reported results of operations would be different should we employ an alternative accounting method. See Part IV, Item 15., Note 2. *Summary of Significant Accounting Policies* to the Consolidated Financial Statements for our accounting policy elections.

Asset Retirement Obligations

The Company has significant obligations to remove tangible equipment and restore land or seabed at the end of oil and gas production operations. Estimating the future plugging and abandonment costs requires management to make estimates and judgments inherent in the present value calculation of the future obligation. These include ultimate plugging and abandonment costs, inflation factors, credit adjusted discount rates, and timing of settlement and changes in the legal, regulatory, environmental and political environments.

We account for asset retirement obligations as required by ASC 410 — Asset Retirement and Environmental Obligations. Under these standards, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, the liability is recognized when a reasonable estimate of fair value can be made. If a tangible long-lived asset with an existing asset retirement obligation is acquired, a liability for that obligation is recognized at the asset's acquisition or in service date. In addition, a liability for the fair value of a conditional asset retirement obligation is recorded if the fair value of the liability can be reasonably estimated. We capitalize the asset retirement costs by increasing the carrying amount of the related long-lived asset by the same amount as the liability. We record increases in the discounted abandonment liability resulting from the passage of time in depletion, depreciation and amortization in the consolidated statement of operations. To the extent future revisions to these assumptions impact the present value of the existing asset retirement obligation liability, a corresponding adjustment is made to the oil and natural gas property balance.

Income Taxes

Our annual tax provision is based on expected taxable income, statutory rates and tax planning opportunities available to us in the various jurisdictions in which we operate. The determination and evaluation of our annual tax provision and tax positions involves the interpretation of the tax laws in the various jurisdictions in which we operate and requires significant judgment and the use of estimates and assumptions regarding significant future events such as the amount, timing and character of income, deductions and tax credits. Changes in tax laws, regulations, agreements and tax treaties or our level

of operations or profitability in each jurisdiction would impact our tax liability in any given year. We also operate in foreign jurisdictions where the tax laws relating to the crude oil, natural gas and NGLs industry are open to interpretation, which could potentially result in tax authorities asserting additional tax liabilities. While our income tax provision (benefit) is based on the best information available at the time, a number of years may elapse before the ultimate tax liabilities in the various jurisdictions are determined.

Judgment is required in determining whether deferred tax assets will be realized in full or in part. Management assesses the available positive and negative evidence to estimate if existing deferred tax assets will be utilized. When it is estimated to be more-likely-than-not that all or some portion of the deferred tax assets will not be realized, a valuation allowance must be established for the amount of the deferred tax assets that are estimated to not be realizable. Factors considered include earnings generated in previous periods, forecasted earnings, the expiration period of carryovers, and overall economic conditions of the industry. As of December 31, 2024, we had deferred tax assets of $266.5 million primarily attributable to Canada, Gabon and U.S. basis differences in fixed assets, foreign tax credit carryforwards, and foreign net operating loss carryforwards. A valuation allowance of $173.1 million has been established against the deferred tax assets as of December 31, 2024, as management has concluded that it was more-likely-than-not that only some portion of the deferred tax assets would be realized. In future periods, we may determine that it is more-likely-than-not that all or some portion of the deferred tax assets will be realized, and in such period all or a portion of this valuation allowance may be reversed as the evidence warrants.

In certain jurisdictions, we may deem the likelihood of realizing deferred tax assets as remote where we expect that, due to the structure of operations and applicable law, the operations in such jurisdictions will not give rise to future tax consequences. Should our expectations change regarding the expected future tax consequences, we may be required to record additional deferred taxes that could have a material effect on our consolidated financial position and results of operations. For further discussion, see Part IV, Item 15., Note 8. *Income Taxes* to the Consolidated Financial Statements.

Oil and Gas Accounting Reserves Determination

The successful efforts method of accounting depends on the estimated reserves we believe are recoverable from our crude oil, natural gas and NGLs reserves. The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data.

To estimate the economically recoverable crude oil, natural gas and NGLs reserves and related future net cash flows, we incorporate many factors and assumptions including:

- expected reservoir characteristics based on geological, geophysical and engineering assessments;
- future production rates based on historical performance and expected future operating and investment activities;
- future crude oil, natural gas and NGLs quality differentials;
- assumed effects of regulation by governmental agencies; and
- future development and operating costs.

We believe our assumptions are reasonable based on the information available to us at the time we prepare our estimates. However, these estimates may change substantially going forward as additional data from development activities and production performance becomes available and as economic conditions impacting crude oil, natural gas and NGLs prices and costs change.

Management is responsible for estimating the quantities of proved crude oil, natural gas and NGLs reserves and for preparing related disclosures. Estimates and related disclosures are prepared in accordance with SEC requirements and generally accepted industry practices in the U.S. as prescribed by the Society of Petroleum Engineers. Reserve estimates are independently evaluated at least annually by our independent qualified reserves engineers, NSAI for Gabon, Egypt and Cote d'Ivoire, while GLJ evaluates our Canadian reserves. Equatorial Guinea will receive a Management Case Report.

Our Board of Directors has established the Technical & Reserves Committee with the authority, responsibility and primary purpose of assisting the board of directors in its oversight responsibilities relating to evaluating and reporting on oil and gas reserves. The Technical & Reserves Committee, to the extent it deems necessary or appropriate, will oversee (i) annual review of oil and gas reserves, (ii) procedures for evaluating and reporting oil and gas producing activities, and (iii) compliance with applicable regulatory and securities laws relating to the preparation and disclosure of information with

respect to oil and gas reserves and shall consult with the Audit Committee on such matters relating to oil and gas reserves which impact our financial statements.

Our senior executives and reserve engineers oversee the preparation of our crude oil, natural gas and NGLs reserves and related disclosures by our appointed independent reserve engineers. The Technical & Reserves Committee and senior management meet with the reserve engineers periodically to review the reserves process and results, and to confirm that the independent reserve engineers have had access to sufficient information, including the nature and satisfactory resolution of any material differences of opinion between us and the independent reserve engineers.

Reserves estimates are critical to many of our accounting estimates, including:

- determining whether or not an exploratory well has found economically producible reserves;
- calculating our unit-of-production depletion rates. Proved developed reserves estimates are used to determine rates that are applied to each unit-of-production in calculating our depletion expense; and
- assessing, when necessary, our crude oil, natural gas and NGLs assets for impairment using undiscounted future cash flows based on management's estimates. If impairment is indicated, discounted values will be used to determine the fair value of the assets. The critical estimates used to assess impairment, including the impact of changes in reserves estimates, are discussed below.

See "*Item 15. Exhibits and Financial Statement Schedules – Supplemental Information on crude oil, natural gas and NGLs Producing Activities (unaudited).*"

Impairment of crude oil, natural gas and NGLs producing properties

We review the crude oil, natural gas and NGLs producing properties for impairment quarterly or whenever events or changes in circumstances indicate that the carrying amount of such properties may not be recoverable. When a crude oil, natural gas and NGLs property's undiscounted estimated future net cash flows are not sufficient to recover its carrying amount, an impairment charge is recorded to reduce the carrying amount of the asset to its fair value. Our assessment involves a high degree of estimation uncertainty as it requires us to make assumptions and apply judgment to estimate undiscounted future net cash flows related to proved reserves. Such assumptions include commodity prices, capital spending, production and abandonment costs and reservoir data. The fair value of the asset is measured using a discounted cash flow model relying primarily on Level 3 inputs to estimate the undiscounted future net cash flows. The undiscounted estimated future net cash flows used in the impairment evaluations at each quarter end are based upon the most recently prepared reserve reports evaluated by independent reserve engineers adjusted to use forecasted prices from the forward strip price curves near each quarter end and adjusted as necessary for drilling and production results. For further discussion, see Part IV, Item 15., Note 9. *Crude Oil, Natural Gas and NGLs Properties and Equipment, net* to the Consolidated Financial Statements.

Impairment of Unproved Property

We evaluate our undeveloped crude oil, natural gas and NGLs leases for impairment on at least a quarterly basis by considering numerous factors that could include nearby drilling results, seismic interpretations, market values of similar assets, existing contracts and future plans for exploration or development. When undeveloped crude oil, natural gas and NGLs leases are deemed to be impaired, exploration expense is charged. Unproved property costs consist mainly of acquisition costs related to undeveloped acreage in the Etame Marin block in Gabon and to Block P in Equatorial Guinea. In connection with the TransGlobe Acquisition as discussed under Part IV, Item 15., Note 4. *Acquisitions* to the Consolidated Financial Statements, reserves in Egypt and Canada were also attributed to undeveloped properties and leasehold costs.

Business Combinations

We apply the acquisition method of accounting for business combinations, under which we record the acquired assets and assumed liabilities at fair value and recognize goodwill to the extent the consideration transferred exceeds the fair value of the net assets acquired. To the extent the fair value of the net assets acquired exceeds the consideration transferred, we recognize a bargain purchase gain.

In estimating the fair values of assets acquired and liabilities assumed in a business combination, various assumptions are made. The most significant assumptions relate to the estimated fair values assigned to proved and unproved crude oil, natural gas and NGLs properties. If sufficient market data is not available regarding the fair values of proved and unproved

properties, estimates of the fair value of crude oil and gas reserves are prepared. Estimates of future prices to apply to the estimated reserves quantities acquired and estimates of future operating and capital costs are used to estimate future net cash flows. For estimated proved reserves, the future net cash flows are discounted using a market-based discount rate and risk adjustment factors determined appropriate at the time of the acquisition. Estimated deferred taxes are based on available information concerning the tax basis of assets acquired and liabilities assumed and loss carryforwards at the acquisition date, although such estimates may change in the future as additional information becomes known.

We estimate the fair values of the acquired assets and assumed liabilities as of the date of the acquisition, and our estimates are subject to adjustment through completion, which is in each case within one year of the acquisition date, based on our ongoing assessments of the fair values of property and equipment, intangible assets, other assets and liabilities and our evaluation of tax positions and contingencies.

ACCOUNTING STANDARDS

See Part IV, Item 15., Note 3. *New Accounting Standards* to the Consolidated Financial Statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks, including the effects of adverse changes in foreign exchange rates and commodity prices as described below.

Foreign Exchange Rate Risk

Our results of operations and financial condition are affected by currency exchange rates. While crude oil sales are denominated in U.S. dollars, portions of our costs in Gabon are denominated in the local currency (the Central African CFA Franc, or XAF), and our VAT receivable as well as certain liabilities in Gabon are also denominated in XAF. A weakening U.S. dollar will have the effect of increasing costs while a strengthening U.S. dollar will have the effect of reducing costs. For our VAT receivable in Gabon, a strengthening U.S. dollar will have the effect of decreasing the value of this receivable resulting in foreign exchange losses, and vice versa. The Gabon local currency is tied to the Euro. The exchange rate between the Euro and the U.S. dollar has historically fluctuated in response to international political conditions, general economic conditions and other factors beyond our control. As of December 31, 2024, we had net monetary assets of $35 million (XAF 22.0 million) denominated in XAF. A 10% weakening of the CFA relative to the U.S. dollar would have a $3.2 million reduction in the value of these net assets. For the year ended December 31, 2024, we had expenditures of approximately $64 million denominated in XAF.

Related to our Canadian operations, our currency exchange risk relates primarily to certain cash and cash equivalents, accounts receivable, lease obligations and accounts payable and accrued liabilities denominated in Canadian dollars. We estimate that a 10% increase in the value of the Canadian dollar against the US dollar would decrease net earnings for the year ended December 31, 2024 by approximately $0.5 million. Conversely, a 10% decrease in the value of the Canadian dollar against the US dollar would increase net earnings for the year ended December 31, 2024 by approximately $0.4 million.

We are also exposed to foreign currency exchange risk on cash balances denominated in Egyptian pounds. Some collections of accounts receivable from the Egyptian Government are received in Egyptian pounds, and while we are generally able to use the Egyptian pounds received on accounts payable denominated in Egyptian pounds, there remains foreign currency exchange risk exposure on Egyptian pound cash balances. Using month-end cash balances converted at month-end foreign exchange rates at December 31, 2024, we estimate that a 10% increase in the value of the Egyptian pound against the US dollar would increase net earnings for the year ended December 31, 2024 by approximately $0.2 million. Conversely, a 10% decrease in the value of the Egyptian pound against the US dollar would decrease net earnings for the year ended December 31, 2024 by approximately $0.1 million.

In Cote d'Ivoire, our currency exchange risk also relates primarily to certain cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities denominated in Swedish Krona. We estimate that a 10% decrease in the value of the Swedish Krona against the US dollar would decrease the value of the net liabilities for the year ended December 31, 2024 by approximately $2.1 million. Conversely, a 10% increase in the value of the Swedish Krona against the US dollar would decrease the value of the net liabilities for the year ended December 31, 2024 by approximately $2.6 million.

We do not utilize derivative instruments to manage foreign exchange risk. We maintain nominal balances of British Pounds Sterling to pay in-country costs incurred in operating our London office. Foreign exchange risk on these funds is not considered material.

Commodity Price Risk

Our major market risk exposure continues to be the prices received for our crude oil, natural gas and NGLs production. Sales prices are primarily driven by the prevailing market prices applicable to our production. Market prices for crude oil, natural gas and NGLs have been volatile and unpredictable in recent years, and this volatility may continue. Sustained low crude oil, natural gas and NGLs prices or a presumption of the decreases in crude oil, natural gas and NGLs prices could have a material adverse effect on our financial condition, the carrying value of our proved reserves, our undeveloped leasehold interests and our ability to borrow funds and to obtain additional capital on attractive terms.

Oil and gas properties are assessed for impairment annually as well as whenever events or changes in circumstances indicate that a property's carrying amount may not be recoverable. If the carrying amount exceeds the estimated undiscounted future cash flows, the Company would estimate the fair value of its properties and record an impairment charge for any excess of the carrying amount of the properties over the estimated fair value of the properties. Factors used to estimate fair value may include estimates of proved reserves, estimated future commodity prices, future production estimates, and anticipated capital and operating expenditures, using a commensurate discount rate. Unfavorable changes in any of these assumptions could result in a reduction in undiscounted future cash flows and could indicate property impairment. Uncertainties related to the primary assumptions could affect the timing of an impairment. In most cases, the assumption that generates the most variability in undiscounted future net cash flows is future oil and gas prices. We observed a decline in commodity prices during the year ended December 31, 2024 which prompted us to evaluate the recoverability of the carrying value of our assets and whether an other than temporary impairment occurred for certain oil and gas properties. As a result of these tests, no impairments were recorded during the year ended December 31, 2024; however, certain oil and gas properties may be at risk for impairment if the estimates of future cash flows decline.

It is also reasonably possible that prolonged low or further decline in commodity prices, negative reserve revisions, changes to the Company's drilling plans in response to lower prices or increases in drilling or operating costs could result in material future impairment charges.

If crude oil sales were to remain constant at the most recent annual sales volumes, a $5 per Bbl decrease in crude oil price would decrease our revenues and operating income or increase our operating loss for the year as follows:

	2024 Sales Volumes (Mbls)	Decrease in Revenues (In Millions)	Decrease in Operating Income (Increase in Operating Loss) (In Millions)
Gabon	2,584	$ 12.9	$ 11.6
Egypt	2,585	$ 12.9	$ 7.7
Cote d'Ivoire	1,223	$ 6.1	$ 3.2
Canada	870	$ 4.3	$ 3.3
Consolidated	7,262		

With respect to our crude oil sales in Gabon, Egypt and Cote d'Ivoire the price received is based on Dated Brent prices plus or minus a differential. With respect to our crude oil and NGLs sales in Canada, the prices received is based on NYMEX WTI (West Texas Intermediate) prices plus or minus a differential. Natural gas sales are based on Canadian index price that whose price is based, in part, on the NYMEX Henry Hub Natural Gas futures contracts.

Egypt production is shared with the Egyptian government through PSCs. When the price of oil increases, it takes fewer barrels to recover costs (Cost Oil or cost recovery barrels) which are assigned 100% to the Company. The PSCs provide for cost recovery per quarter up to a maximum percentage of total production. Timing differences often exist between the Company's recognition of costs and their recovery as the Company accounts for costs on an accrual basis, whereas cost recovery is determined on a cash basis. If the eligible cost recovery is less than the maximum defined cost recovery, the difference is defined as "excess". In Egypt, depending on the PSCs, our share of excess ranges between 5% and 15%. If the eligible cost recovery exceeds the maximum allowed percentage, the unclaimed cost recovery is carried forward to the next quarter. Typically, maximum Cost Oil ranges from 25% to 40% in Egypt. The balance of the production after maximum

cost recovery is shared with the government as Profit Oil. Depending on the contract, the Egyptian government receives 67% to 84% of the Profit Oil. Production sharing splits are set in each contract for the life of the contract. Typically, the government's share of Profit Oil increases when production exceeds pre-set production levels in the respective contracts. During times of high oil prices, the Company may receive less Cost Oil and may receive more Profit Oil. During times of lower oil prices, the Company receives more Cost Oil and may receive less Profit Oil.

Outstanding derivative contracts at December 31, 2024 are as follows:

Settlement Period	Type of Contract	Index	Average Monthly Volumes	Weighted Average Put Price	Weighted Average Call Price
			(Bbls)	(per Bbl)	(per Bbl)
January 2025 - March 2025	Collars	Dated Brent	70,000	$ 65.00	$ 85.00
April 2025 - June 2025	Collars	Dated Brent	70,000	$ 65.00	$ 81.00

Settlement Period	Type of Contract	Index	Average Monthly Volumes	Weighted Average SWAP Price in CAD
			(GJ)[a]	(per GJ)
January 2025 - March 2025	Swap	AECO (7A)	67,000	$ 2.80

(a) One gigajoule (GJ) equals one billion joules (J). A gigajoule of natural gas is about 25.5 cubic metres at standard conditions.

Subsequent to December 31, 2024, the Company entered into the following additional derivative contracts to cover its future anticipated production:

Settlement Period	Type of Contract	Index	Average Monthly Volumes	Weighted Average Put Price	Weighted Average Call Price
			(Bbls)	(per Bbl)	(per Bbl)
July 2025 - September 2025	Collars	Dated Brent	60,000	$ 65.00	$ 80.00

Interest Rate Risk

At both December 31, 2024 and on the filing date of this Annual Report, we had a zero balance outstanding on our Facility. Subsequent to December 31, 2024, we entered into the 2025 Facility Agreement, which governs the 2025 Facility. Loans under the 2025 Facility will bear interest at a rate equal to Term SOFR (as defined in the 2025 Facility Agreement) plus the applicable margin (the "Applicable Margin") of (i) 6.50%, from the date of the 2025 Facility Agreement until the date on which the renovation and repair of the floating production storage and offloading tanker facility named Baobab Ivorian MV10 FPSO for use in connection with the development of the Baobab field meets certain completion tests defined in the 2025 Facility Agreement and (ii) thereafter, 6.00% until the Final Maturity Date (as defined in the 2025 Facility Agreement). Any increases in these interest rates can have an adverse impact on our results of operations and cash flows. For additional information on the 2025 Facility Agreements terms and conditions, see Part IV, Item 15., Note 13. *Debt* and Note 20. *Subsequent Events* to the Consolidated Financial Statements.

Item 8. Consolidated Financial Statements and Supplementary Data

The information required here begins on page F-1 as described in "*Item 15. Exhibits and Financial Statement Schedules—Index to Consolidated Financial Information*".

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer ("CEO") and principal financial officer ("CFO"), to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was required to apply its judgment in evaluating and implementing possible controls and procedures. Management, including our CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our CEO and CFO have concluded that the Company's disclosure controls and procedures were not effective as of December 31, 2024 due to the material weaknesses in our internal control over financial reporting described below.

Management's Annual Report on Internal Control Over Financial Reporting

Our management, including our CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting, as that term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed under the supervision of our CEO and our CFO, overseen by our Board of Directors and Audit Committee, and effected by management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes using the framework in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO framework"). Such internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. The Company's management, with participation of the CEO and CFO, under the oversight of our Board of Directors, evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2024 using the COSO framework. Based on that evaluation, our management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2024 due to the material weaknesses in internal control over financial reporting described below. Management identified the following material weaknesses in internal control over financial reporting as of December 31, 2024.

- The Company had ineffective general information technology controls ("GITCs") that support the consistent operation of the Company's information technology ("IT") systems, specific to its procure-to-pay system. As a result, automated process-level controls and manual controls dependent upon the accuracy and completeness of information derived from that IT system were also ineffective because they could have been adversely impacted; and
- The Company did not effectively design, implement, or operate process-level control activities related to its financial reporting process, specific to its procure-to-pay process.

Management concluded that these material weaknesses were primarily due to an ineffective control environment that resulted in ineffective risk assessment:

- The Company did not have a sufficient number of trained resources with expertise in and responsibility and accountability for the design, implementation, operation and documentation of internal control over financial reporting and IT systems.

- The Company did not have an effective risk assessment process as we did not adequately assess and manage the risks to our operations following the implementation of the procure-to-pay system, which affected our financial reporting, and we did not establish effective internal control over the procurement process, including risks resulting from the reliance on a third-party service provider, or changes in the external environment and business operations, at a sufficient level of detail to identify all relevant risks of material misstatement to the consolidated financial statements and design and implement internal controls that responded to those risks.

The material weaknesses identified did not result in any misstatements in the consolidated financial statements or disclosures for any interim periods during or for the annual period ended December 31, 2024; however, a reasonable possibility exists that material misstatements in the Company's financial statements will not be prevented or detected on a timely basis.

The Company's independent registered public accounting firm, KPMG LLP ("KPMG"), who audited the consolidated financial statements included in this Annual Report on Form 10-K, has issued an adverse opinion on the effectiveness of the Company's internal control over financial reporting. KPMG's report appears beginning on page F-5 of this Annual Report on Form 10-K.

As previously disclosed, on April 30, 2024, we completed the acquisition of Svenska, which is operated under its own set of internal controls. We are currently integrating this acquisition into our control environment. In executing this integration, we are analyzing, evaluating and, where appropriate, making changes in controls and procedures in a manner commensurate with the size, complexity and scale of operations subsequent to the acquisition. We expect to complete the Svenska integration in fiscal year 2025. SEC guidance permits management to omit an assessment of an acquired business's internal control over financial reporting from management's assessment of internal control over financial reporting for a period not to exceed one year from date of acquisition. Consequently, we excluded Svenska from our assessment of internal control over financial reporting as of December 31, 2024. Svenska accounted for 20% of our consolidated total assets at December 31, 2024 and 20% of our consolidated operating revenue for the year ended December 31, 2024.

Remediation Activities

We have strengthened our internal control over financial reporting for our year-end closing and reporting process and are committed to ensuring that our controls continue to mature and operate effectively. Our Board of Directors and management have prioritized the implementation of a remediation plan, taking the necessary actions to address the root causes that contributed to our material weaknesses and other deficiencies identified and to establish and maintain effective internal control over financial reporting. The following actions and plans have been undertaken or are being undertaken:

- We continued to hire and train our employees to reinforce the importance of a strong control environment and clearly communicate expectations to emphasize responsibilities and the technical requirements for internal controls.
- We continued to enhance the design of existing control activities and implemented additional process-level control activities, including related GITCs.
- We enhanced user access provisioning and monitoring controls for certain IT systems to enforce appropriate system access as well as controls supporting change management.

We are committed to ensuring that our internal control over financial reporting is designed and operating effectively. Management believes the efforts taken to date to enhance the design and effectiveness of controls have been robust and have increased our overall ability to mitigate material financial risk. In fiscal year 2025 we expect to continue to enhance our internal control over financial reporting, including the following:

- Continuing to recruit key positions within our technology, accounting, business operations and other support functions with appropriate qualified experience and IT knowledge to enhance our risk assessment processes and internal control capabilities, allow for appropriate change management, and provide appropriate oversight and reviews.
- Designing and implementing a continuous risk assessment process to identify and assess risks of material misstatement and ensure that the impacted financial reporting processes and related internal controls are properly designed and in place to respond to those risks in our financial reporting.
- Working to establish a comprehensive GITC risk evaluation process and invest in people and technology to address gaps in IT Systems Security controls, IT Systems Change Management controls, and IT Systems Batch/Program Monitoring controls, including design of controls to address gaps over our GITC's for our procure-to-pay system, which we plan to start implementing in first quarter of 2025.

Although we intend to complete the remediation process as promptly as possible, we cannot at this time estimate how long it will take to remediate the material weaknesses described above. We may discover additional material weaknesses that require additional time and resources to remediate, and we may decide to take additional measures to address the material weaknesses or modify the remediation steps described above.

In addition, while certain of the activities described above have continued to enhance our internal control over financial reporting, certain of these newly designed controls have not operated effectively for a sufficient period of time to be able to conclude on effectiveness. We remain committed to continue investing significant time and resources and taking actions to remediate the material weaknesses in our internal control over financial reporting as we work to further enhance our control environment. Until these material weaknesses are remediated, we plan to continue to perform additional analyses and other procedures to ensure that our consolidated financial statements are prepared in accordance with U.S. GAAP.

Changes in Internal Control over Financial Reporting

Other than the material weaknesses discussed above, no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the year ended December 31, 2024, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information required by this item will be included in our proxy statement for our 2025 annual meeting, which will be filed with the SEC within 120 days of December 31, 2024, and that is incorporated herein by reference.

Item 11. Executive Compensation

Information required by this item will be included in our proxy statement for our 2025 annual meeting, which will be filed with the SEC within 120 days of December 31, 2024, and that is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by this item under Item 403 of Regulation S-K concerning the security ownership of certain beneficial owners and management will be included in our proxy statement for our 2025 annual meeting, which will be filed with the SEC within 120 days of December 31, 2024, and which is incorporated herein by reference.

The following table provides information as of December 31, 2024 regarding the number of shares of common stock that may be issued under our compensation plans. Please refer to Part IV, Item 15., Note 17. *Stock-based Compensation and Other Benefit Plans* to the Consolidated Financial Statements for additional information on stock-based compensation.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issues under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	1,118,048	$ 5.32	4,022,832
Total	1,118,048	$ 5.32	4,022,832

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this item will be included in our proxy statement for our 2025 annual meeting, which will be filed with the SEC within 120 days of December 31, 2024, and that is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information required by this item will be included in our proxy statement for our 2025 annual meeting, which will be filed with the SEC within 120 days of December 31, 2024, and that is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. The following is an index to the Financial Statements that are filed as part of this Form 10-K.

VAALCO ENERGY, INC. AND SUBSIDIARIES

(a) 2. Other schedules are omitted because they are not required, not applicable or the required information is included in the Financial Statements or notes thereto.

(a) 3. Exhibits:

2.1	Sale and Purchase Agreement, dated as of November 17, 2020, by and between Sasol Gabon S.A. and VAALCO Gabon S.A. (filed as Exhibit 2.1 to the Company's Annual Report on Form 10-K filed on March 9, 2021, and incorporated herein by reference).
2.2**	Arrangement Agreement, dated as of July 13, 2022, by and among VAALCO Energy, Inc., VAALCO Energy Canada ULC and TransGlobe Energy Corporation (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on July 14, 2022 and incorporated herein by reference).
2.3**	Share Purchase Agreement, dated February 29, 2024, by and between VAALCO Energy (Holdings), Inc., Petroswede AB (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on February 29, 2024 and incorporated herein by reference).
3.1	Restated Certificate of Incorporation as amended through May 7, 2014 (filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014, and incorporated herein by reference).
3.1.1	Certificate of Amendment to Restated Certificate of Incorporation of VAALCO, dated October 14, 2022 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on October 13, 2022 and incorporated herein by reference).
3.2	Third Amended and Restated Bylaws, dated July 30, 2020 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on August 4, 2020, and incorporated herein by reference).
3.3	Certificate of Elimination of Series A Junior Participating Preferred Stock of VAALCO Energy, Inc., dated as of December 22, 2015 (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed on December 23, 2015, and incorporated herein by reference).
4.1(a)	Description of Securities
10.1	Exploration and Production Sharing Contract, dated July 7, 1995, between the Republic of Gabon and VAALCO Gabon (Etame), Inc. (filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K filed on March 7, 2018, and incorporated herein by reference).
10.2	Addendum No. 1 to Exploration and Production Sharing Contract, dated July 7, 2001, between the Republic of Gabon and VAALCO Gabon (Etame), Inc. (filed as Exhibit 10.2 to the Company's Annual Report on Form 10-K filed on March 16, 2015, and incorporated herein by reference).

10.3	Addendum No. 2 to Exploration and Production Sharing Contract, dated July 7, 2006, between the Republic of Gabon and VAALCO Gabon (Etame), Inc. (filed as Exhibit 10.3 to the Company's Annual Report on Form 10-K filed on March 16, 2015, and incorporated herein by reference).
10.4	Addendum No. 3 to Exploration and Production Sharing Contract, dated November 26, 2009, between the Republic of Gabon and VAALCO Gabon (Etame), Inc. (filed as Exhibit 10.4 to the Company's Annual Report on Form 10-K filed on March 16, 2015, and incorporated herein by reference).
10.5	Addendum No. 4 to Exploration and Production Sharing Contract, dated January 5, 2012, between the Republic of Gabon and VAALCO Gabon (Etame), Inc. (filed as Exhibit 10.5 to the Company's Annual Report on Form 10-K filed on March 16, 2015, and incorporated herein by reference).
10.6	Addendum No. 5 to Exploration and Production Sharing Contract, dated April 25, 2016, between the Republic of Gabon and VAALCO Gabon (Etame), Inc. (filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K filed on March 7, 2018, and incorporated herein by reference).
10.7	Addendum No. 6 to Exploration and Production Sharing Contract, dated September 17, 2018, between the Republic of Gabon, VAALCO Gabon S.A., Addax Petroleum Oil & Gas Gabon, Sasol Gabon S.A. and Petroenergy Resources Corporation (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 7, 2018, and incorporated herein by reference).
10.8	Deed of Novation of Trustee and Paying Agent Agreement, dated June 22, 2017, between VAALCO Gabon (Etame), Inc., VAALCO Gabon S.A. and The Bank of New York Mellon, London Branch as the Trustee and Paying Agent and the Account Bank (filed as Exhibit 10.7 to the Company's Annual Report on Form 10-K filed on March 7, 2018, and incorporated herein by reference).
10.9*	VAALCO Energy, Inc. 2014 Long Term Incentive Plan (filed as Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed on April 17, 2014, and incorporated herein by reference).
10.10*	Form of Restricted Stock Award Agreement under the VAALCO Energy, Inc. 2014 Long Term Incentive Plan (filed as Exhibit 10.20 to the Company's Annual Report on Form 10-K filed on March 16, 2015, and incorporated herein by reference).
10.11*	Form of Non statutory Stock Option Agreement under the VAALCO Energy, Inc. 2014 Long Term Incentive Plan (filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K filed on March 16, 2015, and incorporated herein by reference).
10.12*	Form of Stock Award Agreement (for Directors) under the VAALCO Energy, Inc. 2014 Long Term Incentive Plan (filed as Exhibit 10.22 to the Company's Annual Report on Form 10-K filed on March 16, 2015, and incorporated herein by reference).
10.13*	VAALCO Energy, Inc. 2016 Stock Appreciation Rights Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 15, 2016, and incorporated herein by reference).
10.14*	Form of Stock Appreciation Rights Agreement under the VAALCO Energy, Inc. 2016 Stock Appreciation Rights Plan (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 15, 2016, and incorporated herein by reference).
10.15*	Form of Change in Control Agreement (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 8, 2019, and incorporated herein by reference).
10.16*	VAALCO Energy, Inc. 2020 Long Term Incentive Plan (filed as Appendix B to the Company's Definitive Proxy Statement on Schedule 14A filed on April 29, 2020, and incorporated herein by reference).
10.17*	First Amendment to VAALCO Energy, Inc. 2020 Long Term Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 8, 2021, and incorporated herein by reference).
10.18*	Amendment No. 2 to the VAALCO Energy, Inc. 2020 Long-Term Incentive Plan (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 6, 2024, and incorporated herein by reference).
10.19*	Form of Restricted Stock Award Agreement (Director) under the VAALCO Energy, Inc. 2020 Long Term Incentive Plan (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 30, 2020, and incorporated herein by reference).
10.20*	Form of Restricted Stock Award Agreement (Employee) under the VAALCO Energy, Inc. 2020 Long Term Incentive Plan (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on June 30, 2020, and incorporated herein by reference).
10.21*	Form of Nonqualified Stock Option Agreement under the VAALCO Energy, Inc. 2020 Long Term Incentive Plan (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed on June 30, 2020, and incorporated herein by reference).
10.22*	Employment Agreement, by and between VAALCO Energy, Inc. and George Maxwell, effective as of April 19, 2021 (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 12, 2021, and incorporated herein by reference).
10.22.1*	Amendment No. 1 to Employment Agreement, by and between VAALCO Energy, Inc. and George Maxwell, effective as of January 27, 2022 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 28, 2022, and incorporated herein by reference).

10.22.2*	Amendment No. 2 to Employment Agreement, by and between VAALCO Energy, Inc. and George Maxwell, effective as of November 23, 2022 (filed as Exhibit 10.21.2 to the Company's Annual Report on Form 10-K filed on April 6, 2023, and incorporated herein by reference).
10.22.3*	Amendment No. 3 to Executive Employment, effective June 6, 2024, by and between VAALCO Energy, Inc. and George W. M. Maxwell (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 9, 2024, and incorporated herein by reference).
10.23*	Employment Agreement, by and between VAALCO Energy, Inc. and Ronald Bain, effective as of June 21, 2021 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 22, 2021, and incorporated herein by reference).
10.23.1*	Amendment No. 1 to Employment Agreement, effective as of January 27, 2022, by and between VAALCO Energy, Inc. and Ronald Bain (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 28, 2022, and incorporated herein by reference).
10.23.2*	Amendment No. 2 to Employment Agreement, effective as of November 23, 2022, by and between VAALCO Energy, Inc. and Ronald Bain (filed as Exhibit 10.23.2 to the Company's Annual Report on Form 10-K filed on April 6, 2023, and incorporated herein by reference).
10.23.3*	Amendment No. 3 to Executive Employment, effective June 6, 2024, by and between VAALCO Energy, Inc. and Ronald Y. Bain (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 9, 2024, and incorporated herein by reference).
10.24*	TransGlobe Energy Corporation Amended and Restated Deferred Share Unit Plan (filed as Exhibit 10.24 to the Company's Annual Report on Form 10-K filed on April 6, 2023, and incorporated herein by reference).
10.25**	Bareboat Charter, by and between VAALCO Energy, Inc. and World Carrier Offshore Services Corp, dated August 31, 2021 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 3, 2021, and incorporated by reference herein).
10.25.1**	Deed of Novation and Amendment to Bareboat Charter, by and between VAALCO Gabon SA, World Carrier Offshore Services Corp. and Ocean Cloud Navigation Inc., dated as of November 15, 2022 (filed as Exhibit 10.25.1 to the Company's Annual Report on Form 10-K filed on April 6, 2023, and incorporated herein by reference).
10.25.2**	Second Amendment to Bareboat Charter, by and between VAALCO Gabon SA and Ocean Cloud Navigation Inc., dated as of March 22, 2023 (filed as Exhibit 10.25.2 to the Company's Annual Report on Form 10-K filed on April 6, 2023, and incorporated herein by reference).
10.26**	Operating Agreement, by and between VAALCO Energy, Inc. and World Carrier Offshore Services Corp, dated August 31, 2021 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on November 3, 2021, and incorporated herein by reference).
10.26.1**	Deed of Novation and Amendment to Operating Agreement, by and between VAALCO Gabon SA, World Carrier Offshore Services Corp. and Atlantic Energy Logistics SASU, dated as of November 15, 2022 (filed as Exhibit 10.26.1 to the Company's Annual Report on Form 10-K filed on April 6, 2023, and incorporated herein by reference).
10.27	Deed of Guarantee and Indemnity, by and between VAALCO Energy, Inc. and World Carrier Offshore Services Corp., dated August 31, 2021 (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on November 3, 2021, and incorporated herein by reference).
10.27.1	Deed of Novation and Amendment to Deed of Guarantee and Indemnity, by and between VAALCO Energy, Inc., World Carrier Offshore Services Corp. and Ocean Cloud Navigation Inc., dated as of November 15, 2022 (filed as Exhibit 10.27.1 to the Company's Annual Report on Form 10-K filed on April 6, 2023, and incorporated herein by reference).
10.28	Deed of Guarantee and Indemnity, by and between VAALCO Energy, Inc. and World Carrier Offshore Services Corp., dated August 31, 2021 (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on November 3, 2021, and incorporated herein by reference)
10.28.1**	Deed of Novation and Amendment to Deed of Guarantee and Indemnity, by and between VAALCO Energy, Inc., World Carrier Offshore Services Corp. and Atlantic Energy Logistics SASU, dated as of November 15, 2022 (filed as Exhibit 10.28.1 to the Company's Annual Report on Form 10-K filed on April 6, 2023, and incorporated herein by reference).
10.29	Concession Agreement for Petroleum Exploration, Development and Exploitation between The Arab Republic of Egypt and the Egyptian General Petroleum Corporation and TransGlobe West Bakr Inc. and TransGlobe West Gharib Inc. and TG NW Gharib Inc. in Merged Development Areas of West Bakr Area, West Gharib Area, Northwest Gharib Onshore Area, Eastern Desert, A.R.E. (furnished as Exhibit 1 to TransGlobe Energy Corporation's Report of Foreign Private Issuer on Form 6-k furnished on March 24, 2022, and incorporated herein by reference)

10.30**	Amended and Restated Facility Agreement, by and among VAALCO Energy, Inc., VAALCO Gabon (Etame), Inc., VAALCO Gabon, SA, Glencore Energy UK Ltd., the Law Debenture Trust Corporation P.L.C., and the other financial institutions named therein, dated October 3, 2023 (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 6, 2023, and incorporated herein by reference).
10.31**	Crude Oil Sale and Marketing Agreement, by and between VAALCO Gabon S.A. and Glencore Energy UK Ltd., dated May 20, 2022 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 10, 2022, and incorporated herein by reference).
10.32*	Amended and Restated Executive Employment, effective April 18, 2024, by and between VAALCO Energy, Inc. and Thor Pruckl (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 8, 2024, and incorporated herein by reference).
10.32.1*	Amendment No. 1 to Executive Employment, effective June 6, 2024, by and between VAALCO Energy, Inc. and Thor Pruckl (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on August 9, 2024, and incorporated herein by reference).
10.33*	Executive Employment Agreement, effective January 18, 2024, by and between VAALCO Energy, Inc. and Matthew Powers (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 8, 2024, and incorporated herein by reference).
10.33.1*	Amendment No. 1 to Executive Employment, effective June 6, 2024, by and between VAALCO Energy, Inc. and Matthew Powers (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on August 9, 2024, and incorporated herein by reference).
10.34(a)**	Borrowing Base Facility Agreement by and among VAALCO Energy, Inc., as the Original Borrower, The Financial Institutions listed in Schedule 1 thereto, as the Original Lenders, The Standard Bank of South Africa Limited, Isle of Man Branch, as the Mandated Lead Arranger, and The Standard Bank of South Africa Limited, as the Agent, dated March 4, 2025.
19.1(a)	Insider Trading Policy.
21.1(a)	List of subsidiaries of the Company.
23.1(a)	Consent of BDO USA, P.C.
23.2(a)	Consent of KPMG LLP
23.3(a)	Consent of Netherland, Sewell & Associates, Inc. — Independent Petroleum Engineers.
23.4(a)	Consent of GLJ Ltd. — Independent Petroleum Engineers.
31.1(a)	Sarbanes-Oxley Section 302 certification of Principal Executive Officer.
31.2(a)	Sarbanes-Oxley Section 302 certification of Principal Financial Officer.
32.1(b)	Sarbanes-Oxley Section 906 certification of Principal Executive Officer.
32.2(b)	Sarbanes-Oxley Section 906 certification of Principal Financial Officer.
97.1(a)	Clawback Policy.
99.1(a)	Report of Netherland, Sewell & Associates, Inc. (International Properties)- Egypt
99.2(a)	Report of Netherland, Sewell & Associates, Inc. (International Properties) - Gabon
99.3(a)	Report of Netherland, Sewell & Associates, Inc. (International Properties) - Cote d'Ivoire
99.4(a)	Report of GLJ Ltd.
101.INS(a)	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH(a)	Inline XBRL Taxonomy Schema Document.
101.CAL(a)	Inline XBRL Calculation Linkbase Document.
101.DEF(a)	Inline XBRL Definition Linkbase Document.
101.LAB(a)	Inline XBRL Label Linkbase Document.
101.PRE(a)	Inline XBRL Presentation Linkbase Document.
104(a)	Cover Page Interactive Data File (formatted as Inline XBRL and Contained in Exhibit 101).

(a) Filed herewith
(b) Furnished herewith
* Management contract or compensatory plan or arrangement
** Information in this exhibit has been omitted pursuant to Item 601 of Regulation S-K.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VAALCO ENERGY, INC.
(Registrant)

By /s/ George W.M. Maxwell
George W.M. Maxwell
Chief Executive Officer

Dated March 17, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 17th day of March 2025, by the following persons on behalf of the registrant and in the capacities indicated.

Signature		Title
By:	/s/ George Maxwell George Maxwell	Chief Executive Officer (Principal Executive Officer) and Director
By:	/s/ Ron Bain Ron Bain	Chief Financial Officer (Principal Financial Officer)
By:	/s/ Lynn Willis Lynn Willis	Chief Accounting Officer (Principal Accounting Officer)
By:	/s/ Andrew L. Fawthrop Andrew L. Fawthrop	Chairman of the Board and Director
By:	/s/ Catherine L. Stubbs Catherine L. Stubbs	Director
By:	/s/ Fabrice Nze-Bekale Fabrice Nze-Bekale	Director
By:	/s/ Edward LaFehr Edward LaFehr	Director

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
VAALCO Energy, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of VAALCO Energy, Inc. and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited the adjustments to the 2022 consolidated financial statements to retrospectively apply the change in accounting due to the adoption of Accounting Standards Update No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, as described in Note 3. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2022 consolidated financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2022 consolidated financial statements taken as a whole.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 17, 2025 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of the impact of estimated crude oil, natural gas and natural gas liquids (NGLs) proved reserves on depletion expense related to crude oil and natural gas properties

As discussed in Note 2 to the consolidated financial statements, the Company determines depletion of crude oil and natural gas properties on a block basis under the unit-of-production method based upon estimates of proved reserves. For the year ended December 31, 2024, the Company recorded depreciation, depletion and amortization expense of $143 million. The estimation of proved reserves requires the expertise of reserve engineer specialists, who take into consideration future production, future operating and capital costs, and historical crude oil, natural gas and NGLs prices inclusive of price differentials. The Company engages independent reserve engineer specialists to estimate proved reserves, which are an input to the calculation of depletion.

We identified the assessment of the impact of estimated crude oil, natural gas and NGLs proved reserves on depletion expense related to crude oil and natural gas properties as a critical audit matter. Changes in assumptions used to estimate the proved reserves could have had a significant impact on depletion expense. Complex auditor judgment was required in evaluating the Company's estimate of proved reserves. Specifically, auditor judgment was required to evaluate the assumptions used by the Company related to future production and future operating and capital costs.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's depletion process, including controls over the estimation of proved reserves. We evaluated the professional qualifications and knowledge, skills, and ability of the Company's internal reserve engineers and the independent reserve engineer specialists and the independent reserve engineering firms engaged by the Company. We evaluated the relationship of the independent reserve engineer specialists and independent reserve engineering firms to the Company. We analyzed and assessed the determination of depletion expense for compliance with industry and regulatory standards. We assessed compliance of the methodology used by the Company's independent reserve engineer specialists to estimate proved reserves with industry and regulatory standards. We read and considered the report of the Company's independent reserve engineering firms in connection with our evaluation of the Company's proved reserve estimates. We compared future production to historical production rates. We evaluated the future operating and capital costs by comparing them to historical costs.

Fair value of oil and gas properties acquired in the Svenska business combination

As discussed in Note 4 to the consolidated financial statements, on April 30, 2024, the Company completed an acquisition of Svenska Petroleum Exploration Aktiebolag (Svenska acquisition), for a total consideration of $40.2 million. The transaction was accounted for as a business combination using the acquisition method. Under the acquisition method, the assets acquired and liabilities assumed were recorded at their acquisition date fair values. As a result of the transaction the Company acquired oil and gas properties, which were recognized at their acquisition date fair value of $99.2 million. The fair value of oil and gas properties were valued using the income approach. The estimation of oil and gas reserves requires the expertise of reserve engineer specialists, who take into consideration future production, future operating and capital costs, and forecasted commodity prices inclusive of price differentials. The Company engages independent reserve engineer specialists to estimate oil and gas reserves, which are an input to the fair value of the acquired oil and gas properties.

We identified the evaluation of the acquisition-date fair value of the oil and gas properties acquired in the Svenska acquisition as a critical audit matter. Complex auditor judgment was required in evaluating the key assumptions used to estimate the fair value of the oil and gas properties as changes to those assumptions could have had a significant effect on the fair value. The income approach utilized a risk adjusted discounted cash flow model, which included key assumptions related to future production, future operating and capital costs, forecasted commodity prices inclusive of price differentials, risk adjustment factors, and the discount rate. Estimating oil and gas reserves requires the expertise of independent reserve engineer specialists. Additionally, the audit effort associated with evaluating the forecasted commodity prices, risk adjustment factors, and the discount rate required specialized skills and knowledge.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's acquisition-date valuation process, including controls related to the determination of the key assumptions, as noted above, used to measure the fair value of the acquired oil and gas properties. We assessed compliance of the methodology used by the Company's independent reserve engineer specialists to estimate oil and gas reserves with industry and regulatory standards. We compared the future production to historical Svenska production rates. We evaluated the future operating and capital costs used by the Company by comparing them to Svenska's historical costs incurred. We evaluated the relevant price differentials used by the Company by comparing them to historical results. We evaluated the professional qualifications and knowledge, skills, and ability of the Company's internal reserve engineers, the independent reserve engineer specialists, and the independent reserve engineering firm. We evaluated the relationship of the independent reserve engineer specialists and the independent reserve engineering firm to the Company. We read and considered the report of the Company's independent reserve engineering firm in connection with our evaluation of the Company's oil and gas reserve estimates. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in:

- evaluating the forecasted commodity prices by comparing them to an independently developed range of forward price estimates using data from analysts and other industry sources
- evaluating the risk adjustment factors by comparing them to third party publications of risk adjustment factors utilized by market participants
- evaluating the discount rate by comparing it to a discount rate range that was independently developed using publicly available market data for comparable entities.

/s/ KPMG LLP

We have served as the Company's auditor since 2023.

Houston, Texas
March 17, 2025

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
VAALCO Energy, Inc.
Houston, Texas

Opinion on the Consolidated Financial Statements

We have audited, before the effects of the adjustments to retrospectively apply the change in accounting due to the adoption of Accounting Standards Update 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), as described in Notes 3 and 5, the accompanying consolidated statements of operations and comprehensive income (loss), shareholders' equity, and cash flows of VAALCO Energy, Inc. (the "Company") for the year ended December 31, 2022 (the 2022 consolidated financial statements before the effects of the change in accounting due to the adoption of ASU 2023-07 described in Notes 3 and 5 are not presented herein). In our opinion, the 2022 consolidated financial statements, before the effects of the adjustments to retrospectively apply the change in accounting due to the adoption of ASU 2023-07 described in Notes 3 and 5, present fairly, in all material respects, the Company's results of operations and cash flows for the year ended December 31, 2022**,** in conformity with accounting principles generally accepted in the United States of America.

We were not engaged to audit, review, or apply any procedures to the adjustments to retrospectively apply the change in accounting due to the adoption of ASU 2023-07 described in Notes 3 and 5 and, accordingly, we do not express an opinion or any other form of assurance about whether such adjustments are appropriate and have been properly applied. Those adjustments were audited by KPMG LLP.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ BDO USA, LLP

We served as the Company's auditor from 2016 to 2023.

Houston, Texas

April 6, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
VAALCO Energy, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited VAALCO Energy, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, because of the effect of the material weakness, described below, on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements), and our report dated March 17, 2025 expressed an unqualified opinion on those consolidated financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. A material weakness related to control deficiencies in general information technology controls and process-level controls within the accounts payable financial reporting process which were caused by an ineffective control environment that resulted in ineffective risk assessment, which has been identified and included in management's assessment. The material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2024 consolidated financial statements, and this report does not affect our report on those consolidated financial statements.

The Company acquired Svenska Petroleum Exploration Aktiebolag during 2024, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, Svenska Petroleum Exploration Aktiebolag's internal control over financial reporting associated with 20% of total assets and 20% of total revenues included in the consolidated financial statements of the Company as of and for the year ended December 31, 2024. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Svenska Petroleum Exploration Aktiebolag.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Houston, Texas
March 17, 2025

VAALCO ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2024	**2023**
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 82,650**	$ 121,001
Restricted cash	**143**	114
Receivables:		
Trade, net of allowances for credit loss and other of $0.2 million and $0.5 million, respectively	**94,778**	44,888
Accounts with joint venture owners, net of allowance for credit losses of $1.5 million and $0.8 million, respectively	**179**	1,814
Egypt receivables and other, net of allowances for credit loss and other of $0.0 million and $4.6 million, respectively	**35,763**	45,942
Crude oil inventory	**9,441**	1,948
Prepayments and other	**14,973**	12,434
Total current assets	**237,927**	228,141
Crude oil, natural gas and NGLs properties and equipment, net	**538,103**	459,786
Other noncurrent assets:		
Restricted cash	**8,665**	1,795
Value added tax and other receivables, net of allowances for credit loss and other of $0.8 million and $0.0 million, respectively	**10,094**	4,214
Right of use operating lease assets	**17,254**	2,378
Right of use finance lease assets	**79,849**	89,962
Deferred tax assets	**55,581**	29,242
Abandonment funding	**6,268**	6,268
Other long-term assets	**1,209**	1,430
Total assets	**$ 954,950**	$ 823,216
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 11,756**	$ 22,152
Accounts with joint venture owners	**3,324**	5,990
Accrued liabilities and other	**107,710**	67,597
Operating lease liabilities - current portion	**3,512**	2,396
Finance lease liabilities - current portion	**13,383**	10,079
Foreign income taxes payable	**42,043**	19,261
Total current liabilities	**181,728**	127,475
Asset retirement obligations	**78,592**	47,343
Operating lease liabilities - net of current portion	**13,903**	33
Finance lease liabilities - net of current portion	**67,377**	78,293
Deferred tax liabilities	**93,904**	73,581
Other long-term liabilities	**17,863**	17,709
Total liabilities	**453,367**	344,434
Commitments and contingencies (Note 12)		
Shareholders' equity:		
Preferred stock, $25 par value; 500,000 shares authorized, none issued	**—**	—
Common stock, $0.10 par value; 160,000,000 shares authorized, 122,304,124 and 121,397,553 shares issued, 103,743,163 and 104,346,233 shares outstanding, respectively	**12,230**	12,140
Additional paid-in capital	**362,578**	357,498
Accumulated other comprehensive income (loss)	**(4,962)**	2,880
Less treasury stock, 18,560,931 and 17,051,320 shares, respectively, at cost	**(78,024)**	(71,222)
Retained earnings	**209,761**	177,486
Total shareholders' equity	**501,583**	478,782
Total liabilities and shareholders' equity	**$ 954,950**	$ 823,216

See notes to consolidated financial statements.

VAALCO ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31,		
	2024	**2023**	**2022**
	(in thousands, except per share amounts)		
Revenues:			
Crude oil, natural gas and natural gas liquids sales	**$ 478,988**	$ 455,066	$ 354,326
Operating costs and expenses:			
Production expense	**163,500**	153,157	112,661
FPSO demobilization and other costs	**—**	7,484	8,867
Exploration expense	**48**	1,965	258
Depreciation, depletion and amortization	**143,034**	115,302	48,143
General and administrative expense	**29,684**	23,840	10,077
Credit (recovery) losses and other	**6,304**	(4,906)	3,082
Total operating costs and expenses	**342,570**	296,842	183,088
Other operating expense, net	**78**	433	38
Operating income	**136,496**	158,657	171,276
Other income (expense):			
Derivative instruments gain (loss), net	**(745)**	232	(37,812)
Interest expense, net	**(3,732)**	(6,452)	(2,034)
Bargain purchase gain	**13,532**	(1,412)	10,819
Other income (expense), net	**(5,754)**	(894)	(18,939)
Total other income (expense), net	**3,301**	(8,526)	(47,966)
Income before income taxes	**139,797**	150,131	123,310
Income tax expense	**81,307**	89,777	71,420
Net income	**$ 58,490**	$ 60,354	$ 51,890
Other comprehensive income (loss)			
Currency translation adjustments	**(7,842)**	1,701	1,179
Comprehensive income	**$ 50,648**	$ 62,055	$ 53,069
Basic net income per share:			
Net income per share	**$ 0.56**	$ 0.56	$ 0.74
Basic weighted average shares outstanding	**103,669**	106,376	69,568
Diluted net income per share:			
Net income per share	**$ 0.56**	$ 0.56	$ 0.73
Diluted weighted average shares outstanding	**103,747**	106,555	69,982

See notes to consolidated financial statements

VAALCO ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Shares Issued	Treasury Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Treasury Stock	Retained Earnings	Total
				(in thousands)				
Balance at January 1, 2022	69,562	(10,939)	6,956	76,700	—	(43,847)	104,488	$ 144,297
Shares issued - stock-based compensation	614	—	61	251	—	—	—	312
Stock-based compensation expense	—	—	—	2,105	—	—	—	2,105
Conversion of Liability Awards to Equity	—	—	—	5,336	—	—	—	5,336
Acquisition of TransGlobe	49,307	—	4,931	269,214	—	—	—	274,145
Treasury stock	—	(691)	—	—	—	(3,805)	—	(3,805)
Dividend distributions	—	—	—	—	—	—	(9,354)	(9,354)
Other comprehensive income	—	—	—	—	1,179	—	—	1,179
Net income	—	—	—	—	—	—	51,890	51,890
Balance at December 31, 2022	119,483	(11,630)	$ 11,948	$ 353,606	$ 1,179	$ (47,652)	$ 147,024	$ 466,105
Shares issued - stock-based compensation	1,915	—	192	482	—	—	—	674
Stock-based compensation expense	—	—	—	3,410	—	—	—	3,410
Treasury stock	—	(5,421)	—	—	—	(23,570)	—	(23,570)
Dividend distributions	—	—	—	—	—	—	(26,772)	(26,772)
Cumulative effect of adjustment upon adoption of ASU 2016-13 on January 1, 2023	—	—	—	—	—	—	(3,120)	(3,120)
Other comprehensive income	—	—	—	—	1,701	—	—	1,701
Net income	—	—	—	—	—	—	60,354	60,354
Balance at December 31, 2023	121,398	(17,051)	$ 12,140	$ 357,498	$ 2,880	$ (71,222)	$ 177,486	$ 478,782
Shares issued - stock-based compensation	906	—	90	357	—	—	—	447
Stock-based compensation expense	—	—	—	4,723	—	—	—	4,723
Treasury stock	—	(1,510)	—	—	—	(6,802)	—	(6,802)
Dividend distributions	—	—	—	—	—	—	(26,215)	(26,215)
Other comprehensive loss	—	—	—	—	(7,842)	—	—	(7,842)
Net income	—	—	—	—	—	—	58,490	58,490
Balance at December 31, 2024	**122,304**	**(18,561)**	**$ 12,230**	**$ 362,578**	**$ (4,962)**	**$ (78,024)**	**$ 209,761**	**$ 501,583**

See notes to consolidated financial statements.

VAALCO ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2024	**2023**	**2022**
		(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	**$ 58,490**	$ 60,354	$ 51,890
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	**143,034**	115,302	48,143
Bargain purchase gain	**(13,532)**	1,412	(10,819)
Exploration expense	**48**	1,841	—
Deferred taxes	**(16,785)**	(2,864)	44,805
Unrealized foreign exchange loss	**8**	52	(1,043)
Stock-based compensation	**4,435**	3,323	2,200
Cash settlements paid on exercised stock appreciation rights	**(154)**	(378)	(827)
Derivative instruments (gain) loss, net	**745**	(232)	37,812
Cash settlements paid on matured derivative contracts, net	**(453)**	(127)	(42,935)
Cash settlements paid on asset retirement obligations	**(368)**	(6,747)	(6,577)
Credit losses and other	**6,304**	7,543	3,082
Other operating loss, net	**34**	55	(38)
Equipment and other expensed in operations	**2,505**	3,196	2,052
Change in operating assets and liabilities:			
Trade receivables, net	**(49,890)**	6,723	18,385
Accounts with joint venture owners, net	**(757)**	19,571	(18,929)
Egypt receivables and other, net	**5,644**	14,802	(9,290)
Crude oil inventory	**7,488**	1,387	(1,742)
Prepayments and other	**(4,817)**	4,743	(4,387)
Value added tax and other receivables	**(7,110)**	2,427	(5,193)
Other long-term assets	**2,869**	3,830	(2,730)
Accounts payable	**(13,198)**	(28,102)	23,920
Foreign income taxes receivable (payable)	**22,682**	22,030	(5,897)
Accrued liabilities and other	**(33,504)**	(6,544)	6,964
Net cash provided by operating activities	**113,718**	223,597	128,846
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property and equipment expenditures	**(102,996)**	(97,223)	(159,897)
Acquisition of crude oil and natural gas properties	**877**	—	36,686
Net cash used in investing activities	**(102,119)**	(97,223)	(123,211)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from the issuances of common stock	**447**	673	312
Dividend distribution	**(26,216)**	(26,772)	(9,354)
Treasury shares	**(6,802)**	(23,570)	(3,805)
Deferred financing costs	**—**	—	(2,069)
Payments of finance lease	**(10,477)**	(7,150)	(3,039)
Net cash used in in financing activities	**(43,048)**	(56,819)	(17,955)
Effects of exchange rate changes on cash	**(3)**	(153)	(218)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**(31,452)**	69,402	(12,538)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD	**129,178**	59,776	72,314
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	**$ 97,726**	$ 129,178	$ 59,776

See notes to consolidated financial statements.

VAALCO ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

	Year Ended December 31,		
	2024	**2023**	**2022**
		(in thousands)	
Supplemental disclosure of cash flow information:			
Income taxes paid in-kind with crude oil	**$ 37,469**	$ 32,776	$ 26,257
Interest paid, net of amounts capitalized	**$ 6,714**	$ 9,122	$ 1,656
Supplemental disclosure of non-cash investing and financing activities:			
Property and equipment additions incurred but not paid at end of period	**$ 9,479**	$ 14,137	$ 41,060
Non-cash consideration exchanged in the acquisition of TransGlobe	$ —	$ —	$ 274,145
Recognition of right-of-use operating lease assets and liabilities	**$ 17,649**	$ 2,582	$ —
Recognition of right-of-use finance lease assets and liabilities	**$ —**	$ 7,875	$ 87,166
Reclassification of other long-term assets to right-of-use finance lease assets	$ —	$ —	$ 4,116
Liability awards converted to equity	$ —	$ —	$ 5,336
Asset retirement obligations adjustments	**$ 27,424**	$ 2,487	$ —

See notes to consolidated financial statements.

1. ORGANIZATION

VAALCO Energy, Inc. (together with its consolidated subsidiaries "we", "us", "our", "VAALCO" or the "Company") is a Houston, Texas-based independent energy company engaged in the acquisition, exploration, development and production of crude oil, natural gas and NGLs properties. We have a diversified African-focused asset portfolio in Gabon, Egypt, Cote d'Ivoire, Nigeria and Equatorial Guinea, as well as producing properties in Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation – The accompanying consolidated financial statements ("Financial Statements") include the accounts of VAALCO and its wholly owned subsidiaries. Investments in unincorporated joint ventures and undivided interests in certain operating and non-operating assets are consolidated on a pro rata basis. All intercompany transactions within the consolidated group have been eliminated in consolidation.

Use of estimates – The preparation of the Financial Statements in conformity with generally accepted accounting principles in the U.S. ("GAAP") requires estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the Financial Statements and the reported amounts of revenues and expenses during the respective reporting periods. The Financial Statements include amounts that are based on management's best estimates and judgments. Actual results could differ from those estimates.

Estimates of crude oil, natural gas and NGLs reserves used to estimate depletion expense and impairment charges, as well as to estimate the fair value of assets and liabilities acquired in business combinations, require significant judgments and are generally less precise than other estimates made in connection with financial disclosures. Due to inherent uncertainties and the limited nature of data, estimates are imprecise and subject to change over time as additional information becomes available.

Cash and cash equivalents – Cash and cash equivalents includes deposits and funds invested in highly liquid instruments with original maturities of three months or less at the date of purchase. The Company maintains its cash accounts in financial institutions that are insured by the Federal Deposit Insurance Corporation. From time to time, cash balances may exceed the insured amounts, however, the Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks associated with cash and cash equivalents.

Restricted cash and abandonment funding – Restricted cash includes cash that is contractually restricted. Restricted cash is classified as a current or non-current asset based on its designated purpose and estimated timing of usage. Current amounts in restricted cash at December 31, 2024 and 2023 each include an escrow amount representing bank guarantees for customs clearance in Gabon. Long-term amounts at December 31, 2024 and 2023 include a charter payment escrow for the FPSO offshore Gabon as discussed in Note 12. Restricted cash also includes a $8.9 million balance for the settlement of a tax audit related to the Svenska Acquisition with a corresponding accrued tax settlement liability recorded and included in Other long-term liabilities in the Consolidated Balance Sheet.

In the first quarter of 2023, the Directorate of Hydrocarbons in Gabon approved a $26.6 million ($15.6 million, net to VAALCO) abandonment funding payment associated with the FPSO retirement. The Company received payment of $15.6 million in March 2023. The remaining balance of the abandonment fund was unchanged during the remainder of 2024.

The Company invests restricted and excess cash in readily redeemable money market funds. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets to the amounts shown in the consolidated statements of cash flows.

	As of December 31,	
	2024	2023
	(in thousands)	
Cash and cash equivalents	**$ 82,650**	$ 121,001
Restricted cash - current	**143**	114
Restricted cash - non-current	**8,665**	1,795
Abandonment funding	**6,268**	6,268
Total cash, cash equivalents and restricted cash	**$ 97,726**	$ 129,178

Trade, net – The Company's trade accounts receivable results from sales of crude oil, natural gas and NGLs. For credit losses associated with accounts with trade receivables, see allowance for credit losses and other below.

Accounts with joint venture owners, net – Accounts with joint venture owners represent the excess of charges billed over cash calls paid by the joint venture owners for exploration, development and production expenditures made by the Company as an operator. Joint owner receivables are secured through cash calls and other mechanisms for collection under the terms of the joint operating agreements. For credit loss and other allowances associated with accounts with joint venture owners, see allowance for credit loss and other below.

Egypt receivables and other, net – On January 19, 2022, TransGlobe's West Gharib, West Bakr and North West Gharib (collectively the "Eastern Desert") concessions were merged into the Merged Concession Agreement with the Egyptian General Petroleum Corporation ("EGPC"). The Merged Concession includes improved cost recovery and production sharing terms scaled to oil prices with a new 15-year development term and a 5-year extension option. In addition, as of the Merged Concession Effective Date, an effective date adjustment was owed to the Company for the difference in the historic commercial terms and the revised commercial terms applied against the production since the Merged Concession Effective Date (as defined herein) (the "Effective Date Adjustment"). The Company recognized a receivable in connection with the Effective Date Adjustment of $67.5 million as of October 2022, based on historical realized prices (the "Backdated Receivable"). In 2023 and 2024, the Company received payments or provided offsets against the Backdated Receivable. As of December 31, 2024, the remaining net receivable of $33.2 million is recorded in the "Egypt receivables and other" line item on our Consolidated Balance Sheet.

For credit losses associated with Egypt receivables and other, net, see allowance for credit losses and other below.

Value added tax and other receivables, net – The Company incurs receivables from the government of Gabon for reimbursable Value-Added Tax ("VAT").

As of December 31, 2024 and 2023, the outstanding VAT receivable balance was approximately $6.4 million and $1.6 million, net to VAALCO, respectively. The receivable amount, net of allowances, is reported as a non-current asset in the "Value added tax and other receivables" line item in the consolidated balance sheets. Because both the VAT receivable and the related allowances are denominated in XAF, the exchange rate revaluation of these balances into U.S. dollars at the end of each reporting period also has an impact on the Company's results of operations. Such foreign currency gains (losses) are reported separately in the "Other expense, net" line item of the consolidated statements of operations and comprehensive income. For the allowance associated with VAT, see allowance for credit losses and other below.

Allowance for credit losses and other – On January 1, 2023, the Company adopted Accounting Standards Update *2016-13,* Financial Instruments—Credit Losses ("*ASU 2016-13*"). ASU *2016-13* requires an entity to measure credit losses of certain financial assets, including trade receivables, utilizing a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to form credit loss estimates. All other amounts previously disclosed as allowances for bad debt were transferred to allowances for credit loss and other.

The Company estimates the current expected credit loss and other allowances based primarily using either an aging analysis or discounted cash flow methodology that incorporates consideration of current and future conditions that could impact its counterparties' credit quality and liquidity. Uncollectible receivables are written off when a settlement is reached

for an amount that is less than the outstanding historical balance or when the Company has determined that the balance will *not* be collected.

The Company has identified the following types of financial assets that are within the scope of ASU *2016-13:*

- Trade, net;
- Accounts with joint venture owners, net;
- Egypt receivables and other, net; and
- Loans to employees.

As a result of adopting ASU 2016-13 on January 1, 2023, the Company recognized a $3.1 million cumulative effect adjustment within retained earnings. During the year ended December 31, 2023, the Company reversed $12.4 million of credit loss and other allowances due to recoveries from VAT and the Sogara refinery. During the year ended December 31, 2024, the Company recognized $7.7 million in credit loss and other allowances mainly due to amounts owed from EGPC, VAT receivables and receivables from joint venture partners.

The following table provides an analysis of the change in the aggregate credit loss and other allowances:

	Year Ended December 31,	
	2024	**2023**
	(in thousands)	
Allowance for credit losses and other		
Balance at beginning of period	**$ (6,029)**	$ (8,704)
Credit losses and other	**(6,304)**	(7,543)
Credit recoveries and other	**(1,421)**	12,449
Reversal of allowance resulting from the settlement of the related receivable	**11,200**	—
Cumulative effect of adjustment upon adoption of ASU 2016-13 on January 1, 2023	**—**	(3,120)
Foreign currency gain	**—**	889
Balance at end of period	**$ (2,554)**	$ (6,029)

Crude oil inventory – Crude oil inventories are carried at the lower of cost or net realizable value. In Gabon and Cote d'Ivoire, inventories represent the Company's share of crude oil produced and stored on the FSO at December 31, 2024 and the FPSO at December 31, 2023, but unsold at the end of each period. In Egypt, inventory consists of the Company's entitlement crude oil barrels not yet sold.

Prepayments and other – Included in “Prepayments and other” line item of the Company’s December 31, 2024 and 2023 consolidated balance sheet are the following assets:

	2024	**2023**
	(in thousands)	
Egypt advances to contractors	**$ 3,665**	$ 2,656
Gabon prepaid royalties	**3,089**	1,246
Deposits	**2,933**	726
Employee loans and advances	**1,430**	1,305
Prepaid insurance	**650**	474
Derivative receivables	**119**	403
Prepaid fixed asset progress payments	**9**	2,314
Other prepayments	**3,078**	3,310
Total prepayments and other	**$ 14,973**	$ 12,434

Crude oil, natural gas and NGLs properties, equipment, net – The Company uses the successful efforts method of accounting for crude oil, natural gas and NGLs producing activities.

- ***Capitalization*** – Costs of successful wells, development dry holes and leases containing productive reserves are capitalized and amortized on a unit-of-production basis over the life of the related reserves. Other exploration costs, including dry exploration well costs, geological and geophysical expenses applicable to undeveloped leaseholds, leasehold expiration costs and delay rentals, are expensed as incurred. The costs of exploratory wells are initially capitalized pending a determination of whether proved reserves have been found. At the completion of drilling activities, the costs of exploratory wells remain capitalized if a determination is made that proved reserves have been found. If no proved reserves have been found, the costs of exploratory wells are charged to expense. In some cases, a determination of proved reserves cannot be made at the completion of drilling, requiring additional testing and evaluation of the wells. Cost incurred for exploratory wells that find reserves that cannot yet be classified as proved are capitalized if (a) the well has found a sufficient quantity of reserves to justify its completion as a producing well and (b) sufficient progress in assessing the reserves and the economic and operating viability of the project has been made. The status of suspended well costs is monitored continuously and reviewed quarterly. Due to the capital-intensive nature and the geographical characteristics of certain projects, it may take an extended period of time to evaluate the future potential of an exploration project and the economics associated with making a determination of its commercial viability. Costs of seismic studies that are utilized in development drilling within an area of proved reserves are capitalized as development costs.

- ***Capitalized equipment, spare parts and other*** – Capitalized equipment, spare parts and other represents the costs incurred in purchasing and bringing the inventory to its present location and condition and is based on purchase costs calculated on weighted average cost basis, including transportation costs. Inventory is classified as long term when the Company expects to utilize the inventory beyond the normal operating cycle.

- ***Depreciation, depletion and amortization*** – Depletion of wells, platforms, and other production facilities are calculated on a block basis under the unit-of-production method based upon estimates of total proved developed reserves. Depletion of leasehold acquisition costs are provided on a block basis under the unit-of-production method based upon estimates of total proved reserves. Support equipment (other than equipment inventory) and leasehold improvements related to crude oil, natural gas and NGLs producing activities, as well as property, plant and equipment unrelated to crude oil, natural gas and NGLs producing activities, are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets, which are typically five years for office and miscellaneous equipment and five to seven years for leasehold improvements.

- ***Unproved Property Cost*** – Significant unproved properties are assessed individually for impairment and when events or circumstances indicate that the carrying value of property may not be recovered a valuation allowance is provided if an impairment is indicated. The unproved property costs are not subject to depreciation, depletion and amortization, until they are classified as proved properties.

- ***Impairment*** – The Company reviews the crude oil, natural gas and NGLs properties and equipment, net for impairment on a block basis whenever events or changes in circumstances indicate that the carrying amount of such properties may not be recoverable. If the sum of the expected undiscounted future cash flows from the use of the asset and its eventual disposition is less than the carrying amount of the asset, an impairment charge is recorded based on the fair value of the asset. This may occur if the block contains lower than anticipated reserves or periods of sustained declines in commodity prices. The fair value measurement used in the impairment test is generally calculated with a discounted cash flow model using several Level 3 inputs that are based upon estimates, the most significant of which is the estimate of net proved reserves. There are numerous uncertainties inherent in estimating quantities of proved reserves and in projecting future rates of production and timing of development expenditures, including many factors beyond the Company's control. Reserve engineering is a subjective process of estimating underground accumulations of crude oil, natural gas and NGLs that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. The quantities of crude oil, natural gas and NGLs that are ultimately recovered, production and operating costs, the amount and timing of future development expenditures and future crude oil, natural gas and NGLs sales prices may all differ from those assumed in these estimates.

  Capitalized equipment inventory is reviewed regularly for obsolescence.

  When undeveloped crude oil, natural gas and NGLs leases are deemed to be impaired, exploration expense is charged. Unproved property costs consist of acquisition costs related to unproved property costs in the Etame Marin block in Gabon, Canada, Egypt and in Block P in Equatorial Guinea.

Lease commitments – At inception, contracts are reviewed to determine whether an agreement contains a lease as defined under Accounting Standards Codification ("ASC") 842*, Leases*. If a lease is identified within the contract, a determination is made whether the lease qualifies as an operating or financing lease. Regardless of the type of lease, the initial measurement of the lease results in recording a right of use ("ROU") asset and a lease liability at the present value of the future lease payments.

Asset retirement obligations ("ARO") – The Company has legal obligations to remove tangible equipment and restore land or seabed at the end of crude oil, natural gas and NGLs production operations. The removal and restoration obligations are primarily associated with plugging and abandoning wells, removing and disposing of all or a portion of onshore or offshore crude oil, natural gas and NGLs platforms, and capping pipelines. Estimating the future restoration and removal costs requires management to make estimates and judgments. Asset removal technologies and costs are constantly changing, as are regulatory, political, environmental, safety, and public relations considerations.

A liability for ARO is recognized in the period in which the legal obligations are incurred if a reasonable estimate of fair value can be made. The ARO liability reflects the estimated present value of the amount of dismantlement, removal, site reclamation, and similar activities associated with crude oil, natural gas and NGLs properties and equipment, net. The Company uses current retirement costs to estimate the expected cash outflows for retirement obligations. Inherent in the present value calculation are numerous assumptions and judgments including the ultimate settlement amounts, inflation factors, credit-adjusted discount rates, timing of settlement, and changes in the legal, regulatory, environmental, and political environments. Initial recording of the ARO liability is offset by the corresponding capitalization of asset retirement cost recorded to crude oil, natural gas and NGLs properties and equipment, net. To the extent these or other assumptions change after initial recognition of the liability, the fair value estimate is revised and the recognized liability adjusted, with a corresponding adjustment made to the related capitalized asset retirement cost or through a charged to earnings, as appropriate. Depreciation of capitalized asset retirement costs and accretion of asset retirement obligations are recorded over time. Depreciation is determined on a units-of-production basis for crude oil, natural gas and NGLs properties and equipment, net production facilities, while accretion escalates over the lives of the assets to reach the expected settlement value. Where there is a downward revision to the ARO that exceeds the net book value of the related asset, the corresponding adjustment is limited to the amount of the net book value of the asset and the remaining amount is recognized as a gain.

Revenue recognition – The Company's revenues are derived from contracts with customers. Royalties are considered to be part of the price of the sale transaction and are therefore presented as a reduction to revenues. Revenues associated with the sale of crude oil, natural gas and NGLs are measured based on the consideration specified in contracts with customers.

Revenues from contracts with customers are recognized when the Company satisfies a performance obligation by transferring a good or service to a customer. A good or service is transferred when the customer obtains control of the good or service. The transfer of control of oil, natural gas and NGLs usually coincides with title passing to the customer and the customer taking physical possession. VAALCO mainly satisfies its performance obligations at a point in time. Sales and delivery costs associated with certain sales are netted against revenue in accordance with the Company's policy regarding classification of these type of expenses. The Company has utilized the practical expedient in ASC Topic 606-10-50-14(a), which states that the Company is not required to disclose the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation.

Revenues associated with the sales of the Company's crude oil, natural gas, condensates and natural gas liquids ("NGLs") are recognized by reference to actual volumes sold and quoted market prices in active markets for crude oil, natural gas, condensates and NGLs, adjusted according to specific terms and conditions as applicable per the sales contracts. Revenue is measured at the fair value of the consideration received or receivable.

Major maintenance activities – Costs for major maintenance are expensed in the period incurred and can include the costs of workovers of existing wells, contractor repair services, materials and supplies, equipment rentals and labor costs.

Stock-based compensation – The Company measures the cost of employee services received in exchange for an award of equity instruments based on the fair value of the award on the date of the grant. The grant date fair value for options or stock appreciation rights ("SARs") is estimated using either the Black-Scholes or Monte Carlo method depending on the complexity of the terms of the awards granted. The SARs fair value is estimated at the grant date and remeasured at each subsequent reporting date until exercised, forfeited or cancelled.

Black-Scholes and Monte Carlo models employ assumptions, based on management's best estimates at the time of grant, which impact the calculation of fair value and ultimately, the amount of expense that is recognized over the life of the stock options or SAR award. These models use the following inputs: (i) the quoted market price of the Company's common stock on the valuation date, (ii) the maximum stock price appreciation that an employee may receive, (iii) the expected term that is based on the contractual term, (iv) the expected volatility that is based on the historical volatility of the Company's stock for the length of time corresponding to the expected term of the option or SAR award, (v) the expected dividend yield that is based on the anticipated dividend payments and (vi) the risk-free interest rate that is based on the U.S. treasury yield curve in effect as of the reporting date for the length of time corresponding to the expected term of the option or SAR award.

For restricted stock awards, the grant date fair value is determined using the market value of the common stock on the date of grant.

The stock-based compensation expense for equity awards is recognized over the period that services are provided. For awards considered liabilities under US GAAP, awards are measured at fair value on the grant date and remeasured at fair value until the award is settled.

Legal Contingencies – We are subject to legal proceedings, claims, and liabilities that arise in the ordinary course of business. We accrue losses associated with legal claims when such losses are probable and reasonably estimable. If we determine that a loss is probable and cannot estimate a specific amount for that loss but can estimate a range of loss, the best estimate within the range is accrued. If no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. Estimates are adjusted as additional information becomes available or circumstances change. Legal defense costs associated with loss contingencies are expensed in the period incurred.

Foreign currency transactions – The U.S. dollar is the functional currency of the Company's foreign operating subsidiaries except for Canada which has a functional currency of the Canadian dollar. When the Company's subsidiaries' functional currency is the US dollar, gains and losses on foreign currency transactions are included in income. When the Company's subsidiaries functional currency is the local currency, not the US dollar, the cumulative effects of translating the balance sheet accounts from the functional currency into the U.S. dollar at current exchange rates are included in accumulated other comprehensive income (loss). The Company recognized losses on foreign currency transactions of $1.8 million in 2024, $0.9 million in 2023 and $4.2 million in 2022.

Income taxes – The tax provision is based on expected taxable income, statutory rates and tax planning opportunities available to the Company in the various jurisdictions in which the Company operates. The determination and evaluation of the annual tax provision and tax positions involves the interpretation of the tax laws in the various jurisdictions in which the Company operates and requires significant judgment and the use of estimates and assumptions regarding significant future events such as the amount, timing and character of income, deductions and tax credits. Changes in tax laws, regulations, agreements and tax treaties or the level of operations or profitability in each jurisdiction would impact the tax liability in any given year. The Company also operates in foreign jurisdictions where the tax laws relating to the crude oil, natural gas and NGLs industry are open to interpretation, which could potentially result in tax authorities asserting additional tax liabilities. While the income tax provision (benefit) is based on the best information available at the time, a number of years may elapse before the ultimate tax liabilities in the various jurisdictions are determined. The Company also records as income tax expense the increase or decrease in the value of the government's allocation of Profit Oil, which is due to changes in value from the time the allocation is originally produced to the time the allocation is actually lifted.

Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their tax basis. Deferred tax assets are recognized when it is more likely than not that they will be realized. We periodically assess our deferred tax assets and reduce such assets by a valuation allowance if we deem it is more likely than not that some portion or all of the deferred tax assets will not be realized. Judgment is required in determining whether deferred tax assets will be realized in full or in part. Management assesses the available positive and negative evidence to estimate if existing deferred tax assets will be utilized, and when it is estimated to be more-likely-than-not that all or some portion of specific deferred tax assets, such as net operating loss carry forwards or foreign tax credit carryovers, will not be realized. A valuation allowance must be established for the amount of the deferred tax assets that are estimated to not be realizable. Factors considered are earnings generated in previous periods, forecasted earnings and the expiration period of carryovers.

Derivative instruments and hedging activities – The Company enters into crude oil hedging arrangements from time to time in an effort to mitigate the effects of commodity price volatility and enhance the predictability of cash flows relating

to the marketing of a portion of our crude oil production. While these instruments mitigate the cash flow risk of future decreases in commodity prices, they may also curtail benefits from future increases in commodity prices.

The Company records balances resulting from commodity risk management activities in the consolidated balance sheets as either assets or liabilities measured at fair value. The Company has elected not to offset fair value amounts of qualifying derivatives under a master netting arrangement and associated fair value amounts for cash collateral receivables and payables. Gains and losses from the change in fair value of derivative instruments and cash settlements on commodity derivatives are presented in the "Derivative instruments gain (loss), net" line item located within the "Other income (expense)" section of the consolidated statements of operations and comprehensive income (loss).

Fair value – Fair value is defined as the price that would be received to sell an asset or the price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Inputs used in determining fair value are characterized according to a hierarchy that prioritizes those inputs based on the degree to which they are observable. The three input levels of the fair-value hierarchy are as follows:

Level 1 – Inputs are observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 – Inputs are observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Inputs are unobservable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

Nonrecurring Fair Value Measurements – The Company applies fair value measurements to its nonfinancial assets and liabilities measured on a nonrecurring basis, which consist of measurements or remeasurements of impairment of crude oil, natural gas and NGLs properties and equipment, net, asset retirement assets and liabilities and assets acquired and liabilities assumed in a business combination. VAALCO uses market-observable prices for assets when comparable transactions can be identified that are similar to the asset being valued. When VAALCO is required to measure fair value and there is not a market-observable price for the asset or for a similar asset then the cost or income approach is used depending on the quality of information available to support management's assumptions. The cost approach is based on management's best estimate of the current asset replacement cost. The income approach is based on management's best assumptions regarding expectations of future net cash flows. The expected cash flows are discounted using a commensurate risk-adjusted discount rate. Such evaluations involve significant judgment, and the results are based on expected future events or conditions such as sales prices, estimates of future oil and gas production or throughput, development and operating costs and the timing thereof, economic and regulatory climates and other factors, most of which are often outside of management's control. However, assumptions used to reflect a market participant's view of long term prices, costs and other factors and are consistent with assumptions used in VAALCO's business plans and investment decisions.

Fair value of financial instruments – The Company determines the fair value of our assets and liabilities subject to fair value measurement by using the highest possible "level" of inputs.

		As of December 31, 2024			
	Balance Sheet Line	**Level 1**	**Level 2**	**Level 3**	**Total**
			(in thousands)		
Assets					
Derivative asset	Prepayments and other	$ —	**$ 119**	$ —	$ 119
Derivative asset L-T	Other long term assets	—	**1,209**	—	1,209
		$ —	**$ 1,328**	$ —	**$ 1,328**
Liabilities					
SARs liability	Accrued liabilities and other	$ —	$ —	$ —	$ —
Derivative liability	Accrued liabilities and other	—	**17**	—	17
		$ —	**$ 17**	$ —	**$ 17**

	Balance Sheet Line	As of December 31, 2023			
		Level 1	Level 2	Level 3	Total
			(in thousands)		
Assets					
Derivative asset	Prepayments and other	$ —	$ 403	$ —	$ 403
		$ —	$ 403	$ —	$ 403
Liabilities					
SARs liability	Accrued liabilities and other	$ —	$ 163	$ —	$ 163
		$ —	$ 163	$ —	$ 163

Earnings per Share – Basic earnings per common share is calculated by dividing earnings available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per common share is calculated by dividing earnings available to common stockholders by the weighted average number of diluted common shares outstanding, which includes the effect of potentially dilutive securities. Potentially dilutive securities consist of unvested restricted stock awards and stock options using the treasury method. Under the treasury method, the amount of unrecognized compensation expense related to unvested stock-based compensation grants or the proceeds that would be received if the stock options were exercised are assumed to be used to repurchase shares at the average market price. When a loss exists, all potentially dilutive securities are anti-dilutive and are therefore excluded from the computation of diluted earnings per share.

3. NEW ACCOUNTING STANDARDS

Adopted

In November 2023, the Financial Accounting Standards Board issued Accounting Standards Update 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 requires public entities to disclose information about the reportable segments' significant expenses on an interim and annual basis to enable investors to develop more decision-useful financial analyses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Entities must adopt the changes to the segment reporting guidance on a retrospective basis. We have adopted ASU 2023-07 herein for the fiscal year ended December 31, 2024. See Note 5, "Segment Information" for our process in determining reportable segments and certain financial data of each segment. During the fourth quarter of 2024, the Company adopted this ASU, which modified the Company's disclosures but did not have an impact on the Company's consolidated balance sheets, or statements of income or cash flows in its consolidated financial statements.

Not Yet Adopted

In August 2023, FASB issued new guidance to provide specific guidance on how a joint venture, upon formation, should recognize and initially measure assets contributed and liabilities assumed. The rules become effective prospectively for all joint venture formations occurring on or after January 1, 2025. VAALCO is currently assessing the impact of this guidance on the consolidated financial statements.

In December 2023, FASB issued new guidance to improve Income Tax disclosures to provide information to assess how an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. The rules become effective for annual periods beginning after December 15, 2024. The standard modifies required income tax disclosures. VAALCO is currently evaluating the impact of adopting this guidance on the consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Accounting Standards Update 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses to improve financial reporting by requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. VAALCO is currently evaluating the impact of adopting this ASU to our notes to the consolidated financial statements.

4. ACQUISITIONS

Svenska Acquisition

On February 29, 2024, the Company entered into a Share Purchase Agreement (the "Share Purchase Agreement") to purchase all of the issued shares in the capital of Svenska Petroleum Exploration Aktiebolag, a company incorporated in Sweden ("Svenska") for $66.5 million in cash (the "Purchase Price"), subject to certain adjustment as described in the Share Purchase Agreement (the "Svenska Acquisition"). The Company subsequently closed the Svenska Acquisition for the net purchase price of $40.2 million, on April 30, 2024 after certain regulatory and government approvals were received. The Purchase Price was funded with $40.2 million of the Company's cash-on-hand. Cash acquired in the business combination included $31.8 million of cash and cash equivalents as well as restricted cash of $8.8 million which nets to $0.4 million cash received on the business combination as disclosed within the consolidated statements of cash flows.

The Svenska Acquisition added to the Company's diversified African-focused asset portfolio.

The Svenska Acquisition qualified as a business combination and was accounted for using the acquisition method of accounting. The following tables summarize the cash paid for the purchase price and the final purchase price allocation of the acquisition consideration.

	April 30, 2024	Measurement Period Adjustment	April 30, 2024 (As Adjusted)
		(in thousands)	
Purchase Consideration			
Cash	$ 40,166	$ —	$ 40,166
Total purchase consideration	$ 40,166	$ —	$ 40,166

	April 30, 2024	Measurement Period Adjustment	April 30, 2024 (As Adjusted)
		(in thousands)	
Assets acquired:			
Cash and cash equivalents	$ 31,789	$ 466	$ 32,255
Other receivables, net	830	—	830
Crude oil inventory	14,981	—	14,981
Prepayments and other	409	—	409
Crude oil, natural gas and NGLs properties and equipment, net	100,188	6,901	107,089
Restricted cash	8,788	—	8,788
Other LT receivables	33	—	33
Deferred tax asset	28,153	(12,095)	16,058
Total assets acquired	185,171	(4,728)	180,443
Liabilities assumed:			
Accounts payable	(2,506)	—	(2,506)
State oil liability	(19,447)	—	(19,447)
Accrued tax settlement	(8,788)	—	(8,788)
Accrued accounts payable invoices	(21,692)	—	(21,692)
Accrued liabilities and other	(19,083)	(301)	(19,384)
Asset retirement obligations	(15,694)	(11,617)	(27,311)
Deferred tax liability	(37,897)	10,280	(27,617)
Total liabilities acquired	(125,107)	(1,638)	(126,745)
Bargain purchase gain	(19,898)	6,366	(13,532)
Total purchase price	$ 40,166	$ —	$ 40,166

All assets and liabilities associated with Svenska's interest in the producing Baobab field as well as the non-producing discovery located offshore of Nigeria, including crude oil and natural gas properties, asset retirement obligations and working capital items, were recorded at their estimated fair value. The crude oil and natural gas properties and asset retirement obligations were valued using an income approach, which are considered Level 3 fair value estimates. The Company used estimated future crude oil prices as of the closing date, April 30, 2024, to apply to the estimated reserve quantities acquired and market participant assumptions to the estimated future operating and development costs to arrive at the estimates of future net revenues. The future net revenues were discounted using the Company's weighted average cost of capital to determine the fair value at closing. The valuations to derive the purchase price included the use of both proved and unproved categories of reserves, expectation for timing and amount of future development and operating costs, projections of future rates of production, and risk adjusted discount rates. Other estimates were used by the Company to determine the fair value of certain assets and liabilities. The purchase price allocation was finalized in the fourth quarter of 2024. As a result of comparing the purchase price to the fair value of the assets acquired and liabilities assumed, a $19.9 million bargain purchase gain was recognized as of the close date. The bargain purchase gain is primarily attributable to a stronger forward pricing curve for oil and gas reserves on the date of the closing of the acquisition than was used for the purposes of the negotiations of the purchase price paid for Svenska.

During the year ended December 31, 2024, the Company made adjustments to the amounts assigned to the net assets acquired based on new information obtained about facts and circumstances that existed as of the Svenska Acquisition date. As a result, the bargain purchase gain was reduced by $6.4 million This adjustment is included in "*Bargain purchase gain*" under "*Other income (expense)*" in the consolidated statements of operations and comprehensive income.

Post-Acquisition Operating Results. The table below summarizes amounts contributed by the Cote d'Ivoire assets acquired in the Svenska Acquisition to the Company's consolidated results for the period from April 30, 2024 through December 31, 2024.

	April 30, 2024 through December 31, 2024
	(in thousands)
Crude oil, natural gas and natural gas liquids sales	$ 95,082
Net income	12,143

The unaudited pro forma results presented below have been prepared to give effect to the Svenska Acquisition discussed above on the Company's results of operations for the years ended December 31, 2024 and 2023, as if the acquisition had been consummated on January 1, 2023. The unaudited pro forma results do not purport to represent what the Company's

actual results of operations would have been if the Svenska Acquisition had been completed on such date or to project the Company's results of operations for any future date or period.

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Pro forma (unaudited)		
Crude oil, natural gas and natural gas liquids sales	$ 510,513	$ 632,514
Operating income	$ 120,681	243,228
Net income (loss) [(a)(b)]	$ 38,336	95,740
Basic net income (loss) per share:		
Net income (loss)	$ 38,336	$ 95,740
Net income (loss) per share	$ 0.37	$ 0.90
Basic weighted average shares outstanding	103,669	106,376
Diluted net income (loss) per share:		
Net income (loss)	$ 38,336	$ 95,740
Net income (loss) per share	$ 0.37	$ 0.90
Diluted weighted average shares outstanding	103,747	106,555

(a) The unaudited pro forma net income (loss) for the year ended December 31, 2024 excludes a nonrecurring pro forma adjustment directly attributable to the Svenska Acquisition, consisting of a bargain purchase gain of $13.5 million.
(b) The unaudited pro forma net income (loss) for the year ended December 31, 2023 excludes a nonrecurring pro forma adjustment attributable to the TransGlobe Acquisition, consisting of a bargain purchase gain adjustment of $1.4 million.

TransGlobe Acquisition

On October 13, 2022, the Company completed the business combination with TransGlobe Energy Corporation ("TransGlobe"), pursuant to an Arrangement Agreement previously entered into between the Company and TransGlobe (the "Arrangement Agreement"), whereby we acquired all of the issued and outstanding common shares of TransGlobe (the "TransGlobe Acquisition"), for a final adjusted purchase price of $274.1 million. As a result, TransGlobe became a direct wholly-owned subsidiary of the Company. We recognized an adjusted bargain purchase gain of $9.4 million from the transaction based on the difference in the fair value of assets and liabilities assumed and the purchase price and is included in the "Other income (expense), net" in the consolidated statements of operations and comprehensive income. We acquired our assets in Egypt and Canada through the TransGlobe Acquisition.

For the year ended December 31, 2022, included in the line item "Other income (expense), net" is $14.6 million of transactions costs associated with the TransGlobe Acquisition.

The unaudited pro forma results presented below have been prepared to give the effect to the TransGlobe Acquisition discussed above on the Company's results of operations for the years ended December 31, 2022, as if the TransGlobe Acquisition had been consummated on January 1, 2021. The unaudited pro forma results do not purport to represent what the Company's actual results of operations would have been if the TransGlobe Acquisition had been completed on such date or to project the Company's results of operations for any future date or period.

	Year Ended December 31, 2022		Measurement Period Adjustment		Year Ended December 31, 2022 (As Adjusted)	
			(in thousands)			
Pro forma (unaudited):						
Crude oil, natural gas and natural gas liquids sales	$ 547,670	**(a)**	$ —		$ 547,670	**(a)**
Operating income	$ 267,582	**(b)**	$ —		$ 267,582	**(b)**
Net income	$ 130,425	**(c)**	$ 1,412	**(d)**	$ 131,837	**(c)**
Basic net income per share:	$ 1.21		$ 0.01	**(d)**	$ 1.22	
Basic weighted average shares outstanding	108,206		108,206		108,206	
Diluted net income per share:	$ 1.20		$ 0.01	**(d)**	$ 1.21	
Diluted weighted average shares outstanding	108,642		108,642		108,642	

(a) The unaudited pro forma net revenues associated with Crude oil, natural gas and natural gas liquids sales have been adjusted for shipping and handling costs based on the Company's historical policy and revenue recognition is based on the Company's working interest, less royalties, the entitlement method.

(b) The unaudited pro forma operating income for the year ended December 31, 2022 removes the $23.7 million impairment reversal recorded by TransGlobe in 2022, excludes $10.2 million of severance costs associated with the TransGlobe Acquisition, excludes $6.5 million of TransGlobe Acquisition transaction costs, reclassifies depreciation expense, for certain leases identified as operating leases, to production expense and adjusts depreciation, depletion and amortization expense related to the depletable assets and asset retirement obligations acquired in the TransGlobe Acquisition based on the purchase price allocation.

(c) The unaudited pro forma net income for the year ended December 31, 2022 excludes $14.6 million of transaction costs incurred by the Company associated with the TransGlobe Acquisition, excludes the bargain purchase gain of $10.8 million and reclassifies interest expense, for certain leases identified as operating leases, as production expense.

(d) The Measurement Period Adjustment is due to an original deferred tax liability being estimated at closing. Additional information about the deferred tax liability was identified in the first part of 2023 creating the need for the $1.4 million adjustment.

5. SEGMENT INFORMATION

The Company's operations are based in Gabon, Egypt, Cote d'Ivoire, Canada and Equatorial Guinea. Each of the reportable operating segments are organized and managed based upon geographic location. The Company's Chief Executive Officer, who is the chief operating decision maker ("CODM") evaluates segment performance based on the operation of each geographic segment separately primarily based on Operating income (loss) and allocates financial and capital resources for each segment predominantly in the annual budget and forecasting process. The CODM also considers budget-to-actual variances on a quarterly basis for the performance measure when making decisions about allocating capital and personnel to the segments.

The operations of all segments include exploration for and production of hydrocarbons where commercial reserves have been found and developed. Revenues are based on the location of hydrocarbon production. Corporate and other is primarily corporate and operations support costs that are not allocated to the reportable operating segments and are shown in the tables to reconcile the business segments to consolidated totals. No transactions occurred between operating segments. "Other operating income (expense)" below are those items that are included in Net income (loss) but are not regularly provided to the CODM, or are reported to the CODM but are not considered to be significant segment expenses.

Due to the quantity of active oil and natural gas purchasers in the markets where it produces hydrocarbons, the Company does not foresee any difficulty with selling its hydrocarbon production at fair market prices.

Segment activity of continuing operations for the years ended December 31, 2024, 2023 and 2022 and long-lived assets and segment assets at December 31, 2024 and 2023 are as follows:

	Year ended December 31, 2024						
(in thousands)	**Gabon**	**Egypt**	**Canada**	**Equatorial Guinea**	**Cote d'Ivoire**	**Corporate and Other**	**Total**
Revenues:							
Crude oil, natural gas and natural gas liquids sales	$ 205,954	$ 145,966	$ 31,986	$ —	$ 95,082	$ —	$ 478,988
Operating costs and expenses:							
Production expense	62,234	50,770	11,301	1,173	38,017	5	163,500
Exploration expense	—	48	—	—	—	—	48
Depreciation, depletion and amortization	50,679	33,458	19,309	—	38,771	817	143,034
General and administrative expense	1,679	70	(206)	305	1,701	26,135	29,684
Credit (recovery) losses and other	812	4,813	—	679	—	—	6,304
Total operating costs and expenses	115,404	89,159	30,404	2,157	78,489	26,957	342,570
Other operating income (expense), net	(24)	—	102	—	—	—	78
Operating income (loss)	90,526	56,807	1,684	(2,157)	16,593	(26,957)	136,496
Other income (expense):							
Derivative instruments gain (loss), net	—	—	—	—	(533)	(212)	(745)
Interest (expense) income, net	(4,694)	(1,489)	(46)	—	313	2,184	(3,732)
Bargain purchase gain	—	—	—	—	—	13,532	13,532
Other income (expense), net	(1,635)	(204)	225	(7)	(1)	(4,132)	(5,754)
Total other income (expense), net	(6,329)	(1,693)	179	(7)	(221)	11,372	3,301
Income (loss) before income taxes	84,197	55,114	1,863	(2,164)	16,372	(15,585)	139,797
Income tax expense	48,026	30,648	—	—	4,229	(1,596)	81,307
Net income (loss)	$ 36,171	$ 24,466	$ 1,863	$ (2,164)	$ 12,143	$ (13,989)	$ 58,490
Consolidated capital expenditures	$ 22,579	$ 11,364	$ 25,828	$ 641	$ 44,435	$ 4,592	$ 109,438

(in thousands)	Year Ended December 31, 2023					
	Gabon	**Egypt**	**Canada**	**Equatorial Guinea**	**Corporate and Other**	**Total**
Revenues:						
Crude oil, natural gas and natural gas liquids sales	$ 260,346	$ 161,049	$ 33,671	$ —	$ —	$ 455,066
Operating costs and expenses:						
Production expense	87,131	54,779	9,463	1,481	303	153,157
FPSO demobilization and other costs	7,484	—	—	—	—	7,484
Exploration expense	51	1,914	—	—	—	1,965
Depreciation, depletion and amortization	62,622	35,095	17,398	—	187	115,302
General and administrative expense	1,769	974	—	416	20,681	23,840
Credit (recovery) losses and other	(10,596)	5,182	—	508	—	(4,906)
Total operating costs and expenses	148,461	97,944	26,861	2,405	21,171	296,842
Other operating income (expense), net	(55)	(241)	729	—	—	433
Operating income (loss)	111,830	62,864	7,539	(2,405)	(21,171)	158,657
Other income (expense):						
Derivative instruments gain (loss), net	—	—	—	—	232	232
Interest (expense) income, net	(5,563)	(2,110)	(4)	—	1,225	(6,452)
Other expense, net	(820)	—	2	(6)	(1,482)	(2,306)
Total other income (expense), net	(6,383)	(2,110)	(2)	(6)	(25)	(8,526)
Income (loss) before income taxes	105,447	60,754	7,537	(2,411)	(21,196)	150,131
Income tax (benefit) expense	50,692	32,859	-	—	6,226	89,777
Net income (loss)	$ 54,755	$ 27,895	7,537	(2,411)	$ (27,422)	$ 60,354
Consolidated capital expenditures [1]	$ 17,011	$ 37,866	16,809	—	$ 950	$ 72,636

(1) Includes assets acquired in the TransGlobe acquisition.

	Year Ended December 31, 2022					
(in thousands)	**Gabon**	**Egypt**	**Canada**	**Equatorial Guinea**	**Corporate and Other**	**Total**
Revenues:						
Crude oil, natural gas and natural gas liquids sales	$ 306,775	$ 37,710	$ 9,841	$ —	$ —	$ 354,326
Operating costs and expenses:						
Production expense	96,854	11,936	1,972	1,899	—	112,661
FPSO demobilization and other costs	8,867	—	—	—	—	8,867
Exploration expense	258	—	—	—	—	258
Depreciation, depletion and amortization	34,651	10,444	2,921	—	127	48,143
General and administrative expense	3,101	—	—	538	6,438	10,077
Credit (recovery) losses and other	2,743	—	—	339	—	3,082
Total operating costs and expenses	146,474	22,380	4,893	2,776	6,565	183,088
Other operating income (expense), net	38	—	—	—	—	38
Operating income (loss)	160,339	15,330	4,948	(2,776)	(6,565)	171,276
Other income (expense):						
Derivative instruments loss, net	—	—	13	—	(37,825)	(37,812)
Interest income, net	(1,446)	(596)	—	—	8	(2,034)
Other income (expense), net	(1,484)	—	—	—	(6,636)	(8,120)
Total other income (expense), net	(2,930)	(596)	13	—	(44,453)	(47,966)
Income (loss) before income taxes	157,409	14,734	4,961	(2,776)	(51,018)	123,310
Income tax (benefit) expense	68,509	6,254	—	1	(3,344)	71,420
Net income (loss)	$ 88,900	$ 8,480	$ 4,961	$ (2,777)	$ (47,674)	$ 51,890
Consolidated capital expenditures	$ 162,375	$ 168,012	$ 103,263	$ —	$ 710	$ 434,360

(in thousands)	**Gabon**	**Egypt**	**Canada**	**Equatorial Guinea**	**Cote d'Ivoire**	**Corporate and Other**	**Total**
Long-lived assets:							
As of December 31, 2024	**$ 153,576**	**$ 149,129**	**$ 104,891**	**$ 10,641**	**$ 114,756**	**$ 5,110**	**$ 538,103**
As of December 31, 2023	$ 171,787	$ 171,224	$ 105,189	$ 10,000	$ —	$ 1,586	$ 459,786

(in thousands)	**Gabon**	**Egypt**	**Canada**	**Equatorial Guinea**	**Cote d'Ivoire**	**Corporate and Other**	**Total**
Total assets:							
As of December 31, 2024	**$ 300,568**	**$ 269,905**	**$ 113,310**	**$ 12,331**	**$ 187,264**	**$ 71,572**	**$ 954,950**
As of December 31, 2023	$ 309,394	$ 263,015	$ 114,215	$ 11,327	$ —	$ 125,265	$ 823,216

6. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated using the average number of shares of common stock outstanding during each period. For the calculation of diluted shares, the Company assumes that restricted stock is outstanding on the date of vesting, and the Company assumes the issuance of shares from the exercise of stock options using the treasury stock method.

A reconciliation of reported net income (loss) to net income (loss) used in calculating EPS as well as a reconciliation from basic to diluted shares follows:

	Year Ended December 31,		
	2024	**2023**	**2022**
		(in thousands)	
Net income (numerator):			
Net income	**$ 58,490**	$ 60,354	$ 51,890
Income attributable to unvested shares	**(714)**	(632)	(593)
Numerator for basic	**57,776**	59,722	51,297
Loss attributable to unvested shares	**—**	1	3
Numerator for dilutive	**$ 57,776**	$ 59,723	$ 51,300
Weighted average shares (denominator):			
Basic weighted average shares outstanding	**103,669**	106,376	69,568
Effect of dilutive securities	**78**	179	414
Diluted weighted average shares outstanding	**103,747**	106,555	69,982
Stock options and unvested restricted stock grants excluded from dilutive calculation because they would be anti-dilutive	**516**	385	189

7. REVENUE

Production Sharing Contracts

Exploration and production activities of our assets in Gabon, Egypt, Cote d'Ivoire, and Equatorial Guinea are generally governed by PSCs.

Our oil entitlement under the PSCs is generally the sum of cost oil, profit oil and excess cost oil, if applicable. Under the terms of the PSCs, the Company is typically the contractor partner ("Contractor") and bears the risk and cost of exploration, development, and production activities. In return, if exploration is successful, the Contractor receives entitlement to variable physical volumes of hydrocarbons, representing recovery of the costs incurred ("Cost Oil") and a stipulated share of production after cost recovery ("Profit Oil").

The Contractor may be obligated to make royalty payments to the host government of each country using a variable percentage based on gross daily production levels. The remaining oil production, after deducting the gross royalty, if any, is split between Cost Oil and Profit Oil. Cost Oil is up to a maximum percentage and is allocated to recover approved operating and capital costs spent on specific projects. Excess Cost Oil, which is Cost Oil less the actual cost recovery, is further shared between the host government and the Contractor. Except as otherwise disclosed, all crude oil sales are priced at current market rates at the time of sale.

Our share of royalties is paid out of the government's share of production. Additionally, the income tax to which the Contractor is subject to ("Profit Oil Tax"), is deemed to have been paid to the host government as part of the payment of Profit Oil or is captured in the entitled share of Profit Oil production paid in-kind to the host government, and therefore no additional tax burden is due. Under this arrangement taxation is based on a set percentage of average daily production volume.

Gabon

Revenues from contracts with customers are generated from sales in Gabon pursuant to crude oil sales and purchase agreements ("COSPAs") or crude oil sales and marketing agreements ("COSMA or COSMAs"). Except for internal costs, which are expensed as incurred, there are no upfront costs associated with obtaining a new COSPA or COSMA.

Customer sales generally occur on a monthly basis when the customer's tanker arrives at the FPSO or FSO and the crude oil is delivered to the tanker through a connection. There is a single performance obligation (delivering crude oil to the delivery point, i.e. the connection to the customer's crude oil tanker) that gives rise to revenue recognition at the point in time when the performance obligation event takes place. This is referred to as a "lifting". Liftings can take one to two days to complete.

The Company accounts for sales based on the Company's working interest, less royalties. Imbalances are valued based on the actual sales proceeds. Historically as operator, the volumes sold may be more or less than the volumes that the Company is entitled based on the ownership interest in the property, and the Company would recognize a liability if the volumes sold exceeded the Company's ownership interest.

For each lifting completed under a COSPA or COSMA, payment is made by the customer in U.S. dollars by electronic transfer 30 days after the date of the bill of lading. For each lifting of crude oil, pricing is based upon an average of Dated Brent in the month of lifting, adjusted for location and market factors.

The terms of the Etame PSC includes provisions for payments to the government of Gabon for: royalties based on 13% of production at the published price and a shared portion of Profit Oil determined based on daily production rates, as well as a gross carried working interest of 7.5% (increasing to 10% beginning June 20, 2026) for all costs. For both royalties and Profit Oil, the Etame PSC provides that the government of Gabon may settle these obligations in-kind, i.e. taking crude oil barrels, rather than with cash payments.

To date, the government of Gabon has not elected to take its royalties in-kind, and this obligation is settled through a monthly cash payment. Payments for royalties are reflected as a reduction in revenues from customers.

With respect to the government's share of Profit Oil, the Etame PSC provides that corporate income tax is satisfied through the payment of Profit Oil. In the consolidated statements of operations and comprehensive income (loss), the government's share of revenues from Profit Oil is reported in revenues with a corresponding amount reflected in the current provision for income tax expense. The amount associated with the Profit Oil under the terms of the Etame PSC is reflected as revenue with an offsetting amount reported in current income tax expense. Payments of the income tax expense are reported in the period that the government takes its Profit Oil in-kind, which is the period in which it lifts the crude oil. In 2024, an in-kind payment of $30.3 million was made with the May 2024 lifting. The Company has a $40.0 foreign income tax payable as of December 31, 2024. In the prior year, an in-kind payment of $32.8 million was made with the November 2023 lifting. As of December 31, 2023, there was a foreign income tax payable of $18.9 million.

Certain amounts associated with the carried interest in the Etame Marin block are reported as revenues. In this carried interest arrangement, the carrying parties, which include the Company and other working interest owners, are obligated to fund all of the working interest costs that would otherwise be the obligation of the carried party. The carrying parties recoup these funds from the carried interest party's revenues.

The following table presents revenues in Gabon from contracts with customers as well as revenues associated with the obligations under the Etame PSC:

	Year Ended December 31,		
	2024	2023	2022
Revenues from customer contracts:		*(in thousands)*	
Sales under the COSPA or COSMA	$ 205,965	$ 261,801	$ 320,522
Other items reported in revenue not associated with customer contracts:			
Gabonese government share of Profit Oil taken in-kind	**30,256**	32,776	26,257
Carried interest recoupment	**2,276**	5,301	5,843
Royalties	**(32,543)**	(39,532)	(45,847)
Net revenues	**$ 205,954**	$ 260,346	$ 306,775

Egypt

Revenues from sales in Egypt are generally made through direct sales to EGPC or through contracts with customers pursuant to crude oil sales and purchase agreements ("COSPAs") or crude oil sales and marketing agreements ("COSMA or COSMAs"). EGPC and the Company each own a 50% interest, respectively, in the operating company which is a party to the Merged Concession Agreement. EGPC and the Company each also own a 50% interest, respectively, in the operating company that is a party to the South Ghazalat concession agreement.

Customer sales generally occur when sales are directly to EGPC or haphazardly production is sold through a cargo lifting. The Company records EGPC's share of production as royalties which are netted against revenue, whether EGPC's share of production arises from EGPC's share of Profit Oil or excess Cost Oil.

With respect to Egyptian income taxes, these taxes are paid by EGPC on behalf of the Company out of EGPC's share of production entitlement. The income taxes paid to the Arab Republic of Egypt on behalf of the Company are recognized as crude oil revenue and income tax expense for reporting purposes.

EGPC owns the storage and export facilities where the Company's production is delivered and the Company requires EGPC cooperation and approval to schedule liftings. Once liftings occur, the Company has a 30-day collection cycle on liftings as a result of direct marketing to international purchasers. Depending on the Company's assessment of the credit of crude oil cargo buyers, they may be required to post irrevocable letters of credit to support the sales prior to the cargo liftings. Direct sales to EGPC are normally settled two to four weeks from delivery.

In some instances, the Company will borrow or loan production volumes in order to achieve a required amount of crude oil for cargo sales. In these instances, the Company can be in an overlift or underlift position. Regardless of being in an over lift or underlift position, sales are based on the Company's working interest, less royalties. Imbalances are valued based on the actual sales proceeds and the Company will record a payable, if in an overlift position, or a receivable, if in an underlift position, based on the fair value of the consideration received or receivable.

The following table presents revenues in Egypt from contracts with customers:

	Year Ended December 31,		
	2024	2023	2022
Revenues from customer contracts:		*(in thousands)*	
Gross sales	**$ 250,946**	$ 272,613	$ 56,452
Royalties	**(104,449)**	(110,569)	(18,742)
Selling costs	**(531)**	(995)	—
Net revenues	**$ 145,966**	$ 161,049	$ 37,710

Canada

Customer sales generally occur on a daily basis when crude oil, natural gas, condensate or NGL's are sold, normally via pipeline, to a delivery point. There is a single performance obligation (delivering crude oil, natural gas, condensate or NGL's to the delivery point) that gives rise to revenue recognition at the point in time when the performance obligation

event takes place. VAALCO pays royalties to the Alberta provincial government and other mineral rights owners in accordance with the established royalty regime. For reporting purposes, the Company records revenues net of royalties.

Settlement of accounts receivable in Canada occur on the 25th of the following month following production.

The following table presents revenues in Canada from contracts with customers:

	Year Ended December 31,		
	2024	**2023**	**2022**
Revenues from customer contracts:		*(in thousands)*	
Oil revenue	**$ 28,418**	$ 28,287	$ 7,362
Gas revenue	**1,849**	3,467	1,340
NGL revenue	**7,646**	8,440	2,235
Other revenue	**213**	—	41
Royalties	**(5,009)**	(5,821)	(1,137)
Selling costs	**(1,131)**	(702)	—
Net revenues	**$ 31,986**	$ 33,671	$ 9,841

Cote d'Ivoire

The Company owns a 27.39% non-operated working interest in the deepwater producing Baobab field in Block CI-40, offshore Cote d'Ivoire in West Africa. Production generated from the Baobab field is shared under a PSC (the "Cote d'Ivoire PSC").

Revenues from contracts with customers are generated from sales in Cote d'Ivoire pursuant to crude oil sales and purchase agreements and revenues are recognized when a lifting, as defined below, is completed.

Customer sales generally occur on a monthly basis when the customer's tanker arrives at the FPSO and the crude oil is delivered to the tanker through a connection. There is a single performance obligation (delivering crude oil to the delivery point, i.e. the connection to the customer's crude oil tanker) that gives rise to revenue recognition at the point in time when the performance obligation event takes place. This is referred to as a "lifting". Liftings can take one to two days to complete.

The Company accounts for sales based on the Company's working interest, less royalties. Imbalances are valued based on the actual sales proceeds. The volumes sold may be more or less than the volumes that the Company is entitled based on the ownership interest in the property, and the Company would recognize a liability if the volumes sold exceeded the Company's ownership interest.

For each lifting completed under the sales and purchase agreement, payment is made by the customer in U.S. dollars by electronic transfer 30 days after the date of the bill of lading. For each lifting of crude oil, pricing is based upon an average of Dated Brent in the month of lifting, adjusted for location and market factors.

Cost Oil allows the Company to recover its capital and production costs and the costs carried by the Company on behalf of the government state oil company. Profit oil is allocated to the joint venture partners in accordance with their respective equity interests, after a portion has been allocated to the government of Cote d'Ivoire (the "Ivorian Government"). The Ivorian Governments' share of Profit oil attributable to the Company's equity interest is reported in revenues with a corresponding amount reflected in the current provision for income tax expense. In addition, under the terms of the Cote d'Ivoire PSC, the tax payments to the Ivorian Government are deemed satisfied by its share of the Profit Oil.

The following table presents revenues in Cote d'Ivoire from contracts with customers:

	Year Ended December 31, 2024
Revenues from customer contracts:	*(in thousands)*
Sales under the sales and purchase agreements	**$ 87,870**
Other item reported in revenue not associated with customer contracts:	
Cote d'Ivoire government share of Profit Oil taken in-kind	**7,212**
Net revenues	**$ 95,082**

Information about the Company's most significant customers -

For the years ended December 31, 2024, 2023 and 2022, our revenue concentration by customer for each operating segment are shown on the table below.

	Year Ended December 31,		
	2024 (1)	**2023**	**2022 (2)**
Gabon	100%	100%	100%
Egypt	100%	62% and 38%	100%
Cote d'Ivoire	87% and 13%	—%	—%
Canada	41%, 32% and 21%	52%, 37% and 7%	54%, 32% and 14%

(1) For Cote d'Ivoire, reflects sales from April 30, 2024 through December 31, 2024 related to the Svenska Acquisition.
(2) For Egypt and Canada, reflects sales from October 14, 2022 through December 31, 2022 related to the TransGlobe Acquisition.

8. INCOME TAXES

Income (loss) before income taxes is attributable as follows:

	Year Ended December 31,		
(in thousands)	**2024**	**2023**	**2022**
U.S.	**$ (26,337)**	$ (15,781)	$ (56,750)
Foreign	**166,134**	165,927	180,132
	$ 139,797	$ 150,146	$ 123,382

Provision for income taxes related to income (loss) consists of the following:

	Year Ended December 31,		
	2024	**2023**	**2022**
U.S. Federal:		*(in thousands)*	
Current	**$ —**	$ —	$ —
Deferred	**(1,698)**	6,214	(3,344)
Foreign:			
Current	**98,882**	92,642	26,615
Deferred	**(15,877)**	(9,079)	48,149
Total	**$ 81,307**	$ 89,777	$ 71,420

The reconciliation of income tax expense (benefit) to income tax at the U.S. statutory rate is as follows:

	Year Ended December 31,		
(in thousands)	**2024**	**2023**	**2022**
Tax provision computed at U.S. statutory rate	**$ 29,360**	$ 31,530	$ 25,910
Foreign taxes not offset in U.S. by foreign tax credits	**14,833**	25,719	53,851
Permanent differences	**932**	3,455	778
Foreign tax credit expirations	**—**	—	17,247
Increase/(decrease) in valuation allowance	**34,281**	27,656	(25,623)
Bargain purchase gain	**(2,842)**	—	—
Other	**4,743**	1,417	(743)
Total income tax expense (benefit)	**$ 81,307**	$ 89,777	$ 71,420

Deferred tax assets and liabilities, which are computed on the estimated income tax effect of temporary differences between financial and tax bases in assets and liabilities, are determined using the tax rates expected to be in effect when taxes are actually paid or recovered.

In assessing the realizability of the deferred tax assets, the Company considers all available positive and negative evidence by jurisdiction to estimate whether it is more likely than not that sufficient future taxable income will be generated to permit the use of the existing deferred tax assets. The ultimate realization of the deferred tax assets is dependent upon the generation of future income in periods in which the deferred tax assets can be utilized. Numerous judgments and assumptions are inherent in this assessment, including the determination of future taxable income, future operating conditions, particularly as related to prevailing crude oil prices.

On the basis of this evaluation, as of December 31, 2024, a valuation allowance of $173.1 million has been recorded to recognize only the portion of the deferred tax asset that is more likely than not to be realized. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income are reduced or increased.

The tax effects of significant temporary differences giving rise to deferred tax assets and liabilities are as follows:

	December 31,	
(in thousands)	**2024**	**2023**
Deferred tax assets:		
Fixed assets(1)	**$ 35,541**	$ 9,132
Foreign tax credit carryforward	**123,660**	55,069
Net operating losses	**56,317**	32,306
Asset retirement obligations	**20,384**	9,631
ROU lease liabilities	**9,973**	10,345
Accrued liabilities	**19,686**	3,808
Receivables	**(1,788)**	(146)
Other	**2,682**	719
Total deferred tax assets	**266,455**	120,864
Valuation allowance	**(173,140)**	(83,893)
Net deferred tax assets	**$ 93,315**	$ 36,971
Deferred tax liabilities:		
Basis difference in fixed assets	**(131,639)**	(81,310)
Net deferred tax liabilities	**$ (131,639)**	$ (81,310)

(1) This line includes ROU lease asset.

The Corporation's undistributed earnings from subsidiary companies outside the United States include amounts that have been retained to fund prior and future capital project expenditures. Deferred income taxes have not been recorded for potential future tax obligations, such as foreign withholding tax and state tax, as these undistributed earnings are expected to be indefinitely reinvested for the foreseeable future. As of December 31, 2024, it is not practicable to estimate the unrecognized deferred tax liability. However, unrecognized deferred taxes on remittance of these funds are not expected to be material.

The Company has NOL's, in the following jurisdictions as of December 31, 2024:

Jurisdiction		**Amount** *(in thousands)*	**Expiration Period**
U.S.	$	—	No expiration
Gabon	$	—	No expiration
Egypt	$	18,322	2025-2029
Canada	$	77,132	2032-2041
Equatorial Guinea	$	124,589	No expiration
UK	$	—	No expiration

The Company recognizes the financial statement benefit of a tax position only after determining that they are more likely than not to sustain the position following an audit. The Company believes that its income tax positions and deductions will be sustained on audit, and therefore no reserves for uncertain tax positions have been established. Accordingly, no interest or penalties have been accrued as of December 31, 2024 and 2023. The Company's policy is to include interest and penalties related to unrecognized tax benefits as a component of income tax expense.

For the years ended December 31, 2024, 2023 and 2022, the Company is subject to foreign and U.S. federal taxes only, with no allocations made to state and local taxes. The following table summarizes the tax years that remain subject to examination by major tax jurisdictions.

Jurisdiction	**Years**
U.S.	2014-2024
Gabon	2020-2024
Egypt	2019-2024
Canada	2019-2024
Sweden	2018-2024
Cote d'Ivoire	2020-2024

9. CRUDE OIL, NATURAL GAS AND NGLs PROPERTIES AND EQUIPMENT, NET

The Company's crude oil, natural gas and NGLs properties and equipment, net, at December 31, 2024 and 2023, respectively, is comprised of the following:

	2024	**2023**
	(in thousands)	
Crude oil, natural gas and NGLs properties and equipment, net		
Wells, platforms and other production facilities	**$ 1,593,243**	$ 1,468,542
Work-in-progress	**44,517**	4,183
Unproved properties	**60,761**	52,109
Capitalized equipment, spare parts and other	**75,581**	47,794
	1,774,102	1,572,628
Accumulated depreciation, depletion, amortization and impairment	**(1,235,999)**	(1,112,842)
Crude oil, natural gas and NGLs properties and equipment, net	**$ 538,103**	$ 459,786

Unproved property costs

See the table below for the list of unproved property costs at December 31, 2024 and 2023, respectively:

	2024	2023
	(in thousands)	
Unproved Property Costs		
Etame Marin Block	**$ 13,735**	$ 13,735
Equatorial Guinea	**10,000**	10,000
Egypt	**11,542**	11,444
Cote d'Ivoire	**12,775**	—
Canada	**12,709**	16,930
Unproved Property Costs	**$ 60,761**	$ 52,109

Exploration expense

During 2024, we had minimal exploration expenses. During 2023, two appraisal wells, both in Egypt, were abandoned and also expensed to Exploration Expense. The impact resulted in $2.0 million of expense during the year ended December 31, 2023.

10. DERIVATIVES AND FAIR VALUE

Commodity swaps

Outstanding derivative contracts at December 31, 2024 are as follows:

Settlement Period	Type of Contract	Index	Average Monthly Volumes (Bbls)[b]	Weighted Average Put Price (per Bbl)	Weighted Average Call Price (per Bbl)
January 2025 - March 2025	Collars	Dated Brent	70,000	$ 65.00	$ 85.00
April 2025 - June 2025	Collars	Dated Brent	70,000	$ 65.00	$ 81.00

Settlement Period	Type of Contract	Index	Average Monthly Volumes (GJ)[b]	Weighted Average SWAP Price in CAD (per GJ)
January 2025 - March 2025	Swap	AECO (7A)	67,000	$ 2.80

b) One gigajoule (GJ) equals one billion joules (J). A gigajoule of natural gas is about 25.5 cubic metres at standard conditions.

The following table sets forth the gain (loss) on derivative instruments on the Company's consolidated statements of operations and comprehensive income (loss):

Derivative Item	Statements of Operations Line	Year Ended December 31, 2024	2023	2022
			(in thousands)	
Commodity derivatives	Cash settlements paid on matured derivative contracts, net	**$ (453)**	$ (127)	$ (42,935)
	Unrealized gain (loss)	**(292)**	359	5,123
	Derivative instruments gain (loss), net	**$ (745)**	$ 232	$ (37,812)

11. ASSET RETIREMENT OBLIGATIONS

The following table summarizes the changes in the Company's asset retirement obligations:

(in thousands)	Year Ended December 31, 2024	2023
Asset retirement obligation	**$ 47,343**	$ 42,001
Accretion	**4,753**	2,352
Additions	**27,424**	2,487
Revisions	**981**	6,889
Settlements	**(368)**	(6,747)
Foreign currency gain (loss)	**(367)**	361
Total asset retirement obligation	**79,766**	47,343
Less: current obligations	**(1,174)**	—
Long-term asset retirement obligation	**$ 78,592**	$ 47,343

Accretion is recorded in the line item "Depreciation, depletion and amortization" on the consolidated statements of operations and comprehensive income (loss).

12. COMMITMENTS AND CONTINGENCIES

Abandonment funding

Gabon

Under the terms of the Etame PSC, the Company has a cash funding arrangement for the eventual abandonment of all offshore wells, platforms and facilities on the Etame Marin block. As a result of the PSC Extension, annual funding payments are spread over the life of the Etame Marin Block, under the applicable abandonment study. The amounts paid will be reimbursed through the Cost Account and are non-refundable. In August 2023, a new abandonment study was completed and such study estimated abandonment costs of approximately $77.9 million ($45.9 million, net to VAALCO) on an undiscounted basis. The new abandonment estimate was presented to the Gabonese Directorate of Hydrocarbons as required by the PSC. At December 31, 2024, $10.7 million ($6.3 million, net to VAALCO) on an undiscounted basis has been funded. The annual payments will be adjusted based on revisions in the abandonment estimate. This cash funding is reflected under "Other noncurrent assets" in the "Abandonment funding" line item of the consolidated balance sheets. Future changes to the anticipated abandonment cost estimate could change the asset retirement obligation and the amount of future abandonment funding payments.

In the first quarter of 2023, the Directorate of Hydrocarbons in Gabon approved a $26.6 million ($15.6 million, net to VAALCO) abandonment funding payment associated with the FPSO retirement. The Company received payment of $15.6

million in March 2023. No other activity occurred in the abandonment funding account during the remainder of 2023 and in 2024. The Company is working with the Directorate of Hydrocarbons in Gabon to establish a payment schedule to resume funding of the abandonment fund in compliance with the Etame PSC.

FPSO charter

As operator of the Etame Marin block, the Company chartered a floating production storage and offtake vessel ("FPSO"), from Tinworth for use in its operations. In the fourth quarter of 2023, the Company reached a settlement agreement with Tinworth to release the Company from any further obligation relating to the FPSO. The signed settlement agreement required the Company and other non-operators to pay an additional $8.0 million gross ($4.7 million net to VAALCO) to Tinworth in exchange for the release. The $8.0 million payment was made on December 22, 2023.

In connection with the above settlement, on January 22, 2024, certain funds held in escrow as part of the FPSO agreements were released to the Company and its non-operating partners. VAALCO's share of this restricted cash amount was $1.8 million.

Regulatory and Joint Interest Audits and Related Matters

The Company is subject to periodic audits by various government agencies from the international jurisdictions where we operate, including audits by the respective governments and other members of the Company's joint operating agreements.

Merged Concession Agreement

The Company is a party to the Merged Concession Agreement with the Egyptian General Petroleum Corporation ("EGPC"). In accordance with the Merged Concession Agreement, we are required to make $10.0 million annual modernization payments through February 1, 2026. The $10.0 million modernization payment due February 1, 2024, was offset against receivables owed to the Company from EGPC. On the consolidated balance sheet, $9.9 million of the modernization payment liability was recorded in the line item "Accrued liabilities and other" and $9.2 million was recorded in "Other long-term liabilities".

In accordance with the Merged Concession Agreement, we agreed to substitute the 2023 and 2024 payment and issue two $10.0 million credits against receivables owed from EGPC.

The Company also has minimum financial work commitments of $50.0 million per each five-year period of the primary development term, commencing on February 1, 2020 for a total of $150 million over the 15 year license contract term. Through December 31, 2024, the Company's financial work commitments have exceeded the five-year minimum $50 million threshold and any excess carries forward to offset against subsequent five-year commitments.

The amounts that will be paid for such outstanding off-balance sheet financial work commitments as of December 31, 2024 are $10.0 million in 2025, $10.0 million in 2026, $10.0 million in 2027, $10.0 million in 2028, $10.0 million in 2029 and $60.0 million in 2030 and thereafter.

Domestic Market Obligation

Under the terms of the respective PSCs in Gabon and Cote d'Ivoire, the Company can be required to sell to the Government or another entity designated by the Government, a certain percentage of its Profit Oil to meet the needs of the domestic market.

13. DEBT

As of December 31, 2024 and 2023, the Company had no outstanding debt.

RBL Facility

On May 16, 2022, the Company entered into an agreement with Glencore, and other lenders, to provide a senior secured reserve-based revolving credit facility for a maximum principal amount of up to $50.0 million. Beginning October 1, 2023 and thereafter on April 1 and October 1 of each year during the term of the RBL Facility, the $50.0 million initial

commitment, will be reduced by $6.3 million. At December 31, 2024, the amount available to be drawn under the facility was $31.3 million.

The Facility provides for determination of the borrowing base asset based on the Company's proved producing reserves in Gabon and a portion of the Company's proved undeveloped reserves in Gabon. The borrowing base is re-determined by the Glencore and other lenders on March 31 and September 30 of each year.

The RBL Facility originally bore an interest at a rate equal to LIBOR plus a margin (the "Applicable Margin") of (i) 6.00% until the third anniversary of the Facility Agreement or (ii) 6.25% from the third anniversary of the Facility Agreement until the Final Maturity Date (defined below). On October 3, 2023 the Company signed an Amended and Restated Facility Agreement to replace the LIBOR component, in the original Facility Agreement, with a SOFR plus credit adjustment spread rate. The SOFR plus credit adjustment spread rate is intended to approximate the LIBOR component in the original Facility Agreement and the LIBOR component was replaced due to LIBOR being discontinued as a global reference rate.

Pursuant to the RBL Facility agreement, the Company shall pay to Glencore for the account of each Lender a quarterly commitment fee equal to (i) 35% per annum of the Applicable Margin on the daily amount by which the lower of the total commitments and the borrowing base amount exceeds the amount of all outstanding utilizations under the Facility, plus (ii) 20% per annum of the Applicable Margin on the daily amount by which the total commitments exceed the borrowing base amount. The Company is also required to pay customary arrangement and security agent fees.

The RBL Facility agreement contains certain debt covenants, including that, as of the last day of each calendar quarter, (i) the ratio of Consolidated Total Net Debt to EBITDAX (as each term is defined in the RBL Facility agreement) for the trailing 12 months shall not exceed 3.0x and (ii) consolidated cash and cash equivalents shall not be lower than $10.0 million at any time. The amount the Company can borrow with respect to the borrowing base is subject to compliance with the financial covenants and other provisions of the RBL Facility agreement. Regarding the requirement, the Company must deliver its annual financial statements to Glencore within 90 days of the end of each fiscal year. At December 31, 2024, the Company was in compliance with all other debt covenants and had no outstanding borrowings under the facility.

The RBL Facility will mature on the earlier of (i) the fifth anniversary of the date on which all conditions precedent to the first utilization of the RBL Facility have been satisfied and (ii) the Reserve Tail Date (as defined in the RBL Facility agreement).

On March 4, 2025, the Company and certain of its subsidiaries, entered into a reserves based facility agreement (the "2025 Facility Agreement") providing for a senior secured reserve-based revolving credit facility (the "2025 RBL Facility") with aggregate commitments of $190.0 million and an initial borrowing base of $182.0 million. See Note 20. *Subsequent Events* for additional discussion on the terms of the 2025 Facility Agreement.

14. LEASES

Under the leasing standard that became effective January 1, 2019, there are two types of leases: finance and operating. Regardless of the type of lease, the initial measurement of the lease results in recording a ROU asset and a lease liability at the present value of the future lease payments.

Operating leases

The Company is currently a party to two operating lease agreements for the corporate office and transportation equipment. The remaining lease term for these agreements ranges from 47 to 65 months. In some cases, the lease contracts require the Company to make payments both for the use of the asset itself and for operations and maintenance services. Only the payments for the use of the asset related to the lease component are included in the calculation of ROU assets and lease liabilities. Payments for the operations and maintenance services are considered non-lease components and are not included in calculating the ROU assets and lease liabilities. For leases on ROU assets used in joint operations, generally the operator reflects the full amount of the lease component, including the amount that will be funded by the non-operators. As operator for the Etame Marin block, the ROU asset recorded for certain equipment used in the joint operations includes the gross amount of the lease components.

The transportation equipment leases include provisions for variable lease payments, under which the Company is required to make additional payments based on the number of days or hours the asset is deployed. Because the Company does not

know the extent that the Company will be required to make such payments, they are excluded from the calculation of ROU assets and lease liabilities.

Financing leases

The Company is currently a party to several financing lease agreements for the FSO and generators and marine vessels used in the operations of the Etame Marin block. The remaining lease term for these agreements ranges from 13 to 93 months. In some cases, the lease contracts require the Company to make payments both for the use of the asset itself and for operations and maintenance services. Only the payments for the use of the asset related to the lease component are included in the calculation of ROU assets and lease liabilities. Payments for the operations and maintenance services are considered non-lease components and are not included in calculating the ROU assets and lease liabilities.

All leases

For all leases that contain an option to extend the initial lease term, the Company has evaluated whether it is reasonably certain that the Company will extend the lease beyond the initial lease term. When the Company believes it is reasonably certain it will utilize these leased assets beyond the initial lease term, those payments have been included in the calculation of the ROU assets and liabilities. The discount rate used to calculate ROU assets and lease liabilities represents the Company's incremental borrowing rate. The Company determined this by considering the term and economic environment of each lease, and estimating the resulting interest rate the Company would incur to borrow the lease payments.

For the years ended December 31, 2024, 2023 and 2022, the components of the lease costs and supplemental information was as follows:

	Year Ended December 31,		
	2024	**2023**	**2022**
Lease cost:		*(in thousands)*	
Finance lease cost [1]	**$ 19,198**	$ 17,297	$ 3,682
Operating lease cost	**5,100**	1,403	11,040
Short-term lease cost [2]	**893**	6,574	5,213
Variable lease cost [3]	**1**	653	4,513
Total lease expense	**25,192**	25,927	24,448
Lease costs capitalized	**—**	55	4,127
Total lease costs	**$ 25,192**	$ 25,982	$ 28,575

(1) Represents depreciation and interest associated with financing leases.
(2) Represents short term leases under contracts that are 1 year or less where a ROU asset and lease liability are not required to be recorded.
(3) Variable costs represent differences between minimum lease costs and actual lease costs incurred under lease contracts.

Other information:

	Year Ended December 31,		
	2024	**2023**	**2022**
Other information:		*(in thousands)*	
Cash paid for amounts included in the measurement of lease liabilities:			
Financing cash flows attributable to finance leases (in thousands)	**$ 10,477**	$ 7,161	$ 3,039
Weighted-average remaining lease term (in years)	**7.36**	8.16	9.65
Weighted-average discount rate	**7.16 %**	7.99 %	4.59 %
Operating cash flows attributable to operating leases (in thousands)	**$ 2,127**	$ 505	$ 19,300
Weighted-average remaining lease term (in years)	**4.09**	0.67	1.33
Weighted-average discount rate	**6.14 %**	8.45 %	9.91 %

The table below describes the presentation of the total lease cost on the Company's consolidated statements of operations and other comprehensive income (loss). As discussed above, the Company's joint venture owners are required to reimburse the Company for their share of certain expenses, including certain lease costs.

	Year Ended December 31,		
	2024	**2023**	**2022**
		(in thousands)	
Finance lease cost	**$ 11,290**	$ 10,231	$ 2,188
Production expense	**3,517**	3,556	12,222
General and administrative expense	**346**	196	160
Lease costs billed to the joint venture owners	**10,039**	11,964	11,390
Total lease expense	**25,192**	25,947	25,960
Lease costs capitalized	—	35	2,615
Total lease costs	**$ 25,192**	$ 25,982	$ 28,575

The following table describes the future maturities of the Company's operating and financing lease liabilities at December 31, 2024:

	Operating Leases	**Finance Leases**
Year	*(in thousands)*	
2025	**$ 4,368**	**$ 18,755**
2026	**4,842**	**16,674**
2027	**5,008**	**15,023**
2028	**4,780**	**11,321**
2029	**520**	**11,315**
Thereafter	**220**	**28,925**
	19,738	**102,013**
Less: imputed interest	**2,323**	**21,253**
Total lease liabilities	**$ 17,415**	**$ 80,760**

Under the joint operating agreements, other joint venture owners are obligated to fund $49.2 million of the $121.8 million in future lease liabilities as of December 31, 2024.

15. ACCRUED LIABILITIES AND OTHER

Accrued liabilities and other balances were comprised of the following:

	As of December 31	
	2024	2023
	(in thousands)	
Accrued accounts payable invoices	**$ 48,913**	$ 21,225
State oil liability	**19,616**	—
Capital expenditures	**8,923**	10,136
Egypt modernization payments	**9,933**	9,933
Gabon contractual obligations	**6,977**	15,794
Accrued wages and other compensation	**4,956**	3,746
Seismic data	**2,455**	—
Asset retirement obligation, current portion	**1,174**	—
Other	**4,763**	6,763
Total accrued liabilities and other	**$ 107,710**	$ 67,597

16. SHAREHOLDERS' EQUITY

Dividend Policy

The following table is a schedule of dividends paid during 2024:

Dividend Payment Date	Amount per common share	Record Date
March 28, 2024	**$ 0.0625**	March 8, 2024
June 21, 2024	$ 0.0625	May 17, 2024
September 20, 2024	$ 0.0625	August 23, 2024
December 20, 2024	$ 0.0625	November 22, 2024
Aggregate per share amount paid in 2024	$ 0.2500	

Preferred stock – Authorized preferred stock consists of 500,000 shares with a par value of $25 per share. No shares of preferred stock were issued and outstanding as of December 31, 2024 or 2023.

Treasury stock

On November 1, 2022, the Company announced that the Company's board of directors formally ratified and approved a share buyback program. The board of directors also directed management to implement a Rule 10b5-1 trading plan (the "10b5-1 Plan") to facilitate share purchases through open market purchases, privately negotiated transactions, or otherwise in compliance with Rule 10b-18 under the Securities Exchange Act of 1934. The 10b5-1 Plan provides for an aggregate purchase of currently outstanding common stock up to $30 million over a maximum period of 20 months. Payment for shares repurchased under the share buyback program will be funded using the Company's cash on hand and cash flow from operations.

The below table shows the repurchases of equity securities related to the share repurchase program during the fiscal year ended December 31, 2024. The share buyback program was completed on March 12, 2024.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Maximum Amount that May Yet Be Used to Purchase Shares Under the Program
January 1, 2024 - January 31, 2024	446,366	$ 4.48	446,366	$ 3,516,205
February 1, 2024 - February 29, 2024	474,100	$ 4.22	474,100	$ 1,516,630
March 1, 2024 - March 12, 2024	347,137	$ 4.33	347,137	$ —
Total	1,267,603		1,267,603	

17. STOCK-BASED COMPENSATION AND OTHER BENEFIT PLANS

The Company's stock-based compensation has been granted under several stock incentive and long-term incentive plans. The plans authorize the Compensation Committee of the Company's Board of Directors to issue various types of incentive compensation. The Company had previously issued stock options and restricted shares under the 2014 Long-Term Incentive Plan and stock appreciation rights under the 2016 Stock Appreciation Rights Plan. On June 25, 2020, the Company's stockholders approved the 2020 Long-Term Incentive Plan (as amended, the "2020 Plan") under which 5,500,000 shares are authorized for grants. In June 2021, the Company's stockholders approved an amendment to the 2020 Plan pursuant to which an additional 3,750,000 shares were authorized for issuance pursuant to awards under the 2020 Plan. At December 31, 2024, 5,140,880 shares were available for future grants.

For each stock option granted, the number of authorized shares under the 2020 Plan will be reduced on a one-for-one basis. For each restricted share granted, the number of shares authorized under the 2020 Plan will be reduced by twice the number of restricted shares. The Company has no set policy for sourcing shares for option grants. Historically the shares issued under option grants have been new shares.

As referenced in the table below, the Company records compensation expense related to stock-based compensation as general and administrative expense associated with the issuance of stock options, restricted stock and stock appreciation rights. During the years ended December 31, 2024, 2023 and 2022, the Company settled in cash $0.2 million, $0.4 million and $0.8 million, respectively, for SARs. During the years ended December 31, 2024, 2023 and 2022, the Company received in cash $0.4 million, $0.7 million and $0.3 million, respectively from stock option exercises.

	Year Ended December 31,		
	2024	2023	2022
		(in thousands)	
Stock-based compensation - equity awards	**$ 4,567**	$ 3,338	$ 2,045
Stock-based compensation - liability awards	**(9)**	(15)	155
Total stock-based compensation	**$ 4,558**	$ 3,323	$ 2,200

Stock options and performance shares

Stock options have an exercise price that may not be less than the fair market value of the underlying shares on the date of grant. In general, stock options granted to participants will become exercisable over a period determined by the Compensation Committee of the Company's Board of Directors that is generally a three-year period, vesting in three equal parts on the anniversaries from the date of grant, and may contain performance hurdles.

In June 2024, the Company granted options to certain employees of the Company that are considered performance stock options to purchase an aggregate of 549,495 shares at an exercise price of $5.96 per share and a life of ten years. For each performance stock option award, one-third of the underlying shares vest on the later of the first anniversary of the grant date and the date on which the Company's stock price, determined using a 30-day average, exceeds $6.85 per share; performance stock options with respect to one-third of the underlying shares vest on the later of the second anniversary of the grant date and the date on which the Company's stock price, determined using a 30-day average, exceeds $7.88 per

share; and performance stock options with respect to the remaining one-third of the underlying shares vest on the later of the third anniversary of the grant date and the date on which the Company's stock price, determined using a 30-day average, exceeds $9.09 per share. These awards are option awards that contain a market condition. Compensation cost for such awards is recognized ratably over the derived service period and compensation cost related to awards with a market condition will not be reversed if the Company does not believe it is probable that such performance criteria will be met or if the service provider (employee or otherwise) fails to meet such performance criteria.

During the year ended December 31, 2024, 2023 and 2022 the weighted average assumptions shown below were used to calculate the weighted average grant date fair value of performance stock options grants under the Monte Carlo model.

	Year Ended December 31,		
	2024	**2023**	**2022**
Weighted average exercise price - ($/share)	**$ 5.96**	$ 4.19	$ 6.41
Expected life in years	**6.7**	6.4	6.0
Average expected volatility	**71 %**	68 %	72 %
Risk-free interest rate	**4.28 %**	3.73 %	1.98 %
Expected dividend yield	4.19 %	5.97 %	2.30 %
Weighted average grant date fair value - ($/share)	**$ 3.27**	$ 2.29	$ 2.84

Performance stock options activity associated with the Monte Carlo model for the year ended December 31, 2024 is provided below:

	Number of Shares Underlying Options	**Weighted Average Exercise Price Per Share**	**Weighted Average Remaining Contractual Term**	**Aggregate Intrinsic Value**
	(in thousands)		***(in years)***	***(in thousands)***
Outstanding at January 1, 2024	611	$ 4.69		
Granted	549	5.96		
Exercised	(24)	4.54		
Unvested shares forfeited	(18)	4.19		
Vested shares expired	—	—		
Outstanding at December 31, 2024	1,118	$ 5.32	8.6	$ 185
Exercisable at December 31, 2024	228	$ 4.22	7.4	$ 147

The intrinsic value of a performance stock option awards is the amount that the current market value of the underlying stock exceeds the exercise price of the award. The intrinsic performance stock option awards exercised in 2024 was $43.1 thousand.

As of December 31, 2024, unrecognized compensation cost related to outstanding performance stock option awards was $1.6 million, which is expected to be recognized over a weighted average period of two years.

Regular stock options (stock options without a performance condition) activity associated with the Black-Scholes model for the year ended December 31, 2024 is provided below:

	Number of Shares Underlying Options	Weighted Average Exercise Price Per Share
	(in thousands)	
Outstanding at January 1, 2024	170	$ 1.99
Exercised	(170)	1.99
Outstanding at December 31, 2024	—	$ —

The intrinsic value of a stock option is the amount that the current market value of the underlying stock exceeds the exercise price of the option. The intrinsic value of stock options exercised in 2024, 2023 and 2022 was $0.5 million, $0.6 million, and $1.2 million, respectively.

There was no unrecognized stock compensation cost as of December 31, 2024 and December 31, 2023, respectively.

During the year ended December 31, 2024, 72,864 shares were added to treasury as a result of tax withholding on the stock option awards exercised.

Restricted shares

Restricted stock granted to employees will vest over a period determined by the Compensation Committee that is generally a three-year period, vesting in three equal parts on the anniversaries following the date of the grant. Restricted stock granted to directors will vest on the earlier of (i) the first anniversary of the date of grant and (ii) the first annual meeting of stockholders following the date of grant (but not less than fifty (50) weeks following the date of grant).

The following is the activity for the Company's restricted stock for the year ended December 31, 2024:

	Restricted Stock	Weighted Average Grant Date Fair Value
	(in thousands)	
Non-vested shares outstanding at January 1, 2024	1,085	$ 4.50
Awards granted	838	5.96
Awards vested	(508)	4.42
Awards forfeited	(63)	5.14
Non-vested shares outstanding at December 31, 2024	1,352	$ 5.41

The total fair value of vested restricted stock awards during 2024, 2023 and 2022 was $5.0 million, $1.5 million, and $2.4 million, respectively. The weighted average grant date fair value per share of restricted stock awards, which vested during 2024, 2023 and 2022, was $4.42, $3.92 and $2.25, respectively.

As of December 31, 2024, unrecognized compensation cost related to restricted stock totaled $3.8 million and is expected to be recognized over a weighted average period of less than two years.

In connection with the TransGlobe Acquisition and pursuant to the Arrangement Agreement, at the effective time of the TransGlobe Acquisition, certain awards previously issued to TransGlobe's key employees and board members who continued their relationship as employees or board members of the Company following the TransGlobe Acquisition, will continue to be governed by the applicable TransGlobe plan, provided that each such applicable plan has been amended to provide that the Company common stock shall be issuable in lieu of cash or TransGlobe common stock with respect to TransGlobe's deferred share units ("DSU"s), performance share units ("PSU"s) and restricted stock units ("RSU"s), in each case, based on the exchange ratio in the Arrangement Agreement. For the PSUs that will remain outstanding following the effective time of the TransGlobe Acquisition as described in the immediately preceding sentence, the

applicable vesting percentage was determined by the TransGlobe board of directors to be 200% for PSUs granted in 2021 and 2022; and 64.4% for PSUs granted in 2023.

As of October 13, 2022, the effective date of the TransGlobe Acquisition, the combined fair value of the DSUs, PSU's and RSU's liability from TransGlobe was $6.0 million. On December 16, 2022, the Compensation Committee determined that the awards would be settled in shares from the 2021 Plan, thereby converting all the awards from cash-settled liability awards to equity awards. On the date of this conversion, the awards were revalued based on the Company's share price, and the Company recognized a gain of $0.6 million in its consolidated statements of operations and comprehensive income (loss).

RSUs were issued to directors, officers and employees of TransGlobe in the ordinary course of business prior to the TransGlobe Acquisition. Each RSU vests annually over a three-year period. On December 16, 2022, the Compensation Committee determined that the awards would be settled in shares from the 2020 Plan, thereby converting all the awards to equity awards instead of cash-settled liability awards.

RSU activity for the year ended December 31, 2024 is presented in the table below:

	Restricted Stock	Weighted Average Conversion Date Fair Value
	(in thousands)	
Non-vested shares outstanding at January 1, 2024	223	$ 4.22
Awards granted	80	5.96
Awards vested	(102)	4.23
Awards forfeited	(27)	4.20
Non-vested shares outstanding at December 31, 2024	174	$ 5.01

The total fair value of vested RSU awards during 2024 was $0.6 million. The weighted average grant date fair value per share of RSU, which vested during 2024, was $4.23.

As of December 31, 2024, unrecognized compensation cost related to RSU's totaled $1.3 million and is expected to be recognized over a weighted average period of 0.5 years.

During the year ended December 31, 2024, 30,189 shares were added to treasury as a result of tax withholding on the vesting of RSU's.

PSUs are similar to RSUs except that they originally contained a performance factor affecting the vesting percentage. For the PSUs that remained outstanding following the effective time of the TransGlobe Acquisition, the applicable vesting percentage was determined by the TransGlobe board of directors to be 200% for PSUs granted in 2021 and 2022; and 64.4% for PSUs granted in 2023. All PSUs granted vest on the third anniversary of their grant date. On December 16, 2022, the Compensation Committee determined that the awards would be settled in shares from the 2020 Plan, thereby converting all the awards to equity awards instead of cash-settled liability awards.

PSU activity for the year ended December 31, 2024 is presented in the table below:

	Restricted Stock	Weighted Average Conversion Date Fair Value
	(in thousands)	
Non-vested shares outstanding at January 1, 2024	121	$ 4.27
Awards granted	—	—
Awards vested	(103)	4.27
Awards forfeited	(9)	4.27
Non-vested shares outstanding at December 31, 2024	9	$ 4.27

As of December 31, 2024, unrecognized compensation cost related to PSU's totaled $0.00 million.

During the year ended December 31, 2024, 19,742 shares were added to treasury as a result of tax withholding on the vesting of PSU's.

DSUs are similar to RSUs, except that they become fully vested on the date of grant and are only issued to directors of the Company. Distributions under the DSU plan do not occur until the retirement of the DSU holder from the Company's Board of Directors. On December 16, 2022, the Compensation Committee determined that the awards would be settled in shares from the 2020 Plan, thereby converting all the awards to equity awards instead of cash-settled liability awards. At December 31, 2024, there are approximately 101,313 DSUs outstanding, which are vested but not converted.

Stock appreciation rights ("SARs")

SARs may be granted under the VAALCO Energy, Inc. 2016 Stock Appreciation Rights Plan and the 2020 Plan. A SAR is the right to receive a cash amount equal to the spread with respect to a share of common stock upon the exercise of the SAR. The spread is the difference between the SAR exercise price per share specified in the SAR award (that may not be less than the fair market value of the Company's common stock on the date of grant) and the fair market value per share of the Company's common stock on the date of exercise of the SAR. SARs granted to participants will become exercisable over a period determined by the Compensation Committee of the Company's Board of Directors. In addition, SARs will become exercisable upon a change in control, unless provided otherwise by the Compensation Committee of the Company's Board of Directors.

During the years ended December 31, 2024 and 2023, the Company did not grant SARs to employees or directors. SAR activity for the year ended December 31, 2024 is provided below:

	Number of Shares Underlying SARs	Weighted Average Exercise Price Per Share
	(in thousands)	
Outstanding at January 1, 2024	76	$ 2.33
Exercised	(76)	2.33
Outstanding at December 31, 2024	—	

The intrinsic value of a SAR is the amount that the current market value of the underlying stock exceeds the exercise price of the award. The intrinsic value of SARs exercised in 2024, 2023 and 2022 was $0.2 million, $0.4 million, and 0.8 million respectively.

SARs are considered liabilities under US GAAP and the awards are measured at fair value on the grant date and remeasured at fair value until the award is settled. On February 28, 2024, all remaining SAR awards were exercised.

Other Benefit Plans

The Company has adopted forms of change in control agreements for its named executive officers and certain other officers of the Company as well as a severance plan for its Houston-based non-executive employees in order to provide severance benefits in connection with a change in control. Upon a termination of a participant's employment by the Company without cause or a resignation by the participant for good reason three months prior to a change in control or six months following a change in control, executives and officers with change in control agreements and participants in the severance plan will be entitled to receive 100% and 50%, respectively, of the participant's base salary and continued participation in the Company's group health plans for the participant and his or her eligible spouse and other dependents for six months. In addition, certain named executive officers will receive 75% of their target bonus. Some of the named executive officers are also entitled to severance payments under their employment agreements.

18. RELATED PARTY TRANSACTIONS

VAALCO has entered into various agreements with related parties. The Company paid approximately $0.2 million to these related parties for each of the years ended December 31, 2024 and 2023, respectively. The amounts in both 2024 and 2023 were primarily for contract engineering services paid to an entity owned and controlled by a related party of an officer of the Company.

19. OTHER COMPREHENSIVE INCOME

At December 31, 2024, the Company's accumulated other comprehensive loss was $5.0 million. All of the Company's other comprehensive income (loss) arises from the currency translation of VAALCO Energy Canada, Inc. to USD.

The components of accumulated other comprehensive income (loss) are as follows:

	Currency Translation Adjustments
	(in thousands)
Balance at December 31, 2022	$ 1,179
Amounts reclassified from accumulated other comprehensive income (loss)	1,701
Balance at December 31, 2023	$ 2,880
Amounts reclassified from accumulated other comprehensive income (loss)	(7,842)
Balance at December 31, 2024	$ (4,962)

20. SUBSEQUENT EVENTS

2025 RBL Facility

On March 4, 2025, the Company and certain of its subsidiaries, entered into the 2025 Facility Agreement with The Standard Bank of South Africa Limited, Isle of Man Branch, The Standard Bank of South Africa Limited, and the other financial institutions, providing for the 2025 RBL Facility.

The 2025 RBL Facility has aggregate commitments of $190.0 million as of March 4, 2025, with an initial borrowing base of $182.0 million. The Initial Total Commitments reduce semi-annually starting from September 30, 2026. The Borrowing base amount is calculated pursuant to the 2025 Facility Agreement and redetermined on March 31 and September 30 of each year beginning June 30, 2025 and other interim triggers set out in the 2025 Facility Agreement.

FPSO Acquisition

In February 2025, the Company, through the JOA Operator, completed the acquisition of the FPSO in Cote d'Ivoire for a total purchase price of $20.0 million, or approximately $5.5 million net cost to the Company.

Acquisition of Interest in CI-705 Block

In March 2025, the Company farmed into the CI-705 block offshore Côte d'Ivoire. The Company will become operator of the CI-705 block with a 70% working interest and a 100% paying interest though a commercial carry arrangement and is partnering with two other parties. The CI-705 block is located in the Tano basin, west of the Company's CI-40 Block, where the Baobab and Kossipo oil fields are located. Acquisition costs for this transaction is approximately over $3.0 million.

SUPPLEMENTAL INFORMATION ON CRUDE OIL, NATURAL GAS AND NGLs PRODUCING ACTIVITIES (UNAUDITED)

This supplemental information is presented in accordance with certain provisions of ASC Topic 932 – *Extractive Activities- Oil and Natural Gas*. The geographic areas reported are the U.S. (North America), which includes the producing properties in offshore Gabon and Cote d'Ivoire (Africa), and onshore in Egypt and Canada.

Costs Incurred for Acquisition, Exploration and Development Activities

Costs incurred during the year:	**Gabon**	**Egypt**	**Canada**	**Cote d'Ivoire**	**Total**
Year Ended December 31, 2024[1]			*(in thousands)*		
Exploration costs - expensed	**$ —**	**$ 48**	$ —	$ —	**$ 48**
Acquisition of properties	**—**	**—**	**—**	**107,089**	**107,089**
Development costs	**22,579**	**11,364**	**25,828**	**44,435**	**104,205**
Total	**$ 22,579**	**$ 11,412**	**$ 25,828**	**$ 151,524**	**$ 211,342**

	Gabon	**Egypt**	**Canada**	**Total**
Year Ended December 31, 2023			*(in thousands)*	
Exploration costs - expensed	$ 51	$ 1,914	$ —	$ 1,965
Acquisition of properties	—	—	—	—
Development costs	17,011	37,866	16,809	71,686
Total	$ 17,062	$ 39,780	$ 16,809	$ 73,651

	Gabon	**Egypt**	**Canada**	**Total**
Year Ended December 31, 2022[2]			*(in thousands)*	
Exploration costs - capitalized	$ 47	$ —	$ —	$ 47
Exploration costs - expensed	258	—	—	258
Acquisition of properties	—	170,982	104,390	275,372
Development costs	162,328	7,515	2,187	172,030
Total	$ 162,633	$ 178,497	$ 106,577	$ 447,707

(1) For Cote d'Ivoire, all activity pertains to the period from April 30, 2024 to December 31, 2024 related to the Svenska Acquisition.
(2) For Egypt and Canada, all activity pertains to the period from October 14, 2022 to December 31, 2022 related to the TransGlobe Acquisition.

Capitalized Costs Relating to crude oil, natural gas and NGLs Producing Activities

Capitalized costs pertain to the producing activities in Gabon, Egypt, Cote d'Ivoire and Canada and to undeveloped leasehold in Gabon, Egypt, Cote d'Ivoire, Canada and Equatorial Guinea.

	As of December 31,	
	2024	2023
Capitalized costs:	***(in thousands)***	
Properties not being amortized	**$ 155,825**	$ 79,406
Properties being amortized	**1,588,699**	1,467,039
Total capitalized costs	**$ 1,744,524**	$ 1,546,445
Less accumulated depletion, amortization and impairment	**(1,214,465)**	(1,091,910)
Net capitalized costs	**$ 530,059**	$ 454,535

Results of Operations for crude oil, natural gas and NGLs Producing Activities

Year Ended December 31, 2024[2]	**Gabon**	**Egypt**	**Canada**	**Cote d'Ivoire**	**Total**
			(In thousands)		
Revenues	**$ 205,954**	**$ 145,966**	**$ 31,986**	**$ 95,082**	**$ 478,988**
Production costs and other expense [1]	**(62,234)**	**(50,770)**	**(11,301)**	**(38,017)**	**(162,322)**
Depreciation, depletion, amortization	**(50,679)**	**(33,458)**	**(19,309)**	**(38,771)**	**(142,217)**
Exploration expenses	**—**	**(48)**	**—**	**—**	**(48)**
Other operating expense	**(24)**	**—**	**102**	**—**	**78**
Income tax benefit (expense)	**(80,488)**	**(34,300)**	**—**	**(2,587)**	**(117,375)**
Results from crude oil and natural gas producing activities	**$ 12,529**	**$ 27,390**	**$ 1,478**	**$ 15,707**	**$ 57,104**

Year Ended December 31, 2023	**Gabon**	**Egypt**	**Canada**	**Total**
		(In thousands)		
Crude oil and natural gas sales	$ 260,346	$ 161,049	$ 33,671	$ 455,066
Production costs and other expense [1]	(94,615)	(54,779)	(9,463)	(158,857)
Depreciation, depletion, amortization	(62,622)	(35,095)	(17,398)	(115,115)
Exploration expenses	(51)	(1,914)	—	(1,965)
Other operating expense	(55)	(241)	729	433
Income tax benefit (expense)	(67,982)	(37,271)	—	(105,253)
Results from crude oil and natural gas producing activities	$ 35,021	$ 31,749	$ 7,539	$ 74,309

Year Ended December 31, 2022 [3]	**Gabon**	**Egypt**	**Canada**	**Total**
		(In thousands)		
Crude oil and natural gas sales	$ 306,775	$ 37,710	$ 9,841	$ 354,326
Production costs and other expense [1]	(108,701)	(11,936)	(1,972)	(122,609)
Depreciation, depletion, amortization	(34,651)	(10,444)	(2,921)	(48,016)
Exploration expenses	(258)	—	—	(258)
Other operating expense	38	—	—	38
Credit (recovery) losses and other	(2,743)	—	—	(2,743)
Income tax benefit (expense)	(16,641)	(6,254)	—	(22,895)
Results from crude oil and natural gas producing activities	$ 143,819	$ 9,076	$ 4,948	$ 157,843

(1) Includes local general and administrative expenses but excludes corporate general and administrative expenses and allocated corporate overhead.
(2) For Cote d'Ivoire, all activity pertains to the period from April 30, 2024 to December 31, 2024 related to the Svenska Acquisition.
(3) For Egypt and Canada, all activity pertains to the period from October 14, 2022 to December 31, 2022 related to the TransGlobe Acquisition.

Estimated Quantities of Proved Reserves

The estimation of net recoverable quantities of crude oil, natural gas and NGLs is a highly technical process that is based upon several underlying assumptions that are subject to change. See "*Item 1A. Risk Factors*" and "*Item 7. Management's Discussion and Analysis of Financial Condition, Cash Flows and Liquidity – Critical Accounting Policies and Estimates – Successful Efforts Method of Accounting for crude oil, natural gas and NGLs Activities.*" For a discussion of the reserve estimation process, including internal controls, see "*Item 1. Business – Reserve Information*."

	Oil				
Proved reserves:	**Gabon (MBbls)**	**Egypt (MBbls)**	**Canada (MBbls)**	**Cote d'Ivoire (MBbls)**	**Total (MBbls)**
Balance at January 1, 2022	11,218	—	—	—	11,218
Production	(2,971)	(547)	(72)	—	(3,590)
Purchase of reserves	—	9,124	3,679	—	12,803
Extensions and discoveries	—	—	—	—	—
Revisions of previous estimates	1,972	—	—	—	1,972
Balance at December 31, 2022	10,219	8,577	3,607	—	22,403
Production	(3,197)	(2,771)	(334)	—	(6,302)
Purchase of reserves	—	—	—	—	—
Extensions and discoveries	—	93	810	—	903
Revisions of previous estimates	2,042	4,693	(652)	—	6,083
Balance at December 31, 2023	9,064	10,592	3,431	—	23,087
Production	**(2,783)**	**(2,585)**	**(348)**	**(1,054)**	**(6,770)**
Purchase of reserves	—	**—**	**—**	**15,288**	**15,288**
Extensions and discoveries	—	**—**	**(93)**	**—**	**(93)**
Revisions of previous estimates	**4,782**	**1,441**	**(225)**	**1,018**	**7,016**
Balance at December 31, 2024	**11,063**	**9,448**	**2,765**	**15,252**	**38,528**

	Oil				
	Gabon (MBbls)	**Egypt (MBbls)**	**Canada (MBbls)**	**Cote d'Ivoire (MBbls)**	**Total (MBbls)**
Year-end proved developed reserves:					
2024	**6,830**	**8,962**	**1,480**	**118**	**17,390**
2023	8,053	10,141	1,309	—	19,503
2022	10,219	8,001	1,722	—	19,942
2021	7,227	—	—	—	7,227
Year-end proved undeveloped reserves:					
2024	**4,233**	**486**	**1,286**	**15,134**	**21,139**
2023	1,011	451	2,122	—	3,584
2022	—	576	1,885	—	2,461
2021	3,991	—	—	—	3,991

Proved reserves:	Natural Gas				
	Gabon (MMcf)	Egypt (MMcf)	Canada (MMcf)	Cote d'Ivoire (MMcf)	Total (MMcf)
Balance at December 31, 2022	—	—	16,539	—	16,539
Production	—	—	(1,528)	—	(1,528)
Purchase of reserves	—	—	—	—	—
Extensions and discoveries	—	—	3,219	—	3,219
Revisions of previous estimates	—	—	(1,298)	—	(1,298)
Balance at December 31, 2023	—	—	16,932	—	16,932
Production	—	—	**(1,532)**	**(26)**	**(1,558)**
Purchase of reserves	—	—	—	6,830	6,830
Extensions and discoveries	—	—	**234**	**—**	**234**
Revisions of previous estimates	—	—	**446**	**(253)**	**193**
Balance at December 31, 2024	—	—	**16,080**	**6,551**	**22,631**

	Natural Gas				
	Gabon (MMcf)	Egypt (MMcf)	Canada (MMcf)	Cote d'Ivoire (MMcf)	Total (MMcf)
Year-end proved developed reserves:					
2024	—	—	**10,490**	**47**	**10,537**
2023	—	—	9,011	—	9,011
2022	—	—	11,023	—	**11,023**
Year-end proved undeveloped reserves:					
2024	—	—	**5,590**	**6,504**	**12,094**
2023	—	—	7,921	—	7,921
2022	—	—	5,516	—	**5,516**

Proved reserves:	NGLs				
	Gabon (MBbls)	Egypt (MBbls)	Canada (MBbls)	Cote d'Ivoire (MBbls)	Total (MBbls)
Balance at December 31, 2022	—	—	2,797	—	2,797
Production	—	—	(270)	—	(270)
Purchase of reserves	—	—	—	—	—
Extensions and discoveries	—	—	505	—	505
Revisions of previous estimates	—	—	(295)	—	(295)
Balance at December 31, 2023	—	—	2,737	—	2,737
Production	—	—	**(267)**	**—**	**(267)**
Purchase of reserves	—	—	—	—	—
Extensions and discoveries	—	—	**40**	**—**	**40**
Revisions of previous estimates	—	—	**170**	**—**	**170**
Balance at December 31, 2024	—	—	**2,680**	**—**	**2,680**

	NGLs				
	Gabon (MBbls)	Egypt (MBbls)	Canada (MBbls)	Cote d'Ivoire (MBbls)	Total (MBbls)
Year-end proved developed reserves:					
2024	—	—	**1,744**	**—**	**1,744**
2023	—	—	1,449	—	1,449
2022	—	—	1,855	—	1,855
Year-end proved undeveloped reserves:					
2024	—	—	**936**	**—**	**936**
2023	—	—	1,289	—	1,289
2022	—	—	942	—	942

	Total Reserves [1]				
Proved reserves:	Gabon (MBoe)	Egypt (MBoe)	Canada (MBoe)	Cote d'Ivoire (MBoe)	Total (MBoe)
Balance at January 1, 2022	11,218	—	—	—	11,218
Production	(2,971)	(547)	(211)	—	(3,729)
Extensions and discoveries	—	—	—	—	—
Purchase of reserves	—	9,124	9,372	—	18,496
Revisions of previous estimates	1,972	—	—	—	1,972
Balance at December 31, 2022	10,219	8577	9161	—	27,957
Production	(3,197)	(2,771)	(859)	—	(6,827)
Extensions and discoveries	—	—	—	—	—
Purchase of reserves	—	93	1,852	—	1,945
Revisions of previous estimates	2,042	4,693	(1,163)	—	5,572
Balance at December 31, 2023	9,064	10,592	8,991	—	28,647
Production	**(2,783)**	**(2,585)**	**(870)**	**(1,058)**	**(7,296)**
Purchase of reserves	—	**—**	**—**	**16,465**	**16,465**
Extensions and discoveries	—	—	**(14)**	—	**(14)**
Revisions of previous estimates	**4,782**	**1,441**	**19**	**974**	**7,216**
Balance at December 31, 2024	**11,063**	**9,448**	**8,126**	**16,381**	**45,018**

[1] To convert Natural Gas to MBoe, MMcf is divided by 6 for Canada reserves, and MMcf is divided by 5.8 for Cote d'Ivoire reserves.

	Total Reserves (1)				
	Gabon (MBoe)	Egypt (MBoe)	Canada (MBoe)	Cote d'Ivoire (MBoe)	Total (MBoe)
Year-end proved developed reserves:					
2024	**6,830**	**8,962**	**4,972**	**126**	**20,890**
2023	8,053	10,141	4,260	—	22,454
2022	10,219	8,001	5,414	—	23,634
2021	7,227	—	—	—	7,227
Year-end proved undeveloped reserves:					
2024	**4,233**	**486**	**3,154**	**16,255**	**24,128**
2023	1,011	451	4,731	—	6,193
2022	—	576	3,746	—	4,322
2021	3,991	—	—	—	3,991

(1) To convert Natural Gas to MBoe, MMcf is divided by 6 for Canada reserves, and MMcf is divided by 5.8 for Cote d'Ivoire reserves.

In 2024, operations in Gabon had 4.8 MMBoe of reserves added through positive revisions of previous estimates mainly due to performance and development activities. For Egypt, we had 1.4 MMBoe of reserves added through positive

revisions of previous estimates primarily as a result of our workover programs. In 2024, we also added 16.5 MMBoe of reserves from our Svenska Acquisition.

In 2023, operations in Gabon had 2.0 MMBoe of reserves added through positive revisions of previous estimates. 2.8 MMBoes of the positive revisions were due to performance offset by 0.8 MMBoe of negative revisions through price. For Egypt at December 31, 2023, 4.7 MMBoe of reserves were added through positive revisions of previous estimates. 5.3 MMBoe of the positive revisions were due to performance offset by 0.6 MMBoe of negative revisions through price.

In 2022, operations in Gabon had 2.0 MMBoe of positive revision of reserves due to the 2021/2022 drilling campaign. 0.7 MMBoe of the positive revision was due to performance and the remaining 1.3 MMBoe of positive revisions was due to price.

In accordance with the guidelines of the SEC, the Company does not book proved reserves on discoveries until such time as a development plan has been prepared for the discovery indicating that the development well will be drilled within five years from the date of its initial booking. Additionally, the development plan is required to have the approval of the joint venture owners in the discovery. Furthermore, if a government agreement that the reserves are commercial is required to develop the block, this approval must have been received prior to booking any reserves.

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Crude Oil Reserves

The information that follows has been developed pursuant to procedures prescribed under GAAP and uses reserve and production data estimated by independent petroleum consultants. The information may be useful for certain comparison purposes, but should not be solely relied upon in evaluating its or the Company’s performance.

In accordance with the guidelines of the SEC, the estimates of future net cash flow from the properties and the present value thereof are made using crude oil, natural gas and NGLs contract prices using a twelve month average of beginning of month prices and are held constant throughout the life of the properties except where such guidelines permit alternate treatment, including the use of fixed and determinable contractual price escalations. The future cash flows are also based on costs in existence at the dates of the projections, excluding Gabon royalties, and the interests of other Consortium members. Future production costs do not include overhead charges allowed under joint operating agreements or headquarters general and administrative overhead expenses. However, all future costs related to future property abandonment when the wells become uneconomic to produce are included in future development costs for purposes of calculating the standardized measure of discounted net cash flows. There were no discounted future net cash flows attributable to U.S. properties as of December 31, 2024, 2023 and 2022.

		International			
(In thousands)	**Gabon**	**Egypt**	**Canada**	**Cote d'Ivoire**	**Total**
Year Ended December 31, 2024					
Future cash inflows	**$ 912,914**	**$ 782,814**	**$ 269,195**	**$ 1,423,441**	**$ 3,388,364**
Future production costs	**(470,775)**	**(370,085)**	**(123,367)**	**(446,645)**	**(1,410,872)**
Future development costs (1)	**(221,743)**	**(93,426)**	**(62,629)**	**(466,407)**	**(844,205)**
Future income tax expense	**(134,216)**	**(144,883)**	**—**	**(205,167)**	**(484,266)**
Future net cash flows	**86,180**	**174,420**	**83,199**	**305,222**	**649,021**
Discount to present value at 10% annual rate	**(13,169)**	**(39,281)**	**(36,092)**	**(181,079)**	**(269,621)**
Standardized measure of discounted future net cash flows	**$ 73,011**	**$ 135,139**	**$ 47,107**	**$ 124,143**	**$ 379,400**
Year Ended December 31, 2023					
Future cash inflows	$ 761,919	$ 828,418	$ 352,666	$ —	$ 1,943,003
Future production costs	(410,425)	(383,957)	(129,317)	—	(923,699)
Future development costs (1)	(88,868)	(84,132)	(80,129)	—	(253,129)
Future income tax expense	(148,750)	(144,269)	—	—	(293,019)
Future net cash flows	113,876	216,060	143,220	—	473,156
Discount to present value at 10% annual rate	(6,052)	(54,313)	(70,857)	—	(131,222)
Standardized measure of discounted future net cash flows	$ 107,824	$ 161,747	$ 72,363	$ —	$ 341,934
Year Ended December 31, 2022					
Future cash inflows	$ 1,035,667	$ 729,236	$ 506,247	$ —	$ 2,271,150
Future production costs	(450,639)	(273,260)	(135,082)	—	(858,981)
Future development costs (1)	(58,057)	(12,079)	(69,346)	—	(139,482)
Future income tax expense	(248,024)	(146,835)	—	—	(394,859)
Future net cash flows	278,947	297,062	301,819	—	877,828
Discount to present value at 10% annual rate	(34,520)	(70,174)	(148,669)	—	(253,363)
Standardized measure of discounted future net cash flows	$ 244,427	$ 226,888	$ 153,150	$ —	$ 624,465

(1) Includes costs expected to be incurred to abandon the properties, where applicable.

International income taxes represent amounts payable to the Government of Gabon on Profit Oil as final payment of corporate income taxes, and domestic income taxes (including other expenses treated as taxes).

Changes in Standardized Measure of Discounted Future Net Cash Flows

The following table sets forth the changes in standardized measure of discounted future net cash flows as follows:

	Year Ended December 31,		
	2024	**2023**	**2022**
		(in thousands)	
Balance at beginning of period	**$ 341,934**	$ 624,465	$ 99,258
Sales of crude oil and natural gas, net of production costs	**(316,667)**	(296,209)	(233,421)
Net changes in prices and production costs	**19,018**	(210,703)	264,804
Extensions and discoveries	**8,318**	28,849	—
Revisions of previous quantity estimates	**144,956**	139,856	95,623
Purchases	**175,849**	—	415,385
Changes in estimated future development costs	**(94,004)**	(92,641)	(23,243)
Development costs incurred during the period	**28,676**	—	101,495
Accretion of discount	**45,917**	62,447	9,926
Net change of income taxes	**21,053**	77,757	(121,490)
Change in production rates (timing) and other	**4,350**	8,113	16,128
Balance at end of period	**$ 379,400**	$ 341,934	$ 624,465

There are numerous uncertainties inherent in estimating quantities of proved reserves and in projecting future rates of production and timing of development expenditures, including many factors beyond the Company's control. Reserve engineering is a subjective process of estimating underground accumulations of crude oil, natural gas and NGLs that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. The quantities of crude oil, natural gas and NGLs that are ultimately recovered, production and operating costs, the amount and timing of future development expenditures and future crude oil, natural gas and NGLs sales prices may all differ from those assumed in these estimates. The standardized measure of discounted future net cash flow should not be construed as the current market value of the estimated crude oil, natural gas and NGLs reserves attributable to the properties. The information set forth in the foregoing tables includes revisions for certain reserve estimates attributable to proved properties included in the preceding year's estimates. Such revisions are the result of additional information from subsequent completions and production history from the properties involved or the result of a decrease (or increase) in the projected economic life of such properties resulting from changes in product prices. Moreover, crude oil amounts shown for Gabon are recoverable under a service contract and the reserves in place at the end of the contract period remain the property of the Gabon government.

In accordance with the current SEC guidelines, estimates of future net cash flow from our properties and the present value thereof are made using the average of the first-day-of-the-month price for each of the twelve months of the year adjusted for quality, transportation fees and market differentials. Such prices are held constant throughout the life of the properties except where such guidelines permit alternate treatment, including the use of fixed and determinable contractual price escalations.

For 2024 and 2023, the average of such prices for crude oil used for our reserve estimate were as follows:

	Year Ended December 31,	
	2024	**2023**
	Crude Oil ($/Bbl)	
Gabon	$ 81.08	$ 83.22
Egypt	$ 65.48	$ 64.59
Cote d'Ivoire	$ 79.70	$ —
Canada	$ 69.12	$ 71.67

For 2024 and 2023, the adjusted average prices for our reserves associated with natural gas and NGLs were as follows:

	Year Ended December 31,	
	2024	2023
Cote d'Ivoire		
Natural Gas ($/Mcf)	$ 2.77	$ —
Canada		
Natural Gas ($/Mcf)	$ 0.95	$ 1.91
Canada		
Ethane ($/Bbl)	$ 3.52	$ 5.20
Propane ($/Bbl)	$ 19.46	$ 20.18
Butane ($/Bbl)	$ 30.68	$ 36.69
Condensates ($/Bbl)	$ 69.59	$ 74.76

Production Sharing Contracts

Under the Etame PSC in Gabon, the Gabonese government is the owner of all crude oil, natural gas and NGLs mineral rights. The right to produce the crude oil, natural gas and NGLs is stewarded by the Directorate Generale de Hydrocarbures and the Etame PSC was awarded by a decree. Pursuant to the contract, the Gabon government receives a fixed royalty rate of 13%. Originally, under the Etame PSC, Gabonese government was not anticipated to take physical delivery of its allocated production. Instead, the Company was authorized to sell the Gabonese government's share of production and remit the proceeds to the Gabonese government. Beginning in February 2018, the Gabonese government elected to take physical delivery of its allocated production volumes for Profit Oil (see discussion in Note 7 above).

The Etame Consortium maintains a Cost Account, which entitles it to receive a portion of the production remaining after deducting the 13% royalty so long as there are amounts remaining in the Cost Account ("Cost Recovery"). Prior to the PSC Extension, the Consortium was entitled to a 70% Cost Recovery Percentage. Under the PSC Extension, the Cost Recovery Percentage is increased to 80% for the ten-year period from September 17, 2018 through September 16, 2028. After September 16, 2028, the Cost Recovery Percentage returns to 70%. As payment of corporate income taxes, the Etame Consortium pays the government an allocation of the remaining Profit Oil production from the contract area ranging from 50% to 60% of the crude oil remaining after deducting the royalty and Cost Recovery. The percentage of Profit Oil paid to the government as tax is a function of production rates. However, when the Cost Account becomes substantially recovered, the Company only recovers ongoing operating expenses and new project capital expenditures, resulting in a higher tax rate. Also because of the nature of the Cost Account, decreases in crude oil prices result in a higher number of barrels required to recover costs.

The Etame PSC allows for exploitation period through the carve-out of development areas, which include all producing fields in the Etame Marin block as well as additional undeveloped areas where reserves may exist. The PSC Extension extends the term for each of the three exploitation areas in the Etame Marin block for a period of ten years with effect from September 17, 2018, the effective date of the PSC Extension. The PSC Extension also grants the Etame Consortium the right for two additional extension periods of five years each. This compares to the economic end date of reserves under the current reserve report evaluated by the independent reserve engineering firm of Netherland, Sewell & Associates, Inc.

The PSC for Block P in Equatorial Guinea entitles the Company to receive up to 70% of any future production after royalty deduction so long as there are amounts remaining in the Cost Account. Royalty rates are 10-16% depending on production rates. The Etame Consortium pays the government an allocation of the remaining Profit Oil production from the contract area ranging from 10% to 60% of the crude oil remaining after deducting the royalty and Cost Recovery. The percentage of Profit Oil paid to the government as tax is a function of cumulative production. In addition, Equatorial Guinea imposes a 25% income tax on net profits. The Block P PSC provides for a discovery to be reclassified into a development area with a term of 25 years. At December 31, 2024, the Company has no SEC proved reserves related to Block P in Equatorial Guinea.

Egypt production is based on Dated Brent prices, less a quality differential and is shared with the Egyptian government through PSCs. When the price of oil increases, it takes fewer barrels to recover costs (Cost Oil or cost recovery barrels) which are assigned 100% to the Company. The PSCs provide for cost recovery per quarter up to a maximum percentage of total production. Timing differences often exist between the Company's recognition of costs and their recovery as the

Company accounts for costs on an accrual basis, whereas cost recovery is determined on a cash basis. If the eligible cost recovery is less than the maximum defined cost recovery, the difference is defined as “excess”. In Egypt, depending on the PSCs, the Contractor's share of excess ranges between 5% and 15%. If the eligible cost recovery exceeds the maximum allowed percentage, the unclaimed cost recovery is carried forward to the next quarter. Typically maximum Cost Oil ranges from 25% to 40% in Egypt. The balance of the production after maximum cost recovery is shared with the government (Profit Oil). Depending on the contract, the Egyptian government receives 67% to 84% of the profit oil. Production sharing splits are set in each contract for the life of the contract.

Under the Modernized Royalty Framework (the “MRF”) in Alberta, producers initially pay a flat royalty of 5% on production revenue from each producing well until payout, which is the point at which cumulative gross revenues from the well equals the applicable drilling and completion cost allowance. After payout, producers pay an increased royalty of up to 40% that will vary depending on the nature of the resource and market prices. Once the rate of production from a well is too low to sustain the full royalty burden, its royalty rate is gradually adjusted downward as production declines, eventually reaching a floor of 5%. The MRF applies to the hydrocarbons produced by wells spud or re-entered on or after January 1, 2017. The Royalty Guarantee Act (Alberta) came into effect in July 2019, amending the Mines and Minerals Act (Alberta) and guaranteeing no major changes to the oil and gas royalty structure for a period of 10 years.

Royalty rates for the production of privately owned oil and natural gas are negotiated between the producer and the resource owner. The Government of Alberta levies annual freehold mineral taxes for production from freehold mineral lands. On average, the tax levied in Alberta is 4% of revenues reported from freehold mineral title properties and is payable by the registered owner of the mineral rights.

The Company owns a 27.39% non-operated working interest in the deepwater producing Baobab field in Block CI-40, offshore Cote d’Ivoire in West Africa. Production generated from the Baobab field is shared under a PSC (the “Cote d'Ivoire PSC”). Under the Cote d'Ivoire PSC, the Company is entitled to a Cost Oil recovery percentage of up to 80% of total production. Profit Oil percentage ranges from 30% to 53% based on the range of daily total production. Cost Oil allows the Company to recover its capital and production costs and the costs carried by the Company on behalf of the government state oil company. Profit oil is allocated to the joint venture partners in accordance with their respective equity interests, after a portion has been allocated to the government of Cote d'Ivoire. In addition, under the terms of the Cote d'Ivoire PSC, the tax payments to the Ivorian Government are deemed satisfied by its share of the Profit Oil.

Exhibit 4.1

DESCRIPTION OF SECURITIES

The following description sets forth certain material terms and provisions of our common stock, which is the only class of our securities registered under Section 12 of the Securities Exchange Act of 1934, as amended. This description also summarizes relevant provisions of Delaware law. The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of Delaware law and our Restated Certificate of Incorporation, as amended (the "Restated Certificate of Incorporation") and our Third Amended and Restated Bylaws (the "Bylaws"), as may be amended from time to time, copies of which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.1 is a part. In addition, you should be aware that the summary below does not give full effect to the terms of the provisions of statutory or common law, and we encourage you to read our Restated Certificate of Incorporation, our Bylaws and the applicable provisions of Delaware law for additional information.

Authorized Capital Stock

We are currently authorized to issue up to 160,000,000 shares of common stock, par value $0.10 per share and 500,000 shares of preferred stock, par value $25.00 per share. As of January 3, 2025, there were 105,094,792 shares of our common stock outstanding and 18,560,961 shares of our common stock held as treasury stock, and no shares of preferred stock outstanding.

Common Stock

Holders of our common stock are entitled to cast one vote for each share held of record on each matter submitted to a vote of stockholders. There is no cumulative voting for the election of directors. Subject to the prior rights of any series of preferred stock which may from time to time be outstanding, if any, holders of our common stock are entitled to receive ratably dividends when, as and if declared by the board of directors out of funds legally available for such purpose and, upon the liquidation, dissolution or winding up of the company, are entitled to share ratably in all assets remaining after payment of liabilities and payment of accrued dividends and liquidation preferences on the preferred stock, if any. There are no redemption or sinking fund provisions that are applicable to our common stock. Except as otherwise required by law or the NYSE, the board of directors may issue shares of our common stock without stockholder approval, at any time and from time to time, to such persons and for such consideration as the board of directors deems appropriate. Holders of our common stock have no preemptive rights and have no rights to convert their common stock into any other securities. All outstanding shares of our common stock is validly authorized and issued, fully paid and nonassessable.

The issuance of any such preferred stock by our board of directors could adversely affect the rights of the holders of our common stock and, therefore, reduce the value of the common stock. The ability of the board of directors to issue preferred stock could discourage, delay, or prevent a takeover of us.

Anti-Takeover Effects of Provisions of Our Restated Certificate of Incorporation and Our Bylaws

Our Restated Certificate of Incorporation, Bylaws and Delaware law contain several provisions that may make the acquisition of control of us by means of a tender offer, open market purchases, a proxy fight, or otherwise more difficult.

Delaware Law

Section 203 of the Delaware General Corporation Law restricts certain transactions between a corporation organized under Delaware law or its majority-owned subsidiaries and any "interested stockholder," defined as any person who, together with the affiliates or associates of such person, beneficially owns 15% or more of the corporation's outstanding voting stock. Section 203 prevents, for a period of three years following the date that a person becomes

an interested stockholder, the following types of transactions between the corporation and the interested stockholder, unless certain conditions are met:

- mergers or consolidations;
- sales, leases, exchanges or other transfers of 10% or more of the aggregate assets of the corporation;
- issuances or transfers by the corporation of any stock of the corporation which would have the effect of increasing the interested stockholder's proportionate share of the stock of any class or series of the corporation;
- any other transaction which has the effect of increasing the proportionate share of the stock of any class or series of the corporation which is owned by the interested stockholder; and
- receipt by the interested stockholder of the benefit, except proportionately as a stockholder, of loans, advances, guarantees, pledges or other financial benefits provided by the corporation.

The three-year ban does not apply if either the proposed transaction or the transaction by which the interested stockholder became an interested stockholder is approved by the board of directors of the corporation prior to the date such stockholder becomes an interested stockholder. Additionally, an interested stockholder may avoid the statutory restriction if, upon the consummation of the transaction whereby such stockholder becomes an interested stockholder, the stockholder owns at least 85% of the outstanding voting stock of the corporation without regard to those shares owned by the corporation's officers and directors or certain employee stock plans. Business combinations are also permitted within the three-year period if approved by the board of directors and authorized at an annual or special meeting of stockholders by the holders of at least 66 and 2/3 % of the outstanding voting stock not owned by the interested stockholder. In addition, any transaction is exempt from the statutory ban if it is proposed at a time when the corporation has proposed, and a majority of certain continuing directors of the corporation have approved, a transaction with a party who is not an interested stockholder of the corporation, or who becomes such with board approval, if the proposed transaction involves:

- certain mergers or consolidations involving the corporation;
- a sale or other transfer of over 50% of the aggregate assets of the corporation; or
- a tender or exchange offer for 50% of more of the outstanding voting stock of the corporation.

A corporation may, at its option, exclude itself from the coverage of Section 203 by amending its certificate of incorporation or bylaws by action of its stockholders to exempt itself from coverage, provided that such bylaw or charter amendment shall not become effective until 12 months after the date it is adopted. We have not adopted such a charter or bylaw amendment.

Board of Directors

Number of Directors. Our Bylaws provide that the number of directors shall be not less than three nor more than 15, the exact number to be fixed from time to time by our board of directors. Vacancies in the board of directors or newly created directorships resulting from an increase in the number of directors may be filled by a majority of the remaining directors (though less than a quorum), or by a sole remaining director. Accordingly, our board of directors could prevent any stockholder from obtaining majority representation on our board of directors by enlarging the size of the board of directors and filling the new directorships with the board of directors' own nominees.

Removal of Directors. Our Restated Certificate of Incorporation and Bylaws provide that a director may be removed only for cause. "Cause" is defined to exist only if the director has been (1) convicted of a felony, adjudicated to be liable for gross negligence, recklessness or misconduct in the performance of his or her duty to us in a manner of substantial importance to us, or adjudicated to be mentally incompetent, which mental incompetency directly affects his or her ability as one of our directors; and (2) such conviction or adjudication was made by a court of competent jurisdiction and is no longer subject to appeal.

Certain Voting Requirements in Our Restated Certificate and Bylaws

Amendment of Restated Certificate of Incorporation. The affirmative vote of the holders of at least 66 and 2/3% of the voting power of all our outstanding voting shares is required to alter, amend, adopt any provision inconsistent with, or repeal the provisions of our Restated Certificate of Incorporation relating to the election, removal and classification of directors and amendment of our Bylaws.

Amendments to Bylaws. Our Restated Certificate of Incorporation and Bylaws further provide that the board of directors has the power to make, alter, amend and repeal our Bylaws, except so far as bylaws adopted by our stockholders otherwise provide. Notwithstanding the foregoing, our Bylaws may not be altered, amended or repealed, and no provision inconsistent therewith may be adopted, by action of the stockholders without the affirmative vote of at least 66 and 2/3% of the voting power of all our outstanding shares.

Supermajority Vote for Certain Transactions. Under Delaware law, and subject to certain exceptions, unless a greater vote is required in the corporation's certificate of incorporation, a merger, consolidation or dissolution of a corporation may be approved by a majority vote of the outstanding stock of the corporation entitled to vote thereon. Our Restated Certificate of Incorporation contains provisions that require the approval of holders of at least 80% of the voting power of the then outstanding shares of our capital stock entitled to vote as a condition for any of the following actions:

- a merger or consolidation;
- a share exchange;
- the adoption of any plan or proposal for liquidation, dissolution or reorganization; and
- a sale, lease or other disposition of all or substantially all of our assets on a consolidated basis.

The 80% voting requirement is not applicable if such action is approved by a majority of our "continuing directors" prior to the transaction. The term "continuing director" is defined to mean:

- any member of our board of directors as of December 31, 1992;
- any new director who is proposed to be a director of ours by a majority of the continuing directors then on the board of directors; and
- any successor of a continuing director who is recommended to succeed a continuing director by a majority of the continuing directors then on the board of directors.

The affirmative vote of the holders of at least 80% of the voting power of all our outstanding voting shares is required to amend, repeal, or adopt any provisions inconsistent with, the provisions of our Restated Certificate of Incorporation described in this paragraph.

Advance Notice Procedure for Stockholder Proposals. Our Bylaws establish an advance notice procedure for the nomination of candidates for election as directors, as well as for stockholder proposals considered at annual meetings of stockholders. These procedures may operate to limit the ability of stockholders to bring business before a stockholders' meeting, including with respect to the nomination of directors or considering any transaction that could result in a change in control.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

Exhibit 10.34

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED AT THE APPROPRIATE PLACE WITH FIVE ASTERISKS [*****], HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE AND CONFIDENTIAL.

Execution Version

WHITE & CASE

Dated March 4, 2025

Borrowing Base Facility Agreement

Up to $190,000,000

between

VAALCO Energy, Inc.
as an Original Borrower

The Financial Institutions listed in Schedule 1
as the Original Lenders

The Standard Bank of South Africa Limited, Isle of Man Branch The Mauritius Commercial Bank Limited
Glencore Energy UK Ltd.
FirstRand Bank Limited, acting through its Rand Merchant Bank Division
as Mandated Lead Arrangers

The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division)
as the Agent

The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division)
as the Onshore (Gabon) Security Agent

The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division)
as the Offshore Security Agent and others

White & Case LLP 5 Old Broad Street London EC2N 1DW

Table of Contents

This Agreement (this **"Agreement")** is dated __February 2025 and made:

Between:

(1) **VAALCO Energy, Inc.**, a corporation incorporated in the state of Delaware, United States of America (Delaware Secretary of State file no. 2188793) whose principal place of business is at 2500 Citywest Blvd., Suite 400, Houston, Texas 77042, United States of America (the "**Parent**") in its capacity as an original borrower;

(2) **The Entities** listed in Part 1 (*The Original Borrowers*) of Schedule 1 (*The Original Parties*) as original borrowers (together with the Parent, the "**Original Borrowers**");

(3) **The Entities** listed in Part 2 (*The Original Guarantors*) of Schedule 1 (*The Original Parties*) as original guarantors (the "**Original Guarantors**");

(4) **The Financial Institutions** listed in Part 3 (*The Original Lenders*) of Schedule 1 (*The Original Parties*) as the original lenders (the "**Original Lenders**");

(5) **The Standard Bank of South Africa Limited, Isle of Man Branch**; **The Mauritius Commercial Bank Limited**; **Glencore Energy UK Ltd.** and **FirstRand Bank Limited, acting through its Rand Merchant Bank Division** (together, the "**Mandated Lead Arrangers**");

(6) **The Standard Bank of South Africa Limited, Isle of Man Branch** as the bookrunner (the "**Bookrunner**");

(7) **The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division)** as the facility agent for the Finance Parties (the "**Agent**");

(8) **The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division)** as the offshore security agent for the Secured Parties (the "**Offshore Security Agent**");

(9) **The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division)** as the onshore security agent for the Secured Parties in Gabon (the "**Onshore (Gabon) Security Agent**");

(10) **The Standard Bank of South Africa Limited** as the modelling bank (the "**Modelling Bank**"); and

(11) **The Standard Bank of South Africa Limited** as the technical bank (the "**Technical Bank**"). **It is agreed:**

1. Definitions and Interpretation

1.1 Definitions

In this Agreement:

"**1P Reserves**" means, in relation to a Borrowing Base Asset, those quantities of Hydrocarbons which are deemed to be recoverable from the Field comprised in such Borrowing Base Asset as "Proved Reserves" in accordance with the June 2018 SPE / WPC / AAPG / SPEE / SEG / EAGE / SPWLA Petroleum Resources Management System (provided that if such guidelines are modified after the date of this Agreement and as a result of such modification, the Technical Bank (acting reasonably and in consultation with the Parent) is of the opinion that such definition of the term

"**1P Reserves**" will need to be modified to take account of the modification to the Petroleum Resources Management System, then such definition shall be modified as required by the Technical Bank (acting reasonably and in consultation with the Parent) and as approved by the Majority Lenders).

"**2P Reserves**" means, in relation to a Borrowing Base Asset, those quantities of Hydrocarbons which are deemed to be recoverable from the Field comprised in such Borrowing Base Asset as "Proved plus Probable Reserves" in accordance with the June 2018 SPE / WPC / AAPG / SPEE / SEG / EAGE / SPWLA Petroleum Resources Management System (provided that if such guidelines are modified after the date of this Agreement and as a result of such modification, the Technical Bank (acting reasonably and in consultation with the Parent) is of the opinion that such definition of the term "**2P Reserves**" will need to be modified to take account of the modification to the Petroleum Resources Management System, then such definition shall be modified as required by the Technical Bank (acting reasonably and in consultation with the Parent) and as approved by the Majority Lenders).

"**Abandonment Costs**" means, in relation to a Borrowing Base Asset and/or the Infrastructure relative thereto, the estimated cost to the Parent Obligor Group of final abandonment and/or demolition and removal of all installations together with any necessary site reinstatement as may be required by the Field Licences and/or any relevant laws or regulations after allowing for estimated salvage value (if any) and any other expected receipts from abandonment and/or demolition and removal (excluding Tax) in relation to that Borrowing Base Asset.

"**Abandonment Date**" means, in relation to a Borrowing Base Asset, the date upon which the Technical Bank (acting reasonably and in consultation with the Obligors' Agent) have determined that production of Field Hydrocarbons will no longer be commercially viable and that operation of that Borrowing Base Asset will cease for economic reasons, in each case pursuant to and in accordance with the Banking Case.

"**Acceding Obligor**" means an Additional Obligor which accedes to this Agreement pursuant to Clause 28 (*Changes to the Obligors*).

"**Acceptable Bank**" means:

(a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BB- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Ba2 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or

(b) any other bank or financial institution approved by the Agent (acting on the instructions of the Majority Lenders).

"**Acceptable Intercreditor Agreement**" means:

(a) the Subordination Deed; and/or

(b) any other document or instrument evidencing any intercreditor or subordination terms entered into pursuant to, and in accordance with, the terms of this Agreement (including as contemplated by the definitions of Permitted Obligor Group Financial Indebtedness and/or Permitted Parent Financial Indebtedness) that are, in each case, satisfactory to the Majority Lenders.

"**Acceptable Unsecured Hedging Entity**" means:

(a) an Investment Grade Entity; or

(b) any other entity approved by the Agent.

"**Account Bank**" means an Offshore Account Bank or an Onshore Account Bank.

"**Account Holding Obligor**" means an Offshore Proceeds Account Holding Obligor or an Onshore Proceeds Account Holding Obligor.

"**Accounting Principles**" means generally accepted accounting principles in the jurisdiction of incorporation or establishment of the relevant member of the VAALCO Energy Group, including:

(a) in relation to the financial statements delivered in respect of the VAALCO Energy Group pursuant to Clause 22.1 (*Financial Statements*), generally accepted accounting principles adopted by the U.S. Securities and Exchange Commission to the extent applicable to the relevant financial statements (the "**US GAAP**"); and

(b) in relation to the financial statements delivered in respect of VAALCO Gabon, pursuant to Clause 22.1 (*Financial Statements*), the accounting principles of the Système Comptable OHADA (SYSCOHADA).

"**Additional Borrower**" means a company which becomes an Additional Borrower in accordance with Clause 28 (*Changes to the Obligors*).

"**Additional Guarantor**" means a company which becomes an Additional Guarantor in accordance with Clause 28 (*Changes to the Obligors*).

"**Additional Obligor**" means an Additional Borrower or an Additional Guarantor. "**Administrative Finance Parties**" means:

(a) each Mandated Lead Arranger;

(b) the Agent;

(c) each Security Agent;

(d) the Technical Bank;

(e) the Modelling Bank; and

(f) the Documentation Bank.

"**Affected Obligor**" has the meaning given to that term in Clause 30.31(f)(i) (*Parallel Obligation (Covenant to pay the Security Agent)*).

"**Affiliate**" means in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Agent**" means The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) in its capacity as agent for the Finance Parties or any other person that replaces it in such capacity in accordance with this Agreement.

"**Agent's Spot Rate of Exchange**" means:

(a) the Agent's spot rate of exchange for the purchase of the relevant currency with dollars in the London foreign exchange market at or about 11:00 a.m. on a particular day; or

(b) (if the Agent does not have an available spot rate of exchange) any other publicly available spot rate of exchange selected by the Agent (acting reasonably).

"**Agreed Insurances**" means the insurances to be implemented and maintained by the relevant Insuring Obligor with respect to the Borrowing Base Assets in accordance with the required provisions of this Agreement, the terms of the Transaction Documents (to the extent of its interest) in which an Obligor has an interest and any related policies of reinsurance, but excluding any insurances to the extent that the cover to be maintained is not available on reasonable commercial terms or no longer reflects insurance which would be implemented and maintained in accordance with good oil industry practice or ceases to be generally available in the market.

"**Annual Financial Statements**" means the audited consolidated accounts for each Guarantor for any Financial Year as required to be delivered to the Agent pursuant to Clause 22.1 (*Financial Statements*).

"**Anti-Blocking Law**" has the meaning given to that term in Clause 1.6 (*Anti-Blocking Law*). "**Applicable Jurisdiction**" means each of:

(a) Gabon in relation to VAALCO Gabon or any Borrowing Base Asset located in Gabon;

(b) Egypt in relation to any Borrowing Base Asset located in Egypt;

(c) Côte d'Ivoire in relation to VAALCO CDI or any Borrowing Base Asset located in Côte d'Ivoire;

(d) in relation to VAALCO CDI, UEMOA;

(e) in relation to VAALCO Gabon, CEMAC;

(f) in relation to any Additional Borrower, its jurisdiction of incorporation and each other legal framework applicable to such jurisdiction, such as UEMOA or CEMAC; and

(g) in relation to any Hydrocarbon Asset which to be designated as a Borrowing Base Asset after the date of this Agreement, the jurisdiction in which such designated Borrowing Base Asset is located.

"**Approved Development and Exploration Costs**" means, in respect of a Borrowing Base Asset, any development and exploration costs, operating expenditure and capital expenditure relating to that Borrowing Base Asset which has been taken into account in the then-current Banking Case.

"**Approved Entity**" mean any person that is listed in Schedule 14 (*Offtaker Whitelist*).

"**Article 55 BRRD**" means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"**Assignment Agreement**" means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

"**Assumptions**" means the Economic Assumptions and the Technical Assumptions.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Authorised Signatory**" means, in relation to a company or other legal person:

(a) one or more directors who are duly authorised whether singly or jointly, to act to bind that company or other legal person; or

(b) a person or persons duly authorised by that company or other legal person to act to bind that company or other legal person.

"**Authority**" has the meaning given to that term in Clause 26.14 (*Expropriation*).

"**Availability Period**" means the period from and including the date of this Agreement to and including the date falling one Month before the Final Maturity Date.

"**Available Commitment**" means a Lender's Commitment minus:

(a) the amount of its participation in any outstanding Loans; and

(b) in relation to any proposed Utilisation, the amount of its participation in any other Loans that are due to be made under the Facility on or before the proposed Utilisation Date.

"**Available Facility**" means, at any time the lower of:

(a) the Borrowing Base Amount; and

(b) the aggregate for the time being of each Lender's Available Commitment in respect of the Facility.

"**Bail-In Action**" means the exercise of any Write-Down and Conversion Powers. "**Bail-In Legislation**" means:

(a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;

(b) in relation to the United Kingdom, the UK Bail-In Legislation; and

(c) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

"**Banking Case**" means a consolidated cashflow and debt service projection in respect of the Parent Obligor Group prepared or to be prepared pursuant to this Agreement including:

(a) the Initial Banking Case; and

(b) any other banking case prepared and finally determined in accordance with Clause 6 (*Banking Cases*).

"Baobab EPC Contract" means the contract dated 2 December 2024 between CNR International (Côte d'Ivoire) SARL as the company and the Baobab EPC Contractor for the provision of engineering, procurement and construction services (Baobab Field, MV 10 Quayside Project).

"**Baobab EPC Contractor**" means MODEC Management Services Pte Ltd.

"**Baobab Field**" means the Hydrocarbon accumulation located in Block CI-40 known as the "Baobab field".

"**Baobab FPSO**" means the floating production storage and offloading tanker facility named Baobab Ivorian MV10 FPSO for use in connection with the development of the Baobab Field.

"**Baobab FPSO Class Assurer**" means the American Bureau of Shipping.

[*****]

"**Baobab FPSO Expected Renovation Completion Date**" means the date set out in the most recent Banking Case on which the Baobab FPSO Renovation is expected to successfully pass the Baobab FPSO Renovation Completion Test.

"**Baobab FPSO Renovation**" means the renovation and repair of the Baobab FPSO required to be undertaken during which time the existing Baobab FPSO will be off station.

"**Baobab FPSO Renovation Completion Date**" means the date on which the Baobab FPSO Renovation has successfully passed the Baobab FPSO Renovation Completion Test to the satisfaction of the Technical Bank (to the extent not waived by the Technical Bank) (in each case acting on the instructions of the Majority Lenders (acting reasonably)).

"**Baobab FPSO Renovation Completion Test**" means the satisfaction of the following:

(a) the Baobab FPSO's full term class certification has been received from the Baobab FPSO's Class Assurer, or if a provisional class certification has been issued, any outstanding items are confirmed to be acceptable by the Technical Bank (acting reasonably);

(b) a Provisional Acceptance Certificate (as defined in the Baobab EPC Contract) has been issued by CNR International (Côte d'Ivoire) SARL to the Contractor, and a copy issued to the Technical Bank;

(c) the Baobab FPSO is successfully hooked up at the Baobab Field, with the re-connection to the sub-sea production system (including production or injection as appropriate established at each manifold) confirmed; and

(d) that production has been re-instated for at least 28 days with at least one successful offload (consisting of at least 400,000 barrels (bbls) being transferred per off-load) being achieved from the Baobab FPSO.

"**Baobab FPSO Renovation Desktop Assumption**" has the meaning given to that term in Clause 6.5(a)(ii)(A) (*Draft Banking Cases*).

"**Baobab FPSO Renovation Desktop Banking Case**" has the meaning given to that term in Clause 6.1(i)(i) (*Adoption*).

"**Baobab FPSO Renovation Longstop Date**" means the later of:

(a) the date falling 21 Months from the Baobab FPSO Renovation Start Date; and

(b) any such later date as agreed in writing between the Obligors' Agent and the Technical Bank (acting on the instructions of the Majority Lenders), *provided that* such date shall not extend beyond the date falling 30 Months from the Baobab FPSO Renovation Start Date.

"**Baobab FPSO Renovation Period**" means the period commencing on the Baobab FPSO Renovation Start Date and ending on the Baobab FPSO Expected Renovation Completion Date or if earlier, the Baobab FPSO Renovation Completion Date provided that the Baobab FPSO Renovation Period shall not extend beyond the Baobab FPSO Renovation Long Stop Date.

"**Baobab FPSO Renovation Start Date**" means the date notified by the Obligors' Agent to the Technical Bank as the date on which the Baobab FPSO Renovation commences which shall be a date occurring no later than 31 January 2025 or such later date as may be agreed between the Parent and the Agent (acting on the instructions of the Majority Lenders).

"**Baobab FPSO Renovation Update Report**" means a monthly report in a form agreed between the Parent and the Agent (acting on the instructions of the Majority Lenders (acting reasonably)) including a summary of activity, progress, any concerns or issues, updated schedule and costs, in respect of the Baobab FPSO Renovation.

"**Baobab Lifting Agreement**" means each of:

(a) the CI 40 Baobab Field Lifting and Entitlement Scheduling Agreement dated 20 June 2005 and amended by addendum dated 9 March 2023 between CNR International (Côte d'Ivoire) SARL, VAALCO CDI and Petroci Holding (as "Field Owners") and CNR International (Côte d'Ivoire) SARL (as "Shipping Co-ordinator and Agent") relating to the procedures for scheduling of each party's entitlement to and lifting by tankers of each party's respective share of crude oil delivered from Block CI-40 (including the Baobab Field); and

(b) the associated letter agreement titled "CI-40 Baobab Field - Joint Liftings of Crude Oil" in contemplation of joint crude oil liftings ahead of FPSO disconnection dated 17 September 2024 between CNR International (Côte d'Ivoire) SARL, VAALCO CDI and Petroci Holding.

"**Baobab Offtake Agreements**" means:

(a) the product sales agreement dated 17 April 2023 entered into between CNR International (Côte d'Ivoire) SARL (on behalf of itself and VAALCO CDI) and Glencore Energy UK Ltd. for the sale and purchase of crude oil from the Baobab Field; and

(b) the domestic gas sales agreement dated 21 July 2003 between Société de Gestion du Patrimoine du Secteur de l'Electricité (SOGEPE) (as purchaser); CNR International (Côte d'Ivoire) SARL and VAALCO CDI (as sellers); and the Government of Côte d'Ivoire, Petroci Holding and Petroci Overseas Limited (as suppliers).

"**Baobab Operating Agreement**" means the agreement entitled "*Operating Agreement covering Block CI 40*" between CNR International (Côte d'Ivoire) SARL (as operator), VAALCO CDI and others dated 9 April 1998 as amended on 30 January 2001, 22 April 2003 and 16 February 2005.

"**Baobab Production Sharing Contract**" means the agreement entitled "*Petroleum Production Sharing Contract*" between the government of Côte d'Ivoire, CNR International (Côte d'Ivoire) SARL (as operator), VAALCO CDI and others dated 9 April 1998 as amended on 29 September 2000, 22 April 2003, 16 February 2005 and 24 November 2005.

"**Block CI-40**" means that area offshore Côte d'Ivoire identified in the Baobab Production Sharing Contract but excluding any areas relinquished from time to time by the "Contractor" (as defined therein) pursuant to Baobab Production Sharing Contract.

"**Borrower**" means:

(a) each Original Borrower; and

(b) any Additional Borrower.

"**Borrower Update**" means an information package prepared by or on behalf of the Obligors' Agent (in a form approved by the Technical Bank) which updates the information and/or evaluation(s) contained in the Reserves Report most recently delivered to the Technical Bank under this Agreement.

"**Borrowing Base Amount**" means, in relation to a Calculation Period or any day falling within such period, the amount in dollars specified in the most recently adopted Banking Case which is the lesser of A and B where:

(a) "**A**" is the field life cover ratio amount calculated by dividing the NPV (Field Life) relating to that Calculation Period by 1.5; and

(b) "**B**" is the loan life cover ratio amount calculated by dividing the NPV (Loan Life) relating to that Calculation Period by 1.3.

"**Borrowing Base Asset**" means:

(a) each Initial Borrowing Base Asset; and

(b) any other Hydrocarbon Asset that has been designated as such in accordance with Clause 6 (*Banking Cases*),

but, in each case, excluding any of the foregoing which have ceased to be designated as a Borrowing Base Asset in accordance with Clause 6 (*Banking Cases*).

"**Borrowing Base Deficiency**" means, at any time, the amount by which the aggregate amount of the Loans under the Facility exceeds the Borrowing Base Amount at such time.

"**Borrowing Base Reduction Amount**" has the meaning given to that term in Clause 7.2(d)(ii) (*Reduction of Loans*).

"**Break Costs**" means, in respect of any Loan, the amount (if any) by which:

(a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in such Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"**Brent Forward Curve**" means the Brent forward curve as published by ICE, Platts, Bloomberg or such other sources as may be agreed between the Technical Bank and the Obligors' Agent (before any discount for crude oil quality is applied).

"**Business Day**" means:

(a) a day (other than a Saturday or Sunday) on which banks are open for general business in London, Houston, Johannesburg, Port Louis and New York; and

(b) in relation to the fixing of an interest rate in respect of a Loan, which is a SOFR Banking Day.

"**Calculation End Date**" means, in relation to each Banking Case, the last day of the last Calculation Period in which any item of Gross Expenditure and/or Gross Income is projected to arise.

"**Calculation Period**" means:

(a) other than in respect of the DSCR calculation, each period of six months:

(i) commencing on 1 October and ending on 31 March of each year; and

(ii) commencing on 1 April and ending on 30 September of each year,

or, in the case of the first Calculation Period for an Interim Banking Case or the Initial Banking Case, such shorter period ending on the following 31 March or 30 September (whichever is the first to occur) as the Modelling Bank shall, acting reasonably and in consultation with the Parent, determine in connection with the preparation of such Banking Case; and

(b) solely for purposes of calculating the DSCR:

(i) in the case of the first Calculation Period commencing on the day after the Baobab FPSO Renovation Completion Date, the period commencing on such date and ending on the following 31 March or 30 September (whichever is the second to occur); and

(ii) for all subsequent Calculation Periods, the two consecutive six month periods within the period:

(A) commencing on 1 October and ending on 30 September; and

(B) commencing on 1 April and ending on 31 March. "**Capex Add-Back Amount**" means, in relation to

any Calculation Period:

(a) any time prior to and during the Baobab FPSO Renovation Period, the amount of capital expenditure that is projected (and included in the relevant Banking Case as Gross Expenditure) to be payable by the Obligors with respect to the Borrowing Base Assets, in the period commencing on the first day of that Calculation Period until the later of:

(i) the date falling 12 months thereafter; and

(ii) the Baobab FPSO Expected Renovation Completion Date; and

(b) at any time after (and excluding) the FPSO Renovation Completion Date, the amount of capital expenditure that is projected (and included in the relevant Banking Case as Gross Expenditure) to be payable by the Obligors with respect to the Borrowing Base Assets in the period commencing on the first day of that Calculation Period until the date falling 12 months thereafter,

and which, in each case, the Technical Bank and the Modelling Bank (each, acting reasonably) are satisfied, and the Obligors' Agent has agreed, that the same amount is projected to be funded by the Facility, existing unrestricted cash balances or any other committed and available sources of funds (excluding any items of Gross Income and any other sources that have been reserved for any purpose other than capital expenditure).

"**Cash**" means, in relation to the VAALCO Energy Group, at any time, cash in hand or at bank and to which a member of the VAALCO Energy Group is alone (or together with other members of the VAALCO Energy Group) beneficially entitled for so long as:

(a) that cash is repayable on demand;

(b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the VAALCO Energy Group or of any other person whatsoever or on the satisfaction of any other condition;

(c) there is no Security over that cash except for Transaction Security or any Permitted Security constituted by a netting or set-off arrangement entered into by members of the VAALCO Energy Group in the ordinary course of their banking arrangements; and

(d) the cash is freely and immediately available to be applied in repayment or prepayment of the Facility.

"**Cash Equivalent Investments**" means, in relation to the VAALCO Energy Group, any of the following, in each case, to which any member of the VAALCO Energy Group is beneficially entitled at that time, which is freely transferable, convertible and accessible, and which is not issued or guaranteed by any member of the VAALCO Energy Group or subject to any Security other than Permitted Security at any time:

(a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;

(b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, Switzerland, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them (in each case having a rating for its long-term unsecured and non-credit-enhanced debt obligations of A or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A2 or higher by Moody's Investor Services Limited (in either case with an outlook of at least "stable") or a comparable rating from an internationally recognised credit rating agency) which:

    (i) matures within one year after the relevant date of calculation; and

    (ii) is not convertible or exchangeable to any security;

(c) debt securities maturing within one year after the relevant date of calculation which are not convertible or exchangeable into any other security and are rated either A-2 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-2 or higher by Moody's Investor Services Limited or, if no rating is available in respect of debt securities, the issuer of which has, in respect of its long-term debt obligations, an equivalent rating;

(d) open market commercial paper not convertible or exchangeable to any other security:

    (i) for which a recognised trading market exists;

    (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, a member of the European Economic Area or any Participating Member State;

    (iii) which matures within one year after the relevant date of calculation; and

    (iv) which has a credit rating of either A-2 or higher by Standard & Poor's Rating Services or F2 or higher by Fitch Ratings Ltd or P-2 or higher by Moody's Investor Services Limited or, if no rating is available in respect of the commercial paper,

the issuer of which has, in respect of its long-term unsecured and non-credit-enhanced debt obligations, an equivalent rating;

(e) bills of exchange issued in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State eligible for rediscount at the relevant central bank and accepted by an Acceptable Bank or any dematerialised equivalent;

(f) investments accessible within 90 days in money market funds which:

(i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited; and

(ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (e) above; or;

(g) any other debt security approved by the Majority Lenders.

"**CEMAC**" means the *Communauté Economique et Monetaire de l'Afrique Centrale*.

"**CEMAC Bank Accounts Instruction**" means Instruction no. 003/GR/2022 from the Governor of the Bank of Central African States dated 4 February 2022 relating to the terms and conditions for opening and operating bank accounts in foreign currencies for companies operating in the extractive sector.

"**CEMAC Domiciliation Instructions**" means Instruction no. 001/GR/2022 from the Governor of the Bank of Central African States dated 4 February 2022 relating to terms and conditions of imports of goods and services of companies operating in the extractive sector and Instruction no. 002/GR/2022 from the Governor of the Bank of Central African States dated 4 February 2022 relating to terms and conditions of exports of goods and services of companies operating in the extractive sector.

"**CEMAC FX Regulation**" means the Foreign Exchange Regulation no. 02/18/CEMAC/UMA/CM as amended from time to time including pursuant to the CEMAC FX Regulation Amendments.

"**CEMAC FX Regulation Amendments**" means the amendments effected pursuant to the CEMAC Domiciliation Instructions, the CEMAC Bank Accounts Instruction, the CEMAC Repatriation Regulation and the CEMAC Onshore FX Accounts Regulation.

"**CEMAC Onshore FX Accounts Regulation**" means Regulation no. 02/CEMAC/UMAC/CM dated 23 December 2021 relating to the un-seisability of onshore foreign currency bank accounts of companies operating in the extractive sector.

"**CEMAC Repatriation Regulation**" means Regulation no. 01/CEMAC/UMAC/CM dated 23 December 2021 relating to the application of certain provisions of the foreign exchange regulation to companies operating in the extractive sector.

"**Central Bank Rate**" means:

(a) the short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or

(b) if that target is not a single figure, the arithmetic mean of:

(i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and

(ii) the lower bound of that target range.

"**Central Bank Rate Adjustment**" means in relation to the Central Bank Rate prevailing at close of business on any SOFR Banking Day, the 20 per cent. trimmed arithmetic mean (calculated by the Agent, or by any other Finance Party which agrees to do so in place of the Agent) of the Central Bank Rate Spreads for the five most immediately preceding US Government Securities Business Days for which Term SOFR for a period equal in length to the applicable Interest Period is available.

"**Central Bank Rate Spread**" means, in relation to any SOFR Banking Day, the difference (expressed as a percentage rate per annum) calculated by the Agent (or by any other Finance Party which agrees to do so in place of the Agent) between:

(a) Term SOFR for a period equal in length to the applicable Interest Period for that SOFR Banking Day; and

(b) the Central Bank Rate prevailing at close of business on that SOFR Banking Day.

"**Change of Control**" means any person or group of persons acting in concert (directly or indirectly) obtains control of the Parent, where for these purposes:

(a) "**control**" over an entity means:

(i) the power to:

(A) cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a meeting of its stockholders; or

(B) appoint and/or remove all or the majority of the members of the board of directors or other equivalent officers of that entity; or

(C) give directions with respect to the operating and financial policies of that entity with which the directors or other equivalent officers of that entity are obliged to comply; or

(ii) the holding beneficially of more than 50 per cent. of the issued share capital of such entity (excluding any part of that issued share capital that carries no right to vote or otherwise participate beyond a specified amount in a distribution of either profits or capital); and

(b) "**acting in concert**" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in an entity by any of them, either directly or indirectly, to obtain or consolidate control of an entity, including any such persons constituting a "group" within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended (but excluding any employee benefit plan of such person or its subsidiaries, and any person acting in its capacity as a trustee, agent, or other fiduciary or administrator of any such plan).

"**Change of Operator**" means:

(a) in respect of the Initial Ivorian Borrowing Base Assets, CNR International (Côte d'Ivoire) SARL ceases to be the Operator of the Initial Ivorian Borrowing Base Assets;

(b) in respect of the Initial Gabonese Borrowing Base Assets, VAALCO Gabon ceases to be the Operator of the Initial Gabonese Borrowing Base Assets;

(c) in respect of the Initial Egyptian Borrowing Base Assets, PetroBakr ceases to be the Operator of the Initial Egyptian Borrowing Base Asset; or

(d) in respect of any other Borrowing Base Asset, the Operator of such Borrowing Base Asset on the day on which such Borrowing Base Asset was so designated ceases to be the Operator of such Borrowing Base Asset,

in each case without the prior consent of the Majority Lenders.

"**Charged Property**" means all of the assets which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Closing Date**" means the date on which the Agent serves the notice referred to in Clause 4.1 (*Initial Conditions Precedent*).

"**Code**" means the US Internal Revenue Code of 1986. "**Commitment**" means:

(a) in relation to any Original Lender at any time during a Specified Period, the amount (in dollars) set opposite that Specified Period in the column in which that Original Lender's name appears in the table in Schedule 1 (*The Original Lenders*) and the amount of any other Commitment for that Specified Period transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase due to Cancellation*); and

(b) in relation to any other Lender at any time during a Specified Period, the amount (in dollars) of any Commitment for that Specified Period transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase due to Cancellation*),

in each case (i) as may be increased pursuant to Clause 2.5 (*Accordion*) and (ii) to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"**Commodity Futures Trading Commission**" means the Commodity Futures Trading Commission established pursuant to the Commodity Exchange Act, as amended (7 U.S.C. § 1 et. seq.).

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 7 (*Form of Compliance Certificate*).

"**Computer Model**" means the computer model used to prepare the Initial Banking Case, as amended from time to time in accordance with Clause 6.11 (*Computer Model*).

"**Confidential Information**" means all information relating to the VAALCO Energy Group, any Security Grantor, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance

Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

(a) any member of the VAALCO Energy Group, any Security Grantor or any of its or their advisers; or

(b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the VAALCO Energy Group, any Security Grantor or any of its or their advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

(i) information that:

(A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 43 (*Confidential Information*); or

(B) is identified in writing at the time of delivery as non-confidential by any member of the VAALCO Energy Group, any Security Grantor or any of its or their advisers; or

(C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the VAALCO Energy Group, any Security Grantor and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

(ii) any Funding Rate.

"**Confidentiality Undertaking**" means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Obligors' Agent and the Agent.

"**Corporate Overheads**" means all payments in respect of normal corporate operating costs, to include all employee payments (including salaries, bonuses, pension contributions and insurance payments), rents, repair and maintenance costs, utilities bills, professional fees and expenses.

"**Côte d'Ivoire**" means the Republic of Côte d'Ivoire.

"**CSS**" means any special solitary contribution (*Contribution spéciale de solidarité*) imposed in Gabon.

"**DAC 6**" means the Council Directive of 25 May 2018 (2018/822/EU) amending Directive 2011/16/EU.

"**Dangerous Substance**" means any radioactive emissions and any natural or artificial substance (whether in solid or liquid form or in the form of a gas or vapour and whether alone or in combination with any other substance) capable (in either case) of causing harm to man or any other living organism or of damaging the Environment or public health or welfare, including any controlled, special, hazardous, toxic, radioactive or dangerous waste.

"**Debt Purchase Transaction**" means, in relation to a person, a transaction where such person:

(a) purchases by way of assignment or transfer;

(b) enters into any sub-participation in respect of; or

(c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under this Agreement.

"**Debt Service Period**" means the period commencing on the date of this Agreement and ending on the first 31 March or 30 September and thereafter, each consecutive six Month period commencing on 1 April and 1 October (but not extending beyond the Final Maturity Date).

"**Debt Service Reserve Account**" has the meaning given to that term in Clause 20.5(a)(i) (*Debt Service Reserve Account*).

"**Default**" means an Event of Default or any event or circumstance specified in Clause 26 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Defaulting Lender**" means any Lender:

(a) which has failed to make its participation in a Loan available (or has notified the Agent or the Obligors' Agent (which has notified the Agent) that it will not make its participation in a Loan available) by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders' Participation*);

(b) which has otherwise rescinded or repudiated a Finance Document; or

(c) during the Availability Period, with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within three Business Days of its due date; or

(ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Delegate**" means any delegate, agent, custodian, nominee, attorney or co-trustee appointed by a Security Agent.

"**Desktop Banking Case**" has the meaning given to that term in Clause 6.1(i) (*Adoption*).

"**Development Consent**" means, in relation to a Borrowing Base Asset, any permit, licence, authorisation, consent, registration, exemption, certificate, notification or other document issued

by any regulatory authority and/or required by any law or regulation in connection with the exploration and exploitation of that Borrowing Base Asset by an Obligor.

"**Development Costs**" means, in relation to any Calculation Period or any other relevant period, all amounts to be paid or payable and attributable to a Field Interest or an Obligor's interest in a Development Document in that Calculation Period and in respect of development costs and expenditures incurred in bringing a Borrowing Base Asset into production or in improving the rate at which Hydrocarbons can be won or transported from a Borrowing Base Asset to the point of sale or in reducing a decline in such rate or otherwise considered as being development costs in accordance with Good Industry Field Practice.

"**Development Document**" means in respect of a Borrowing Base Asset, any material document relating to the development of that Borrowing Base Asset, including all Development Consents relating to that Borrowing Base Asset.

"**Development Plan**" means, in relation to a Borrowing Base Asset, the written development plan approved by the relevant Obligor, the Operator of that Borrowing Base Asset and the other joint venture partners in that Borrowing Base Asset.

"**Discount Rate**" means the lower of:

(a) 12 per cent. per annum; and

(b) the higher of:

(i) the aggregate of the Reference Rate plus the Margin; and

(ii) 10 per cent. per annum. "**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

(b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**Distribution**" means:

(a) any payment, dividend or other distribution in relation to any share capital (or issued shares) of any member of the Parent Obligor Group;

(b) any redemption, repurchase, reduction, repayment or retirement of any share capital (or issued shares) of any member of the Parent Obligor Group;

(c) any payments in respect of, or any repayment, prepayment, redemption, retirement, discharge or purchase of, or sub-participation in, any loans or other financial accommodation made available to any member of the Parent Obligor Group; and

(d) in respect of the Parent only, any other payments or distributions (including any loans) to any member of the Parent Obligor Group's shareholders (direct or indirect) or their Affiliates that are not members of the Parent Obligor Group (including any payment to such persons in respect of any management, administration, advisory, consultancy or other similar type fees or expenses),

in each case, whether in cash or in kind and whether by way of actual payment, set-off, counterclaim or otherwise but excluding any of the foregoing occurring between Obligors.

"**Distribution Conditions**" means, on the proposed date of any Distribution, each of the following conditions in relation to such Distribution:

(a) which is made, or to be made by any member of the Obligor Group:

(i) no Material Default is continuing or would result if such Distribution were made;

(ii) no Borrowing Base Deficiency is continuing;

(iii) the Debt Service Reserve Account is and will remain (following such Distribution) funded up to the DSRA Required Balance; and

(b) which is made, or to be made by the Parent:

(i) no Default is continuing or would result if such Distribution were made;

(ii) no Borrowing Base Deficiency is continuing; (iii)

(A) the most recent VAALCO Energy Group Liquidity Forecast delivered in accordance with Clause 23.1 (*VAALCO Energy Group Liquidity Forecast*) (the "**relevant GLF**") demonstrates no Funding Shortfall will occur following such Distribution and the amount of Distribution that the Parent intends to declare, make or pay and/or that the Parent has declared in any three month period within the Forecast Period for that relevant GLF does not exceed in the aggregate 110 per cent. of the estimated amount of Distributions for that period; or

(B) prior to making the proposed Distribution, the Parent delivers an updated VAALCO Energy Group Liquidity Forecast in accordance with Clause
23.1 (*VAALCO Energy Group Liquidity Forecast*) which demonstrates that no Funding Shortfall will occur following such Distribution and (as applicable) takes into account the updated expected amount of Distributions to be declared and/or paid in any three month period within the Forecast Period for that VAALCO Energy Group Liquidity Forecast.

"**DSCR**" means, in relation to any Calculation Period of a Banking Case, the debt service cover ratio for such period, being the ratio of N:D as shown in the then-current Banking Case where:

(a) "**N**" is the Projected Net Revenues for that Calculation Period; and

(b) "**D**" is the aggregate amount of all principal, interest, fees, commission and other amounts which are due and payable by the Obligors in that Calculation Period under the Finance Documents other than any Secured Hedging Agreement.

"**DSRA Required Balance**" means:

Month of Debt Service Period	Amount
First	1/6 of P *plus* I
Second	2/6 of P *plus* I
Third	3/6 of P *plus* I
Fourth	4/6 of P *plus* I
Fifth	5/6 of P *plus* I
Sixth	P *plus* I

where, for these purposes, in relation to any Debt Service Period:

(a) "**P**" means an amount equal to the aggregate amount of scheduled principal (disregarding Rollover Loans) payable by the Borrowers under the Finance Documents projected to fall due in that Debt Service Period as determined by the Agent (acting reasonably); and

(b) "**I**" means an amount equal to the aggregate amount of interest payable by the Borrowers under the Finance Documents projected to fall due in that Debt Service Period as determined by the Agent (acting reasonably),

provided that, if any Debt Service Period is shorter than six months, the principal component of the DSRA Required Balance for each month or part month of that period (the total number of such months or part months being "**X**") shall be determined by dividing the amount of scheduled principal payable by the Borrowers under the Finance Documents in such Debt Service Period as determined by the Agent (acting reasonably) (such amount being "**Y**") by X with the DSRA Required Balance in the first month or part month being 1/X of Y, the DSRA Required Balance in the second month (being 2/X of Y and so forth) and the term "month" where used in this definition means a calendar month.

"**Eastern Desert Merged Concession Offtake Agreements**" means the Mercuria Offtake Agreement, or any such other Offtake Agreement entered into in accordance with this Agreement which replaces it from time to time.

"**EBITDAX**" means, in relation to any period and in relation to the VAALCO Energy Group, the consolidated profit of the VAALCO Energy Group on ordinary activities for such period:

(a) before deduction of any tax on such activities during such period;

(b) before any extraordinary or Exceptional Item during such period;

(c) before deduction of any Interest Costs or accretion charges on provisions during such period;

(d) before any amount attributable to depletion, depreciation or amortisation;

(e) before taking into account profits (or losses) of any member of the VAALCO Energy Group which are attributable to interests held by any person that is not a member of the VAALCO Energy Group;

(f) before taking into account any unrealised gains or losses on any Hedging Agreement;

(g) before charges or deemed charges in respect of any pension liabilities, of any post-employment benefit scheme liabilities (including, in each case, service costs and pension interest costs) and other provisions or any share option or management incentive schemes;

(h) after adding, to the extent deducted, any non-cash or non-recurring cash fees, expenses or charges paid or accrued during that period, or any costs incurred in connection with the relevant transaction;

(i) after adding back an amount equal to the amount of any reduction, or deducting an amount equal to the amount of any increase, in the consolidated income from operations of members of the VAALCO Energy Group as a result of a revaluation or recognition of assets and liabilities of members of the VAALCO Energy Group, in each case, during the period;

(j) after deducting any unrealised gain over book value and after adding back any unrealised loss on book value arising on the disposal of any fixed asset of any member of the VAALCO Energy Group (other than the sale of trading stock) during such period;

(k) after deducting any gain and adding back any loss on movements in foreign exchange by the VAALCO Energy Group during such period;

(l) after adding back any exploration and evaluation cost or write-off expense incurred during such period; and

(m) after adding back, to the extent deducted, any non cash provisions for credit losses.

"**Economic Assumption**" means each of the following economic assumptions, and the values ascribed to such assumptions, upon which each Banking Case or draft Banking Case and, in each case, the calculations and information therein are, or are to be, based:

(a) Hydrocarbon prices;

(b) Discount Rate;

(c) exchange rates;

(d) inflation rates;

(e) interest rates;

(f) Tax rates; and

(g) any other assumption that the Technical Bank and the Obligors' Agent (each acting reasonably) agree shall be treated as an "*Economic Assumption*".

"**EEA Member Country**" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"**EGPC**" means Egyptian General Petroleum Company.

"**EGPC Statements**" means, in respect of each Egyptian Borrower, written statements from VAALCO West Gharib Inc. of the amounts owed to that Egyptian Borrower from EGPC at the relevant time in respect of Field Hydrocarbons which have been produced under each of its Initial Egyptian Field Licences and sold and/or invoiced by that Egyptian Borrower but for which receipts have not, at such date, been received by or credited to such Egyptian Borrower.

"**Egypt**" means the Arab Republic of Egypt. "**Egyptian Borrowers**" means:

(a) VAALCO West Gharib Inc.;

(b) VAALCO West Bakr Inc.; and

(c) VAALCO NW Gharib Inc.

"**Enforcement Date**" means the date on which a notice is issued under Clause 26.30 (*Acceleration*).

"**Enforcement Notice**" means any notice issued by a Security Agent to the Offshore Account Bank or the Onshore Account Bank (as the case may be) following the occurrence of the Enforcement Date which confirms that the Enforcement Date has occurred, the relevant Account Holding Obligor is no longer permitted to make a withdrawal from the relevant Project Account, and the relevant Security Agent should be the sole signatory on that Project Account, in each case, until the relevant Account Bank receives a Withdrawal Notice in respect of that Enforcement Notice.

"**Environment**" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

(a) air (including, air within natural or man-made structures, whether above or below ground);

(b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and

(c) land (including land under water).

"**Environmental and Social Action Plan**" means the plan prepared by the Independent E&S Consultant on behalf of the Parent setting out the specific environmental and social measures to be undertaken by each member of the Parent Obligor Group to enable the relevant Borrowing Base Assets to comply with the Environmental and Social Requirements, including reduction of flaring and reduction of greenhouse gas emissions as required to be undertaken or completed in accordance with the timelines and indicators of completion developed and set out therein.

"**Environmental and Social Claim**" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

"**Environmental and Social Matters**" means those environmental and social matters identified in the Environmental and Social Action Plan.

"**Environmental and Social Permits**" means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the VAALCO Energy Group conducted on or from the properties owned or used by any member of the VAALCO Energy Group.

"**Environmental and Social Requirements**" means:

(a) the IFC Standards on Social and Environmental Sustainability;

(b) the Equator Principles; and

(c) any relevant national legislative requirements,

in each case, identified in the Environment and Social Action Plan to apply to any Borrowing Base Asset.

"**Environmental Contamination**" means each of the following and their consequences:

(a) any release, discharge, emission, leakage or spillage of any Dangerous Substance at or from any relevant site into any part of the Environment;

(b) any accident, fire, explosion or sudden event at any relevant site which is directly or indirectly caused by, or attributable to, any Dangerous Substance; or

(c) any other pollution of the Environment arising in connection with any relevant site,

where, for these purposes, "**relevant site**" means any site of a Hydrocarbon Asset in which a member of the VAALCO Energy Group has an interest or is otherwise owned, occupied or used by a member of the VAALCO Energy Group.

"**Environmental Law**" means any applicable law or regulation which relates to:

(a) the pollution or protection of the Environment;

(b) the conditions of the workplace; or

(c) the generation, handling, storage, use, release or spillage of any Dangerous Substance.

"**Equator Principles**" means those principles entitled "The Equator Principles July 2020 – A financial industry benchmark for determining, assessing and managing environmental and social risk in projects" effective from 1 October 2020 that have been adopted by certain financial institutions, as such principles may be amended, re-enacted or replaced from time to time.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) under common control with a US Obligor within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code or Section 302 of ERISA).

"**ERISA Event**" means:

(a) a Reportable Event with respect to a Pension Plan;

(b) the failure by a US Obligor or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules or the filing of an application for the waiver of the minimum funding standards under the Pension Funding Rules;

(c) the incurrence by a US Obligor or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA;

(d) a complete or partial withdrawal by a US Obligor or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is insolvent (within the meaning of Title IV of ERISA);

(e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA;

(f) the institution by the PBGC of proceedings to terminate a Pension Plan;

(g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan;

(h) the determination by the Pension Plan's actuary that such Pension Plan is in at-risk status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or the determination by the Multiemployer Plan's actuary that such Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA);

(i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate; or

(j) the engagement by a US Obligor or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA.

"**Etame Field Trustee and Paying Agent Agreement**" means the trustee and paying agent agreement dated 26 June 2002, originally between VAALCO Etame, J. P. Morgan Trustee and Depositary Company Limited and JPMorgan Chase Bank, London Branch as amended from time to time.

"**Etame Marine Exploration and Production Sharing Contract**" means the exploration and production sharing contract dated as of 7 July 1995, between Gabon and VAALCO Gabon and other parties, collectively as the contractor, as amended by an undated agreement with retroactive effect to 7 July 2001, and by the subsequent amendments thereto dated as of 13 April 2006, 26 November 2009, 5 January 2012 (with retroactive effect to 17 July 2011), 25 April 2016, 29
December 2016 and 17 September 2018.

"**Etame Marin Joint Operating Agreement**" means the Joint Operating Agreement between VAALCO Gabon, PetroEnergy and Addax, dated 4 April 1997, as amended and novated on 15 January 2001, 5 September 2002, 31 December 2004, 12 October 2007, 10 December 2014, 22 November 2016, 29 December 2016 and 25 February 2021.

"**Etame Marin Offtake Agreements**" means the crude oil sale and marketing agreement dated 20 May 2022 between Glencore Energy (UK) Ltd as buyer and VAALCO Gabon as seller, as amended from time to time.

"**EU Bail-In Legislation Schedule**" means the document described as such and published by the LMA (or any successor person) from time to time.

"**Event of Default**" means any event or circumstance specified as such in Clause 26 (*Events of Default*).

"**Exceptional Items**" means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

(a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;

(b) disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment; and

(c) disposals of assets associated with discontinued operations.

"**Excluded Swap Obligation**" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of Security to secure, such Swap Obligation (or any guarantee of that Swap Obligation) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Guarantor or the grant of such Security becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a Hedging Agreement governing more than one Swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guarantee or Security is or becomes illegal.

"**Existing AB Intercompany Loan Agreement**" means the Swedish law intercompany loan agreement dated 26 September 2023 and made between VAALCO Energy Cote d'Ivoire AB as lender and VAALCO CDI as borrower.

"**Existing BP Hedging Agreement**" has the meaning given to such term in paragraph (e) of the definition of "*Permitted Parent Financial Indebtedness*".

"**Existing Etame Intercompany Loan Agreement**" means the revolving loan facility agreement dated 29 November 2021 as amended on 10 June 2022 between VAALCO Etame and VAALCO Gabon, and as may be further amended, restated or otherwise modified from time to time.

"**Existing Facility Agreement**" means the facility agreement dated 16 May 2022 as amended and restated on 3 October 2023 between, amongst others, VAALCO Etame, the Parent, VAALCO Gabon, Glencore Energy UK Ltd. and The Law Debenture Trust Corporation PLC.

"**Existing Gabonese Security**" means the Gabonese law security agreement dated 16 May 2022 between VAALCO Gabon and VAALCO Etame.

"**Existing Intercompany Loan Agreement**" means each of:

(a) the Existing Etame Intercompany Loan Agreement;

(b) the Existing AB Intercompany Loan Agreement;

(c) the Existing Parent Intercompany Loan Agreement; and

(d) the Existing VAALCO Egypt Intercompany Loan Agreement.

"**Existing Non-Project Accounts**" has the meaning given to that term in Clause 20.6(b) (*Permitted Parent Accounts*).

"**Existing Offshore Proceeds Account**" means the offshore proceeds account which VAALCO Gabon maintains with JPMorgan Chase Bank, N.A. in New York.

"**Existing Parent Intercompany Loan Agreement**" means the Texan law intercompany loan agreement dated 19 July 2024 between the Parent as lender and VAALCO Energy Canada, Inc., as borrower.

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"**Existing RBL Obligors"** means each of the Parent, VAALCO Etame, and VAALCO Gabon.

"Existing RBL Project Accounts" means each of the bank accounts maintained by an Existing RBL Obligor pursuant to the Existing Facility Agreement.

"**Existing Security**" means the Security granted pursuant to the Existing Facility Agreement which comprise of Security created pursuant to:

(a) a New York law governed security agreement dated 16 May 2022 between VAALCO Etame and The Law Debenture Trust Corporation PLC;

(b) a New York law governed security agreement dated 16 May 2022 between VAALCO Gabon and The Law Debenture Trust Corporation PLC;

(c) a New York law governed security agreement dated 16 May 2022 between the Parent and The Law Debenture Trust Corporation PLC;

(d) an English law governed security agreement dated 16 May 2022 between the Parent and The Law Debenture Trust Corporation PLC;

(e) an English law governed security agreement dated 16 May 2022 between VAALCO Gabon and The Law Debenture Trust Corporation PLC;

(f) the Existing Gabonese Security;

(g) an English law security assignment dated 20 May 2022 between VAALCO Gabon and Bank of New York Mellon, London Branch as trustee and paying agent under the Etame Field Trustee and Paying Agent Agreement.

"**Existing TPAA Account"** means each of the bank accounts maintained by VAALCO Gabon with the Bank of New York Mellon pursuant to the Etame Field Trustee and Paying Agent Agreement.

"**Existing VAALCO CDI Account"** means each bank account maintained by VAALCO CDI with Standard Bank Isle of Man Limited.

"**Existing VAALCO Egypt Account**" means the bank account maintained by VAALCO Egypt with JP Morgan Chase Bank N.A.

"**Existing VAALCO Egypt Intercompany Loan Agreement**" means the Texan law intercompany loan agreement dated 13 January 2023 and made between VAALCO Egypt and VAALCO Energy Holdings, LLC.

"**Facility**" means the revolving credit facility described in Clause 2 (*The Facility*). "**Facility Office**" means:

(a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five

Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or

(b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

"**Fallback Interest Period**" means three Months. "**FATCA**" means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the IRS, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Application Date**" means, in relation to:

(a) a "*withholdable payment*" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or

(b) a "*passthru payment*" described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**Fee Letter**" means:

(a) each fee letter entered into between the Parent and a Finance Party pursuant to Clause 13 (*Fees*); and

(b) any other letter designated as a "*Fee Letter*" by the Agent and the Obligors' Agent. "**Field**" means any onshore or offshore reservoir of Hydrocarbons.

"**Field Agreement**" means, in relation to a Borrowing Base Asset:

(a) in respect of the Initial Ivorian Borrowing Base Assets:

(i) each Baobab FPSO Contract;

(ii) the Baobab Operating Agreement;

(iii) the Baobab Production Sharing Contract;

(iv) each Baobab Lifting Agreement;

(v) the lifting and entitlement scheduling agreement between the Block CI-40 Group and CNR International (Côte d'Ivoire) SARL dated 20 June 2005;

(vi) the letter agreement (in respect of the lifting and entitlement scheduling agreement) prepared by CNR International (Côte d'Ivoire) SARL dated September 2024;

(vii) the pipeline joint operating agreement in connection with the construction, ownership and operation of a pipeline connecting the Block CI-40 and Block CI- 26 between the Block CI-40 Group and the Block CI-26 Group dated 15 February 2005;

(viii) the asset and sale purchase agreement in connection with the transfer of a 25 per cent. participating interest in the Espoir-Baobab pipeline between the Block CI-40 Group and the Block CI-26 Group dated 15 February 2005;

(ix) the natural gas sale and purchase contract in connection with the Espoir-Baobab Pipeline between the Block CI-40 Group as Purchasers, CNR International (Côte d'Ivoire) SARL and Tullow Côte d'Ivoire Limited as Sellers, dated 1 January 2014; and

(x) the gas transportation agreement between the Block CI-40 Group, the Block CI-26 Group, Petroci CI-11 Limited, Cipem S.A., Hydrodrill S.A. and Petroci Holding dated 25 October 2005 (as amended);

(b) in respect of the Initial Gabonese Borrowing Base Assets:

(i) the Etame Marin Joint Operating Agreement and its amendments; and

(ii) the Etame Marin Exploration and Production Sharing Contract;

(iii) the Etame Lifting Agreement;

(iv) an agency agreement between VAALCO Gabon, PetroEnergy Resources Corporation, Addax Petroleum Etame Gabon S.A. and Tullow Oil Gabon S.A. dated August 2022;

(v) a bareboat charter agreement between VAALCO Gabon and World Carrier Offshore Services Corp. (subsequently novated to Ocean Cloud Navigation, Inc. pursuant to a novation agreement dated 15 November 2022) in respect of an FSO (Teli; IMO: 9229295) *(formerly named "Cap Diamant")* dated 31 August 2021 (as amended);

(vi) a contract for the provision and operation of an FPSO for the Etame Field between VAALCO Gabon, Tinworth Pte. Limited and Tinworth Gabon SA dated 20 August 2001 (as amended);

(vii) the crude oil lifting and entitlement scheduling agreement between VAALCO Gabon, PetroEnergy Resources Corporation, Addax Petroleum Etame Gabon S.A., Tullow Oil Gabon S.A. and La Société Nationale des Hydrocarbures du Gabon dated 1 November 2017;

(viii) the deed of guarantee and indemnity between VAALCO Energy, Inc. and World Carrier Offshore Services Corp. (subsequently novated to Ocean Cloud Navigation, Inc. pursuant to a novation agreement dated 15 November 2022) dated 31 August 2021 to guarantee VAALCO Gabon's obligations as co-venturer under

the bareboat charter agreement dated 31 August 2021 between VAALCO Gabon and World Carrier Offshore Services Corp. (subsequently novated to Ocean Cloud Navigation, Inc. pursuant to a novation agreement dated 15 November 2022) in respect of the provision of a floating storage and offloading system on the Etame Marin Permit (Block G4-160) Field; and

(ix) the parent company guarantee issued by the Parent in favour of World Carrier Offshore Services Corp. (subsequently novated to Atlantic Energy Logistics SASU pursuant to a novation agreement dated 15 November 2022) on 31 August 2021 to guarantee VAALCO Gabon's obligations as co-venturer under the operating agreement dated 31 August 2021 between VAALCO Gabon and World Carrier Offshore Services Corp. (subsequently novated to Atlantic Energy Logistics SASU pursuant to a novation agreement dated 15 November 2022) in respect of the operation and maintenance of a floating storage and offloading system on the Etame Marin Permit (Block G4-160) Field;

(c) in respect of the Initial Egyptian Borrowing Base Assets:

(i) the Initial Egyptian Field Licenses;

(d) the Initial Egyptian Field Licences in respect of each of the Initial Borrowing Base Assets, each agreement which relates to:

(i) the exploration or exploitation of that Borrowing Base Asset;

(ii) any other right to receive Field Hydrocarbons or the proceeds thereof;

(iii) the transportation, storage or initial treatment or processing of Field Hydrocarbons;

(iv) the sale or other disposal of Field Hydrocarbons;

(v) the production or storage of Field Hydrocarbons;

(vi) the joint operation of that Borrowing Base Asset; or

(vii) any charter and services agreements in relation to that Borrowing Base Asset, and

(e) any other agreement designated as a "*Field Agreement*" by the Obligors' Agent and the Agent.

"**Field Hydrocarbons**" means, in relation to a Borrowing Base Asset, all Hydrocarbons won and saved from that Borrowing Base Asset which accrue to the Field Interests (including the appropriate share in any co-mingled Hydrocarbons).

"**Field Interest**" means, in relation to a Borrowing Base Asset, an Obligor's legal and beneficial interest in:

(a) each Material Project Document;

(b) the Infrastructure; and

(c) land and all necessary easements, rights and privileges attaching thereto used in connection with the exploration, development, exploitation, production, generation, storage, processing or transportation of Field Hydrocarbons,

together, in each case, with all rights and obligations in any and all other necessary contracts, agreements, permits, leases, licences, franchises, consents (including Development Consents), easements, searches, wayleaves, freeholds, leaseholds, tenancies, insurances and other rights and interests (whether tangible or intangible) now or at any time in the future existing which relate to the exploration, development, exploitation or operation of that Borrowing Base Asset or to the production of Field Hydrocarbons or the construction, maintenance or use of the Infrastructure or to the carrying out and the completion of any work pursuant to any Development Document or to the production, storage, loading, transportation, processing or marketing of Field Hydrocarbons.

"**Field Licence**" means, in relation to a Borrowing Base Asset, each licence, concession agreement, production sharing contract or other authority required for the exploitation, development or production of Field Hydrocarbons from such Borrowing Base Asset, including (as at the date of this Agreement):

(a) the Initial Ivorian Field Licences;

(b) the Initial Gabonese Field Licences;

(c) the Initial Egyptian Field Licences; and

(d) and each other licence, concession agreement, production sharing contract or other authority required for the exploitation, development or production of Field Hydrocarbons from a Borrowing Base Asset.

"**Field Life End Date**" means, in relation to a Borrowing Base Asset, the earlier of:

(a) the date (included in each Banking Case) which is the anticipated Abandonment Date for that Borrowing Base Asset; and

(b) the date (included in each Banking Case) of termination of the Field Licence in relation to that Borrowing Base Asset (or such other date as may be agreed between the Obligors' Agent and the Majority Lenders).

"**Final Discharge Date**" means the first date on which all Liabilities under the Finance Documents have been fully and finally discharged to the satisfaction of the Agent whether or not as the result of an enforcement and the Finance Parties are under no further obligation to provide financial accommodation to any Obligor under the Finance Documents.

"**Final Maturity Date**" means the earlier of:

(a) the Reserve Tail Date; and

(b) the date falling six years from the date of this Agreement.

"**Finance Charges**" means, for any Relevant Period and in relation to the VAALCO Energy Group, the aggregate amount of costs payable by any member of the VAALCO Energy Group (calculated on a consolidated basis) in respect of that Relevant Period as calculated from the financial statements of the VAALCO Energy Group where, for these purposes, costs shall include:

(a) the interest expense calculated by the effective interest method under international accounting standards;

(b) finance charges in respect of finance leases recognised in accordance with international accounting standards; and

(c) commission, fees, discounts, prepayment fees, premiums or charges. "**Finance Document**" means:

(a) this Agreement;

(b) any Hedge Counterparty Accession Deed;

(c) any Onshore Account Bank Agreement;

(d) each Onshore Security Agent Appointment Agreement;

(e) any Obligor Accession Deed;

(f) any Compliance Certificate;

(g) any Fee Letter;

(h) the Subordination Deed;

(i) any Acceptable Intercreditor Agreement;

(j) any Secured Hedging Agreement;

(k) any Transaction Security Document;

(l) any Utilisation Request;

(m) any Increase Confirmation;

(n) any letter entered into by the Parent designating a Designated Lender; and

(o) any other document designated as a "*Finance Document*" by the Agent and the Obligors' Agent,

provided that where the term "*Finance Document*" is used in, and construed for the purposes of, this Agreement, a Secured Hedging Agreement shall be a Finance Document only for the purposes of:

(i) the definition of "**Confidential Information**";

(ii) the definition of "**Default**";

(iii) the definition of "**Hedge Counterparty**";

(iv) the definition of "**Material Adverse Effect**";

(v) the definition of "**Secured Obligations**";

(vi) the definition of "**Security Property**";

(vii) the definition of "**Transaction Document**";

(viii) the definition of "**Transaction Security Document**";

(ix) paragraph 1.2(a)(ix) of Clause 1.2 (*Construction*);

(x) Clause 1.4 (*Third Party Rights*);

(xi) Clause 2.3 (*Finance Parties' Rights and Obligations*);

(xii) Clause 2.4 (*Obligors' Agent*);

(xiii) Clause 19 (*Guarantee and Indemnity*);

(xiv) Clause 24.18 (*Pari Passu Ranking*);

(xv) Clause 24.29 (*Transaction Security Documents and Further Assurance*);

(xvi) Clause 26 (*Events of Default*) (other than Clause 26.30 (*Acceleration*));

(xvii) Clause 27.5(c)(iii) (*Procedure for Transfer*);

(xviii) Clause 29.19 (*Reliance and Engagement Letters*);

(xix) Clause 30 (*The Security Agents*);

(xx) Clause 31 (*Application of Proceeds*);

(xxi) Clause 35 (*Sharing among the Finance Parties*); and

(xxii) Clause 37 (*Set-Off*). "**Finance Party**" means:

(a) each of the Administrative Finance Parties;

(b) the Account Banks;

(c) the Lenders; and

(d) the Secured Hedge Counterparties,

provided that where the term "**Finance Party**" is used in, and construed for the purposes of, this Agreement, a Secured Hedge Counterparty shall be a Finance Party only for the purposes of:

(i) the definition of "**Confidential Information**";

(ii) the definition of "**Secured Party**";

(iii) the definition of "**Secured Obligations**";

(iv) the definition of "**Secured Parties**";

(v) the definition of "**Security Property**";

(vi) paragraph 1.2(a)(i) of Clause 1.2 (*Construction*);

(vii) paragraph (a) of the definition of "**Material Adverse Effect**";

(viii) Clause 2.2 (*Increase due to Cancellation*);

(ix) Clause 2.3 (*Finance Parties' Rights and Obligations*);

(x) Clause 2.4 (*Obligors' Agent*);

(xi) Clause 27.5(c)(iii) (*Procedure for Transfer*)

(xii) Clause 19 (*Guarantee and Indemnity*);

(xiii) Clause 24.18 (*Pari Passu Ranking*);

(xiv) Clause 26 (*Events of Default*) (other than Clause 26.30 (*Acceleration*));

(xv) Clause 30 (*The Security Agents*);

(xvi) Clause 31 (*Application of Proceeds*);

(xvii) Clause 29.19 (*Reliance and Engagement Letters*);

(xviii) Clause 33 (*Conduct of Business by the Finance Parties*);

(xix) Clause 34 (*Hedging and Hedge Counterparties*);

(xx) Clause 35 (*Sharing among the Finance Parties*);

(xxi) Clause 37 (*Set-Off)*; and

(xxii) Paragraph 6 of Part 1 (*Conditions Precedent to Submission of Initial Utilisation Request*) of Schedule 2 (*Conditions*).

"**Financial Half-Year**" means the period commencing on 1 January and ending on 30 June in each calendar year.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);

(c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would be treated in the accounts of the relevant entity as a finance or capital lease in accordance with the US GAAP, provided that, for the purpose of this Agreement, in no event shall any obligation of a person under any lease that would be categorised as and "operating lease" in accordance with Financial Accounting Standards Board Accounting Standards Update No. 2016 02, Leases (Topic 842) be considered Financial Indebtedness;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis *provided that* they meet any requirement for recognition under the Accounting Principles);

(f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Final Maturity Date or are otherwise classified as borrowings under the Accounting Principles;

(i) any amount of any liability under an advance or deferred purchase agreement if (A) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question and (B) the agreement is in respect of the supply of assets or services and payment is due more than 30 days after the expiry of the period customarily allowed by the relevant supplier;

(j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and

(k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

"**Financial Quarter**" means each period, as applicable, commencing on:

(a) 1 January and ending on 31 March;

(b) 1 April and ending on 30 June;

(c) 1 July and ending on 30 September; and

(d) 1 October and ending on 31 December, in each calendar year.

"**Financial Statements**" means:

(a) the Annual Financial Statements; and

(b) the Quarterly Financial Statements.

"**Financial Year**" means the annual accounting period of each Obligor ending on 31 December. "**First Reduction Date**" means, the earlier to occur of:

(a) the date falling 24 Months after the date of this Agreement; and

(b) 30 September 2026.

"**First Scheduled Redetermination Date**" means 30 June 2025. "**First Test Date**" means 30 June 2025.

"**Forecast Period**" means, in relation to any VAALCO Energy Group Liquidity Forecast:

(a) at any time prior to (and including) the Baobab FPSO Renovation Completion Date, the period commencing on the day after the relevant Test Date and ending on the date which is the later of:

(i) the date falling 12 months thereafter; and

(ii) the Operator's most recent forecast of the Baobab FPSO Renovation Completion Date; and

(b) at any time after (and excluding) the FPSO Renovation Completion Date, the period commencing on the day after the relevant Test Date and ending on the date falling 12 months thereafter.

"**Foreign Public Official**" means an individual who:

(a) holds a legislative, administrative or judicial position of any kind, whether appointed or elected, of a country or territory outside the United Kingdom (or any subdivision of such a country or territory);

(b) exercises a public function:

(i) for or on behalf of a country or territory outside the United Kingdom (or any subdivision of such a country or territory); or

(ii) for any public agency or public enterprise of that country or territory (or subdivision); or

(c) is an official or agent of a public international organisation.

"**Fraudulent Transfer Law**" means Section 548 of the United States Bankruptcy Code or any applicable US state fraudulent transfer or conveyance law.

"**Funding Rate**" means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of Clause 12.3 (*Cost of Funds*).

"**Funding Shortfall**" means, in relation to any VAALCO Energy Group Liquidity Forecast, the Total Corporate Uses exceed the Total Corporate Sources in any 12 Month period within the Forecast Period for that VAALCO Energy Group Liquidity Forecast.

"**FX Regulation**" means the CEMAC FX Regulation or the UEMOA FX Regulation.

"**Gabon**" means the Gabonese Republic.

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"**Gabon Customs Guarantee**" means the guarantee **[*****]** made by VAALCO Gabon to the Gabonese Customs for the Sutton Tide, an anchor handling towing supply vessel servicing the Etame Marin Permit Field, which is cash covered in an account held with the Onshore Account Bank in Gabon.

"**Gabonese Customs**" means the General Directorate of Customs and Excise of Gabon or any such substitute body.

"**Good Industry Field Practice**" means the practices, techniques, methods and standards which are generally accepted for use in the oil and gas industry in international oil and gas fields to develop, operate and maintain oil and gas fields, pipelines and related assets similar to those comprised in a Borrowing Base Asset lawfully, safely, efficiently and economically.

"**Gross Expenditure**" means, in relation to any period and any Obligor, without double counting:

(a) to the extent that the same is payable in that period by that Obligor in respect of a Borrowing Base Asset:

(i) all cash calls by an Operator of that Borrowing Base Asset; and

(ii) to the extent not covered by paragraph (i) above:

(A) all Development Costs and other capital expenditure relating to the Borrowing Base Asset (fixed and/or variable) (including budgeted and necessary to generate or sustain the production profiles in the Banking Case);

(B) operating and maintenance expenditure in relation to the Borrowing Base Asset (fixed and/or variable);

(C) all costs related to or for the purpose of securing the services of producing, lifting, transporting, storing, processing, fractionating, marketing and selling any Hydrocarbons derived from the Borrowing Base Asset and/or the field (including all costs under the Material Project Documents);

(D) all costs of reinstating any damaged Infrastructure relating to the Borrowing Base Asset;

(E) all costs of satisfying any liability in respect of seepage, pollution, well control and health and safety in respect of the Borrowing Base Asset;

(F) all insurance and reinsurance premiums and all the fees, costs and expenses of insurance and reinsurance brokers, in each case, relating to insurances and reinsurances for that Borrowing Base Asset for such Obligor;

(G) all costs related to high pressure high temperature wells (including costs related to procuring equipment, securing regulatory approvals and developing technology in respect of the same);

(H) all committed exploration and appraisal expenditure on that Borrowing Base Asset and all costs related to carbon offsetting, carbon tax and carbon mitigation activities;

(I) all costs, expenses or payments related to acquiring, licensing, processing or interpreting seismic data;

(J) all costs related to the use or reservation of capacity of any pipeline forming part of, or relating to, the Borrowing Base Asset or any such costs on any pipeline or facility related to the transportation, gathering, processing, treating, fractionating of Field Hydrocarbons including without limitation costs associated with the acquisition of linefill;

(K) all Abandonment Costs of, and any payments to make provision for Abandonment Costs relating to, all or any part of the Borrowing Base Asset or any facilities or physical assets associated with the Borrowing Base Asset (net of any tax benefit associated with such costs and/or payments);

(L) any delay rentals and any royalties and other amounts payable to any person under or in connection with any Field Licence; and

(M) all other costs, expenses, levies and payments not falling within the preceding paragraphs of this definition in respect of that Borrowing Base Asset including costs and liabilities in respect of litigation or claims;

(b) any Taxes payable by that Obligor in that period;

(c) all Corporate Overheads not falling within paragraph (a) above which are payable by that Obligor in that period;

(d) all Hedging Costs and Hedging Termination Payments payable by an Obligor in that period under each Hedging Agreement to which it is a party; and

(e) any other costs, expenses or payments that a Borrower and the Majority Lenders agree to designate as "*Gross Expenditure*".

"**Gross Income**" means, in relation to any period and any Obligor, without double counting:

(a) to the extent that the same is payable in that period in respect of a Borrowing Base Asset:

(i) the gross proceeds (without deductions whatsoever) of any disposal of Field Hydrocarbons derived from that Borrowing Base Asset payable to that Obligor in that period;

(ii) the gross proceeds (without any deductions whatsoever) payable to that Obligor in respect of the use or reservation of capacity of any Infrastructure forming part of, or relating to, that Borrowing Base Asset;

(iii) the proceeds of any insurance relating to any loss of production insurance relating to that Borrowing Base Asset payable under Agreed Insurances and any other insurance proceeds which are to be used for reinstatement costs included as Gross Expenditure; and

(iv) any other amounts paid or payable to an Obligor in that period in respect of the Borrowing Base Assets;

(b) any refunds of Taxes payable to that Obligor in that period;

(c) all amounts payable to that Obligor in that period under each Hedging Agreement to which it is a party;

(d) all amounts received in respect of any Permitted Disposal; and

(e) any other amounts that the Obligors' Agent and the Majority Lenders (acting reasonably) agree to designate as Gross Income.

"**Guarantor**"

(a) each Original Guarantor; and

(b) any Additional Guarantor. "**Hedge Counterparty**" means:

(a) any Secured Hedge Counterparty; and

(b) any Acceptable Unsecured Hedging Entity.

"**Hedge Counterparty Accession Deed**" means a document substantially in the form set out in Part 1 (*Form of Hedge Counterparty Accession Deed*) of Schedule 6 (*Form of Accession Documents*).

"**Hedging Agreement**" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by any Obligor in accordance with this Agreement.

"**Hedging Costs**" means any amount falling due from an Obligor under a Hedging Agreement except for any Hedging Termination Payment but including any interest accruing on any Hedging Termination Payment.

"Hedging Desktop Banking Case" has the meaning given to that term in Clause 6.1(i)(ii) (*Adoption*).

"**Hedging Liabilities**" means the Liabilities owed by an Obligor to the Hedge Counterparties under or in connection with any Secured Hedging Agreement.

"**Hedging Policy**" means the policy set out in Schedule 11 (*Hedging Policy*).

"**Hedging Termination Payment**" means any amount falling due from or, as the case may be, to an Obligor under a Hedging Agreement as a direct or indirect result of a termination of that Hedging Agreement, other than interest accruing on any amount not paid when due.

"**Historic Term SOFR**" means, in relation to any Loan, the most recent applicable Term SOFR for a period equal in length to the Interest Period of that Loan and which is as of a day which is no more than five SOFR Banking Days before the Quotation Day.

"**Holding Company**" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"**Hydrocarbon Assets**" means:

(a) any Field, pipeline transmission system or other Hydrocarbon project;

(b) the Infrastructure relating to such Field, system or project; and/or

(c) the interests in such Field, system, project or facilities.

"**Hydrocarbons**" means any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in strata and natural gas liquids but excluding:

(a) coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation; and

(b) any substance unavoidably lost in the production thereof or used in conformity with Good Industry Field Practice for drilling and the production operations (including gas injection, fuel, secondary recovery pressure maintenance, re-pressuring or re-cycling operations) conducted for the purpose of winning and saving such substances but only for the duration of such use.

"**IFC**" means the International Finance Corporation.

"**IFC Standards on Social and Environmental Sustainability**" means the "*Performance Standards on Environmental and Social Sustainability*" dated 1 January 2012 and published by IFC (including the technical reference documents known as World Bank Group's Environmental, Health, and Safety Guidelines), as may be amended or replaced from time to time.

"**Impaired Agent**" means the Agent or a Security Agent at any time when:

(a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;

(b) it otherwise rescinds or repudiates a Finance Document;

(c) (if the Agent or that Security Agent (as applicable) is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of "*Defaulting Lender*"; or

(d) an Insolvency Event has occurred and is continuing with respect to the Agent or that Security Agent (as applicable);

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within three Business Days of its due date; or

(ii) the Agent or that Security Agent (as applicable) is disputing in good faith whether it is contractually obliged to make the payment in question.

"**Increase Confirmation**" means a confirmation substantially in the form set out in Schedule 8 (*Form of Increase Confirmation*).

"**Increase Date**" has the meaning given to it in any duly executed Increase Confirmation delivered pursuant to Clause 2.5 (*Accordion*).

"**Increase Lender**" has the meaning given to that term in Clause 2.2(a)(ii)(B)(1) (*Increase due to Cancellation*).

"**Increase Notice**" has the meaning given to that term in Clause 2.5(b) (*Accordion*).

"**Independent E&S Consultant**" means The Petroleum and Renewable Energy Company Ltd or such other reputable independent environmental and social consultant or other expert as may be appointed by the Obligors' Agent with the approval of the Technical Bank.

"**Independent Engineering Consultant**" means NSI Consulting Engineers or such other reputable independent Hydrocarbons engineer or other expert as may be appointed by the Technical Bank (in consultation with the Obligors' Agent).

"**Information Package**" means any and all information supplied in writing by, or on behalf of, the Obligors' Agent, the Original Obligors or any other member of the VAALCO Energy Group to the Finance Parties (or any of them) on or before the date of this Agreement in connection with the Facility including any information in relation to the Initial Borrowing Base Assets, any Original Obligor or any other member of the VAALCO Energy Group.

"**Infrastructure**" means, in relation to a Borrowing Base Asset, each of the following (whether or not partly used for purposes other than those mentioned below):

(a) all wells drilled or to be drilled in relation to a Borrowing Base Asset in accordance with the relevant Development Plan, including production and injection wells and all equipment and structures installed or to be installed or erected in or at the site of such well;

(b) all separation and processing plants used to separate and process gaseous and liquid constituents of the Field Hydrocarbons;

(c) all pipeline and ancillary facilities and all loading, pumping and other terminals and stations constructed or to be constructed for the storage and transportation of Field Hydrocarbons; and

(d) all other pipelines, platforms, apparatus, machinery, structures, equipment, vehicles and other facilities (including any floating storage and offloading system and any floating production storage and offloading system and, in each case, any connected infrastructure) which from time to time are used or are available principally for use in development or production, generation, processing, treatment, storage, transportation, commercialisation, reinjection and/or export of Field Hydrocarbons.

"**Initial Approved Reserves**" has the meaning given to that term in Clause 6.12 (*Initial Approved Reserves*).

"**Initial Banking Case**" means the Banking Case delivered to the Agent as a condition precedent pursuant to paragraph 7(a) of Part 1 (*Conditions Precedent to Submission of Initial Utilisation Request*) of Schedule 2 (*Conditions*).

"**Initial Borrowing Base Assets**" means, on and from the date of this Agreement, each of the Hydrocarbon Assets set out in Schedule 13 (*Initial Borrowing Base Assets*).

"**Initial Egyptian Borrowing Base Assets**" means the:

(a) North West Gharib Initial Egyptian Borrowing Base Asset;

(b) West Bakr Initial Egyptian Borrowing Base Asset; and

(c) West Gharib Initial Egyptian Borrowing Base Asset. "**Initial Egyptian Field Licences**" means:

(a) the Merged Concession Agreement; and

(b) any development lease granted by the government of Egypt in connection with the Merged Concession Agreement, including any extensions or amendments thereof, with respect to any fields in the Initial Egyptian Borrowing Base Assets.

"**Initial Gabonese Borrowing Base Assets**" means all interests, rights, activities, assets, entitlements and developments of VAALCO Gabon in the Etame Marin Permit (Block G4-160) Field.

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"**Initial Hedge Counterparty**" means Glencore Commodities Limited.

"**Initial Ivorian Borrowing Base Assets**" means all interests, rights, activities, assets, entitlements and developments of VAALCO CDI in the Baobab Field.

"**Initial Ivorian Field Licences**" means:

(a) the decree no. 2003-91 dated 11 April 2003 to CNR International (Côte d'Ivoire) SARL, as amended by decree no. 2009-13 dated 13 January 2009; and

(b) the Baobab Production Sharing Contract; and

(c) any exclusive exploitation authorisation granted by the government of Côte d'Ivoire in connection with the Baobab Production Sharing Contract, including any extensions or amendments thereof, with respect to any fields in the Initial Ivorian Borrowing Base Asset.

"**Initial Offtake Agreements**" means:

(a) the Baobab Offtake Agreements;

(b) the Eastern Desert Merged Concession Offtake Agreements; and

(c) the Etame Marin Offtake Agreements.

"**Initial Reserves Report**" means the reserves report by the Independent Engineering Consultant in relation to the Initial Borrowing Base Assets and delivered as a condition precedent pursuant to paragraph 3 (*Reports*) of Part 1 (*Conditions Precedent to Submission of Initial Utilisation Request*) of Schedule 2 (*Conditions*).

"**Initial VAALCO Energy Group Liquidity Forecast**" means the VAALCO Energy Group Liquidity Forecast referred to in paragraph 7(b) (*The Initial Banking Case, Initial VAALCO Energy*

Group Liquidity Forecast) of Part 1 (*Conditions Precedent to Submission of Initial Utilisation Request*) of Schedule 2 (*Conditions*).

"**Insolvency Event**" means, in relation to a Finance Party, that the Finance Party:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts (in each case as determined in accordance with the laws applicable to such Finance Party) or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) institutes in any jurisdiction or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its dissolution, winding-up or liquidation by it or such regulator, supervisor or similar official;

(e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its dissolution, winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

(f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;

(g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);

(i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

(j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or

(k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"**Insuring Obligor**" has the meaning given to that term in Clause 24.11(a) (*Agreed Insurances*). "**Intellectual Property**" means:

(a) any patents, trademarks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of any member of the Parent Obligor Group which may now or in the future subsist.

"**Interest Costs**" means in relation to any period and in relation to the VAALCO Energy Group the aggregate of interest, commission, fees, discounts and other Finance Charges paid or payable by any member of the VAALCO Energy Group in respect of Financial Indebtedness which would fall within the Total Net Indebtedness during such period including:

(a) discount and acceptance fees;

(b) amortisation of financing fees;

(c) fees payable to any person for the issue by that person of any guarantee or other assurance against financial loss; and

(d) amounts due under any swap, cap, floor, collar option or other derivative transaction relating to protection against changes in interest rate.

"**Interest Payment**" means the aggregate amount of interest that is, or is scheduled to become, payable under any Finance Document.

"**Interest Period**" means, in relation to:

(a) a Loan, each period determined in accordance with Clause 11 (*Interest Periods*); and

(b) an Unpaid Sum, each period determined in accordance with Clause 10.3 (*Default Interest*). "**Interim Banking Case**" has the meaning given to that term in Clause 6.1(c) (*Adoption*). "**Interim Redetermination Date**" has the meaning given to that term in Clause 6.1(f) (*Adoption*).

"**Interpolated Historic Term SOFR**" means, in relation to any Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

(a) either:

(i) the most recent applicable Term SOFR (as of a day which is not more than five SOFR Banking Days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of that Loan; or

(ii) if no such Term SOFR is available for a period which is less than the Interest Period of that Loan, SOFR for a day which is no more than five SOFR Banking Days and no less than two SOFR Banking Days before the Quotation Day; and

(b) the most recent applicable Term SOFR (as of a day which is not more than five SOFR Banking Days before the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Loan.

"**Interpolated Term SOFR**" means, in relation to any Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

(a) either:

(i) the applicable Term SOFR (as of the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of that Loan; or

(ii) if no such Term SOFR is available for a period which is less than the Interest Period of that Loan, SOFR for the day which is two SOFR Banking Days before the Quotation Day; and

(b) the applicable Term SOFR (as of the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Loan.

"**Investment Grade Entity**" means an entity which has a rating for its long term unsecured and non-credit enhanced debt obligations of BBB- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa3 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency.

"**IRS**" means the United States Internal Revenue Service (or any successor thereto).

"**ISDA Master Agreement**" means the 2002 ISDA Master Agreement (*Multicurrency—Cross Border*) published by the International Swaps and Derivatives Association.

"Joint Venture" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"**Legal Due Diligence Report**" means the legal due diligence report prepared by White & Case LLP dated on or about the date of this Agreement addressed to certain of the Finance Parties.

"**Legal Reservations**" means:

(a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;

(b) the time barring of claims under the Limitation Act 1980, the Foreign Limitation Periods Act 1984, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;

(c) the principle that in certain circumstances, any Security granted by way of fixed charge may be recharacterised as a floating charge;

(d) the principle that additional interest imposed pursuant to any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;

(e) the principle that an English court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant;

(f) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(g) any other matters which are set out as qualifications or reservations as to matters of law of general application in the legal opinions delivered pursuant to this Agreement.

"**Lender**" means:

(a) an Original Lender; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 2.2 (*Increase due to Cancellation*), Clause 2.5 (*Accordion*) or Clause 27 (*Changes to the Lenders*),

which, in each case, has not ceased to be a Lender in accordance with the terms of this Agreement. "**Lenders' Adviser**" has the meaning given to that term in Clause 18.4(a) (*Advisers' Fees*).

"**Liabilities**" means all present and future liabilities and obligations at any time of any Obligor or any Security Grantor both actual and contingent, and whether incurred, solely or jointly or as principal or surety or in any other capacity, and including interest and fees that accrue after the commencement by or against any Obligor of any proceeding under the US Bankruptcy Code and/or any debtor relief laws naming such person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding, together with any of the following matters relating to or arising in respect of those liabilities and obligations:

(a) any refinancing, novation, deferral or extension;

(b) any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other liability or obligation falling within this definition;

(c) any claim for damages or restitution; and

(d) any claim as a result of any recovery by any member of the VAALCO Energy Group of a payment on the grounds of preference or otherwise,

and any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceeding.

"**LMA**" means the Loan Market Association.

"**Loan**" means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

"**Local Account**" has the meaning given to such term in Clause 24.27 (*Local Accounts and Local Subsidiaries*).

"**Local Currency Gross Income**" means any amount of Gross Income which is paid in EGP, XAF and/or XOF.

"**Local Subsidiary**" has the meaning given to such term in Clause 24.27 (*Local Accounts and Local Subsidiaries*).

"**Major Representation**" means a representation or warranty under any of Clause 21.2 (*Status*) to Clause 21.6 (*Validity and Admissibility in Evidence*) inclusive, Clause 21.8 (*Insolvency*); Clause
21.11 (*No Default*); Clause 21.13(e) to (g) (*No Misleading information*); Clause 21.18 (*No Breach of Laws*); Clause 21.24 (*Security and Financial Indebtedness*); Clause 21.27 (*Material Project Documents*); and Clause 21.35 (*Security*).

"**Majority Lenders**" means, at any time, one or more Lenders whose Commitments aggregate more than 66⅔ per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66⅔ per cent. of the Total Commitments immediately prior to that reduction).

"**Margin**" means:

(a) from (and including) the date of this Agreement to (but excluding) the Baobab FPSO Renovation Completion Date, 6.50 per cent. per annum; and

(b) thereafter, 6.00 per cent. per annum.

"**Margin Stock**" means margin stock within the meaning of Regulations T, U and X of the Board of Governors of the Federal Reserve System of the United States as in effect from time to time.

"**Market Disruption Rate**" means the percentage rate per annum which is the aggregate of the Reference Rate for the Interest Period of the relevant Loan.

"**Material Adverse Effect**" means, in relation to any event (or series of events) or circumstance which occurs or arises, that event (or events) or circumstance (or any effect or consequence thereof), would reasonably be expected to materially and adversely affect:

(a) the condition (financial or otherwise), business, operations, or property of the Obligors taken as a group; or

(b) the ability of an Obligor to perform payment and other material obligations as and when due under the Finance Documents; or

(c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

"**Material Default**" means any Default pursuant to:

(a) Clause 26.1 (*Non-Payment*)*;*

(b) Clause 26.4 (*Other Obligations*) in so far as it relates to a breach of Clause 24.3 (*Negative Pledge*), Clause 24.12 (*Financial Indebtedness*), Clause 24.7 *(Change of Business*), Clause
24.21 (*Compliance with Sanctions*), or Clause 24.22 (*Anti-Corruption Law*);

(c) Clause 26.5 (*Misrepresentation*) in so far as it relates to a breach of any Major Representation;

(d) Clause 26.7 (*Insolvency*);

(e) Clause 26.8 (*Insolvency Proceedings*);

(f) Clause 26.10 (*Unlawfulness and Invalidity*) in respect of the Finance Documents to which that Obligor is a party;

(g) Clause 26.11 (*Cessation of Business*); or

(h) Clause 26.15 (*Repudiation and Recission of Agreements*). "**Material Project Documents**" means:

(a) each Field Licence;

(b) each Field Agreement;

(c) each Development Document;

(d) each Offtake Agreement; and

(e) each Operating Agreement.

"**Mercuria Offtake Agreement**" means the crude oil purchase and marketing agreement dated 10 February 2017 (as amended and/or extended from time to time) entered into between VAALCO Egypt and Mercuria Energy Trading SA in respect of the sale and marketing of the "Seller's" entire (100 per cent.) entitlement (made available to it) to crude oil production from the Initial Egyptian Borrowing Base Assets, together with any crude oil exported from the Ras Gharib Terminal.

"**Merged Concession Agreement**" means the concession agreement dated 19 January 2022 entered into between Egypt, the Egyptian General Petroleum Corporation and the Egyptian Borrowers in respect of petroleum exploration, development and exploitation in the Initial Egyptian Borrowing Base Assets.

"**Modelling Bank**" means The Standard Bank of South Africa Limited in its capacity as modelling bank or any other person that replaces it in such capacity in accordance with this Agreement.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

(c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

"**Multiemployer Plan**" means any "employee pension benefit plan" (within the meaning of Section 3(2) of ERISA) of the type described in Section 4001(a)(3) of ERISA, to which any US Obligor or any ERISA Affiliate makes or is obligated to make contributions or has any liability.

"**Multiple Employer Plan**" means a Pension Plan with respect to which any US Obligor or any ERISA Affiliate is a contributing sponsor, and that has two or more contributing sponsors at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"**Necessary Approvals**" has the meaning given to that term in Clause 2.5(d) (*Accordion*).

"**New Lender**" has the meaning given to that term in Clause 27.1 (*Assignments and Transfers to the Lenders*).

"**New Party**" has the meaning given to that term in Clause 2.5(e) (*Accordion*).

"**Non-Consenting Lender**" has the meaning given to that term in Clause 42.6(d) (*Replacement of Lender*).

"**North West Gharib Initial Egyptian Borrowing Base Asset**" means the Hydrocarbons which will be extracted from, the Infrastructure related to and the interests in, in each case, the North West Gharib area.

"**NPV (Field Life)**" means, in relation to any Calculation Period, the amount (in dollars) calculated in accordance with the following formula:

NPV (Field Life) = A + B – C where:

"**A**" is the net present value of the Projected Net Revenues (in dollars) for that Calculation Period and for each subsequent Calculation Period ending on or before the Calculation End Date;

"**B**" is the net present value of the Capex Add-Back Amount for the relevant period starting on the first day of that Calculation Period; and

"**C**" is an amount which, if not deducted from the aggregate of the A and B values that are attributable to the Borrowing Base Assets (taken together) located in Gabon, would result in the relevant NPV (Field Life) attributable to the Borrowing Base Assets (taken together) located in Gabon exceeding the Gabon BBA Percentage of the relevant NPV (Field Life);

where:

(a) net present values are calculated, using the Computer Model, by applying the Discount Rate;

(b) in accordance with Clause 6.3 (*Key Principles*), in determining the Projected Net Revenues, no account shall be taken of any Gross Expenditure or Gross Income relating to any Borrowing Base Asset which is projected to arise after the Field Life End Date for that Borrowing Base Asset other than any Gross Expenditure relating to the abandonment of such Borrowing Base Asset; and

(c) for the purposes of determining "**C**", "**relevant NPV (Field Life)**" means the aggregate of A and B.

"**NPV (Loan Life)**" means, in relation to any Calculation Period, the amount (in dollars) calculated in accordance with the following formula:

NPV (Loan Life) = A + B – C where:

"**A**" is the net present value of the Projected Net Revenues (in dollars) for that Calculation Period and for each subsequent Calculation Period ending on or before the Final Maturity Date;

"**B**" is the net present value of the Capex Add-Back Amount for the relevant period starting on the first day of that Calculation Period; and

"**C**" is an amount which, if not deducted from the aggregate of the A and B values that are attributable to the Borrowing Base Assets (taken together) located in Gabon, would result in the relevant NPV (Loan Life) attributable to the Borrowing Base Assets (taken together) located in Gabon exceeding the Gabon BBA Percentage of the relevant NPV (Loan Life),

where:

(a) net present values are calculated, using the Computer Model, by applying the Discount Rate;

(b) in accordance with Clause 6.3 (*Key Principles*), in determining the Projected Net Revenues, no account shall be taken of any Gross Expenditure or Gross Income relating to any Borrowing Base Asset which is projected to arise after the Field Life End Date for that Borrowing Base Asset other than any Gross Expenditure relating to the abandonment of such Borrowing Base Asset; and

(c) for the purposes of determining "**C**", "**relevant NPV (Loan Life)**" means the aggregate of A and B.

"**Obligor**" means each Borrower and each Guarantor.

"**Obligor Accession Deed**" means each document substantially in the form set out in Part 2 (*Form of Obligor Accession Deed*) of Schedule 6 (*Form of Accession Documents*).

"**Obligor Group**" means each member of the VAALCO Energy Group that is an Obligor (other than the Parent).

"**Obligors' Agent**" means the Parent, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to Clause 2.4 (*Obligors' Agent*).

"**Offshore Account**" means each Offshore Proceeds Account and the Debt Service Reserve Account.

"**Offshore Account Bank**" means each of:

(a) in relation to the Debt Service Reserve Account, The Mauritius Commercial Bank Limited; and

(b) in relation to each other Offshore Account, Standard Bank (Mauritius) Limited,

and in each case any other person that replaces it in such capacity as agreed between the Obligors' Agent and the Agent.

"**Offshore Main Proceeds Account**" means the Offshore Proceeds Account of the Parent.

"**Offshore Proceeds Account**" has the meaning given to that term in Clause 20.3(a)(i) (*Offshore Proceeds Account*).

"**Offshore Proceeds Account Holding Obligor**" means:

(a) the Parent;

(b) VAALCO Egypt;

(c) VAALCO Etame;

(d) VAALCO Gabon;

(e) VAALCO CDI; and

(f) any other person designated as an "*Offshore Proceeds Account Holding Obligor*" by the Agent and the Obligors' Agent.

"**Offshore Security Agent**" means The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division), in its capacity as offshore security agent or any other person that replaces it in such capacity in accordance with this Agreement.

"**Offtake Agreement**" means:

(a) each Initial Offtake Agreement; and

(b) any other agreement entered into between an Obligor in respect of that Obligor's entitlement to Field Hydrocarbons derived from a Borrowing Base Asset.

"**Offtaker Lender**" means each Lender that is a party to an Offtake Agreement in the capacity of Qualifying Offtaker.

"**Onshore Account Bank**" means:

(a) in respect of each Onshore Proceeds Account located in Egypt, HSBC Bank Egypt S.A.E.; and

(b) in respect of each Onshore Proceeds Account located in Gabon, Citibank Gabon S.A.; or

in each case, any other person that replaces it in the relevant capacity in accordance with the relevant Onshore Account Bank Agreement.

"**Onshore Account Bank Agreement**" means each of:

(a) the onshore account bank agreement delivered pursuant to paragraph 2(e) of Part 1 (*Conditions Precedent to Submission of Initial Utilisation Request*) of Schedule 2 (*Conditions*) and made between, amongst others, HSBC Bank Egypt S.A.E. in its capacity as an Onshore Account Bank and VAALCO West Gharib in relation to its Onshore Proceeds Account located in Egypt; and

(b) the onshore account bank agreement delivered pursuant to paragraph 2(e) of Part 1 (*Conditions Precedent to Submission of Initial Utilisation Request*) of Schedule 2 (*Conditions*) and made between, amongst others, Citibank Gabon S.A. in its capacity as an Onshore Account Bank and VAALCO Gabon in relation to its Onshore Proceeds Account located in Gabon.

"**Onshore Proceeds Account**" has the meaning given to that term in Clause 20.4(a) (*Onshore Proceeds Account*).

"**Onshore Proceeds Account Holding Obligor**" means:

(a) VAALCO West Gharib;

(b) VAALCO Gabon; and

(c) any other person designated as an "*Onshore Proceeds Account Holding Obligor*" by the Agent and the Obligors' Agent.

"**Onshore (Egypt) Security Agent**" means HSBC Bank Egypt S.A.E. in its capacity as onshore security agent or any other person that replaces it in such capacity in accordance with the Onshore Security Agent (Egypt) Appointment Agreement.

"**Onshore (Gabon) Security Agent**" means The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) in its capacity as onshore security agent or any other person that replaces it in such capacity in accordance with the Onshore Security Agent (Gabon) Appointment Agreement.

"**Onshore Security Agent**" means the Onshore (Egypt) Security Agent or the Onshore (Gabon) Security Agent as applicable.

"**Onshore Security Agent (Egypt) Appointment Agreement**" means the onshore security agent appointment agreement delivered pursuant to paragraph 2(d) of Part 1 (*Conditions Precedent to Submission of Initial Utilisation Request*) of Schedule 2 (*Conditions*) and made between, amongst others, the Agent, the Onshore (Egypt) Security Agent and VAALCO West Gharib in relation to the Security governed by the laws of Egypt.

"**Onshore Security Agent (Gabon) Appointment Agreement**" means the onshore security agent appointment agreement delivered pursuant to paragraph 2(d) of Part 1 (*Conditions Precedent to Submission of Initial Utilisation Request*) of Schedule 2 (*Conditions*) and made between, amongst others, the Agent, the Onshore (Gabon) Security Agent and VAALCO Gabon in relation to the Security governed by the laws of Gabon.

"**Onshore Security Agent Appointment Agreement**" means the Onshore Security Agent (Gabon) Appointment Agreement or the Onshore Security Agent (Egypt) Appointment Agreement.

"**Operating Agreements**" means:

(a) the Baobab Operating Agreement;

(b) the Etame Marin Joint Operating Agreement; and

(c) any other agreement designated as a "*Operating Agreement*" by the Obligors' Agent and the Agent.

"**Operator**" means:

(a) in respect of the Initial Ivorian Borrowing Base Assets and its related Infrastructure, CNR International (Côte d'Ivoire) SARL or any permitted replacement entity appointed operator of the Initial Ivorian Borrowing Base Assets;

(b) in respect of the Initial Gabonese Borrowing Base Assets and its related Infrastructure, VAALCO Gabon or any permitted replacement entity appointed operator of the Initial Gabonese Borrowing Base Assets;

(c) in respect of the Initial Egyptian Borrowing Base Assets and its related Infrastructure, PetroBakr or any permitted replacement entity appointed operator of the Initial Egyptian Borrowing Base Assets; and

(d) any in relation to any other Borrowing Base Asset and its related Infrastructure, the person (if any) who is from time to time appointed operator of that Borrowing Base Asset and its related Infrastructure under the relevant Field Agreement.

"**Original Financial Statements**" means:

(a) in respect of the Parent, the audited financial statements for the financial year ended 31 December 2023; and

(b) in respect of each Relevant VAALCO Entity, the audited financial statements of that Relevant VAALCO Entity for the financial year ended 31 December 2023.

"**Original Jurisdiction**" means in relation to:

(a) each Original Borrower and each Guarantor, the jurisdiction under whose laws that such Obligor is incorporated as at the date of this Agreement; or

(b) an Acceding Obligor, the jurisdiction under whose laws that Acceding Obligor is incorporated as at the date on which that Acceding Obligor becomes Party as a Borrower or a Guarantor.

"**Original Obligor**" means an Original Borrower or an Original Guarantor.

"**Parent Investment Account**" has the meaning given to that term in Clause 20.6(b)(ii) (*Permitted Parent Accounts*).

"**Parent Non-Obligor Group**" means any member of the VAALCO Energy Group which is not an Obligor (where for this purpose, VAALCO Gabon is an Obligor).

"**Parent Obligor Group**" means the Parent and each member of the Obligor Group.

"**Parallel Obligation**" has the meaning given to that term in Clause 30.31(a) (*Parallel Obligation (Covenant to pay the Security Agent)*).

"**Participating Member State**" means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"**Party**" means a party to this Agreement.

"**PBGC**" means the Pension Benefit Guaranty Corporation.

"**Pension Funding Rules**" means the rules of the Code and ERISA regarding minimum funding standards and minimum required contributions (including any instalment payment thereof) to Pension Plans and Multiemployer Plans and set forth in Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"**Pension Plan**" means any "employee pension benefit plan" (within the meaning of Section 3(2) of ERISA) (including Multiple Employer Plans, but excluding Multiemployer Plans) that is maintained or is contributed to by any US Obligor or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

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[*****]

"**Permitted Currency**" has the meaning given to that term in Clause 20.1(g) (*General*).

[*****]

"**Permitted Equity Injection**" means a payment in respect of:

(a) subscription for shares in the Parent or in the capital reserves of the Parent; or

(b) any Permitted Parent Loan.

"**Permitted Financial Arrangement**" means any Financial Indebtedness or loan between Obligors that constitute a Permitted Obligor Group Financial Indebtedness, Permitted Parent Financial Indebtedness, Permitted Obligor Group Loan or Permitted Parent Loan.

"**Permitted Guarantee**" means:

(a) any guarantee or indemnity contained in the Transaction Documents;

(b) any guarantee and indemnity contained in the Existing Facility Agreement provided that such guarantee and indemnity shall be released on or before the first Utilisation;

(c) the endorsement of negotiable instruments in the ordinary course of trade;

(d) any guarantee or indemnity that is Permitted Obligor Group Financial Indebtedness or Permitted Parent Financial Indebtedness;

(e) any guarantee or indemnity given in the ordinary course of the documentation of a Permitted Acquisition or a Permitted Disposal, which guarantee is in a customary form and subject to customary limitations;

(f) any guarantee or indemnity that is given by a member of the Parent Obligor Group in respect of Permitted Obligor Group Financial Indebtedness;

(g) any guarantee or indemnity that is given by the Parent in respect of Financial Indebtedness incurred by any member of the Parent Non-Obligor Group, *provided that*:

(i) the following conditions are met:

(A) the guarantee is provided by the Parent;

(B) the liability under any such guarantee will be, and shall remain, at all times unsecured; and

(C) no later than ten Business Days prior to the date of the Parent granting such proposed guarantee, the Parent shall deliver to the Agent a VAALCO Energy Group Liquidity Forecast (taking into account such proposed guarantee) demonstrating to the satisfaction of the Agent no Funding Shortfall following the granting such guarantee; and

(ii) the Agent is satisfied that immediately upon granting such guarantee, the Total Net Indebtedness to EBITDAX ratio shall be no greater than 3.00:1; and

(h) any guarantee given in respect of any netting-off or set off arrangements permitted under this Agreement; and

(i) any guarantee or indemnity with the prior written consent of the Majority Lenders.

"**Permitted Obligor Group Financial Indebtedness**" means, in relation to any member of the Obligor Group:

(a) any Financial Indebtedness incurred pursuant to the terms of the Finance Documents;

(b) any Financial Indebtedness incurred under the Existing Facility Agreement and related finance documents *provided that* such Financial Indebtedness is repaid or prepaid and cancelled on or before the date of first Utilisation;

(c) any Financial Indebtedness incurred by a member of the Obligor Group arising under any Hedging Agreement entered into in compliance with this Agreement and the Hedging Policy;

(d) any Financial Indebtedness incurred by any member of the Obligor Group (a "**Relevant Borrower**") under any loans made available to it by any member of the VAALCO Energy Group (a "**Relevant Lender**") *provided that*:

(i) the Financial Indebtedness of the Relevant Borrower under such loans has been subordinated to the Financial Indebtedness under the Finance Documents pursuant to the Subordination Deed or an Acceptable Intercreditor Agreement;

(ii) the Relevant Borrower and Related Lender have each taken all such steps, and delivered all such documents as the Agent may reasonably request for the purposes of ensuring that such subordination is effective;

(iii) Security, in form and substance satisfactory to the relevant Security Agent has been granted by the Relevant Lender over that Relevant Lender's rights and interests in respect of such Financial Indebtedness (and any agreement relating thereto) to the Secured Parties or the applicable Security Agent (in its capacity as such);

(iv) the Relevant Borrower and the Relevant Lender have each taken all such steps and delivered all such documents and opinions as the relevant Security Agent may reasonably request with respect to the creation and perfection of such Security;

(e) any Financial Indebtedness arising under credit for goods and services arising in the ordinary course of trading of a member of the Obligor Group;

(f) any Financial Indebtedness owed by a member of the Obligor Group arising out of over- lifting of Hydrocarbon cargoes from a Borrowing Base Asset;

(g) any Financial Indebtedness expressly contemplated under the Material Project Documents;

(h) any Financial Indebtedness arising under the Gabon Customs Guarantee;

(i) any Financial Indebtedness arising under the Existing Etame Intercompany Loan Agreement and the Existing AB Intercompany Loan Agreement, *provided that* any and all such Financial Indebtedness incurred thereunder becomes, on and from the first Utilisation Date, Permitted Obligor Group Financial Indebtedness pursuant to paragraphs (d)(i) to (d)(iv) (inclusive) above;

(j) any Financial Indebtedness incurred by any member of the Obligor Group under any cash pooling or management arrangement provided that there is no cash pooling between Project Accounts and other accounts; and

(k) any Financial Indebtedness incurred by any member of the Obligor Group with the prior written consent of the Majority Lenders.

"**Permitted Obligor Group Loan**" means, in relation to any member of the Obligor Group:

(a) any loans granted by a member of the Obligor Group (a "**Relevant Lender**") to another member of the Parent Obligor Group (a "**Relevant Borrower**") *provided that*:

(i) the Financial Indebtedness of the Relevant Borrower under such loans has been subordinated to the Financial Indebtedness under the Finance Documents pursuant to the Subordination Deed or an Acceptable Intercreditor Agreement;

(ii) the Relevant Borrower and Related Lender have each taken all such steps, and delivered all such documents as the Agent may reasonably request for the purposes of ensuring that such subordination is effective;

(iii) Security, in form and substance satisfactory to the relevant Security Agent has been granted by the Relevant Lender over that entity's rights and interests in respect of such Financial Indebtedness (and any agreement relating thereto) to the Secured Parties or the applicable Security Agent (in its capacity as such); and

(iv) the Relevant Borrower and the Relevant Lender have each taken all such steps and delivered all such documents and opinions as the Offshore Security Agent or Onshore Security Agent (as applicable) may reasonably request with respect to the creation and perfection of such Security;

(b) any loan created or existing under the Existing VAALCO Egypt Intercompany Loan Agreement *provided that*, on and from the first Utilisation Date:

(i) Security, in form and substance satisfactory to the relevant Security Agent has been granted by VAALCO Egypt as lender over that its rights and interests in respect of

such Financial Indebtedness (and any agreement relating thereto) to the Secured Parties or the applicable Security Agent (in its capacity as such); and

(ii) VAALCO Energy Holdings LLC as borrower and VAALCO Egypt as lender have each taken all such steps and delivered all such documents and opinions as the relevant Security Agent (as applicable) may reasonably request with respect to the creation of such Security;

(c) any loan which constitutes Permitted Obligor Group Financial Indebtedness;

(d) any customer credit on normal trade terms given in the ordinary course of a member of an Obligor Group's trading operations; and

(e) any loans made or credit granted by any member of the Obligor Group with the prior written consent of the Majority Lenders.

"**Permitted Parent Account**" has the meaning given to that term in Clause 20.6(a) (*Permitted Parent Accounts*).

"**Permitted Parent Financial Indebtedness**" means in respect of the Parent:

(a) any Financial Indebtedness incurred pursuant to the terms of the Finance Documents;

(b) any Financial Indebtedness incurred under the Existing Facility Agreement and related finance documents provided that such Financial Indebtedness is repaid or prepaid and cancelled on or before the date of the first Utilisation;

(c) any Financial Indebtedness incurred by the Parent under any loans made available to it by any member of the VAALCO Energy Group (a "**Relevant Lender**") *provided that*:

(i) the Financial Indebtedness of the Parent under such loans has been subordinated to the Financial Indebtedness under the Finance Documents pursuant to the Subordination Deed or an Acceptable Intercreditor Agreement;

(ii) the Parent and Related Lender have each taken all such steps, and delivered all such documents as the Agent may reasonably request for the purposes of ensuring that such subordination is effective;

(iii) Security, in form and substance satisfactory to the relevant Security Agent has been granted by the Relevant Lender over the Relevant Lender's rights and interests in respect of such Financial Indebtedness (and any agreement relating thereto) to the Secured Parties or the applicable Security Agent (in its capacity as such); and

(iv) the Parent and the Relevant Lender have each taken all such steps and delivered all such documents and opinions as the relevant Security Agent may reasonably request with respect to the creation and perfection of such Security;

(d) any Financial Indebtedness incurred by the Parent arising under one or more loans made available to the Parent by any person that is not a member of the VAALCO Energy Group which:

(i) are unsecured and are subordinated to the Financial Indebtedness under the Finance Documents pursuant to an Acceptable Intercreditor Agreement (which shall include, amongst other things, prohibitions on the right of any such provider

of Financial Indebtedness to claim against the Parent until the Final Discharge Date has occurred);

(ii) have an amortisation falling not less than 12 months after the Final Maturity Date; and

(iii) are provided by one or more entities which are not Sanctioned Persons,

provided that, no later than ten Business Days prior to the date of incurring the proposed Financial Indebtedness, the Parent has delivered to the Agent a VAALCO Energy Group Liquidity Forecast (taking into account the proposed Financial Indebtedness), demonstrating to the satisfaction of the Agent no Funding Shortfall following the incurrence of such Financial Indebtedness;

(e) any Financial Indebtedness arising under the hedging agreement dated 31 May 2018 ("**Existing BP Hedging Agreement**") between the Parent and BP Energy Company *provided that* other than any credit support arrangement requested by the Parent in connection with any hedging transactions existing thereunder, such hedging agreement shall remain unsecured; and

(f) any Financial Indebtedness arising under the Hedging Agreement dated 22 May 2022 between the Parent and Glencore Commodities Limited *provided that,* such Hedging Agreement shall not be subject to any security other than:

(i) any credit support arrangement requested under that Hedging Agreement;

(ii) prior to the Closing Date, the Existing Security; and

(iii) on and from the Closing Date, the Transaction Security only;

(g) any Financial Indebtedness incurred by the Parent under any Permitted Guarantee;

(h) any Financial Indebtedness incurred by the Parent under any cash pooling or management arrangement provided that there is no cash pooling between Project Accounts and other accounts; and

(i) any Financial Indebtedness incurred by the Parent with the prior written consent of the Majority Lenders,

provided that, in each case, the Agent is satisfied that immediately upon incurring such Financial Indebtedness and for so long as such Financial Indebtedness remains outstanding, the Total Net Indebtedness to EBITDAX ratio shall be no greater than 3.00:1.

"**Permitted Parent Loan**" means in respect of any member of the Parent:

(a) any loan granted by the Parent (a "**Related Lender**") to any member of the Obligor Group (a "**Related Borrower**") *provided that*:

(i) the Financial Indebtedness of the Relevant Borrower under such loans has been subordinated to the Financial Indebtedness under the Finance Documents pursuant to the Subordination Deed or an Acceptable Intercreditor Agreement;

(ii) the Relevant Borrower and Related Lender have each taken all such steps, and delivered all such documents as the Agent may reasonably request for the purposes of ensuring that such subordination is effective;

(iii) Security, in form and substance satisfactory to the relevant Security Agent has been granted by the Relevant Lender over that entity's rights and interests in respect of such Financial Indebtedness (and any agreement relating thereto) to the Secured Parties or the applicable Security Agent (in its capacity as such); and

(iv) the Relevant Borrower and the Relevant Lender have each taken all such steps and delivered all such documents and opinions as the relevant Security Agent (as applicable) may reasonably request with respect to the creation of such Security; and

(b) any loan granted by the Parent (a "**Related Lender**") to any member of the Parent Non- Obligor Group (a "**Related Borrower**") *provided that*:

(i) Security, in form and substance satisfactory to the relevant Security Agent has been granted by the Relevant Lender over that entity's rights and interests in respect of such Financial Indebtedness (and any agreement relating thereto) to the Secured Parties or the applicable Security Agent (in its capacity as such);

(ii) the Relevant Borrower and the Relevant Lender have each taken all such steps and delivered all such documents and opinions as the relevant Security Agent (as applicable) may reasonably request with respect to the creation of such Security; and

(c) any loan created or existing under the Existing Parent Intercompany Loan Agreement *provided that* such loan becomes, on and from the first Utilisation Date, a Permitted Parent Loan pursuant to paragraph (b) above;

(d) any loan which would constitute Permitted Parent Financial Indebtedness;

(e) any credit on normal trade terms given in the ordinary course of the Parent's trading operations;

(f) as disclosed to the Agent before the date of this Agreement, any loans made or credit granted by the Parent before the date of this Agreement; and

(g) any loans made or credit granted by the Parent with the consent of the Majority Lenders. "**Permitted Security**" means:

(a) the Transaction Security;

(b) the Existing Security provided that such Security is released on or before the date of the first Utilisation;

(c) any cash pooling, netting or set-off arrangement entered into by a member of the Parent Obligor Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of Parent Obligor Group but only so long as (i) such arrangement does not permit credit balances of Obligors to be netted or set off against debit balances of members of the Parent Non-Obligor Group and (ii) such arrangement does not give rise to other Security over the assets of the Obligors in support of liabilities of members of the Parent Non-Obligor Group;

(d) any payment or close out netting or set-off arrangement pursuant to any Hedging Agreement entered into by an Obligor in compliance with this Agreement and the Hedging Policy;

(e) any lien arising by operation of law and in the ordinary course of trading not more than 30 days overdue;

(f) any Security or Quasi-Security entered into pursuant to any Finance Document;

(g) any Security or Quasi-Security that arises under or pursuant to a Material Project Document which secures only amounts owing under a Material Project Document to another party thereto and does not secure Financial Indebtedness;

(h) the Security created or purported to be created by VAALCO Gabon over the cash collateral account granted in favour of the Onshore Account Bank in Gabon in connection with the Gabon Customs Guarantee;

(i) any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Parent Obligor Group in the ordinary course of trading and on the supplier's standard or usual terms and (i) not arising as a result of any default or omission by a member of the VAALCO Energy Group and (ii) and where the aggregate amount of Financial Indebtedness secured by such Security does not exceed $500,000 (or the equivalent amount in one or more other currencies);

(j) any Security over or affecting any asset acquired by a member of the Parent Obligor Group after the date of this Agreement if:

  (i) the Security was not created in contemplation of the acquisition of that asset by a member of the Parent Obligor Group;

  (ii) the principal amount secured has not been increased, in contemplation of or since the acquisition of that asset by a member of the Parent Obligor Group; and

  (iii) the Security is removed or discharged within 30 days of the date of acquisition of such asset;

(k) any Security resulting from or arising under any credit support arrangement entered into pursuant to paragraph (e) or paragraph (f) of the definition of "*Permitted Parent Financial Indebtedness*"; and

(l) any Security created or outstanding with the prior written consent of the Majority Lenders.

"**PetroBakr**" means PetroBakr Petroleum Company, a joint stock company incorporated under the laws of the Arab Republic of Egypt with its headquarters at 6 Badr Towers, Ring Road, New Maadi, Egypt and its commercial registration number being 89663.

"**Project Accounts**" means:

(a) each Offshore Account;

(b) each Onshore Proceeds Account; and

(c) any other project bank account designated as a "*Project Account*" by the Agent and the Obligors' Agent and shall exclude any Permitted Account and any Decommissioning Account.

"**Projected Net Revenues**" means, in relation to any Calculation Period, an amount (which may be a negative or positive figure) calculated by deducting "**B**" from "**A**" where:

(a) "**A**" is the aggregate amount of the Gross Income of all Obligors projected to be received in that Calculation Period; and

(b) "**B**" is the aggregate amount of the Gross Expenditure of all Obligors projected to be made in that Calculation Period.

"**Quarter Date**" means each 31 March, 30 June, 30 September and 31 December.

"**Quarterly Financial Statements**" means the unaudited consolidated account of the VAALCO Energy Group for the relevant Financial Quarter as required to be delivered to the Agent pursuant to Clause 22.1 (*Financial Statements*).

"**Quasi-Security**" means:

(a) the sale, transfer or otherwise disposing of any assets on terms whereby they are or may be leased to or re-acquired;

(b) the sale, transfer or otherwise disposing of any receivables on recourse terms;

(c) the entry into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or

(d) the entry into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

"**Quotation Day**" means, in relation to any period for which an interest rate in respect of a Loan is to be determined:

(a) subject to paragraph (b) below, two SOFR Banking Days before the first day of that period (unless market practice differs in the Relevant Market, in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days)); or

(b) if the Reference Rate is, or is based on, the Central Bank Rate, two SOFR Banking Days before the first day of that period.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"**Redetermination Date**" means any Scheduled Redetermination Date or any Interim Redetermination Date.

"**Reduction Date**" means:

(a) the First Reduction Date; and

(b) each Redetermination Date and each other date on which a Banking Case is adopted in accordance with Clause 6 (*Banking Cases*).

"**Reference Rate**" means, in relation to any Loan:

(a) the applicable Term SOFR as of the Quotation Day and for a period equal in length to the Interest Period of that Loan; or

(b) as otherwise determined pursuant to Clause 12.1 (*Unavailability of Term SOFR*),

and if, in either case, that rate is less than zero, the Reference Rate shall be deemed to be zero.

"**Related Fund**" in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Relevant Affiliate**" means, to the extent that it is not already an Obligor, any wholly owned Subsidiary of an Obligor or any wholly owned Subsidiary of a Holding Company of an Obligor, other than VAALCO Energy (Holdings), LLC.

"**Relevant Jurisdiction**" means, in relation to a member of the Parent Obligor Group and any Security Grantor:

(a) its Original Jurisdiction;

(b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;

(c) any jurisdiction where it conducts its business; and

(d) the jurisdiction whose laws govern the creation, perfection or priority of any Transaction Security granted under the Transaction Security Documents entered into by it including applicable OHADA laws in relation to taking of security.

"**Relevant Market**" means the market for overnight cash borrowing collateralised by US Government securities.

"**Relevant Period**" means each period of 12 Months ending on the relevant Test Date.

"**Relevant Security Document**" has the meaning given to that term in Clause 30.31(f)(ii) (*Parallel Obligation (Covenant to pay the Security Agent)*).

"**Relevant VAALCO Entity**" means each of:

(a) VAALCO Gabon;

(b) VAALCO Energy Cote d'Ivoire AB;

(c) VAALCO Energy Cote d'Ivoire Holding AB; and

(d) VAALCO CDI.

"**Remaining Reserves**" means, in relation to a Borrowing Base Asset and any Calculation Period, the total quantities of Field Hydrocarbons forecast in the then current Banking Case to be derived from that Borrowing Base Asset in that Calculation Period and each subsequent Calculation Period which ends on or before the Field Life End Date for such Borrowing Base Asset.

"**Repeating Representations**" means each of the representations set out in Clause 21 (*Representations*) other than the representations set out in Clause 21.8 (*Insolvency*), Clause 21.9 (*No Filing or Stamp Taxes*), Clause 21.10 (*Deduction of Tax*), Clause 21.22 (*Taxation*), Clauses 21.13 (a) to (d) and (h) (*No Misleading information*), Clause 21.31(a) (*VAALCO Energy Group Structure Chart*), Clause 21.36 (*Reports*), Clause 21.39 (*ERISA Compliance*) and Clause 21.40 (*Investment Company Act*).

"**Report**" means any of the reports delivered pursuant to paragraph 3 of Part 1 (*Conditions Precedent to Submission of Initial Utilisation Request*) of Schedule 2 (*Conditions*).

"**Report Provider**" means any provider of any Report.

"**Reportable Event**" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

"**Reporting Day"** means:

(a) subject to paragraph (b) below, the Quotation Day for the relevant Interest Period; or

(b) if the Reference Rate is, or is based on, the Central Bank Rate, the date falling one Business Day after the Quotation Day for the relevant Interest Period.

"**Reporting Time**" means the date falling one Business Day after the Quotation Day for the relevant Interest Period.

"**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"**Reserve Tail Date**" means the last day of the Calculation Period immediately preceding the first Calculation Period in which the aggregate Remaining Reserves for all of the Borrowing Base Assets are projected in the then current Banking Case to be less than 25 per cent. of the Initial Approved Reserves.

"**Reserves Report**" means:

(a) each Initial Reserves Report; and

(b) each other report (in form and substance satisfactory to the Technical Bank) which is prepared by an Independent Engineering Consultant and, in each case, includes:

  (i) evaluations of, and production profiles for, the 1P Reserves and 2P Reserves recoverable from the Borrowing Base Assets;

  (ii) all relevant information and data about, and all estimates of the operating and capital expenditure that may be required to be incurred in connection with the recovery of such reserves and/or the achievement of such production profiles; and

  (iii) any other information, data or evaluation(s) relating to the Borrowing Base Assets (or as the case may be, the Hydrocarbon Assets that are proposed to be designated as Borrowing Base Assets) as the Technical Bank may reasonably require.

"**Resignation Letter**" means a letter substantially in the form set out in Schedule 9 (*Form of Resignation Letter*).

"**Resolution Authority**" means any body which has authority to exercise any Write-Down and Conversion Powers.

"**Restricted Clauses**" has the meaning given to that term in Clause 1.6 (*Anti-Blocking Law*).

"**Restricted Lender**" means any Lender in respect of which any Restricted Clauses would otherwise result in a violation of, conflict with or liability under any applicable Anti-Blocking Law for that Lender and is designated a "*Restricted Lender*" by the Agent at the request of any such Lender.

"**Rollover Loan**" means one or more Loans:

(a) made or to be made on the same day that a maturing Loan is due to be repaid;

(b) the aggregate amount of which is equal to or less than the amount of the maturing Loan; and

(c) made or to be made to the same Borrower for the purpose of refinancing that maturing Loan.

"**Sanctioned Country**" means any country or territory that is, or whose government is, subject to or the target of country-wide or territory-wide Sanctions.

"**Sanctioned Person**" means a person that is:

(a) listed on, or directly or indirectly owned or controlled (as such terms are defined by the relevant Sanctions Authority) by, or acting on behalf of, a person listed on any Sanctions List;

(b) the designated target of Sanctions or a subject of Sanctions; or

(c) organised under the laws of, or a citizen or resident of a Sanctioned Country. "**Sanctions**" means any laws or regulations relating to economic

or financial sanctions or trade

embargoes or related restrictive measures enacted, administered or enforced from time to time by a Sanctions Authority.

"**Sanctions Authority**" means each of:

(a) the United States of America;

(b) the United Nations Security Council;

(c) the European Union;

(d) any member state of the European Union;

(e) Switzerland;

(f) the United Kingdom;

(g) the respective governments and official institutions or agencies of any of the foregoing, including the Office of Foreign Assets Control of the US Department of Treasury ("**OFAC**"), the United States Department of State and the United States Department of Commerce and His Majesty's Treasury and the French Ministry of Economy, Finance & Industry Sanctions; and

(h) any other governmental institution or agency with responsibility for imposing, administering or enforcing Sanctions with jurisdiction over any Finance Party, any Security Grantor or any member of the VAALCO Energy Group.

"**Sanctions List**" means each of:

(a) the Specially Designated Nationals and Blocked Persons list maintained by OFAC and any other targeted sanctions lists administered by OFAC;

(b) the Denied Persons List maintained by the US Department of Commerce;

(c) the Consolidated List of Financial Sanctions Targets and the List of Persons Subject to Restrictive Measures in View of Russia's Actions Destabilising the Situation in Ukraine, each maintained by His Majesty's Treasury;

(d) the European Union's lists of restrictive measures against persons and entities issued pursuant to its Common Foreign and Security Policy, for which a consolidated list is provided on the website of the European External Action Service, as well as any implementing or additional lists of restrictive measures against persons or entities issued by its member states;

(e) the United Nations Security Council Lists established pursuant to United Nations Security council Resolutions;

(f) the Office of Financial Sanctions Implementation (OFSI) List and other targeted Sanctions Lists administered by OFSI;

(g) the Consolidated List of Persons, groups and entities subject to European Union Financial Sanctions;

(h) the Consolidated List of Persons, groups and entities subject to the French Ministry of Economy, Finance & Industry Sanctions; and

(i) any other similar list issued or maintained by, or public announcement of a Sanctions designation made by, a Sanctions Authority of persons the target or subject of Sanctions (including investment or related restrictions),

each as amended, supplemented or substituted from time to time.

"**Scheduled Banking Case**" has the meaning given to that term in Clause 6.1(b) (*Adoption*). "**Scheduled Redetermination Date**" means:

(a) the First Scheduled Redetermination Date; and

(b) thereafter, each 31 March and 30 September occurring before the Final Maturity Date.

"**Secured Hedge Counterparty**" means any Lender or any Affiliate of any Lender, in each case that accedes, and becomes a party, to this Agreement as a "*Hedge Counterparty*" in accordance with this Agreement, to the extent that:

(a) such person is a party to any Hedging Agreement under which a Liability of an Obligor is, or is capable of being, outstanding; or

(b) any amount is owed to such person under any Finance Document pursuant to its having been a Hedge Counterparty pursuant to paragraph (a) above,

provided that if the relevant Lender ceases to be a Lender at a time when it or its Affiliate falls within paragraph (a) or (b), it (or its Affiliate, as the case may be) shall nonetheless continue to be a Secured Hedge Counterparty in respect of such Hedging Agreement, and in respect of any amount owed to it as a Secured Hedge Counterparty under any Finance Document, until it no longer falls within paragraph (a) or (b).

"**Secured Hedging Agreement**" means a Hedging Agreement entered into between an Obligor and a Secured Hedge Counterparty.

"**Secured Obligations**" means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any Obligor or any Security Grantor to any Secured Party under the Finance Documents (including any liabilities due, owing or incurred by an Obligor pursuant to an increase in the Total Commitments pursuant to Clause 2.5 (*Accordion*)), both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity, *provided that*, notwithstanding anything herein to the contrary, Excluded Swap Obligations shall be excluded from "Secured Obligations".

"**Secured Parties**" means each of the Finance Parties, any Receiver or any Delegate.

"**Security**" means a mortgage, charge, hypothec, pledge, fiduciary transfer, fiduciary assignment, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Agent**" means the Offshore Security Agent and the Onshore Security Agent (as the case may be) or any other person that replaces the Security Agent in accordance with this Agreement.

"**Security Grantor**" means each entity other than an Obligor that has granted Transaction Security in favour of a Security Agent under the Transaction Security Documents.

"**Security Property**" means:

(a) the Transaction Security expressed to be granted in favour of the Security Agent as trustee for the Secured Parties and all proceeds of that Transaction Security;

(b) all obligations expressed to be undertaken by an Obligor or a Security Grantor to pay amounts under a Finance Document to a Security Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by an Obligor or a Security Grantor in favour of a Security Agent as trustee for the Secured Parties;

(c) the Security Agent's interest in any trust fund created pursuant to any Finance Document; and

(d) any other amounts or property, whether rights, entitlements, choses in action or otherwise actual or contingent, which a Security Agent is required by the terms of the Finance Documents to hold as trustee on trust for the Secured Parties.

"**Separate Loan**" has the meaning given to that term in Clause 7.1(c) (*Repayment of Loans*).

"**SOFR**" means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

"**SOFR Banking Day**" means any day other than:

(a) a Saturday or Sunday; and

(b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

"**Solvent**" means, as to any person as of any date of determination, that on such date:

(a) the fair value of the property of such person is greater than the total amount of liabilities, including contingent liabilities, of such person;

(b) the present fair saleable value of such person is not less than the amount that will be required to pay the probable liability of such person on its debts as they become absolute and matured;

(c) such person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature; and

(d) such person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such person's property would constitute an unreasonably small capital.

The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"**Specified Period**" means the time periods set out in the column headed "Specified Period" in Part 3 (*The Original Lenders*) of Schedule 1 (*The Original Parties*).

"**Stop Notice"** means any notice issued by the Agent to the Offshore Account Bank or the Onshore Account Bank (as the case may be) whilst an Event of Default is continuing which confirms that an Account Holding Obligor is no longer permitted to make a withdrawal from the relevant Project Account without the prior consent of the Agent until the relevant Account Bank receives a Withdrawal Notice in respect of that Stop Notice.

"**Subordination Deed**" means the subordination agreement delivered pursuant to paragraph 2(b) of Part 1 (*Conditions Precedent to Submission of Initial Utilisation Request*) of Schedule 2 (*Conditions*) and made between, among others, the Parent, the Obligors, the Agent and the Security Agents.

"**Subsidiary**" means, in relation to any person (a "**parent entity**"), any other person (the "**relevant entity**") (a) in respect of which that parent entity holds or owns (directly or indirectly) more than 50 per cent. of the issued share capital or other equity interests of the relevant entity, excluding any part of that issued share capital or other equity interests that carries no right to participate beyond a specified amount in a distribution of either profits or capital or (b) over which that parent entity has direct or indirect control, where, for the purposes of this definition, "**control**" means the power (whether by way of ownership, contract, agency or otherwise) to:

(a) cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the relevant entity; or

(b) appoint or remove all, or the majority, of the directors or other equivalent persons of the relevant entity; or

(c) give directions with respect to the operating and financial policies of the relevant entity with which the directors or other equivalent officers of the relevant entity are obliged to comply.

"**Swap**" has the meaning given to that term in section 1a(47) of the Commodity Exchange Act.

"**Swap Obligation**" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap.

"**Swedish Obligor**" means any Obligor incorporated in Sweden.

"**Swedish Security Documents**" means the Transaction Security Documents governed by Swedish law.

"**Swedish Transaction Security**" means the Transaction Security created or expressed to be created pursuant to a Swedish Security Document.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Technical Assumption**" means any assumption (other than an Economic Assumption), and the values ascribed to such assumption, upon which each Banking Case or draft Banking Case and, in each case, the calculations and information therein are, or are to be, based.

"**Technical Bank**" means The Standard Bank of South Africa Limited in its capacity as technical bank or any other person that replaces it in such capacity in accordance with this Agreement.

"**Term SOFR**" means the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction, recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate).

"**Test Date**" means, in the case of:

(a) a VAALCO Energy Group Liquidity Forecast:

(i) each Quarter Date occurring during the Baobab FPSO Renovation Period; and

(ii) each Redetermination Date occurring prior to the Baobab FPSO Renovation Start Date and following the Baobab FPSO Renovation Completion Date; and

(iii) on each date on which the VAALCO Energy Group Liquidity Forecast is to be tested or provided in accordance with this Agreement, including (without limitation), in respect of any proposed Distribution; and

(b) the Total Net Indebtedness to EBITDAX ratio tested pursuant to Clause 23.3 (*Total Net Indebtedness to EBITDAX*):

(i) the First Test Date; and

(ii) thereafter, each Scheduled Redetermination Date.

"**Total Commitments**" means, in relation to any Specified Period or any day falling in that Specified Period, the sum of the Lenders' Commitments for that Specified Period (which, as at the date of this Agreement and subject to any increase, cancellation, reduction or transfer of any Lender's Commitment in accordance with this Agreement, is the amount (in dollars) set opposite that Specified Period in the last column (headed "*Total Commitments*") of the table in Part 3 (*The Original Lenders*) of Schedule 1 (*The Original Parties*) as such table may be amended pursuant to Clause 2.5(m) (*Accordion*)).

"**Total Corporate Sources**" means, in relation to the VAALCO Energy Group for any period, the sum (without double counting) of:

(a) the aggregate amount of all committed credit facilities that are available to any member of the VAALCO Energy Group for drawing in that period for the purposes of meeting any Total Corporate Uses in that period;

(b) the unrestricted actual cash balances of the VAALCO Energy Group on the first day of that period that are available for the purposes of meeting any Total Corporate Uses of the VAALCO Energy Group in that period (excluding any cash held by any Operator of a Borrowing Base Asset or any cash which an Obligor is obliged to hold under any contractual obligation);

(c) any proceeds of any insurances (other than in respect of any insurance to be paid in settlement of claims in respect of third party liability) attributable to the Hydrocarbon Assets of the VAALCO Energy Group;

(d) all refunds or reimbursements of Taxes payable to any member of the VAALCO Energy Group;

(e) all amounts payable to any member of the VAALCO Energy Group under any Hedging Agreement;

(f) all tariffs, fees and charges payable to any member of the VAALCO Energy Group in respect of the use of any assets forming part of the Hydrocarbon Assets;

(g) any undrawn equity or shareholder loans that are committed by any member of the VAALCO Energy Group or a counterparty acceptable to the Majority Lenders and in each case, available for drawing by any member of the VAALCO Energy Group in that period for the purposes of meeting any Total Corporate Uses of the VAALCO Energy Group in that period;

(h) the aggregate amount of the proceeds of the sale of Hydrocarbons and refined products that is projected to be received by the VAALCO Energy Group in that period, including clearly setting out separately the proportion of sales which will be received in local currency based on management's reasonable assumptions on currency and timing of receipt of payments, including in respect of Borrowing Base Assets located in Egypt which should reflect the share of sales to be received in EGP and take into account the likely receipt of such sales; and

(i) any other sources of funds for the VAALCO Energy Group as the Obligors' Agent and the Agent (acting on the instructions of the Majority Lenders) may agree,

where:

(i) for these purposes a credit facility (including the Facility) shall only be treated as being "**available**" on any date to the extent that no circumstances exist or are continuing on such date which would prohibit any lender under that credit facility from making, or would entitle any such lender to refuse to make, any utilisation available to any borrower under that credit facility;

(ii) the Hydrocarbon prices shall be the higher of:

(A) either:

(1) at any time prior to (and excluding) the Baobab FPSO Renovation Completion Date, 85 per cent. of the Brent Forward Curve; or

(2) at any time after (and including) the Baobab FPSO Renovation Completion Date, 90 per cent. of the Brent Forward Curve; and

(B) those set out in the most recently adopted Banking Case; and

(iii) any other reasonable management assumptions of the Parent.

"**Total Corporate Uses**" means, in relation to the VAALCO Energy Group for any period, the aggregate amount (without double counting) of all costs, expenditure, outgoings and other payments including abandonment costs and debt service (net of any amounts standing to the credit of any Decommissioning Accounts), that are committed on the first day of that period or, if not committed, can reasonably be projected to be paid by the VAALCO Energy Group in that period including any projected discretionary amounts having regard to the projected Total Corporate Sources for the corresponding period.

"**Total Net Indebtedness**" means, in relation to the VAALCO Energy Group at any time, the aggregate amount of all obligations of members of the VAALCO Energy Group for or in respect of Financial Indebtedness at that time but:

(a) **excluding** any such obligations to any member of the VAALCO Energy Group; and

(b) **deducting** the aggregate amount of Cash and Cash Equivalent Investments held by any member of the VAALCO Energy Group at that time.

"**Transaction Documents**" means the Material Project Documents and the Finance Documents.

"**Transaction Security**" means the Security created or expressed to be created in favour of a Security Agent pursuant to the Transaction Security Documents.

"**Transaction Security Documents**" has the meaning given to that term in Schedule 12 (*Transaction Security Documents*).

"**Transfer Certificate**" means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Obligors' Agent.

"**Transfer Date**" means, in relation to an assignment or a transfer, the later of:

(a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and

(b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

"**Treasury Transactions**" means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"**U.S. Special Resolution Regimes**" has the meaning given to that term in Clause 49 (*Acknowledgement regarding any supported QFCs*).

"**UEMOA**" means the West African Economic and Monetary Union (*Union Economique et Monétaire Ouest Africaine*).

"**UEMOA FX Regulation**" means Regulation no. 06/2024/CM/UEMOA on external financial relations of member states of the UEMOA, including its implementation instructions.

"**UK Bail-In Legislation**" means (to the extent that the United Kingdom is not an EEA Member Country which has implemented, or implements, Article 55 BRRD) Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

"**Unavailable Rate**" means, on any date, the percentage rate per annum which is equal to 20 per cent. of the applicable Margin relating to such date.

"**Unpaid Sum**" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"**Unsecured Hedging Agreement**" means any Hedging Agreement entered into by an Obligor and any Acceptable Unsecured Hedging Entity.

"**Unutilised Rate**" means, on any date, the percentage rate per annum which is equal to 35 per cent. of the applicable Margin relating to such date.

"**US**" or "**United States**" means the United States of America, its territories, possessions, any state of the United States or the District of Columbia.

"**US Bankruptcy Code**" means Title 11 of The United States Code (entitled "Bankruptcy"), as amended from time to time and as now or hereafter in effect, or any successor thereto.

"**US Borrower"** has the meaning given to it in Clause 10.5 (*Interest Rate Limitation*).

"**US Obligor"** means any Obligor that is incorporated or organised under the laws of the United States of America, any state or territory thereof or the District of Columbia.

"**US Tax Obligor**" means:

(a) a Borrower which is resident for tax purposes in the United States; or

(b) an Obligor some or all of whose payments under the Finance Documents are from sources within the United States for US federal income tax purposes.

"**US Withholding Tax Form**" means whichever of the following is relevant (including in each case any successor form):

(a) IRS Form W-8BEN or W-8BEN-E;

(b) IRS Form W-8IMY (with appropriate attachments);

(c) IRS Form W-8ECI;

(d) IRS Form W-8EXP; or

(e) IRS Form W-9; or

(f) in the case of a Lender relying on the so-called "portfolio interest exemption," IRS Form W-8BEN or W-8BEN-E and a certificate to the effect that such Lender is not (i) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (ii) a "10 percent shareholder" of any Obligor within the meaning of section 881(c)(3)(B) of the Code, or (iii) a "controlled foreign corporation" that is described in section 881(c)(3)(C) of the Code and is related to any Obligor within the meaning of Section 864(d)(4) of the Code; or

(g) any other IRS form by which a person may claim complete exemption from, or reduction in the rate of, withholding (including backup withholding) of US federal income tax on interest and other payments to that person.

"**Utilisation**" means a utilisation of the Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*).

"**VAALCO CDI**" means VAALCO Energy Cote d'Ivoire SPE AB, acting in its capacity as an Original Borrower as set out in Part 1 (*The Original Borrowers*) of Schedule 1 (*The Original Parties*).

"**VAALCO Egypt**" means VAALCO Egypt Holdings Inc., acting in its capacity as an Original Guarantor as set out in Part 2 (*The Original Guarantors*) of Schedule 1 (*The Original Parties*).

"**VAALCO Energy Group**" means the Parent and each of its Subsidiaries.

"**VAALCO Energy Group Liquidity Forecast**" means in relation to the VAALCO Energy Group, a test statement prepared by the Parent in accordance with Clause 21.16 (*VAALCO Energy Group Liquidity Forecast*) which:

(a) sets out and itemises the Total Corporate Sources for the VAALCO Energy Group and the Total Corporate Uses for the VAALCO Energy Group for each three month period in the Forecast Period in at least the same level of detail as that included in the Initial VAALCO Energy Group Liquidity Forecast;

(b) is in the same form as the Initial VAALCO Energy Group Liquidity Forecast or in such other form as may be approved by the Majority Lenders (acting reasonably);

(c) [*****]

(d) is signed by an Authorised Signatory of the Parent for and on behalf of the Parent.

"**VAALCO Energy Group Structure Chart**" means the structure chart of the VAALCO Energy Group set out in Schedule 10 (VAALCO Energy Group Structure Chart).

"**VAALCO Energy Group Sustainability Report**" means the Sustainability Report published by the Parent which articulates the VAALCO Energy Group's approach to ESG and management of material risks, in addition providing a description of the VAALCO Energy Group's performance against key performance indicators and updates on delivery of strategic programs and objectives.

"**VAALCO Etame**" means VAALCO Gabon (Etame), Inc.

"**VAALCO Gabon**" means VAALCO Gabon S.A. a company incorporated under the laws of Gabon with registration number RG/POG 2014 B 1487.

"**VAT**" means:

(a) any value added tax imposed by the Value Added Tax Act 1994;

(b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or (b) above, or imposed elsewhere.

"**West Bakr Initial Egyptian Borrowing Base Asset**" means the Hydrocarbons which will be extracted from, the Infrastructure related to and the interests in, in each case, the West Bakr area.

"**West Gharib Initial Egyptian Borrowing Base Asset**" means the Hydrocarbons which will be extracted from, the Infrastructure related to and the interests in, in each case, the West Gharib area.

"**Willing Lender**" has the meaning given to that term in Clause 2.5(d) (*Accordion*). "**Withdrawal Notice**" means, in respect of any Project

Account, any notice issued:

(a) by the Agent in respect of a Stop Notice withdrawing such Stop Notice; or

(b) by the relevant Security Agent in respect of an Enforcement Notice withdrawing such Enforcement Notice.

"**Write-Down and Conversion Powers**" means:

(a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

(b) in relation to any UK Bail-In Legislation:

(i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that UK Bail-In Legislation; and

(c) any other applicable Bail-In Legislation

(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers

under that Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that UK Bail-In Legislation.

1.2 Construction

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) any "**Account Bank**", any "**Administrative Finance Party**", the "**Agent**", any "**Finance Party**", any "**Secured Hedge Counterparty**", the "**Bookrunner**", the "**Technical Bank**", any "**Lender**", any "**Mandated Lead Arranger**", the "**Modelling Bank**", any "**Obligor**", any "**Party**", any "**Secured Party**", any "**Secured Party**", any "**Onshore Security Agent**", the "**Offshore Security Agent**", any "**Security Agent**", any "**Security Grantor**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents and, in the case of any Onshore Security Agent and the Offshore Security Agent, any person for the time being appointed as the relevant Onshore Security Agent or the Offshore Security Agent (as applicable) or the Onshore Security Agents or Offshore Security Agents (as applicable) in accordance with the Finance Documents;

(ii) a document in "**agreed form**" is a document which is previously agreed in writing by or on behalf of the Obligors' Agent and the Agent or, if not so agreed, is in the form specified by the Agent;

(iii) an "**amendment**" includes an amendment, supplement, novation, re-enactment, replacement, restatement or variation and "**amend**" and "**amended**" shall be construed accordingly;

(iv) "**assets**" includes present and future properties, revenues and rights of every description;

(v) any form of asset (including any Borrowing Base Asset) shall include a reference to (i) all or any part of that asset and (ii) (in the case of any Borrowing Base Asset) the Field and other Hydrocarbon Asset(s) comprised therein;

(vi) a Lender's "**cost of funds**" in relation to its participation in a Loan is a reference to the average cost (determined either on an actual or a notional basis) which that Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of that participation in that Loan for a period equal in length to the Interest Period of that Loan;

(vii) "**disposal**" means any sale, lease, transfer, assignment, grant, licence or other disposal, whether voluntary or involuntary and "**dispose**" shall be construed accordingly;

(viii) the "**equivalent**" on any given date in one currency (the "**first currency**") of an amount denominated in another currency (the "**second currency**") is a reference to the amount of the first currency which could be purchased with the second currency at the Agent's Spot Rate of Exchange for the purchase of the first currency with the second currency;

(ix) a "**Finance Document**", a "**Material Project Document**" or a "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document, Material Project Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

(x) a "**group of Lenders**" includes all the Lenders;

(xi) "**guarantee**" means (other than in Clause 19 (*Guarantee and Indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

(xii) any matter "**including**" specific instances or examples of such matter shall be construed without limitation to the generality of that matter (and references to "**include**" shall be construed accordingly);

(xiii) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(xiv) a "**modification**" includes an amendment, extension, replacement, modification or waiver or the giving of any waiver, release or consent having the same commercial effect of any of the foregoing but, for the purposes of Clause 42 (*Amendments and Waivers*), excludes any transfer or assignment by any Finance Party of its rights and/or obligations under the relevant Finance Documents which has been effected in accordance with the provisions thereof and the provisions of this Agreement (and "**modify**" shall be construed accordingly);

(xv) any "**obligation**" of any person under this Agreement or any other agreement or document shall be construed as a reference to an obligation expressed to be assumed by or imposed on it under this Agreement or, as the case may be, that other agreement or document (and "**due**", "**owing**", "**payable**" and "**receivable**" shall be similarly construed);

(xvi) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(xvii) a "**regulation**" includes any regulation, rule, official directive, request, guideline, code of practice or policy statement (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(xviii) the "**winding up**" of a person shall be construed so as to include any amalgamation, reconstruction, reorganisation, administration, dissolution, liquidation, merger or consolidation of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled or resident or carries on business or has assets;

(xix) a provision of law is a reference to that provision as amended or re-enacted from time to time;

(xx) a time of day is a reference to Johannesburg time;

(xxi) the singular includes the plural (and vice versa); and

(xxii) the words "**other**", "**or otherwise**" and "**whatsoever**" when used in any Finance Document shall not be construed *ejusdem generis* or construed in a narrower way by reference to any preceding words.

(b) Clause and Schedule headings are for ease of reference only.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) A Default or an Event of Default is "**continuing**" if it has not been remedied or waived in writing by the Agent *provided that* on and following the Enforcement Date, an Event of Default is "**continuing**" if it has not been waived in writing by the Agent.

(e) A Borrowing Base Deficiency is "**continuing**" until the first date on which, following all repayments of Loans made by the Borrowers under Clause 7 (*Repayment*), the aggregate outstanding amount of the Loans ceases to exceed the Borrowing Base Amount that is applicable on that date.

(f) For the purposes of this Agreement:

(i) subject to the first sentence in Clause 6.1(a) (*Adoption*), a reference to the then "**current Banking Case**" is a reference to the Banking Case most recently adopted pursuant to Clause 6.9 (*Adoption of Banking Cases*); and

(ii) a reference to the date on which any Banking Case is "**due**" to be adopted is a reference to the Redetermination Date as of which that Banking Case is to be prepared and adopted under Clause 6.1(b) (*Adoption*) or, as the case may be, Clause 6.1(f) (*Adoption*).

(g) Any reference in this Agreement to the Borrowing Base Amount which is "**applicable**" at any date or period is a reference to the Borrowing Base Amount relating to that date or period as shown in the then-current Banking Case.

(h) A reference in this Agreement to a page or screen of an information service displaying a rate shall include:

(i) any replacement page of that information service which displays that rate; and

(ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,

and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Agent after consultation with the Obligors' Agent.

(i) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.

1.3 Currency Symbols and Definitions

(a) "**EGP**" means the lawful currency of Egypt;

(b) "**F.CFA**" or "**XAF**" denotes the lawful currency of Gabon.

(c) "**F.CFA**" or "**XOF**" denotes the lawful currency of Côte d'Ivoire.

(d) "**SEK**" means the lawful currency of the Kingdom of Sweden.

(e) "**$**", "**US$**" "**USD**" and "**dollars**" denote the lawful currency of the United States of America and the Turks and Caicos Islands.

1.4 Third Party Rights

(a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or enjoy the benefit of any term of this Agreement.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

(c) Any Receiver or Delegate may, subject to this Clause 1.4 and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.

1.5 Accounts

Any reference in this Agreement to any bank account shall include any renewal, redenomination, re-designation or sub-account thereof.

1.6 Anti-Blocking Law

Any provision or clause relating to Sanctions in the Finance Documents (the "**Restricted Clauses**") shall not apply to any Swedish Obligor or in favour of any person if and to the extent that the application of the Restricted Clauses would result in any violation of, conflict with or liability under any applicable Anti- Blocking Law, where for this purpose, "**Anti-Blocking Law**" means:

(a) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom): or

(b) any anti-boycott statute applicable to such person.

For clarification purposes, Sanctions imposed by the United Nations, the US, the EU, the UK or any member states of the EU, as the case may be, shall not be considered as being in violation of or conflict with the provisions referred to in paragraphs (a) and (b) above.

1.7 Swedish Terms

(a) In this Agreement and any other Finance Document, where it relates to an entity incorporated or established under the laws of Sweden or any Transaction Security governed under Swedish law:

(i) its constitutional documents include its articles of association (Sw. *bolagsordning*) and the certificate of registration (Sw. *registreringsbevis*) issued by the Swedish Companies Registration Office (Sw. *Bolagsverket*), as in force from time to time;

(ii) a "**composition**", "**compromise**", "**assignment**" or "**similar arrangement**" with any creditor includes (A) any write-down of debt (Sw. *skulduppgörelse*) as a result of the adoption (Sw. *antagande*), confirmation (Sw. *fastställelse*) or a cross-class

cram-down (Sw. *gruppöverskridande cram-down*) as part of a restructuring plan (Sw. *rekonstruktionsplan*) or any other write-down or change of terms such that the creditor is deemed to be an affected party (Sw. *berörd part*) following from any procedure of *företagsrekonstruktion*, under the Swedish Reogranisation Act (Sw. *lag om företagsrekonstruktion (2022:964)*) (the "**Swedish Reorganisation Act**") or (B) any write-down of debt in bankruptcy (Sw. ackord i konkurs) under the Swedish Bankruptcy Act (Sw. *konkurslag* (1987:672)) (the "**Swedish Bankruptcy Act**");

(iii) a "**compulsory manager**", "**liquidator**", "**receiver**", "**administrative receiver**" and "**administrator**" includes (A) *rekonstruktör* under the Swedish Reorganisation Act, (B) *konkursförvaltare* under the Swedish Bankruptcy Act, or (C) *likvidator* under the Swedish Companies Act (Sw. *aktiebolagslag* (2005:551)) (the "**Swedish Companies Act**");

(iv) "**gross negligence**" means *grov vårdslöshet* under Swedish law;

(v) a "**guarantee"** includes any *garanti* under Swedish law which is independent from the debt to which it relates and any *borgen* under Swedish law which is accessory to or dependent on the debt to which it relates;

(vi) "**merger**", "**consolidation**" or "**amalgamation**" includes any *fusion* implemented in accordance with Chapter 23 of the Swedish Companies Act (or its equivalent from time to time);

(vii) a "**reorganisation**" includes any contribution of part of its business in consideration of shares (Sw. *apport*) and any demerger (Sw. *delning*) implemented in accordance with Chapter 24 of the Swedish Companies Act (or its equivalent from time to time);

(viii) a "**suspension of payment**" includes any *betalningsinställelse;* and

(ix) a "**winding up**", "**administration**" or "**dissolution**" includes a *frivillig likvidation* or a *tvångslikvidation* under Chapter 25 of the Swedish Companies Act (or its equivalent from time to time), a "**bankruptcy**" includes a *konkurs* under the Swedish Bankruptcy Act and a "**company restructuring**" includes a *företagsrekonstruktion* under the Swedish Reorganisation Act.

(b) Each reference to being "**in accordance with all applicable laws**" shall be interpreted as a reference to being in compliance with and not in contravention of any and all applicable Swedish laws, regulations, statutes (Sw. *lagar*) (including the Swedish Companies Act and Chapter 21 thereof) and statutory instruments (Sw. *förordningar*) in force as amended or re-enacted from time to time.

(c) In relation to this Agreement and any other Finance Document, any winding-up, insolvency, bankruptcy proceeding or similar arrangement involving an entity incorporated in Sweden will always be subject to Swedish law and in particular, but not limited to, the procedure set forth in the Swedish Bankruptcy Act, the Swedish Reorganisation Act and the Swedish Companies Act.

(d) Each reference to Transaction Security governed by Swedish law shall be interpreted as a reference to Transaction Security governed by Swedish law and/or perfected in accordance with Swedish law.

(e) Notwithstanding any other provisions in this Agreement and/or the other Finance Documents:

(i) any amalgamation, merger, demerger, consolidation, dissolution or corporate restructuring in respect of an entity incorporated in Sweden the shares of which are subject to Transaction Security governed by and perfected in accordance with Swedish law;

(ii) the release of any perfected Swedish Transaction Security; and

(iii) any dealings in, including, but not limited to, the disposal (including, without limitation, any conversion, set-off or forgiveness of indebtedness which is subject to perfected Swedish Transaction Security) or transfer of, any asset, property and/or interests which is, or is expressed to be, the subject of perfected Swedish Transaction Security,

will always be subject to the prior written consent of the Offshore Security Agent (acting in its sole discretion and on a case by case basis without requiring any consent or consultation with any of the Lenders, the Obligors or any member of the VAALCO Energy Group), other than:

(iv) a release of perfected Swedish Transaction Security made following the full discharge of all obligations under this Agreement and the other Finance Documents; or

(v) in relation to a disposal of assets or intragroup restructuring subject to perfected Swedish Transaction Security which is:

(A) made at time when an Event of Default is not continuing;

(B) not prohibited by any other terms of this Agreement and/or any other Finance Document; and

(C) made at full market value for cash proceeds (only) where such cash proceeds are being paid directly to the Offshore Security Agent and are applied in full towards prepayment (together with a corresponding cancellation of the Available Facility in accordance with Clause 8.2 (*Voluntary Cancellation*)) of the relevant Secured Obligations,

and each Finance Party hereby irrevocably and unconditionally authorises the Security Agent to give consent to such releases and/or disposals referred to in (iv) and (v) above immediately and automatically on behalf where such release and/or disposal is made in accordance with the terms of this Agreement and/or any other Finance Document without notification or further reference to the Finance Parties.

(f) If any party to this Agreement that is incorporated in Sweden (the "**Obligated Party**") is required to hold an amount on trust on behalf of another party (the "**Beneficiary**"), the Obligated Party shall hold such money as agent for the Beneficiary on a separate account in accordance with the Swedish act of 1944 in respect of assets held on account (Sw. *Lag om redovisningsmedel (1944:181)*) and shall promptly pay or transfer the same to the Beneficiary or as the Beneficiary may direct.

(g) Any transfer by novation in accordance with the Finance Documents, shall, as regards Swedish Transaction Security and obligations owed by a Swedish Obligor, be deemed to

take effect as an assignment and assumption or transfer of such rights, benefits, obligations and security interests and each such assignment and assumption or transfer shall be in relation to the proportionate part of the security interests granted under the relevant Swedish law governed Transaction Security.

1.8 Divisions

For all purposes under the Finance Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (A) if any asset, right, obligation or liability of any person becomes the asset, right, obligation or liability of a different person, then it shall be deemed to have been transferred from the original person to the subsequent person and (B) if any new person comes into existence, such new person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

2. The Facility

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrowers a dollar revolving credit facility in an aggregate amount equal to the Total Commitments from time to time.

2.2 Increase due to Cancellation

(a) A Borrower may, by giving prior notice to the Agent by no later than the date falling five Business Days after the effective date of a cancellation of:

(i) the Available Commitments of a Defaulting Lender in accordance with Clause 8.5 (*Right of Cancellation in Relation to a Defaulting Lender*); or

(ii) the Commitments of a Lender in accordance with:

(A) Clause 8.1 (*Illegality*); or

(B) paragraph (a) of Clause 8.4 (*Right of Cancellation and Repayment in relation to a Single Lender*),

request that the Commitments for each Specified Period be increased (and the Commitments for each Specified Period shall be so increased) in an aggregate amount in dollars of up to the amount of the Commitments for that Specified Period so cancelled as follows:

(1) subject to paragraph (h) below, the increased Commitments for each Specified Period will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an "**Increase Lender**") selected by the Obligors' Agent (which shall not be a member of the VAALCO Energy Group and each of which is acceptable to the Agent (acting reasonably)) and each of which confirms in writing (whether in the relevant Increase Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments for each Specified Period which it is to assume, as if it had been an Original Lender;

(2) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments for each Specified Period which it is to assume;

(3) each Increase Lender shall become a Party as a "*Lender*" and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments for each Specified Period which it is to assume;

(4) the Commitments of the other Lenders for each Specified Period shall continue in full force and effect; and

(5) any increase in the Commitments for each Specified Period shall take effect on the date specified by the Obligors' Agent in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.

(b) An increase in the Commitments for each Specified Period will only be effective on:

(i) the execution by the Agent of an Increase Confirmation from the relevant Increase Lender;

(ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase:

(A) the Increase Lender entering into the documentation required for it to accede as a party to this Agreement; and

(B) the Agent being satisfied that it has complied with all necessary "*know your customer*" or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments for each Specified Period by that Increase Lender. The Agent shall promptly notify the Obligors' Agent and the Increase Lender upon being so satisfied.

(c) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as it would have been had it been an Original Lender.

(d) The Parent shall promptly on demand pay the Agent and each Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by either of them and, in the case of a Security Agent, by any Receiver or Delegate in connection with any increase in Commitments under this Clause 2.2.

(e) The Increase Lender shall, on the date upon which the increase takes effect, pay to the Agent (for its own account) a fee in an amount equal to the fee which would be payable under Clause 27.3 (*Assignment or Transfer Fee*) if the increase was a transfer pursuant to Clause 27.5 (*Procedure for Transfer*) and if the Increase Lender was a New Lender.

(f) The Parent may pay to the Increase Lender a fee in the amount and at the times agreed between such Borrower and the Increase Lender in a Fee Letter.

(g) Clause 27.4 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:

(i) an "**Existing Lender**" were references to all the Lenders immediately prior to the relevant increase;

(ii) the "**New Lender**" were references to that "**Increase Lender**"; and

(iii) a "**re-transfer**" and "**re-assignment**" were references to respectively a "**transfer**" and "**assignment**".

(h) No Increase Lender may assume any increased Commitments for any Specified Period (the "**relevant Specified Period**") pursuant to the preceding provisions of this Clause 2.2 without also assuming increased Commitments for the other Specified Periods, in each case, in the same proportion borne by the increased Commitments so assumed in the relevant Specified Period to the Total Commitments (before taking into account such increased Commitments) for that relevant Specified Period.

2.3 Finance Parties' Rights and Obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in the Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.

(c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

2.4 Obligors' Agent

(a) Each Obligor (other than the Parent) by its execution of this Agreement or an Obligor Accession Deed irrevocably appoints the Parent (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:

(i) the Parent on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests), to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and

(ii) each Finance Party to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Parent,

and, in each case, the Obligor shall be bound as though the Obligor itself had given the notices and instructions (including any Utilisation Requests) or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

(b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

2.5 Accordion

(a) The Obligors' Agent may, at any time prior to the date falling 30 Months after the date of this Agreement, by notice to the Agent request that the Total Commitments as at the date of this Agreement be increased by a maximum amount of $110,000,000.

(b) No consent from the Lenders shall be required in relation to the proposed increase(s) *provided that* in the notice referred to in paragraph (a) above, the Obligors' Agent confirms to the Agent that:

(i) no Default is continuing at the time of the notice or would reasonably be expected to result from the relevant increase;

(i) the Repeating Representations to be made by each Obligor are true in all material respects;

(ii) the amount of the proposed increase is at least $10,000,000;

(iii) the amount of the proposed increase, taking into account any previous increase, does not exceed in aggregate $110,000,000;

(iv) the effective date of the proposed increase will coincide with the first day of an Interest Period. For the avoidance of doubt, if at such date there are outstanding Loans with an Interest Period extending beyond the effective date of the proposed increase, such Loans will have their Interest Periods terminated on the effective date of the proposed increase; and

(v) no more than two requests have been made by the Obligors' Agent pursuant to Clause 2.5,

such notice, an "**Increase Notice**".

(c) The Obligors' Agent shall give the then Existing Lenders (*pro rata* to their Commitments on the proposed increase date) a right of first refusal in relation to such increase.

(d) No later than ten Business Days after the date on which an offer has been made by the Obligors' Agent under paragraph (c), each Lender (each a "**Willing Lender**") shall notify the Obligors' Agent of the indicative amount (if any) of increased Commitments that such Lender is willing to assume subject to obtaining any necessary approvals for such Lender to assume such increased Commitments (the "**Necessary Approvals**").

(e) If the Obligors' Agent is unable to obtain the increased Commitments from Willing Lenders who have obtained their Necessary Approvals, no earlier than ten Business Days after the date on which the last offer is made by the Obligors' Agent to an Existing Lender under paragraph (c), the Obligors' Agent may subsequently select one or more other banks, financial institutions, trusts, funds or other entities (which shall not be a member of the VAALCO Energy Group) to assume the requisite amount of the increased Commitments (each a "**New Party**").

(f) Each New Party shall confirm to the Obligors' Agent that it is willing to assume the requisite amount of the increased Commitments for each Specified Period.

(g) The Obligors' Agent shall notify to each Willing Lender and each New Party the increased Commitments for each Specified Period to be assumed by each Willing Lender and/or each New Party.

(h) The Obligors' Agent shall pay to each Willing Lender and each New Party the arrangement fees (if any) in the manner contemplated by a fee letter.

(i) The Agent shall, subject to paragraph (k) below, as soon as reasonably practicable after receipt by it of a duly completed Increase Confirmation appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Increase Confirmation.

(j) Any increase in the Total Commitments for each Specified Period shall, subject to the conditions set out in paragraph (k) below, take effect on the date specified by the Obligors' Agent in an Increase Confirmation or any later date on which the Agent executes an otherwise duly completed Increase Confirmation delivered to it by the relevant Willing Lender or New Party (as the case may be).

(k) An increase in the Total Commitments for each Specified Period will only be effective on:

(i) the receipt of an Increase Notice by the Agent in accordance with this Clause 2.5;

(ii) the execution by the Agent of an Increase Confirmation delivered to it by the relevant Willing Lender or New Party (as the case may be);

(iii) the New Party acceding to each Onshore Security Agent Appointment Agreement;

(iv) in relation to a New Party, the Agent being satisfied that it has complied with all necessary "*know your customer*" or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that

New Party. The Agent shall promptly notify the Obligors' Agent and the New Party upon being so satisfied;

(v) the Agent (acting reasonably) being satisfied that, following the proposed increase, the guarantee set forth in Clause 19 (*Guarantee and Indemnity*) will remain in full force and effect and will continue to guarantee all amounts under the Finance Documents;

(vi) the relevant Security Agent (acting reasonably) being satisfied that, following the proposed increase, the Transaction Security will remain in full force and effect and will continue to secure the Secured Obligations; and

(vii) the receipt by the Agent of evidence that the then outstanding notional amount of any commodity hedging has (if necessary) been increased in order to satisfy the Hedging Policy.

(l) Paragraphs (c) to (h) of Clause 2.2 (*Increase due to Cancellation*) shall apply *mutatis mutandis* in this Clause 2.5 in relation to a Willing Lender or a New Party (as the case may be) as if references in those paragraphs to Clause 2.2 (*Increase due to Cancellation*) were references to this Clause 2.5 and "*Increase Lender*" were references to a Willing Lender or a New Party (as the case may be).

(m) Following an increase to the Total Commitments pursuant to this Clause 2.5, the Obligors' Agent shall (i) promptly update the table set out in Part 3 (*The Original Lenders*) of Schedule 1 (*The Original Parties*) to reflect the Commitments of the Willing Lender and the New Party (as the case may be) and the updated Total Commitments in each Specified Period (which update shall provide for the Commitments of the Willing Lender and the New Party to reduce *pro rata* to the reduction schedule of the existing Commitments) (the "**Updated Schedule**") and (ii) provide a copy of such Updated Schedule to the Agent to confirm the accuracy of the update. On and from the date on which the Obligors' Agent and the Agent agree the Updated Schedule, the table set out in Part (*The Original Lenders*) of Schedule 1 (*The Original Parties*) shall be amended by the Updated Schedule so approved.

(n) To the extent reasonably practicable, the Obligors' Agent shall have used its reasonable endeavours to consult with the Agent in advance of issuing an Increase Notice (with any such consultation to include, amongst other things, a discussion in relation to the date of issuance of any such notice, any increase in the Commitments pursuant to this Clause 2.5 becoming effective on and from the last day of an Interest Period, the duration of any applicable Interest Periods and the timelines associated with the proposed increase in Commitments).

3. Purpose

3.1 Purpose

(a) Subject to paragraph (b) below, each Borrower shall apply all amounts borrowed by it under the Facility towards:

(i) payment of any Approved Development and Exploration Costs as set out in the then-current Banking Case;

(ii) paying fees, costs and expenses incurred in connection with the Finance Documents;

(iii) refinancing maturing Loans by way of a Rollover Loan; and

(iv) its general corporate purposes.

(b) The amount of the Borrowing Base Amount that can be utilised and which is attributable to the Capex Add-Back Amount may only be utilised and applied to fund the relevant capital expenditure included in Clause 3.1(a)(i).

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. Conditions of Utilisation

4.1 Initial Conditions Precedent

(a) The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' Participation*) if on or before the date of the first Utilisation Request, the Agent has received all of the documents and other evidence listed in Part 1 (*Conditions Precedent to Submission of Initial Utilisation Request*) of Schedule 2 (*Conditions*) in form and substance satisfactory to the Agent (acting on the instructions of all Lenders).

(b) The Agent shall notify the Obligors' Agent and the Lenders promptly upon being so satisfied.

(c) The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.2 Further Conditions Precedent

Subject to Clause 4.1 (*Initial Conditions Precedent*), the Lenders will only be obliged to comply with Clause 5.4 (*Lenders' Participation*) if:

(a) on the date of the Utilisation Request and on the proposed Utilisation Date:

(i) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Utilisation, and in the case of any other Utilisation, no Default is continuing or would result from the proposed Loan;

(ii) the Repeating Representations (other than Clauses 21.23 (*Anti-Corruption Law*) and 21.34 (*Sanctions*) and any equivalent representation to any of Clauses 21.23 (*Anti-Corruption Law*) and 21.34 (*Sanctions*) in any other Finance Document) to be made by each Obligor and each Security Grantor are true in all material respects; the Repeating Representations set out in Clauses 21.23 (*Anti-Corruption Law*) and
21.34 (*Sanctions*) and any equivalent representation and warranty to any of Clauses 21.23 (*Anti-Corruption Law*) and 21.34 (*Sanctions*) in any other Finance Document to be made by each Obligor and each Security Grantor are true in all respects; and

(iii) at any time prior to the Baobab FPSO Renovation Completion Date, the relevant Borrower (or the Obligors' Agent on its behalf) shall certify that there are and will be sufficient funds (including cash in hand, cashflow, debt and committed equity) available to it and the Parent Obligor Group to meet all of the Parent Obligor Group's forecast expenditure;

(b) in relation to the initial Utilisation by each of VAALCO West Bakr Inc. and VAALCO NW Gharib Inc., each Finance Party has confirmed to the Obligors' Agent that it has completed all money laundering rules and regulations, "*know your customer*" and similar checks, including (if requested) the PATRIOT Act, in respect of the relevant Obligor at least five days prior to the date of that Obligor's Utilisation Request in relation to its initial Utilisation.

(c) the Banking Case which is due to be adopted by the most recent Redetermination Date has been so adopted;

(d) the aggregate of:

(i) the aggregate amount of the Loans proposed to be made on the proposed Utilisation Date; and

(ii) the aggregate amount of all outstanding Loans on the proposed Utilisation Date, does not exceed the Total Commitments applicable on such proposed Utilisation Date; and

(e) the aggregate of:

(i) the aggregate amount of the Loans proposed to be made on the proposed Utilisation Date; and

(ii) the aggregate amount of all outstanding Loans on the proposed Utilisation Date, does not exceed the Borrowing Base Amount applicable on such date.

4.3 Maximum Number of Loans

(a) No Borrower may deliver a Utilisation Request if, as a result of the proposed Utilisation, more than ten Loans would be outstanding.

(b) Any Separate Loan shall not be taken into account in this Clause 4.3.

5. Utilisation

5.1 Delivery of a Utilisation Request

A Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than 12:30 Johannesburg time on the third Business Day before the proposed Utilisation Date.

5.2 Completion of a Utilisation Request for Loans

(a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(i) the proposed Utilisation Date is a Business Day within the Availability Period;

(ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and Amount*); and

(iii) the proposed Interest Period complies with Clause 11 (*Interest Periods*).

(b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and Amount

(a) The currency specified in a Utilisation Request must be dollars.

(b) The amount of the proposed Loan must be a minimum of $1,000,000 or, if less, the Available Facility.

5.4 Lenders' Participation

(a) If the conditions set out in this Agreement have been met, and subject to Clause 7.1 (*Repayment of Loans*), each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.

(c) The Agent shall notify each Lender of the amount of each Loan and the amount of its participation in that Loan, in each case by 09:00 Johannesburg time on the second Business Day before the proposed Utilisation Date.

5.5 Cancellation of Commitment

The Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period.

6. Banking Cases

6.1 Adoption

(a) Until the adoption of the first new Banking Case in accordance with this Clause 6 (*Banking Cases*), the Initial Banking Case shall be the current Banking Case for the purposes of this Agreement.

(b) A new Banking Case (each a "**Scheduled Banking Case**") shall be prepared in accordance with this Clause 6 (*Banking Cases*) with the intention of it being adopted as of each Scheduled Redetermination Date.

(c) In addition, a new Banking Case (each an "**Interim Banking Case**") shall be prepared in accordance with this Clause 6 (*Banking Cases*):

(i) if the Technical Bank or the Majority Lenders reasonably believe that the Baobab FPSO Renovation Completion Date will not, or is not expected to, occur by the Baobab FPSO Renovation Longstop Date (or any Obligor notifies the Agent of the same),

provided that such request shall be for a desktop update to the most recently adopted Banking Case, taking into account:

(1) the changes to the Baobab FPSO Renovation Completion Date; and

(2) any changes to the Hydrocarbon prices to reflect the then-current Hydrocarbon prices being used by the Technical Bank (acting reasonably and in line with market practice for financings in similar jurisdictions);

(ii) if the Parent, the Majority Lenders or the Technical Bank so request at any time *provided that* (A) the Parent and (B) the Majority Lenders or the Technical Bank, shall each only be permitted to make one such request in any six Month period;

(iii) if any Obligor requests pursuant to paragraph (h) below that any Borrowing Base Asset cease to be designated as such or that any Hydrocarbon Asset be designated as a Borrowing Base Asset; or

(iv) if the Parent or the Technical Bank (acting on the instructions of the Majority Lenders) so request if there is any change in law, decree, exchange control regulations (including in relation to the CEMAC FX Regulation or the UEMOA FX Regulation) or any similar event in any Relevant Jurisdiction occurring after the date of this Agreement that does or is reasonably expected to prevent, delay or otherwise materially prejudice:

(A) the ability of any Obligor to exchange or convert its domestic currency into dollars;

(B) the transfer by or on behalf of any Obligor of dollars to the Finance Parties in satisfaction of its obligations under any of the Finance Documents (or any judgment in relation thereto); or

(C) the ability of any Obligor to freely pay dollars abroad (including free of any reserve requirement or exchange control).

(d) In addition, each Banking Case will be updated by the Modelling Bank (and without the need for any Lender approval process) if any hedging taken into account in its preparation is closed out, terminated or modified (with the updating taking account only of such close out termination or modification on a desktop basis).

(e) In addition, each Banking Case will be updated by the Modelling Bank on a desktop basis (and without the need for any Lender approval process) if any hedging transactions under any Hedging Agreement that has been taken into account in the current Banking Case is closed out, terminated or modified (with the updating taking account only of such close out termination or modification).

(f) As soon as reasonably practicable following any request for a new Banking Case to be prepared pursuant to Clause 6.1(c) or Clause 6.1(d), the Technical Bank and the Modelling Bank (each acting reasonably and in consultation with the Obligors' Agent) shall determine and notify the Obligors' Agent, the Agent and the Lenders of the date (an "**Interim Redetermination Date**"**)** as of which such new Banking Case is to be adopted.

(g) If any Interim Banking Case is adopted not more than two Months prior to any Scheduled Redetermination Date, or is in preparation not more than two Months prior to any Scheduled Redetermination Date with the intention of adopting the same by that Scheduled Redetermination Date, the Scheduled Banking Case that was scheduled to be prepared

pursuant to Clause 6.1(b) for adoption by that Scheduled Redetermination Date shall not be prepared.

(h) No Hydrocarbon Asset may be designated as a Borrowing Base Asset and no Borrowing Base Asset may cease to be designated as such unless:

(i) the Obligors' Agent has submitted a request to the Agent for that Hydrocarbon Asset to be designated as a Borrowing Base Asset or for that Borrowing Base Asset to cease to be designated as such (as the case may be);

(ii) a new Banking Case is adopted in accordance with the provisions of this Clause 6 (*Banking Cases*) in connection therewith;

(iii) the Borrowing Base Asset which the Obligors' Agent requests to cease to be designated would not result in the contribution of the Initial Ivorian Borrowing Base Asset to the Borrowing Base Amount applicable after such de-designation being less than 40 per cent.; and

(iv) the Majority Lenders have approved, or are deemed to have approved pursuant to Clause 6.6(d) (*Consideration of Draft Banking Case by Lenders*), of the designation of one or more Hydrocarbon Assets as a Borrowing Base Asset or the relevant Borrowing Base Asset ceasing to be designated as such (as the case may be) in accordance with the provisions of this Clause 6 (*Banking Cases*).

(i) For the purposes of this Agreement, a "**Desktop Banking Case**" means any Interim Banking Case which is being prepared pursuant to:

(i) Clause 6.1(c)(i) (a "**Baobab FPSO Renovation Desktop Banking Case**") above; or

(ii) Clause 6.1(d) (a "**Hedging Desktop Banking Case**").

6.2 Content

(a) Each Banking Case and draft Banking Case prepared pursuant to this Clause 6 (*Banking Cases*) must:

(i) be prepared using the Computer Model;

(ii) be in a form similar to the Initial Banking Case (or such other form as the Modelling Bank and the Technical Bank (each acting reasonably) may approve) and include the same type of information (and in the same level of detail) as that included in the Initial Banking Case;

(iii) be prepared on the basis of the Assumptions that are proposed, approved, agreed and/or determined in accordance with the provisions of this Clause 6 (*Banking Cases*); and

(iv) without prejudice to Clause 6.2(a)(ii), include:

(A) details of all the Assumptions on which it is based;

(B) the Projected Net Revenues for each Calculation Period ending on or before the Calculation End Date determined on the basis of the Assumptions;

(C) the NPV (Field Life) relating to each Calculation Period ending on or before the Calculation End Date;

(D) the NPV (Loan Life) relating to each Calculation Period ending on or before the Final Maturity Date;

(E) the Borrowing Base Amount relating to each Calculation Period ending on or before the Final Maturity Date;

(F) the Reserve Tail Date; and

(G) the DSCR relating to each Calculation Period ending on or before the Final Maturity Date.

(b) Each Banking Case must include data, forecasts and calculations for:

(i) the Calculation Period which commences on the day after the Redetermination Date on which that Banking Case is due to be adopted or (if the Redetermination Date on which that Banking Case is due to be adopted does not coincide with the last day of a Calculation Period) the Calculation Period in which that Redetermination Date occurs or such other Calculation Period as the Obligors' Agent, the Modelling Bank and the Technical Bank (each acting reasonably) may select; and

(ii) each subsequent Calculation Period ending on or before the Calculation End Date.

6.3 Key Principles

In proposing, agreeing and/or determining Assumptions, preparing and/or approving any Banking Case or draft Banking Case and otherwise in carrying out their obligations and exercising their rights under this Clause 6 (*Banking Cases*), the Parties shall comply with the following principles:

(a) each Banking Case shall be based on the most recent Reserves Report subject to such adjustments as the Technical Bank (acting reasonably) may determine;

(b) each Banking Case shall disregard any Gross Expenditure or Gross Income relating to any Borrowing Base Asset which is projected to arise after the Field Life End Date for that Borrowing Base Asset other than Abandonment Costs relating to such Borrowing Base Asset and Tax refunds associated with such Abandonment Costs;

(c) each Banking Case must, in projecting Hydrocarbon prices, take due account of the terms of all contracted prices and any Hedging Agreement:

(i) that has been entered into by an Obligor with a Hedge Counterparty;

(ii) *provided that* projected receipts from Hedging Agreements will only be taken into account where the Hedging Agreement has been entered into with a hedge counterparty that is:

(A) an Initial Hedge Counterparty;

(B) an Original Lender; or

(C) with any other Hedge Counterparty that meets the minimum rating criteria or whose obligations under such Hedging Agreement are guaranteed upon

terms satisfactory to the Agent by a person that meets the minimum hedging rating criteria; and

(iii) over which the Secured Parties have, or the Offshore Security Agent (in its capacity as such) has, Security pursuant to a Transaction Security Document,

where, for these purposes, "**minimum hedging rating criteria**" means a credit rating of at least BB- by Standard & Poor's Rating Services or Fitch Ratings Ltd, Ba2 by Moody's Investors Service Limited or an equivalent rating from any other internationally recognised credit rating agency acceptable to the Agent (acting reasonably);

(d) any proceeds of insurance paid or payable in respect of any Borrowing Base Asset shall only be included as an item of Gross Income to the extent that:

(i) the Obligor's Agent can demonstrate to the reasonable satisfaction of the Technical Bank that such proceeds will be received when projected; and

(ii) such proceeds are not paid or payable in respect of any third party liability (other than to the extent that the associated third party liability has already been paid by or on behalf of the relevant Obligor);

(e) all figures for Taxes included in any Banking Case must be based on tax legislation in force on the relevant Redetermination Date on which that Banking Case is due to be adopted and on any official announcements or publications in force as at such date stating that such legislation is to be altered, supplemented or replaced in whole or in part;

(f) at any time, the proportion of the Borrowing Base Amount attributable to the Borrowing Base Assets (taken together) located in Gabon and used in any NPV (Field Life) or NPV (Loan Life) calculation shall be capped at the applicable Gabon BBA Percentage of the relevant Borrowing Base Amount; *provided that*, in respect of any Redetermination Date which falls at least three Months after the first general election held in Gabon after the date of this Agreement, the Obligor's Agent shall be permitted to request an increase of such capped percentage subject to the Majority Lenders' consent (and any such increase shall be deemed to be the new Gabon BBA Percentage) *provided that*, at the date of such request a Favourable Finance Act has come into force;

(g) reserves and cash flow associated with reserves shall be disregarded to the extent that the Technical Bank (acting reasonably) concludes that, whether by reason of non-payment or delay in payment by any offtakers, the imposition of exchange controls or otherwise, the relevant cash flows may not be received and be available to meet the debt service;

(h) each Banking Case shall take account of the 2P Reserves of the producing Borrowing Base Assets and the 1P Reserves of the development Borrowing Base Assets (in each case, as risk adjusted by the Technical Bank (acting reasonably)), *provided that* unless otherwise agreed with the prior written consent of the Majority Lenders, no more than 20 per cent. of the total estimated quantities of all 2P Reserves attributable to all Borrowing Base Assets (including all Hydrocarbon Assets proposed to be designated as Borrowing Base Assets) shall come from Hydrocarbon Assets which are situated or located in a jurisdiction outside of Africa; and

(i) **t**he Baobab FPSO Expected Renovation Completion Date shall be the date provided by the Operator.

6.4 Preparatory Steps

(a) By the date falling 45 Business Days before each Redetermination Date or, in relation to any Interim Banking Case (other than a Desktop Banking Case), such other date as the Technical Bank may specify:

(i) the Technical Bank shall submit to the Obligors' Agent its proposals for the Economic Assumptions to be used for that Banking Case; and

(ii) the Obligors' Agent shall submit to the Technical Bank its proposals for the Technical Assumptions to be used for that Banking Case.

(b) Each of:

(i) the Obligors' Agent; and

(ii) the Technical Bank,

shall seek to agree the Assumptions to be used for each Banking Case based on the proposals submitted in accordance with Clause 6.4(a) by the date falling 20 Business Days before the relevant Redetermination Date or, in relation to any Interim Banking Case, such other date as the Technical Bank may specify.

(c) If the Obligors' Agent and the Technical Bank are not able to agree on any such Assumption by the date referred to in Clause 6.4(b) then such Assumption shall be determined by the Technical Bank (acting reasonably) (including, for the avoidance of doubt, such risk adjustments to the Technical Assumptions as the Technical Bank (acting reasonably) may determine in line with market practice for financing in similar jurisdictions).

6.5 Draft Banking Cases

(a) The Modelling Bank shall (in consultation with the Technical Bank and the Obligors' Agent):

(i) in the case of any Banking Case other than a Desktop Banking Case, prepare each draft Banking Case using all the Assumptions that have been agreed or determined pursuant to Clause 6.4 (*Preparatory Steps*); and

(ii) in the case of a Desktop Banking Case, prepare such Banking Case:

(A) in the case of a Baobab FPSO Renovation Desktop Banking Case, taking into account the changes set out in Clause 6.1(c)(i) above including the impact on the cost to the Baobab FPSO Renovation as a result of any change to the Baobab FPSO Renovation Completion Date, each a "**Baobab FPSO Renovation Desktop Assumption**";

(B) in the case of a Hedging Desktop Banking Case, taking due account of any changes in the hedging position of any Obligor applying the principles in Clause 6.3(c) (*Key Principles*) since the date of the then current Banking Case which the relevant Hedging Desktop Banking Case is intended to supersede; and

(C) in the case of a Baobab FPSO Renovation Desktop Banking Case or a Hedging Desktop Banking Case, otherwise using all other Assumption

that were used for the purposes the then current Banking Case which the relevant Desktop Banking Case is intended to supersede,

and

(1) in the case of a Hedging Desktop Banking Case, no Lenders approval to the preparation or adoption of the Hedging Desktop Banking Case shall be required; and

(2) in the case of Baobab FPSO Renovation Desktop Banking Case, each Baobab FPSO Renovation Desktop Assumption shall be subject to the Majority Lenders' approval in accordance with this Clause 6.

(b) The Obligors' Agent and the Modelling Bank shall endeavour to provide (through the Agent) each draft Banking Case to the Lenders (together with such additional information or documents that have been provided to the Technical Bank or Modelling Bank under this Agreement in connection with such draft Banking Case as the Technical Bank and/or Modelling Bank (as the case may be) shall deem appropriate) no later than 15 Business Days prior to the Redetermination Date on which such Banking Case is due to be adopted or, in the case of any draft Interim Banking Case, such other date as the Technical Bank may specify.

(c) If:

(i) the Obligors' Agent has made a request under Clause 6.10 (*Asset Base*) in connection with the preparation of the relevant Banking Case; or

(ii) the relevant Banking Case is being prepared pursuant to Clause 6.1(c)(iii) (*Adoption*) in connection with any request by the Obligors' Agent for any Borrowing Base Asset to cease to be designated as such or for any Hydrocarbon Asset to be designated as a Borrowing Base Asset,

then the Obligors' Agent (through the Agent) shall ensure that the draft Banking Case provided to the Lenders pursuant to Clause 6.5(b) is accompanied by details of the conditions precedent (if any) that the Agent (acting on the instructions of the Majority Lenders and in consultation with the Technical Bank) considers necessary to be satisfied in order for the relevant Hydrocarbon Asset(s) to be designated as a Borrowing Base Asset(s) and/or, as the case may be, the relevant Borrowing Base Asset(s) to cease to be so designated.

(d) The conditions precedent for the designation of a Hydrocarbon Asset as a Borrowing Base Asset must be in form and substance satisfactory to the Agent (acting on the instructions of the Majority Lenders) and will include, among other things:

(i) that the Hydrocarbon Assets are not subject to Sanctions and are not situated in a Sanctioned Country;

(ii) the completion of satisfactory economic, legal and technical due diligence relating to that Hydrocarbon Asset;

(iii) the provision of adequate Security over that Hydrocarbon Asset and/or the shares of the person that holds the interests in that Hydrocarbon Asset;

(iv) each Lender being satisfied that it has complied with all necessary "*know your customer*" or similar checks under all applicable laws and regulations (including with respect to any person that holds an interest in the applicable Hydrocarbon Asset);

(v) the provision of satisfactory report(s) (including a Reserves Report) from independent consultant(s) and the delivery of any legal opinion(s) that the relevant Security Agent or Agent may reasonably require in connection with the designation or the entry into of any Finance Documents; and

(vi) the production of satisfactory evidence that all Authorisations required for the development and/or exploitation of that Hydrocarbon Asset have been obtained unless the failure to have or obtain such Authorisation would not be reasonably likely to have a Material Adverse Effect.

(e) Without prejudice to Clause 6.5(b), the Modelling Bank shall ensure that it delivers each draft Hedging Desktop Banking Case to the Obligors' Agent by no later than 15 Business Days prior to the Interim Redetermination Date on which such draft Hedging Desktop Banking Case is due to be adopted; *provided that*, if the Obligors' Agent notifies the Modelling Bank in writing prior to the date falling 15 Business Days before such Interim Redetermination Date that it intends to verify the applicable draft Hedging Desktop Banking Case, then the Obligors' Agent shall:

(i) promptly upon receipt of such draft Hedging Desktop Banking Case, verify that the relevant draft Hedging Desktop Banking Case has been prepared to its satisfaction in accordance with the requirements of Clause 6.5(a); and

(ii) following such verification, the Modelling Bank shall distribute through the Agent a copy of the relevant draft Hedging Desktop Banking Case to each Lender with a view to ensuring that the same is received by each Lender no later than 10 Business Days prior to the Redetermination Date on which such Banking Case is due to be adopted.

6.6 Consideration of Draft Banking Case by Lenders

(a) For the purposes of this Clause 6 (*Banking Cases*), the "**Delivery Date**" means, in relation to any draft Banking Case, the date on which the Agent delivers copies of the draft Banking Case and other information (if any) to all the Lenders under Clause 6.5(b) (*Draft Banking Cases*).

(b) Save in the case of any Hedging Desktop Banking Case, each Lender may, within ten Business Days of the Delivery Date, notify (through the Agent) the Technical Bank of whether it approves (acting reasonably) of (as the case may be):

(i) the Assumptions used in the preparation of that draft Banking Case (other than a Desktop Banking Case); and/or

(ii) the Baobab FPSO Renovation Desktop Assumptions used in the preparation of that draft Banking Case if it is a draft Baobab FPSO Renovation Desktop Banking Base; and/or

(iii) any relevant Hydrocarbon Asset being designated as a Borrowing Base Asset and the conditions precedent relating thereto (if any); and/or

(iv) any relevant Borrowing Base Asset ceasing to be designated a Borrowing Base Asset and the conditions precedent relating thereto (if any).

(c) The consent of a Lender to a Borrowing Base Asset ceasing to be so designated may not be withheld where such Lender is satisfied (acting reasonably):

(i) that no Default is continuing or would arise on the adoption of the new Banking Case with the Borrowing Base Asset in question ceasing to be so designated;

(ii) that the risk profile of the remaining portfolio of Borrowing Base Assets, following the Borrowing Base Asset in question ceasing to be so designated, will not be materially worse than the risk profile of the portfolio of Borrowing Base Assets prior to it ceasing to be so designated;

(iii) that the aggregate amount of Loans on the date of adoption of the new Banking Case (with such Borrowing Base Asset ceasing to be so designated) will not exceed the Borrowing Base Amount that would be applicable on the day following such date of adoption; and

(iv) with the conditions precedent relating to the same.

(d) Save in the case of any Hedging Desktop Banking Case, any Lender that does not inform (through the Agent) the Technical Bank to the contrary within ten Business Days of the Delivery Date shall be deemed to have approved of (as the case may be):

(i) the Assumptions used in the preparation of the draft Banking Case; and/or

(ii) the Baobab FPSO Renovation Desktop Assumptions used in the preparation of the draft Banking Case if it is a draft Baobab FPSO Renovation Desktop Banking Base; and/or

(iii) any relevant Hydrocarbon Asset being designated as a Borrowing Base Asset and the conditions precedent relating thereto (if any); and/or

(iv) any relevant Borrowing Base Asset ceasing to be designated a Borrowing Base Asset and the conditions precedent relating thereto (if any).

(e) In any event, the Technical Bank and the Modelling Bank shall on the date falling 15 Business Days after the Delivery Date notify (through the Agent) the Obligors' Agent and the Lenders of whether Clause 6.7 (*Lenders Approve*) or Clause 6.8 (*Lenders do not Approve*) applies with respect to the relevant draft Banking Case.

6.7 Lenders Approve

Other than in the case of a Hedging Desktop Banking Case, if the Majority Lenders approve, or are deemed to have approved (as the case may be):

(a) the use of each of the Assumptions for the preparation of the relevant Banking Case (other than a Hedging Desktop Banking Case); and/or

(b) the use of each of the Baobab FPSO Renovation Desktop Assumptions for the preparation of the relevant Banking Case if it is a Baobab FPSO Renovation Desktop Banking Base; and/or

(c) any Hydrocarbon Asset being designated a Borrowing Base Asset and the conditions precedent relating thereto; and/or

(d) any existing Borrowing Base Asset ceasing to be designated a Borrowing Base Asset and the conditions precedent relating thereto,

then (as the case may be):

(i) the draft Banking Case shall be adopted as the current Banking Case in accordance with Clause 6.9 (*Adoption of Banking Cases*); and/or

(ii) the relevant Hydrocarbon Asset shall become a Borrowing Base Asset (upon satisfaction of relevant conditions precedent) pursuant to Clause 6.9 (*Adoption of Banking Cases*); and/or

(iii) the relevant existing Borrowing Base Asset shall cease to be a Borrowing Base Asset (upon satisfaction of relevant conditions precedent) pursuant to Clause 6.9 (*Adoption of Banking Cases*).

6.8 Lenders do not Approve

(a) Other than in the case of a Hedging Desktop Banking Case if the Majority Lenders (acting reasonably) (x) do not approve of any Assumption (the "**rejected Assumption**") used in any draft Banking Case or (y) any Baobab FPSO Renovation Desktop Assumption used in any draft Baobab FPSO Renovation Desktop Banking Case (the "**rejected Baobab FPSO Renovation Desktop Assumption**"), then:

(i) the Obligors' Agent and the Majority Lenders (through the Technical Bank) shall seek to agree:

(A) the Assumption(s) to be used for the purposes of the relevant Banking Case instead of the rejected Assumption(s); and/or

(B) the Baobab FPSO Renovation Desktop Assumption(s) to be used for the purposes of the relevant Baobab FPSO Renovation Desktop Banking Case instead of the rejected Baobab FPSO Renovation Desktop Assumption(s);

(ii) if the Majority Lenders (through the Technical Bank) and the Obligors' Agent have not been able to reach agreement on the relevant Assumption(s) and/or Baobab FPSO Renovation Desktop Assumption (as applicable) to be used in the preparation of the relevant Banking Case instead of the rejected Assumption and/or rejected Baobab FPSO Renovation Desktop Assumption (as applicable) by the date falling five Business Days before the Redetermination Date on which the Banking Case is due to be adopted then the relevant Assumption(s) and/or Baobab FPSO Renovation Desktop Assumption(s) (as applicable) shall be determined by the Majority Lenders (acting reasonably) and in relation to any Assumption in line with market practice for equivalent financings; and

(iii) the Modelling Bank (in consultation with the Technical Bank and the Obligors' Agent) shall promptly upon the relevant Assumption(s) and/or Baobab FPSO Renovation Desktop Assumption (as applicable) being agreed between the Majority Lenders and the Obligors' Agent or being determined pursuant to Clause 6.8(a)(ii):

(A) prepare a revised draft Banking Case using the Assumption(s) and/or Baobab FPSO Renovation Desktop Assumption (as applicable) so agreed or determined instead of the rejected Assumption(s) and/or Baobab FPSO Renovation Desktop Assumption (as applicable); and

(B) deliver (through the Agent) a copy of such revised draft Banking Case to the Obligors' Agent, the Technical Bank and the Lenders (and such draft Banking Case shall be adopted as the current draft Banking Case in accordance with Clause 6.9 (*Adoption of Banking Cases*)).

(b) If the Majority Lenders:

(i) do not approve the designation of any Hydrocarbon Asset as a Borrowing Base Asset; or

(ii) require conditions relating to the designation of any Hydrocarbon Asset as a Borrowing Base Asset that are not acceptable to the Obligors' Agent,

then the Modelling Bank shall promptly (in consultation with the Obligors' Agent and the Technical Bank) prepare a revised draft Banking Case:

(A) based on the Assumptions that have been agreed, approved or determined in accordance with the preceding provisions of this Clause 6 (*Banking Cases*); and

(B) that does not take account of the proposed Hydrocarbon Asset as a Borrowing Base Asset,

and deliver (through the Agent) a copy of such revised draft Banking Case to the Technical Bank, the Obligors' Agent and the Lenders (and such draft Banking Case shall be adopted as the current draft Banking Case in accordance with Clause 6.9 (*Adoption of Banking Cases*)).

(c) If the Majority Lenders (acting reasonably):

(i) do not approve of an existing Borrowing Base Asset ceasing to be so designated; or

(ii) require conditions relating to an existing Borrowing Base Asset ceasing to be so designated which are not acceptable to the Obligors' Agent,

then the Modelling Bank shall promptly (in consultation with the Obligors' Agent and the Technical Bank) prepare a revised draft Banking Case:

(A) based on the Assumptions that have been agreed, approved or determined in accordance with the preceding provisions of this Clause 6 (*Banking Cases*); and

(B) that continues to take account of the relevant Borrowing Base Asset as a Borrowing Base Asset,

and deliver (through the Agent) a copy of such revised draft Banking Case to the Technical Bank, the Obligors' Agent and the Lenders (and such draft Banking Case shall be adopted as the current draft Banking Case in accordance with Clause 6.9 (*Adoption of Banking Cases*)).

6.9 Adoption of Banking Cases

(a) Each draft Banking Case (other than a Hedging Desktop Banking Case) prepared pursuant to (as the case may be) Clauses 6.5 (*Draft Banking Cases*) or Clause 6.8 (*Lenders do not Approve*) shall not be adopted as the current Banking Case for the purposes of this Agreement until the latest of:

(i) the relevant Redetermination Date on which the relevant Banking Case is due to be adopted;

(ii) in the case of any Banking Case to be adopted in connection with the designation of any Hydrocarbon Asset as a Borrowing Base Asset (the "**relevant designation**") or the ceasing of an existing Borrowing Base Asset to be so designated (the "**relevant de-designation**"), the date on which any relevant conditions precedent together with any additional conditions that:

(A) the Lenders may require pursuant to the preceding provisions of this Clause 6 (*Banking Cases*); and

(B) are required to be satisfied in order for the Majority Lenders to approve the relevant designation or, as the case may be, the relevant de-designation are satisfied; and

(iii) in the case of any revised draft Banking Case that has been prepared pursuant to Clause 6.8 (*Lenders do not Approve*), the date on which the Modelling Bank and the Technical Bank confirm (through the Agent) to the Lenders that they have verified that the relevant revised draft Banking Case has been prepared to their reasonable satisfaction in accordance with the requirements of this Clause 6 (*Banking Cases*).

(b) If Clause 6.8 (*Lenders do not Approve*) does not apply, the Technical Bank and the Modelling Bank (through the Agent and at the same time as issuing any notice under Clause 6.6 (*Consideration of Draft Banking Case by Lenders*)) shall confirm to the Obligors' Agent and the Lenders:

(i) that the relevant Banking Case (other than a Hedging Desktop Banking Case) will be adopted in accordance with Clause 6.9(a); and

(ii) the Borrowing Base Amount for each Calculation Period ending on or before the Final Maturity Date that will be applicable upon the adoption of such Banking Case.

(c) If Clause 6.8 (*Lenders do not Approve*) applies for any reason, the Technical Bank and the Modelling Bank (through the Agent) shall, upon the adoption of the relevant Banking Case in accordance with Clause 6.9(a) or as soon as reasonably possible before such adoption, confirm to the Obligors' Agent and the Lenders:

(i) that the relevant Banking Case has been, or (as the case may be) will be, adopted in accordance with Clause 6.9(a); and

(ii) the Borrowing Base Amount for each Calculation Period ending on or before the Final Maturity Date that will be applicable upon the adoption of such Banking Case.

(d) If any Banking Case has been prepared and adopted in connection with the designation of any Hydrocarbon Asset being designated as such, then on the adoption of that Banking Case in accordance with Clause 6.9(a), that Hydrocarbon Asset shall automatically be designated as a Borrowing Base Asset.

(e) Each Hedging Desktop Banking Case prepared in accordance with Clause 6.5(a)(ii) (*Draft Banking Case*) shall be adopted on the relevant Redetermination Date on which such Banking Case is due to be adopted. The Technical Banks and the Modelling Bank (though the Agent) shall confirm to the Obligors' Agent and the Lenders, the Borrowing Base Amount for each Calculation Period ending on or before the Facility Maturity Date that will be applicable upon the adoption of such Banking Case.

(f) If any Banking Case has been prepared and adopted in connection with any Borrowing Base Asset ceasing to be designated as a Borrowing Base Asset, then on the adoption of that Banking Case in accordance with Clause 6.9(a), that Borrowing Base Asset shall automatically cease to be designated as such.

6.10 Asset Base

On or before the date falling 30 days before the date by which the Technical Bank and the Obligors' Agent are required under Clause 6.4(a) (*Preparatory Steps*) to submit their proposals in respect of the Assumptions to be used for any Banking Case (or such later date as may be agreed by the Technical Bank), the Obligors' Agent may submit a written request (setting out in reasonable detail the reason for the request) to the Agent, the Technical Bank and the Lenders for any existing Borrowing Base Asset to cease to be designated a Borrowing Base Asset.

6.11 Computer Model

(a) The Modelling Bank may, with the prior consent of the Obligors' Agent and the Majority Lenders (in each case, such consent not to be unreasonably withheld or delayed), make amendments to the Computer Model from time to time to correct any errors in such Computer Model or otherwise to reflect any changes in circumstance since the date of this Agreement.

(b) Following any material amendment to the Computer Model, the Majority Lenders may request for the amended Computer Model to be audited. If the Majority Lenders so request, the amended Computer Model shall be audited (at the cost of the Obligors) by a firm of model auditors appointed by the Modelling Bank. Where an audit has been so requested, until a satisfactory audit in relation to the amended Computer Model has been delivered to the Majority Lenders, the existing unamended version shall continue to be the "*Computer Model*" for the purpose of this Agreement.

6.12 Initial Approved Reserves

(a) Subject to the remaining provisions of this Clause 6.12, the "**Initial Approved Reserves**" shall be the figure included in the Initial Banking Case, as the aggregate quantities of Hydrocarbons forecast in the Initial Banking Case to be produced from the Initial Borrowing Base Assets in the period commencing on the first day of the first Calculation Period shown in the Initial Banking Case and ending on the Calculation End Date for the Initial Banking Case.

(b) If any Banking Case has been adopted in accordance with this Clause 6 (*Banking Cases*) in connection with any Borrowing Base Asset ceasing to be designated a Borrowing Base Asset, the Technical Bank (acting reasonably and having regard to that Banking Case and

after consulting the Obligors' Agent) may adjust the Initial Approved Reserves (including by reference to the most recently delivered Reserves Report) to reflect any decrease in the aggregate quantities of Hydrocarbons produced, or forecast to be produced, by the Borrowing Base Assets by reason of a Borrowing Base Asset ceasing to be so designated.

(c) The Technical Bank shall, promptly after making any adjustment pursuant to paragraph (b) above, notify the Lenders and the Obligors' Agent of the same and until the next adjustment is made pursuant to paragraph (b) above, the adjusted figure so notified by the Technical Bank shall be the "**Initial Approved Reserves**" for the purposes of this Agreement.

7. Repayment

7.1 Repayment of Loans

(a) Each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period.

(b) Without prejudice to each Borrower's obligation under paragraph (a) above, if:

(i) one or more Loans are to be made available to a Borrower:

(A) on the same day that a maturing Loan is due to be repaid by that Borrower; and

(B) in whole or in part for the purpose of refinancing the maturing Loan; and

(ii) the proportion borne by each Lender's participation in the maturing Loan to the amount of that maturing Loan is the same as the proportion borne by that Lender's participation in the new Loans to the aggregate amount of those new Loans,

the aggregate amount of the new Loans shall, unless the relevant Borrower notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Loan so that:

(A) if the amount of the maturing Loan exceeds the aggregate amount of the new Loans:

(1) the relevant Borrower will only be required to make a payment under Clause 36.1 (*Payments to the Agent*) in an amount in the relevant currency equal to that excess; and

(2) each Lender's participation in the new Loans shall be treated as having been made available and applied by the relevant Borrower in or towards repayment of that Lender's participation in the maturing Loan and that Lender will not be required to make a payment under Clause 36.1 (*Payments to the Agent*) in respect of its participation in the new Loans; and

(B) if the amount of the maturing Loan is equal to or less than the aggregate amount of the new Loans:

(1) the relevant Borrower will not be required to make a payment under Clause 36.1 (*Payments to the Agent*); and

(2) each Lender will be required to make a payment under Clause 36.1 (*Payments to the Agent*) in respect of its participation in the new Loans only to the extent that its participation in the new Loans exceeds that Lender's participation in the maturing Loan and the remainder of that Lender's participation in the new Loans shall be treated as having been made available and applied by the relevant Borrower in or towards repayment of that Lender's participation in the maturing Loan.

(c) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Loans then outstanding will be automatically extended to the Final Maturity Date and will be treated as separate Loans (the "**Separate Loans**") denominated in the currency in which the relevant participations are outstanding.

(d) Any Separate Loans in respect of a Defaulting Lender shall be reduced and repaid on each date that the Commitment of that Defaulting Lender is reduced, to the extent that the aggregate of such Separate Loans would otherwise exceed that Defaulting Lender's Commitment.

(e) If a Borrower makes a prepayment of a Utilisation pursuant to Clause 8.3 (*Voluntary Prepayment of Loans*), a Borrower to whom a Separate Loan is outstanding may prepay that Loan by giving not less than 5 Business Days' prior notice to the Agent. The proportion borne by the amount of the prepayment of the Separate Loan to the amount of the Separate Loans shall not exceed the proportion borne by the amount of the prepayment of the Utilisation to the Utilisations. The Agent will forward a copy of a prepayment notice received in accordance with this paragraph (e) to the Defaulting *Lender concerned as soon as practicable on receipt.*

(f) Interest in respect of a Separate Loan will accrue for successive Interest Periods selected by the Borrower by the time and date specified by (and as agreed with) the Agent (acting reasonably) and will be payable by that Borrower to the Agent (for the account of that Defaulting Lender) on the last day of each Interest Period of that Loan.

(g) The terms of this Agreement relating to Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (c) to (f) above, in which case those paragraphs shall prevail in respect of any Separate Loan.

(h) The Total Commitments under the Facility shall reduce to zero on the Final Maturity Date.

7.2 Reduction of Loans

(a) Each Borrower that has drawn a Loan shall repay such amount of the Loans as is required to ensure that at all times the aggregate dollar amount of the Loans does not exceed the Total Commitments at that time.

(b) In addition, subject to paragraph (d) below, on or before each Reduction Date, each Borrower shall repay such amount of the Loans as is required to reduce the aggregate dollar amount of the Loans to the Borrowing Base Amount applicable on the day after such Reduction Date.

(c) Any repayments of Loans under paragraphs (a) or (b) above shall be applied towards such Loans of that Borrower as the Agent shall determine.

(d) Without prejudice to paragraph (a) above and to any other provision of this Agreement requiring repayment or prepayment of Loans, where:

(i) a Borrowing Base Deficiency has arisen (save as a result of a designation or de- designation of a Borrowing Base Asset); and

(ii) the Borrowing Base Amount then applicable is less than the Borrowing Base Amount that would have been applicable had the most recent Banking Case not been adopted (such difference being the "**Borrowing Base Reduction Amount**"):

(A) the Borrowers shall submit to the Agent a remedy plan within ten (10) Business Days of the relevant Reduction Date to which the Borrowing Base Deficiency relates demonstrating that the amount of any repayment required pursuant to paragraph (a) or (b) above up to the Borrowing Base Reduction Amount will be made on or before the date falling 20 Business Days after that Reduction Date (the "**Remedy End Date**"); and

(B) in any event, no Borrowing Base Deficiency may continue after the Remedy End Date.

8. Illegality, Prepayment and Cancellation

8.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in any Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event;

(b) upon the Agent notifying the Obligors' Agent, the Available Commitment of that Lender will be immediately cancelled; and

(c) to the extent that the Lender's participation has not been transferred pursuant to Clause 42.6 (*Replacement of Lender*), each Borrower shall repay that Lender's participation in the Loans made to it on the last day of the Interest Period for each Loan occurring after the Agent has notified the Obligors' Agent or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment(s) shall be cancelled in the amount of the participations repaid.

8.2 Voluntary Cancellation

(a) The Obligors' Agent may, if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of $5,000,000) of the Available Facility *provided that* the most recent VAALCO Energy Group Liquidity Forecast (adjusted to reflect such cancellation) does not demonstrate a Funding Shortfall. Any cancellation under this Clause 8.2 shall reduce the Commitments of the Lenders rateably.

(b) On the date (the "**cancellation date**") on which the cancellation of any part of the Available Facility pursuant to paragraph (a) takes effect:

(i) the Total Commitments for the Specified Period (the "**Initial Specified Period**") in which the cancellation date occurs shall be reduced by the amount of the Available Facility so cancelled pursuant to paragraph (a) and the Commitment of each Lender for the Initial Specified Period shall be reduced by the same proportion by which the Available Facility for the Initial Specified Period is reduced; and

(ii) if, as a result of the reduction of the Available Facility for the Initial Specified Period pursuant to paragraph (a), the Total Commitments for any subsequent Specified Period exceed the reduced Total Commitments for the Initial Specified Period, the Total Commitments for each Specified Period shall be reduced to an amount equal to the reduced Total Commitments for the Initial Specified Period and the Commitments of each Lender in each subsequent Specified Period shall be reduced by the same proportion by which the Total Commitments for that Specified Period are reduced.

8.3 Voluntary Prepayment of Loans

A Borrower may give the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior notice to prepay the whole or any part of a Loan (but if in part, being an amount that reduces the amount of the Loan by a minimum amount of $1,000,000) *provided that* the most recent VAALCO Energy Group Liquidity Forecast (adjusted to reflect such prepayment) does not demonstrate a Funding Shortfall.

8.4 Right of Cancellation and Repayment in relation to a Single Lender

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 14.2 (*Tax Gross-Up*) or under an equivalent provision of any Finance Document; or

(ii) any Lender claims indemnification from an Obligor under Clause 14.3 (*Tax Indemnity*) or Clause 15.1 (*Increased Costs*),

the Obligors' Agent may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice (if such circumstances relate to a Lender) of cancellation of the Commitment(s) of that Lender for each Specified Period and its intention to procure the repayment of that Lender's participation in the Loans *provided that* the most recent VAALCO Energy Group Liquidity Forecast (adjusted to reflect such cancellation and repayment) does not demonstrate a Funding Shortfall.

(b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Available Commitment(s) of that Lender for each Specified Period shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Obligors' Agent has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Obligors' Agent in that notice), each Borrower to which a Loan is outstanding shall repay that Lender's participation in that Loan together with all interest, Break Costs and other amounts accrued under the Finance Documents.

8.5 Right of Cancellation in Relation to a Defaulting Lender

(a) If any Lender becomes a Defaulting Lender, the Obligors' Agent may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent 15 Business Days' notice of cancellation of the Available Commitment of that Lender.

(b) On the date (the "**cancellation date**") on which the cancellation of the Available Commitment of any Defaulting Lender pursuant to paragraph (a) takes effect:

(i) the Commitment of that Defaulting Lender for the Specified Period (the "**Initial Defaulting Lender Specified Period**") in which the cancellation date occurs shall be reduced by an amount equal to the Available Commitment so cancelled; and

(ii) that Defaulting Lender's Commitment for each subsequent Specified Period shall be reduced by the same proportion by which its Commitment for the Initial Defaulting Lender Specified Period is reduced pursuant to paragraph 8.5(b)(i).

(c) The Agent shall, as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

8.6 Mandatory Prepayment - Change of Control

Upon the occurrence of a Change of Control:

(a) the Obligors' Agent shall promptly notify the Agent upon becoming aware of that event;

(b) no Lender shall be obliged to fund a Utilisation (except for a Rollover Loan); and

(c) if a Lender so requires and notifies the Agent within 10 Business Days of the Obligors' Agent notifying the Agent of the event, the Agent shall, by not less than 10 Business Days' notice to the Obligors' Agent:

(i) cancel the Commitment of that Lender; and

(ii) declare the participation of that Lender in all outstanding Loans, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents (other than any Secured Hedging Agreement) payable to that Lender, immediately due and payable,

whereupon the Commitment of that Lender will be cancelled and all such outstanding amounts payable to that Lender will become immediately due and payable.

8.7 Mandatory Prepayment – Sanctions and Anti-Corruption Law

(a) If:

(i) any representation or statement made or deemed to be made by an Obligor pursuant to Clause 21.23 (*Anti-Corruption Law*) and/or Clause 21.34 (*Sanctions*) or any equivalent representation or statement to any of the foregoing made or deemed to be made by a Security Grantor or any Obligor in any other Finance Document is or proves to have been incorrect or misleading when made or deemed to be made;

(ii) an Obligor does not comply with any of the provisions of Clause 24.21 (*Compliance with Sanctions*), Clause 24.22 (*Anti-Corruption Law*), Clause 24.13 (*Loans and Guarantees*) and/or Clause 24.14 (*Taxes and Royalties*) (as applicable

to that Obligor) or a Security Grantor or Obligor does not comply with any equivalent provision to any of the foregoing in any other Finance Document; or

(iii) any Security Grantor or member of the VAALCO Energy Group becomes a Sanctioned Person,

this shall constitute a "**Relevant Event**" and the Obligors' Agent shall notify the Agent promptly upon becoming aware of any Relevant Event and the Agent shall promptly notify the Lenders upon receipt of the Obligors' Agent's notice (or, if any Finance Party becomes aware of any Relevant Event and notifies the Agent, the Agent shall notify the Obligors' Agent and the other Finance Parties).

(b) If a Relevant Event has occurred, no Lender shall be obliged to comply with Clause 5.4 (*Lenders' Participation*) on any subsequent (proposed or actual) Utilisation Date and if any Lender so requires and notifies the Agent, the Agent shall, by not less than ten Business Days' notice to the Obligors' Agent:

(i) cancel the Commitment of that Lender; and

(ii) declare the participation of that Lender in all outstanding Loans, together with accrued interest and all other amounts accrued under the Finance Documents payable to that Lender, immediately due and payable,

whereupon the Commitment of that Lender will be cancelled and all such outstanding amounts payable to that Lender will become immediately due and payable.

9. Restrictions

9.1 Notices of Cancellation or Prepayment

Any notice of cancellation, prepayment, authorisation or other election given by any Party under Clause 8 (*Illegality, Prepayment and Cancellation*) shall (subject to the terms of that Clause) be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

9.2 Interest and other Amounts

Any repayment or prepayment under this Agreement shall be made together with accrued interest on the amount repaid or prepaid and, subject to any Break Costs, without premium or penalty.

9.3 Reborrowing of Facility

Unless a contrary indication appears in this Agreement, any part of the Facility which is repaid or prepaid may be reborrowed in accordance with the terms of this Agreement.

9.4 Prepayment in accordance with Agreement

No Borrower shall repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

9.5 No Reinstatement of Commitments

Subject to Clause 2.2 (*Increase due to Cancellation*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

9.6 Agent's Receipt of Notices

If the Agent receives a notice under Clause 8 (*Illegality, Prepayment and Cancellation*) it shall promptly forward a copy of that notice to the Obligors' Agent or the affected Lender, as appropriate.

9.7 Application of Prepayments

Any prepayment of a Loan (other than a prepayment pursuant to Clause 8.1 (*Illegality*), Clause 8.4 (*Right of Cancellation and Repayment in relation to a Single Lender*), Clause 8.6 (*Mandatory Prepayments - Change of Control*) or Clause 8.7 (*Mandatory Prepayment – Sanctions and Anti-Corruption Law*)) shall be applied *pro rata* to each Lender's participation in that Loan.

10. Interest

10.1 Calculation of Interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of:

(a) Margin; and

(b) the Reference Rate.

10.2 Payment of Interest

Each Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period.

10.3 Default Interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is two per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 10.3 shall be immediately payable by the Obligor on demand by the Agent.

(b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be two per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 Notifications

(a) The Agent shall promptly upon an Interest Payment being determinable notify:

(i) the relevant Borrower of that Interest Payment;

(ii) each relevant Lender of the proportion of that Interest Payment which relates to that Lender's participation in the relevant Loan; and

(iii) the relevant Lenders and the relevant Borrower of:

(A) each applicable rate of interest relating to the determination of that Interest Payment; and

(B) to the extent it is then determinable, the Market Disruption Rate (if any) relating to the relevant Loan.

This paragraph (a) shall not apply to any Interest Payment determined pursuant to Clause 12.3 (*Cost of Funds*).

(b) The Agent shall promptly notify the relevant Borrower of each Funding Rate relating to a Loan.

(c) The Agent shall promptly notify the relevant Lenders and the relevant Borrower of the determination of a rate of interest relating to a Loan to which Clause 12.3 (*Cost of Funds*) applies.

(d) This Clause 10.4 shall not require the Agent to make any notification to any Party on a day which is not a Business Day.

10.5 Interest Rate Limitation

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Utilisation by a Borrower that is organized, incorporated or formed under the laws of the US or any state thereof (including the District of Columbia) (a "**US Borrower**"), together with all fees, charges and other amounts which are treated as interest on such Utilisation under applicable law (collectively the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") which may be contracted for, charged, taken, received or reserved by the Lender holding such Utilisation in accordance with applicable law, the rate of interest payable in respect of such Utilisation, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Utilisation but were not payable as a result of the operation of this Clause 10.5 shall be cumulated and the interest and Charges payable to such Lender in respect of other Utilisation or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the rate otherwise applicable to Utilisations at such time (to the extent permitted by applicable law and not to exceed the Maximum Rate) to the date of repayment, shall have been received by such Lender. Any amount collected by such Lender that exceeds the maximum amount collectible at the Maximum Rate shall be applied to the reduction of the principal balance of such Utilisation or refunded to the applicable Borrower so that at no time shall the interest and charges paid or payable in respect of such Utilisation exceed the maximum amount collectible at the Maximum Rate.

11. Interest Periods

11.1 Duration of Interest Periods

(a) A Borrower (or the Parent on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan.

(b) Subject to Clause 11 (*Interest Periods*), a Borrower (or the Parent on behalf of a Borrower) may select an Interest Period of one, three or six Months or of any other period agreed between the Parent and the Agent (acting on the instructions of all the Lenders in relation to the relevant Loan).

(c) An Interest Period for a Loan shall not extend beyond the Final Maturity Date.

(d) Each Interest Period for a Loan shall start on the Utilisation Date.

(e) A Loan has one Interest Period only.

(f) No Interest Period shall be longer than six Months.

11.2 Non-Business Days

If an Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

12. Changes to the Calculation of Interest

12.1 Unavailability of Term SOFR

(a) *Interpolated Term SOFR*: If no Term SOFR is available for the Interest Period of a Loan, the applicable Reference Rate shall be the Interpolated Term SOFR for a period equal in length to the Interest Period of that Loan.

(b) *Shortened Interest Period*: If no Term SOFR is available for the Interest Period of a Loan and it is not possible to calculate the Interpolated Term SOFR, the Interest Period of that Loan shall (if it is longer than the applicable Fallback Interest Period) be shortened to the applicable Fallback Interest Period and the applicable Reference Rate for that shortened Interest Period shall be determined pursuant to the definition of "Reference Rate".

(c) *Shortened Interest Period and Historic Term SOFR*: If the Interest Period of a Loan is, after giving effect to paragraph (b) above, either the applicable Fallback Interest Period or shorter than the applicable Fallback Interest Period and, in either case, no Term SOFR is available for the Interest Period of that Loan and it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rate shall be the Historic Term SOFR for that Loan.

(d) *Shortened Interest Period and Interpolated Historic Term SOFR*: If paragraph (c) above applies but no Historic Term SOFR is available for the Interest Period of the Loan, the applicable Reference Rate shall be the Interpolated Historic Term SOFR for a period equal in length to the Interest Period of that Loan.

(e) *Fixed Central Bank Rate*: if paragraph (d) above applies, but it is not possible to calculate the Interpolated Historic Term SOFR, the applicable Reference Rate shall be:

(i) the percentage rate per annum which is the aggregate of:

(A) the Central Bank Rate for the Quotation Day; and

(B) the applicable Central Bank Rate Adjustment; or

(ii) if the Central Bank Rate for the Quotation Day is not available, the percentage rate per annum which is the aggregate of:

(A) the most recent Central Bank Rate for a day which is no more than 5 days before the Quotation Day; and

(B) the applicable Central Bank Rate Adjustment.

(f) *Cost of Funds*: If paragraph (e) above applies but there is no Central Bank Rate, the applicable Reference Rate shall be determined in accordance with Clause 12.3(*Cost of Funds*).

12.2 Market Disruption

If before 17:00 London time on the Reporting Day for the relevant Interest Period the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that its cost of funds relating to its participation in that Loan would be in excess of the relevant Market Disruption Rate then Clause 12.3 (*Cost of Funds*) shall apply to that Loan for the relevant Interest Period.

12.3 Cost of Funds

(a) If this Clause 12.3 applies to a Loan for an Interest Period, Clause 10.1 (*Calculation of Interest*) shall not apply to that Loan for that Interest Period and the rate of interest on each Lender's share of that Loan for that Interest Period shall be the percentage rate per annum which is the sum of:

(i) the applicable Margin; and

(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event by the Reporting Time, to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in that Loan.

(b) If this Clause 12.3 applies and the Agent or the Obligors' Agent so requires, the Agent and the Obligors' Agent shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.

(c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Obligors' Agent, be binding on all Parties.

(d) If this Clause 12.3 applies pursuant to Clause 12.1(a) (*Market Disruption*) and:

(i) a Lender's Funding Rate is less than the Market Disruption Rate; or

(ii) a Lender does not notify a rate to the Agent by the Reporting Time,

that Lender's cost of funds relating to its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be the Market Disruption Rate.

12.4 Notification to the Obligors' Agent

If Clause 12.3 (*Cost of Funds*) applies, the Agent shall, as soon as is practicable, notify the Obligors' Agent.

12.5 Break Costs

(a) Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by such Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in respect of which they become, or may become, payable.

13. Fees

13.1 Commitment Fee

(a) On and from the date of this Agreement, the Parent shall pay to the Agent (for the account of the Lenders in accordance with the proportion borne by their respective Available Commitments to the Total Commitments):

(i) a fee computed at the applicable Unavailable Rate on the daily amount (if any) by which the then Total Commitments exceeds the higher of the total outstanding Loans and the Borrowing Base Amount; and

(ii) a fee computed at the applicable Unutilised Rate on the daily amount of the difference (if any) by which the Borrowing Base Amount exceeds the then outstanding Loans.

(b) The accrued commitment fees are payable on:

(i) the last day of each successive period of three Months which ends during the Availability Period;

(ii) the last day of the Availability Period; and

(iii) if cancelled in full, the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

(c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

13.2 Upfront Fee

The Parent shall pay the Agent (for the account of each Original Lender) an upfront fee in the amount and at the times agreed in a Fee Letter.

13.3 Technical Bank and Modelling Fee

The Parent shall pay the Technical Bank and the Modelling Bank (for their own account) a technical and modelling bank fee in the amount and at the times agreed in a Fee Letter.

13.4 Agent Fee

The Parent shall pay the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

13.5 Onshore (Gabon) Security Agent Fee

The Parent shall pay the Onshore (Gabon) Security Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

13.6 Offshore Security Agent Fee

The Parent shall pay the Offshore Security Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

14. Tax Gross up and Indemnities

14.1 Definitions

In this Agreement:

"**Designated Lender**" means any Original Lender which the Parent agrees to be so designated.

"**Protected Party**" means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"**Tax Credit**" means a credit against, relief or remission for, or repayment of, any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document other than a FATCA Deduction.

"**Tax Payment**" means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2 (*Tax Gross-Up*) or a payment under Clause 14.3 (*Tax Indemnity*).

Unless a contrary indication appears, in this Clause 14 a reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

14.2 Tax Gross-Up

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Obligors' Agent shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Obligors' Agent and that Obligor.

(c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(f) Solely in the case of a payment in respect of a US Borrower, a payment shall not be increased under paragraph (c) above by reason of a Tax Deduction required by the United States if, on the date the payment falls due:

(i) a Tax Deduction is required to be made in respect of any payment under or in connection with a Loan to a US Borrower for US federal withholding Tax except:

(A) in respect of any Tax Deduction that is required to be made to a Designated Lender (and without prejudice to Clause 17.1(b) (*Mitigation*));

(B) to the extent any such Tax Deduction is required to be made to a Lender as a result of a change in (or in the interpretation, administration, or application of) any law or treaty or any published practice or published concession of any relevant taxing authority binding on such Lender after the date on which it became a Lender under this Agreement; or

(C) to the extent any such increased amounts were payable to such Lender's assignor immediately before the Lender became a party hereto pursuant to clause (B) above, or

(ii) the Lender (other than a Designated Lender) has not complied with its obligations under Clause 14.9 (*US Withholding Tax Forms*).

14.3 Tax Indemnity

(a) The Obligors' Agent shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 14.2 (*Tax Gross-Up*); or

(B) relates to a FATCA Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Obligors' Agent.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 14.3, notify the Agent.

14.4 Tax Credit

(a) If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(i) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(ii) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

(b) If any Finance Party makes a payment to the Obligor under paragraph (a) above and such Finance Party subsequently determines that the Tax Credit in respect of which such payment was made was not available or has been withdrawn or that it was unable to use such Tax Credit in full or in part, the Obligor shall, within five Business Days of demand therefrom in writing from such Finance Party, reimburse such Finance Party an amount equal to the Tax Credit or the portion of the Tax Credit that was not available or has been withdrawn or that the Finance Party was unable to use.

(c) Nothing in this Clause 14.4 shall interfere with each Finance Party's right to arrange its tax affairs in whatever manner it thinks fit and, without limiting the foregoing, no Finance Party shall be under any obligation to claim any Tax Credit in priority to any other claims, relieves, credits or deductions available to it.

14.5 Stamp Taxes

The Obligors' Agent shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document and shall pay to each Finance Party, within five Business Days of demand, such amount as may be necessary to ensure that the Finance Party is indemnified against any documented liability, loss or costs suffered in connection with: (i) any failure by a Borrower to pay or any delay by a Borrower in paying any such Taxes; or (ii) any tax assessment, investigations or other procedures in relation to such Taxes.

14.6 VAT

(a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT or

other similar taxes (such as CSS (1 per cent.) in Gabon) purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT or other similar taxes (such as CSS (1 per cent.) in Gabon) is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT or other similar taxes (such as CSS (1 per cent.) in Gabon), that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT or other similar taxes (such as CSS (1 per cent.) in Gabon) (and such Finance Party must promptly provide an appropriate VAT or other similar taxes (such as CSS (1 per cent.) in Gabon) invoice to that Party).

(b) If VAT or other similar taxes (such as CSS (1 per cent.) in Gabon) is or becomes chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") under a Finance Document, and any Party other than the Recipient (the "**Relevant Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

(i) (where the Supplier is the person required to account to the relevant tax authority for the VAT or other similar taxes (such as CSS (1 per cent.) in Gabon)) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT or other similar taxes (such as CSS (1 per cent.) in Gabon) chargeable on that supply; and

(ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT or other similar taxes (such as CSS (1 per cent.) in Gabon)) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT or other similar taxes (such as CSS (1 per cent.) in Gabon).

(c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT or other similar taxes (such as CSS (1 per cent.) in Gabon), save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT or other similar taxes (such as CSS (1 per cent.) in Gabon) from the relevant tax authority.

(d) Any reference in this Clause 14.6 to any Party shall, at any time when such Party is treated as a member of a group for VAT or other similar taxes (such as CSS (1 per cent.) in Gabon) purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules (provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union) or any other similar provision in any jurisdiction which is not a member state of the

European Union) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or head) of that group or unity (or fiscal unity) at the relevant time (as the case may be).

(e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

14.7 FATCA Information

(a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(A) a FATCA Exempt Party; or

(B) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to paragraph 14.7(a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph 14.7(a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph 14.7(a)(i) or
(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

(e) If a Borrower is a US Tax Obligor or the Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within 10 Business Days of:

(i) where such Borrower is a US Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;

(ii) where such Borrower is a US Tax Obligor on a Transfer Date and the relevant Lender is a New Lender, the relevant Transfer Date;

(iii) the date a new US Tax Obligor accedes as a Borrower; or

(iv) where no Borrower is a US Tax Obligor, the date of a request from the Agent, supply to the Agent:

(A) a withholding certificate on IRS Form W-8, IRS Form W-9 or any other relevant form; or

(B) any withholding statement or other document, authorisation or waiver as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.

(f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the applicable Borrower.

(g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, documentation, authorisation or waiver to the applicable Borrower.

(h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraph (e), (f) or (g) above.

14.8 FATCA Deduction

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Obligors' Agent and the Agent and the Agent shall notify the other Finance Parties.

14.9 US Withholding Tax Forms

Any Finance Party that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Finance Document shall deliver to a Borrower, at the time or times reasonably requested by such Borrower, such properly completed and executed documentation reasonably requested by such Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding, *provided that* a Finance Party shall not be

required to deliver such other documentation (other than a US Withholding Tax Form) if in the Finance Party's reasonable judgment the completion, execution or submission would subject such Finance Party to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Finance Party. In addition, each Finance Party, if reasonably requested by a Borrower, shall deliver such other documentation prescribed by applicable law or reasonably requested by such Borrower as will enable the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements, *provided that* a Finance Party shall not be required to deliver such other documentation (other than a US Withholding Tax Form) if in the Finance Party's reasonable judgment the completion, execution or submission would subject such Finance Party to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Finance Party. Without limiting the foregoing, on or prior to the date on which a Lender or Agent to a US Borrower becomes a Party to this Agreement (and from time to time thereafter) upon the request of such Borrower or the Agent, as applicable, or on the invalidity or obsolescence of any previously delivered US Withholding Tax Form, such Lender or Agent shall provide to each such Borrower and Agent, as applicable, two (2) copies of properly completed US Withholding Tax Forms. However, no Lender or Agent shall be required to submit any US Withholding Tax Form or other documentation requested by a Borrower if that Lender or Agent is not legally entitled to do so (in which case that Lender or Agent shall notify the relevant Borrower in writing of its inability to do so).

15. Increased Costs

15.1 Increased Costs

(a) Subject to Clause 15.3 (*Exceptions*), the Obligors' Agent shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or

(ii) compliance with any law or regulation,

in each case, made after the date of this Agreement including, in each case, for the avoidance of doubt, Basel III or CRD IV.

(b) In this Clause 15:

(i) "**Basel II**" means "*International Convergence of Capital Measurement and Capital Standards, a Revised Framework*" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III).

(ii) "**Basel III**" means:

(A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(B) the rules for global systemically important banks contained in "*Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text*" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "*Basel III*".

(iii) "**CRD IV**" means:

(A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms in the form existing on the date of this Agreement; and

(B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC each in the form existing on the date of this Agreement.

(iv) "**Increased Costs**" means:

(A) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;

(B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

15.2 Increased Cost Claims

(a) A Finance Party intending to make a claim pursuant to Clause 15.1 (*Increased Costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Obligors' Agent.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

15.3 Exceptions

(a) Clause 15.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law to be made by an Obligor;

(ii) attributable to a FATCA Deduction required to be made by a Party;

(iii) compensated for by Clause 14.3 (*Tax Indemnity*) (or would have been compensated for under Clause 14.3 (*Tax Indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 14.3 (*Tax Indemnity*) applied);

(iv) attributable to the implementation or application of, or compliance with, Basel III or CRD IV or any other law or regulation which implements Basel III or CRD IV, in each case to the extent that the relevant Secured Party would reasonably be able to calculate the relevant Increased Cost with sufficient accuracy as at the date of this Agreement or, if later, the date it became a Secured Party;

(v) attributable to the implementation or application of or compliance with Basel II or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates); or

(vi) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.

(b) In this Clause 15.3, reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 14.1 (*Definitions*).

16. Other Indemnities

16.1 Currency Indemnity

(a) If any sum due from an Obligor or a Security Grantor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against that Obligor or Security Grantor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

each Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Without prejudice to Clause 16.1(a), each Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability which that Secured Party incurs as a result of that Secured Party receiving an amount in respect of an Obligor's or a Security Grantor's liability under any Finance Document in a currency other than the currency in which that liability is expressed to be payable under that Finance Document.

(c) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Other Indemnities

The Obligors' Agent shall (or shall procure that another Obligor will), within three Business Days of demand, indemnify the Secured Parties against any cost, loss or liability incurred by it as a result of:

(a) the occurrence of any Event of Default;

(b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 35 (*Sharing among the Finance Parties*);

(c) funding, or making arrangements to fund, its participation in a Loan requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Secured Party alone);

(d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by a Borrower;

(e) the release of any Security constituted by any Finance Document or the release of any Obligor pursuant to this Agreement;

(f) taking any action, or placing any reliance on any notice, demand or other communication received by such Secured Party from the Obligors' Agent on behalf of any Obligor in connection with the Finance Documents;

(g) any Environmental Contamination relating to any Hydrocarbon Asset in which a member of the VAALCO Energy Group has an interest or caused by a member of the VAALCO Energy Group (where such cost, loss or liability (A) has arisen as a result of the relevant Secured Party being a party to this Agreement or any other Finance Document and (B) is not caused by the gross negligence or wilful default of the relevant Secured Party);

(h) any Environmental and Social Claim against the relevant Secured Party relating to any Hydrocarbon Asset in which a member of the VAALCO Energy Group has an interest or caused by a member of the VAALCO Energy Group arising as a result of the relevant Secured Party being a party to this Agreement or any other Finance Document save to the extent that such cost, loss or liability is caused by the gross negligence or wilful default of the relevant Secured Party; or

(i) any abandonment of any Hydrocarbon Asset in which any member of the VAALCO Energy Group has an interest where such cost, loss or liability has arisen as a result of the relevant Secured Party being a party to this Agreement or any other Finance Document.

16.3 Indemnity to the Administrative Finance Parties

The Obligors' Agent shall (or shall procure that another Obligor will) promptly and by no later than five Business Days of demand indemnify each Administrative Finance Party against:

(a) any cost, loss or liability incurred by it (acting reasonably) as a result of:

(i) (in the case of the Agent) investigating any event which it reasonably believes is a Default;

(ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or

(iii) instructing lawyers, accountants, tax advisers, surveyors, or other professional advisers or experts as permitted under this Agreement; and

(b) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by it (otherwise than by reason of its gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 36.11 (*Disruption to Payment Systems, etc.*) notwithstanding its negligence, gross negligence or any other category of liability whatsoever but not including any claim based on its fraud) in acting as an Administrative Finance Party under the Finance Documents.

17. Mitigation by the Lenders

17.1 Mitigation

(a) Each Finance Party shall, in consultation with the Obligors' Agent, take all reasonable steps to mitigate any circumstances which arise and which would result in the Facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 8.1 (*Illegality*), Clause 14 (*Tax Gross Up and Indemnities*) or Clause 15 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) To the extent that after the date of this Agreement any payment required to be made by any Obligor results in a material increase in the cost of the Financial Indebtedness incurred under and in accordance with the terms of this Agreement for the Obligor Group (individually or as a whole), the Obligor's Agent may issue a notice to the Agent (a "**Discussion Notice**") to discuss in good faith any amendments to be made to this Agreement to mitigate such material increase in the cost of maintaining the Loans. From the date of the Discussion Notice, the Obligor's Agent, the relevant Finance Parties and the Agent shall enter into good faith discussions for a period of 20 Business Days with a view to amending this Agreement to mitigate the material increase in such cost in relation to a Lender's participation. For the avoidance of doubt, this Clause 17.1(b) is without prejudice to the obligations of the Finance Party under Clause 17.1(a) (which are subject always to Clause 17.2 (*Limitation of Liability*)) or the rights of the Obligors under Clause 42.6 (*Replacement of Lender*).

(c) Neither paragraph (a) nor paragraph (b) above shall in any way limit the obligations of any Obligor under the Finance Documents.

17.2 Limitation of Liability

(a) The Obligors' Agent shall promptly, and by no later than five Business Days of demand, indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 17.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 17.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18. Costs and Expenses

18.1 Transaction Expenses

The Obligors' Agent shall, subject to any agreed fee arrangement, within five Business Days of demand, pay the Administrative Finance Parties the amount of all out-of-pocket costs and expenses (including legal fees) reasonably incurred by any of them (and, in the case of any Security Agent, by any Receiver or Delegate) in connection with:

(a) the negotiation, preparation, printing, execution, syndication and perfection of:

(i) this Agreement and any other documents referred to in this Agreement and the Transaction Security Documents; and

(ii) any other Finance Documents executed after the date of this Agreement;

(b) the delivery of any legal opinion that any Security Agent or Agent may reasonably require in connection with the entry into of any Finance Document after the date of this Agreement;

(c) the completion of the transactions contemplated by any Finance Document and/or the perfection of the Security intended to be created pursuant to the Transaction Security Documents;

(d) the maintenance of a debt domain site or equivalent;

(e) the designation of any Hydrocarbon Asset as a Borrowing Base Asset or the ceasing of any Borrowing Base Asset to be designated as such;

(f) the accession of an Acceding Obligor to, or the release of any existing Obligor (in its capacity as such) from, the Finance Document(s); and/or

(g) the release of any Security constituted by any Finance Document.

18.2 Amendment Costs

If:

(a) an Obligor requests an amendment, waiver or consent; or

(b) an amendment is required pursuant to Clause 36.10 (*Change of Currency*),

the Obligors' Agent shall (or shall procure that another Obligor will), within three Business Days of demand, reimburse the Agent and each Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent and each Security Agent (and, in the case of any Security Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

18.3 Enforcement Costs and Preservation

The Obligors' Agent shall, within three Business Days of demand, pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against a Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

18.4 Advisers' Fees

(a) Any Administrative Finance Party (other than a Mandated Lead Arranger) may appoint any legal adviser, insurance adviser, financial adviser, accounting or tax consultant, model auditor, environmental consultant, engineering consultant or other independent expert or adviser (each, a "**Lenders' Adviser**") in connection with the exercise of that Administrative Finance Party's (other than a Mandated Lead Arranger's) or, as the case may be, the Lenders' or the Finance Parties' rights and discretions, or the performance of its or their duties and obligations, under the Finance Documents, *provided that* (save where such appointment is made in circumstances where a Default has occurred and is continuing)

the relevant Administrative Finance Party shall consult with the Obligors' Agent prior to making any such appointment.

(b) The Obligors' Agent shall, within five Business Days of demand by any Administrative Finance Party (other than a Mandated Lead Arranger) pay, or reimburse the relevant Administrative Finance Party (other than a Mandated Lead Arranger) for any payments that it has made in relation to the fees, costs and expenses of any Lenders' Adviser appointed by that Administrative Finance Party (other than a Mandated Lead Arranger) *provided that* save where:

(i) such Lenders' Adviser has been appointed in circumstances where a Default has occurred and is continuing; or

(ii) such fee, costs and expenses have been incurred pursuant to Clause 18.2 (*Amendment Costs*) or Clause 18.3 (*Enforcement Costs and Preservation*),

the Obligors' Agent has approved the fee arrangements for that Lenders' Adviser (such approval not to be unreasonably withheld or delayed).

19. Guarantee and Indemnity

19.1 Guarantee and Indemnity

Each Guarantor irrevocably and unconditionally, jointly and severally:

(a) guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents (other than Excluded Swap Obligations) including, without limitation:

(i) obligations which, but for the automatic stay under section 362(a) of the US Bankruptcy Code, or any similar law, would become due; and

(ii) any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided for in this Agreement, whether or not such interest is an allowed claim in any such proceeding;

(b) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and

(c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 19 if the amount claimed had been recoverable on the basis of a guarantee.

19.2 Continuing Guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

19.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this Clause 19 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

19.4 Waiver of Defences

The obligations of each Guarantor under this Clause 19 will not be affected by an act, omission, matter or thing which, but for this Clause 19, would reduce, release or prejudice any of its obligations under this Clause 19 (without limitation and whether or not known to it or any Finance Party) including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the VAALCO Energy Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under, any Finance Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security; or

(g) any insolvency or similar proceedings.

19.5 Guarantor Intent

Without prejudice to the generality of Clause 19.4 (*Waiver of Defences*), each Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

19.6 Immediate Recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from that Guarantor under this Clause 19. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

19.7 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, Security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Clause 19.

19.8 Deferral of Guarantors' Rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 19:

(a) to be indemnified by an Obligor;

(b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

(d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under Clause 19.1 (*Guarantee and Indemnity*);

(e) to exercise any right of set-off against any Obligor; and/or

(f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 36 (*Payment Mechanics*).

19.9 Release of Guarantors' Right of Contribution

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

(a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and

(b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other Security taken pursuant to, or in connection with, any Finance Document where such rights or Security are granted by or in relation to the assets of the Retiring Guarantor.

19.10 Additional Security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or Security now or subsequently held by any Finance Party.

19.11 Guarantee Limitations - General

This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of sections 678 or 679 of the Companies Act 2006 or any equivalent and applicable provisions under the laws of the Original Jurisdiction of the relevant Guarantor and, with respect to any Guarantor that is an Acceding Obligor, is subject to any limitations set out in the Obligor Accession Deed applicable to such Guarantor.

19.12 Guarantee Limitations – Entities incorporated in Sweden

Notwithstanding any other provisions of this Agreement, the obligations and liabilities of any Swedish Obligor under any Finance Document in respect of obligations and liabilities owed by parties other than itself and any of its wholly-owned Subsidiaries shall be limited, if (and only if) required by the provisions of the Swedish Companies Act relating to distribution of assets (Chapter 17, Sections 1-4 (or its equivalent from time to time)) and it is understood that the obligations and liabilities of each Swedish Obligor under any Finance Document and any terms and conditions under any Finance Document only apply to the extent permitted by the above mentioned provisions of the Swedish Companies Act. For the avoidance of doubt, no guarantee, security or indemnity provided by a Swedish Obligor shall guarantee any of VAALCO Energy (Holdings), LLC's present or future obligations or liabilities under the Finance Documents.

19.13 Limitations on guarantee under US Law

(a) Each Guarantor acknowledges that it will receive valuable direct or indirect benefits as a result of the transactions contemplated by the Finance Documents (including utilisations thereunder).

(b) Notwithstanding anything to the contrary contained herein or in any other Finance Document:

(i) each Finance Party agrees that the maximum liability of each Guarantor under this Clause 19 (*Guarantee and Indemnity*) and under the other Finance Documents shall in no event exceed the amount that can be guaranteed by such Guarantor under any applicable Fraudulent Transfer Law, in each case after giving effect to:

(A) all other liabilities of such Guarantor, contingent or otherwise, that are relevant under such Fraudulent Transfer Law (specifically excluding, however, any liabilities of such Guarantor in respect of intercompany indebtedness to any Borrower to the extent that such intercompany indebtedness would be discharged in an amount equal to the amount paid by such Guarantor hereunder); and

(B) the value as assets of such Guarantor (as determined under the applicable provisions of such Fraudulent Transfer Law) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights held by such Guarantor pursuant to:

(1) applicable law; or

(2) any other agreement providing for an equitable allocation among such Guarantor and any Borrower and other Guarantors of obligations arising under this Agreement or other guarantees of such obligations by such parties; and

(ii) each party agrees that, in the event any payment or distribution is made on any date by a Guarantor under this Clause 19 (*Guarantee and Indemnity*), each such Guarantor shall be entitled to be indemnified from each other Guarantor, to the greatest extent permitted under applicable law and subject to the other limitations of this Clause 19.13 in an amount equal to such payment or distribution, in each case multiplied by a fraction of which the numerator shall be the net worth of the contributing Guarantor and the denominator shall be the aggregate net worth of all the Guarantors.

19.14 Excluded Swap Obligations

Notwithstanding anything to the contrary in this Agreement or any other Finance Document, the guarantee of each Guarantor under this Clause 19 (*Guarantee and Indemnity*) does not apply to any Excluded Swap Obligation of such Guarantor (and no amount received from any Guarantor under any Finance Document shall be applied to any Excluded Swap Obligation of such Guarantor).

20. Project Accounts

20.1 General

(a) Each Offshore Proceeds Account Holding Obligor shall maintain the Offshore Proceeds Accounts with an Offshore Account Bank in accordance with Clause 20.3 (*Offshore Proceeds Accounts*) until the Final Maturity Date in (i) Mauritius or (ii) such other jurisdiction as the relevant Obligor and the Agent acting on the instructions of the Majority Lenders may agree.

(b) The Onshore Proceeds Accounts referred to in Clause 20.4 (*Onshore Proceeds Account*) shall be maintained by an Onshore Proceeds Account Holding Obligor with an Onshore Account Bank in accordance with this Clause 20 (*Project Accounts*). If there is a conflict

between the terms of an Onshore Account Bank Agreement and the terms of this Agreement, the terms of this Agreement shall prevail.

(c) The Debt Service Reserve Account shall be maintained by the Parent in accordance with this Clause 20 (*Project Accounts*) until the Final Maturity Date with an Offshore Account Bank in (i) Mauritius or (ii) such other jurisdiction as the Parent and the Agent acting on the instructions of the Majority Lenders may agree.

(d) The Permitted Parent Accounts referred to in Clause 20.6 (*Permitted Parent Accounts*) shall be maintained by the Parent in accordance with the relevant provisions of this Clause 20 (*Project Accounts*).

(e) No Obligor may establish or maintain any other Project Account or any other account which is not a Project Account (other than a Permitted Account) without the prior written approval of the Agent (acting on the instructions of the Majority Lenders).

(f) The Parent (or any other Obligor) shall promptly notify the Agent and the Security Agent of the establishment of each of the Project Accounts, any Decommissioning Account or any other accounts established in accordance with Clauses 20.1(d) and (e).

(g) Each Project Account shall be a separate account of the relevant Account Bank. Each Project Account must be denominated in EGP, XAF, XOF, USD or such other currency(ies) as may be agreed between the relevant Obligor and the Security Agent (each, a "**Permitted Currency**"). If any Obligor receives any moneys for crediting to a Project Account in a currency other than a Permitted Currency, the Obligor must convert those moneys into a Permitted Currency on the date on which they are received. The amount must be paid into the relevant Project Account immediately after it is converted into a Permitted Currency.

(h) None of:

(i) the existence of the Project Accounts;

(ii) the insufficiency of funds in the Project Accounts;

(iii) the restrictions on the withdrawal of funds from the Project Accounts contained in any Finance Document; or

(iv) the inability to apply any funds in any of the Project Accounts towards the relevant payment,

shall affect the obligations of an Obligor to make all payments required to be made to the Secured Parties on the respective due dates for payment in accordance with the Finance Documents.

(i) The detailed operating procedures for the Project Accounts will be agreed (with the prior written consent of the Agent and the Security Agent) from time to time between the relevant Obligor and the relevant Account Bank. In the event of any inconsistency between this Agreement and those procedures, this Agreement will prevail.

20.2 Withdrawals

(a) No payments to, or withdrawals from, any Project Account may be made except as expressly permitted by this Agreement.

(b) No Obligor may make any withdrawal from any Project Account:

(i) if such Project Account would become overdrawn as a result (save to the extent that any Permitted Financial Arrangements permits any Project Accounts to be overdrawn provided that the aggregate balance of the pooled Project Accounts subject to those Permitted Financial Arrangements remains positive); or

(ii) if the Agent has issued a Stop Notice in respect of that Project Account unless and until a Withdrawal Notice relating to such Stop Notice has been issued; or

(iii) if the Security Agent has issued an Enforcement Notice, unless and until a Withdrawal Notice relating to that Enforcement Notice has been issued.

(c) Notwithstanding any other provision of this Agreement, if the Enforcement Date has occurred:

(i) no amount will be payable to any Obligor, or may be withdrawn by any Obligor, from the Project Accounts; and

(ii) the relevant Security Agent will be entitled (but not obliged) without prior notice to, or the consent of, any Obligor to be the sole signatory on the Project Accounts.

20.3 Offshore Proceeds Accounts

(a) Subject to Clause 24.28 (*Conditions Subsequent*), each Offshore Proceeds Account Holding Obligor shall and each other Obligor:

(i) may maintain USD accounts with the relevant Offshore Account Bank for the purpose, among other things, of receiving all its revenues derived from the Borrowing Base Assets (each, an "**Offshore Proceeds Account**") save for any Local Currency Gross Income which must be paid to an Onshore Proceeds Account in accordance with Clause 20.4(a) (*Onshore Proceeds Account*); and

(ii) in respect of the Obligors, each Obligor shall procure that:

(A) all proceeds of the Loans made to it;

(B) all amounts received by it (or to its order) under each Hedging Agreement to which it is a party; and

(C) all other items of Gross Income and other amounts in connection with any Borrowing Base Asset and/or its interests therein which are, in each case, received by it (or to its order) save in the case of Local Currency Gross Income to the extent that the same is paid to an Onshore Proceeds Account,

in each case, are paid directly to an Offshore Proceeds Account.

(b) Subject to Clause 20.2 (*Withdrawals*) and subject always to the applicable FX Regulation and related Authorisations, an Obligor may withdraw amounts from the Offshore Proceeds Accounts maintained by it at the following times and for the following purposes:

(i) ***first***, at any time, in or towards payment of any item of Gross Expenditure (other than any Hedging Costs and Hedging Termination Payments falling within paragraphs (ii), (iii) or (v) below) payable by that Obligor when the same falls due

to the extent the relevant item of Gross Expenditure has been provided for in the relevant period in the then current Banking Case;

(ii) ***second***, at any time, in or towards payment *pro rata* of any fees, commission costs, expenses accrued interest or Hedging Costs (including any interest accruing on any Hedging Termination Payments) due but unpaid under the Finance Documents or any Secured Hedging Agreement;

(iii) ***third***, at any time, in or towards payment *pro rata* of any principal or Hedging Termination Payments due but unpaid under the Finance Documents or any Secured Hedging Agreement (provided that, in the case of any such Hedging Termination Payments, the same is payable in respect of one or more transactions under a Secured Hedging Agreement that have been terminated in accordance with this Agreement);

(iv) ***fourth***, in or towards payment to the Debt Service Reserve Account until the DSRA Required Balance is standing to the credit of that account in accordance with Clause 20.5 (*Debt Service Reserve Account*);

(v) ***fifth***, at any time, in or towards voluntary prepayment of any Loans or any other outstanding amounts under the Finance Documents or payment of any Hedging Costs or Hedging Termination Payments that are, in each case, payable under any Unsecured Hedging Agreement and to the extent that the amount of any such payments do not exceed the amount of such costs that have been taken into account in the most recent VAALCO Energy Group Liquidity Forecast;

(vi) ***sixth***, at any time,

(A) in respect of the Offshore Main Proceeds Account, in or towards payment of any item of expenditure in relation to any Hydrocarbon Asset that is not a Borrowing Base Asset to the extent that the amount of such payments does not exceed the amount of such expenditure that have been taken into account in the most recent VAALCO Energy Group Liquidity Forecast; or

(B) in respect of any Offshore Proceeds Accounts, payment towards its general corporate purposes (other than for the purpose of making a Distribution) as set out in the most recent VAALCO Energy Group Liquidity Forecast,

in each case, including on-lending to other member of the VAALCO Energy Group to the extent permitted under this Agreement;

(vii) ***seventh***, at any time, towards payment of Distributions subject to the conditions set in Clause 24.15 (*Distributions*) and/or Clause 25.10 (*Distributions*) (as applicable) being satisfied.

(c) Any withdrawals from an Offshore Proceeds Account may only be made in the order of priority set out in Clause 20.3(b) (*Offshore Proceeds Accounts*). Accordingly, no withdrawal may be made for a purpose set out in any paragraph or sub-paragraph of Clause 20.3(b) (*Offshore Proceeds Accounts*) if any amount of a kind referred to in a preceding paragraph or sub-paragraph is due but unpaid.

(d) Without prejudice to the other provisions of Clause 20 (*Project Accounts*), each Obligor may, at any time and subject always to the applicable FX Regulation and related

Authorisations, transfer amounts from an Offshore Proceeds Account maintained by it which is denominated in any one currency:

(i) to any other Offshore Proceeds Account maintained by it which is denominated in another currency; or

(ii) to any other Offshore Proceeds Account maintained by an Obligor; or

(iii) to an Onshore Proceeds Account maintained by it or to any Onshore Proceeds Account maintained by another Obligor; or

(iv) from an Offshore Proceeds Account maintained by it to a Permitted Account;
provided that:

(A) the transfer is made for purposes of Clause 20.3(b)(i) (*Offshore Proceeds Account*) or general and administrative purposes;

(B) in respect of any transfer to a Decommissioning Account, the amount does not exceed the maximum amount required to be transferred to such Decommissioning Account in accordance with the relevant Material Project Documents and applicable law and the amount has been provided for in the relevant period in the then current Banking Case.

20.4 Onshore Proceeds Account

(a) Each Onshore Proceeds Account Holding Obligor shall and each other Obligor may establish and maintain in accordance with the applicable FX Regulation and related Authorisation one or more accounts denominated in a Permitted Currency with an Onshore Account Bank in (i) an Applicable Jurisdiction either relating to such Obligor or relating to any Borrowing Base Asset which such Obligor operates or (ii) such other jurisdiction as the relevant Obligor and the Agent acting on the instructions of the Majority Lenders may agree (each, an "**Onshore Proceeds Account**"), in each case for the purpose of receiving:

(i) all proceeds corresponding to Local Currency Gross Income that it receives in the relevant Permitted Currency (the "**Local Currency Gross Income**");

(ii) any amount of any Permitted Parent Loan or Permitted Obligor Group Loan made to an Onshore Proceeds Account Holding Obligor; or

(iii) any amount from an Offshore Proceeds Account or otherwise permitted by the relevant FX Regulation, for purposes of paying an amount of Gross Expenditure including all proceeds which it is required to repatriate pursuant to the applicable FX Regulation.

(b) Subject to Clause 20.2 (*Withdrawals*) and subject always to the applicable FX Regulation and related Authorisation, an Obligor may withdraw:

(i) amounts from the Onshore Proceeds Accounts maintained by it in EGP, XAF or XOF, at any time, in or towards payment of any item of Gross Expenditure, when the same falls due, to the extent the relevant item of Gross Expenditure has been provided for in the relevant period in the then-current Banking Case; or

(ii) amounts from the Onshore Proceeds Accounts maintained by it in a Permitted Currency other than EGP, XAF or XOF, at any time, in or towards:

(A) an Offshore Proceeds Account or to any other Onshore Proceeds Account; or

(B) any payment permitted pursuant to Clause 20.3(b) (*Offshore Proceeds Account*) provided that any such withdrawal may only be made in the order of priority set out in Clause 20.3(b) (*Offshore Proceeds Accounts*).

(c) VAALCO Etame shall procure that, subject to the CEMAC FX Regulation and related Authorisations, VAALCO Gabon shall promptly transfer all amounts that it receives and holds in any Onshore Proceeds Account maintained by it to an Offshore Account maintained and secured in favour of the Secured Parties by any Obligor; *provided that* VAALCO Gabon is permitted to maintain the required balance necessary to meet its anticipated payment obligations in accordance with Clause 20.4(b)(i) above.

20.5 Debt Service Reserve Account

(a) The Parent shall:

(i) maintain an account with the Offshore Account Bank denominated in Dollars for the purpose of holding the DSRA Required Balance (the "**Debt Service Reserve Account**"); and

(ii) ensure that, subject as provided in paragraph (c) below, for so long as any amount is outstanding under the Finance Documents or any Commitment is in force, the amount standing to the credit of the Debt Service Reserve Account is not less than the DSRA Required Balance applicable at such time.

(b) Subject as provided in paragraph (c) below, the Parent may only withdraw amounts from the Debt Service Reserve Account to the extent that following such withdrawal, the aggregate amount that remains standing to the credit of the Debt Service Reserve Account will be at least equal to the DSRA Required Balance.

(c) If, on any date, the balance on the Offshore Proceeds Accounts is insufficient to pay any payment of principal and interest under the Facility that is then due and payable:

(i) the Parent shall withdraw cash up to the amount of such shortfall from the Debt Service Reserve Account to pay such principal and interest then due; and

(ii) if the Parent fails to make a withdrawal pursuant to paragraph (c)(i) above:

(A) the Agent may (and is hereby entitled to) withdraw cash up to the amount of such shortfall from the Debt Service Reserve Account to pay such principal and interest; and

(B) no later than the date falling 45 days after each withdrawal in accordance with paragraph (c)(ii)(A) above, the Parent shall be obliged to make a payment to the Debt Service Reserve Account until the DSRA Required Balance is standing to the credit of that account in accordance with paragraph (a) above.

20.6 Permitted Parent Accounts

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20.7 Decommissioning Accounts

(a) To the extent required by the terms of a Material Project Document, an Authorisation or applicable law, an Obligor shall establish and/or maintain and/or contribute to individual account(s) denominated in a Permitted Currency for the benefit of the appropriate governmental or other regulatory authority or otherwise as required pursuant to the terms of the applicable Material Project Document, an Authorisation or applicable law relating to the relevant Borrowing Base Asset exclusively for the purposes of funding decommissioning liabilities in relation to a Borrowing Base Asset (each a "**Decommissioning Account**"), in accordance with the terms of relevant Material Project Document, Authorisation or the applicable law.

(b) The Obligors may not be entitled to withdraw proceeds from the Decommissioning Accounts, other than in accordance with the terms of the relevant Material Project Document, Authorisation or the applicable law.

(c) Save for this Clause 20.7 or unless expressly specified in Clause 20, the provisions of Clause 20 shall not apply to any such Decommissioning Accounts.

20.8 Project Accounts: Obligors' administration

(a) Each Obligor shall provide the Agent and/or the Security Agent and any of their representatives with access, on reasonable notice and during normal business hours, to review the books and records of the Project Accounts and (to the extent possible under applicable law) the Decommissioning Accounts.

(b) Each Obligor shall give to each relevant Account Bank all authorisations and directions necessary to enable the relevant Account Bank to operate the Project Accounts in accordance with the terms of the Finance Documents.

(c) Except where this Agreement specifically provides otherwise, no Obligor may exercise any right which it may have under any applicable law to direct an Account Bank to transfer any amount standing to the credit of a Project Account to it or to its order.

(d) Each Obligor undertakes to the Agent and the Security Agent that it will not at any time require any Account Bank to act in a manner inconsistent with the Finance Documents.

(e) Each sum credited to a Project Account will, from the time it is credited until the time it is withdrawn, bear interest at such rate as the relevant Obligor may from time to time agree with that Account Bank; provided that, any such interest will be credited to the relevant Project Account.

20.9 Project Accounts: Security

(a) Neither the ability of the Obligors to make any withdrawal from a Project Account in accordance with this Agreement nor any such withdrawal will be construed as a waiver of any Security over the Project Accounts.

(b) Any amounts received or recovered by an Obligor otherwise than by credit to the Project Accounts shall be held subject to the Security created by the Transaction Security Documents and immediately be paid into the relevant Project Account or to the Agent or any Security Agent in the same funds as received or recovered.

(c) Each Obligor shall give such notices as the Agent or the Security Agent may require in connection with the perfection or protection of Security over the Project Accounts or for the purpose of giving effect to the provisions of this Clause 20 (*Project Accounts*).

(d) Each Obligor shall:

(i) to the extent that such Security has not been effected under the terms of an existing Transaction Security Document, enter into a Transaction Security Document (in form and substance satisfactory to the Security Agent) for the purposes of creating Security over each of the Project Accounts maintained by it (and the sums standing to the credit of such Project Accounts) in favour of the Security Agent;

(i) deliver to the Security Agent, or procure the delivery to the Security Agent of, any legal opinion or other document ("**relevant document**") that the Security Agent may reasonably require in connection with the entry into of such Transaction Security Document; and

(ii) without prejudice to Clause 24.29 (*Transaction Security Documents and Further Assurance*), promptly obtain all such Authorisations as may be necessary in order for such Security to be granted.

(e) Each such Transaction Security Document must be entered into, each such Authorisation must be obtained and each relevant document must be delivered on the date on which such Project Account is opened.

(f) Each Obligor that opens, or is required to open, any Onshore Proceeds Account shall ensure that:

(i) it accedes to an Onshore Account Bank Agreement or otherwise enters into an agreement with the relevant bank holding such Project Account, the Security Agent and the Agent in form and substance substantially similar to the Onshore Account Bank Agreement with respect to such Onshore Proceeds Account; and

(ii) it provides such other documents to the Security Agent and the relevant Account Bank as the Security Agent may reasonably require in connection with such accession or its entry into such agreement.

21. Representations

21.1 General

Each Obligor makes the representations and warranties set out in this Clause 21.1 to each Finance Party. The representations and warranties are made at the times stated in Clause 21.41 (*Times When Representations Made*).

21.2 Status

(a) It is a company with limited liability, duly incorporated and validly existing (and in respect of the Parent, in good standing) under the laws of its Original Jurisdiction.

(b) It has the power to own its assets and to carry on its business as it is being conducted.

21.3 Binding Obligations

Subject to the Legal Reservations:

(a) the obligations expressed to be assumed by it in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations; and

(b) (without limiting the generality of paragraph (a) above), each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective.

21.4 Non-Conflict with Other Obligations

The entry into and performance by it of, and the transactions contemplated by, the Transaction Documents and the granting of the Transaction Security do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) the constitutional documents of any Obligor; or

(c) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument,

and in the case of any Material Project Documents, which conflict would, or would reasonably be likely to, have a Material Adverse Effect.

21.5 Power and Authority

(a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents.

(b) No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which it is a party.

21.6 Validity and Admissibility in Evidence

(a) Subject to the Legal Reservations, all Authorisations required or desirable:

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;

(ii) to ensure the legality, validity and enforceability of the Transaction Documents; and

(iii) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect and save to the extent that in respect of any Material Project Document, the failure to obtain or effect those Authorisations would not have or be likely to have to have a Material Adverse Effect.

(b) All material Authorisations that are required in connection with the use, possession, ownership, exploration, development, construction, operation, and/or exploitation of each Borrowing Base Asset as contemplated by the Finance Documents, the Material Project Documents and the then-current Banking Case (in each case) have been obtained or effected and are in full force and effect or will be obtained or effected and will be in full force and effect by the date on which they are required.

(c) No steps have been taken which are likely to lead to the revocation, termination or suspension of any Authorisation referred to in Clause 21.6(b) which has been granted; or any variation of any such Authorisation.

(d) All Authorisations necessary for the conduct of the business of an Obligor have been obtained or effected and are in full force and effect except if failure to obtain or effect those Authorisations would not have or be reasonably likely to have a Material Adverse Effect.

21.7 Governing Law and Enforcement

Subject to the Legal Reservations:

(a) the choice of governing law of the Finance Documents will be recognised and enforced in its Relevant Jurisdictions;

(b) any judgment obtained in relation to a Finance Document in the jurisdiction of the governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions; and

(c) any arbitral award obtained in relation to a Finance Document in the seat of that arbitral tribunal as specified in that Finance Document will be recognised and enforced in its Relevant Jurisdictions.

21.8 Insolvency

(a) No:

(i) corporate action, legal proceeding or other procedure or step described in Clause 26.8 (*Insolvency Proceedings*); or

(ii) creditors' process described in Clause 26.9 (*Creditors' Process*),

has been taken or, to the knowledge of any Obligor, threatened in relation to any Obligor or Security Grantor; and none of the circumstances described in Clause 26.7 (*Insolvency*) applies to any Obligor or Security Grantor.

21.9 No Filing or Stamp Taxes

Under the laws of its Relevant Jurisdiction, it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except:

(a) any registration, notarisation, filing, recording, translation or enrolling or any tax or fee payable:

(i) in relation to a Finance Document to which VAALCO Gabon is a party or which is governed by Gabonese law, to the tax administration in Gabon in relation to the admissibility of such Finance Document in front of any official and/or the Gabon courts; and

(ii) in relation to any Finance Document which is referred to in any legal opinion delivered pursuant to this Agreement and in that Transaction Security Document, and which will be made or paid promptly after the date of the relevant Finance Document.

21.10 Deduction of Tax

Save for Gabon and without prejudice to the provisions of Clause 14 (*Tax Gross up and Indemnities*), it is not required to make any Tax Deduction (as defined in Clause 14.1 (*Definitions*)) from any payment it may make under any Finance Document; provided that with respect to any Tax imposed by the United States on a Loan to any US Borrower, this Clause 21.10 shall not apply unless the Finance Party complies with the requirements of Clause 14.9 (*U.S. Withholding Tax Forms*).

21.11 No Default

(a) No Event of Default and, on the date of this Agreement, no Default is continuing or is reasonably likely to result from the making of a Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.

(b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or to which its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

21.12 Pensions

(a) The payment of any material amount in respect of pension liabilities of any member of the Parent Obligor Group is not overdue.

(b) No material claims or investigations are being, or are reasonably likely to be, made or conducted against any member of the Parent Obligor Group with respect to pensions liabilities.

21.13 No Misleading Information

(a) So far as it is aware having made due and careful enquiry, any factual information contained in the Information Package was true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given.

(b) Any financial projection or forecast contained in the Information Package has been prepared on the basis of recent historical information and on the basis of reasonable assumptions and was fair (as at the date of the relevant report or document containing the projection or forecast) and arrived at after careful consideration.

(c) The expressions of opinion or intention provided by or on behalf of an Obligor for the purposes of the Information Package were made after careful consideration and (as at the date of the relevant report or document containing the expression of opinion or intention) were fair and based on reasonable grounds.

(d) So far as it is aware having made due and careful enquiry, no event or circumstance has occurred or arisen and no information has been omitted from the Information Package and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections contained in the Information Package being untrue or misleading in any material respect as at the date of the relevant information.

(e) The estimates, forecasts and financial projections contained in each monthly report referred to in Clause 22.6 (*Monthly Reports*) and in each quarterly report referred to in Clause 22.7 (*Quarterly Reports and Presentation*) most recently delivered to the Agent have been prepared with due care and attention on the basis of recent historical information and assumptions which it considers to be reasonable.

(f) The factual information contained in each monthly report referred to in Clause 22.6 (*Monthly Reports*) and in each quarterly report referred to in Clause 22.7 (*Quarterly Reports and Presentation*) most recently delivered to the Agent was in all material respects accurate, and not misleading, as at the date such quarterly report or information (as the case may be) was prepared or as at the date the information was expressed to be given.

(g) Each expression of opinion or intention on behalf of the Obligors in each monthly report referred to in Clause 22.6 (*Monthly Reports*) and in each quarterly report referred to in Clause 22.7 (*Quarterly Reports and Presentation*) most recently delivered to the Agent has

been made in good faith, with due care and after careful consideration and enquiry and on the basis of assumptions it considers to be reasonable as at the date it was prepared.

(h) All other written information provided by any Obligor (including its advisers) to a Finance Party or the provider of any Report:

(i) has been prepared with due care and was true, complete and accurate in all material respects as at the date it was provided and does not contain any material misleading statements or material omissions;

(ii) contains estimates and opinions that are bona fide and reasonably arrived at;

(iii) in relation to any calculation contained in such written information:

(A) the arithmetic of each such calculation is accurate in all material respects; and

(B) the assumptions upon which each calculation is based are reasonable.

The representations and warranties made with respect to the Reports are made by each Obligor in this Clause 21.13 only so far as it is aware after making due and careful enquiries.

21.14 Financial Statements

(a) The most recent financial statements delivered pursuant to Clause 22.1 (*Financial Statements*):

(i) have been prepared in accordance with the Accounting Principles; and

(ii) give a true and fair view of (if audited) or fairly represent (if unaudited) the financial condition (or, if consolidated, consolidated financial condition) of the relevant person(s) as at the end of, and the results of operations (or consolidated results of operations, if consolidated) of the relevant person(s) for, the period to which they relate.

(b) Since the date of the most recent financial statements delivered pursuant to Clause 22.1 (*Financial Statements*) there has been no material adverse change in the assets, business or financial condition of any member of the Parent Obligor Group.

21.15 Banking Case Assumptions and Preparation

(a) The then-current Banking Case:

(i) is based on assumptions it considers to be reasonable at the time it is prepared;

(ii) is consistent with the provisions of the Transaction Documents in all material respects;

(iii) (to the extent prepared by an Obligor) has been prepared in good faith and with due care; and

(iv) fairly represents the Obligors' expectations as at the date that Banking Case was produced and adopted,

except, in the case of sub-paragraphs (i) and (iv), to the extent that the relevant Assumption has been imposed by the Technical Bank, the Modelling Bank or the Majority Lenders pursuant to the terms of this Agreement.

(b) All information provided by, or on behalf of, the Obligors for the purposes of preparing the then-current Banking Case:

(i) in the case of any factual information, was true in all material respects as at the date it was provided;

(ii) did not, when provided, omit any further information which, if disclosed, would make such information untrue or misleading in any material respect; and

(iii) has been prepared and provided in good faith and with due care on the basis of recent historical information and assumptions which it considers to be reasonable as at the date such information was supplied.

(c) To the best of its knowledge and belief, (i) the Computer Model is consistent with the provisions of the Transaction Documents in all material respects and (ii) does not contain any error which would render any information produced using it misleading in any material respect.

21.16 VAALCO Energy Group Liquidity Forecast

Each VAALCO Energy Group Liquidity Forecast:

(a) is based on management assumptions the Obligors consider to be reasonable as at the time it is prepared;

(b) has been prepared in good faith and with due care;

(c) fairly represents the Obligors' expectations as at the date the relevant VAALCO Energy Group Liquidity Forecast was produced; and

(d) did not, when delivered to the Agent, omit any information which, if disclosed, would make the information included in the relevant VAALCO Energy Group Liquidity Forecast untrue or misleading in any material respect.

21.17 No Proceedings Pending or Threatened

(a) No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency (including in relation to Taxes), which if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it.

(b) No judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction (other than any Sanction) of any governmental or other regulatory body which is reasonably likely to have a Material Adverse Effect (to the best of its knowledge and belief (having made due and careful enquiry)) has been made against it.

21.18 No Breach of Laws

Each Obligor is in compliance with all laws applicable to it in all material respects and, on and from the date of this Agreement, the Borrowing Base Assets in all material respects.

21.19 Development Consents

All Development Consents in respect of the Borrowing Base Assets have been received and no other Development Consents which have not been obtained and disclosed to the Agent in writing are currently required from any person for the performance by the Obligors of any of their obligations under this Agreement or under any of the Field Agreements save where the failure to obtain the same would not have or be reasonably likely to have a Material Adverse Effect.

21.20 Insurance for the Initial Borrowing Base Assets

The Obligors have insured, or the Parent has procured that insurance has been obtained within a group insurance policy or by each Operator of the Initial Borrowing Base Assets for, all its properties, assets and activities and in respect of all liabilities arising out of the operation or development of such properties and assets in accordance with Good Industry Field Practice in the relevant jurisdiction and such insurance remains in full force and effect, all premiums due and payable in respect of such insurance have been paid and (to the best of its knowledge and belief having made due and careful enquiry) no event or circumstance has occurred, nor has there been any omission to disclose a fact, which would in either case entitle any insurer under such insurance to avoid its liability or otherwise reduce its liability.

21.21 Environmental and Social Matters

(a) To the best of its knowledge and belief having made due and careful enquiry, on the date of this Agreement each member of the VAALCO Energy Group has obtained all requisite material Environmental and Social Permits (or, where a member of the VAALCO Energy Group is not the operator of a Field, has used reasonable endeavours to procure that the operator has obtained all requisite material Environmental and Social Permits) and has not received notice of any material breach of, and to the best of its knowledge (having made all due and diligent enquiry) is in compliance in all material respects with (or, where a member of the VAALCO Energy Group is not the operator of a Field, has used reasonable endeavours to procure that the relevant operator is in compliance in all material respects with) the terms and conditions of such Environmental and Social Permits and all other applicable material Environmental Law, where for this purpose "material" means such Environmental and Social Permits or applicable Environmental Law which, if not obtained or not complied with would reasonably likely be material and adverse to the interests of the Lenders.

(b) To the best of its knowledge and belief having made due and careful enquiry, no material Dangerous Substance has been used, disposed of, generated, stored, transported, dumped, released, deposited, buried or emitted at, on, from or under any infrastructure (whether or not owned, leased, occupied or controlled by it and including any off-site waste management or disposal location utilised by a member of the VAALCO Energy Group) other than in accordance with applicable material Environmental Law.

(c) To the best of its knowledge and belief having made due and careful enquiry, there is no material Environmental Contamination on any Hydrocarbon Asset in which any member of the VAALCO Energy Group has an interest, other than as disclosed to the Original Lenders with reference to this Clause prior to the date of this Agreement.

(d) There are no material Environmental and Social Claims outstanding or pending or threatened, against any member of the VAALCO Energy Group or connected with any Hydrocarbon Asset in which any member of the VAALCO Energy Group has any interest,

other than as disclosed to the Original Lenders with reference prior to the date of this Agreement.

(e) It is in compliance in all material respects with the Environmental and Social Action Plan then under implementation.

(f) It is in compliance with the Environmental and Social Requirements and to the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent such compliance.

21.22 Taxation

(a) Each member of the Parent Obligor Group:

(i) has complied in all material respects with all material Tax and social security laws and regulations to which it may be subject where for this purpose "material" means such Tax and social security law and regulation which, if not complied with would reasonably likely be material and adverse to the interests of the Lenders;

(ii) has filed or caused to be filed, within the time and in the manner prescribed by law, Tax and social security returns and reports which are required to be filed by it and such returns and reports accurately reflect its liabilities for Taxes and/or social security contributions for the periods covered thereby;

(iii) has duly and timely paid all material Taxes and social security contributions required to be paid by it unless:

(A) such Taxes and/or social security contributions are contested in good faith and with appropriate means pursuant to applicable law;

(B) adequate reserves in connection thereof are set up and maintained in accordance with the Accounting Principles; and

(iv) has duly, punctually and timely levied and paid as prescribed by law all material withholding Taxes and social security withholdings.

(b) It is not materially overdue in the filing of any Tax returns and it is not overdue in the payment of any amount in respect of Tax of $150,000 (or its equivalent in any other currency) or more.

(c) Save as disclosed in writing to the Agent, no claims or investigations are being, or are to the best of its knowledge and belief, reasonably likely to be, made or conducted against any member of the Parent Obligor Group with respect to Taxes.

(d) Each Obligor is resident for Tax purposes only in its Original Jurisdiction.

(e) No member of the Parent Obligor Group has entered into any tax sharing or tax loss transactions with any other party who is not in the Parent Obligor Group.

(f) No transaction contemplated by the Transaction Documents nor any transaction to be carried out in connection with any transaction contemplated by the Transaction Documents meets any hallmark set out in Annex IV of DAC 6.

21.23 Anti-Corruption Law

(a) Each member of the VAALCO Energy Group has conducted its businesses in compliance with applicable anti-corruption (including anti-money laundering and anti-bribery) laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws by itself, its officers, directors, employees or agents.

(b) No member of the VAALCO Energy Group nor, to the best of its knowledge, any of its corporate bodies, directors, employees, or agents, or any of its Affiliates, their corporate bodies, officers, employees, or agents has (have) (i) been engaged in an activity or has (have) violated any anti-corruption laws applicable in any of the jurisdictions in which each member of the VAALCO Energy Group and its Affiliates are operating, (ii) used funds or other assets, or made any promise or undertaking in such regard, for the establishment or maintenance of a secret or unrecorded fund, and/or (iii) made any false or fictitious entries in any books or records of any member of the VAALCO Energy Group relating to any prohibited payment with respect to the transactions contemplated by this Agreement.

(c) Each member of the VAALCO Energy Group has taken and shall take at any time all measures it deems appropriate to prevent the risk of corruption, influence peddling, and, more generally, in order to prevent offences against probity by itself, its corporate bodies, officers, employees or agents as well as its Affiliates their corporate bodies, officers, employees or agents.

(d) To the best of each Obligor's knowledge and belief, no actions or investigations by any governmental or regulatory agency are ongoing or threatened against any member of the VAALCO Energy Group or any of their directors, officers, employees, Affiliates or agents, in relation to a breach of any anti-corruption laws applicable to it.

21.24 Security and Financial Indebtedness

(a) No Security or Quasi-Security exists over all or any of the present or future assets of any member of the Parent Obligor Group other than as permitted by this Agreement.

(b) No member of the Parent Obligor Group has any Financial Indebtedness outstanding other than as permitted by this Agreement.

21.25 Ranking

(a) Without limiting paragraph (b) below, its payment obligations under the Finance Documents rank at least *pari passu* with all other claims present or future of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

(b) Subject to (i) the making of the appropriate registrations contemplated by the relevant Transaction Security Document, (ii) the registration of the release agreement relating to the Existing Gabonese Security with the applicable commercial court registry in Gabon and (iii) the Legal Reservations, each Transaction Security Document creates (or, once entered into, will create) in favour of the relevant Security Agent, for the benefit of the Secured Parties, the Security which it is expressed to create, fully perfected (if required according to its terms) and with the ranking and priority it is expressed to have.

21.26 Good Title to Assets

It has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted save where the failure to have an Authorisation would have or is reasonably likely to have a Material Adverse Effect.

21.27 Material Project Documents

(a) Each Material Project Document:

(i) constitutes the legal, valid, binding and enforceable obligations of each Obligor party to it; and

(ii) is in full force and effect, except to the extent that such circumstances would not, and would not reasonably be expected to, have a Material Adverse Effect.

(b) All terms of each Material Project Document have been complied with by the relevant Obligor and (to the best of its knowledge and belief having made due and careful enquiry) the other parties thereto, no notice of any intention to revoke or terminate any Material Project Document has been received by any Obligor, and neither it nor (to the best of its knowledge and belief having made due and careful enquiry) any other party thereto has repudiated or disclaimed any liability or obligation thereunder or formally given notice that it does not consider itself bound by or does not intend to comply with any provision thereof, except to the extent that such circumstances would not, and would not reasonably be expected to, have a Material Adverse Effect.

(c) No steps have been taken which are likely to lead to the revocation, termination or suspension of any Authorisation referred to in Clause 21.6 (*Validity and Admissibility in Evidence*) or Clause 24.8(c) (*Field Operations*) which has been granted or any variation of any such Authorisation.

(d) An Obligor owns or will at the requisite time own, or has sufficient access to and the right to use, all assets necessary for the use, possession, ownership, exploration, development, construction, operation and/or exploitation of the Borrowing Base Assets as contemplated by the Material Project Documents and the then-current Banking Case.

(e) No Obligor is under any obligation (other than under this Agreement) to create any Security over all or any part of a Borrowing Base Asset save for any Permitted Security.

21.28 Title to Field Interests

In relation to the Borrowing Base Assets in which an Obligor has an interest, under and by virtue of the Field Licences and Field Agreements and subject to the provisions thereof, that Obligor owns legally and beneficially the Field Interests referred to in such Field Licences and Field Agreements.

21.29 Shares

(a) The shares or other equity interests of any member of the VAALCO Energy Group which are subject to the Transaction Security are validly issued, fully paid and, with respect to any corporation, nonassessable, and save for any pre-emption rights or similar rights arising under any Material Project Document, not subject to any option to purchase or similar rights.

(b) The constitutional documents of the members of the VAALCO Energy Group whose shares or other equity interests are subject to the Transaction Security do not restrict or inhibit any transfer of those shares or other equity interests on creation or enforcement of the Transaction Security save in each case, for any pre-emption rights or similar rights arising under any Material Project Document.

(c) Save for any pre-emption rights or similar rights arising under any Material Project Document, there are no agreements in force which provide for the issue or allotment of or grant any person the right to call for the issue or allotment of, any share or loan capital of any Obligor (including any option or right of pre-emption or conversion).

21.30 Intellectual Property

It:

(a) or another Obligor is the sole legal and beneficial owner of or has licensed to it by a person who is not a member of the VAALCO Energy Group on normal commercial terms all the Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business as it is being conducted and as contemplated in the Banking Case;

(b) does not in carrying on its businesses, infringe any Intellectual Property of any third party in any respect which has or is reasonably likely to have a Material Adverse Effect; and

(c) has taken all formal or procedural actions (including payment of fees) required to maintain any Intellectual Property owned by it, save to the extent a failure to do so is not reasonably likely to have a Material Adverse Effect.

21.31 VAALCO Energy Group Structure Chart

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21.32 Accounting Reference Date

The financial year end of each Original Obligor is 31 December.

21.33 No Adverse Consequences

(a) It is not necessary under the laws of its Relevant Jurisdictions:

(i) in order to enable any Finance Party to enforce its rights under any Finance Document; or

(ii) by reason of the execution of any Finance Document or the performance by it of its obligations under any Finance Document;

that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in any of its Relevant Jurisdictions.

(b) No Finance Party is or will be deemed to be resident, domiciled or carrying on business in its Relevant Jurisdictions by reason only of the execution, performance and/or enforcement of any Finance Document.

21.34 Sanctions

(a) No member of the VAALCO Energy Group nor any member of the VAALCO Energy Group's directors or officers nor, to the best of any member of the VAALCO Energy Group's knowledge, any of their respective employees or Affiliates:

(i) is (or is directly or indirectly owned or controlled by a person that is) a Sanctioned Person;

(ii) acts directly or indirectly on behalf of, or to benefit, a Sanctioned Person; and

(iii) has received notice of any claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority.

(b) No member of the VAALCO Energy Group is incorporated, located, operating or resident in a Sanctioned Country.

(c) Each member of the VAALCO Energy Group is in compliance with all applicable Sanctions and is not to the best of that member of the VAALCO Energy Group's knowledge after having made careful enquiries engaged in any activities that would result in or would reasonably be expected to result in a member of the VAALCO Energy Group being designated as a Sanctioned Person.

21.35 Security

(a) Each member of the VAALCO Energy Group or any other Security Grantor that has entered into a Transaction Security Document is the legal and beneficial owner of the assets over which Security is purported to be given under such Transaction Security Document and subject to any qualifications as to matters of law set out in any legal opinions delivered in relation to such Transaction Security Document or any required perfection or registration thereof and the registration of the release agreement relating to the Existing Gabonese Security with the applicable commercial court registry in Gabon (insofar as it relates to the ranking or priority of Security in Gabon), such Transaction Security Document:

(i) creates (or, once entered into, will create) the Security of the type it purports to create over the assets over which such Security is purported to be given and such Security is first-ranking; and

(ii) is:

(A) valid and enforceable against that member of the VAALCO Energy Group or Security Grantor and creditors; and

(B) not capable of being avoided or set aside whether in that member of the VAALCO Energy Group's or Security Grantor's winding-up, administration, dissolution or otherwise.

(b) No Security (or agreement to create the same) exists over any of its assets over which Security has been, or is purported to be, constituted under any Transaction Security Document, in each case, save for any Permitted Security.

21.36 Reports

To the best of the knowledge, information and belief of each Obligor, all factual information relating to the Initial Borrowing Base Assets contained in the Reports was accurate in all material respects at the date of the relevant Report or (if different) at the date ascribed thereto in such Report.

21.37 No Immunity

In any proceedings taken in its jurisdiction of incorporation in relation to the Finance Documents to which it is a party, it will not be entitled to claim for itself or any of its assets immunity from suit, execution or other legal process.

21.38 Private and Commercial Acts

Its execution of the Finance Documents to which it is a party constitutes, and its exercise of its rights and performance of its obligations thereunder will constitute, private and commercial acts done and performed for private and commercial purposes.

21.39 ERISA Compliance

Except as could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, (i) each Pension Plan and, to each US Obligor's knowledge, each Multiemployer Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state Laws and (ii) no ERISA Event has occurred, and no US Obligor nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event.

21.40 Investment Company Act

No Obligor is required to be registered as an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

21.41 Times When Representations Made

(a) All the representations and warranties in this Clause 21 (*Representations*) are made by the Original Obligors on the date of this Agreement (other than the representation and warranty set out in Clause 21.21(e) (*Environmental and Social Matters*) and the representations and warranties set out in paragraphs 21.13(a)(a) to (d) of Clause 21.13 (*No Misleading information*) which are deemed to be made by each Obligor with respect to the Information Package, on the date of this Agreement and on any later date on which the Information Package (or part of it) is released to the Mandated Lead Arrangers for distribution in connection with syndication).

(b) Each Obligor makes the representation and warranty set out in Clause 21.9 (*No Filing or Stamp Taxes*) to each Finance Party on each date on which a Finance Document is entered into with respect to that Finance Document.

(c) Each Obligor makes the representation and warranty set out in paragraphs (e), (f) and (g) of Clause 21.13 (*No Misleading Information*) to each Finance Party on each date on which each monthly report, each quarterly report or information referred to therein is delivered to the Agent with respect to that monthly report, quarterly report or information.

(d) The representations and warranties in Clause 21.15 (*Banking Case Assumptions and Preparation*) are deemed to be made on the date each Banking Case is adopted.

(e) Each Obligor makes the representations and warranties set out in Clause 23.1 (*VAALCO Energy Group Liquidity Forecast*) on the date on which each VAALCO Energy Group Liquidity Forecast is delivered to the Agent with respect to that VAALCO Energy Group Liquidity Forecast.

(f) The representations and warranties in Clause 21.35 (*Security*) are deemed to be made on each date on which a Transaction Security Document is entered into with respect to that Transaction Security Document.

(g) The Repeating Representations are deemed to be made by each Obligor on:

(i) the date of each Utilisation Request;

(ii) each Utilisation Date;

(iii) the first day of each Interest Period;

(iv) the date of each Increase Notice; and

(v) each Increase Date.

(h) The Repeating Representations are deemed to be made by the Acceding Obligor on the day on which it becomes (or it is proposed that it becomes) an Obligor.

(i) Each representation or warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

(j) The representation and warranty set out in Clause 21.21(e) (*Environmental and Social Matters*) is deemed to be made on and from the first Utilisation Date.

22. Information Undertakings

Save as otherwise specified in this Clause 22 (*Information Undertakings*), the undertakings in this Clause 22 (*Information Undertakings*) remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

22.1 Financial Statements

(a) The Obligors' Agent will furnish to the Agent (in sufficient copies for all the Lenders if the Agent so requires) in form and substance satisfactory to the Agent (acting reasonably):

(i) as soon as practicable (and in any event within 120 days after the end of the Financial Year) in respect of the Parent, the Annual Financial Statements for that Financial Year of the VAALCO Energy Group;

(ii) as soon as practicable (and in any event within 120 days after the end of the Financial Year) in respect of VAALCO Egypt, the unaudited annual financial statements for that Financial Year of VAALCO Egypt;

(iii) as soon as practicable (and in any event within 270 days after the end of the Financial Year) in respect of each Relevant VAALCO Entity, the Annual Financial Statements of that Relevant VAALCO Entity for that Financial Year; and

(iv) as soon as practicable (and in any event within 90 days after the end of the relevant Financial Quarter), the Quarterly Financial Statements of the VAALCO Energy Group.

(b) Each set of financial statements supplied under this Clause 22.1 (*Financial Statements*) must include income statements, cash flows and balance sheets.

22.2 Requirements as to Financial Statements

(a) Each set of Financial Statements delivered pursuant to Clause 22.1 (*Financial Statements)* shall be certified by an Authorised Signatory of the relevant Obligor or the Parent (as applicable) as giving a true and fair view (in the case of audited Financial Statements) or fairly representing (in the case of unaudited Financial Statements) its financial condition and results of operations as at the date as at which those financial statements were drawn up and for the relevant period.

(b) Each Guarantor shall procure that each set of Financial Statements delivered pursuant to Clause 22.1(a) (*Financial Statements*):

(i) is prepared using the Accounting Principles, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements unless, in relation to any set of Financial Statements, it notifies the Agent that there has been a change in the Accounting Principles, the accounting practices or reference periods and (if so requested by the Agent) its auditors promptly after such events deliver to the Agent:

(A) a description of any change necessary for those Financial Statements to reflect Accounting Principles or accounting practices and reference periods upon which the Original Financial Statements were prepared; and

(B) sufficient information, in form and substance as may be reasonably required by the Agent, and to determine whether Clause 23 (*Financial Covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and the Original Financial Statements.

(c) Any reference in this Agreement to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

22.3 Compliance Certificate

(a) The Parent shall supply a Compliance Certificate to the Agent with each set of Financial Statements delivered pursuant to Clause 22.1 (*Financial Statements*) and as at each Redetermination Date.

(b) The Compliance Certificate shall, amongst other things, set out (in reasonable detail) computations as to its compliance with Clause 23 (*Financial Covenants*).

(c) Each Compliance Certificate shall be signed by two Authorised Signatories of the Obligors' Agent.

22.4 Field Information

Each Obligor undertakes that it will:

(a) ***Changes to Material Project Documents***: promptly upon becoming aware of the same give notice in writing to the Agent and the Technical Bank of (i) any proposed modification to, and of any proposed surrender, abandonment, revocation or termination in respect of any Material Project Document and supply the Agent and the Technical Bank promptly after it is made with a copy of any modification to any such document unless such modification, surrender, abandonment, revocation or termination is immaterial to the interests of the Lenders and of (ii) any new Material Project Document;

(b) ***Production interruptions***: notify the Agent and the Technical Bank of any material unplanned suspension or interruption in relation to a Borrowing Base Asset where the impact of the same has not been taken into account in the then current Banking Case and which has exceeded or could reasonably be expected to exceed 20 continuous days in the production of any Field Hydrocarbons promptly after becoming aware of the same where for this purpose, "material unplanned suspension" means that such suspension or interruption is in relation to a Borrowing Base Asset which represents at least 5 per cent. of the then applicable Borrowing Base Amount;

(c) ***Material deviations from Assumptions***: promptly upon becoming aware of the same, give to the Agent full details of any event or information (other than general information relating to fluctuations in the price of Hydrocarbons) which is reasonably likely to have a material and adverse effect on any material Assumption in the then current Banking Case;

(d) ***Inspection of Borrowing Base Assets and related Infrastructure*****:** upon reasonable notice being given by the Technical Bank and, where practicable, take all reasonable steps with a view to procuring that any one or more representatives of the Technical Bank be allowed to have access during normal business hours to any Borrowing Base Assets and related Infrastructure specified in such notice and to inspect or observe all or any facilities or operations, in each case, no more than once in any calendar year unless an Event of Default is continuing;

(e) ***Operations***: provide to the Technical Bank in connection with the preparation of each new Banking Case in accordance with Clause 6 (*Banking Cases*), all material information in relation to the operation and development of the Borrowing Base Assets including any information of a material nature which relates to:

(i) the estimated quantities of 1P Reserves and 2P Reserves attributable to the Field;

(ii) the production profile of each Borrowing Base Asset; or

(iii) the amount of operating costs, Abandonment Costs or Development Costs with respect to each Borrowing Base Asset; and

(f) ***Copies of Material Project Documents***: deliver to the Technical Bank promptly upon receipt of the same, copies of any Material Project Documents as the Technical Bank may at any time reasonably request and, in relation to any confidentiality restrictions, take reasonable steps to obtain consent to disclose the Material Project Documents from the relevant counterparty.

(g) **Production and sales data**:

On and from the date of this Agreement, the Obligors' Agent will provide to the Technical Bank:

(i) within 20 Business Days after the end of each calendar month; and

(ii) promptly upon the request of the Technical Bank,

reasonable details of production from each Borrowing Base Asset and the aggregate amount of sales of Hydrocarbons from each Borrowing Base Asset, in respect of:

(A) the immediately preceding month (in respect of which information is provided pursuant to paragraph (i) above); and

(B) in respect of any period of time as requested by the Technical Bank (in respect of which information is provided pursuant to paragraph (ii) above).

22.5 Reserves Reports and Borrower Updates

(a) The Obligors' Agent shall procure that a Reserves Report is commissioned, at the Obligors' expense, and prepared:

(i) on an annual basis for the purposes of each Banking Case to be adopted in accordance with Clause 6 (*Banking Cases*);

(ii) if the Majority Lenders so request in connection with the preparation and adoption of any new Banking Case pursuant to Clause 6 (*Banking Cases*) where the Majority Lenders (acting reasonably) are of the opinion that if a new Reserves Report were to be prepared, it is likely to include data, analyses or other information which is materially different from that contained in the latest Reserves Report delivered under this Agreement in one or more material respects; and

(iii) if the Obligors' Agent makes a request for a Hydrocarbon Asset to be designated a Borrowing Base Asset,

provided that any Reserves Report commissioned pursuant to paragraph (iii) above need only include data and/or information relating to the relevant Hydrocarbon Asset that is intended to be designated a Borrowing Base Asset.

(b) The Obligors' Agent shall ensure that each Reserves Report which is commissioned and prepared:

(i) pursuant to Clause 22.5(a)(i), is delivered to the Technical Bank and the Modelling Bank on or before the date falling 90 days after the 31 December as of which that Reserves Report is to be prepared (except for the Initial Reserves Report) with a

final draft of each Reserves Report to be sent to the Technical Bank and Modelling Bank as soon as possible prior to that date; and

(ii) pursuant to Clause 22.5(a)(ii), is delivered to the Technical Bank and the Modelling Bank within 60 days of the relevant request being made by the Technical Bank or the Majority Lenders; and

(iii) pursuant to Clause 22.5(a)(iii), is delivered to the Technical Bank and the Modelling Bank within 40 days of the relevant request being made by an Obligor for the relevant Hydrocarbon Asset to be designated a Borrowing Base Asset and, in any event, by the date by which the relevant Parties are required under Clause 6.4(a) (*Preparatory Steps*) to submit their proposals for the Assumptions to be used in the relevant Banking Case that is proposed to be adopted in connection with the proposed designation of such Hydrocarbon Asset as a Borrowing Base Asset.

(c) The Obligors' Agent shall ensure that each Reserves Report that is prepared pursuant to this Clause 22.5 (*Reserves Reports and Borrower Updates*) is addressed in a manner which ensures that the Independent Engineering Consultant owes a duty of care to the Finance Parties.

(d) The Obligors' Agent shall deliver, or procure the delivery of, the Borrower Update to the Technical Bank by no later than 40 Business Days prior to each Scheduled Redetermination Date unless a Reserves Report will be delivered on that Scheduled Redetermination Date.

22.6 Monthly Reports

On and from the date of this Agreement, the Obligors' Agent will provide to the Technical Bank, within 20 Business Days of the end of each calendar month a report (in form and substance satisfactory to the Technical Bank and the Modelling Bank) which includes:

(a)

(i) the then-current production report delivered in accordance with Clause 22.4(g); and

(ii) the monthly greenhouse gas emissions from each Borrowing Base Asset;

(b) during the Baobab FPSO Renovation Period, a Baobab FPSO Renovation Update Report.

22.7 Quarterly Reports and Presentation

(a) On and from the date of this Agreement, the Obligors' Agent will provide to the Agent, within 15 Business Days of every Quarter Date:

(i) any relevant updates in respect of foreign exchange in respect of any Applicable Jurisdiction;

(ii) any changes to any other tax related or other liabilities related to the Borrowing Base Assets or the Obligors;

(iii) a summary of positions under all Hedging Agreements to which an Obligor is a party as at the last Business Day of the quarter period in respect of which the information is being provided;

(iv) any lifting of Hydrocarbons in relation to the Initial Egyptian Borrowing Base Assets which shall include a breakdown between: (A) liftings in relation to EGPC, with the applicable EGPC Statements; and (B) liftings in relation to all other third party offtakers, in each case, in respect of the calendar quarter ending on such Quarter Date; and

(v) a list of all the Project Accounts of each Obligor and any Permitted Parent Account showing the balance of such accounts and supplying the account statements of each such accounts for that period,

provided that when a Default is continuing, such information shall be provided to the Agent promptly upon its request.

(b) Once every calendar quarter during the period from (and excluding) the First Test Date to the Baobab FPSO Renovation Completion Date, the Obligors' Agent shall hold for the Lenders a presentation (which may be by video or audio conference or other electronic format) from the Obligors' Agent's management in relation to the information provided pursuant to this Clause 22.7 as well as a general update on the performance of the Borrowing Base Assets (including in respect of production, the Baobab FPSO, drilling, liftings and sales) and provide to the Lenders any information within the Obligors' possession or control which is reasonably required by the Agent (acting on the instructions of the Majority Lenders) for the purposes of this presentation.

22.8 Agreed Insurances

(a) On and from the date on which any Agreed Insurance is required to be in place pursuant to Clause 24.11 (*Agreed Insurances*), the Obligor's Agent or any other relevant Insuring Obligor shall provide to the Agent:

(i) promptly upon receipt of a written request from the Agent, a copy of the policy certificate or cover note relating to any Agreed Insurance and the receipt for the payment of any premium;

(ii) within five Business Days of the relevant renewal date, evidence that any Agreed Insurance has been renewed;

(iii) promptly upon becoming aware of the same, details of any incident involving any material damage to any Borrowing Base Assets and related Infrastructure and any proposal for reinstatement; and

(iv) promptly upon becoming aware of the same, details of any event reasonably expected to give rise to any material claim under any Agreed Insurance and details of any material claim made in relation to any insurances relating to a Borrowing Base Asset, and upon the Agent's request from time to time, the current status of any such material claim.

(b) On the date on which any Agreed Insurance is required to be in place pursuant to Clause 24.11 (*Agreed Insurances*), and on each anniversary of such date thereafter, the relevant Insuring Obligor or the Obligors' Agent shall procure that each insurance broker and reinsurance broker (each such broker to be reputable and internationally recognised (or if not internationally recognised, in partnership with an internationally recognised broker)) each issues a broker letter, such letter to be in form and substance satisfactory to the Agent (acting on the instructions of the Majority Lenders, acting reasonably) in relation to the Borrowing Base Assets in which any of the Obligors have an interest which confirms,

among other things, (i) that the Obligors' Agent (or any such relevant Insuring Obligor) is in compliance with its obligations under Clause 24.11 (*Agreed Insurances*) and this Clause
22.8 and (ii) the level and adequacy of the Agreed Insurances that have been effected with respect to the Obligors' Agent (or any such relevant Insuring Obligor) and the business and activities of the Obligors' Agent (including those relating to the Borrowing Base Assets in which any of the Obligors has an interest).

22.9 DAC 6

The Obligors' Agent shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

(a) promptly upon the making of such analysis or the obtaining of such advice, any analysis made or advice obtained on whether any transaction contemplated by the Transaction Documents or any transaction carried out (or to be carried out) in connection with any transaction contemplated by the Transaction Documents contains a hallmark as set out in Annex IV of DAC6; and

(b) (promptly upon the making of such reporting and to the extent permitted by applicable law and regulation) any reporting made to any governmental or taxation authority by or on behalf of any member of the VAALCO Energy Group or by any adviser to such member of the VAALCO Energy Group in relation to DAC6 or any law or regulation which implements DAC6 and any unique identification number issued by any governmental or taxation authority to which any such report has been made (if available).

22.10 Information: Miscellaneous

Each Obligor shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

(a) at the same time as dispatched, all documents dispatched by it to its shareholders (or any class of them) or to its creditors generally (or any class of them);

(b) promptly upon becoming aware of them, details of any material litigation, arbitration or administrative proceedings which are current, threatened or pending in connection with (i) any member of the Parent Obligor Group, or (ii) a Borrowing Base Asset (or any activity relating thereto) against any Obligor arising following the date of this Agreement, where for this purpose "**material**" means any claim or dispute the quantities of which exceed
$5,000,000 (or its equivalent in any other currency) and if applicable, details of any material changes to such claims and/or their expected outcomes;

(c) promptly upon becoming aware of them, the details of any material judgment or order of a court, arbitral body or agency which is made against any member of the Parent Obligor Group, where for this purpose "**material**" means any judgment or order the quantities of which exceed $5,000,000 (or its equivalent in any other currency);

(d) promptly upon receipt of the same, a copy of any claim or challenge to the operatorship of any Borrowing Base Asset and copies of all correspondence relating thereto;

(e) promptly upon receipt of the same a copy of any material external report received with respect to one or more Borrowing Base Assets;

(f) promptly upon receipt (or the making) of the same provide to the Agent, the Technical Bank and the Modelling Bank copies of the minutes of each operating committee and technical committee meeting relating to each Borrowing Base Asset;

(g) promptly upon becoming aware of the same, supply to the Agent details of any claim, action, suit, proceedings or investigation which are current, threatened or pending with respect to Sanctions or anti-corruption laws made against any member of the VAALCO Energy Group or any director, officer, agent or employee of any such member;

(h) promptly following any relevant change, information related to any changes in any Tax law or regulation in any jurisdiction in which it is subject to taxation which change is relevant to the calculation of the Projected Net Revenues for any Calculation Period;

(i) promptly upon becoming aware of the same, details of any potential or actual claim or any other dispute under any Material Project Document or in respect of a Borrowing Base Asset, in each case, unless immaterial;

(j) promptly upon receipt of the same, a copy of any notice of default (howsoever called) served upon any Obligor under any Material Project Document;

(k) promptly upon becoming aware of the same, details of the occurrence of any default (howsoever called) under any Material Project Document;

(l) promptly upon becoming aware of the same, details of any change to any corporate entities within the VAALCO Energy Group;

(m) at the end of each Financial Half-Year and Financial Year, and at the request of the Technical Bank (acting reasonably), a list of all intercompany loans made between any Obligor and any other member of the VAALCO Energy Group and the amounts then outstanding thereunder;

(n) promptly thereafter, details of the close out (in whole or part) of any hedging transaction under any Hedging Agreement that has been taken into account in the Banking Case;

(o) from the date falling 18 months prior to the expiry date of any Field Licence, details of the steps being taken by the Obligors to renew and/or extend such Field Licence with regular progress updates to be provide on a quarterly basis until such Field Licence has been renewed and/or extended to the satisfaction of the Agent;

(p) promptly thereafter (provided that, with respect to Multiemployer Plans, promptly upon becoming aware of), the occurrence of any Event that, either individually or together with any other ERISA Events, could reasonably be expected to have a Material Adverse Effect;

(q) promptly upon request, such further information relating to any Borrowing Base Asset or regarding the financial condition, business, assets and operations of any member of the Parent Obligor Group and any Security Grantor or the compliance by any Obligor or Security Grantor with any Transaction Document, in each case, as any Finance Party (through the Agent) may reasonably request.

22.11 Information: Notification of Default

(a) Each Obligor shall, promptly upon becoming aware of the same, notify the Agent of (i) any Default and the steps, if any, being taken to remedy it and (ii) any other event likely to have a Material Adverse Effect.

(b) Promptly upon a request by the Agent, the Obligors' Agent shall supply to the Agent a certificate signed by two Authorised Signatories on behalf of the Obligors' Agent certifying that no Default is continuing (or if a Default is continuing, specifying the relevant Default and the steps, if any, being taken to remedy it).

(c) Each Obligor shall allow any representative of the Agent and/or the Technical Bank, upon reasonable notice following the occurrence of an Event of Default which is continuing to have access to and to inspect any and all books, records and other relevant data or information in the possession of, or available to, such Obligor during regular business hours.

22.12 Environmental Matters and ESG

(a) Each Obligor shall, promptly and by no later than five Business Days upon becoming aware of the same, notify the Agent of:

(i) any material non-compliance by (i) an Operator of a Borrowing Base Asset with any Environmental and Social Requirements or (ii) an Obligor or an Operator in respect of the Environmental and Social Action Plan;

(ii) any material Environmental and Social Claim against any member of the VAALCO Energy Group which is current, or to its knowledge, pending or threatened;

(iii) any circumstances reasonably likely to result in a material Environmental and Social Claim against any member of the VAALCO Energy Group; and

(iv) any actual or reasonably suspected Environmental Contamination by it or by an Operator.

(b) The Obligors' Agent shall no later than 30 September in each calendar year, deliver to the Agent the latest Environmental and Social Action Plan prepared by the Independent E&S Consultant in accordance with Clause 24.10(d) (*Environmental and Social*).

22.13 Quality of Information

Each Obligor shall ensure that with respect to all written information supplied, and any report, certificate or statement to be furnished, by it to any Administrative Finance Party for any purpose of or connected with the Finance Documents to the best of its knowledge and belief:

(a) it has been prepared with due care and does not contain any material misleading statements or material omissions;

(b) all estimates and opinions are *bona fide* and reasonably arrived at;

(c) the arithmetic of each calculation is accurate in all material respects; and

(d) the assumptions upon which each calculation is based are reasonable.

22.14 "Know Your Customer" Checks

(a) If:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

(ii) any change in the status of any Obligor (or of a Holding Company of an Obligor) or the composition of the shareholders of any Obligor (or of a Holding Company of an Obligor) after the date of this Agreement; or

(iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges any Administrative Finance Party or any Lender, Receiver, Delegate (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "*know your customer*" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of any Administrative Finance Party, Receiver, Delegate or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Administrative Finance Party, Receiver, Delegate or any Lender) (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the relevant Administrative Finance Party, Receiver, Delegate or relevant Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "*know your customer*" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "*know your customer*" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(c) The Obligors' Agent shall, by not less than ten Business Days' prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that the Acceding Obligor becomes an Obligor pursuant to Clause 28 (*Changes to the Obligors*).

(d) Following the giving of any notice pursuant to paragraph (c) above, if the accession of the Acceding Obligor obliges the Agent or any Lender to comply with "*know your customer*" or similar identification procedures in circumstances where the necessary information is not already available to it, the Obligors' Agent shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary "*know your customer*" or other similar checks under all applicable laws and regulations pursuant to the accession of the Acceding Obligor to this Agreement as an Obligor.

22.15 VAALCO Energy Group Sustainability Report

The Obligors' Agent shall provide to the Agent (in sufficient copies for all the Lenders, if the Agent so requests) on an annual basis, by no later than 180 days after the end of each Financial Year of the Parent, the VAALCO Energy Group Sustainability Report.

22.16 Information: FX Regulations

The Obligors' Agent shall immediately upon becoming aware and no later than five Business Days after becoming aware, inform the Agent of:

(a) any change to the CEMAC FX Regulation after the date of this Agreement;

(b) any change to the UEMOA FX Regulation after the date of this Agreement; and

(c) the entry into force of a new finance act in Gabon,

in each case, where such change or enactment does or is reasonably expected to prevent, delay or otherwise prejudice (i) the ability of any Obligor to exchange or convert its domestic currency into dollars; (ii) the transfer by or on behalf of any Obligor of dollars to the Finance Parties in satisfaction of its obligations under any of the Finance Documents (or any judgment in relation thereto); or (iii) the ability of any Obligor to freely pay dollars abroad (including free or any reserve requirement or exchange control).

23. Financial Covenants

23.1 VAALCO Energy Group Liquidity Forecast

(a) The Obligors' Agent shall provide to the Agent no earlier than 15 Business Days and no later than 10 Business Days prior to:

(i) each Test Date; and

(ii) at other times if the Parent so elects,

a VAALCO Energy Group Liquidity Forecast for the relevant Forecast Period starting on such date, which shall demonstrate for that relevant Forecast Period in relation to which such VAALCO Energy Group Liquidity Forecast is prepared that Total Corporate Sources equal or exceed Total Corporate Uses.

(b) The Parent shall promptly and by no later than five Business Days inform the Agent if any of the actual Total Corporate Sources and/or Total Corporate Uses of the VAALCO Energy Group materially and adversely differ from the forecasted amounts stated in the most recent VAALCO Energy Group Liquidity Forecast.

23.2 DSCR

The Obligors shall ensure that on each Redetermination Date occurring after the Baobab FPSO Renovation Completion Date, the DSCR for the relevant Calculation Period commencing on the day immediately following that Redetermination Date is at least 1.2:1.

23.3 Total Net Indebtedness to EBITDAX

The Obligors shall ensure that on the First Test Date and each Test Date occurring thereafter the ratio of Total Net Indebtedness as at such Test Date to EBITDAX for the Relevant Period ending on such Test Date is not greater than 3:1.

23.4 Interpretation

Each calculation for the purposes of this Clause 23 shall be made on the following basis:

(a) figures shall be expressed in dollars and, where any currency has to be converted into dollars for this purpose, such conversion shall be made:

(i) in respect of the calculations made in respect of Clause 23.1 (*VAALCO Energy Group Liquidity Forecast)*, at the rate of exchange applied in the most recent Banking Case in respect of any Obligor and/or any Borrowing Base Assets and otherwise at the rate of exchange applied on the date on which the relevant VAALCO Energy Group Liquidity Forecast is delivered to the Agent; and

(ii) in respect of the calculations made in respect of Clause 23.3 (*Total Net Indebtedness to EBITDAX*) at the rate of exchange applied in the financial statements most recently delivered to the Agent pursuant to Clause 22.1 (*Financial Statements*);

(b) figures shall be taken from the financial statements of the VAALCO Energy Group most recently delivered to the Agent pursuant to Clauses 22.1(a) (*Financial Statements*) but shall be adjusted to remove any inconsistencies between the figures contained in those financial statements and the figures that would have been contained in those financial statements if they had been drawn up using the accounting standards, principles, policies and practices applied in the preparation of the Original Financial Statements; and

(c) where an acquisition of a business or asset which materially impacts the calculation of EBITDAX has occurred during a Relevant Period, EBITDAX will be calculated on a pro forma basis as if the acquisition had occurred on the first day of the Relevant Period.

24. General Undertakings – Obligor Group

Save as otherwise specified in this Clause 24, the undertakings and covenants contained in this Clause 24 remain in force from the date of this Agreement so long as any amount is outstanding under the Finance Documents, any Secured Hedging Agreement or any Commitment is in force. Unless a contrary indication appears, all references to an "Obligor" in this Clause 23 shall exclude the Parent.

24.1 Authorisations

(a) Subject to the Legal Reservations, each Obligor shall (and the Parent shall ensure that each member of the Obligor Group will) promptly:

(i) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(ii) supply certified copies to the Agent upon request of,

any Authorisation required under any law or regulation of any Relevant Jurisdiction to enable it to perform its obligations under the Finance Documents to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence in each Relevant Jurisdiction of those Finance Documents.

(b) Each Obligor shall (and the Parent shall ensure that each member of the Obligor Group that is a party to a Material Project Document will) promptly:

(i) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(ii) supply copies to the Agent upon request of,

any Authorisation required under any law or regulation to enable it to perform its obligations under the Material Project Documents to which it is party and to ensure the legality, validity, enforceability or admissibility in evidence in each Relevant Jurisdiction of those Material Project Documents, if failure to so obtain, comply with or maintain the same has or is reasonably likely to have a Material Adverse Effect.

24.2 Compliance with Laws

Each Obligor shall (and the Parent shall ensure that each member of the Obligor Group will) comply in all material respects with all laws to which it is subject.

24.3 Negative Pledge

(a) No Obligor shall (and the Parent shall ensure that no member of the Obligor Group will) create or permit to subsist any Security or any Quasi-Security over any Borrowing Base Asset or any of its other assets.

(b) Paragraph (a) above do not apply to any Security or (as the case may be) Quasi-Security, which is Permitted Security.

24.4 Disposals

[*****]

24.5 Acquisitions

[*****]

24.6 Merger and Maintenance of Corporate Existence

[*****]

24.7 Change of Business

Each Obligor shall (and the Parent shall ensure that each member of the Obligor Group will) procure that no substantial change is made to the general nature of its business from that carried on by it at the date of this Agreement.

24.8 Field Operations

Each Obligor shall (and the Parent shall ensure that each member of the Obligor Group will):

(a) ***Operation***: use reasonable endeavour to ensure that each Material Project Document to which it is a party is adhered to and implemented and that the Borrowing Base Assets are at all times explored, developed, exploited and operated in all material respects in accordance with Good Industry Field Practice, the provisions of the Material Project Documents and applicable laws and regulations except to the extent that, in each case, that any failure to do so would not be reasonably likely to have a Material Adverse Effect.

(b) Performance of Material Project Documents:

(i) perform and comply with its obligations under the Material Project Documents to which it is a party and take all reasonable steps to maintain the same in effect and to enforce its rights thereunder, except to the extent that, in each case, that any failure to do so would not be reasonably likely to have a Material Adverse Effect;

(ii) exercise such votes and other rights as it may have under the Material Project Documents for the purposes of ensuring (so far as it is able) that:

(A) the Borrowing Base Assets are at all times exploited and operated in a reasonable and prudent manner and in accordance with Good Oil Field Practice, all applicable laws (including all Environmental and Social Requirements) and the provisions of the Transaction Documents to which it is a party except in each case, to the extent that any failure to do so would not be reasonably likely to have a Material Adverse Effect;

(B) an Operator does not take any action that would constitute a breach of an Authorisation or a Transaction Document to which it is a party;

(C) an Operator is in compliance with the then-applicable Environmental and Social Action Plan; and

(D) all Environmental Contamination within a Field for which a member of the Obligor Group and/or an Operator are responsible is remedied in accordance with the requirements of any Environmental and Social Requirements applicable to the Field.

(c) ***Maintain consents***: obtain and maintain in full force and effect the Field Licences, the Development Consents and all Authorisations necessary for the performance of its obligations under the Material Project Documents to which it is a party and for the exploration, exploitation and development of the Borrowing Base Assets and the production, transportation and sale of Hydrocarbons therefrom and shall comply with all

conditions and obligations to which such Authorisations may be subject, in each case except to the extent that any failure to do so would not be reasonably likely to have a Material Adverse Effect;

(d) Maintenance of Infrastructure:

(i) use reasonable endeavours to procure that the Borrowing Base Assets and all related Infrastructure are diligently operated and maintained for the production of Hydrocarbons in a good and workmanlike manner in accordance with Good Industry Field Practice and the provisions of all Material Project Documents and all applicable laws and regulation save to the extent it would not reasonably likely have a Material Adverse Effect;

(ii) that all Infrastructure is kept in all material respects in good, efficient operating condition and that all repairs, renewals, replacements, additions and improvements thereto as are required shall promptly be made; and

(iii) exercise its rights under the Material Project Documents in a manner that is consistent with the Finance Documents in all material respects and act in a reasonable and prudent manner with regards to enforcement of counterparty obligations under the Material Project Documents.

24.9 Field Preservation

Each Obligor shall (and the Parent shall ensure that each member of the Obligor Group will):

(a) ***Abandonment***: not make, or agree to, any proposal for the abandonment of the development or decommissioning of a Borrowing Base Asset or the related Infrastructure or any material part thereof which has not been contemplated by the most recent Banking Case;

(b) ***Alterations to Material Project Documents***: not, without the prior written consent of the Agent, terminate, suspend or limit any of its rights or concur in the termination or accept any repudiation, revocation or termination, suspension or limitation of any of its rights under any Material Project Document or enter into any new Material Project Document or modify any Material Project Document, except, in each case, to the extent that (i) the termination relates to the Mercuria Offtake Agreement for the purpose of replacing the same with an offtake agreement intended to take effect as an Offtake Agreement and to be entered into with Glencore (UK) Limited or any of its Affiliates as a buyer or (ii) such action would not, and would not reasonably be expected to, have a Material Adverse Effect; and

(c) ***Offtake Agreements***:

(i) other than pursuant to a Transaction Security Document, not, without the prior written consent of the Agent, assign the benefit of any contract for the sale of Field Hydrocarbons or the proceeds of sale or disposal thereof;

(ii) ensure that each new Offtake Agreement in relation to any Applicable Jurisdiction contains commercial terms that are, taken as a whole, comparable to offtake agreements generally seen in the market in respect of comparable assets in such Applicable Jurisdiction (except as otherwise agreed with the consent of the Majority Lenders); and

(iii) promptly following entry into any new Offtake Agreement, grant Security over its rights thereunder to each Security Agent for the benefit of the Secured Parties and deliver such documents as each Security Agent may require in connection with any legal opinion that each Security Agent may reasonably require in connection with the entry into such Transaction Security Document in respect of such Offtake Agreement.

24.10 Environmental and Social

Each Obligor shall (and the Parent shall ensure that each member of the Obligor Group will) procure that it and each Operator takes all reasonable safeguards to prevent Environmental Contamination and in particular (without prejudice to the foregoing) will:

(a) obtain and maintain in full force and effect and comply in all material respects with the terms and conditions of all Environmental and Social Permits applicable to it and all other applicable Environmental Law;

(b) promptly upon receipt of the same, notify the Agent of any material claim, notice or other communication served on it or any Operator in respect of any alleged breach of or corrective or remedial obligation or liability under any Environmental Law ;

(c) act diligently to remedy or procure the remedy of any breach of any Environmental Law or where any Environmental Contamination occurs in relation to a Borrowing Base Asset; and

(d) on an ongoing basis:

(i) cooperate with and permit the Independent E&S Consultant to conduct a review of its business in relation to Environmental and Social Matters, including on an annual basis to permit the Independent E&S Consultant to update the Environmental and Social Action Plan to the satisfaction of the Majority Lenders (acting reasonably) and which shall include (without limitation) update on greenhouse gas emissions and reduction targets; and

(ii) take all reasonable steps to comply in all material respects with the then current Environmental and Social Action Plan.

24.11 Agreed Insurances

(a) In relation to:

(i) each Initial Borrowing Base Asset (other than the Initial Gabonese Borrowing Base Assets), on and from the date of this Agreement;

(ii) each Initial Gabonese Borrowing Base Asset, on and from the Closing Date; and

(iii) each and every other Borrowing Base Asset, on and from the date of designation of that Hydrocarbon Asset as a Borrowing Base Asset, and

(in each case) including all activities associated with each such Borrowing Base Asset, the Obligors' Agent shall, or shall procure that any other Obligor shall (in each applicable case, the "**Insuring Obligor**"):

(A) ensure that all Agreed Insurances are taken out and maintained:

(1) in such amounts, against such risks and on such terms consistent with those that would apply to the insurances or reinsurances taken out by a prudent international owner and/or operator (acting in accordance with Good Industry Field Practice) of comparable assets to the Borrowing Base Assets in the region in which those relevant assets are located or activities are taking place, including loss of production insurance; and

(2) against any other risks which the Agent may reasonably require (having regard to, among other things, the availability of the same at commercial rates);

(B) ensure that all Agreed Insurances are taken out and maintained:

(1) with insurers or underwriters that meet the minimum rating criteria or are otherwise acceptable to the Agent (acting reasonably); or

(2) (to the extent that the relevant persons are obliged under any applicable laws or regulation to maintain such Agreed Insurances with local insurers or underwriters) reinsured, to the maximum amount permitted by any applicable law or regulation, with insurers or underwriters that are acceptable to the Agent (acting reasonably); and

(3) on terms consistent with those that would apply to the insurances taken out by prudent owners and/or operators (acting in accordance with Good Industry Field Practice) of assets comparable to a Borrowing Base Asset,

where, for these purposes, "**minimum rating criteria**" means:

(I) at the time the Agreed Insurance is or was entered into, a credit rating of at least BBB+ from Standard & Poor's Rating Services or Baa1 from Moody's Investor Services Limited; and

(II) thereafter, a credit rating of not lower than BBB from Standard & Poor's Rating Services or Baa2 from Moody's Investor Services Limited,

or in each case, an equivalent rating from any other internationally recognised credit rating agency acceptable to the Agent (acting reasonably);

(C) ensure that with respect to any Agreed Insurances that have been reinsured where the primary insurer or underwriter does not meet the minimum rating criteria mentioned in paragraph (B) above, to the extent requested by the Agent (acting reasonably in consultation with the Obligors' Agent) and to the extent that such clauses or provisions are permitted under any applicable law or regulation, the relevant policies contain such cut-through clauses and/or provisions relating to the assignment of reinsurance proceeds as may be reasonably requested by the Agent;

(D) procure that all moneys received or receivable by the Insuring Obligor under any Agreed Insurances relating to third party liability are applied to the person to whom the liability to which the sum relates was incurred, or to the relevant insured party in reimbursement of moneys expended in satisfaction of such liability;

(E) procure that the Insuring Obligor and the relevant Security Agent (as security trustee for the Finance Parties) are named as co-insured or an additional insured party upon the policy, certificate or cover note relating to each Agreed Insurance and that the relevant Security Agent is named loss payee other than in respect of any third party liability Agreed Insurances;

(F) without prejudice to paragraph (D) above, and save to the extent that the same would result in a material breach of any Material Project Document, ensure that all proceeds of any Agreed Insurances that are attributable to the Obligors' (or the Parent's) interests are payable, and paid, to an Obligor (or the Parent) or the Security Agent;

(G) not do, or knowingly permit anything to be done, which may make any Agreed Insurance taken out by the Insuring Obligor void, voidable, unavailable or unenforceable or render any sums which may be paid out under any Agreed Insurances repayable in whole or in part;

(H) promptly pay all premiums, calls and contributions due from it and do all other things necessary to keep all Agreed Insurances maintained by the Insuring Obligor in full force and effect;

(I) promptly following a request by the Agent (acting reasonably), produce to the Agent:

(1) the policy, certificate or cover note relating to any Agreed Insurance;

(2) the receipt for the payment of any premium for any Agreed Insurance; and

(3) such other details of any Agreed Insurances as the Agent may reasonably request;

(J) ensure that every policy relating to each Agreed Insurance contains a non-vitiation clause and any other lender endorsements that the Agent may reasonably request, in each case, in such form as the Agent (acting reasonably) may approve (where, for these purposes, "**lender endorsements**" means any endorsements or clauses relating to the protection of the relevant Security Agent and/or the Secured Parties with respect to its or their interests in any Agreed Insurances);

(K) if the relevant Security Agent so requires:

(1) enter into a Transaction Security Document (in form and substance satisfactory to the Security Agent) for the purposes of granting Security over the Agreed Insurances and the proceeds

thereof in favour of that Security Agent (unless such Security has been granted under an existing Transaction Security Document);

(2) promptly obtain all such Authorisations as may be necessary in order for such Security to be granted; and

(3) deliver to that Security Agent, or procure the delivery to the Security Agent of, any documents that may be required in connection with the provision of any legal opinion that that Security Agent may reasonably require in connection with the entry into of such Transaction Security Document;

(L) ensure that subject to paragraph (b) below no Finance Party shall have any liability for the payment of premiums or any other amount owing in respect of any Agreed Insurances and the Insuring Obligor shall ensure that this is the case notwithstanding the inclusion of the relevant Security Agent as co-insured, additional insured and/or loss-payee upon the policy, certificate or cover note relating to any Agreed Insurances; and

(M) use its reasonable endeavours to obtain, promptly upon request by the Agent, a letter (in form and substance satisfactory to the Agent) from the Insuring Obligor's insurance brokers confirming that the Agreed Insurances required by this Clause 24.11 are in place.

(b) If any Insuring Obligor fails to pay any costs relating to any Agreed Insurances the Agent may, at its sole discretion, pay any costs due and the Insuring Obligor or the Obligors' Agent shall immediately on demand reimburse and indemnify the Agent for all such costs and payments made by it.

(c) Each Insuring Obligor shall obtain, promptly upon the renewal or replacement of the Agreed Insurances or otherwise upon request by the Agent or the relevant Security Agent, a letter (in form and substance satisfactory to the Agent or that Security Agent (as the case may be)) from such Insuring Obligor's insurance broker and reinsurance broker relating to the maintenance of the Agreed Insurances.

24.12 Financial Indebtedness

No Obligor shall (and the Parent shall ensure that no member of the Obligor Group will) incur or assume or permit to subsist any Financial Indebtedness from any person except for Permitted Obligor Group Financial Indebtedness or Permitted Guarantees.

24.13 Loans and Guarantees

(a) No Obligor shall (and the Parent shall ensure that no member of the Obligor Group will) be a creditor in respect of any Financial Indebtedness or provide any guarantee, indemnity, any other form of credit or any financial accommodation to any person.

(b) Paragraph (a) does not apply to Permitted Obligor Group Loans or Permitted Guarantees.

24.14 Taxes and Royalties

Each Obligor shall (and the Parent shall ensure that each member of the Obligor Group will):

(a) comply in all material respects with all Tax and social security laws and regulations;

(b) pay and discharge all Taxes, social security contributions, assessments and governmental charges prior to the date on which the same shall become overdue unless and to the extent that:

(i) such payment shall be contested by any of them in good faith by appropriate means pursuant to applicable law; and

(ii) where required under applicable accounting principles or local law, adequate reserves are being maintained with respect to any such Taxes, assessments or governmental charges (as applicable) and the costs required to contest them;

(c) pay all royalties as the same fall due for payment;

(d) file all tax and social security returns and reports required to be filed by it within the period and in the manner required by law and ensure that such returns and reports accurately reflect its liabilities for Taxes and/or social security contributions for the periods covered thereby;

(e) duly, punctually and timely levy and pay as prescribed by law all material withholding Taxes and social security withholdings;

(f) apply all tax credits, losses, reliefs and allowances taken into account in the Banking Case in the manner at the time and to the extent they were so taken into account;

(g) not change its residence for Tax purposes without the prior written consent of the Agent; and

(h) not enter into any tax sharing or tax loss transactions without the prior written consent of the Agent.

24.15 Distributions

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24.16 Corporate Action

No Obligor shall (and the Parent shall ensure that no member of the Obligor Group will) make any alteration to its memorandum and articles of association (or equivalent constitutional documents) in a manner that could adversely affect the interests of the Finance Parties.

24.17 Accounts

Each Obligor undertakes and agrees that the Project Accounts shall be opened and operated in accordance with the terms of this Agreement and the applicable Onshore Account Bank Agreements.

24.18 Pari Passu Ranking

Each Obligor (including the Parent) shall ensure that the claims of the Finance Parties against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and

unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

24.19 Arm's Length Basis

Other than in respect of a Distribution made in compliance with Clause 24.15 (*Distributions*) or a shareholder or intercompany loan permitted under this Agreement and subordinated pursuant to the Subordination Deed or an Acceptable Intercreditor Agreement, no Obligor shall (and the Parent shall ensure that no member of the Obligor Group will) enter into any material transaction with any person except on arm's length terms.

24.20 Share Capital

No Obligor and the Parent shall procure that no other member of the VAALCO Energy Group whose shares are subject to a Transaction Security Document shall:

(a) purchase, reduce, cancel, repay, redeem, subdivide, combine, consolidate or reclassify any of its share capital;

(b) issue any shares or other equity interests or grant or allow to subsist any right (including options, warrants or convertible securities) to acquire or be issued any of its shares or other equity interests other than in favour of the person which has entered into the relevant Transaction Security Document;

(c) alter the nature of, or any rights attaching to, any of its shares or other equity interests in a manner which would be adverse to the interests of the Lenders;

(d) acquire, invest in or create any new Subsidiary; or

(e) take any step having an analogous effect to any of the steps described in paragraphs (a) to (d) above.

24.21 Compliance with Sanctions

(a) Each Obligor shall (and the Parent shall ensure that each member of the Obligor Group will):

(i) comply in all respects with all Sanctions;

(ii) not, and shall not permit or authorise any other person to, directly or indirectly, use, lend, make payments of, or otherwise make available, all or any part of the proceeds of the Facility:

(A) for the purpose of financing or making funds available to any Sanctioned Person or in a Sanctioned Country;

(B) in connection with any trade, business or other activities with or for the benefit of any Sanctioned Person or in a Sanctioned Country; or

(C) in any other manner that would result in or would reasonably be expected to result in any member of the VAALCO Energy Group or a Finance Party being in breach of any Sanctions, being subject to any penalties or restrictive measures being imposed pursuant to Sanctions or being designated as a Sanctioned Person; and

(iii) not fund any payment under any Finance Document from proceeds derived, directly or indirectly, from any activity or transaction with a Sanctioned Person or in a Sanctioned Country or in any other manner that would cause any party hereto to be in breach of any Sanctions.

(b) Each Obligor shall (and the Parent shall ensure that each member of the Obligor Group will) ensure that appropriate controls and safeguards, designed to prevent any breach of compliance with paragraph (a), are in place.

(c) No Obligor shall (and the Parent shall ensure that no member of the Obligor Group will) engage in any business involving Sanctioned Persons.

24.22 Anti-Corruption Law

(a) No Obligor shall (and the Parent shall ensure that no member of the Obligor Group will) directly or indirectly use the proceeds of the Facility for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.

(b) Each Obligor shall (and the Parent shall ensure that each member of the Obligor Group will):

(i) conduct its businesses in compliance with applicable anti-corruption (including anti-money laundering) laws; and

(ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

(c) In connection with the transactions contemplated by this Agreement, no Obligor will (and the Parent shall ensure that no member of the Obligor Group will), directly or indirectly, authorise, offer, promise, or make payments of anything of value, including but not limited to cash, cheques, wire transfers, tangible and intangible gifts, favours, services, and those entertainment and travel expenses that go beyond what is reasonable and customary and of modest value to: (i) an executive, official, employee or agent of a governmental department, agency or instrumentality, (ii) a director, officer, employee or agent of a wholly or partially government-owned or controlled company or business, (iii) a political party or official thereof, or candidate for political office, (iv) a Foreign Public Official, or
(v) any other person; while knowing or having a reasonable belief that all or some portion will be used for the purpose of: (1) influencing any act, decision or failure to act by any such person in his or her official capacity, (2) inducing any such person to use his or her influence with a government or instrumentality to affect any act or decision of such government or entity, or (3) securing an unlawful advantage; in order to obtain, retain or direct business.

24.23 Gross Expenditure

No Obligor shall (and the Parent shall ensure that no member of the Obligor Group will) incur any material expenditure or make any material payment save to the extent the same has been taken into account in the Banking Case, the latest VAALCO Energy Group Liquidity Forecast or the Parent has delivered an updated VAALCO Energy Group Liquidity Forecast, taking into account the proposed expenditure or payment that demonstrates no Funding Shortfall.

24.24 Material Contracts

No Obligor shall (and the Parent shall ensure that no member of the Obligor Group will) enter into any contract or agreement that imposes material obligations on it except:

(a) the Transaction Documents and contracts and agreements required to be entered into pursuant to, or contemplated by, any Transaction Document;

(b) contracts or agreements expressly contemplated by or expressly permitted under the Finance Documents;

(c) contracts or agreements entered into in the ordinary course of day to day business and on arm's length terms; or

(d) contracts relating to Permitted Acquisitions, Permitted Disposals, Permitted Security, Permitted Obligor Group Loans and Permitted Obligor Group Financial Indebtedness; or

(e) with the prior written consent of the Majority Lenders.

24.25 Joint Ventures

(a) No Obligor shall (and the Parent shall ensure that no member of the Obligor Group will):

(i) enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or

(ii) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing).

(b) Paragraph (a) does not apply to:

(i) any company established in respect of the operation and management of any Initial Egyptian Borrowing Base Asset or any Borrowing Base Asset located in Egypt; or

(ii) any other Joint Venture in any other jurisdiction with the prior written consent of the Agent (acting on the instructions of the Majority Lenders).

24.26 Offtake from the Borrowing Base Assets

(a) Each Obligor (including the Parent) shall only enter into contractual arrangements with respect to the sale or marketing of Field Hydrocarbons:

(i) in respect of the Initial Borrowing Base Asset, under the Initial Offtake Agreements;

(ii) in respect of any other Borrowing Base Asset, with a Qualifying Offtaker; and

(iii) in respect of each member of the Obligor Group only, that are governed by English law.

(b) For the purposes of paragraph (a) above, "**Qualifying Offtaker**" means:

(i) an Approved Entity; or

(ii) an offtaker or marketer:

(A) that is a reputable offtaker or marketer of Hydrocarbons in the energy sector; and is (or its ultimate parent company is) an Investment Grade Entity; or

(B) is otherwise approved by the Agent (acting reasonably); or

(iii) any Offtaker Lender; or

(iv) any other offtaker or marketer that is a party to any sale or marketing of Hydrocarbons arrangement existing at the date of this Agreement and disclosed in writing to the Agent.

24.27 Local Accounts and Local Subsidiaries

(a) Without prejudice to each Onshore Proceeds Account Holding Obligor who must maintain its applicable Onshore Proceeds Account in accordance with Clause 20.4, the Obligors' Agent shall procure that each other Obligor who operates a Borrowing Base Asset shall, at any time after the date of the Agreement, open and maintain an onshore bank account in such Applicable Jurisdiction (each such account, a "**Local Account**") if the opening and/or maintenance of such a Local Account is required under the laws or regulations of its Applicable Jurisdiction or as a result of any change in precedent by the industry in its Applicable Jurisdiction.

(b) Each Local Account will be opened as soon as is reasonably practical (and by no later than three months following the change in law or practice referred to in paragraph (a) above or such shorter period required by law) with a Lender or an Affiliate of a Lender (or if no Lender has a branch in the relevant Applicable Jurisdiction, with a bank acceptable to the Agent (acting reasonably on the instructions of the Majority Lenders)) and the Obligors' Agent shall procure that that Obligor will ensure that it grants, perfects and maintains a first ranking charge or equivalent Security over such Local Account in favour of the Onshore Security Agent promptly and by no later than 60 days following the opening of such Local Account.

(c) The Obligors' Agent undertakes that it shall (and shall procure that each appropriate Obligor that operates or holds interests in any Borrowing Base Assets located in an Applicable Jurisdiction will) incorporate a subsidiary in an Applicable Jurisdiction (such subsidiary, a "**Local Subsidiary**") in the event that any change in the law or a change in precedent by the industry in such Applicable Jurisdiction requires it (or the relevant Obligor) to incorporate such Local Subsidiary and the Obligors' Agent shall procure that subject to any applicable law or regulation not prohibiting or restricting the same, (i) the relevant Local Subsidiary accedes as an Additional Obligor to this Agreement; and (ii) Security is granted over the shares in such Local Subsidiary in favour of the Secured Parties.

24.28 Conditions Subsequent

(a) VAALCO Gabon will, by no later than the date falling 90 days (or such later date that may be agreed between the Parent and the Agent (acting on the instructions of the Majority Lenders)) after the Closing Date:

(i) enter into an amendment to the Existing Etame Intercompany Loan Agreement which, *inter alia*, amends the maturity date of the facility made thereunder to a maturity date that extends beyond the Final Maturity Date; and

(ii) provide the Agent with evidence (in form and substance satisfactory to it) of the submission to BEAC (*Banque des Etats de l'Afrique Centrale*) and the Ministère de l'Economie et des Participations of the Republic of Gabon of documents attesting to all amendments to the Existing Etame Intercompany Loan Agreement.

(b) No later than 60 days after the Closing Date, the relevant Obligors shall procure evidence of registration of the release agreement relating to the Existing Gabonese Security with the applicable Gabon commercial court registry.

(c) No later than 90 days after the date of entry into of any Transaction Security Documents governed by Gabonese law, the relevant Obligors shall (and the Parent shall procure (as applicable) that each applicable Security Grantor will) procure evidence of registration to the applicable Gabon commercial court registry of the Transaction Security Documents.

(d) VAALCO Gabon shall (and the Parent shall procure that VAALCO Gabon will):

(i) by no later than the date falling three months after the Closing Date, open and maintain in accordance with the applicable FX Regulation and related Authorisations one or more Offshore Proceeds Accounts with an Offshore Account Bank;

(ii) promptly upon, and no later than five Business Days from the date of the opening of an Offshore Proceeds Account, enter into a Transaction Security Document (in form and substance satisfactory to the Offshore Security Agent) for the purposes of granting Security over such Offshore Proceeds Account in favour of the Offshore Security Agent;

(iii) until the opening of an Offshore Proceeds Account with an Offshore Account Bank and subject to the CEMAC FX Regulations and related Authorisation, operate its Existing Offshore Proceeds Account in accordance with Clause 20.3 (*Offshore Proceeds Account*);

(iv) as soon as reasonably practicable and in any event within three Business Days after the opening of the relevant Offshore Proceeds Account (i) transfer in accordance with the applicable FX Regulation and related Authorisations the amount standing to the credit of its Existing Offshore Proceeds Account to its Offshore Proceeds Account and (ii) take all steps necessary to ensure the immediate closure of its Existing Offshore Proceeds Account; and

(v) deliver or procure the delivery of any legal opinions or other documents that any Security Agent or the Agent may require in connection with the entry into of any Transaction Security Document.

(e) The Parent shall ensure that the hedging transaction under the Existing BP Hedging Agreement are terminated by no later than 31 March 2025.

(f) No later than 60 days after the Closing Date, each Obligor shall (and the Parent shall ensure that each Obligor will) to the extent not already provided to the Agent under any other provisions of this Agreement, provide evidence to the Agent (in form and substance satisfactory to it) that it has closed all of its bank accounts that are not Project Accounts or Permitted Accounts.

(g) The Parent shall (and the Parent shall procure that each of VAALCO Etame, VAALCO CDI and VAALCO Egypt shall), by no later than three Business Days after the Closing Date, provide evidence in form and substance satisfactory to the Agent that:

(i) each Existing RBL Project Account maintained by it has been closed and any balance standing to the credit of such accounts has been transferred to the Offshore Proceeds Account of the Parent or VAALCO Etame (as applicable);

(ii) the Existing Parent Investment Account has been closed and any balance standing to the credit of such account has been transferred to the Parent Investment Account;

(iii) the Existing VAALCO CDI Accounts have been closed and any balance standing to the credit of such accounts has been transferred to the Offshore Proceeds Account maintained by VAALCO CDI; and

(iv) the Existing VAALCO Egypt Account has been closed and any balance standing to the credit of such account has been transferred to the Offshore Proceeds Account of VAALCO Egypt.

(h) The Parent shall (and the Parent shall procure that VAALCO Gabon shall), by no later than three Business Days after the Closing Date, provide evidence to the Agent that each Existing TPAA Account has been closed with evidence that, at the time of such closure, the balance standing to the credit of each such account was no greater than $100.

(i) The Parent shall ensure that:

(i) the Mercuria Offtake Agreement is terminated and replaced by an Offtake Agreement in form and substance satisfactory to the Agent by no later than 60 days after the Closing Date;

(ii) immediately upon entry into of the new Offtake Agreement as described in paragraph (i) above, to the extent that Security has not been effected under the terms of an existing Transaction Security Document, it enters into a Transaction Security Document (in form and substance satisfactory to the relevant Security Agent) for the purposes of creating Security over the new Offtake Agreement in favour of the relevant Security Agent; and

(iii) deliver or procure the delivery of any legal opinions or other documents that any Security Agent or the Agent may require in connection with the entry into of any Transaction Security Document.

(j) The Parent and the Modelling Bank shall procure that, by no later than 15 April 2025 a model review of the Computer Model used to prepare the Initial Banking Case is completed by a reputable model auditor appointed by the Modelling Bank in consultation with the Parent to check that the Computer Model functions correctly and produces output results as intended (to the satisfaction of the Modelling Bank).

24.29 Transaction Security Documents and Further Assurance

(a) Each Obligor shall (and the Parent shall procure that each other member of the Parent Obligor Group that is a party to a Transaction Security Document and each Security Grantor will) promptly do all such acts or execute or deliver all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the relevant

Security Agent may reasonably specify (and in such form as that Security Agent may reasonably require in favour of that Security Agent or its nominee(s)):

(i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents in accordance with its terms (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security Documents) or for the exercise of any rights, powers and remedies of the Security Agent or the Secured Parties provided by or pursuant to the Finance Documents or by law;

(ii) to confer on that Security Agent, or confer on the Secured Parties, Security over any property and assets of that Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Transaction Security Documents; and/or

(iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security Documents.

(b) Each Obligor shall (and the Parent shall procure that each other member of the Parent Obligor Group that is a party to a Transaction Security Document and each Security Grantor will) take all such action or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as is available to it and/or as the Agent may reasonably specify (and in such form as the Agent may reasonably require) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Offshore Security Agent or the Secured Parties by or pursuant to the Transaction Security Documents.

(c) Each Obligor shall (and the Parent shall procure that each other member of the Parent Obligor Group and each Security Grantor will) promptly pay all stamp, registration, filing and similar taxes or fees that are payable in connection with each Transaction Security Document for which it is a party.

25. General Undertakings – Parent

Save as otherwise specified in this Clause 25, the undertakings and covenants contained in this Clause 25 remain in force from the date of this Agreement so long as any amount is outstanding under the Finance Documents or the Secured Hedging Agreements or any Commitment is in force.

25.1 Authorisations

Subject to the Legal Reservations, the Parent will promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect;

(b) supply certified copies to the Agent upon request of; and

any Authorisation required under any law or regulation of any Relevant Jurisdiction to:

(i) enable it to perform its obligations under the Finance Documents to which it is a party; and

(ii) to ensure the legality, validity, enforceability or admissibility in evidence in each Relevant Jurisdiction of those Finance Documents.

25.2 Compliance with Laws

The Parent will comply with all laws and regulations applicable to it, save to the extent that non-compliance would not be reasonably likely to have a Material Adverse Effect.

25.3 Negative Pledge

The Parent shall not, and the Parent shall procure the no member of the VAALCO Energy Group will, create or permit to subsist any Security over any of its shares or other ownership interests in the other Obligors or over any of the Borrowing Base Assets, except for the Transaction Security.

25.4 Disposals

The Parent shall not, and the Parent shall procure the no member of the VAALCO Energy Group will, enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to dispose of all or part of assets which are the subject of Transaction Security other than a Permitted Disposal.

25.5 Acquisitions

(a) The Parent shall not make any acquisition of any shares, securities or any business, undertaking or any interest in any Hydrocarbon Asset or approve the development of any Hydrocarbon Asset.

(b) Paragraph (a) above does not apply to any Permitted Acquisition.

(c) The Parent shall not acquire (directly or indirectly) any assets which are the subject of Sanctions or are located in a Sanctioned Country.

25.6 Environmental

The Parent shall and the Parent shall procure that each member of the VAALCO Energy Group shall procure that all reasonable safeguards are taken to prevent Environmental Contamination and in particular (without prejudice to the foregoing) will:

(a) obtain and maintain in full force and effect and comply in all material respects with the terms and conditions of all Environmental and Social Permits applicable to it and all other applicable Environmental Law and Environmental and Social Requirements (or, where a member of the VAALCO Energy Group is not the operator of a Field, shall use reasonable endeavours to procure that the relevant operator obtains all such Environmental and Social Permits and is in compliance in all material respects with the terms and conditions of such Environmental and Social Permits and all other applicable Environmental Law and Environmental and Social Requirements);

(b) promptly upon receipt of the same, notify the Agent of any material claim, notice or other communication served on it in respect of any alleged breach of or corrective or remedial obligation or liability under any Environmental Law or Environmental and Social Requirements; and

(c) act diligently to remedy any breach of any Environmental Law or Environmental and Social Requirements, or where any Environmental Contamination occurs in relation to any Hydrocarbon Asset in which any member of the VAALCO Energy Group has an interest.

25.7 Financial Indebtedness

The Parent shall not incur or assume or permit to subsist any Financial Indebtedness from any person except for any Permitted Parent Financial Indebtedness.

25.8 Loans and Guarantees

(a) The Parent shall not be a creditor in respect of any Financial Indebtedness or provide any guarantee, indemnity, any other form of credit or any financial accommodation to any person in respect of such Financial Indebtedness.

(b) Paragraph 24.13(a) does not apply to Permitted Obligor Group Financial Indebtedness, Permitted Parent Loans or Permitted Guarantees.

25.9 Taxes and Royalties

The Parent shall:

(a) pay and discharge all Taxes, assessments and governmental charges imposed on it or its assets within the time period allowed without incurring penalties unless and only to the extent:

(i) such payment is being contested in good faith by appropriate means; and

(ii) where required under applicable accounting principles or local law, adequate reserves are being maintained for those Taxes, assessments or governmental charges (as applicable) and the cost required to contest them; and

(b) not change its residence for tax purposes without the prior written consent of the Agent.

25.10 Distributions

(a) The Parent shall not make or pay, or permit to be made or paid, any Distribution unless the Distribution Conditions have been satisfied.

(b) The Parent shall not subdivide shares of its stock without the prior consent of the Agent (acting on the instructions of the Majority Lenders).

25.11 Change of Business

The Parent shall procure that no substantial change is made to the general nature of the business of the Parent Obligor Group taken as a whole from that carried on by the Parent Obligor Group at the date of this Agreement.

25.12 Arm's Length Basis

The Parent shall not enter into any material transaction with any third party except on arm's length terms.

25.13 Compliance with Sanctions

(a) The Parent shall, and the Parent shall procure that each other member of the VAALCO Energy Group shall:

(i) comply in all respects with all Sanctions;

(ii) not, and shall not permit or authorise any other person to, directly or indirectly, use, lend, make payments of, or otherwise make available, all or any part of the proceeds of the Facility:

(A) for the purpose of financing or making funds available to any Sanctioned Person or in a Sanctioned Country;

(B) in connection with any trade, business or other activities with or for the benefit of any Sanctioned Person or in a Sanctioned Country; or

(C) in any other manner that would result in or would reasonably be expected to result in any member of the VAALCO Energy Group or a Finance Party being in breach of any Sanctions, being subject to any penalties or restrictive measures being imposed pursuant to Sanctions or being designated as a Sanctioned Person.

(b) The Parent shall not fund any payment under the Facility from proceeds derived, directly or indirectly, from any activity or transaction with a Sanctioned Person or in a Sanctioned Country or in any other manner that would cause any Party to be in breach of any Sanctions.

(c) The Parent shall, and shall ensure that each other member of the VAALCO Energy Group shall, ensure that appropriate controls and safeguards, designed to prevent any breach of compliance with paragraph 25.13(a)(i) above, are in place.

(d) The Parent shall not, and shall ensure that no other member of the VAALCO Energy Group shall, engage in any business involving Sanctioned Persons.

25.14 Anti-Corruption Law

(a) The Parent shall not and shall procure that no member of the VAALCO Energy Group shall directly or indirectly use the proceeds of the Facility for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.

(b) The Parent shall and the Parent shall ensure that each other member of the VAALCO Energy Group shall:

(i) conduct its businesses in compliance with applicable anti-corruption (including anti-money laundering) laws; and

(ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

25.15 Margin Stock

The Parent shall not and shall procure that no member of the VAALCO Energy Group shall use the proceeds of the Facility, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry Margin Stock, or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose.

26. Events of Default

Each of the events or circumstances set out in this Clause 26 is an Event of Default (save for Clause 26.29 (*US Bankruptcy of Obligors*) and Clause 26.30 (*Acceleration*) and any circumstance(s) described thereunder).

26.1 Non-Payment

An Obligor or Security Grantor does not pay on the due date any amount payable pursuant to a Finance Document to which it is a party at the place at and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by:

(i) administrative or technical error; or

(ii) a Disruption Event; and

(b) payment is made within five Business Days of its due date.

26.2 Funding Shortfall

(a) Any VAALCO Energy Group Liquidity Forecast delivered pursuant to Clause 23.1 (*VAALCO Energy Group Liquidity Forecast*) demonstrates a Funding Shortfall, unless within ten days of the delivery of the relevant VAALCO Energy Group Liquidity Forecast, the Obligors' Agent has delivered to the Agent a plan (reasonably satisfactory to the Majority Lenders) to remedy the Funding Shortfall (the "**Remedial Plan**") and within 45 days of the delivery of the relevant VAALCO Energy Group Liquidity Forecast:

(b) the Funding Shortfall is cured by a Permitted Equity Injection (in an amount not less than the Funding Shortfall); or

(c) the VAALCO Energy Group or Obligor Group (as applicable) has established a revised expenditure plan acceptable to the Majority Lenders (the "**Revised Expenditure Plan**"),

each, a "**Liquidity Cure Right**", *provided that:*

(i) if any Liquidity Cure Right is utilised in relation to a Funding Shortfall, no Liquidity Cure Rights may be exercised in relation to any Funding Shortfall demonstrated by the immediately following VAALCO Energy Group Liquidity Forecast; and

(ii) no more than three Liquidity Cure Rights in total may be utilised prior to the Final Maturity Date.

(d) The Remedial Plan and/or the Revised Expenditure Plan is not complied with and/or implemented in all respects.

26.3 Financial Covenants and Other Obligations

(a) Any requirement of Clause 23 (*Financial Covenants*) is not satisfied.

(b) An Obligor or a Security Grantor does not comply with any provision of any Transaction Security Document.

26.4 Other Obligations

(a) An Obligor or Security Grantor does not comply with any provision of the Finance Documents (other than those referred to in Clause 24.21 (*Compliance with Sanctions*), Clause 24.22 (*Anti-Corruption Law*), Clause 24.13 (*Loans and Guarantees*), Clause 24.14 (*Taxes and Royalties*) any equivalent provision to any of Clause 24.21 (*Compliance with Sanctions*), Clause 24.22 (*Anti-Corruption Law*), Clause 24.13 (*Compliance with Sanctions*) and Clause 24.14 (*Anti-Corruption Law*) in any Finance Document, Clause 26.1 (*Non-Payment*), Clause 26.2 (*Funding Shortfall*), Clause 26.3 (*Financial Covenant and Other Obligations*) or paragraph (c) below).

(b) Subject to paragraph (c) below, no Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the earlier of (i) the Agent giving notice to the relevant Obligor or Security Grantor and (ii) an Obligor or Security Grantor becoming aware of the failure to comply.

(c) If an Obligor or Security Grantor does not pay on the due date any amount payable pursuant to a Finance Document when required by a Remedial Plan, an Event of Default shall arise pursuant to Clause 26.1 (*Non-Payment*).

26.5 Misrepresentation

(a) Any representation or statement made or deemed to be made by an Obligor or a Security Grantor in the Finance Documents or any other document delivered by or on behalf of any Obligor or a Security Grantor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made.

(b) No Event of Default under paragraph (a) above will occur if the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 15 Business Days of the earlier of (i) the Agent giving notice to the relevant Obligor or Security Grantor and (ii) an Obligor or a Security Grantor becoming aware of the failure to comply.

(c) Paragraph (a) above shall not apply to any misrepresentation under Clause 21.34 (*Sanctions*) or Clause 21.23 (*Anti-Corruption Law*) or any equivalent representation to any of the foregoing in any other Finance Document.

26.6 Cross Default

(a) Any Financial Indebtedness of any Obligor is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of any Obligor is cancelled or suspended by a creditor of any Obligor as a result of an event of default (however described).

(d) Any creditor of any Obligor becomes entitled to declare any Financial Indebtedness of any Obligor due and payable prior to its specified maturity as a result of an event of default (however described).

(e) No Event of Default will occur under this Clause 26.6 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than $5,000,000 (or its equivalent in any other currency or currencies).

26.7 Insolvency

(a) Any Obligor or any Security Grantor:

(i) is unable or admits inability to pay its debts as they fall due;

(ii) is deemed to, or is declared to, be unable to pay its debts under applicable law;

(iii) suspends or threatens to suspend making payments on any of its debts; or

(iv) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.

(b) The value of the assets of any member of the Parent Obligor Group is less than its liabilities (taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness of any Obligor or any Security Grantor. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

26.8 Insolvency Proceedings

(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, bankruptcy, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor or Security Grantor;

(ii) a composition, compromise, assignment or arrangement with any creditor of any Obligor or Security Grantor;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Obligor or Security Grantor; or

(iv) the enforcement of any Security over any assets of any Obligor or Security Grantor,

or any analogous procedure or step is taken in any jurisdiction.

(b) Paragraph (a) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 15 Business Days of commencement.

(c) An involuntary case or other proceeding is commenced under the US Bankruptcy Code against any Obligor, or a custodian (as defined in the US Bankruptcy Code) is appointed for any Obligor or for all or substantially all of the property of any Obligor, and any such case, proceeding or appointment shall continue without dismissal or stay for a period of 60 consecutive days, or an order granting the relief requested in such case, proceeding or appointment under the US Bankruptcy Code shall be entered.

26.9 Creditors' Process

Any attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Obligor or Security Grantor having an aggregate value of $500,000 or greater which is not discharged within 20 Business Days.

26.10 Unlawfulness and Invalidity

(a) Subject to the Legal Reservations:

(i) it is or becomes unlawful for any Obligor or any Security Grantor to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective or any subordination created under an Acceptable Intercreditor Agreement is or becomes unlawful;

(ii) any obligation or obligations of any Obligor or any Security Grantor under any Finance Document are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interest of the Lenders under the Finance Documents;

(iii) any Finance Document ceases to be in full force and effect or any Transaction Security ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective or any Transaction Document is not or ceases to be admissible in evidence in all Relevant Jurisdictions;

(iv) any Transaction Security Document is not in full force and effect or subject to the registration of the release agreement relating to the Existing Gabonese Security with the applicable commercial court registry in Gabon (insofar as it relates to the ranking or priority of Security in Gabon), does not create in favour of the relevant Security Agent for the benefit of the Finance Parties the Security which it is expressed to create with the ranking and priority it is expressed to have; or

(v) the subordination created under an Acceptable Intercreditor Agreement ceases to be legal, valid, binding, enforceable or effective.

(b) It is or becomes unlawful for an Obligor to perform any of its obligations under the Material Project Documents and the same has, or is reasonably likely to have, a Material Adverse Effect.

(c) Any obligation or obligations of any Obligor under any Material Project Document are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively has, or is reasonably likely to have, a Material Adverse Effect.

(d) Any Material Project Document ceases to be in full force and effect and the same has, or is reasonably likely to have, a Material Adverse Effect.

26.11 Cessation of Business

Any Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business except as a result of a disposal which is permitted under this Agreement.

26.12 Change of Ownership

(a) Any Obligor (other than the Parent) ceases to be a direct or indirect Subsidiary of the Parent.

(b) Any Egyptian Borrower ceases to be a wholly owned direct Subsidiary of VAALCO Egypt.

(c) VAALCO Gabon ceases to be a wholly owned direct Subsidiary of VAALCO Etame.

(d) VAALCO CDI ceases to be a wholly owned direct Subsidiary of VAALCO Energy Cote d'Ivoire Holding AB.

(e) VAALCO Energy Cote d'Ivoire Holding AB ceases to be a wholly owned direct Subsidiary of VAALCO Energy Cote d'Ivoire AB.

26.13 Audit Qualification

The auditors of an Obligor qualify any of the Annual Financial Statements of that Obligor in a manner which is material and adverse.

26.14 Expropriation

(a) The authority or ability of an Obligor to conduct its business with respect to any Borrowing Base Asset is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person (an "**Authority**") announces its intention to do any of the foregoing.

(b) All or part of any Borrowing Base Asset or all or part of the shares of any Obligor or any Hydrocarbons or revenues from the sale of Hydrocarbons derived or to be derived from any Borrowing Base Asset is or are seized, expropriated, nationalised or compulsorily acquired by any Authority (as defined in paragraph (a)) or any Authority announces its intention to do any of the foregoing.

26.15 Repudiation and Rescission of Agreements

(a) An Obligor or Security Grantor (or any other relevant person) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

(b) Any Material Project Document or any material Authorisation relating to a Borrowing Base Asset is revoked, relinquished, rescinded, repudiated, terminated, varied (unless such variation is otherwise permitted under this Agreement) or otherwise ceases to be legal, valid, binding and enforceable and such event has or is reasonably likely to have a Material Adverse Effect.

26.16 Payments under Material Project Documents

An Obligor does not pay when due any fee under any Field Licence or cash call under any Operating Agreement unless:

(a) such payment is being contested in good faith and adequate reserves are being maintained (being no less than equal to the amount contested) and which has been made validly and to

which there is no reasonable defence and such non-payment continues for more than ten Business Days; or

(b) non-payment has arisen due to administrative or technical error and the same is remedied immediately and in any event with any applicable grace period for payment under the relevant document,

and in the case of paragraph (b) above, payment is made within 10 Business Days of its due date.

26.17 Acceptable Intercreditor Agreement

Any:

(a) party to an Acceptable Intercreditor Agreement (other than a Finance Party or an Obligor) fails to comply with the provisions of, or does not perform its obligations under, that Acceptable Intercreditor Agreement; or

(b) representation or warranty given by that party in an Acceptable Intercreditor Agreement is incorrect in any material respect,

and, if the non-compliance or circumstances giving rise to the misrepresentation are capable of remedy, it is not remedied within 15 Business Days of the earlier of the Agent giving notice to that party or that party becoming aware of the non-compliance or misrepresentation.

26.18 Default under Material Project Documents and Related Matters

A notice of termination (howsoever called) is issued under or a default occurs by any party to any Material Project Document and such circumstances have, or are reasonably likely to have, a Material Adverse Effect.

26.19 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened, or any judgement or order of a court, arbitral tribunal or other tribunal or any order or sanction (other than any Sanction) of any governmental or other regulatory body is made, in relation to the Transaction Documents or the transactions contemplated in the Transaction Documents or against any Obligor or its assets which have been or are reasonably likely to be adversely determined and if adversely determined have or are reasonably likely to have a Material Adverse Effect.

26.20 Political Events

Foreign exchange controls, law or regulations are introduced after the date of this Agreement or any adverse change in the interpretation, administration or application of any foreign exchange controls, laws or regulations applicable to the Obligors or a political event occurs in any jurisdiction where a Borrowing Base Asset is located which, in each case, has a material adverse effect on an Obligor's ability to pay on the due date any amount due under any Finance Documents.

26.21 Cessation of Production

The production of Hydrocarbons from a Borrowing Base Asset ceases for a period in excess of 30 continuous days other than:

as a result of planned maintenance which has been set out in the then-current Banking Case;

(a) where the impact of the same is not reasonably likely to have a Material Adverse Effect;

(b) such cessation has been taken into account in the then-current Banking Case.

26.22 Accounts

Without the prior written consent of the Agent (acting on the instructions of the Majority Lenders) any Project Account is closed or requested to be closed (other than in accordance with the terms of this Agreement).

26.23 Material Adverse Change

Any event or circumstance occurs which has or is reasonably likely to have, a Material Adverse Effect if it occurs at any time thereafter.

26.24 Baobab FPSO Renovation

The Baobab FPSO Renovation Completion Date has not occurred prior to the Baobab FPSO Renovation Longstop Date.

26.25 Borrowing Base Deficiency

If any Borrowing Base Deficiency is continuing after its applicable Remedy End Date.

26.26 Field Licence

If any Field Licence is not renewed on substantially the same terms by the date falling three months before the date on which such Field Licence would otherwise expire.

26.27 Change of Operator

If a Change of Operator occurs to which the consent of the Majority Lenders (acting reasonably) has not been obtained.

26.28 ERISA

If any ERISA Event occurs which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

26.29 Acceleration Under US Bankruptcy of Obligors

Notwithstanding Clause 26.30 (*Acceleration*), in case of any event with respect to any Obligor described in Clause 26.8 (*Insolvency Proceedings*) under the US Bankruptcy Code, the Total Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other amounts accrued or outstanding under the Finance Documents to which such Obligor is a party, shall automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Obligors.

26.30 Acceleration

Subject to Clause 26.29 (*US Bankruptcy of Obligors*), on and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders:

(a) by notice to the Obligors' Agent:

(i) cancel the Total Commitments at which time they shall immediately be cancelled;

(ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or

(iii) declare that all or part of the Loans be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or

(b) exercise or direct each Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

27. Changes to the Lenders

27.1 Assignments and Transfers by the Lenders

Subject to this Clause 27, a Lender (the "**Existing Lender**") may:

(a) assign any of its rights; or

(b) transfer by novation any of its rights and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**").

27.2 Conditions of Assignment or Transfer

(a) The consent of the Obligors' Agent is required for an assignment or transfer by an Existing Lender unless the assignment or transfer is:

(i) to another Lender or an Affiliate of a Lender or a Mandated Lead Arranger or any Affiliate of a Mandated Lead Arranger; or

(ii) to a fund or Related Fund of that Existing Lender; or

(iii) when an Event of Default is continuing.

(b) The consent of the Obligors' Agent to an assignment or transfer must not be unreasonably withheld or delayed and such consent shall be deemed to have been given ten Business Days after the Existing Lender has requested it unless consent is expressly refused by the Obligors' Agent within that time.

(c) Unless such assignment or transfer is made at a time when a Default is continuing or where the Obligors' Agent otherwise consents, an assignment or transfer of part but not the whole of a Lender's participation:

(i) must be in a minimum amount of $10,000,000 unless the assignment or transfer is:

(A) to another Lender which participates in the Loans in an aggregate amount of $10,000,000 (taking into account the amount of the Loan which is the subject of the assignment or transfer); or

(B) to an Affiliate of a Lender; and

(ii) shall not be permitted if it would result in the participation of a Lender in the Loans (together with any participation of that Lenders' Affiliate in the Loans) being less than $10,000,000,

unless, in each case, where the relevant Lender and its Affiliates who are also Lenders are transferring the whole of their respective participation in the Loans.

(d) An assignment will only be effective on:

(i) receipt by the Agent and the Security Agents (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Parties as it would have been under if it was an Original Lender; and

(ii) the performance by the Agent of all necessary "*know your customer*" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(e) A transfer will only be effective if the procedure set out in Clause 27.5 (*Procedure for Transfer*) is complied with.

(f) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 14 (*Tax Gross Up and Indemnities*) and Clause 15 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under such Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred. This paragraph (f) shall not apply in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facility.

(g) A Lender may not assign or transfer any of its Commitment for any Specified Period without also assigning or transferring an equal portion of its Commitment for each of the other Specified Periods.

(h) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

27.3 Assignment or Transfer Fee

(a) Subject to paragraph (b) below, the New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of $3,000.

(b) No fee is payable pursuant to paragraph (a) above if the Agent agrees that no fee is payable.

27.4 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents, the Transaction Security or any other documents;

(ii) the financial condition of any Obligor;

(iii) the performance and observance by any Obligor of its obligations under the Transaction Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document or the Transaction Security; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 27; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Transaction Documents or otherwise.

27.5 Procedure for Transfer

(a) Subject to the conditions set out in Clause 27.2 (*Conditions of Assignment or Transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender and the New Lender accedes to each Onshore Security Agent Appointment Agreement and each (if applicable) Transaction Security Document that is governed by Gabonese law. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face

to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

(b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "*know your customer*" or similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.

(c) Subject to Clause 27.10 (*Pro Rata Interest Settlement*), on the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the "**Discharged Rights and Obligations**");

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) each of the existing Finance Parties and the New Lender shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the existing Finance Parties and the Existing Lender shall each be released from further obligations to each other under the Finance Documents;

(iv) the New Lender shall become a Party as a "*Lender*"; and

(v) any transfer shall include a transfer of a proportional interest of the Swedish Transaction Security together with a proportional interest in the Swedish Security Documents.

27.6 Procedure for Assignment

(a) Subject to the conditions set out in Clause 27.2 (*Conditions of Assignment or Transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender and the New Lender accedes to each Onshore Security Agent Appointment Agreement and (if applicable) each Transaction Security Document that is governed by Gabonese law. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

(b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "*know your customer*" or similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.

(c) Subject to Clause 27.10 (*Pro Rata Interest Settlement*), on the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;

(ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security);

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations; and

(iv) any assignment shall include an assignment of a proportional interest of the Swedish Transaction Security together with a proportional interest in the Swedish Security Documents.

(d) Lenders may utilise procedures other than those set out in this Clause 27.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 27.5 (*Procedure for Transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) *provided that* they comply with the conditions set out in Clause 27.2 (*Conditions of Assignment or Transfer*).

27.7 Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to the Obligors' Agent

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, an Assignment Agreement or an Increase Confirmation, send to the Obligors' Agent a copy of that Transfer Certificate, Assignment Agreement or Increase Confirmation.

27.8 Accession of Secured Hedge Counterparties

Any Lender may, at any time, request that it or any of its Affiliates that has entered, or is to enter, into a Hedging Agreement with an Obligor in accordance with this Agreement be given the benefit of the Security constituted by the Transaction Security Documents by becoming a Secured Hedge Counterparty. Following any such request (which shall be submitted to the Agent), and without prejudice to the definition of "**Secured Hedge Counterparty**" set out in Clause 1.1 (*Definitions*), the relevant Lender or its Affiliate (as applicable) shall accede, and become a party, to this Agreement as a Secured Hedge Counterparty upon the date of acceptance by the Agent of a Hedge Counterparty Accession Deed duly executed and delivered by the relevant Lender or its Affiliate (as applicable) and the accession of the Secured Hedge Counterparty to each Onshore Security Agent Appointment Agreement and (if applicable) each Transaction Security Document that is governed by Gabonese law (in each case, together with all such other documents as any Security Agent or the Agent may reasonably request).

27.9 Security over Lenders' Rights

(a) In addition to the other rights provided to Lenders under this Clause 27, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including without limitation:

(i) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

(ii) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

(A) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or

(B) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

27.10 Pro Rata Interest Settlement

(a) If the Agent has notified the Lenders that it is able to distribute interest payments on a "pro rata basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 27.5 (*Procedure for Transfer*) or any assignment pursuant to Clause 27.6 (*Procedure for Assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

(i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period; and

(ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:

(A) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and

(B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 27.10, have been payable to it on that date, but after deduction of the Accrued Amounts.

(b) In this Clause 27.10 references to "*Interest Period*" shall be construed to include a reference to any other period for accrual of fees.

(c) An Existing Lender which retains the right to the Accrued Amounts pursuant to this Clause 27.10 but which does not have a Commitment shall be deemed not to be a Lender for the purposes of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents.

27.11 Prohibition on Debt Purchase Transactions

The Obligors shall not, and the Parent shall procure that each other member of the VAALCO Energy Group shall not, be a Lender or enter into any Debt Purchase Transaction or beneficially

own all or any part of the share capital of a company that is a Lender or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of "*Debt Purchase Transaction*".

28. Changes to the Obligors

28.1 Assignments and transfer by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

28.2 Additional Borrowers

(a) Subject to compliance with Clause 22.14 (*"Know Your Customer" Checks*), the Obligors' Agent may request that any Relevant Affiliate becomes an Additional Borrower in connection with the designation of any Hydrocarbon Asset owned or held by that Relevant Affiliate as a Borrowing Base Asset in accordance with Clause 6 (*Banking Cases*). That Relevant Affiliate shall become an Additional Borrower if:

(i) it is either:

(A) incorporated in any Applicable Jurisdiction and the Majority Lenders approve the addition of that Relevant Affiliate as an Additional Borrower; or

(B) incorporated in any other jurisdiction and all the Lenders approve the addition of that Relevant Affiliate as an Additional Borrower;

(ii) the requisite Lenders approve the designation of the relevant Hydrocarbon Asset owned or held by that Relevant Affiliate as a Borrowing Base Asset in accordance with Clause 6 (*Banking Cases*);

(iii) the Relevant Affiliate delivers to the Agent a duly completed and executed Obligor Accession Deed;

(iv) unless all the Lenders otherwise agree, the Relevant Affiliate is an Additional Guarantor or will become an Additional Guarantor pursuant to Clause 28.4 (*Additional Guarantors*) simultaneously with becoming a Borrower;

(v) the Parent confirms that no Default is continuing or would occur as a result of that Relevant Affiliate becoming an Additional Borrower; and

(vi) the Agent has received all of the documents and other evidence listed in Part 2 (*Conditions precedent to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions precedent*) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent.

(b) The Agent shall notify the Parent and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 (*Conditions precedent to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions*).

(c) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (b) above, the Lenders

authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

28.3 Resignation of a Borrower

(a) The Obligors' Agent may request that a Borrower (other than the Parent) ceases to be a Borrower, where such Borrower does not have an interest in any Borrowing Base Asset or an interest in any other member of the VAALCO Energy Group, which directly or indirectly has an interest in any Borrowing Base Asset, by delivering to the Agent a Resignation Letter.

(b) The Agent shall accept a Resignation Letter from such Borrower and notify the Obligors' Agent and the Lenders of its acceptance if:

(i) no Default is continuing or would result from the acceptance of such Resignation Letter (and the Obligors' Agent has confirmed this is the case);

(ii) where the Borrower is also a Guarantor, its obligations in its capacity as Guarantor continue to be legal, valid, binding and enforceable and in full force and effect and the amount guaranteed by it as a Guarantor is not decreased (and the Parent has confirmed this is the case); and

(iii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents,

whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.

(c) The Agent may, at the cost and expense of the Obligors' Agent, require a legal opinion from counsel to the Agent confirming the matters set out in paragraph 28.3(b)(ii) above and the Agent shall be under no obligation to accept such Resignation Letter until it has obtained such opinion in form and substance satisfactory to it.

28.4 Additional Guarantors

(a) Subject to compliance with Clauses 22.14 (*"Know Your Customer" Checks*), the Obligors' Agent may request that any Relevant Affiliate becomes an Additional Guarantor. That Relevant Affiliate shall become an Additional Guarantor if:

(i) all Lenders approve the addition of that Relevant Affiliate as an Additional Guarantor;

(ii) that Relevant Affiliate (a) delivers to the Agent a duly completed and executed Obligor Accession Deed and (b) executes and enters into all other documents and takes all such other steps as the Agent may reasonably require in connection with its accession to, or entry into, all relevant Finance Documents as an Additional Guarantor; and

(iii) the Agent has received all of the documents and other evidence listed in Part 2 (*Conditions precedent to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor, and any Security Grantor, each in form and substance satisfactory to the Agent.

(b) The Agent shall notify the Obligors' Agent and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 (*Conditions precedent to be delivered by an Additional Obligor*) of Schedule 2 (*Conditions Precedent*).

(c) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in Clause 28.2(c), the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

28.5 Resignation of a Guarantor

(a) The Obligors' Agent may request that a Guarantor (other than the Parent) ceases to be a Guarantor, where such Guarantor does not have an interest in any Borrowing Base Asset or an interest in any other member of the VAALCO Energy Group, which directly or indirectly has an interest in any Borrowing Base Asset, by delivering to the Agent a Resignation Letter.

(b) The Agent shall accept a Resignation Letter from such Guarantor and notify the Obligors' Agent and the Lenders of its acceptance if:

(i) no Default is continuing or would result from the acceptance of such Resignation Letter (and the Obligors' Agent has confirmed this is the case);

(ii) all the Lenders have consented to the Obligors' Agent's request;

(iii) no payment is due from the Guarantor under Clause 19.1 (*Guarantee and indemnity*); and

(iv) the Guarantor is under no actual or contingent obligations as a Guarantor under any Finance Documents,

whereupon that company shall cease to be a Guarantor and shall have no further rights or obligations under the Finance Documents.

(c) The Agent may, at the cost and expense of the Obligors' Agent, require a legal opinion from counsel to the Agent confirming the matters set out in paragraph 28.5(b)(ii) above and the Agent shall be under no obligation to accept such Resignation Letter until it has obtained such opinion in form and substance satisfactory to it.

28.6 Repetition of Representations

Delivery of an Obligor Accession Deed constitutes confirmation by the relevant intended Additional Obligor that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

29. Role of the Agent, the Mandated Lead Arrangers and Others

29.1 Appointment of the Agent, the Technical Bank and the Modelling Bank

(a) Each Finance Party (other than the Agent) appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each other Finance Party authorises each of the Agent, the Technical Bank and the Modelling Bank to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to it under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

29.2 Instructions

(a) Each of the Agent, the Technical Bank and the Modelling Bank shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it in accordance with any instructions given to it by:

(A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and

(B) in all other cases, the Majority Lenders; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.

(b) Each of the Agent, the Technical Bank and the Modelling Bank shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and it may refrain from acting unless and until it receives any such instructions or clarification that it has requested.

(c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent, the Technical Bank or the Modelling Bank by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties save for the Security Agents.

(d) Each of the Agent, the Technical Bank and the Modelling Bank may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.

(e) In the absence of instructions, each of the Agent, the Technical Bank and the Modelling Bank may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

(f) None of the Agent, the Technical Bank and the Modelling Bank are authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (f) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of the Transaction Security or Transaction Security Documents.

29.3 Duties of the Agent, the Technical Bank and the Modelling Bank

(a) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(b) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.

(c) Without prejudice to Clause 27.7 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to the* Obligors' Agent), paragraph (b) above shall not apply to any Transfer Certificate, any Assignment Agreement or any Increase Confirmation.

(d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(e) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent, a Mandated Lead Arranger, the Bookrunner, the Technical Bank, the Modelling Bank or the Security Agents) under this Agreement, it shall promptly notify the other Finance Parties.

(g) Each of the Agent, the Technical Bank and the Modelling Bank shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

(h) Notwithstanding any other provision of this Agreement, the Agent shall not be responsible for determining whether or not a Lender is a Defaulting Lender.

29.4 Role of the Mandated Lead Arrangers and the Bookrunner

(a) Except as specifically provided in the Finance Documents, no Mandated Lead Arranger has any obligations of any kind to any other Party under or in connection with any Finance Document.

(b) Except as specifically provided in the Finance Documents, the Bookrunner has no obligations of any kind to any other Party under or in connection with any Finance Document.

29.5 No Fiduciary Duties

(a) Nothing in any Finance Document constitutes the Agent, the Technical Bank, the Modelling Bank, any Mandated Lead Arranger or the Bookrunner as a trustee or fiduciary of any other person.

(b) None of the Agent, the Technical Bank, the Modelling Bank, the Bookrunner nor any Mandated Lead Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

29.6 Business with the VAALCO Energy Group

The Agent, each Mandated Lead Arranger, the Bookrunner, the Technical Bank, the Security Agents and the Modelling Bank may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the VAALCO Energy Group.

29.7 Rights and Discretions

(a) The Agent, the Technical Bank and the Modelling Bank may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) Each of the Agent, the Technical Bank and the Modelling Bank may assume (unless it has received notice to the contrary in such capacity) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 26.1 (*Non-Payment*));

(ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised; and

(iii) any notice or request made by the Obligors' Agent (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.

(c) Each of the Agent, the Technical Bank and the Modelling Bank may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, each of the Agent, the Technical Bank and the Modelling Bank may at any time engage and pay for the services of any lawyers to act as independent counsel to it (and so separate from any lawyers instructed by the Lenders) if such Party in its reasonable opinion deems this to be desirable.

(e) Each of the Agent, the Technical Bank and the Modelling Bank may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by it or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(f) Each of the Agent, the Technical Bank and the Modelling Bank may act in relation to the Finance Documents through its officers, employees and agents and shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for, any loss incurred by reason of misconduct, omission or default on the part, of any such person,

unless such error or such loss was directly caused by its gross negligence or wilful misconduct.

(g) Unless a Finance Document expressly provides otherwise each of the Agent, the Technical Bank and the Modelling Bank may disclose to any other Party any information it reasonably believes it has received in such capacity under this Agreement.

(h) Without prejudice to the generality of paragraph (g) above, each of the Agent, the Technical Bank and the Modelling Bank:

(i) may disclose; and

(ii) on the written request of the Obligors' Agent or the Majority Lenders shall, as soon as reasonably practicable, disclose,

the identity of a Defaulting Lender to the Obligors' Agent, to any Secured Hedge Counterparty and to the other Finance Parties.

(i) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent, the Technical Bank, the Modelling Bank, the Bookrunner nor any Mandated Lead Arranger is obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(j) Notwithstanding any provision of any Finance Document to the contrary, none of the Agent, the Technical Bank or the Modelling Bank are obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

29.8 Responsibility for Documentation

None of the Agent, the Technical Bank, the Modelling Bank, the Bookrunner nor any Mandated Lead Arranger is responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by it, an Obligor or any other person in or in connection with any Transaction Document, the Reports or the Information Package or the transactions contemplated in the Transaction Documents or any other agreement, arrangement or document entered into,

made or executed in anticipation of, under or in connection with any Transaction Document; or

(b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Transaction Security; or

(c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

29.9 No Duty to Monitor

None of the Agent, the Technical Bank or the Modelling Bank shall be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or

(c) whether any other event specified in any Finance Document has occurred.

29.10 Exclusion of Liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent, the Technical Bank or the Modelling Bank), none of the Agent, the Technical Bank or the Modelling Bank will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document or the Transaction Security; or

(iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any

Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Agent, the Technical Bank or the Modelling Bank (as applicable)) may take any proceedings against any officer, employee or agent of the Agent, any Technical Bank or the Modelling Bank, in respect of any claim it might have against the Agent, any Technical Bank or the Modelling Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Transaction Document and any officer, employee or agent of the Agent, the Technical Bank or the Modelling Bank may rely on this Clause subject to Clause 1.4 (*Third Party Rights*) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent, the Technical Bank, the Modelling Bank, the Bookrunner or any Mandated Lead Arranger to carry out:

(i) any "*know your customer*" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender,

on behalf of any Lender and each Lender confirms to the Agent, the Bookrunner, each Mandated Lead Arranger, the Technical Bank and the Modelling Bank that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by any such person.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Agent, the Technical Bank and/or the Modelling Bank, any liability of the Agent, the Technical Bank or the Modelling Bank arising under or in connection with any Finance Document or the Transaction Security shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default by such person or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to such person at any time which increase the amount of that loss. In no event shall the Agent, the Technical Bank or the Modelling Bank be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not such person has been advised of the possibility of such loss or damages.

29.11 Lenders' Indemnity to the Administrative Finance Parties

(a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Administrative Finance Parties within three Business Days of demand, against any cost, loss or liability (including for negligence or any other category of liability whatsoever) incurred by such person (otherwise than by reason of such person's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability

pursuant to Clause 36.11 (*Disruption to Payment Systems, Etc.*), notwithstanding such person's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the any such person in acting in such capacity under the Finance Documents (unless it has been reimbursed by an Obligor pursuant to a Finance Document)).

(b) Subject to paragraph (c) below, the Obligors shall immediately on demand reimburse any Lender for any payment that Lender makes to an Administrative Finance Party pursuant to paragraph (a) above.

(c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of an Administrative Finance Party to an Obligor.

29.12 Resignation of the Agent, the Technical Bank and the Modelling Bank

(a) Each of the Agent, the Technical Bank and the Modelling Bank may resign and appoint one of its Affiliates as successor by giving notice to the Lenders and the Obligors' Agent.

(b) Alternatively, each of the Agent, the Technical Bank and the Modelling Bank may resign by giving 30 days' notice to the Lenders and Obligors' Agent, in which case the Majority Lenders (after consultation with the Obligors' Agent) may appoint a successor.

(c) If the Majority Lenders have not appointed a successor Agent, Technical Bank or Modelling Bank (as the case may be) in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Party (after consultation with the Obligors' Agent) may appoint a successor.

(d) If the Agent, the Technical Bank or the Modelling Bank wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain a Party in such capacity and it is entitled to appoint a successor Agent under paragraph (c) above, it may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor to become a party to this Agreement) agree with the proposed successor amendments to this Clause 29 and any other term of this Agreement dealing with the rights or obligations of the Agent, the Technical Bank or the Modelling Bank (as the case may be) consistent with then current market practice for the appointment and protection of such parties together with any reasonable amendments to the agency fee, Technical Bank fee or Modelling Bank fee payable under this Agreement which are consistent with the successor's normal fee rates and those amendments will bind the Parties.

(e) The retiring Agent, Technical Bank or Modelling Bank (as the case may be) shall, at its own cost, make available to the successor Agent, Technical Bank or Modelling Bank (as the case may be) such documents and records and provide such assistance as the successor may reasonably request for the purposes of performing its functions under the Finance Documents. The Obligors' Agent shall (or shall procure that another Obligor shall), within five Business Days of demand, reimburse the retiring Party for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.

(f) The Agent's, the Technical Bank's or the Modelling Bank's (as the case may be) resignation notice shall only take effect upon the appointment of a successor.

(g) Upon the appointment of a successor, the retiring Agent, Technical Bank or Modelling Bank (as the case may be) shall be discharged from any further obligation in respect of the

Finance Documents (other than its obligations under paragraph (d) above) but shall remain entitled to the benefit of Clause 16.3 (*Indemnity to the Administrative Finance Parties*) and this Clause 29 (and any fees for the account of the retiring Agent, Technical Bank or Modelling Bank as the case may be (in such capacity) shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(h) The Agent shall resign in accordance with paragraph (b) above (and to the extent applicable, may use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

(i) the Agent fails to respond to a request under Clause 14.7 (*FATCA Information*) and the Obligors' Agent or a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Agent pursuant to Clause 14.7 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Agent notifies the Obligors' Agent and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) the Obligors' Agent or a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and the Obligors' Agent or that Lender, by notice to the Agent, requires it to resign.

29.13 Replacement of the Agent, the Technical Bank and the Modelling Bank

(a) After consultation with the Obligors' Agent, the Majority Lenders may, by giving 30 days' notice to the Agent, the Technical Bank or the Modelling Bank (as the case may be) (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace such Party by appointing a successor.

(b) The retiring Agent, Technical Bank or the Modelling Bank (as the case may be) shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor such documents and records and provide such assistance as the successor may reasonably request for the purposes of performing its functions as Agent, Technical Bank or Modelling Bank (as the case may be) under the Finance Documents.

(c) The appointment of the successor Agent, Technical Bank or the Modelling Bank (as the case may be) shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent, Technical Bank or the Modelling Bank (as the case may be). As from this date, the retiring Agent, the applicable Technical Bank or the Modelling Bank (as the case may be) shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 16.3 (*Indemnity to the Administrative Finance Parties*) and this

Clause 29 (and any agency, Technical Bank or Modelling Bank fees for the account of the retiring Party shall cease to accrue from (and shall be payable on) that date).

(d) Any successor Agent, Technical Bank or the Modelling Bank (as the case may be) and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

29.14 Confidentiality

(a) In acting as Agent, Technical Bank or the Modelling Bank (as the case may be) for the Finance Parties, such Party shall be regarded as acting through its relevant division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, the Technical Bank or the Modelling Bank (as the case may be) it may be treated as confidential to that division or department and the Agent, Technical Bank or the Modelling Bank (as the case may be) shall not be deemed to have notice of it.

29.15 Relationship with the Lenders

(a) Subject to Clause 27.10 (*Pro Rata Interest Settlement*), each Administrative Finance Party may treat the person shown in its records as Lender at the opening of business (in the place of its principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

(i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Any Finance Party may by notice to an Administrative Finance Party appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Finance Party under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 38.6 (*Electronic Communication*)) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address (or such other information), department and officer by that Finance Party for the purposes of Clause 38.2 (*Addresses*) and the relevant Administrative Finance Party shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Finance Party.

29.16 Credit Appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent, the Security Agents, the Bookrunner, each Mandated Lead Arranger, the Technical Bank and the Modelling Bank that

it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the VAALCO Energy Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;

(c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;

(d) the adequacy, accuracy or completeness of the Reports and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property,

and, each Finance Party warrants to each Administrative Finance Party and each Lender that it has not relied on and will not at any time rely on any administrative Finance Party or any Lender in respect of any of these matters.

29.17 Management time

If an Event of Default has occurred and is continuing, any amount payable to the Agent under Clause 16.3 (*Indemnity to the Administrative Finance Parties*), Clause 18 (*Costs and Expenses*) and Clause 29.11 (*Lenders' Indemnity to the Administrative Finance Parties*) shall include any additional remuneration that may be agreed between the Agent and the Obligor's Agent (for and on behalf of the Obligors), and is in addition to any fee paid or payable to the Agent under Clause 13 (*Fees*).

29.18 Deduction from Amounts Payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

29.19 Reliance and Engagement Letters

(a) Each Finance Party confirms that each Administrative Finance Party has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by any such person) the terms of any reliance letter or engagement letters relating to the Reports or any reports or letters provided by third parties in connection with the

Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those Reports, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

(b) To the extent that the liability of a Report Provider under a reliance letter issued to the Finance Parties in respect of a Report is limited to an aggregate amount to be shared between the Obligors' Agent, any of its Affiliates, the Finance Parties and/or any third parties, the Obligors' Agent shall not, and the Obligors' Agent shall procure that none of its Affiliates shall, make any claim under that reliance letter without the prior written consent (not to be unreasonably withheld or delayed) of the Agent and any such claim shall be subordinated to the claims of the Finance Parties thereunder.

30. The Security Agents

30.1 The Security Agents as Trustee

(a) Each other Secured Party appoints the Offshore Security Agent and the Onshore (Gabon) Security Agent to act as its agent under and in connection with the Finance Documents including as "*Agent des Sûretés*" in relation to all Transaction Security Documents subject to Gabonese law in accordance with the Onshore Security Agent (Gabon) Appointment Agreement, and the Offshore Security Agent declares that it holds the Security Property on trust for the Secured Parties on the terms contained in this Agreement.

(b) Each of the other Secured Parties authorises the Security Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Agent (whether under this Agreement or under the Onshore Security Agent (Gabon) Appointment Agreement) under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

(c) Each of the other Secured Parties authorises the Offshore Security Agent to enter into the Swedish Security Documents on its behalf and to act as its authorised representative and to exercise (in its name and on its behalf) its rights as pledgee under the Swedish Security Documents as well as any other rights which a pledgee may have under Swedish law to enforce the pledges granted pursuant to the Swedish Security Documents, in accordance with the provisions of this Agreement, any Acceptable Intercreditor Agreement (as applicable) and the Swedish Security Documents.

(d) The terms and conditions under which the Onshore (Gabon) Security Agent is appointed in such capacity, and accepts such appointment, are governed by the Onshore Security Agent Appointment Agreement. In the event of discrepancy between this Agreement and the Onshore Security Agent (Gabon) Appointment Agreement, the latter shall prevail.

30.2 Instructions

(a) The Security Agent shall:

(i) subject to paragraph (e) and (f) below, exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Agent in accordance with any written instructions given to it by the Agent; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above (or if the relevant Finance Document

stipulates the matter is a decision for any Lender or group of Lenders in accordance with instructions given to it by that Lender or group of Lenders).

(b) The Security Agent may carry out what in its discretion it considers to be administrative acts, or acts which are incidental to any instruction, without any instructions (though not contrary to any such instruction), but so that no such instruction shall have any effect in relation to any administrative or incidental act performed prior to actual receipt of such instruction by the Security Agent.

(c) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Agent (or, if the relevant Finance Document stipulates the matter is a decision for any Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Agent may refrain from acting unless and until it receives any such written instructions or clarification that it has requested.

(d) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary intention appears in the relevant Finance Document, any instructions given to the Security Agent by the Agent shall override any conflicting instructions given by any other Parties and will be binding on all Secured Parties.

(e) Paragraph (a) above shall not apply:

(i) where a contrary indication appears in this Agreement;

(ii) where a Finance Document requires the Security Agent to act in a specified manner or to take a specified action;

(iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Secured Parties including, without limitation, Clauses 29.5 (*No Fiduciary Duty*) to Clause 29.10 (*Exclusion of liability*), Clause 29.14 (*Confidentiality*) to Clause 29.16 (*Credit Appraisal by the Finance Parties*), Clause 29.19 (*Reliance and Engagement Letters*) to Clause 30.21 (*Custodians and Nominees*) and Clause 30.24 (*Acceptance of Title*) to Clause 30.28 (*Disapplication of Trustee Acts*); or

(iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:

(A) Clause 31.1 (*Order of Application*); and

(B) Clause 31.4 (*Permitted Deductions*).

(f) If giving effect to instructions given by the Agent on behalf of the Majority Lenders would (in the Security Agent's opinion) have an effect equivalent to an amendment or waiver which is subject to Clause 42.2 (*All Lender Matters*), the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security Agent) whose consent would have been required in respect of that amendment or waiver.

(g) In exercising any discretion to exercise a right, power or authority under the Finance Documents where either:

(i) it has not received any written instructions as to the exercise of that discretion; or

(ii) the exercise of that discretion is subject to paragraph 30.2(e)(iv) above,

the Security Agent shall do so having regard to the interests of all the Secured Parties.

(h) The Security Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.

(i) Without prejudice to the provisions of and the remainder of this Clause 30, in the absence of instructions, the Security Agent may act (or refrain from acting) as it considers in its discretion to be appropriate.

30.3 Duties of the Security Agent

(a) The Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(b) The Security Agent shall promptly:

(i) forward to the Agent and to each Hedge Counterparty a copy of any document received by the Security Agent from the Parent or any Obligor under any Finance Document; and

(ii) forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party.

(c) Except where a Finance Document to which it is a party specifically provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(d) If the Security Agent receives notice from a Party referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Agent.

(e) The Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

30.4 No Fiduciary Duties to Obligors

Nothing in the Finance Documents constitutes the Security Agent as an agent, trustee or fiduciary of any Obligor or any Security Grantor.

30.5 No Duty to Account

The Security Agent shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.

30.6 Business with the VAALCO Energy Group

The Security Agent and entities associated with the Security Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business or contractual relationships with any member of the VAALCO Energy Group or any other Party to the Finance Documents and their Affiliates and Subsidiaries, and profit therefrom without being obliged to account for such profits.

30.7 Rights and Discretions

(a) The Security Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Agent are duly given in accordance with the terms of the Finance Documents;

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(C) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Finance Documents for so acting have been satisfied; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Security Agent shall be entitled to carry out all dealings with the Lenders through the Agent and may give the Agent any notice or other communication required to be given by the Security Agent to the Lenders.

(c) The Security Agent may assume (unless it has received written notice to the contrary in its capacity as Security Agent for the Secured Parties) that:

(i) no Default has occurred;

(ii) all Parties to the Finance Documents (other than the Security Agent) are complying with their obligations thereunder;

(iii) any right, power, authority or discretion vested in any Party or any group of Secured Parties has not been exercised; and

(iv) any notice made by the Obligors' Agent is made on behalf of and with the consent and knowledge of all the Obligors.

(d) The Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(e) Without prejudice to the generality of paragraph (d) above or paragraph (f) below, the Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Security Agent (and so separate from any lawyers instructed by any other Secured Party) if the Security Agent in its reasonable opinion deems this to be desirable or necessary.

(f) The Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Security Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(g) The Security Agent, any Receiver and any Delegate may act in relation to the Finance Documents and the Security Property through its officers, employees and agents and shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct.

(h) Unless this Agreement expressly specifies otherwise, the Security Agent may disclose to any other Party any information it reasonably believes it has received as security trustee under this Agreement.

(i) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation (including any foreign law or regulation) or a breach of any of its obligations under any Finance Document or a breach of a fiduciary duty or duty of confidentiality.

(j) Notwithstanding any provision of any Finance Document to the contrary, the Security Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

30.8 Responsibility for Documentation

None of the Security Agent, any Receiver nor any Delegate is responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Agent, an Obligor or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Security Property; or

(c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

30.9 No Duty to Monitor

The Security Agent shall not be bound to enquire and shall not have a duty to monitor:

(a) whether or not any Default has occurred;

(b) as to the performance (financial or otherwise), default or any breach by any Party of its obligations under any Finance Document; or

(c) whether any other event specified in any Finance Document has occurred.

30.10 Exclusion of Liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Security Agent, any Receiver or Delegate), none of the Security Agent, any Receiver nor any Delegate will be liable for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Security Property unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising or not exercising any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document or the Security Property;

(iii) any shortfall which arises on the enforcement or realisation of the Security Property; or

(iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs, losses, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or

acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Security Agent, that Receiver or that Delegate (as applicable)) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this Clause subject to Clause 1.4 (*Third Party Rights*) and the provisions of the Third Parties Act.

(c) Nothing in this Agreement shall oblige the Security Agent to carry out:

(i) any "*know your customer*" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Secured Party,

on behalf of any Secured Party and each Secured Party confirms to the Security Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Security Agent.

(d) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Security Agent, any Receiver or Delegate, any liability of the Security Agent, any Receiver or Delegate arising under or in connection with any Finance Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Security Agent, Receiver or Delegate (as the case may be) or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Agent, Receiver or Delegate (as the case may be) at any time which increase the amount of that loss. In no event shall the Security Agent, any Receiver or Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent, Receiver or Delegate (as the case may be) has been advised of the possibility of such loss or damages.

30.11 Obligors' Indemnity to the Security Agent

(a) Each Obligor jointly and severally shall promptly and by no later than five Business Days of demand indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability (together with any applicable VAT) incurred by any of them as a result of:

(i) any failure by any Obligor to comply with obligations under Clause 18 (*Costs and Expenses*);

(ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

(iii) the taking, holding, protection or enforcement of the Security Property;

(iv) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent, each Receiver and each Delegate by the Finance Documents or by law;

(v) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents;

(vi) instructing lawyers, accountants, tax advisers, surveyors, a financial adviser or other professional advisers or experts as permitted under this Agreement; or

(vii) acting as Security Agent, Receiver or Delegate under the Finance Documents or which otherwise relates to any of the Security Property (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct).

(b) Each Obligor expressly acknowledges and agrees that the continuation of its indemnity obligations under this Clause 30.11 will not be prejudiced by any release of Security, disposal of assets or the discharge of any of the Transaction Documents, and shall continue in full force and effect in such circumstances.

(c) The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 30.11 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

30.12 Secured Parties' Indemnity to the Security Agent

(a) Each other Secured Party shall (in the proportion that the Liabilities due to it bear to the aggregate Liabilities due to all the Secured Parties for the time being (or, if the Liabilities due to the Secured Parties are zero, immediately prior to their being reduced to zero)), indemnify the Security Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost, loss or liability incurred by any of them (otherwise than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct) in acting as Security Agent, Receiver or Delegate under, or exercising any authority conferred under, the Finance Documents (unless the relevant Security Agent, Receiver or Delegate has been reimbursed by an Obligor pursuant to a Finance Document).

(b) For the purposes only of paragraph (a) above and the reference to Liabilities due to a Secured Party, to the extent that any hedging transaction under a Hedging Agreement has not been terminated or closed-out, the Hedging Liabilities due to any Hedge Counterparty in respect of that hedging transaction will be deemed to be:

(i) if the relevant Hedging Agreement is based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of those hedging transactions, if the date on which the calculation is made was deemed to be an Early Termination Date (as defined in the relevant ISDA Master Agreement) for which an Obligor is the Defaulting Party (as defined in the relevant ISDA Master Agreement); or

(ii) if the relevant Hedging Agreement is not based on an ISDA Master Agreement, the amount, if any, which would be payable to it under that Hedging Agreement in respect of that hedging transaction, if the date on which the calculation is made was deemed to be the date on which an event similar in meaning and effect (under that Hedging Agreement) to an Early Termination Date (as defined in the relevant ISDA Master Agreement) occurred under that Hedging Agreement for which an

Obligor is in a position similar in meaning and effect (under that Hedging Agreement) to that of a Defaulting Party (under and as defined in the same ISDA Master Agreement),

that amount, in each case as calculated in accordance with the relevant Hedging Agreement.

(c) Subject to paragraph (d) below, the Obligors' Agent shall immediately on demand reimburse any Secured Party for any payment that Secured Party makes to the Security Agent pursuant to paragraph (a) above.

(d) Paragraph (c) above shall not apply to the extent that the indemnity payment in respect of which the Secured Party claims reimbursement relates to a liability of the Security Agent to an Obligor.

30.13 Resignation of the Security Agent

(a) The Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the Agent and the Obligors' Agent.

(b) Alternatively, the Security Agent may resign by giving 30 days' notice to the Agent and the Obligors' Agent, in which case the Agent (acting on the instructions of the Lenders) may appoint a successor Security Agent.

(c) If the Agent has not appointed a successor Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Security Agent (after consultation with the Obligors' Agent, the Agent and the Hedge Counterparties) may appoint a successor Security Agent.

(d) The retiring Security Agent shall make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Finance Documents. The Obligors' Agent shall (or shall procure that an Obligor shall) within three Business Days of demand reimburse the retiring Security Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.

(e) The Security Agent's resignation notice shall only take effect upon:

(i) the appointment of a successor and registration if required, of such new Security Agent in relevant Gabonese administration; and

(ii) (in the case of the Security Agent) the transfer of all the Security Property to that successor.

(f) Upon the appointment of a successor, the retiring Security Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) of Clause 30.26 (*Winding Up of Trust*) and paragraph (d) above) but shall remain entitled to the benefit of this Clause 30 (and any Security Agent fees for the account of the retiring Security Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.

(g) The Agent may, by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above.

30.14 Confidentiality

(a) In acting as trustee for the Secured Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to disclose to any other person (i) any confidential information or
(ii) any other information, if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

30.15 Information from the Finance Parties

Each Finance Party shall supply the Security Agent with any information that the Security Agent may reasonably specify as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent.

30.16 Credit Appraisal by the Finance Parties

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each other Finance Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, creditworthiness, solvency, status and nature of each member of the VAALCO Energy Group, any Obligor or any Security Grantor;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Security Property;

(c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Security Property, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Security Property;

(d) the adequacy, accuracy or completeness of any information provided by the Security Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

30.17 Security Agent's Management Time and Additional Remuneration

(a) Any amount payable to the Security Agent under Clause 30.11 (*Obligors' Indemnity to the Security Agent*), Clause 30.12 (*Secured Parties' Indemnity to the Security Agent*) or Clause 18 (*Costs and Expenses*) shall include the cost of utilising the Security Agent's management time or other resources incurred or employed by the Security Agent in connection with the enforcement of the Transaction Security Documents and will be calculated on the basis of such reasonable daily or hourly rates as the Security Agent may notify to the Parent and the Secured Parties, and is in addition to any other fee paid or payable to the Security Agent.

(b) Without prejudice to paragraph (a) above, in the event of:

(i) a Default; or

(ii) the Security Agent being requested by an Obligor or the Agent to undertake duties which the Security Agent and the Obligors' Agent agree to be of an exceptional nature or outside the scope of the normal duties of the Security Agent under the Finance Documents; or

(iii) the Security Agent and the Obligors' Agent agreeing that it is otherwise appropriate in the circumstances,

the Obligors' Agent shall pay to the Security Agent any additional remuneration (together with any applicable VAT) that may be agreed between them or determined pursuant to paragraph (c) below.

(c) If the Security Agent and the Obligors' Agent fail to agree upon the nature of the duties or upon the additional remuneration referred to in paragraph (a) above or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Obligors' Agent or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Obligors' Agent) and the determination of any investment bank shall be final and binding upon the Parties.

30.18 Reliance and Engagement Letters

(a) The Security Agent may obtain and rely on any certificate or report from any Obligor or any Obligor's auditor and may enter into any reliance letter or engagement letter relating to that certificate or report on such terms as it may consider appropriate (including restrictions on the auditor's liability and the extent to which that certificate or report may be relied on or disclosed).

(b) The Security Agent shall be entitled to call for and rely on (and will not be liable for acting, or not acting, or relying on such information in good faith) any certificate of any Party as to any matter on which the Security Agent requires to be satisfied.

30.19 No Responsibility to Perfect Transaction Security

The Security Agent takes no responsibility for and shall not be liable for any failure to:

(a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Obligor or any Security Grantor to any of the Charged Property;

(b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Finance Document or the Transaction Security;

(c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Finance Document or of the Transaction Security;

(d) take, or to require any Obligor or Security Grantor to take, any step to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under any law or regulation; or

(e) require any further assurance in relation to any Transaction Security Document.

30.20 Insurance by Security Agent

(a) The Obligors acknowledge, and it is agreed that, the Security Agent shall not be obliged:

(i) to insure any of the Charged Property;

(ii) to require any other person to maintain any insurance;

(iii) to verify any obligation to arrange or maintain insurance contained in any Finance Document, and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance; or

(iv) to pay, or be liable for, any premium or other amounts payable under such insurances to the insurers.

(b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Agent requests it to do so in writing and the Security Agent fails to do so within 14 days after receipt of that request.

30.21 Custodians and Nominees

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

30.22 Delegation by the Security Agent

(a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.

(b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, consider to be appropriate.

(c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

30.23 Additional Security Agents

(a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it:

(i) if it considers in its discretion that appointment to be appropriate;

(ii) for the purposes of conforming to any legal requirement, restriction or condition which the Security Agent deems to be relevant; or

(iii) for obtaining or enforcing any judgment in any jurisdiction,

and the Security Agent shall give prior notice to the Obligors' Agent and the Secured Parties of that appointment.

(b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Security Agent under or in connection with the Finance Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.

(c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.

30.24 Acceptance of Title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Obligor or any Security Grantor may have to any of the Charged Property and shall not be liable for, or bound to require any Obligor or any Security Grantor to remedy, any defect in its right or title.

30.25 Releases

Upon a disposal of any of the Charged Property pursuant to the enforcement of the Transaction Security by a Receiver or the Security Agent, the Security Agent is irrevocably authorised (at the cost of the Obligors and without any consent, sanction, authority or further confirmation from any other Secured Party) to release, without recourse or warranty, that property from the Transaction Security, and to execute any release of the Transaction Security or other claim over that asset and to issue any certificates of non-crystallisation of floating charges that may be required or desirable.

30.26 Winding Up of Trust

If the Security Agent, with the written approval of the Agent and each Hedge Counterparty, determines that:

(a) all of the Secured Obligations and all other obligations secured by the Transaction Security Documents have been fully and finally discharged; and

(b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents,

then:

(i) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Transaction Security Documents; and

(ii) any Security Agent which has resigned pursuant to Clause 30.13 (*Resignation of the Security Agent*) shall release, without recourse or warranty, all of its rights under each Transaction Security Document.

30.27 Powers Supplemental to Trustee Acts

The rights, powers, authorities and discretions given to the Security Agent under or in connection with the Finance Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

30.28 Disapplication of Trustee Acts

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, (and any other Finance Documents) in favour of the Security Agent the provisions of this Agreement (or the relevant Finance Documents) shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement (or the relevant Finance Documents) shall constitute a restriction or exclusion for the purposes of that Act.

30.29 Non-Cash Distributions

If the Security Agent or any other Secured Party receives a distribution in a form other than cash in respect of the Secured Obligations, the Secured Obligations will not be reduced by that distribution until and except to the extent that the realisation proceeds are actually applied towards the Secured Obligations.

30.30 Amounts received by Obligors

If any of the Obligors receives or recovers any amount which, under the terms of any of the Finance Documents, should have been paid to the Security Agent, that Obligor will hold the amount received or recovered, on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement.

30.31 Parallel Obligation (Covenant to pay the Security Agent)

(a) Notwithstanding any other provision of this Agreement, for the purposes of any Relevant Security Document, each Affected Obligor hereby irrevocably and unconditionally undertakes to pay to the Security Agent, as creditor in its own right and not as representative of the other Finance Parties, sums equal to and in the currency of each amount payable by any Obligor to each of the Finance Parties under each of the Finance Documents as and when that amount falls due for payment under the relevant Finance Document or would have fallen due for payment under the relevant Finance Document or would have fallen due but for any discharge resulting from failure of another Finance Party to take appropriate steps, in insolvency proceedings affecting the Affected Obligor, to preserve such Finance Party's entitlement to be paid that amount (the "**Parallel Obligation**").

(b) The Security Agent shall have its own independent right to demand payment of the amounts payable by any Affected Obligor under this Clause 30.31 irrespective of any discharge of the Affected Obligor's obligation to pay those amounts to the other Finance Parties resulting from failure by them to take appropriate steps, in insolvency proceedings affecting the Affected Obligor, to preserve their entitlement to be paid those amounts.

(c) Any amount due and payable by any Affected Obligor to the Security Agent under this Clause 30.31 shall be decreased to the extent that the other Finance Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Finance Documents and any amount due and payable by any Affected Obligor to the other Finance Parties under those provisions shall be decreased to the extent that the Security Agent has received (and is able to retain) payment in full of the corresponding amount under this Clause 30.31.

(d) The rights of the Finance Parties (other than the Security Agent) to receive payment of amounts payable by any Affected Obligor under the Finance Documents are several and are separate and independent from, and without prejudice to, the rights of the Security Agent to receive payment under this Clause 30.31.

(e) All monies received or recovered by the Security Agent pursuant to this Clause 30.31 and enforcement proceeds received or recovered by the Security Agent pursuant to this Clause
30.31 shall be applied by the Security Agent in accordance with this Agreement.

(f) For the purposes of this Clause 30.31:

(i) "**Affected Obligor**" refers to any Obligor which is a party to a Relevant Security Document; and

(ii) "**Relevant Security Document**" means any Transaction Security Document governed by the laws of (i) Gabon or (ii) any other relevant jurisdiction identified by the Security Agent and notified to all the other Parties.

31. Application of Proceeds

31.1 Order of Application

All amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Documents or Secured Hedging Agreements, or in connection with the realisation or enforcement of all or any part of the Transaction Security (for the purposes of this Clause 31,

the "**Recoveries**") shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this Clause 31), in the following order of priority:

(a) in discharging any sums owing to the Security Agent (in its capacity as such), any Receiver or any Delegate;

(b) in discharging any costs and expenses incurred by any Secured Party in connection with any realisation or enforcement of the Transaction Security taken in accordance with the terms of this Agreement;

(c) in payment or distribution to the Agent, on its own behalf and on behalf of the other Secured Parties, for application towards the discharge of all sums due and payable by any Obligor under any of the Finance Documents or Secured Hedging Agreements in accordance with Clause 36.6 (*Partial Payments*);

(d) if none of the Obligors is under any further actual or contingent liability under any of the Finance Documents or Secured Hedging Agreements, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Obligor; and

(e) the balance, if any, in payment or distribution to the relevant Obligor.

31.2 Investment of Proceeds

Prior to the application of the proceeds of the Transaction Security in accordance with Clause 31.1 (*Order of Application*), the Security Agent may, at its discretion, hold all or part of those proceeds in one or more interest bearing suspense or impersonal accounts in the name of the Security Agent with any financial institution (including itself) and for so long as the Security Agent thinks fit (the interest being credited to the relevant account) pending the application from time to time of those monies at the Security Agent's discretion in accordance with the provisions of Clause 31.1 (*Order of Application*).

31.3 Currency Conversion

(a) For the purpose of, or pending the discharge of, any of the Secured Obligations, the Security Agent may convert any moneys received or recovered by the Security Agent from one currency to another, at the spot rate of exchange at which the Security Agent is able to purchase the currency in which the Secured Obligations are due with the amount received.

(b) The obligations of any Obligor to pay any amount in any currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

31.4 Permitted Deductions

The Security Agent shall be entitled (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any law or regulation to make from any distribution or payment made by it under this Agreement, and to pay all Taxes which may be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties or exercising its rights, powers, authorities and discretions, or by virtue of its capacity as Security Agent under any of the Finance Documents or the Secured Hedging Agreements or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

31.5 Good Discharge

(a) Any distribution or payment to be made in respect of the Secured Obligations by the Security Agent may be made to the Agent on behalf of the Secured Parties and any distribution or payment made in that way shall be a good discharge, to the extent of that payment or distribution, by the Security Agent.

(b) The Security Agent is under no obligation to make payment to the Agent in the same currency as that in which the obligations and liabilities owing to the relevant Finance Party are denominated.

32. Enforcement of Transaction Security

32.1 Enforcement Instructions

(a) The Security Agent may refrain from enforcing the Transaction Security unless instructed in writing otherwise by the Agent.

(b) Subject to the Transaction Security having become enforceable in accordance with its terms, the Agent may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit.

(c) The Security Agent is entitled to rely on and comply with written instructions given in accordance with this Clause 32.1.

32.2 Manner of Enforcement

(a) If the Transaction Security is being enforced pursuant to Clause 32.1 (*Enforcement Instructions*), the Security Agent shall enforce the Transaction Security in such manner (including the selection of any administrator (or any analogous officer in any jurisdiction) of any Obligor or Security Grantor to be appointed by the Security Agent) as the Agent shall instruct in writing or, in the absence of any such instructions, as the Security Agent considers in its discretion to be appropriate.

(b) The Security Agent shall not be responsible for any deduction or other withholding of Taxes or governmental charges in respect of any amount paid by the Security Agent from the proceeds of any enforcement of any Transaction Security.

32.3 Waiver of Rights

To the extent permitted under applicable law and subject to Clause 32.1 (*Enforcement Instructions*), Clause 32.2 (*Manner of Enforcement*) and Clause 31 (*Application of Proceeds*), each of the Secured Parties and the Obligors waive all rights they may otherwise have to require that the Transaction Security be enforced in any particular order or manner or at any particular time or that any amount received or recovered from any person, or by virtue of the enforcement of any of the Transaction Security or of any other security interest, which is capable of being applied in or towards discharge of any of the Secured Obligations is so applied.

32.4 Enforcement through Security Agent Only

(a) The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the Transaction Security Documents except through the Security Agent.

(b) Each other Secured Party shall immediately upon request provide the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Security Agent) that the Security Agent deems necessary for the purpose of carrying out its duties under any of the Finance Documents. The Security Agent is under no obligation to represent a Party which does not comply with such request.

33. Conduct of Business by the Finance Parties

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

34. Hedging and Hedge Counterparties

34.1 Hedging

(a) Each Obligor shall ensure that it is at all times in compliance with the Hedging Policy.

(b) Each Obligor shall ensure that each Hedging Agreement to which it is party is governed by English law.

(c) Each Obligor that is party to a Hedging Agreement shall promptly on becoming a party to that Hedging Agreement:

(i) enter into a Transaction Security Document (in form and substance satisfactory to the Offshore Security Agent (acting reasonably)) for the purposes of granting Security over that Hedging Agreement in favour of the Secured Parties or the Offshore Security Agent (in its capacity as such) unless such Security has been granted under an existing Transaction Security Document;

(ii) without prejudice to Clause 24.29 (*Transaction Security Documents and Further Assurance*), promptly provide evidence that all Authorisations necessary or desirable for the validity, effectiveness, priority and enforceability of such Security have been obtained or carried out and that all steps necessary or desirable for the perfection of such Security have been completed; and

(iii) deliver to the Offshore Security Agent, or procure the delivery to the relevant Offshore Security Agent of, any documents that may be required in connection with the provision of any legal opinion that the Offshore Security Agent may reasonably require in connection with the entry into of such Transaction Security Document.

(d) In connection with the preparation of each new Banking Case, by no later than 40 Business Days prior to the Redetermination Date on which that Banking Case is adopted, the Obligors' Agent shall provide to the Technical Bank and the Modelling Bank details of all current Hedging Agreements entered into by any Obligor.

34.2 Information to Secured Hedge Counterparties

If a person is a Secured Hedge Counterparty but it, or its Affiliate, has ceased to be a Lender, it may notify the Agent of the same and, if so notified, the Agent shall continue to provide information to that person as if it were a Lender until the Agent is notified by such person that such person is not a Secured Hedge Counterparty or does not wish to receive such information. Any such person shall notify the Agent promptly upon ceasing to be a Secured Hedge Counterparty.

34.3 Close Out by Hedge Counterparties

(a) A Hedge Counterparty may exercise its rights under any Secured Hedging Agreement to terminate or close out any Secured Hedging Agreement (and any hedging transaction thereunder) and to demand payment of sums outstanding thereunder *provided that* (unless the Offshore Security Agent or the Majority Lenders otherwise consent) it shall only exercise such rights if:

(i) an Illegality or Force Majeure Event (each as defined in the applicable ISDA Master Agreement) has occurred;

(ii) a Tax Event or Tax Event Upon Merger (each as defined in the applicable ISDA Master Agreement) has occurred;

(iii) an Obligor has not paid an amount due under a Secured Hedging Agreement on its stated due date and such payment has not been made within three Business Days of the date on which the relevant Hedge Counterparty notifies the relevant Obligor, the Offshore Security Agent and the Agent of such failure to pay on such due date (and of such Hedge Counterparty's intention to terminate or close out);

(iv) any Event of Default referred to in Clauses 26.7 (*Insolvency*) or 26.8 (*Insolvency Proceedings*) occurs;

(v) the Enforcement Date has occurred and all or any amounts accrued or outstanding under the Finance Documents (other than the Secured Hedging Agreements) have become immediately due and payable;

(vi) the Agent has confirmed that no amount under the Finance Documents (other than any Secured Hedging Agreements) is outstanding or is capable of being outstanding;

(vii) subject to Clause 34.3(d), pursuant to Clause 8.1 (*Illegality*), Clause 8.6 (*Mandatory Prepayment - Change of Control*) or Clause 8.7 (*Mandatory Prepayment – Sanctions and Anti-Corruption Law*), the relevant Hedge Counterparty's participation (or its Affiliate's participation) as a Lender in the Facility has been repaid in full or transferred;

(viii) it is so required under Clause 34.3(e)(iii);

(ix) any action has been taken to enforce the Transaction Security in accordance with the Finance Documents;

(x) on or immediately following a refinancing, repayment, prepayment or cancellation in full of the Facility; or

(xi) to the extent necessary to comply with the Hedging Policy.

(b) If a Hedge Counterparty exercises its termination rights:

(i) pursuant to paragraph (a) above, then save where it exercises such rights pursuant to paragraphs 34.3(a)(i), 34.3(a)(ii) or 34.3(a)(xi), it must terminate all the hedging transactions under the Secured Hedging Agreements to which it is a party; and

(ii) pursuant to paragraph 34.3(a)(i), 34.3(a)(ii) or 34.3(a)(xi) above, it may only terminate the Affected Transactions (as defined in the applicable ISDA Master Agreement).

(c) Save for any Security or guarantee constituted by any Transaction Security Documents, any Permitted Security or Permitted Parent Financial Indebtedness and the guarantees given under this Agreement and, for the avoidance of doubt, without prejudice to any Hedge Counterparty's right to enter into one-way collateralisation arrangements for the benefit of an Obligor, no Hedge Counterparty shall permit to subsist or receive the benefit of any margin call arrangement, any collateral or credit support, any Security or any guarantee or other assurance against financial loss for, or in respect of, any Hedging Liability.

(d) In the event that (i) a Lender which is a Hedge Counterparty or in respect of which a Hedge Counterparty is an Affiliate ceases to be a Lender or (ii) in the case of an Initial Hedge Counterparty, an Original Lender ceases to be a Lender (the "**Relevant Hedge Counterparty**"), an Obligor may novate any Hedging Agreement entered into by such Relevant Hedge Counterparty to another Lender or a Hedge Counterparty *provided that* if that Obligor does not novate following 20 Business Days of a request by the Relevant Hedge Counterparty, the Relevant Hedge Counterparty (i) may close out or terminate any Hedging Agreement to which it is a party and (ii) shall bear all costs and expenses in connection with that close out or termination only if such Relevant Hedge Counterparty ceases to be a Lender other than by reason of the events described in Clause 34.3(a)(vii) or other than by reason of the exercise by an Obligor of its right to replace a Lender pursuant to Clause 42.6(a) (*Replacement of Lender*).

(e) Each Obligor that is party to a Hedging Agreement and each Hedge Counterparty agrees that unless the Agent otherwise consents:

(i) each Secured Hedging Agreement to which it is a party shall be entered into under the terms of an ISDA Master Agreement;

(ii) at any time on or after the Enforcement Date, if an amount falls due from a Hedge Counterparty to that Obligor under any Secured Hedging Agreement, that amount shall be paid by that Hedge Counterparty to the Agent or the Offshore Security Agent (in full discharge of its obligations to make such payments to that Obligor) for application in accordance with Clause 35 (*Sharing among the Finance Parties*) and Clause 36 (*Payment Mechanics*); and

(iii) promptly on the occurrence of the Enforcement Date, each Hedge Counterparty and that Obligor will, if so instructed by the Offshore Security Agent, exercise any rights it may have to terminate or close out all or any of the hedging transactions under each Secured Hedging Agreement to which it is a party (*provided that* the Offshore Security Agent shall not be entitled to issue any instructions under this Clause 34.3(e)(iii) once all amounts outstanding under the Finance Documents (other than under any Secured Hedging Agreements) have been paid or repaid in full).

(f) Promptly upon request, the Obligors' Agent and each Hedge Counterparty will provide to the Agent and the Offshore Security Agent copies of all Secured Hedging Agreements to which an Obligor is a party.

(g) The Obligors' Agent and the relevant Hedge Counterparty shall promptly notify the Offshore Security Agent of the details of the termination or closing-out of any Secured Hedging Agreement or any hedging transaction thereunder or the modification in any material respect of any Secured Hedging Agreement and if so requested by the Offshore Security Agent, promptly provide any documents relating to such termination, closing-out or modification (as the case may be).

(h) Each of the Hedge Counterparties shall on request by the Offshore Security Agent from time to time notify the Offshore Security Agent of the details of the outstanding amount of all of the Hedging Liabilities (if any) owed to that Hedge Counterparty.

(i) Each Hedge Counterparty and each Obligor agrees that each Secured Hedging Agreement to which it is a party shall operate subject to the terms of this Agreement and, accordingly, in the event of any inconsistency between the terms of such Secured Hedging Agreement and this Agreement the terms of this Agreement shall prevail.

(j) Each Hedge Counterparty that is a party to any Hedging Agreement with an Obligor:

(i) consents to the grant by that Obligor of Security over its rights and interests in such Hedging Agreement (without prejudice to any close-out netting, payment netting or set-off provisions under such Hedging Agreement) in favour of the Secured Parties or, as the case may be, the Offshore Security Agent (in its capacity as such); and

(ii) to the extent that such Security has been granted pursuant to a Transaction Security Document, acknowledges that it has received notice that each such Hedging Agreement to which it is a party is the subject of such Security.

34.4 Hedging Payments

(a) Before the Enforcement Date:

(i) an Obligor may make, and each Hedge Counterparty may receive and retain, payment of all Hedging Costs, including any scheduled payments or partial payments arising under the terms of the relevant Secured Hedging Agreement and any Hedging Termination Payments payable to such Hedge Counterparty pursuant to the termination of any Secured Hedging Agreement (or hedging transaction thereunder) which is permitted under this Agreement;

(ii) each Hedge Counterparty may only discharge any Hedging Liability by set-off in accordance with Clause 37 (*Set-Off*) and only to the extent that such Hedging Liability is permitted to be paid under Clause 34.4(a)(i); and

(iii) each Hedge Counterparty may only discharge any Hedging Liability under any netting arrangements in accordance with the terms of the relevant Secured Hedging Agreement but only to the extent that such Hedging Liability is permitted to be paid under Clause 34.4(a)(i).

(b) Prior to the Enforcement Date, no Hedge Counterparty may receive or retain any payment of, or any distribution in respect of (or on account of), any Hedging Liability in cash or in

kind, or apply any money or assets in or towards the repayment or discharge of any Hedging Liability save as provided in Clause 34.4(a).

(c) On and from the Enforcement Date, no Hedge Counterparty may receive or retain any payment of, or any distribution in respect of (or on account of), any Hedging Liability in cash or in kind, or apply any money or assets in or towards the repayment or discharge of any Hedging Liability which would otherwise be permitted under the preceding provisions of this Clause 34.4 (*Hedging Payments*). On and from the Enforcement Date, any Hedging Liability may only be repaid or discharged pursuant to a distribution by the Agent made in accordance with Clause 35 (*Sharing among the Finance Parties*) and Clause 36 (*Payment Mechanics*). The foregoing provisions shall not prevent a netting of payments pursuant to Sections 2(c) or 6(e) of the ISDA Master Agreement or their equivalent in any Agreed CGD Master *provided that* (on and from the Enforcement Date) any resulting amount due to a Hedge Counterparty is made to and/or through the Agent in accordance with Clause 36.1 (*Payments to the Agent*).

34.5 Voting Rights of Hedge Counterparties

(a) To take into account the interest of the Hedge Counterparties at any time when a Hedging Termination Payment under a Secured Hedging Agreement has fallen due for payment but has not been paid, all references to all Lenders shall be deemed to be references to all Creditors and all references to Majority Lenders shall be deemed to be references to Majority Creditors.

(b) The relevant Hedge Counterparty shall notify the Agent of any Hedging Termination Payment under a Secured Hedging Agreement that has fallen due for payment but has not been paid.

(c) In this Agreement:

"**Creditor**" means any Lender or any Hedge Counterparty.

"**Creditor Participation**" means, in relation to a Creditor, the aggregate of:

(a) its Available Commitment;

(b) its aggregate participation in any outstanding Utilisations; and

(c) in respect of any Secured Hedging Agreement that has, as of the date the calculation is made, been early terminated or closed out, in whole or part, in accordance with the terms of that Secured Hedging Agreement, the amounts, if any, payable by an Obligor under that Secured Hedging Agreement in respect of any termination or close-out after giving effect to any set-off between Hedging Agreements permitted under this Agreement, to the extent that the amounts are unpaid (that amount to be certified by the relevant Hedge Counterparty and as calculated in accordance with the relevant Secured Hedging Agreement).

"**Majority Creditors**" means, at any time, those Creditors whose Creditor Participations at that time aggregate more than 66⅔ per cent. of the aggregate amount of all Creditor Participations at that time.

35. Sharing among the Finance Parties

35.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor other than in accordance with Clause 36 (*Payment Mechanics*) or Clause 34.4 (*Hedging Payments*) (a "**Recovered Amount**") and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 36 (*Payment Mechanics*) or, as the case may be, Clause 34.4 (*Hedging Payments*) without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 36.6 (*Partial Payments*) or, as the case may be, Clause 34.4 (*Hedging Payments*).

35.2 Redistribution of Payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 36.6 (*Partial Payments*) or, as the case may be, Clause 34.4 (*Hedging Payments*), towards the obligations of that Obligor to the Sharing Finance Parties.

35.3 Recovering Finance Party's Rights

On a distribution by the Agent under Clause 35.2 (*Redistribution of Payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

35.4 Reversal of Redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and

(b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

35.5 Exceptions

(a) This Clause 35 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified the other Finance Party of the legal or arbitration proceedings; and

(ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

36. Payment Mechanics

36.1 Payments to the Agent

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State) and with such bank as the Agent, in each case, specifies.

(c) At all times prior to the Enforcement Date, all payments by an Obligor or a Hedge Counterparty under or in respect of any Secured Hedging Agreement shall be made directly between the relevant Obligor and the relevant Hedge Counterparty (and not through the Agent pursuant to Clause 36.1(a) (*Payments to the Agent*)) and, accordingly, at all such times, all references in Clause 36.6 (*Partial Payments*) to Secured Hedging Agreements, Hedging Costs and Hedging Termination Payments shall be disregarded.

(d) On and from the Enforcement Date, all payments by an Obligor or a Hedge Counterparty under or in respect of any Secured Hedging Agreement shall be made to and/or through the Agent in accordance with Clause 36.1(a) (*Payments to the Agent*) as if the references to "Lender" and "Finance Documents" in that paragraph were references to "Hedge Counterparty" and "Hedging Agreements" respectively.

36.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents or the Secured Hedging Agreements for another Party shall, subject to Clause 36.3 (*Distributions to an Obligor*) and Clause 36.4 (*Clawback and Pre-Funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State).

36.3 Distributions to an Obligor

The Agent and each Security Agent may (with the consent of the Obligor or in accordance with Clause 37 (*Set-Off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or any Secured Hedging Agreement or in or towards purchase of any amount of any currency to be so applied.

36.4 Clawback and Pre-Funding

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

(c) If the Agent is willing to make available amounts for the account of the applicable Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to that Borrower:

(i) the Agent shall notify the Obligors' Agent of that Lender's identity and the Obligors' Agent shall on demand refund it to the Agent; and

(ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Obligors' Agent, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

36.5 Impaired Agent

(a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents or the Secured Hedging Agreements to the Agent in accordance with Clause 36.1 (*Payments to the Agent*) may instead either:

(i) pay that amount direct to the required recipient(s); or

(ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (b) of the definition of "*Acceptable Bank*" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment (the "**Paying Party**") and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the "**Recipient Party**" or "**Recipient Parties**").

In each case such payments must be made on the due date for payment under the Finance Documents or the Secured Hedging Agreements.

(b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties *pro rata* to their respective entitlements.

(c) A Party which has made a payment in accordance with this Clause 36.5 shall be discharged of the relevant payment obligation under the Finance Documents or the Secured Hedging Agreements and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.

(d) Promptly upon the appointment of a successor Agent in accordance with Clause 29.13 (*Replacement of the Agent, the Technical Bank and the Modelling Bank*), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 36.2 (*Distributions by the Agent*).

(e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:

(i) that it has not given an instruction pursuant to paragraph (d) above; and

(ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

36.6 Partial Payments

(a) If the Agent receives a payment for application against amounts due in respect of any Finance Document or Secured Hedging Agreement (including any amount received pursuant to Clause 31.1 (*Order of Application*)) that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents and Secured Hedging Agreements in the following order:

(i) ***first***, in or towards payment *pro rata* of any unpaid amount owing to the Administrative Finance Parties, any Receiver or Delegate under the Finance Documents and Secured Hedging Agreements;

(ii) ***secondly***, in or towards payment *pro rata* of any accrued interest, fee or commission or Hedging Costs due but unpaid under the Finance Documents and Secured Hedging Agreements;

(iii) ***thirdly,*** in or towards payment pro rata of any principal due but unpaid under the Finance Documents and any Hedging Termination Payments; and

(iv) ***fourthly***, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents and Secured Hedging Agreements.

(b) The Agent shall, if so directed by the Majority Lenders and (if the variation would adversely affect any of them) the Secured Hedge Counterparties, vary the order set out in paragraphs 36.6(a)(i) to (iv) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

(d) Notwithstanding the foregoing or any other provision of a Finance Document, amounts received from any Guarantor shall not be applied to any obligation that is an Excluded Swap Obligation of such Guarantor.

36.7 Set-Off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

36.8 Business Days

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

36.9 Currency of Account

(a) Subject to paragraphs (b) to (e) below, dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) A repayment of a Loan or Unpaid Sum or a part of a Loan or Unpaid Sum shall be made in the currency in which that Loan or Unpaid Sum is denominated, pursuant to this Agreement, on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated, pursuant to this Agreement, when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than dollars shall be paid in that other currency.

36.10 Change of Currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Obligors' Agent); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Obligors' Agent) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

36.11 Disruption to Payment Systems, Etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Obligors' Agent that a Disruption Event has occurred:

(a) the Agent may, and shall if requested to do so by the Obligors' Agent, consult with the Obligors' Agent with a view to agreeing with the Obligors' Agent such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;

(b) the Agent shall not be obliged to consult with the Obligors' Agent in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Agent and the Obligors' Agent shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 42 (*Amendments and Waivers*);

(e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 36.11; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

36.12 Amounts paid in error

(a) If the Agent pays an amount to another Party and the Agent notifies that Party that such payment was an Erroneous Payment then the Party to whom that amount was paid by the Agent shall on demand refund the same to the Agent.

(b) Neither:

(i) the obligations of any Party to the Agent; nor

(ii) the remedies of the Agent,

(whether arising under this Clause 36.12 or otherwise) which relate to an Erroneous Payment will be affected by any act, omission, matter or thing which, but for this paragraph (b), would reduce, release or prejudice any such obligation or remedy (whether or not known by the Agent or any other Party).

(c) All payments to be made by a Party to the Agent (whether made pursuant to this Clause 36.12 or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

(d) In this Agreement, "**Erroneous Payment**" means a payment of an amount by the Agent to another Party which the Agent determines (in its sole discretion) was made in error.

37. Set-Off

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

38. Notices

38.1 Communications in Writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax, electronic communication or letter.

38.2 Addresses

[*****]

38.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of electronic communication, in accordance with Clause 38.6 (*Electronic Communication*); or

(iii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 38.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to an Administrative Finance Party will be effective only when actually received by that Administrative Finance Party and then only if it is expressly marked for the attention of the department or officer identified with Administrative Finance Party's signature below (or any substitute department or officer as the Administrative Finance Party shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent other than in respect of any Secured Hedging Agreement.

(d) Any communication or document made or delivered to the Obligors' Agent in accordance with this Clause 38.3 will be deemed to have been made or delivered to each of the Obligors.

(e) Any communication or document which becomes effective, in accordance with paragraphs 38.3(a)(i) or (iii) to (d) above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

38.4 Notification of Address, Electronic Communication and Fax Number

Promptly upon receipt of notification of any change of address, electronic communication or fax number including pursuant to Clause 38.2 (*Addresses*) or changing its own address, electronic communication or fax number, in each case, the Agent shall notify the other Parties.

38.5 Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

38.6 Electronic Communication

(a) Any electronic communication as specified in Clause 38.3(a)(ii) (*Delivery*) (as may be changed and notified to the Agent in accordance with the provisions of this Clause 38) and made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Agent or a Security Agent only if it is addressed in such a manner as the Agent or that Security Agent shall specify for this purpose.

(b) Any electronic communication that becomes effective, in accordance with paragraph (a) above, after 5:00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

(c) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 38.6.

38.7 Use of Websites

(a) Each Borrower may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "**Website Lenders**") who accept this method of communication by posting this information onto an electronic website designated by the Obligors' Agent and the Agent (the "**Designated Website**") if:

(i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the Obligors' Agent and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the Obligors' Agent and the Agent.

If any Lender (a "**Paper Form Lender**") does not agree to the delivery of information electronically then the Agent shall notify the Obligors' Agent accordingly and the Obligors' Agent shall at its own cost supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Obligors' Agent shall at its own cost supply the Agent with at least one copy in paper form of any information required to be provided by it.

(b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Obligors' Agent and the Agent.

(c) The Obligors' Agent shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) the Obligors' Agent becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Obligors' Agent notifies the Agent under paragraph 38.7(c)(i) or paragraph 38.7(c)(v) above, all information to be provided by the Obligors' Agent under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

(d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Obligors' Agent shall at its own cost comply with any such request within ten Business Days.

38.8 English Language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent or a Security Agent, accompanied by a certified English translation promptly on request (and at the Obligors' Agent's cost) and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

39. Calculations and Certificates

39.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

39.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

39.3 Day Count Convention and Interest Calculation

(a) Any interest, commission or fee accruing under a Finance Document will accrue from day to day and the amount of any such interest, commission or fee is calculated:

(i) on the basis of the actual number of days elapsed and a year of 360 days (or, in any case where the practice in the Relevant Market differs, in accordance with that market practice); and

(ii) subject to paragraph (b) below, without rounding.

(b) The aggregate amount of any accrued interest, commission or fee which is, or becomes, payable by an Obligor under a Finance Document shall be rounded to 2 decimal places.

40. Partial Invalidity

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

41. Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of any Finance Party or Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

42. Amendments and Waivers

42.1 Required Consents

(a) Subject to Clause 42.2 (*All Lender Matters*) and Clause 42.3 (*Other Exceptions*), any term of the Finance Documents (other than the Fee Letters) may be amended or waived only with the consent of the Majority Lenders and the Obligors' Agent and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 42.

(c) Without prejudice to the generality of paragraphs (c), (d) and (e) of Clause 29.7 (*Rights and Discretions*), the Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for effecting any amendment, waiver or consent under this Agreement.

(d) Each Obligor agrees to any such amendment or waiver permitted by this Clause 42 which is agreed to by the Obligors' Agent. This includes any amendment or waiver which would, but for this paragraph (d), require the consent of all of the Guarantors.

(e) Paragraph (c) of Clause 27.10 (*Pro Rata Interest Settlement*) shall apply to this Clause 42.

42.2 All Lender Matters

Subject to Clause 42.4 (*Changes to Reference Rates*), an amendment, waiver or (in the case of a Transaction Security Document) a consent of, or in relation to, any term of any Finance Document that has the effect of changing or which relates to any of the following:

(a) the definition of "*Majority Lenders*" in Clause 1.1 (*Definitions*);

(b) the definitions of "Sanctioned Country", "Sanctioned Person", "Sanctions", "Sanctions Authority" or "Sanctions List" in Clause 1.1 (Definitions);

(c) the definition of "*Change of Control*" in Clause 1.1 (*Definitions*);

(d) Clause 1.2(a)(i) (*Construction*);

(e) an extension to the date of payment of any amount under the Finance Documents;

(f) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

(g) a change in currency of payment of any amount under the Finance Documents;

(h) an increase in any Commitment or the Total Commitments (other than an increase in accordance with Clause 2.2 (*Increase due to Cancellation*) or Clause 2.5 (*Accordion*)), an extension of the Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the Facility;

(i) any provision which expressly requires the consent of all the Lenders;

(j) Clause 8.1 (*Illegality*);

(k) Clause 2.3 (*Finance Parties' Rights and Obligations*), Clause 5.1 (*Delivery of a Utilisation Request*), Clause 8.6 (*Mandatory Prepayment - Change of Control*), Clause 8.7 (*Mandatory Prepayment – Sanctions and Anti-Corruption Law*), Clause 9.7 (*Application of Prepayments*), Clause 21.23 (*Anti-Corruption Law*), Clause 21.34 (*Sanctions*), Clause 22.9 (*DAC 6*), Clause 24.21 (*Compliance with Sanctions*), Clause 24.22 (*Anti-Corruption Law*), Clause 28 (*Changes to the Obligors*), Clause 35 (*Sharing among the Finance Parties*), this Clause 42, Clause 46 (*Governing Law*) or Clause 47.1 (*Arbitration*);

(l) (other than as expressly permitted by the provisions of any Finance Document) the nature or scope of:

(i) the guarantee and indemnity granted under Clause 19 (*Guarantee and Indemnity*);

(ii) the Charged Property; or

(iii) the manner in which the proceeds of enforcement of the Transaction Security are distributed,

(except in the case of paragraphs (ii) and (iii) above, insofar as it relates to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document);

(m) the release of any guarantee and indemnity granted under Clause 19 (*Guarantee and Indemnity*) or of any Transaction Security unless expressly permitted under this Agreement, or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement, or any other Finance Document or arises in connection with a release of liabilities of, or of Transaction Security granted by or over the shares of, an Obligor in connection with the sale of that Obligor or a person of which it is a Subsidiary pursuant to an enforcement of any Transaction Security;

(n) the order of priority or subordination under an Acceptable Intercreditor Agreement;

(o) any change to the provisions relating to the Lenders' rights and obligations between themselves, including Clause 36.6 (*Partial Payments*), the sharing of recoveries and proceeds of Transaction Security Documents or Clause 27 (*Changes to the Lenders*); and

(p) a change to the Borrowers or Guarantors other than in accordance with Clause 28 (*Changes to the Obligors*);

and, in each case, shall not be made, or given, without the prior consent of all the Lenders (and in respect of (m) and any Swedish Transaction Security, the prior written consent of the Offshore Security Agent in accordance with Clause 1.7 (*Swedish Terms*)), *provided that* the consent of a Restricted Lender will not be required for any amendment or waiver of a provision relating to Sanctions of which such Restricted Lender does not have the benefit.

42.3 Other Exceptions

(a) An amendment or waiver which relates to:

(i) the rights or obligations of an Administrative Finance Party or a Secured Hedge Counterparty (each in their capacity as such) may not be effected without the consent of that Administrative Finance Party or that Secured Hedge Counterparty, as the case may be; and

(ii) while any amount remains due but unpaid to any Secured Hedge Counterparty under any Secured Hedging Agreement, any matter referred to in paragraphs (l), (m), (n) and (p) of Clause 42.2 may not be effected, in each case, without the consent of that Secured Hedge Counterparty.

(b) For the purposes of a request for any amendment, waiver or approval that has the effect of changing any provision of an Offtake Agreement in a manner that is adverse to the Obligors (other than as a result of any change in accordance with any applicable law or regulation), the Commitments of the Offtaker Lender that is a party to such Offtake Agreement and/or the participation of such Offtaker Lender shall not be included for the purposes of calculating the Total Commitments or participations under the Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments and/or participations has been obtained to approve that request.

42.4 Changes to Reference Rates

(a) Subject to paragraph (a) of Clause 42.3 (*Other Exceptions*), if a Published Rate Replacement Event has occurred in relation to that Published Rate, any amendment or waiver which relates to:

(i) providing for the use of a Replacement Reference Rate in place of that Published Rate; and

(ii)

(1) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;

(2) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that

Replacement Reference Rate to be used for the purposes of this Agreement);

(3) implementing market conventions applicable to that Replacement Reference Rate;

(4) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or

(5) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Obligors' Agent.

(b) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on a Loan under this Agreement to any recommendation of a Relevant Nominating Body which:

(i) relates to the use of a risk-free reference rate on a compounded basis in the international or any relevant domestic syndicated loan markets; and

(ii) is issued on or after the date of this Agreement,

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Obligors' Agent.

(c) In this Clause 42.4: "**Published Rate**" means:

(a) the CME Term SOFR for any Quoted Tenor; or

(b) SOFR.

"**Published Rate Replacement Event**" means, in relation to a Published Rate:

(a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Majority Lenders, and the Obligors' Agent materially changed;

(b)

(i)

(1) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or

(2) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal,

exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;

(ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;

(iii) the supervisor of the administrator of that Published Rate publicly announces that that Published Rate has been or will be permanently or indefinitely discontinued;

(iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used;

(c) the administrator of that Published Rate determines that SOFR should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Obligors' Agent) temporary; or

(d) in the opinion of the Majority Lenders and the Obligors' Agent, that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

"**Quoted Tenor**" means, in relation to Term SOFR, any period for which that rate is customarily published.

"**Relevant Nominating Body**" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

"**Replacement Reference Rate**" means a reference rate which is:

(a) formally designated, nominated or recommended as the replacement for a Published Rate by:

(i) the administrator of SOFR (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); or

(ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Reference Rate" will be the replacement under paragraph (ii) above;

(b) in the opinion of the Majority Lenders and the Obligors' Agent, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Published Rate; or

(c) in the opinion of the Majority Lenders and the Obligors' Agent, an appropriate successor to a Published Rate.

42.5 Excluded Commitments

If:

(a) any Defaulting Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within 10 Business Days of that request being made; or

(b) a Lender which is not a Defaulting Lender fails to respond to a request for a consent, waiver, amendment of, or in relation to, any term of any Finance Document, or any other vote of Lenders under the terms of this Agreement or any other Finance Document within 15 Business Days (or such longer period as expressly permitted under the terms of a Finance Document) of that request being made,

(unless, in each case, the Obligors' Agent and the Agent agree to a longer time period in relation to any request):

(i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments has been obtained to approve that request; and

(ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

42.6 Replacement of Lender

(a) If at any time:

(i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (d) below); or

(ii) an Obligor becomes obliged to repay any amount in accordance with Clause 8.1 (*Illegality*) or to pay additional amounts pursuant to Clause 15.1 (*Increased Costs*), Clause 14.2 (*Tax Gross-Up*) or Clause 14.3 (*Tax Indemnity*) to any Lender,

then the Obligors' Agent may, on 15 Business Days' prior written notice to the Agent and such Lender replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity (which shall not be a member of the VAALCO Energy Group) (a "**Replacement Lender**") selected by the Obligors' Agent and which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 27 (*Changes to the Lenders*) for a purchase price in cash payable at the time of transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest (to the extent that the Agent has not given a notification under Clause 27.10 (*Pro Rata Interest Settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents.

(b) The replacement of a Lender pursuant to this Clause 42.6 shall be subject to the following conditions:

(i) the Obligors shall have no right to replace a Lender in its capacity as an Administrative Finance Party;

(ii) neither the Agent nor the Lender shall have any obligation to the Obligors to find a Replacement Lender;

(iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 60 days after the date on which that Lender is deemed a Non-Consenting Lender;

(iv) in no event shall the Lender replaced under this Clause 42.6 be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents; and

(v) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "*know your customer*" or other similar checks under all applicable laws and regulations in relation to that transfer.

(c) A Lender shall perform the checks described in paragraph 42.6(b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Obligors' Agent when it is satisfied that it has complied with those checks.

(d) In the event that:

(i) the Obligors' Agent or the Agent has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;

(ii) the consent, waiver or amendment in question requires the approval of all the Lenders; and

(iii) Lenders whose Commitments aggregate more than 80 per cent. of the Total Commitments (or if the Total Commitments have been reduced to zero, aggregated more than 80 per cent. of the Total Commitments prior to that reduction) have consented or agreed to such waiver or amendment or all Lenders except one have consented or agreed to such waiver or amendment,

then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a "**Non-Consenting Lender**".

42.7 Disenfranchisement of Defaulting Lenders

(a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining:

(i) the Majority Lenders; or

(ii) whether:

(A) any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments; or

(B) the agreement of any specified group of Lenders,

has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents,

that Defaulting Lender's Commitments will be reduced by the amount of its Available Commitments and, to the extent that that reduction results in that Defaulting Lender's Total Commitments being zero, that Defaulting Lender shall be deemed not to be a Lender for the purposes of paragraphs (i) and (ii) above.

(b) For the purposes of this Clause 42.7, the Agent may assume that the following Lenders are Defaulting Lenders:

(i) any Lender which has notified the Agent that it has become a Defaulting Lender;

(ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b) or (c) of the definition of "*Defaulting Lender*" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

42.8 Replacement of a Defaulting Lender

(a) The Obligors' Agent may, at any time a Lender has become and continues to be a Defaulting Lender, by giving 15 Business Days' prior written notice to the Agent and such Lender:

(i) replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement;

(ii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of the undrawn Commitment of the Lender; or

(iii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) all (and not part only) of its rights and obligations in respect of the Facility,

to a Lender or other bank, financial institution, trust, fund or other entity (which shall not be a member of the VAALCO Energy Group) (a "**Replacement Lender**") selected by the Obligors' Agent and which confirms its willingness to assume and does assume all the obligations, or all the relevant obligations, of the transferring Lender in accordance with Clause 27 (*Changes to the Lenders)* for a purchase price in cash payable at the time of transfer which is either:

(A) in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest (to the extent that the Agent has not given a notification under Clause 27.10 (*Pro Rata Interest Settlement*)) and/or Break Costs and other amounts payable in relation thereto under the Finance Documents; or

(B) in an amount agreed between that Defaulting Lender, the Replacement Lender and the Obligors' Agent and which does not exceed the amount described in paragraph (A) above.

(b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 42.8 shall be subject to the following conditions:

(i) the Obligors shall have no right to replace a Lender in its capacity as an Administrative Finance Party;

(ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Obligors to find a Replacement Lender;

(iii) the transfer must take place no later than 90 days after the notice referred to in paragraph (a) above;

(iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents; and

(v) the Defaulting Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "*know your customer*" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Lender.

(c) The Defaulting Lender shall perform the checks described in paragraph (v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Obligors' Agent when it is satisfied that it has complied with those checks.

43. Confidential Information

43.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 43.2 (*Disclosure of Confidential Information*) and Clause 43.3 (*Disclosure to Numbering Service Providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

43.2 Disclosure of Confidential Information

Any Finance Party may disclose:

(a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, service providers, auditors, insurers, insurance brokers, reinsurers, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as an Agent, an Onshore Security Agent or an Offshore Security Agent (as the case may be) and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by any Finance Party or by a person to whom paragraph 43.2(b)(i) or 43.2(b)(ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph 29.15(b) of Clause 29.15 (*Relationship with the Lenders*));

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph 43.2(b)(i) or 43.2(b)(ii) above;

(v) to whom information is required or requested to be disclosed by any court or tribunal of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

(vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;

(vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 27.9 (*Security over Lenders' Rights*);

(viii) acting as an insurance broker to a Finance Party or who provides or is to provide insurance or credit protection to a Finance Party in relation to all or any part of the Facility;

(ix) who is a Party;

(x) to the extent necessary for such calculation, with whom a Secured Hedge Counterparty obtains market quotations for calculating the amount of any Hedging Termination Payment;

(xi) with the consent of the Obligors' Agent,

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(A) in relation to paragraphs 43.2(b)(i), 43.2(b)(ii) and 43.2(b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking (it being agreed that a limited amount of Confidential Information may be disclosed as required for the purpose of negotiating the terms of the Confidentiality Undertaking including, but not limited to, the name of the Obligors and the term of the Facility) except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to paragraphs 43.2(b)(iv), 43.2(b)(vii) and 43.2(b)(x) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking (it being agreed that a limited amount Confidential Information may be disclosed as required for the purpose of negotiating the terms of the Confidentiality Undertaking, including, but not limited to, the name of the Obligors and the term of the Facility) or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

(C) in relation to paragraphs 43.2(b)(v), 43.2(b)(vi) and 43.2(b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

(c) to any person appointed by that Finance Party or by a person to whom paragraph 43.2(b)(i) or 43.2(b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including, without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Obligors' Agent and the relevant Finance Party;

(d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information; and

(e) on and following the occurrence of a Default which is continuing, to any governmental or regulatory authority which has issued or is party to any Field Licence if the person to whom the Confidential Information is given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

43.3 Disclosure to Numbering Service Providers

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in

respect of this Agreement, the Facility and/or one or more Obligors the following information:

(i) names of Obligors;

(ii) country of domicile of Obligors;

(iii) place of incorporation of Obligors;

(iv) date of this Agreement;

(v) Clause 46 (*Governing Law*);

(vi) the names of the Agent and each Mandated Lead Arranger;

(vii) date of each amendment and restatement of this Agreement;

(viii) amount of Total Commitments;

(ix) currency of the Facility;

(x) type of Facility;

(xi) ranking of Facility;

(xii) Final Maturity Date;

(xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xii) above; and

(xiv) such other information agreed between such Finance Party and the Obligors' Agent,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services. The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

(b) Each Obligor represents that none of the information set out in paragraphs (i) to (xiv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

(c) The Agent shall notify the Obligors' Agent and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligors; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.

43.4 Entire Agreement

This Clause 43 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

43.5 Inside Information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

43.6 Notification of Disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Obligors' Agent:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph 43.2(b)(v) of Clause 43.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 43.

43.7 Continuing Obligations

The obligations in this Clause 43 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

(a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(b) the date on which such Finance Party otherwise ceases to be a Finance Party.

44. Confidentiality of Funding Rates

44.1 Confidentiality and Disclosure

(a) The Agent and each Obligor agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.

(b) The Agent may disclose:

(i) any Funding Rate to the Obligors' Agent pursuant to Clause 10.4 (*Notifications*); and

(ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender.

(c) The Agent and each Obligor may disclose any Funding Rate, to:

(i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;

(ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;

(iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances; and

(iv) any person with the consent of the relevant Lender.

44.2 Related Obligations

(a) The Agent and each Obligor acknowledge that each Funding Rate is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate for any unlawful purpose.

(b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender:

(i) of the circumstances of any disclosure made pursuant to paragraph 44.1(c)(ii) of Clause 44.1 (*Confidentiality and Disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(ii) upon becoming aware that any information has been disclosed in breach of this Clause 44.

44.3 No Event of Default

No Event of Default will occur under Clause 26.4 (*Other Obligations*) by reason only of an Obligor's failure to comply with this Clause 44.

45. Counterparts

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of such Finance Document.

46. Governing Law

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

47. Enforcement

47.1 Arbitration

(a) The Parties agree that any claim, dispute or difference of whatever nature arising under, out of or in connection with this Agreement (including a claim, dispute or difference regarding its existence, termination or validity or any non-contractual obligations arising out of or in connection with this Agreement) (a "**Dispute**"), shall be referred to and finally settled by arbitration in accordance with the Arbitration Rules of the London Court of International Arbitration (the "**LCIA Rules**"), which Rules shall be deemed incorporated into this clause. The Parties agree to opt out of Article 9B (*Emergency Arbitrator*) of the LCIA Rules.

(b) The seat of the arbitration shall be London, England.

(c) The language of the arbitration shall be English.

(d) The number of arbitrators shall be three, the claimant(s) in the Request for Arbitration (as defined in the LCIA Rules) shall nominate one arbitrator and the respondent(s) shall nominate in the Response one arbitrator, and the third arbitrator, who shall act as president, shall be nominated by the two party-nominated arbitrators, *provided that* if the third arbitrator has not been nominated within 15 Business Days of the nomination of the second party-nominated arbitrator, such third arbitrator shall be appointed by the LCIA Court.

(e) This arbitration agreement, including its validity and scope, shall be governed by English law.

(f) If any arbitration commenced in relation to a Dispute concerns or involves more than two Parties, the arbitration may proceed as a multi-party arbitration. Each Party to any arbitration proceedings consents to:

(i) being joined to any arbitration commenced under this Agreement; and

(ii) the consolidation of any two or more arbitrations commenced under this Agreement into a single arbitration. When bringing a dispute on behalf of the Finance Parties, the Agent constitutes one party for the purposes of this Agreement.

(g) The Parties undertake to keep confidential all awards and orders in the arbitration, as well as all materials created for the purpose of the arbitration not otherwise in the public domain, save and to the extent that a disclosure may be required of a party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in *bona fide* legal proceedings before a state court or other judicial authority.

(h) Notwithstanding paragraphs (a) to (g) above, no Secured Party shall at its sole option be prevented from submitting a Dispute to the courts of England, which in that case will have exclusive jurisdiction to determine the Dispute.

(i) If any Obligor has already commenced arbitration proceedings under this Clause 47.1 in relation to a Dispute before a Secured Party has commenced court proceedings, it is agreed that before any Secured Party has filed a Response as defined in the LCIA Rules the Agent may, by notice in writing to all other Parties, require that the Dispute be heard by the courts of England and the Parties agree that the courts of England which in that case will have exclusive jurisdiction to determine a Dispute. If the Agent gives such notice, it is agreed that any arbitral tribunal already appointed or to be appointed, will have no jurisdiction in respect of the Dispute and the arbitration proceedings shall be discontinued within five (5) Business Days of receipt of such notice. Each Party will bear its own costs in connection with the arbitration proceeding.

(j) Any Party may apply to the courts of England for any interim or conservatory measures before the formation of the Arbitral Tribunal (as defined in the LCIA Rules).

(k) Should a Secured Party elect to take proceedings relating to a Dispute in the courts of England, the Parties agree that the courts of England are the most appropriate and convenient courts to settle the Dispute and accordingly no Party will argue to the contrary.

(l) Each arbitral award shall be final and binding on the parties and shall be in lieu of any other remedy including, without limitation, any appeal under section 69 of the Arbitration Act 1996.

47.2 Service of Process

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

(i) irrevocably appoints The Law Debenture Corporate Services Limited as its agent for service of process in relation to any proceedings before the English courts in support of, or in connection with, an arbitration commenced pursuant to Clause 47.1 (*Arbitration*); and

(ii) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Obligors' Agent (on behalf of all the Obligors) must immediately (and in any event within five Business Days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

(c) Each Obligor expressly agrees and consents to the provisions of this Clause 47 and Clause 46 (*Governing Law*).

47.3 Waiver of Immunity

(a) Each Obligor waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:

(i) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and

(ii) the issue of any process against its assets or revenues for the enforcement of a judgment or award or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues.

(b) Each Obligor agrees that in any proceedings in England this waiver shall have the fullest scope permitted by the English State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of the English State Immunity Act 1978.

48. Contractual recognition of Bail-In

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail- In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(a) any Bail-In Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

(iii) a cancellation of any such liability; and

(b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

49. Acknowledgement regarding any supported QFCs

49.1 Acknowledgement regarding any supported QFCs

To the extent that the Finance Documents provide support, through a guarantee or otherwise, for any Hedging Agreements or any other agreement or instrument that is a QFC (such support, "**QFC Credit Support**" and each such QFC, a "**Supported QFC**"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Finance Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S.

Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Finance Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Finance Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Clause 49, the following terms have the following meanings:

"**BHC Act Affiliate**" of a party means an "*affiliate*" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"**Covered Entity**" means any of the following:

(i) a "*covered entity*" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "*covered bank*" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "*covered FSI*" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"**QFC**" has the meaning assigned to the term "*qualified financial contract*" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

50. Notice Under USA Patriot Act

50.1 Each Lender subject to the USA PATRIOT ACT (Title III of Pub. Law 107 56 (signed into law 26 October, 2001)) (as amended from time to time, the "PATRIOT Act") hereby notifies the Obligors' Agent that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies any member of the Parent Obligor Group, which information includes the name and address of such member of the Parent Obligor Group and other information that will allow such Lender to identify such member of the Parent Obligor Group in accordance with the PATRIOT Act.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1

The Original Parties

Part 1
The Original Borrowers

Name of Original Borrower	Registration number (or equivalent, if any) Original Jurisdiction
VAALCO Energy, Inc.	Delaware, United States of America, Delaware Secretary of State file number 2188793
VAALCO Gabon (Etame), Inc.	Delaware, United States of America, Delaware Secretary of State file number 2515801
VAALCO Energy Cote d'Ivoire SPE AB (formerly known as SPE CI AB)	Sweden, registration number 556665-4884, operating as foreign branch in Côte d'Ivoire under registration number CI-ABJ-03-2002-B21-277791
VAALCO West Gharib Inc. (formerly known as TransGlobe West Gharib Inc.)	Turks and Caicos Islands, registration number TC.047973
VAALCO West Bakr Inc. (formerly known as TransGlobe West Bakr Inc.)	Turks and Caicos Islands, registration number TC.039822
VAALCO NW Gharib Inc. (formerly known as TG NW Gharib Inc.)	Turks and Caicos Islands, registration number TC.040964

Part 2
The Original Guarantors

Name of Original Guarantor	Registration number (or equivalent, if any) Original Jurisdiction
VAALCO Energy, Inc.	Delaware, United States of America, Delaware Secretary of State file number 2188793
VAALCO Gabon (Etame), Inc.	Delaware, United States of America, Delaware Secretary of State file number 2515801
VAALCO Egypt Holdings Inc. (formerly known as TransGlobe Petroleum International Inc.)	Turks and Caicos Islands, registration number TC.031395
VAALCO Energy Cote d'Ivoire Holding AB (formerly known as SPE CI Holding AB)	Sweden, registration number 556688-3541

VAALCO Energy Cote d'Ivoire AB (formerly known as Svenska Petroleum Exploration Aktiebolag)	Sweden, registration number 556093-2583
VAALCO Energy Cote d'Ivoire SPE AB (formerly known as SPE CI AB)	Sweden, registration number 556665-4884, operating as foreign branch in Côte d'Ivoire under registration number CI-ABJ-03-2002-B21-277791
VAALCO West Gharib Inc. (formerly known as TransGlobe West Gharib Inc.)	Turks and Caicos Islands, registration number TC.047973
VAALCO West Bakr Inc. (formerly known as TransGlobe West Bakr Inc.)	Turks and Caicos Islands, registration number TC.039822
VAALCO NW Gharib Inc. (formerly known as TG NW Gharib Inc.)	Turks and Caicos Islands, registration number TC.040964
VAALCO Gabon S.A.	Gabon, registration number RG/POG 2014 B 1487

Part 3
The Original Lenders

Specified Period	The Standard Bank of South Africa Limited, Isle of Man Branch $	FirstRand Bank Limited, acting through its Rand Merchant Bank Division $	The Mauritius Commercial Bank Limited $	Glencore Energy UK Ltd. $	Total Commitments $
From the date of this Agreement up to and including the First Reduction Date	80,000,000.00	50,000,000.00	40,000,000.00	20,000,000.00	190,000,000.00
From the First Reduction Date up to and including the first Scheduled Redetermination Date to occur after the First Reduction Date (the "Second Reduction Date")	72,000,000.00	45,000,000.00	36,000,000.00	18,000,000.00	171,000,000.00
From the Second Reduction Date up to and including the first Scheduled Redetermination Date to occur after the Second Reduction Date (the "Third Reduction Date")	64,000,000.00	40,000,000.00	32,000,000.00	16,000,000.00	152,000,000.00
From the Third Reduction Date up	56,000,000.00	35,000,000.00	28,000,000.00	14,000,000.00	133,000,000.00

Specified Period	The Standard Bank of South Africa Limited, Isle of Man Branch $	FirstRand Bank Limited, acting through its Rand Merchant Bank Division $	The Mauritius Commercial Bank Limited $	Glencore Energy UK Ltd. $	Total Commitments $
to and including the first Scheduled Redetermination Date to occur after the Third Reduction Date (the "Fourth Reduction Date")					
From the Fourth Reduction Date up to and including the first Scheduled Redetermination Date to occur after the Fourth Reduction Date (the "Fifth Reduction Date")	48,000,000.00	30,000,000.00	24,000,000.00	12,000,000.00	114,000,000.00
From the Fifth Reduction Date up to and including the first Scheduled Redetermination Date to occur after the Fifth Reduction Date (the "Sixth Reduction Date")	40,000,000.00	25,000,000.00	20,000,000.00	10,000,000.00	95,000,000.00

Specified Period	The Standard Bank of South Africa Limited, Isle of Man Branch $	FirstRand Bank Limited, acting through its Rand Merchant Bank Division $	The Mauritius Commercial Bank Limited $	Glencore Energy UK Ltd. $	Total Commitments $
From the Sixth Reduction Date up to and including the first Scheduled Redetermination Date to occur after the Sixth Reduction Date (the "Seventh Reduction Date")	32,000,000.00	20,000,000.00	16,000,000.00	8,000,000.00	76,000,000.00
From the Seventh Reduction Date up to and including the first Scheduled Redetermination Date to occur after the Seventh Reduction Date (the "Eighth Reduction Date")	24,000,000.00	15,000,000.00	12,000,000.00	6,000,000.00	57,000,000.00
From the Eighth Reduction Date up to and including the first Scheduled Redetermination Date to occur after the Eighth Reduction Date	16,000,000.00	10,000,000.00	8,000,000.00	4,000,000.00	38,000,000.00

Specified Period	The Standard Bank of South Africa Limited, Isle of Man Branch $	FirstRand Bank Limited, acting through its Rand Merchant Bank Division $	The Mauritius Commercial Bank Limited $	Glencore Energy UK Ltd. $	Total Commitments $
(the "Ninth Reduction Date")					
From the Ninth Reduction Date up to the Final Maturity Date	8,000,000.00	5,000,000.00	4,000,000.00	2,000,000.00	19,000,000.00
On and from the Final Maturity Date	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Schedule 2 Conditions

Part 1
Conditions Precedent to Submission of Initial Utilisation Request

1. The Original Obligors and the Security Grantors

(a) A copy of the constitutional documents and certificate of incorporation or registration (and any certificate on change of name), and any amendments thereto, of each Original Obligor and each Security Grantor.

(b) A copy of a resolution of the board of directors of each Original Obligor and each Security Grantor:

(i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party (and in the case of each Swedish Obligor, also approving the appointment of the Obligor's Agent and the process agent specified in Clause 47.2 (*Service of process*));

(ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents and related documents.

(d) A copy of a resolution signed by all the holders of the issued shares in each Original Obligor (other than the Parent and each Swedish Obligor) approving the terms of, and the transactions contemplated by, the Finance Documents to which such Original Obligor is a party.

(e) A certificate of a director or officer of each of Original Obligor and each Security Grantor certifying that:

(i) borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded;

(ii) each copy document relating to it specified in this Part 1 of Schedule 2 (*Conditions*) is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement; and

(iii) (other than in the case of the Parent, VAALCO Etame, VAALCO Energy Cote d'Ivoire AB, VAALCO Energy Cote d'Ivoire Holding AB and VAALCO CDI) the statutory registers of the relevant Company are being maintained in accordance

with all applicable statutory requirements under the laws of its jurisdiction of incorporation;

(iv) (in the case of the Parent and VAALCO Etame) its books and records are being maintained in accordance with all applicable statutory requirements under the laws of its jurisdiction of incorporation, if any, and its certificate of incorporation and bylaws;

(v) (in the case of VAALCO Energy Cote d'Ivoire AB, VAALCO Energy Cote d'Ivoire Holding AB and VAALCO CDI), its share register is being maintained in accordance with all applicable statutory requirements under the laws of its jurisdiction of incorporation, if any, and its constitutional documents;

(vi) (x) each Original Obligor (other than VAALCO Etame and the Parent) is solvent as of the date of the certificate and (y) each of VAALCO Etame and the Parent is Solvent as of the date of the certificate; and

(vii) in respect of the Parent only, the list of all of the Obligor accounts which are existing at the date of the certificate set out in an annex to that director or officer certificate constitutes the list of all Permitted Accounts as at the Closing Date.

(f) A certificate of non-bankruptcy ("*non-faillite*" / "*non-ouverture de procedure collective*") relating to VAALCO CDI less than ninety (90) days.

(g) A certificate of pledges and charges ("*état des nantissements et privileges*") relating to VAALCO CDI less than ninety (90) days.

(h) A certificate of non-bankruptcy ("*non-faillite*") relating to VAALCO Gabon less than ninety (90) days.

(i) A certificate of non-opening of collective proceedings ("*non-ouverture de procedure collective*") relating to VAALCO Gabon less than ninety (90) days.

(j) A certificate of pledges and charges ("*état des nantissements et privileges*") relating to VAALCO Gabon less than ninety (90) days.

(k) In the case of VAALCO Gabon, evidence of the authorisation from the BEAC to regularise/authorise all foreign (hard) currency accounts (onshore and/or offshore), if already opened.

2. Finance Documents

(a) This Agreement duly executed by the Parties.

(b) The Subordination Deed duly executed by each of the parties thereto.

(c) Each Fee Letter duly executed by each of the parties thereto.

(d) Each Onshore Security Agent Appointment Agreement.

(e) Each Onshore Account Bank Agreement.

(f) Each of the Transaction Security Documents listed in paragraph 1 of Schedule 12 (*Transaction Security Documents*) and (if applicable), an original thereof.

(g) A copy of all notices and other deliverables required to be sent or delivered in accordance with the terms of the Transaction Security Documents referred to in paragraph (f) above.

(h) All original share certificates, transfers and stock transfer forms or equivalent duly executed by the relevant Original Obligor or Security Grantor (as applicable) in blank in relation to the assets subject to or expressed to be subject to the Transaction Security and other documents of title to be provided under the Transaction Security Documents referred to in paragraph (f) above.

3. Reports

Copies of:

(a) the Initial Reserves Report addressed to the Agent and the Technical Bank prepared by Independent Engineering Consultant;

(b) the Legal Due Diligence Report;

(c) the Environmental and Social Action Plan; and

(d) the report dated 4 November 2024 entitled "Environmental, Health and Safety Assessment – Final" prepared by the Independent E&S Consultant.

4. Material Project Documents

A copy (duly executed by all the parties thereto) of the Material Project Documents.

5. Other Documents and Evidence

(a) Evidence that the Initial Ivorian Field Licences, including in relation to the Block CI-40 licence, are reasonably likely to be extended.

(b) Confirmation from each Finance Party that it has completed all money laundering rules and regulations, "*know your customer*" and similar checks, including the PATRIOT Act, that it is required to carry out in relation to the Parent and each other Original Obligor, in each case at least five days prior to the date of the initial Utilisation Request, to the extent such rules, regulations and checks were requested at least ten (10) days prior to the date of the initial Utilisation Request.

(c) Evidence that each Original Obligor and each Security Grantor has appointed its process agent for the purposes of the English law Finance Documents to which it is or shall become a party.

(d) Each of an insurance broker letter of undertaking (issued by CAC Speciality) and reinsurance broker letter of undertaking (issued by CAC Speciality), in each case, in relation to the Borrowing Base Assets.

(e) All fees, costs and expenses (including legal fees) payable by the Original Obligors and/or the Security Grantor under the Finance Documents as at the Closing Date have been paid or will be paid simultaneously with the proceeds of the first Utilisation.

(f) Evidence that all Project Accounts that are required to be maintained in accordance with this Agreement have been opened with the relevant Account Banks.

(g) The Original Financial Statements of the Parent and each Relevant VAALCO Entity.

(h) Any other document relating to a Security Grantor or any Original Obligor confirmed by or on behalf of the Agent to the Obligors' Agent as being required by any legal counsel for the purposes of any legal opinion referred to in paragraph 6 below.

(i) A copy of any other Authorisation or other document, opinion or assurance which the Lenders consider to be necessary in connection with (i) the entry by the Original Obligors and Security Grantors into, and performance by the Original Obligors and the Security Grantors of, the transactions contemplated by the Finance Documents; (ii) the grant by the Original Obligors or any Security Grantor of Security over its assets; or (iii) for the validity and enforceability of any Finance Document.

(j) Evidence that:

(i) the Existing Facility Agreement has been or will be simultaneously with the first Utilisation fully prepaid and cancelled;

(ii) all Existing Security granted pursuant to the Existing Facility Agreement has been or will be, simultaneously with the first Utilisation irrevocably and unconditionally released; and

(iii) the Etame Field Trustee and Paying Agent Agreement has been or will be simultaneously with the first Utilisation fully terminated and cancelled.

(k) Evidence that VAALCO CDI has notified the Minister of Mines, Petroleum and Energy of Côte d'Ivoire of its understanding that VAALCO CDI continues to hold the respective VAALCO interests in the Initial Ivorian Field Licences, and no dispute or request for clarification has been received in connection with such notification.

(l) A copy of the certificate of incumbency issued by the Registered Agent for each of (i) VAALCO Egypt, (ii) VAALCO West Gharib Inc., (iii) VAALCO West Bakr Inc., and (iv) VAALCO NW Gharib Inc.

(m) A certificate of good standing issued by the Financial Services Commission for each of (i) VAALCO Egypt, (ii) VAALCO West Gharib Inc., (iii) VAALCO West Bakr Inc., and (iv) VAALCO NW Gharib Inc.

(n) A certified true copy of the statutory registers for each of (i) VAALCO Egypt, (ii) VAALCO West Gharib Inc., (iii) VAALCO West Bakr Inc., and (iv) VAALCO NW Gharib Inc.

(o) A copy of each letter entered into between the Parent and a Designated Lender.

6. Legal Opinions

The following legal opinions, each addressed to the Agent and the Finance Parties as at the date of the relevant opinion:

(a) a legal opinion of White & Case LLP, as to English law;

(b) a legal opinion of White & Case LLP, as to Swedish law;

(c) a legal opinion of White & Case LLP, as to Egyptian law;

(d) a legal opinion of Bracewell LLP, as to New York law;

(e) a legal opinion of Bracewell LLP, as to Delaware law;

(f) a legal opinion of Cabinet FDKA, as to Ivorian law;

(g) a legal opinion of Alevina & Partners, as to Gabonese law;

(h) a legal opinion of Project Lawyers, as to Gabonese law;

(i) a legal opinion of Griffiths and Partners, as to Turks and Caicos Islands law;

(j) a legal opinion of Miller Simons O'Sullivan, as to Turks and Caicos Islands law;

(k) a legal opinion of BLC Robert & Associates, as to Mauritius law,

each substantially in the form distributed to the Original Lenders prior to the Closing Date.

7. The Initial Banking Case and Initial VAALCO Energy Group Liquidity Forecast

(a) A copy of the Initial Banking Case generated by the Computer Model which demonstrates that the DSCR for the relevant Calculation Period commencing on the Closing Date is not less than 1.2:1.

(b) A VAALCO Energy Group Liquidity Forecast issued on the Closing Date, with a Forecast Period commencing on the expected date first Utilisation demonstrating no Funding Shortfall.

Part 2
Conditions precedent required to be delivered by an Additional Obligor

1. An Obligor Accession Deed executed by the Additional Obligor and the Parent.

2. A copy of the constitutional documents of the Additional Obligor.

3. A copy of a resolution of the board or, if applicable, a committee of the board of directors of the Additional Obligor:

   (a) approving the terms of, and the transactions contemplated by, the Obligor Accession Deed and the Finance Documents and resolving that it execute, deliver and perform the Obligor Accession Deed and any other Finance Document to which it is party;

   (b) authorising a specified person or persons to execute the Accession Deed and other Finance Documents on its behalf;

   (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to an Additional Borrower, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and

   (d) authorising the Parent to act as its agent in connection with the Finance Documents.

4. If applicable, a copy of a resolution of the board of directors of the Additional Obligor, establishing the committee referred to in paragraph 3 above.

5. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.

6. If applicable, a copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.

7. If applicable, a copy of a resolution of the board of directors of each corporate shareholder of each Additional Guarantor approving the terms of the resolution referred to in paragraph 6 above.

8. A certificate of the Additional Obligor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.

9. A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in this Part 2 of Schedule 2 (*Conditions*) is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Obligor Accession Deed.

10. A copy of any other Authorisation or other document or assurance which the Agent considers to be necessary or desirable (acting reasonably) in connection with the entry into and performance of the transactions contemplated by the Obligor Accession Deed or for the validity and enforceability of any Finance Document.

11. If available, the latest audited financial statements of the Additional Obligor.

12. The following legal opinions, each addressed to the Agent, the Security Agent and the Lenders:

    (a) A legal opinion of the legal advisers to the Agent in England, as to English law in the form distributed to the Lenders prior to signing the Obligor Accession Deed.

    (b) If the Additional Obligor is incorporated in a jurisdiction other than England and Wales or is executing a Finance Document which is governed by a law other than English law, a legal opinion of the legal advisers to the Agent in the jurisdiction of its incorporation or, as the case may be, the jurisdiction of the governing law of that Finance Document (the "**Applicable Jurisdiction**") as to the law of the Applicable Jurisdiction and in the form distributed to the Lenders prior to signing the Obligor Accession Deed.

13. If the proposed Additional Obligor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in Clause 47.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Obligor.

14. Any documents creating Security over the assets of the Additional Obligor on the same security principles as the Security granted by the Original Obligors (and where applicable, in a form and substance similar to the Transaction Security Document) to be executed by the proposed Additional Obligor or its immediate Holding Company.

15. Any notices or documents required to be given or executed under the terms of those security documents.

Schedule 3

Utilisation Request

From: [*Borrower*] To: [*Agent*]

Dated:

Dear Sirs

Project Archway – up to $[],000,000 Borrowing Base Facility Agreement dated [] (the "Senior Facility Agreement")

1. We refer to the Senior Facility Agreement. This is a Utilisation Request. Terms defined in the Senior Facility Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. We wish to borrow a Loan on the following terms:

   (a) Borrower: [●]

   (b) Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)

   (c) Amount: $[●] or, if less, the Available Facility

   (d) Interest Period: [●]

3. We confirm that each condition specified in Clause 4.2 (*Further Conditions Precedent*) of the Senior Facility Agreement is satisfied on the date of this Utilisation Request.

4. [This Loan is to be made in [whole]/[part] for the purpose of refinancing [*identify maturing Loan*].]
   / [The proceeds of this Loan should be credited to [*insert relevant Offshore Proceeds Account*].]

5. [We confirm that there are sufficient funds (cash in hand, cashflow, debt and equity) available to us and the Parent Obligor Group to meet all of the Parent Obligor Group's forecast expenditure.]

6. [The Obligors' Agent has confirmed that each Finance Party has completed all money laundering rules and regulations, "know your customer" and similar checks, including the PATRIOT Act, that it is required to carry out in relation to the Borrower at least five days prior to the date of this Utilisation Request.][1]

7. This Utilisation Request is irrevocable.

Yours faithfully

authorised signatory for [*Borrower*]

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1 **Note to Draft**: To be inserted in the initial Utilisation Request to be delivered by each of VAALCO West Bakr Inc. and VAALCO NW Gharib Inc.

Schedule 4

Form of Transfer Certificate

To: [●] as Agent, [●] as Onshore (Gabon) Security Agent and [●] as Offshore Security Agent

From: [*The Existing Lender[s]*] (the "**Existing Lender[s]**") and [*The New Lender*] (the "**New Lender**")

Copy: [●] as Onshore (Egypt) Security Agent

Dated:

[***Gabonese formalities to be considered, if any***]

Project Archway – up to $[],000,000 Borrowing Base Facility Agreement dated [] (the "Senior Facility Agreement")

1. We refer to the Senior Facility Agreement. This agreement (the "**Agreement**") shall take effect as a Transfer Certificate for the purpose of the Senior Facility Agreement. Terms defined in the Senior Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 27.5 (*Procedure for Transfer*) of the Senior Facility Agreement:

   (a) The Existing Lender[s] and [the] [each] New Lender agree to the Existing Lender[s] transferring to [the] [each] New Lender[s] by novation and in accordance with Clause 27.5 (*Procedure for Transfer*) all of the Existing [Lender's] [Lenders'] rights and obligations (including a proportionate part of the security interest under the Transaction Security Documents governed by Swedish law) under the Senior Facility Agreement and the other Finance Documents which relate to that portion of the Existing [Lender's] [Lenders'] Commitment(s) and participations in Loans under the Senior Facility Agreement as specified in the Schedule.

   (b) The proposed Transfer Date is [●].

   (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 38.2 (*Addresses*) are set out in the Schedule.

3. [The] [Each] New Lender expressly acknowledges the limitations on the Existing [Lender's] [Lenders'] obligations set out in paragraph (c) of Clause 27.4 (*Limitation of Responsibility of Existing Lenders*).

4. [The New Lender] [*New Lender*] confirms that it is not a member of the VAALCO Energy Group or any Affiliate of any member of the VAALCO Energy Group.

5. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

6. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

7. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

The Schedule

Commitment/rights and obligations to be transferred

[insert relevant details]
[Facility Office address, fax number and attention details for notices and account details for payments,]

[Existing Lender[s]]

By:

[New Lender[s]]

By:

This Agreement is accepted as a Transfer Certificate for the purposes of the Senior Facility Agreement by the Agent and the Transfer Date is confirmed as [●].

[Agent]

By:

[Onshore (Gabon) Security Agent]

By:

[Offshore Security Agent]

By:

Note: This Transfer Certificate does not effect a transfer of Hedging Agreements. The Existing Lender should consider how it wishes to address its position under Hedging Agreements.

Schedule 5

Form of Assignment Agreement

To: [●] as Agent, [●] as Onshore (Gabon) Security Agent, [●] as Offshore Security Agent and [●] as the Obligors' Agent, for and on behalf of each Obligor

From: [*the Existing Lender*] (the "**Existing Lender**") and [*the New Lender*] (the "**New Lender**")

Copy: [●] as Onshore (Egypt) Security Agent

Dated:

Project Archway – up to $[],000,000 Borrowing Base Facility Agreement dated [] (the "Senior Facility Agreement")

1. We refer to the Senior Facility Agreement. This is an Assignment Agreement. This agreement (the "**Agreement**") shall take effect as an Assignment Agreement for the purpose of the Senior Facility Agreement. Terms defined in the Senior Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 27.6 (*Procedure for Assignment*) of the Senior Facility Agreement:

   (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Senior Facility Agreement, the other Finance Documents and in respect of the Transaction Security which correspond to that portion of the Existing Lender's Commitment(s) and participations in Loans under the Senior Facility Agreement as specified in the Schedule.

   (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitment(s) and participations in Loans under the Senior Facility Agreement specified in the Schedule.

   (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.

3. The proposed Transfer Date is [●].

4. On the Transfer Date the New Lender becomes Party to the relevant Finance Documents as a Lender.

5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 38.2 (*Addresses*) are set out in the Schedule.

6. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 27.4 (*Limitation of responsibility of Existing Lenders*).

7. The New Lender confirms that it is not a member of the VAALCO Energy Group or an Affiliate of a member of the VAALCO Energy Group.

8. This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 27.7 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to the Obligors' Agent*), to the Obligors' Agent (on behalf of each Obligor) of the assignment referred to in this Agreement.

9. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

10. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

11. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Assignment Agreement may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

The Schedule

Commitment/rights and obligations to be transferred by assignment, release and accession

[*insert relevant details*]

[*Facility office address, fax number and attention details for notices and account details for payments*]

[Existing Lender[s]]

By:

[New Lender[s]]

By:

This Agreement is accepted as an Assignment Agreement for the purposes of the Senior Facility Agreement by the Agent and the Transfer Date is confirmed as [●].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to in this Agreement, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

[Onshore (Gabon) Security Agent]

By:

[Offshore Security Agent]

By:

Note: This Assignment Agreement does not effect a transfer of Hedging Agreements. The Existing Lender should consider how it wishes to address its position under Hedging Agreement.

Schedule 6

Form of Accession Documents

Part 1
Form of Hedge Counterparty Accession Deed

To: [●] as Agent

From: [*Name of new Secured Hedge Counterparty*]

Project Archway – up to $[],000,000 Borrowing Base Facility Agreement dated [●] (the "Senior Facility Agreement")

1. We refer to the Senior Facility Agreement. This deed (the "**Hedge Counterparty Accession Deed**") shall take effect as a Hedge Counterparty Accession Deed for the purposes of the Senior Facility Agreement. Terms defined in the Senior Facility Agreement have the same meaning in this Hedge Counterparty Accession Deed.

2. [●] agrees to become a Secured Hedge Counterparty and to be bound by the terms of the Senior Facility Agreement and the other Finance Documents as a Secured Hedge Counterparty, pursuant to Clause 27.8 (*Accession of Hedge Counterparties*).

3. [*New Secured Hedge Counterparty's*] administrative detail for the purposes of the Senior Facility Agreement are as follows:

   Address:

   Fax No.:

   Attention:

4. This Hedge Counterparty Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

[**Executed** as a **Deed**
By: [*insert name of company*]

Director director/secretary]

or

[**Executed** as a **Deed**
By: [*insert name of company*]

Signature of Director Name of Director

in the presence of

Signature of witness Name of witness Address of witness Occupation of witness] Address:
Fax:

This Hedge Counterparty Accession Deed is accepted by the Agent:

The Agent
[*Full Name of Current Agent*]

By: Date:

Part 2
Form of Obligor Accession Deed

To: [*Agent*]

From: [*New Obligor*] and Obligors' Agent Dated:

Dear Sir or Madam,

Project Archway – up to $[],000,000 Borrowing Base Facility Agreement dated [] (the "Senior Facility Agreement")

1. We refer to the Senior Facility Agreement. This is an Obligor Accession Deed. Terms defined in the Senior Facility Agreement have the same meaning in this Obligor Accession Deed unless given a different meaning in this Obligor Accession Deed.

2. [[●] agrees to become a [[Borrower] [and] [a] [Guarantor]] and to be bound by the terms of the Senior Facility Agreement and the other Finance Documents as [[Borrower] [and] [a] [Guarantor]]. [●] is a company duly incorporated under the laws of [*name of relevant jurisdiction*] and is a [limited liability] company with registered number [●].]

3. [●]'s administrative details are as follows:

   Address:

   Fax No:

   Attention:

4. This Obligor Accession Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

5. [This Obligor Accession Deed is entered into by deed].[2]

Yours faithfully

authorised signatory for [●]

authorised signature for Obligor's Agent

This Obligor Accession Deed is accepted by the Agent.

[Agent]
By:

2 **Note to Draft**: If this is to be entered into as a deed, execution blocks will need to be adjusted as appropriate.

Schedule 7

Form of Compliance Certificate

To: [●] as Agent From: [Obligors' Agent] Dated:

Dear Sirs

Project Archway – up to $[],000,000 Borrowing Base Facility Agreement dated [●] (the "Senior Facility Agreement")

1. We refer to the Senior Facility Agreement. This is a Compliance Certificate. Terms defined in the Senior Facility Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2. We confirm that the ratio of Total Net Indebtedness to EBITDAX of the VAALCO Energy Group for the Relevant Period ended [] is not greater than 3:1.

3. We confirm that as at [] the ratio of the Total Corporate Sources of the VAALCO Energy Group to the Total Corporate Uses of the VAALCO Energy Group is not less than 1:1.

4. We confirm that as at [] the DSCR is not less than 1.2:1.

5. [We confirm that no Default or Event of Default has occurred or is continuing.]*

Signed
of **[Obligors' Agent]**

Director

Signed
of **[Obligors' Agent]**

Director

Notes:

* If this statement cannot be made, the certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.

Schedule 8

Form of Increase Confirmation

To: [●] as Agent, [●] as Onshore (Gabon) Security Agent, [●] as Offshore Security Agent and [●] as the Obligors' Agent, for and on behalf of each Obligor From: [*Increase Lender*/] (the "**Increase Lender**")

Copy: [●] as Onshore (Egypt) Security Agent

Dated:

Project Archway – up to $[],000,000 Borrowing Base Facility Agreement dated [●] (the "Senior Facility Agreement")

1. We refer to the Senior Facility Agreement. This agreement (the "**Agreement**") shall take effect as an Increase Confirmation for the purpose of the Senior Facility Agreement. Terms defined in the Senior Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to [Clause 2.2 (*Increase due to Cancellation*)] / [Clause 2.5 (*Accordion*)] of the Senior Facility Agreement.

3. The [Increase Lender] agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the "**Relevant Commitment**") as if it was an Original Lender under the Senior Facility Agreement.

4. The proposed date on which the increase in relation to the [Increase Lender] and the Relevant Commitment is to take effect (the "**Increase Date**") is [●].

5. On the Increase Date, the [Increase Lender] becomes party to the relevant Finance Documents as a Lender.

6. The Facility Office and address, fax number and attention details for notices to the [Increase Lender] for the purposes of Clause 38.2 (*Addresses*) are set out in the Schedule.

7. The [Increase Lender] expressly acknowledges the limitations on the Lenders' obligations referred to in paragraph (g) of Clause 2.2 (*Increase due to Cancellation*).

8. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

9. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

10. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Increase Confirmation may not be sufficient for the Increase Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of the Increase Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

The Schedule

Relevant Commitment/rights and obligations to be assumed by the Increase Lender

[insert relevant details]

[Facility office address, fax number and attention details for notices and account details for payments]

[*Increase Lender*]

By:

This Agreement is accepted as an Increase Confirmation for the purposes of the Senior Facility Agreement by the Agent, and the Increase Date is confirmed as [●].

[Agent]

By:

[Onshore (Gabon) Security Agent]

By:

[Offshore Security Agent]

By:

Schedule 9

Form of Resignation Letter

To: [●] as Agent

From: [*name of resigning Borrower/Guarantor*] and [●] (the "**Obligors' Agent**")

Dated: [●]

Project Archway – up to $[●],000,000 Borrowing Base Facility Agreement dated [●] (the "Senior Facility Agreement")

1. We refer to the Senior Facility Agreement. This is a Resignation Letter (the "**Resignation Letter**"). Terms defined in the Senior Facility Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.

2. Pursuant to [Clause 28.3 (*Resignation of a Borrower*)] / [Clause 28.5 (*Resignation of a Guarantor*)] of the Senior Facility Agreement, we request that [*name of resigning Borrower/Guarantor*] be released from its obligations as a [Borrower] / [Guarantor] under the Senior Facility Agreement.

3. We confirm that:

   (a) no Default is continuing or would result from the acceptance of this request;

   (b) [the obligations of [*name of resigning Borrower*] in its capacity as Guarantor continue to be legal, valid, binding and enforceable and in full force and effect and the amount guaranteed by it as a Guarantor is not decreased;][3]

   (c) [no payment is due from [*name of resigning Guarantor*] under Clause 19.1 (*Guarantee and Indemnity*) of the Senior Facility Agreement;] and[4]

   (d) [*name of resigning Borrower/Guarantor*] is under no actual or contingent obligations as a [Borrower] / [Guarantor] under any Finance Documents.

4. This Resignation Letter may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Resignation Letter.

5. This Resignation Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

3 **Note to Draft**: To be inserted if the resigning Borrower is also a Guarantor under the Senior Facility Agreement.

4 **Note to Draft**: To be inserted in the case of a resigning Guarantor.

[*resigning Borrower / Guarantor*]

By:

[*Obligors' Agent*]

By:

This letter is accepted as a Resignation Letter for the purposes of the Senior Facility Agreement by the Agent.

[Agent]

By:

Schedule 10

[*****]

Schedule 11 Hedging Policy

1. Introduction

(a) This Hedging Policy applies to the Parent Obligor Group.

(b) All hedging transactions entered into by a member of the Parent Obligor Group shall be implemented and adhered to in accordance with this Hedging Policy and in accordance with the terms and conditions of the Finance Documents ("**Permitted Hedging Transactions**").

2. Purpose

The purpose of this Hedging Policy is to ensure that in relation to the Facility and the Borrowing Base Assets, the Obligors have (a) appropriate controls governing their use of financial derivative transactions and (b) a prudent approach to mitigating their exposure to fluctuations in (i) commodity prices in energy markets and (ii) foreign exchange and interest rates in capital markets.

3. Interest Rate Hedging

(a) Subject to paragraph (b) below, any Obligor may enter into Permitted Hedging Transactions which relate to interest rate hedging in respect of amounts outstanding under the Facility in the ordinary course of treasury management and not for speculative purposes.

(b) The Obligors shall ensure that, at any time, not more than 100 per cent. of amounts outstanding under the Facility shall be hedged under interest rate hedging agreements.

4. Foreign Exchange Hedging

The Obligors may enter into Permitted Hedging Transactions which relate to foreign exchange hedging in respect of amounts outstanding under the Facility in the ordinary course of treasury management and not for speculative purposes.

5. Commodity Hedging

If the aggregate amount of the Loans exceeds 35 per cent. of the lower of (a) the applicable Total Commitments and (b) the applicable Borrowing Base Amount, the Obligors shall be required to enter into a hedging agreement covering:

(a) at least 40 per cent. of its projected production volumes for the immediately following six months as set out in the then-current Banking Case; and

(b) at least 30 per cent. of its projected production volumes for the subsequent period of six months as set out in the then-current Banking Case.

The Obligors shall comply with the following requirements in relation to any such hedging arrangements:

(c) no more than 100 per cent. of the most recent unmodified forecast 2P reserves related to the Borrowing Base Assets that constitute "Proved plus Probable Reserves" in accordance with the June 2018 SPE / WPC / AAPG / SPEE / SEG / EAGE / SPWLA Petroleum

Resources Management System may be hedged in respect of any period using any commodity hedging transaction including (but not limited to) any transaction which is a forward rate agreement, option, future, swap, cap, floor and any combination of the foregoing;

(d) the maximum tenor of each commodity hedging transaction must not exceed five years, unless an extension of that period is approved by the Majority Lenders; and

(e) each commodity hedging transaction must be in the ordinary course of treasury management and not for speculative purposes.

6. Hedging with non Lenders

Any Obligor may enter into any Permitted Hedging Transactions with any Acceptable Unsecured Hedging Entity on an unsecured basis; *provided that*, at all times the aggregate amount of all such unsecured hedging liabilities does not exceed 35 per cent. of an Obligor's total hedging liabilities in relation to the Borrowing Base Assets at such time.

Schedule 12 Transaction Security Documents

For the purposes of this Agreement "**Transaction Security Documents**" means each of the following documents evidencing Transaction Security together with any other document entered into by an Obligor or a Security Grantor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents.

1. Transaction Security Documents to be delivered as a Condition Precedent to the submission of the Initial Utilisation Request

(a) A first ranking English law security agreement entered into by each Obligor creating security in favour of the Offshore Security Agent over any English law intercompany loans made by that Obligor, Hedging Agreements to which that Obligor is a party, that Obligor's insurances governed by English law and each Offtake Agreement governed by English law to which that Obligor is a party.

(b) A first ranking English law security agreement entered into by VAALCO Gabon creating security in favour of the Offshore Security Agent over each Offtake Agreement to which is a party.

(c) A first ranking Swedish law share pledge entered into by VAALCO Energy Cote d'Ivoire Holding AB creating security over the entire issued share capital of VAALCO CDI.

(d) A first ranking Swedish law share pledge entered into by VAALCO Energy Cote d'Ivoire AB creating security over the entire issued share capital of VAALCO Energy Cote d'Ivoire Holding AB.

(e) A first ranking Swedish law share pledge entered into by VAALCO Energy (Holdings), LLC creating security over the entire issued share capital of VAALCO Energy Cote d'Ivoire AB.

(f) A first ranking Swedish law security agreement entered into by VAALCO Energy Cote d'Ivoire AB creating security over each Existing Intercompany Loan to which it is a party.

(g) A first ranking Turks and Caicos Islands law charge of certified shares agreement entered into by VAALCO Energy (Holdings), LLC creating security over the entire issued share capital of VAALCO Egypt.

(h) A first ranking Turks and Caicos Islands law charge of certified shares agreement entered into by VAALCO Egypt creating security over the entire issued share capital of each of (i) VAALCO West Gharib Inc., (ii) VAALCO West Bakr Inc. and (iii) VAALCO NW Gharib Inc.

(i) A first ranking New York law security agreement entered into by the Parent creating security over the entire issued share capital of VAALCO Etame.

(j) A first ranking New York law security agreement entered into by the Parent, VAALCO Egypt and VAALCO Etame over each Existing Intercompany Loan to which the Parent, VAALCO Egypt or VAALCO Etame is a party.

(k) A first ranking Mauritius law security agreement entered into by each Offshore Proceeds Account Holding Obligor creating security over each of their respective Offshore Proceeds Accounts.

(l) A first ranking Egyptian law governed account pledge agreement in respect of the bank accounts in the Arab Republic Egypt and made between VAALCO West Gharib Inc. and the Onshore Account Bank in Egypt.

(m) An Egyptian law governed irrevocable payment instruction issued by each of the Egyptian Borrowers to the Egyptian General Petroleum Corporation in respect of proceeds of each Initial Egyptian Borrowing Base Asset.

(n) A Gabonese law governed security agreement entered into by VAALCO Etame creating security over the entire issued share capital of VAALCO Gabon.

(o) A Gabonese law governed security agreement entered into by VAALCO Gabon creating security over the Onshore Account of VAALCO Gabon held by the Onshore Account Bank in Gabon.

Schedule 13

Initial Borrowing Base Asset

The interest of each relevant Obligor in the following Licences (together with that Obligor's interests under all related field documentation and all related facilities and infrastructure):

Licence	Field Name	Working Interest	Paying Interest	Operator	Country
CI-40	Baobab Field	27.39%	30.43%	CNR International (Côte d'Ivoire) SARL	Côte d'Ivoire
Etame Marin Permit	(a) Etame (b) South East Etame (c) Ebouri (d) Avouma (e) North Tchibala (f) South Tchibala	58.81%	63.575%	VAALCO Gabon S.A.	Gabon
Initial Egyptian Field Licence which contains: (a) West Gharib (b) West Bakr (c) North West Gharib	**(a) West Gharib** (i) Hana/Hana West (ii) East Arta (iii) Arta (iv) Hoshia **(b) West Bakr** (i) H Field (ii) K Field (iii) M Field **(c) North West Gharib** (i) NWG-38	100%	NA	PetroBakr Petroleum Company S.A.E.	Egypt

Schedule 14 Offtaker Whitelist

[*****]

SIGNATORIES

VAALCO Energy, Inc.
as the Parent

By:	/s/ Ronald Bain
Name:	Ronald Bain
Title:	Chief Financial Officer

VAALCO Energy, Inc.
as an Original Borrower

By:	/s/ Ronald Bain
Name:	Ronald Bain
Title:	Chief Financial Officer

VAALCO Gabon (Etame), Inc.
as an Original Borrower

By: /s/ Ronald Bain
Name: Ronald Bain
Title: Chief Financial Officer

VAALCO Energy Cote d'Ivoire SPE AB (formerly known as SPE CI AB)
as an Original Borrower

By: /s/ Ronald Bain
Name: Ronald Bain
Title: Director

VAALCO West Gharib Inc.
(formerly known as TransGlobe West Gharib Inc.)
as an Original Borrower

By:	/s/ Iman Hill
Name:	Iman Hill
Title: Director	Director

VAALCO West Bakr Inc.
(formerly known as TransGlobe West Bakr Inc.)
as an Original Borrower

By:	/s/ Iman Hill
Name:	Iman Hill
Title: Director	Director

VAALCO NW Gharib Inc.
(formerly known as TG NW Gharib Inc.)
as an Original Borrower

By:	/s/ Iman Hill
Name:	Iman Hill
Title: Director	Director

VAALCO Energy, Inc.
as an Original Guarantor

By:	/s/ Ronald Bain
Name:	Ronald Bain
Title:	Chief Financial Officer

VAALCO Gabon (Etame), Inc.
as an Original Guarantor

By:	/s/ Ronald Bain
Name:	Ronald Bain
Title:	Chief Financial Officer

VAALCO Egypt Holdings Inc.
(formerly known as TransGlobe Petroleum International Inc.)
as an Original Guarantor

By:	/s/ Iman Hill
Name:	Iman Hill
Title: Director	Director

VAALCO Energy Cote d'Ivoire Holding AB
(formerly known as SPE CI Holding AB)
as an Original Guarantor

By:	/s/ Ronald Bain
Name:	Ronald Bain
Title:	Director

VAALCO Energy Cote d'Ivoire AB
(formerly known as Svenska Petroleum Exploration Aktiebolag)
as an Original Guarantor

By:	/s/ Ronald Bain
Name:	Ronald Bain
Title:	Director

VAALCO Energy Cote d'Ivoire SPE AB
(formerly known as SPE CI AB)
as an Original Guarantor

By:	/s/ Ronald Bain
Name:	Ronald Bain
Title:	Director

VAALCO West Gharib Inc.
(formerly known as TransGlobe West Gharib Inc.)
as an Original Guarantor

By:	/s/ Iman Hill
Name:	Iman Hill
Title: Director	Director

VAALCO West Bakr Inc.
(formerly known as TransGlobe West Bakr Inc.)
as an Original Guarantor

By:	/s/ Iman Hill
Name:	Iman Hill
Title: Director	Director

VAALCO NW Gharib Inc.
(formerly known as TG NW Gharib Inc.)
as an Original Guarantor

By:	/s/ Iman Hill
Name:	Iman Hill
Title: Director	Director

VAALCO Gabon S.A.
as an Original Guarantor

By:	/s/ Ronald Bain
Name:	Ronald Bain
Title:	Chief Financial Officer of VAALCO Energy Inc

The Standard Bank of South Africa Limited, Isle of Man Branch
as an Original Lender

By:	/s/ Odete Lauritzson
Name:	Odete Lauritzson
Title:	Executive

FirstRand Bank Limited, acting through its Rand Merchant Bank Division
as an Original Lender

By: /s/ Werner Joubert
Name: Werner Joubert
Title: Authorised signatory

By: /s/ Charlotte Armstrong-Kingsley
Name: Charlotte Armstrong-Kingsley
Title: Authorised signatory

The Mauritius Commercial Bank Limited
as an Original Lender

By: /s/ Vij Dhayan
Name: Vij Dhayan
Title: Senior Relationship Manager

By: /s/ Hashim Oozeer
Name: Hashim Oozeer
Title: Credit Manager

Glencore Energy UK Ltd.
as an Original Lender

By:	/s/ Ann V. Nash
Name:	Ann V. Nash
Title:	Authorised signatory

The Standard Bank of South Africa Limited, Isle of Man Branch
as a Mandated Lead Arranger

By:	/s/ Odete Lauritzson
Name:	Odete Lauritzson
Title:	Executive

The Mauritius Commercial Bank Limited
as a Mandated Lead Arranger

By: /s/ Vij Dhayan
Name: Vij Dhayan
Title: Senior Relationship Manager

By: /s/ Hashim Oozeer
Name: Hashim Oozeer
Title: Credit Manager

Glencore Energy UK Ltd.
as a Mandated Lead Arranger

By:	/s/ Ann V. Nash
Name:	Ann V. Nash
Title:	Authorised signatory

FirstRand Bank Limited, acting through its Rand Merchant Bank Division
as a Mandated Lead Arranger

By:	/s/ Werner Joubert
Name:	Werner Joubert
Title:	Authorised signatory

By:	/s/ Charlotte Armstrong-Kingsley
Name:	Charlotte Armstrong-Kingsley
Title:	Authorised signatory

The Standard Bank of South Africa Limited, Isle of Man Branch
as the Bookrunner

By:	/s/ Odete Lauritzson
Name:	Odete Lauritzson
Title:	Executive

The Standard Bank of South Africa Limited
(acting through its Corporate and Investment Banking Division)
as the Agent

By:	/s/ Venashan V Seerangam
Name:	Venashan V Seerangam
Title:	Vice President: Agency Front Office

The Standard Bank of South Africa Limited
(acting through its Corporate and Investment Banking Division)
as the Offshore Security Agent

By:	/s/ Venashan V Seerangam
Name:	Venashan V Seerangam
Title:	Vice President: Agency Front Office

The Standard Bank of South Africa Limited
(acting through its Corporate and Investment Banking Division)
as the Onshore (Gabon) Security Agent

By:	/s/ Venashan V Seerangam
Name:	Venashan V Seerangam
Title:	Vice President: Agency Front Office

The Standard Bank of South Africa Limited
as the Modelling Bank

By:	/s/ Odete Lauritzson
Name:	Odete Lauritzson
Title:	Executive

The Standard Bank of South Africa Limited
as the Technical Bank

By:	/s/ Odete Lauritzson
Name:	Odete Lauritzson
Title:	Executive

EXHIBIT 19.1

VAALCO Energy, Inc.

INSIDER TRADING POLICY

October 30, 2024

INSIDER TRADING POLICY

CONTENTS PAGE

1. INTRODUCTION

1.1. Purpose

The purpose of this Insider Trading Policy (this "**Policy**") is to help VAALCO Energy, Inc. and its subsidiaries (the "**Company**") comply with U.S. federal and state securities laws, UK securities laws and Canadian securities laws, and to preserve the reputation and integrity of the Company. As the Company is listed on both the NYSE and the LSE, it must comply with both U.S. and UK securities laws. The Company is also a reporting issuer in each province of Canada, making it subject to the Canadian securities laws of those jurisdictions.

1.2. What Is Insider Trading?

Insider trading is illegal and prohibited. Insider trading occurs when a person who is aware of "**material, non-public information**" (as it is known in the U.S.), "**inside information**" (as it is known in the UK) or "**material information that has not been generally disclosed**" (as it is known in Canada) (as defined below) about a company buys or sells that company's securities or provides material, non-public information to another person who may trade, or recommends that another person trade on the basis of that information.

References in this Policy to material, non-public information encompass references to inside information and material information that has not been generally disclosed.

1.3. What Securities are Subject to this Policy?

This Policy applies to purchases, sales, and exercises of the Company's securities and derivative securities (e.g., common stock, units, warrants, as well as options, stock appreciations rights, puts, calls or other derivatives, whether or not issued by the Company) or any other type of securities that the Company may issue, such as preferred stock, convertible debentures and warrants (collectively, "**Company Securities**").

This Policy also prohibits trading in the securities of another company if you become aware of material, non-public information about that company in the course of your position with the Company.

1.4. Who is subject to this Policy?

This Policy applies globally to all directors, officers and employees of the Company and its subsidiaries as well as those acting on behalf of the Company, such as auditors, agents, and consultants (collectively, "**Company Personnel**").

PDMRs are officers, directors and employees of the Company or its subsidiaries (together the "**Group**") who are members of the Group's administrative, management or supervisory bodies who have regular access to material, non-public information relating directly or indirectly to the Company and the power to take managerial decisions affecting future developments and business prospects of the Company. This means the directors, the executive team and most other senior managers, including in-country management designated as PDMRs by the General Counsel (in consultation with the Chief Executive Officer and Chief Financial Officer) are PDMRs.

A person whose role is limited to providing advice or recommendations to others, or to implementing decisions taken by others, will generally not be considered to be a PDMR. In addition, as specified in Section 4 of this Policy, (i) all PDMRs and PDMR Associates (as defined below) are subject to additional restrictions relating to trading in Company Securities during a Blackout Period (as defined below) and (ii) all PDMRs, and PDMR Associates are subject to additional restrictions relating to the pre-clearance of purchases or sales in Company Securities.

1.5. Family Members and Others Subject to this Policy

This Policy also applies to (i) anyone who lives in the household of Company Personnel (whether or not family members) and any family members who do not live in the household of Company Personnel, but whose transactions in Company Securities are directed by Company Personnel or are subject to their influence or control, such as parents

or children who consult with Company Personnel before they trade in Company Securities (collectively referred to as "**Family Members**"); and (ii) any entities that are under the influence or control, including corporations, partnerships or trusts, of Company Personnel or their Family Members (collectively, "**Controlled Entities**").

Transactions by Family Members and Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for the account of the Company Personnel.

The Family Members and Controlled Entities of PDMRs are subject to additional restrictions, and are known for the purposes of this Policy as "**PDMR Associates**".

1.6. Questions

Questions about this Policy or any proposed transaction should be directed to the Company's General Counsel or outside legal counsel, as appropriate.

1.7. Individual Responsibility

You are responsible for making sure that (i) you; (ii) your Family Members; and (iii) your Controlled Entities comply with this Policy.

In all cases, the responsibility for determining whether an individual is in possession of material, non-public information rests with that individual, and any action on the part of the Company, the General Counsel or outside legal counsel, as appropriate, or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws.

You could be subject to severe legal penalties, including criminal proceedings, and disciplinary action by the Company for any conduct prohibited by this Policy or applicable securities laws, as described in Section 12 of this Policy.

1.8. PDMRs and PDMR Associates

The Company is required to maintain a list of PDMRs and PDMR Associates. All persons are required to cooperate with the Company and promptly provide all such information as the Company shall require to comply with this requirement.

2. STATEMENTS

2.1. Policy Prohibiting Insider Trading

No Trading on Material, Non-Public Information. If you are aware of material, non-public information about the Company, you may not, directly or indirectly, buy or sell Company Securities or engage in any other action to take advantage of that information in any capacity. It does not matter how you obtained this information.

No Tipping. If you are aware of material, non-public information about the Company, you may not communicate or pass ("**tip**") that information on to others outside the Company, including Family Members and friends. Additionally if you are aware of material, non-public information about the Company, you may not recommend or encourage another person or entity to purchase or sell any Company Securities.

The federal securities laws impose liability on any person who tips (the "**tipper**"), or communicates material, non-public information to another person or entity (the "**tippee**"), who then trades on the basis of the information. Penalties may apply regardless of whether the tipper derives any benefits from the tippee's trading activities. Canadian securities laws are even stricter since they impose liability on any person who tips another person or entity, even if the tippee does not then trade on the basis of that information. Canadian securities laws also impose liability on any person who is aware of material, non-public information and recommends or encourages the purchase or sale of securities on that basis, even if no trades are made on the basis of that recommendation or encouragement.

Additional restrictions relating to the pre-clearance of purchases or sales in Company Securities applicable to all PDMRs and PDMR Associates are included in Section 5 of this Policy. PDMRs and PDMR Associates must also refrain from trading in Company Securities during a Blackout Period to avoid even the appearance of impropriety.

In addition, it is our policy that Company Personnel who, in the course of working for the Company, learn of material, non-public information about a company with which the Company does business, including a customer or supplier of the Company, may not trade in, take advantage of, or pass information about that company's securities until the information becomes public or is no longer material.

2.2. Statement of Communications Policy

The Company engages in communications with investors, securities analysts, and the financial press. It is against federal law – specifically, Regulation FD adopted by the Securities and Exchange Commission (the "**SEC**") – as well as this Policy, for any person acting on behalf of the Company to selectively disclose material, non-public information to securities professionals (including, for example, buy and sell-side analysts, institutional investment managers, and investment companies) or investors in any Company Securities, under circumstances where it is reasonably foreseeable that the recipient may be likely to trade on the basis of such information, unless the information has first or simultaneously been disclosed to the public.

Canadian securities laws are even stricter since they prohibit selective disclosure of material, non-public information to any person or entity, even if it is not reasonably foreseeable that the recipient may be likely to trade on the basis of such information. Any disclosure of information to securities professionals or investors in any Company Securities must therefore be made only after the information is disclosed to the public.

3. DEFINITION OF MATERIAL, NON-PUBLIC INFORMATION

3.1. What is Material Information?

You should consider material information as any information that a reasonable person would consider important in making a decision to buy, hold, or sell securities. Any information that could be expected to affect the price or value of Company Securities, whether it is positive or negative, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and you should carefully consider how a transaction may be construed by enforcement authorities who will have the benefit of hindsight. Even if information is not material to the Company, it may be material to a customer, supplier, or other company with publicly traded securities. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- A proposed acquisition, sale or joint venture;
- Projected future earnings or losses;
- Events or business operations which are likely to affect future revenues or earnings (for example, mergers, acquisitions and dispositions of properties, successful discoveries of oil and gas, unsuccessful wells, operational success or failure, and the execution of important contracts);
- A significant expansion or cutback of operations;
- Material changes in reserve estimates or production;
- Changes in executive management;
- Major lawsuits or legal settlements;
- Extraordinary customer quality claims;
- The commencement or results of regulatory proceedings;
- A proposed merger or tender offer;
- Changes to earnings guidance or projections, if any;
- The potential or actual gain or loss of a major customer or supplier;
- A significant corporate event or crisis;
- Company restructuring;
- A significant cybersecurity incident or event, such as a significant data breach or other unauthorized access to the

Company's information technology infrastructure;

- Borrowing activities, including contemplated financings and refinancings (other than in the ordinary course);
- A change in dividend policy, the declaration of a stock split, or an offering of additional securities;
- The establishment of a repurchase program for Company Securities;
- A change in auditors or notification that the auditor's reports may no longer be relied upon;
- The imposition of a ban on trading in Company Securities or the securities of another company; or
- Impending bankruptcy or the existence of severe liquidity problems.

3.2. When Information Is "Public"?

Information that has not been disclosed to the public is generally considered to be non-public information. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Filings with the SEC, announcements through RNS and press releases are generally regarded as public information. In Canada, disclosure by way of press release may be necessary to ensure that information is adequately disclosed to the public. By contrast, information would likely not be considered widely disseminated if it is available only to the Company's employees, or if it is only available to a select group of analysts, brokers, and institutional investors.

Once information is widely disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until after two full business days have elapsed since the day on which the information is released. If, for example, the Company were to make an announcement after the opening of the markets on a Monday, you should not purchase or sell Company Securities until Thursday. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of specific material, non-public information.

If you have any question as to whether information or material is publicly available, please err on the side of caution and direct an inquiry to the Company's General Counsel or outside legal counsel, as appropriate.

4. BLACKOUT PERIODS

All PDMRs, and PDMR Associates are subject to the Blackout Periods described below.

Unless pursuant to a properly established Rule 10b5-1 Plan (as defined in Section 10 of this Policy and other highly limited circumstances in order to prevent inadvertent violations of the federal securities laws and to avoid even the appearance of trading on the basis of material, non-public information, PDMRs, and PDMR Associates may not conduct transactions (for their own or related accounts) involving the purchase or sale of Company Securities during the following periods (the "**Blackout Periods**"):

> As to any fiscal quarter, the period commencing forty-eight (48) hours before 12:00am (New York time) of the first day thereof, and ending at the first opening of the New York Stock Exchange that is at least forty-eight (48) hours after public disclosure of the financial results for the immediately preceding fiscal quarter or year, and any other period designated in writing by the Company's General Counsel.

If you are made aware of the existence of an event-specific Blackout Period, you should not disclose the existence of such Blackout Period to any other person. The safest period for trading in Company Securities, assuming the absence of material, non-public information, generally is the first ten trading days following the end of the Blackout Period. PDMRs will, as any quarter progresses, be increasingly likely to be aware of material, non-public information about the expected financial results for the quarter.

5. PRE-CLEARANCE

All PDMRs and PDMR Associates are subject to the Pre-Clearance restrictions described below, PDMRs and PDMR Associates may not give trading advice of any kind about the Company, whether or not such person is aware of material, non-public information.

All PDMRs and PDMR Associates must clear purchases or sales in Company Securities with the Company's General Counsel (or his/her designee) **before** the trade may occur in the form provided at **Schedule 1**, even if the proposed transaction is to take place outside of a Blackout Period. The General Counsel may designate and provide notice to other entities or individuals who may, from time to time, be subject to the pre- clearance procedures under this Policy.

Requests for pre-clearance must be made in writing at least **two** (2) business days before the date of the proposed transaction.

The General Counsel (or his/her designee) will inform the requesting individual of a decision with respect to the request as soon as possible after considering all the circumstances relevant to his/her determination. The General Counsel (or his/her designee) is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction.

If the General Counsel (or his/her designee) has not responded to a request for pre-clearance, **do not** trade in the Company's Securities. If approved, the transaction must occur with two (2) business days after receipt of approval (so long as the transaction is not during a Blackout Period). If permission is denied, refrain from initiating any transaction in Company Securities, and do not inform any other person of the restriction.

Pre-clearance may also be required for certain gifts and other transfers not involving the purchase or sale of Company Securities specified in Section 9 of this Policy.

Even if approval to trade pursuant to the pre-clearance process is obtained in writing, or pre-clearance is not required for a particular transaction, PDMRs, and PDMR Associates may not trade in the Company Securities if he or she is aware of material, non-public information about the Company or any of the companies covered by this Policy. This Policy does not require pre-clearance of transactions in any other company's securities unless otherwise indicated in writing by the Company's General Counsel.

6. NOTIFICATION AND DISCLOSURE

The legislation in the U.S., the UK and Canada requires filings and public disclosures to be made in certain circumstances after PDMRs and PDMR Associates have dealt in Company Securities.

6.1. Notifications by PDMRs and their PDMR Associates

PDMRs and their PDMR Associates must make the following notifications in writing following every transaction conducted on their own account relating to Company Securities, including acquiring, disposing of or subscribing for Company Securities, or exercising options over the Company Securities.

- ***To the Company:***

  Notification using the template in **Schedule 2**, promptly and no later than two business days after the date of the relevant transaction. On receipt of this notification UK securities laws requires that the Company must make the information public promptly and no later than three business days after the date of the relevant transaction.

- ***To the SEC:***

  Under the US securities laws, directors, officers and greater than 10% beneficial owners of the Company's common stock (each, a "**Section 16 Insider**") are required to comply with the reporting obligations and limitations on short-swing transactions set forth in Section 16 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). The practical effect of these provisions is that (a) Section 16 Insiders will be required to report transactions in Company securities (usually within two business days of the date of the transactions) and (b) Section 16 Insiders who both purchase

and then sell Company securities within a six-month period will be required to disgorge all profits to the Company whether or not they had knowledge of any insider information.

If you are a director or executive officer, you may be deemed to be an "affiliate" of the Company. Consequently, shares of Company common stock held by you may be considered to be "restricted securities" or "control securities", the sale of which are subject to compliance with Rule 144 under the Securities Act of 1933, as amended. If this is the case, note that Rule 144 places limits on the number of shares you may be able to sell and provides that certain procedures must be followed before you can sell shares of Company common stock.

- ***To the UK's Financial Conduct Authority ("FCA"):***

Notification using the notification form available on the FCA's website:

https://marketoversight.fca.org.uk/electronicsubmissionsystem/MaPo_PDMR_Introduction

promptly and no later than three business days after the date of the relevant transaction. Notification to the FCA is not required where the aggregate of the value of a person's notifiable transactions in any year does not exceed €5,000 (converted at the European Central Bank spot rate applicable at the end of the business day of completion of the relevant transaction). Note that for these purposes the value of a PDMR's notifiable transactions is not aggregated with those of his or her PDMR Associates. The Company must announce the dealing within three business days of completion of the relevant transaction. In practice, the Company will notify the FCA on behalf of PDMRs and their PDMR Associates provided that they have provided the appropriate notification to the Company in good time.

6.2. Notification of major shareholdings in the UK

Under UK securities laws, a person must notify the Company of the percentage of voting rights in the Company's shares that person holds as a shareholder (or holds or is deemed to hold through his direct or indirect holding of financial instruments) if, as a result of an acquisition or disposal of shares or financial instruments, the percentage of those voting rights reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%. This includes any change to a holding as a result of events changing the breakdown of voting rights – for example, an issue of shares that dilutes a person's holding – irrespective of whether the person acquires or disposes of shares.

It should be noted that a person is deemed to have an indirect holding of shares to the extent that he is entitled to acquire, dispose of or exercise voting rights in them, irrespective of whether he is the registered holder or beneficial; owner of them.

Where a person has a notifiable interest he must notify the Company and the FCA within four trading days of the execution of the relevant trade using a Form TR1, available on the FCA's website:

https://www.fca.org.uk/sites/default/files/notifications-major-interests-shares-tr1-30-june_1.docx

Notification to the FCA is via the email address majorshareholdings@fca.org.uk

The Company is obliged to notify the market by the end of the third trading day after receiving notification.

7. SPECIAL AND PROHIBITED TRANSACTIONS

The Company considers it improper and inappropriate for Company Personnel to engage in short-term or speculative transactions in Company Securities. It therefore is the Company's policy that Company Personnel may not engage in any of the following transactions, or should otherwise consider the Company's preferences as described below:

- ***Short-term Trading***. PDMRs who purchase Company Securities in the open market may not sell any Company Securities of the same class during the six months following the purchase. In certain cases, a purchase and sale, or sale and purchase, within a six-month period of each other, may be prohibited under Section 16 of the Exchange Act. In addition, short-term trading of Company Securities by PDMRs may be distracting and may unduly focus on the Company's short-term stock market performance instead of the Company's long-term business objectives. Note that stock purchased through the Company's equity plans and transactions with the Company are not subject to this restriction.

- ***Short Sales***. Short sales (selling securities that you do not own, with the intention of buying the securities at a lower price in the future) of Company Securities are prohibited by this Policy. Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects.

Short sales may reduce the seller's incentive to improve the Company's performance. In addition, Section 16(c) of the Exchange Act prohibits directors and officers from engaging in short sales.

- ***Publicly Traded Options***. Transactions in puts, calls, or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy. A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and therefore creates the appearance that trading is based on inside information. Transactions in options also may focus attention on short-term performance at the expense of the Company's long-term objectives. See "Hedging Transactions" below.

- ***Margin Accounts and Pledges***. Holding Company Securities in margin accounts or, without the prior consent of the Board of Directors of the Company or the Audit Committee, pledging Company Securities as collateral for loans or other obligations, is prohibited by this Policy.

- ***Hedging Transactions***. Engaging in hedging transactions with respect to ownership in Company Securities, including trading in any derivative security relating to Company Securities is prohibited by this Policy. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow you to lock in much of the value of your stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow you to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, you may no longer have the same objectives as the Company's other shareholders.

- ***Standing and Limit Orders***. Standing and limit orders create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when a PDMR or other employee is in possession of material, non-public information. The Company therefore discourages placing standing or limit orders on Company Securities. If a person subject to this Policy determines that they must use a standing order or limit order, the order should be limited to short duration and should otherwise comply with the restrictions and procedures outlined in this Policy.

8. TRANSACTIONS UNDER COMPANY PLANS

This Policy does not apply in the case of the following transactions, except as specifically noted:

- ***Stock Option Exercises.*** The Company's General Counsel (or other designee of the General Counsel) may grant an exemption from this Policy's trading restrictions to permit the exercise of an employee stock option acquired pursuant to the Company's plans, if any, to the exercise of a tax withholding right pursuant to which a person has elected to have the Company withhold stock subject to an option to satisfy tax withholding requirements, or the a cashless exercise of a stock option where the Company withholds stock to satisfy the exercise price. In granting an exception, the General Counsel may consider the size and timing of the exercise, the option expiration date and the nature of the MNPI currently known to the employee. This Policy's trading restrictions do apply, however, to any sale of the underlying stock or to a cashless exercise of the option through a broker, as this entails selling a portion of the underlying stock to cover the cost of exercise.

- ***Restricted Stock Awards***. This Policy's trading restrictions do not apply to the vesting of restricted stock, or the exercise of a tax withholding right pursuant to which a person elected to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock. The Policy does apply, however, to any market sale of restricted stock.

- ***401(k) Plan.*** If, and to the extent applicable, this Policy does not apply to purchases of Company Securities in the Company's 401(k) plan resulting from periodic contribution of money to the plan pursuant to standard payroll deduction elections. This Policy does apply in the case of a change in the portion of contributions allocated to Company Securities.

- ***Other Similar Transactions.*** Any other similar purchase of Company Securities from the Company or sales of Company Securities to the Company are not subject to this Policy.

- ***10b5-1 Trading Plans.*** Any Rule 10b5-1 Plan properly established in accordance with applicable SEC rules and the applicable rules of any other jurisdiction.

9. GIFTS

Bona fide gifts of Company securities are generally not transactions subject to this Policy, unless the person making the gift has reason to believe that the recipient intends to sell the Company securities while the donor is aware of material nonpublic information. However, where the gift is to a charitable organization, which will typically sell securities soon after receipt, the gift transaction is exempt from this Policy only where the donor reasonably believes that the charitable organization's sale will not occur while the donor possesses material nonpublic information. For purposes of this Policy, a gift made to satisfy a previous commitment to make a cash gift or in payment of another obligation would not be deemed to be bona fide gift. In addition, individuals subject to pre-clearance requirements are required to pre-clear any bona fide gifts with the General Counsel.

10. RULE 10b5-1 PLANS

Rule 10b5-1 under the Exchange Act provides a defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in Company Securities that meets certain conditions specified in the Rule (a "**Rule 10b5-1 Plan**"). If the plan meets the requirements of Rule 10b5-1, Company Securities may be purchased or sold without regard to certain insider trading restrictions, including blackout and pre-clearance requirements.

To comply with this Policy, a Rule 10b5-1 Plan must be approved by the Company's General Counsel and meet the requirements of Rule 10b5-1. In general, a Rule 10b5-1 Plan must be entered into in good faith at a time when the person entering into the plan is not aware of material, non-public information and not during a blackout period. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded, or the date of the trade. The plan must either specify the amount, pricing, and timing of transactions in advance or delegate discretion on these matters to an independent third party.

Any Rule 10b5-1 Plan must be submitted for approval at least two weeks prior to the entry into the Rule 10b5-1 Plan unless this period is waived by the Company's General Counsel. In addition, under SEC rules a Rule 10b5-1 Plan is subject to a certain specified "cooling off" period between entry into, or modification of, the plan and the first trade pursuant to the plan.

A person subject to this Policy seeking to enter into a Rule 10b5-1 Plan is responsible for ensuring compliance with the requirements of Rule 10b5-1.

11. POST-TERMINATION TRANSACTIONS

The Policy continues to apply to transactions in Company Securities even after your service with the Company has ended (other than the pre-clearance and trading prohibitions during a Blackout Period, which will cease to apply upon the expiration of any Blackout Period pending at the time of the termination of service). If you are aware of material, non-public information when your employment terminates, you may not purchase or sell Company Securities until that information has become public or is no longer material.

12. CONSEQUENCES OF VIOLATION

Insider trading is a serious crime, with potential criminal liability. There are no limits on the size of a transaction that will trigger insider trading liability. Insider trading violations are pursued vigorously by the SEC, FCA and the Canadian securities regulators and can be detected using advanced technologies. In the past, relatively small trades have resulted in investigations by the SEC, FCA, the Canadian securities regulators or the Department of Justice and lawsuits.

Individuals found liable for insider trading (and tipping) in the U.S. face penalties of up three (3) times the profit gained or loss avoided, a criminal fine of up to $5 million and up to twenty (20) years in jail. In addition to the potential criminal and civil liabilities, in certain circumstances the Company may be able to recover all profits made by an insider who traded illegally plus collect other damages. Furthermore, the Company (and its executive officers and directors) could face penalties of the greater of $2,166,279 or three (3) times the profit gained or loss avoided as a result of an employee's violation and/or criminal penalty of up to $25 million.

Similar penalties exist in the UK, with insider dealing punishable by imprisonment of up to seven years and/or a fine, while FCA has the additional power to:

- Impose an unlimited penalty on that person; or
- Make a public statement to the effect that a person has engaged in market abuse; or
- Prohibit that individual from managing or dealing in shares; or
- Suspending that person's permission to carry on a regulated activity.

Without regard to civil or criminal penalties that may be imposed by others, willful violation of this Policy and its procedures may constitute grounds for, among other things, dismissal from the Company. Needless to say, a violation of law, or even an SEC investigation that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

13. CERTIFICATIONS UNDER THE POLICY

Each PDMR must certify initially that such individual has read and is in compliance with this Policy and will abide by its provisions in the future.

CERTIFICATE OF COMPLIANCE

I _____ hereby certify that I have received,
(Print name)

read and understand the foregoing "Insider Trading Policy." I further certify that I am in compliance with, and will continue to adhere to, the policies and procedures set forth therein and understand that my failure so to adhere could subject me to dismissal from the Company or removal from the Board of Directors for cause.

Date: _____

Signature: _____

Title: _____

If you have any questions, please contact the Company's General Counsel or outside legal counsel, as appropriate.

SCHEDULE 1

CLEARANCE TO TRADE REQUEST

General Counsel
VAALCO Energy, Inc. ("**Corporation**")
[Email address]

[*Date*]

Application for clearance to trade in securities

I wish to apply [on behalf of my PDMR Associate, [*details of PDMR Associate*]] for clearance trade in Company Securities under the Company's Insider Trading Policy. By submitting this form, I confirm and agree that:

(a) The information included in this form is accurate and complete;

(b) I am not, (or, as applicable, my PDMR Associates is not,) in possession of material, non-public information relating to the Company or any of its securities;

(c) If I (or, as applicable, my PDMR Associate) am given clearance, I (or, as applicable, my PDMR Associate) will do so as soon as possible and in any event within two business days of such clearance being given; and

(d) If I become aware that I am, (or, as applicable, my PDMR Associates is), in possession of material, non-public information in relation to the Company or Company Securities before such trade takes place (regardless of whether or not clearance to trade has been given), I will immediately inform the General Counsel and I will refrain from trading (or, as applicable, I will ensure that my PDMR Associates will refrain from trading).

1.	**Applicant**	
(a)	Name	
(b)	Contact details (*including email address and telephone number*)	
(c)	Where the trading party is a PDMR Associate, the name and contact details of the PDMR Associate	
2.	**Proposed trade**	
(a)	Description of the securities	[*e.g. a share, an option, a derivative or a financial instrument linked to a share or other instrument.*]
(b)	Number of securities	[*If actual number is not known, provide a maximum amount (e.g. 'up to 100 shares' or 'up to $1,000 of shares').*]

(c)	Nature of trade	[*Description of the transaction type (e.g. acquisition; disposal; subscription; option exercise; settling a contract for difference, etc.).*]
(d)	Name of broker with whom the trade was conducted	
(e)	Other details	[*Please include all other relevant details which might reasonably assist the person considering your application for clearance (e.g. transfer will be for no consideration).*]

SCHEDULE 2
SECURITY DEALING NOTIFICATION

General Counsel
VAALCO Energy, Inc. ("**Corporation**")
[Email address]

[*Date*]

Transaction notification

Person Discharging Managerial Responsibilities ("**PDMRs**") of the Company and their PDMR Associates must also submit a notification of the same information to the FCA by submitting their online form (which requires the same information) promptly and in any event within three business days of the transaction occurring.

https://marketoversight.fca.org.uk/electronicsubmissionsystem/MaPo_PDMR_Introduction

1.	**Details of PDMR / PDMR Associate**	
(a)	Name	[*Include first name(s) and last name(s).*] [*If the PDMR Associate is a legal person, state its full name including legal form as provided for in the register where it is incorporated, if applicable.*]
(b)	Position / status	[*For PDMRs, state job title e.g. CEO, CFO.*] [*For PDMR Associates, state that the notification concerns a PDMR Associate and the name and position of the relevant PDMR.*]
(c)	Initial notification / amendment	[*Please indicate if this is an initial notification or an amendment to a prior notification. If this is an amendment, please explain the previous error which this amendment has corrected.*]
2.	**Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted**	
(a)	Description of the financial instrument	[*State the nature of the instrument e.g. a share, a debt instrument, a derivative or a financial instrument linked to a share or debt instrument.*]

(b)	Nature of the transaction	[*Description of the transaction type e.g. acquisition, disposal, subscription, contract for difference, etc.*] [*Please indicate whether the transaction is linked to the exercise of a share option program.*] [*If the transaction was conducted pursuant to an Investment Program or a Trading Plan, please indicate that fact and provide the date on which the relevant Investment Program or Trading Plan was entered into.*]
(c)	Price(s) and volume(s)	[*Where more than one transaction of the same nature (purchase, disposal, etc.) of the same financial instrument are executed on the same day and at the same place of transaction, prices and volumes of these transactions should be separately identified in the table above, using as many lines as needed. Do not aggregate or net off transactions.*] [*In each case, please specify the currency and the metric for quantity.*]
(d)	Aggregated information Aggregated volume Price	[*Please aggregate the volumes of multiple transactions when these transactions:* • *relate to the same financial instrument;* • *are of the same nature;* • *are executed on the same day; and* • *are executed at the same place of transaction.]* [*Please state the metric for quantity.*] [*Please provide:* • *in the case of a single transaction, the price of the single transaction; and* • *in the case where the volumes of multiple transactions are aggregated, the weighted average price of the aggregated transactions.]* [*Please state the currency.*]
(e)	Date of the transaction	[*Date of the particular day of execution of the notified transaction, using the date format: YYYY-MM-DD and please specify the time zone.*]
(f)	Place of the transaction	[*Please name the trading venue where the transaction was executed. If the transaction was not executed on any trading venue, please state 'outside a trading venue' in this box.*]

Exhibit 21.1

Subsidiary Name	Place of Registration
VAALCO Energy (USA), Inc.	Delaware
VAALCO Gabon (Etame), Inc.	Delaware
VAALCO Production (Gabon), Inc.	Delaware
VAALCO Angola (Kwanza), Inc.	Delaware
VAALCO Energy (EG), Inc.	Delaware
VAALCO Energy Mauritius (EG), Ltd	Mauritius
VAALCO Gabon S.A.	Gabon
VAALCO Energy (International) LLC	Delaware
VAALCO Energy (Holdings), LLC	Delaware
VAALCO International Management, LLC	Delaware
VAALCO Energy Canada, Inc.	Province of Alberta
TG Energy UK Ltd	United Kingdom
VAALCO Egypt Holdings Inc.	Turks & Caicos
TG Holdings Yemen Inc.	Turks & Caicos
VAALCO West Bakr Inc.	Turks & Caicos
VAALCO West Gharib Inc.	Turks & Caicos
TG Energy Marketing Inc.	Turks & Caicos
VAALCO NW Gharib Inc.	Turks & Caicos
VAALCO S Ghazalat Inc.	Turks & Caicos
VAALCO Energy Cote d'Ivoire AB	Sweden
VAALCO Energy Cote d'Ivoire Holding AB	Sweden
SPE Nigeria AB	Sweden
VAALCO Energy Cote d'Ivoire SPE AB	Sweden
Svenska Nigeria Exploration & Production Ltd	Nigeria

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

VAALCO Energy, Inc.
Houston, Texas

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. No. 333-284185) and Form S-8 (Nos. 333-279986, 333-257028, 333-239424, 333-218824 and 333-197180) of VAALCO Energy, Inc. of our report dated April 6, 2023, relating to the consolidated financial statements, which appears in this Annual Report on Form 10-K.

/s/ BDO USA, P.C.

Houston, Texas
March 17, 2025

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-284185) on Form S-3 and the registration statements (Nos. 333-279986, 333-257028, 333-239424, 333-218824 and 333-197180) on Form S-8 of our reports dated March 17, 2025, with respect to the consolidated financial statements of VAALCO Energy, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Houston, Texas
March 17, 2025

Exhibit 23.3

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS AND GEOLOGISTS

The undersigned hereby consents to the references to our firm in the form and context in which they appear in the Annual Report on Form 10-K of VAALCO Energy, Inc. for the year ended December 31, 2024. We hereby further consent to the use of information contained in our reports setting forth the estimates of revenues from VAALCO Energy, Inc.'s oil and gas reserves as of December 31, 2024, 2023, and 2022, and to the inclusion of our reports dated March 12, 2025, as exhibits to the Annual Report on Form 10-K of VAALCO Energy, Inc. for the year ended December 31, 2024. We further consent to the incorporation by reference thereof into VAALCO Energy, Inc.'s Registration Statements on Forms S-3 (Nos. 333-284185) and Forms S-8 (Nos. 333-279986, 333-257028, 333-239424, 333-218824, and 333-197180).

NETHERLAND, SEWELL & ASSOCIATES, INC.

/s/ Richard B. Talley, Jr.
By:
Richard B. Talley, Jr., P.E.
Chairman and Chief Executive Officer

Houston, Texas
March 17, 2025

Exhibit 23.4

CONSENT OF GLJ LTD.

To:
U.S. Securities and Exchange Commission

Dear Sirs/Mesdames:

Re: **Vaalco Energy Inc.**
Annual Report on Form 10-K

We refer to our report dated effective December 31, 2024, with a preparation date of March 10, 2025, assessing and evaluating the proved, probable and possible reserves of Vaalco Energy Inc. (the "Company" located in the Harmattan property of Canada (the "Report"). We hereby consent to the references in this Annual Report on Form 10-K of Vaalco Energy Inc. (the "Company"), to our summary reports on audits of the estimated quantities of certain proved reserves of oil and gas, net to the Company's interest, and to such report and this consent being filed as exhibits to this Form 10-K. We have read the Form 10-K and have no reason to believe that there is any misrepresentation in the information contained therein derived from the Report or that is within our knowledge as a result of the services we provided in preparing the Report. We further consent to the incorporation by reference thereof into the Company's Registration Statements on Form S-3 (No. 333-284185) and Form S-8 (Nos. 333-279986, Nos. 333-257028, 333-239424, 333-218824 and 333-197180).

Yours truly,
GLJ LTD.

/s/ Carolyn Baird
By:
Carolyn L. Baird, P. Eng.
Vice President, Corporate Evaluations

Calgary, Alberta
March 17, 2025

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, George W.M. Maxwell certify that:

(1) I have reviewed this annual report on Form 10-K of VAALCO Energy, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2025

/s/ George W.M. Maxwell

George W.M. Maxwell
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald Bain, certify that:

(1) I have reviewed this Annual Report on Form 10-K of VAALCO Energy, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2025

/s/ Ronald Bain

Ronald Bain

Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of VAALCO Energy, Inc. (the "Company") on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George W.M. Maxwell, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 17, 2025

/s/ George W.M. Maxwell

George W.M. Maxwell, Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of VAALCO Energy, Inc. (the "Company") on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald Bain, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 17, 2025

/s/ Ronald Bain
Ronald Bain, Chief Financial Officer

EXHIBIT 97.1

VAALCO ENERGY INC.
CLAWBACK POLICY
October 30, 2024

The following clawback policy (the "Policy") of VAALCO Energy Inc., a Delaware corporation (the "Company") requires the recovery of erroneously awarded compensation in order to satisfy the requirements of Section 303A.14 of the New York Stock Exchange Listed Company Manual (the "Listing Standards") and to satisfy the requirements of Rule 10D-1 ("Rule 10D-1"), as adopted by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934 (the "Exchange Act") to implement Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Section 1. Definitions. As used in this Policy, the following definitions shall apply:

(a) "Applicable Period" means the three completed fiscal years prior to the earlier of (i) the date the Company's Board, a Board committee, or officer(s) authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement. In addition to the last three completed fiscal years described in the preceding sentence, the Applicable Period includes any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years; provided, however, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed fiscal year for purposes of the Applicable Period.

(b) "Board" means the Board of Directors of the Company.

(c) "Committee" means the Compensation Committee of the Board of Directors of the Company.

(d) "Covered Executive" means all of the Company's current and former executive officers, as determined by the Committee, in accordance with the Listing Standards, Rule 10D-1 and the definition of executive officer as defined in Rule 10D-1(d).

(e) "Erroneously Awarded Compensation" means the amount of Incentive-Based Compensation received by a Covered Executive that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated financial statements.

(f) "Incentive-Based Compensation" means all compensation (including cash bonuses or other cash incentive awards (including any deferred element thereof), and vested and unvested equity awards, including options, restricted stock and restricted stock units, performance stock unit awards and performance stock awards) from the Company or a subsidiary of the Company that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. For the avoidance of doubt, Incentive-Based Compensation does not include annual salary, compensation awarded based on completion of a specified period of service, or compensation awarded based on subjective standards, strategic measures, or operational measures, unless also based on attainment of a Financial Reporting Measure.

(g) "Financial Reporting Measures" are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and

any measures that are derived wholly or in part from such measures, including stock price and total shareholder return.

(h) "Restatement" means an accounting restatement of the Company's financial statements due to material noncompliance with any financial reporting requirement under the federal securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

Section 2. Recovery Event. If the Company is required to prepare a Restatement, then, as determined by the Committee, all or a portion of the Covered Executive's unsettled Incentive-Based Compensation will be subject to recovery, and all or a portion of the Covered Executive's settled Incentive-Based Compensation will be subject to recoupment, subject to the following:

(a) The recovery or recoupment of the Incentive-Based Compensation will apply to a recipient of Incentive-Based Compensation if the recipient of the Incentive-Based Compensation was a Covered Executive at any time during the performance period for such Incentive-Based Compensation. This Policy applies to Incentive-Based Compensation received by a Covered Executive after beginning services as a Covered Executive, and any subsequent changes in a Covered Executive's employment status, including retirement or termination of employment, do not affect the Company's rights to recover Erroneously Awarded Compensation pursuant to this Policy.

(b) The amount to be recovered or recouped will equal the Erroneously Awarded Compensation. The Committee will take actions it deems reasonable in its discretion to recover the Erroneously Awarded Compensation reasonably promptly following a Restatement. Where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information the Restatement, the amount must be based on a reasonable estimate of the effect of the Restatement on stock price or total shareholder return upon which the Incentive- Based Compensation was granted, vested, paid or settled. The Company will maintain documentation of the determination of that reasonable estimate and provide such documentation to the New York Stock Exchange as required. The amount of the Erroneously Awarded Compensation shall not be reduced based on, or otherwise calculated with regard to, any taxes paid by the Covered Executive with respect to such amounts.

(c) This Policy shall only apply to Incentive-Based Compensation that was received (or would have been settled in the absence of an elective deferral of payment by the individual) during, or in respect of, the Applicable Period and that was received (or would have been settled in the absence of an elective deferral of payment by the individual) during the period while the Company has a class of securities listed on a national securities exchange or a national securities association. For purposes of this Policy, Incentive-Based Compensation shall be deemed to have been received during the fiscal period in which the financial reporting measure specified in the applicable Incentive-Based Compensation is attained, even if such Incentive-Based Compensation is paid or granted after the end of such fiscal period. The Company's obligation to recover erroneously awarded compensation is not dependent on if or when the restated financial statements are filed.

Section 3. Impracticability. The Company shall recover any Erroneously Awarded Compensation unless the conditions set forth in clauses (a), (b) or (c) of the following sentence are met and such recovery would be impracticable, as determined by the Committee in accordance with Rule 10D-1 and the Listing Standards. No recovery shall be required if:

(a) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered; *provided* that before concluding that it would be impractical to recover any amount of Erroneously Awarded Compensation based on this clause (a), the Company shall make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) and provide such documentation to the New York Stock Exchange as required;

(b) recovery would violate home country law where that law was adopted prior to November 28, 2022; *provided* that before concluding that it would be impractical to recover any amount of Erroneously Awarded Compensation based on this clause (b), the Company shall obtain an opinion of home country counsel, acceptable to the New York Stock Exchange, that recovery would result in such violation, and shall provide such opinion to the New York Stock Exchange; or

(c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company or a subsidiary, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Code.

Section 4. **Method of Clawback**. The Committee shall determine, in its sole discretion, the method of recovering any Erroneously Awarded Compensation pursuant to this Policy, which may include, without limitation:

(a) requiring reimbursement of cash Erroneously Awarded Compensation previously paid;

(b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;

(c) offsetting the recouped amount from any compensation otherwise owed by the Company or any subsidiary to the Covered Executive;

(d) cancelling outstanding vested or unvested equity awards; and/or

(e) taking any other remedial and recovery action, as determined by the Committee; provided, however that any such action pursuant to subsections (a) through (c) shall be subject to applicable law and shall be subject to compliance with Section 409A of the Internal Revenue Code.

Section 5. **Suspension of Outstanding Incentive-Based Compensation**.

(a) After a determination by the Committee that a Restatement may be required, the Committee may suspend all Incentive-Based Compensation that the Committee determines may be recovered under this Policy or otherwise subject to offset pursuant to Section 4, in which case and subject to the terms of this Section, Incentive-Based Compensation subject to the suspension: (i) if unvested, will not vest, and (ii) otherwise will not be distributed or permitted to be exercised or otherwise settled. In the event the term of an option award will expire during a period of suspension, the Covered Executive will be permitted to exercise the option before it expires; however settlement of the option award following such exercise will remain suspended and the securities otherwise deliverable upon settlement shall remain subject to recovery under the terms of this Policy.

(b) Following suspension of Incentive-Based Compensation under subsection (a) of this Section 5, the Committee will determine as promptly as practicable whether the suspended Incentive-Based Compensation is to be recovered or whether the suspension of the Incentive-Based Compensation

is to be ended. For Incentive-Based Compensation that are ultimately not recovered, the following provisions will apply upon the Committee's determination to lift the suspension:

(i) Unvested awards that would not otherwise have vested during the suspension by their original terms will be thereafter subject to vesting under their original terms;

(ii) Unvested awards that otherwise would have vested during the suspension will vest as soon as practicable and otherwise consistent with their original terms;

(iii) Cash awards such as annual bonus withheld during the suspension will be immediately payable;

(iv) In no event will distribution of cash or shares be made to a Covered Executive with respect to Incentive-Based Compensation if, by reason of termination of employment or otherwise, the Covered Executive would have recoveredthe Incentive-Based Compensation if the Incentive-Based Compensation had not been suspended; and

(v) Distribution or settlement of Incentive-Based Compensation will be made no later than the latest date on which such distribution or settlement would be required to avoid additional tax by reason of Section 409A of the Internal Revenue Code; provided, however, that if such distribution or settlement occurs during a period when such Incentive-Based Compensation remains suspended pursuant to this Section 5, then the after-tax proceeds of such distribution or settlement shall be held in escrow until such time as such Incentive-Based Compensation is no longer subject to a suspension or such amounts are determined to have been recoveredby the Committee.

Section 6. Committee Administration and Discretion. The authority to manage the operation and administration of this Policy is vested in the Committee. This authority includes the obligation to determine (a) whether a Restatement has occurred for the purposes of this Policy, Rule 10D-1 and the Listing Standards and (b) the amount of Erroneously Awarded Compensation. The Committee may retain and rely upon the advice and determinations of legal counsel, accountants and other relevant experts to operate and administer this Policy. Any interpretation of this Policy by the Committee and any decision made by it with respect to this Policy will be final, binding and conclusive on all persons.

Section 7. No Indemnification. The Company shall not indemnify any current or former Covered Executive against the loss of Erroneously Awarded Compensation, and shall not pay, or reimburse any Covered Executives for premiums, for any insurance policy to fund such executive's potential repayment obligations.

Section 8. Notice. Before the Committee determines to seek recovery pursuant to this Policy, it shall provide the Covered Executive with written notice and the opportunity to be heard at a meeting of the Committee or the Board (either in person or via telephone).

Section 9. Effective Date. This Policy is effective as of as of December 1, 2023 (the "Effective Date"), and until it is cancelled or the Company no longer has a class of securities listed on a national securities exchange. The terms of this Policy shall apply to any Incentive-Based Compensation that is received by a Covered Executive on or after the Effective Date, even if such Incentive-Based Compensation was approved, awarded, granted or paid to the Covered Executive prior to the Effective Date. Subject to applicable law, the Committee may effect recovery or recoupment under this Policy

from any amount of compensation approved, awarded, granted, payable or paid to the Covered Executive prior to, on or after the Effective Date.

Section 10. Amendment and Interpretation. The Committee may amend this Policy from time to time in its discretion, and shall amend this Policy as it deems necessary, appropriate or advisable to reflect the regulations adopted by the SEC and to comply with any rules or standards adopted by a national securities exchange on which the Company's securities are then listed. The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Rule 10D-1 and any applicable rules or standards adopted by the SEC and any national securities exchange on which the Company's securities are then listed.

Section 11. Other Recoupment Rights. The Committee may require that any employment agreement, equity award agreement, or similar agreement entered into, amended or restated on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy and the application of this Policy to any award made prior to the Effective Date. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any other recoupment or recoupment policy, any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Section 12. Successors. This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Section 13. Disclosure Obligations. The Company shall file all disclosures with respect to this Policy required by applicable SEC filings and rules.

Section 14. Entire Agreement. To the extent inconsistent with this Policy, this Policy supersedes all prior contracts, agreements and understandings, written or oral, with any Covered Executive. In the event any contract, agreement or understanding with any Covered Executive is inconsistent with the terms of this Policy, the terms of this Policy shall govern.

NETHERLAND, SEWELL & ASSOCIATES, INC.
WORLDWIDE PETROLEUM CONSULTANTS
ENGINEERING • GEOLOGY • GEOPHYSICS • PETROPHYSICS

CHAIRMAN & CEO
RICHARD B. TALLEY, JR.

PRESIDENT & COO
ERIC J. STEVENS

EXECUTIVE COMMITTEE
ROBERT C. BARG
P. SCOTT FROST
JOHN G. HATTNER
JOSEPH J. SPELLMAN

March 12, 2025

Mr. George Maxwell
VAALCO Energy Inc.
2500 CityWest Boulevard, Suite 400
Houston, Texas 77042

Dear Mr. Maxwell:

In accordance with your request, we have estimated the proved reserves and future revenue, as of December 31, 2024, to the VAALCO Energy Inc. (VAALCO) interest in certain oil properties located in the Petrobakr Merged Concession, Egypt. We completed our evaluation on January 31, 2025. It is our understanding that the proved reserves estimated in this report constitute approximately 21 percent of all proved reserves owned by VAALCO. The estimates in this report have been prepared in accordance with the definitions and regulations of the U.S. Securities and Exchange Commission (SEC) and, with the exception of the exclusion of future United States income taxes, conform to the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas. Definitions are presented immediately following this letter. This report has been prepared for VAALCO's use in filing with the SEC; in our opinion the assumptions, data, methods, and procedures used in the preparation of this report are appropriate for such purpose.

We estimate the gross (100 percent) oil reserves and the net oil reserves and future net revenue to the VAALCO interest in these properties, as of December 31, 2024, to be:

	Oil Reserves (MBBL)		Future Net Revenue (M$)	
Category	Gross (100%)	Net	Total	Present Worth at 10%
Proved Developed Producing	13,006.9	7,516.6	135,155.9	111,439.3
Proved Developed Non-Producing	2,499.6	1,445.0	35,255.9	22,277.8
Proved Undeveloped	846.3	486.5	4,008.4	1,421.5
Total Proved (1P)	16,352.8	9,448.1	174,420.2	135,138.6

The oil volumes shown include crude oil only. Oil volumes are expressed in thousands of barrels (MBBL); a barrel is equivalent to 42 United States gallons. Produced gas is flared or consumed in field operations. Monetary values shown in this report are expressed in United States dollars ($) or thousands of United States dollars (M$).

Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. As requested, probable and possible reserves that exist for these properties have not been included. The estimates of reserves and future revenue included herein have not been adjusted for risk. This report does not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated.

The contractors' share of production is calculated pursuant to the provisions of the production sharing contract for the Petrobakr Merged Concession. Included are determinations of cost oil incorporating the unrecovered cost pool and estimated cost-recoverable expenditures scheduled in the future; the portion of cost oil remaining after these expenditures have been recovered is referred to as excess cost oil. Also included are determinations of profit oil based on estimated future oil production rates.

Gross revenue is VAALCO's share of the gross (100 percent) revenue from the properties after deducting the Egyptian national government (the State) share of profit oil. Future net revenue is after deductions for these

amounts and VAALCO's share of capital costs, abandonment costs, bonuses paid to the State, the State's share of excess cost oil, and operating expenses. The future net revenue is before consideration of any United States income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

The oil price used in this report is based on the 12-month unweighted arithmetic average of the first-day-of-the-month Platts Dated Brent spot price for each month in the period January through December 2024. The average price of $81.17 per barrel is adjusted for quality, transportation fees, and market differentials. The adjusted oil price of $65.48 per barrel is held constant throughout the lives of the properties.

Operating costs used in this report are based on operating expense records of VAALCO, the operator of the properties. As requested, operating costs are limited to direct concession- and field-level costs and VAALCO's estimate of the portion of its headquarters general and administrative overhead expenses necessary to operate the properties. Operating costs have been divided into concession-level costs, per-well costs, and per-unit-of-production costs and are not escalated for inflation.

Capital costs used in this report were provided by VAALCO and are based on authorizations for expenditure and internal planning budgets. Capital costs are included as required for workovers, new development wells, recurring maintenance projects, and production equipment. Based on our understanding of future development plans, a review of the records provided to us, and our knowledge of similar properties, we regard these estimated capital costs to be reasonable. Capital costs are not escalated for inflation. It is our understanding that VAALCO would not incur any costs due to abandonment, nor would it realize any salvage value for the lease and well equipment.

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. We have not investigated possible environmental liability related to the properties; therefore, our estimates do not include any costs due to such possible liability. Additionally, we have made no specific investigation of any firm transportation contracts that may be in place for these properties; our estimates of future revenue include the effects of such contracts only to the extent that the associated fees are accounted for in the historical concession-level accounting statements.

The reserves shown in this report are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be economically producible; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. Estimates of reserves may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. In addition to the primary economic assumptions discussed herein, our estimates are based on certain assumptions including, but not limited to, that the properties will be developed consistent with current development plans as provided to us by VAALCO, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover the reserves, and that our projections of future production will prove consistent with actual performance. If the reserves are recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received for the reserves, and costs incurred in recovering such reserves may vary from assumptions made while preparing this report.

For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, well test data, production data, historical price and cost information, and property ownership interests. The reserves in this report have been estimated using deterministic methods; these estimates have been prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis, volumetric analysis, and

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analogy, that we considered to be appropriate and necessary to categorize and estimate reserves in accordance with SEC definitions and regulations. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from VAALCO, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. (NSAI) and were accepted as accurate. Supporting work data are on file in our office. We have not independently confirmed the actual degree or type of interest owned. The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. John R. Cliver, a Licensed Professional Engineer in the State of Texas, has been practicing consulting petroleum engineering at NSAI since 2009 and has over 5 years of prior industry experience. Zachary R. Long, a Licensed Professional Geoscientist in the State of Texas, has been practicing consulting petroleum geoscience at NSAI since 2007 and has over 2 years of prior industry experience. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

By: Richard B. Talley, Jr.
Richard B. Talley, Jr., P.E.
Chairman and Chief Executive Officer

By:
John R. Cliver, P.E. 107216
Senior Vice President

Date Signed: March 12, 2025

JRC:CDT

STATE OF TEXAS
J. R. CLIVER
107216
LICENSED
PROFESSIONAL ENGINEER

By:
Zachary R. Long, P.G. 11792
Vice President

Date Signed: March 12, 2025

STATE OF TEXAS
Z. R. LONG
GEOLOGY
11792
LICENSED
PROFESSIONAL GEOSCIENTIST

NETHERLAND, SEWELL & ASSOCIATES, INC.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

The following definitions are set forth in U.S. Securities and Exchange Commission (SEC) Regulation S-X Section 210.4-10(a). Also included is supplemental information from (1) the 2018 Petroleum Resources Management System approved by the Society of Petroleum Engineers, (2) the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas, and (3) the SEC's Compliance and Disclosure Interpretations.

(1) *Acquisition of properties.* Costs incurred to purchase, lease or otherwise acquire a property, including costs of lease bonuses and options to purchase or lease properties, the portion of costs applicable to minerals when land including mineral rights is purchased in fee, brokers' fees, recording fees, legal costs, and other costs incurred in acquiring properties.

(2) *Analogous reservoir*. Analogous reservoirs, as used in resources assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature, and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, an "analogous reservoir" refers to a reservoir that shares the following characteristics with the reservoir of interest:

(i) Same geological formation (but not necessarily in pressure communication with the reservoir of interest);
(ii) Same environment of deposition;
(iii) Similar geological structure; and
(iv) Same drive mechanism.

Instruction to paragraph (a)(2): Reservoir properties must, in the aggregate, be no more favorable in the analog than in the reservoir of interest.

(3) *Bitumen*. Bitumen, sometimes referred to as natural bitumen, is petroleum in a solid or semi-solid state in natural deposits with a viscosity greater than 10,000 centipoise measured at original temperature in the deposit and atmospheric pressure, on a gas free basis. In its natural state it usually contains sulfur, metals, and other non-hydrocarbons.

(4) *Condensate*. Condensate is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.

(5) *Deterministic estimate*. The method of estimating reserves or resources is called deterministic when a single value for each parameter (from the geoscience, engineering, or economic data) in the reserves calculation is used in the reserves estimation procedure.

(6) *Developed oil and gas reserves*. Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Supplemental definitions from the 2018 Petroleum Resources Management System:

Developed Producing Reserves – Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate. Improved recovery Reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves – Shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

(7) *Development costs.* Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. More specifically, development costs, including depreciation and applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

(i) Gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines, and power lines, to the extent necessary in developing the proved reserves.
(ii) Drill and equip development wells, development-type stratigraphic test wells, and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment, and the wellhead assembly.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(iii) Acquire, construct, and install production facilities such as lease flow lines, separators, treaters, heaters, manifolds, measuring devices, and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems.
(iv) Provide improved recovery systems.

(8) *Development project*. A development project is the means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field, or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

(9) *Development well*. A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

(10) *Economically producible*. The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. The value of the products that generate revenue shall be determined at the terminal point of oil and gas producing activities as defined in paragraph (a)(16) of this section.

(11) *Estimated ultimate recovery (EUR)*. Estimated ultimate recovery is the sum of reserves remaining as of a given date and cumulative production as of that date.

(12) *Exploration costs*. Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing oil and gas reserves, including costs of drilling exploratory wells and exploratory-type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as prospecting costs) and after acquiring the property. Principal types of exploration costs, which include depreciation and applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

(i) Costs of topographical, geographical and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews, and others conducting those studies. Collectively, these are sometimes referred to as geological and geophysical or "G&G" costs.
(ii) Costs of carrying and retaining undeveloped properties, such as delay rentals, ad valorem taxes on properties, legal costs for title defense, and the maintenance of land and lease records.
(iii) Dry hole contributions and bottom hole contributions.
(iv) Costs of drilling and equipping exploratory wells.
(v) Costs of drilling exploratory-type stratigraphic test wells.

(13) *Exploratory well*. An exploratory well is a well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a development well, an extension well, a service well, or a stratigraphic test well as those items are defined in this section.

(14) *Extension well*. An extension well is a well drilled to extend the limits of a known reservoir.

(15) *Field*. An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field which are separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms "structural feature" and "stratigraphic condition" are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.

(16) *Oil and gas producing activities*.

(i) Oil and gas producing activities include:

(A) The search for crude oil, including condensate and natural gas liquids, or natural gas ("oil and gas") in their natural states and original locations;
(B) The acquisition of property rights or properties for the purpose of further exploration or for the purpose of removing the oil or gas from such properties;
(C) The construction, drilling, and production activities necessary to retrieve oil and gas from their natural reservoirs, including the acquisition, construction, installation, and maintenance of field gathering and storage systems, such as:
(1) Lifting the oil and gas to the surface; and
(2) Gathering, treating, and field processing (as in the case of processing gas to extract liquid hydrocarbons); and

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(D) Extraction of saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources which are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

Instruction 1 to paragraph (a)(16)(i): The oil and gas production function shall be regarded as ending at a "terminal point", which is the outlet valve on the lease or field storage tank. If unusual physical or operational circumstances exist, it may be appropriate to regard the terminal point for the production function as:

a. The first point at which oil, gas, or gas liquids, natural or synthetic, are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal; and
b. In the case of natural resources that are intended to be upgraded into synthetic oil or gas, if those natural resources are delivered to a purchaser prior to upgrading, the first point at which the natural resources are delivered to a main pipeline, a common carrier, a refinery, a marine terminal, or a facility which upgrades such natural resources into synthetic oil or gas.

Instruction 2 to paragraph (a)(16)(i): For purposes of this paragraph (a)(16), the term *saleable hydrocarbons* means hydrocarbons that are saleable in the state in which the hydrocarbons are delivered.

(ii) Oil and gas producing activities do not include:

(A) Transporting, refining, or marketing oil and gas;
(B) Processing of produced oil, gas, or natural resources that can be upgraded into synthetic oil or gas by a registrant that does not have the legal right to produce or a revenue interest in such production;
(C) Activities relating to the production of natural resources other than oil, gas, or natural resources from which synthetic oil and gas can be extracted; or
(D) Production of geothermal steam.

(17) *Possible reserves.* Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.
(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.
(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.
(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.
(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.
(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

(18) *Probable reserves.* Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

(19) *Probabilistic estimate.* The method of estimation of reserves or resources is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.

(20) *Production costs*.

(i) Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. They become part of the cost of oil and gas produced. Examples of production costs (sometimes called lifting costs) are:

(A) Costs of labor to operate the wells and related equipment and facilities.
(B) Repairs and maintenance.
(C) Materials, supplies, and fuel consumed and supplies utilized in operating the wells and related equipment and facilities.
(D) Property taxes and insurance applicable to proved properties and wells and related equipment and facilities.
(E) Severance taxes.

(ii) Some support equipment or facilities may serve two or more oil and gas producing activities and may also serve transportation, refining, and marketing activities. To the extent that the support equipment and facilities are used in oil and gas producing activities, their depreciation and applicable operating costs become exploration, development or production costs, as appropriate. Depreciation, depletion, and amortization of capitalized acquisition, exploration, and development costs are not production costs but also become part of the cost of oil and gas produced along with production (lifting) costs identified above.

(21) *Proved area.* The part of a property to which proved reserves have been specifically attributed.

(22) *Proved oil and gas reserves.* Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and
(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

(23) *Proved properties.* Properties with proved reserves.

(24) *Reasonable certainty.* If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not, and, as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.

(25) *Reliable technology.* Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

(26) *Reserves.* Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

Excerpted from the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas:

932-235-50-30 A standardized measure of discounted future net cash flows relating to an entity's interests in both of the following shall be disclosed as of the end of the year:

a. *Proved oil and gas reserves (see paragraphs 932-235-50-3 through 50-11B)*
b. *Oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or otherwise serves as the producer of those reserves (see paragraph 932-235-50-7).*

The standardized measure of discounted future net cash flows relating to those two types of interests in reserves may be combined for reporting purposes.

932-235-50-31 All of the following information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-3 through 50-11B:

a. *Future cash inflows. These shall be computed by applying prices used in estimating the entity's proved oil and gas reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.*
b. *Future development and production costs. These costs shall be computed by estimating the expenditures to be incurred in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. If estimated development expenditures are significant, they shall be presented separately from estimated production costs.*
c. *Future income tax expenses. These expenses shall be computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the entity's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses shall give effect to tax deductions and tax credits and allowances relating to the entity's proved oil and gas reserves.*
d. *Future net cash flows. These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows.*

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

e. Discount. This amount shall be derived from using a discount rate of 10 percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.

f. Standardized measure of discounted future net cash flows. This amount is the future net cash flows less the computed discount.

(27) *Reservoir*. A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

(28) *Resources*. Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

(29) *Service well*. A well drilled or completed for the purpose of supporting production in an existing field. Specific purposes of service wells include gas injection, water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for in-situ combustion.

(30) *Stratigraphic test well*. A stratigraphic test well is a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intent of being completed for hydrocarbon production. The classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic tests are classified as "exploratory type" if not drilled in a known area or "development type" if drilled in a known area.

(31) *Undeveloped oil and gas reserves*. Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

From the SEC's Compliance and Disclosure Interpretations (October 26, 2009):

Although several types of projects — such as constructing offshore platforms and development in urban areas, remote locations or environmentally sensitive locations — by their nature customarily take a longer time to develop and therefore often do justify longer time periods, this determination must always take into consideration all of the facts and circumstances. No particular type of project per se justifies a longer time period, and any extension beyond five years should be the exception, and not the rule.

Factors that a company should consider in determining whether or not circumstances justify recognizing reserves even though development may extend past five years include, but are not limited to, the following:

- *The company's level of ongoing significant development activities in the area to be developed (for example, drilling only the minimum number of wells necessary to maintain the lease generally would not constitute significant development activities);*
- *The company's historical record at completing development of comparable long-term projects;*
- *The amount of time in which the company has maintained the leases, or booked the reserves, without significant development activities;*
- *The extent to which the company has followed a previously adopted development plan (for example, if a company has changed its development plan several times without taking significant steps to implement any of those plans, recognizing proved undeveloped reserves typically would not be appropriate); and*
- *The extent to which delays in development are caused by external factors related to the physical operating environment (for example, restrictions on development on Federal lands, but not obtaining government permits), rather than by internal factors (for example, shifting resources to develop properties with higher priority).*

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

(32) *Unproved properties*. Properties with no proved reserves.

NETHERLAND, SEWELL & ASSOCIATES, INC.
WORLDWIDE PETROLEUM CONSULTANTS
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JOHN G. HATTNER
JOSEPH J. SPELLMAN

March 12, 2025

Mr. George Maxwell
VAALCO Energy Inc.
2500 CityWest Boulevard, Suite 400
Houston, Texas 77042

Dear Mr. Maxwell:

In accordance with your request, we have estimated the proved reserves and future revenue, as of December 31, 2024, to the VAALCO Energy Inc. (VAALCO) interest in certain oil properties located in the Etame Marin Permit, offshore Gabon. We completed our evaluation on February 19, 2025. It is our understanding that the proved reserves estimated in this report constitute approximately 25 percent of all proved reserves owned by VAALCO. The estimates in this report have been prepared in accordance with the definitions and regulations of the U.S. Securities and Exchange Commission (SEC) and, with the exception of the exclusion of future United States income taxes, conform to the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas. Definitions are presented immediately following this letter. This report has been prepared for VAALCO's use in filing with the SEC; in our opinion the assumptions, data, methods, and procedures used in the preparation of this report are appropriate for such purpose.

We estimate the gross (100 percent) oil reserves and the net oil reserves and future net revenue to the VAALCO interest in these properties, as of December 31, 2024, to be:

	Oil Reserves (MBBL)		Future Net Revenue[1] (M$)	
Category	Gross (100%)	Net[2]	Total	Present Worth at 10%
Proved Developed Producing	12,090.2	6,105.6	46,688.2	49,161.9
Proved Developed Non-Producing	1,451.8	724.9	9,085.0	6,573.2
Proved Undeveloped	8,481.0	4,232.6	30,406.9	17,275.6
Total Proved	22,023.0	11,063.1	86,180.0	73,010.7

Totals may not add because of rounding.

(1) Future net revenue is after deducting estimated abandonment costs.
(2) Net reserves are prior to deductions for "income tax barrels".

The oil volumes shown include crude oil and condensate. Oil volumes are expressed in thousands of barrels (MBBL); a barrel is equivalent to 42 United States gallons. Produced gas is flared or consumed in field operations. Monetary values shown in this report are expressed in United States dollars ($) or thousands of United States dollars (M$).

Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. As requested, probable and possible reserves that exist for these properties have not been included. The estimates of reserves and future revenue included herein have not been adjusted for risk. This report does not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated.

The contractors' share of production is calculated pursuant to the provisions of the production sharing contract for the Etame Marin Permit. Included are determinations of cost oil incorporating the unrecovered cost pool and estimated cost-recoverable expenditures scheduled in the future. Also included are determinations of profit oil based on estimated future oil production rates.

As requested, our estimates of net reserves are prior to deductions for the portion of the Gabonese national government (the State) share of the profit oil required for payment of VAALCO's Gabonese income taxes, referred

to herein as "income tax barrels". These income tax barrels have been calculated as the State's share of profit oil multiplied by VAALCO's working interest, net of the State participation.

Gross revenue is VAALCO's share of the gross (100 percent) revenue from the properties after deducting all production sharing revenue paid to the State. Future net revenue is after deductions for these amounts and VAALCO's share of capital costs, abandonment costs, operating expenses, and production taxes; the production taxes include bonuses and fees paid to the State for training funds, hydrocarbon support funds, corporate social responsibility, domestic market obligations, and Provision pour Investissements Diversifiées (PID)/Provision pour Investissements en Hydrocarbures (PIH). The future net revenue also includes credits for VAALCO's share of the State reimbursement and is before consideration of any United States income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

The oil price used in this report is based on the 12-month unweighted arithmetic average of the first-day-of-the-month Platts Dated Brent spot price for each month in the period January through December 2024. The average price of $81.17 per barrel is adjusted for quality, transportation fees, and market differentials. The adjusted oil price of $81.08 per barrel is held constant throughout the lives of the properties.

Operating costs used in this report are based on operating expense records of VAALCO, the operator of the properties. As requested, operating costs are limited to direct permit- and field-level costs and VAALCO's estimate of the portion of its headquarters general and administrative overhead expenses necessary to operate the properties. Operating costs have been divided into permit-level costs, per-well costs, and per-unit-of-production costs and include the costs associated with recurring electric submersible pump replacements, diesel purchases during periods where gas production is insufficient to fuel operations, and contractual changes to the floating storage and offloading vessel (FSO) charter fees. Operating costs are not escalated for inflation.

Capital costs used in this report were provided by VAALCO and are based on authorizations for expenditure and internal planning budgets. Capital costs are included as required for new development wells, recurring maintenance projects, and production equipment. Based on our understanding of future development plans, a review of the records provided to us, and our knowledge of similar properties, we regard these estimated capital costs to be reasonable. Abandonment costs used in this report are VAALCO's estimates of the costs to abandon the wells, platforms, and production facilities; these estimates do not include any salvage value for the platform and well equipment. It is our understanding that VAALCO has established escrow accounts for abandonment liability and expects these accounts to be fully funded by December 31, 2038. We further understand that if the economic limit for the permit area is reached before this date, then all abandonment costs not yet prefunded will be spent by December 31 of the year after the economic limit date. Capital costs and abandonment costs are not escalated for inflation.

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. We have not investigated possible environmental liability related to the properties; therefore, our estimates do not include any costs due to such possible liability. Additionally, we have made no specific investigation of any firm transportation contracts that may be in place for these properties; our estimates of future revenue include the effects of such contracts only to the extent that the associated fees are accounted for in the historical permit-level accounting statements.

The reserves shown in this report are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be economically producible; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. Estimates of reserves may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. In addition to the primary economic assumptions discussed herein, our estimates are based on certain assumptions including, but not limited to, that the properties will be developed consistent with current development plans as provided to us by VAALCO, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover

the reserves, and that our projections of future production will prove consistent with actual performance. If the reserves are recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received for the reserves, and costs incurred in recovering such reserves may vary from assumptions made while preparing this report.

For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, seismic data, well test data, production data, historical price and cost information, and property ownership interests. The reserves in this report have been estimated using deterministic methods; these estimates have been prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis, volumetric analysis, analogy, and reservoir modeling, that we considered to be appropriate and necessary to categorize and estimate reserves in accordance with SEC definitions and regulations. A substantial portion of these reserves are for non-producing zones and undeveloped locations; such reserves are based on estimates of reservoir volumes and recovery efficiencies along with analogy to properties with similar geologic and reservoir characteristics. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from VAALCO, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. (NSAI) and were accepted as accurate. Supporting work data are on file in our office. We have not independently confirmed the actual degree or type of interest owned. The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. John R. Cliver, a Licensed Professional Engineer in the State of Texas, has been practicing consulting petroleum engineering at NSAI since 2009 and has over 5 years of prior industry experience. Zachary R. Long, a Licensed Professional Geoscientist in the State of Texas, has been practicing consulting petroleum geoscience at NSAI since 2007 and has over 2 years of prior industry experience. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

By: Richard B. Talley, Jr.
Richard B. Talley, Jr., P.E.
Chairman and Chief Executive Officer

By:
John R. Cliver, P.E. 107216
Senior Vice President

STATE OF TEXAS
J. R. CLIVER
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LICENSED
PROFESSIONAL ENGINEER

Date Signed: March 12, 2025

JRC:WKE

By:
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Date Signed: March 12, 2025

NETHERLAND, SEWELL & ASSOCIATES, INC.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

The following definitions are set forth in U.S. Securities and Exchange Commission (SEC) Regulation S-X Section 210.4-10(a). Also included is supplemental information from (1) the 2018 Petroleum Resources Management System approved by the Society of Petroleum Engineers, (2) the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas, and (3) the SEC's Compliance and Disclosure Interpretations.

(1) *Acquisition of properties.* Costs incurred to purchase, lease or otherwise acquire a property, including costs of lease bonuses and options to purchase or lease properties, the portion of costs applicable to minerals when land including mineral rights is purchased in fee, brokers' fees, recording fees, legal costs, and other costs incurred in acquiring properties.

(2) *Analogous reservoir*. Analogous reservoirs, as used in resources assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature, and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, an "analogous reservoir" refers to a reservoir that shares the following characteristics with the reservoir of interest:

(i) Same geological formation (but not necessarily in pressure communication with the reservoir of interest);
(ii) Same environment of deposition;
(iii) Similar geological structure; and
(iv) Same drive mechanism.

Instruction to paragraph (a)(2): Reservoir properties must, in the aggregate, be no more favorable in the analog than in the reservoir of interest.

(3) *Bitumen*. Bitumen, sometimes referred to as natural bitumen, is petroleum in a solid or semi-solid state in natural deposits with a viscosity greater than 10,000 centipoise measured at original temperature in the deposit and atmospheric pressure, on a gas free basis. In its natural state it usually contains sulfur, metals, and other non-hydrocarbons.

(4) *Condensate*. Condensate is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.

(5) *Deterministic estimate*. The method of estimating reserves or resources is called deterministic when a single value for each parameter (from the geoscience, engineering, or economic data) in the reserves calculation is used in the reserves estimation procedure.

(6) *Developed oil and gas reserves*. Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Supplemental definitions from the 2018 Petroleum Resources Management System:

Developed Producing Reserves – Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate. Improved recovery Reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves – Shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

(7) *Development costs.* Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. More specifically, development costs, including depreciation and applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

(i) Gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines, and power lines, to the extent necessary in developing the proved reserves.
(ii) Drill and equip development wells, development-type stratigraphic test wells, and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment, and the wellhead assembly.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(iii) Acquire, construct, and install production facilities such as lease flow lines, separators, treaters, heaters, manifolds, measuring devices, and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems.
(iv) Provide improved recovery systems.

(8) *Development project*. A development project is the means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field, or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

(9) *Development well*. A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

(10) *Economically producible*. The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. The value of the products that generate revenue shall be determined at the terminal point of oil and gas producing activities as defined in paragraph (a)(16) of this section.

(11) *Estimated ultimate recovery (EUR)*. Estimated ultimate recovery is the sum of reserves remaining as of a given date and cumulative production as of that date.

(12) *Exploration costs*. Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing oil and gas reserves, including costs of drilling exploratory wells and exploratory-type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as prospecting costs) and after acquiring the property. Principal types of exploration costs, which include depreciation and applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

(i) Costs of topographical, geographical and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews, and others conducting those studies. Collectively, these are sometimes referred to as geological and geophysical or "G&G" costs.
(ii) Costs of carrying and retaining undeveloped properties, such as delay rentals, ad valorem taxes on properties, legal costs for title defense, and the maintenance of land and lease records.
(iii) Dry hole contributions and bottom hole contributions.
(iv) Costs of drilling and equipping exploratory wells.
(v) Costs of drilling exploratory-type stratigraphic test wells.

(13) *Exploratory well*. An exploratory well is a well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a development well, an extension well, a service well, or a stratigraphic test well as those items are defined in this section.

(14) *Extension well*. An extension well is a well drilled to extend the limits of a known reservoir.

(15) *Field*. An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field which are separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms "structural feature" and "stratigraphic condition" are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.

(16) *Oil and gas producing activities*.

(i) Oil and gas producing activities include:

(A) The search for crude oil, including condensate and natural gas liquids, or natural gas ("oil and gas") in their natural states and original locations;
(B) The acquisition of property rights or properties for the purpose of further exploration or for the purpose of removing the oil or gas from such properties;
(C) The construction, drilling, and production activities necessary to retrieve oil and gas from their natural reservoirs, including the acquisition, construction, installation, and maintenance of field gathering and storage systems, such as:
(1) Lifting the oil and gas to the surface; and
(2) Gathering, treating, and field processing (as in the case of processing gas to extract liquid hydrocarbons); and

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(D) Extraction of saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources which are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

Instruction 1 to paragraph (a)(16)(i): The oil and gas production function shall be regarded as ending at a "terminal point", which is the outlet valve on the lease or field storage tank. If unusual physical or operational circumstances exist, it may be appropriate to regard the terminal point for the production function as:

a. The first point at which oil, gas, or gas liquids, natural or synthetic, are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal; and
b. In the case of natural resources that are intended to be upgraded into synthetic oil or gas, if those natural resources are delivered to a purchaser prior to upgrading, the first point at which the natural resources are delivered to a main pipeline, a common carrier, a refinery, a marine terminal, or a facility which upgrades such natural resources into synthetic oil or gas.

Instruction 2 to paragraph (a)(16)(i): For purposes of this paragraph (a)(16), the term *saleable hydrocarbons* means hydrocarbons that are saleable in the state in which the hydrocarbons are delivered.

(ii) Oil and gas producing activities do not include:

(A) Transporting, refining, or marketing oil and gas;
(B) Processing of produced oil, gas, or natural resources that can be upgraded into synthetic oil or gas by a registrant that does not have the legal right to produce or a revenue interest in such production;
(C) Activities relating to the production of natural resources other than oil, gas, or natural resources from which synthetic oil and gas can be extracted; or
(D) Production of geothermal steam.

(17) *Possible reserves.* Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.
(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.
(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.
(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.
(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.
(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

(18) *Probable reserves.* Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

(19) *Probabilistic estimate.* The method of estimation of reserves or resources is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.

(20) *Production costs*.

(i) Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. They become part of the cost of oil and gas produced. Examples of production costs (sometimes called lifting costs) are:

(A) Costs of labor to operate the wells and related equipment and facilities.
(B) Repairs and maintenance.
(C) Materials, supplies, and fuel consumed and supplies utilized in operating the wells and related equipment and facilities.
(D) Property taxes and insurance applicable to proved properties and wells and related equipment and facilities.
(E) Severance taxes.

(ii) Some support equipment or facilities may serve two or more oil and gas producing activities and may also serve transportation, refining, and marketing activities. To the extent that the support equipment and facilities are used in oil and gas producing activities, their depreciation and applicable operating costs become exploration, development or production costs, as appropriate. Depreciation, depletion, and amortization of capitalized acquisition, exploration, and development costs are not production costs but also become part of the cost of oil and gas produced along with production (lifting) costs identified above.

(21) *Proved area.* The part of a property to which proved reserves have been specifically attributed.

(22) *Proved oil and gas reserves.* Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and
(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

(23) *Proved properties.* Properties with proved reserves.

(24) *Reasonable certainty.* If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not, and, as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.

(25) *Reliable technology.* Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

(26) *Reserves.* Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

Excerpted from the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas:

932-235-50-30 A standardized measure of discounted future net cash flows relating to an entity's interests in both of the following shall be disclosed as of the end of the year:

a. *Proved oil and gas reserves (see paragraphs 932-235-50-3 through 50-11B)*
b. *Oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or otherwise serves as the producer of those reserves (see paragraph 932-235-50-7).*

The standardized measure of discounted future net cash flows relating to those two types of interests in reserves may be combined for reporting purposes.

932-235-50-31 All of the following information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-3 through 50-11B:

a. *Future cash inflows. These shall be computed by applying prices used in estimating the entity's proved oil and gas reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.*
b. *Future development and production costs. These costs shall be computed by estimating the expenditures to be incurred in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. If estimated development expenditures are significant, they shall be presented separately from estimated production costs.*
c. *Future income tax expenses. These expenses shall be computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the entity's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses shall give effect to tax deductions and tax credits and allowances relating to the entity's proved oil and gas reserves.*
d. *Future net cash flows. These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows.*

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

e. Discount. This amount shall be derived from using a discount rate of 10 percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.

f. Standardized measure of discounted future net cash flows. This amount is the future net cash flows less the computed discount.

(27) *Reservoir*. A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

(28) *Resources*. Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

(29) *Service well*. A well drilled or completed for the purpose of supporting production in an existing field. Specific purposes of service wells include gas injection, water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for in-situ combustion.

(30) *Stratigraphic test well*. A stratigraphic test well is a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intent of being completed for hydrocarbon production. The classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic tests are classified as "exploratory type" if not drilled in a known area or "development type" if drilled in a known area.

(31) *Undeveloped oil and gas reserves*. Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

From the SEC's Compliance and Disclosure Interpretations (October 26, 2009):

Although several types of projects — such as constructing offshore platforms and development in urban areas, remote locations or environmentally sensitive locations — by their nature customarily take a longer time to develop and therefore often do justify longer time periods, this determination must always take into consideration all of the facts and circumstances. No particular type of project per se justifies a longer time period, and any extension beyond five years should be the exception, and not the rule.

Factors that a company should consider in determining whether or not circumstances justify recognizing reserves even though development may extend past five years include, but are not limited to, the following:

- *The company's level of ongoing significant development activities in the area to be developed (for example, drilling only the minimum number of wells necessary to maintain the lease generally would not constitute significant development activities);*
- *The company's historical record at completing development of comparable long-term projects;*
- *The amount of time in which the company has maintained the leases, or booked the reserves, without significant development activities;*
- *The extent to which the company has followed a previously adopted development plan (for example, if a company has changed its development plan several times without taking significant steps to implement any of those plans, recognizing proved undeveloped reserves typically would not be appropriate); and*
- *The extent to which delays in development are caused by external factors related to the physical operating environment (for example, restrictions on development on Federal lands, but not obtaining government permits), rather than by internal factors (for example, shifting resources to develop properties with higher priority).*

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

(32) *Unproved properties*. Properties with no proved reserves.

NETHERLAND, SEWELL & ASSOCIATES, INC.
WORLDWIDE PETROLEUM CONSULTANTS
ENGINEERING • GEOLOGY • GEOPHYSICS • PETROPHYSICS

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March 12, 2025

Mr. George Maxwell
VAALCO Energy Inc.
2500 CityWest Boulevard, Suite 400
Houston, Texas 77042

Dear Mr. Maxwell:

In accordance with your request, we have estimated the proved reserves and future revenue, as of December 31, 2024, to the VAALCO Energy Inc. (VAALCO) interest in certain oil and gas properties located in Baobab Field, Block CI-40, offshore Côte d'Ivoire. We completed our evaluation on February 19, 2025. It is our understanding that the proved reserves estimated in this report constitute approximately 36 percent of all proved reserves owned by VAALCO. The estimates in this report have been prepared in accordance with the definitions and regulations of the U.S. Securities and Exchange Commission (SEC) and, with the exception of the exclusion of future income taxes, conform to the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas. Definitions are presented immediately following this letter. This report has been prepared for VAALCO's use in filing with the SEC; in our opinion the assumptions, data, methods, and procedures used in the preparation of this report are appropriate for such purpose.

We estimate the net reserves and future net revenue to the VAALCO interest in these properties, as of December 31, 2024, to be:

	Net Reserves		Future Net Revenue[1] (M$)	
Category	Oil (MBBL)	Gas[2] (MMCF)	Total	Present Worth at 10%
Proved Developed Producing	118.0	47.3	-82,878.5	-80,369.8
Proved Undeveloped	15,133.7	6,504.0	388,101.4	204,513.3
Total Proved (1P)	15,251.6	6,551.3	305,222.9	124,143.6

Totals may not add because of rounding.

(1) Future net revenue is after deducting estimated abandonment costs.
(2) Gas reserves are inclusive of fuel gas volumes expected to be consumed in field operations; fuel gas volumes are approximately 85 percent of total proved gas reserves.

The oil volumes shown include crude oil only. Oil volumes are expressed in thousands of barrels (MBBL); a barrel is equivalent to 42 United States gallons. Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases. Monetary values shown in this report are expressed in United States dollars ($) or thousands of United States dollars (M$).

Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. As requested, probable and possible reserves that exist for these properties have not been included. Our study indicates that as of December 31, 2024, there are no proved developed non-producing reserves for these properties. The estimates of reserves and future revenue included herein have not been adjusted for risk. This report does not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated.

The contractors' share of production is calculated pursuant to the provisions of the production sharing contract for Block CI-40. Included are determinations of cost oil and gas incorporating the unrecovered cost pool and estimated cost-recoverable expenditures scheduled in the future. Also included are determinations of profit oil and gas based on estimated future oil and gas production rates.

Gross revenue is VAALCO's share of the gross (100 percent) revenue from the properties after deducting all production sharing revenue paid to the Côte d'Ivoire national government (the State). Future net revenue is after deductions for these amounts and VAALCO's share of capital costs, abandonment costs, and operating expenses but before consideration of any United States income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

Prices used in this report either are the fixed contract gas price or are based on the 12-month unweighted arithmetic average of the first-day-of-the-month oil price for each month in the period January through December 2024. For oil volumes, the average Platts Dated Brent spot price of $81.17 per barrel is adjusted for quality, transportation fees, and market differentials. The fixed contract gas price of $2.600 per MMBTU is adjusted for energy content. The adjusted product prices of $79.70 per barrel of oil and $2.771 per MCF of gas are held constant throughout the lives of the properties.

Operating costs used in this report are based on operating expense records of VAALCO. These costs include the overhead expenses allowed under joint operating agreements along with estimates of costs to be incurred at and below the district and field levels. Operating costs have been divided into field-level costs, per-well costs, and per-unit-of-production costs and include the costs associated with natural gas fuel purchases during periods where gas production is insufficient to fuel operations and fees paid to the State for training funds and domestic market obligations. Since all properties are nonoperated, headquarters general and administrative overhead expenses are not included. It is our understanding that Baobab Field will be shut-in during 2025 and a portion of 2026 while its floating production, storage and offloading vessel (FPSO) is refurbished and that operating costs will be capitalized during this period, with the exception of fees paid to the State for training funds and domestic market obligations. Operating costs are not escalated for inflation.

Capital costs used in this report were provided by VAALCO and are based on authorizations for expenditure and internal planning budgets. Capital costs are included as required for refurbishment of the FPSO, new development wells, workovers, recurring maintenance projects, and production equipment. Based on our understanding of future development plans, a review of the records provided to us, and our knowledge of similar properties, we regard these estimated capital costs to be reasonable. Abandonment costs used in this report are VAALCO's estimates of the costs to abandon the wells and production facilities, net of any salvage value. It is our understanding that the contractors will establish escrow accounts for abandonment liability five years prior to license expiration and expect these accounts to be fully funded by license expiration in April 2038. We further understand that if the economic limit for the permit area is reached before this date, then all abandonment costs not yet prefunded will be spent by April 30 of the year after the economic limit date. Capital costs and abandonment costs are not escalated for inflation.

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. We have not investigated possible environmental liability related to the properties; therefore, our estimates do not include any costs due to such possible liability.

We have made no investigation of potential volume and value imbalances resulting from overdelivery or underdelivery to the VAALCO interest. Therefore, our estimates of reserves and future revenue do not include adjustments for the settlement of any such imbalances; our projections are based on VAALCO receiving its net revenue interest share of estimated future gross production. Additionally, we have made no specific investigation of any firm transportation contracts that may be in place for these properties; our estimates of future revenue include the effects of such contracts only to the extent that the associated fees are accounted for in the historical field-level accounting statements.

The reserves shown in this report are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be economically producible; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. Estimates of reserves

may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. In addition to the primary economic assumptions discussed herein, our estimates are based on certain assumptions including, but not limited to, that the properties will be developed consistent with current development plans as provided to us by VAALCO, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover the reserves, and that our projections of future production will prove consistent with actual performance. If the reserves are recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received for the reserves, and costs incurred in recovering such reserves may vary from assumptions made while preparing this report.

For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, seismic data, well test data, production data, historical price and cost information, and property ownership interests. The reserves in this report have been estimated using deterministic methods; these estimates have been prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis, volumetric analysis, analogy, and reservoir modeling, that we considered to be appropriate and necessary to categorize and estimate reserves in accordance with SEC definitions and regulations. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from VAALCO, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. (NSAI) and were accepted as accurate. Supporting work data are on file in our office. We have not independently confirmed the actual degree or type of interest owned. The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. John R. Cliver, a Licensed Professional Engineer in the State of Texas, has been practicing consulting petroleum engineering at NSAI since 2009 and has over 5 years of prior industry experience. Zachary R. Long, a Licensed Professional Geoscientist in the State of Texas, has been practicing consulting petroleum geoscience at NSAI since 2007 and has over 2 years of prior industry experience. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

By: Richard B. Talley, Jr.
Richard B. Talley, Jr., P.E.
Chairman and Chief Executive Officer

By:
John R. Cliver, P.E. 107216
Senior Vice President

STATE OF TEXAS
J. R. CLIVER
107216
LICENSED
PROFESSIONAL ENGINEER

Date Signed: March 12, 2025

JRC:WKE

By:
Zachary R. Long, P.G. 11792
Vice President

STATE OF TEXAS
Z. R. LONG
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Date Signed: March 12, 2025

NETHERLAND, SEWELL & ASSOCIATES, INC.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

The following definitions are set forth in U.S. Securities and Exchange Commission (SEC) Regulation S-X Section 210.4-10(a). Also included is supplemental information from (1) the 2018 Petroleum Resources Management System approved by the Society of Petroleum Engineers, (2) the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas, and (3) the SEC's Compliance and Disclosure Interpretations.

(1) *Acquisition of properties.* Costs incurred to purchase, lease or otherwise acquire a property, including costs of lease bonuses and options to purchase or lease properties, the portion of costs applicable to minerals when land including mineral rights is purchased in fee, brokers' fees, recording fees, legal costs, and other costs incurred in acquiring properties.

(2) *Analogous reservoir*. Analogous reservoirs, as used in resources assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature, and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, an "analogous reservoir" refers to a reservoir that shares the following characteristics with the reservoir of interest:

(i) Same geological formation (but not necessarily in pressure communication with the reservoir of interest);
(ii) Same environment of deposition;
(iii) Similar geological structure; and
(iv) Same drive mechanism.

Instruction to paragraph (a)(2): Reservoir properties must, in the aggregate, be no more favorable in the analog than in the reservoir of interest.

(3) *Bitumen*. Bitumen, sometimes referred to as natural bitumen, is petroleum in a solid or semi-solid state in natural deposits with a viscosity greater than 10,000 centipoise measured at original temperature in the deposit and atmospheric pressure, on a gas free basis. In its natural state it usually contains sulfur, metals, and other non-hydrocarbons.

(4) *Condensate*. Condensate is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.

(5) *Deterministic estimate*. The method of estimating reserves or resources is called deterministic when a single value for each parameter (from the geoscience, engineering, or economic data) in the reserves calculation is used in the reserves estimation procedure.

(6) *Developed oil and gas reserves*. Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Supplemental definitions from the 2018 Petroleum Resources Management System:

Developed Producing Reserves – Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate. Improved recovery Reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves – Shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

(7) *Development costs.* Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. More specifically, development costs, including depreciation and applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

(i) Gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines, and power lines, to the extent necessary in developing the proved reserves.
(ii) Drill and equip development wells, development-type stratigraphic test wells, and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment, and the wellhead assembly.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(iii) Acquire, construct, and install production facilities such as lease flow lines, separators, treaters, heaters, manifolds, measuring devices, and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems.
(iv) Provide improved recovery systems.

(8) *Development project*. A development project is the means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field, or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

(9) *Development well*. A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

(10) *Economically producible*. The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. The value of the products that generate revenue shall be determined at the terminal point of oil and gas producing activities as defined in paragraph (a)(16) of this section.

(11) *Estimated ultimate recovery (EUR)*. Estimated ultimate recovery is the sum of reserves remaining as of a given date and cumulative production as of that date.

(12) *Exploration costs*. Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing oil and gas reserves, including costs of drilling exploratory wells and exploratory-type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as prospecting costs) and after acquiring the property. Principal types of exploration costs, which include depreciation and applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

(i) Costs of topographical, geographical and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews, and others conducting those studies. Collectively, these are sometimes referred to as geological and geophysical or "G&G" costs.
(ii) Costs of carrying and retaining undeveloped properties, such as delay rentals, ad valorem taxes on properties, legal costs for title defense, and the maintenance of land and lease records.
(iii) Dry hole contributions and bottom hole contributions.
(iv) Costs of drilling and equipping exploratory wells.
(v) Costs of drilling exploratory-type stratigraphic test wells.

(13) *Exploratory well*. An exploratory well is a well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a development well, an extension well, a service well, or a stratigraphic test well as those items are defined in this section.

(14) *Extension well*. An extension well is a well drilled to extend the limits of a known reservoir.

(15) *Field*. An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field which are separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms "structural feature" and "stratigraphic condition" are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.

(16) *Oil and gas producing activities*.

(i) Oil and gas producing activities include:

(A) The search for crude oil, including condensate and natural gas liquids, or natural gas ("oil and gas") in their natural states and original locations;
(B) The acquisition of property rights or properties for the purpose of further exploration or for the purpose of removing the oil or gas from such properties;
(C) The construction, drilling, and production activities necessary to retrieve oil and gas from their natural reservoirs, including the acquisition, construction, installation, and maintenance of field gathering and storage systems, such as:
(1) Lifting the oil and gas to the surface; and
(2) Gathering, treating, and field processing (as in the case of processing gas to extract liquid hydrocarbons); and

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(D) Extraction of saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources which are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

Instruction 1 to paragraph (a)(16)(i): The oil and gas production function shall be regarded as ending at a "terminal point", which is the outlet valve on the lease or field storage tank. If unusual physical or operational circumstances exist, it may be appropriate to regard the terminal point for the production function as:

a. The first point at which oil, gas, or gas liquids, natural or synthetic, are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal; and
b. In the case of natural resources that are intended to be upgraded into synthetic oil or gas, if those natural resources are delivered to a purchaser prior to upgrading, the first point at which the natural resources are delivered to a main pipeline, a common carrier, a refinery, a marine terminal, or a facility which upgrades such natural resources into synthetic oil or gas.

Instruction 2 to paragraph (a)(16)(i): For purposes of this paragraph (a)(16), the term *saleable hydrocarbons* means hydrocarbons that are saleable in the state in which the hydrocarbons are delivered.

(ii) Oil and gas producing activities do not include:

(A) Transporting, refining, or marketing oil and gas;
(B) Processing of produced oil, gas, or natural resources that can be upgraded into synthetic oil or gas by a registrant that does not have the legal right to produce or a revenue interest in such production;
(C) Activities relating to the production of natural resources other than oil, gas, or natural resources from which synthetic oil and gas can be extracted; or
(D) Production of geothermal steam.

(17) *Possible reserves.* Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.
(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.
(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.
(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.
(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.
(vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

(18) *Probable reserves.* Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

(19) *Probabilistic estimate.* The method of estimation of reserves or resources is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.

(20) *Production costs*.

(i) Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. They become part of the cost of oil and gas produced. Examples of production costs (sometimes called lifting costs) are:

(A) Costs of labor to operate the wells and related equipment and facilities.
(B) Repairs and maintenance.
(C) Materials, supplies, and fuel consumed and supplies utilized in operating the wells and related equipment and facilities.
(D) Property taxes and insurance applicable to proved properties and wells and related equipment and facilities.
(E) Severance taxes.

(ii) Some support equipment or facilities may serve two or more oil and gas producing activities and may also serve transportation, refining, and marketing activities. To the extent that the support equipment and facilities are used in oil and gas producing activities, their depreciation and applicable operating costs become exploration, development or production costs, as appropriate. Depreciation, depletion, and amortization of capitalized acquisition, exploration, and development costs are not production costs but also become part of the cost of oil and gas produced along with production (lifting) costs identified above.

(21) *Proved area.* The part of a property to which proved reserves have been specifically attributed.

(22) *Proved oil and gas reserves.* Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and
(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

(23) *Proved properties.* Properties with proved reserves.

(24) *Reasonable certainty.* If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not, and, as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.

(25) *Reliable technology.* Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

(26) *Reserves.* Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

Excerpted from the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas:

932-235-50-30 A standardized measure of discounted future net cash flows relating to an entity's interests in both of the following shall be disclosed as of the end of the year:

a. *Proved oil and gas reserves (see paragraphs 932-235-50-3 through 50-11B)*
b. *Oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or otherwise serves as the producer of those reserves (see paragraph 932-235-50-7).*

The standardized measure of discounted future net cash flows relating to those two types of interests in reserves may be combined for reporting purposes.

932-235-50-31 All of the following information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-3 through 50-11B:

a. *Future cash inflows. These shall be computed by applying prices used in estimating the entity's proved oil and gas reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.*
b. *Future development and production costs. These costs shall be computed by estimating the expenditures to be incurred in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. If estimated development expenditures are significant, they shall be presented separately from estimated production costs.*
c. *Future income tax expenses. These expenses shall be computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the entity's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses shall give effect to tax deductions and tax credits and allowances relating to the entity's proved oil and gas reserves.*
d. *Future net cash flows. These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows.*

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

e. Discount. This amount shall be derived from using a discount rate of 10 percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.

f. Standardized measure of discounted future net cash flows. This amount is the future net cash flows less the computed discount.

(27) *Reservoir*. A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

(28) *Resources*. Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

(29) *Service well*. A well drilled or completed for the purpose of supporting production in an existing field. Specific purposes of service wells include gas injection, water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for in-situ combustion.

(30) *Stratigraphic test well*. A stratigraphic test well is a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intent of being completed for hydrocarbon production. The classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic tests are classified as "exploratory type" if not drilled in a known area or "development type" if drilled in a known area.

(31) *Undeveloped oil and gas reserves*. Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

From the SEC's Compliance and Disclosure Interpretations (October 26, 2009):

Although several types of projects — such as constructing offshore platforms and development in urban areas, remote locations or environmentally sensitive locations — by their nature customarily take a longer time to develop and therefore often do justify longer time periods, this determination must always take into consideration all of the facts and circumstances. No particular type of project per se justifies a longer time period, and any extension beyond five years should be the exception, and not the rule.

Factors that a company should consider in determining whether or not circumstances justify recognizing reserves even though development may extend past five years include, but are not limited to, the following:

- *The company's level of ongoing significant development activities in the area to be developed (for example, drilling only the minimum number of wells necessary to maintain the lease generally would not constitute significant development activities);*
- *The company's historical record at completing development of comparable long-term projects;*
- *The amount of time in which the company has maintained the leases, or booked the reserves, without significant development activities;*
- *The extent to which the company has followed a previously adopted development plan (for example, if a company has changed its development plan several times without taking significant steps to implement any of those plans, recognizing proved undeveloped reserves typically would not be appropriate); and*
- *The extent to which delays in development are caused by external factors related to the physical operating environment (for example, restrictions on development on Federal lands, but not obtaining government permits), rather than by internal factors (for example, shifting resources to develop properties with higher priority).*

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

(32) *Unproved properties*. Properties with no proved reserves.

Exhibit 99.4

March 13, 2025

Project 24585

The Board of Directors of Vaalco Energy Inc.
Vaalco Energy Inc.
900, 444 – 5th Avenue S.W.
Calgary, Alberta T2P 2T8

Dear Board Members:

Re: Third Party Report on Reserves

This report was prepared to satisfy requirements contained in Item 1202(a)(8) of U.S. Securities and Exchange Commission Regulation S-K and to provide the qualifications of the technical persons responsible for overseeing the reserve estimation process.

The numbering of items below corresponds to the requirements set out in Item 1202(a)(8) of Regulation S-K. Terms to which a meaning is ascribed in *Regulation S-K* and *Regulation S-X* have the same meaning in this report.

i. We have prepared an independent evaluation of the Canadian reserves of Vaalco Energy Inc. (the "Company") for the management and the board of directors of the Company. The primary purpose of our evaluation report was to provide estimates of reserves information in support of the Company's year-end reserves reporting requirements under US Securities Regulation S-K and for other internal business and financial needs of the Company.

ii. We have evaluated and reviewed certain reserves of the Company as at December 31, 2024. The completion (transmittal) date of our report is March 10, 2025.

iii. The following table sets forth the proved gross (100%) and net after royalty reserves under constant prices and costs covered by our report by geographic area, and the proportion of the Company covered.

Category	Oil (Mbbl)		Gas (Mmcf)		NGL (Mbbl)		BOE (Mbbl)[3]		Future Net Revenue Before Tax (M$)	
	Gross[1]	Net[2]	Gross[1]	Net[2]	Gross[1]	Net[2]	Gross[1]	Net[2]	Total	Present Worth at 10%
Canada										
Proved Developed Producing	1,705	1,419	11,972	10,325	2,083	1,715	5,783	4,856	51,441	37,254
Proved Developed Non-Producing	66	60	177	165	31	29	126	116	3,392	2,465
Proved Undeveloped	1,490	1,286	6,129	5,590	1,066	936	3,578	3,154	28,432	7,389
Total Proved	**3,260**	**2,766**	**18,279**	**16,080**	**3,180**	**2,681**	**9,487**	**8,126**	**83,266**	**47,107**
Total Evaluated										
Proved Developed Producing	1,705	1,419	11,972	10,325	2,083	1,715	5,783	4,856	51,441	37,254
Proved Developed Non-Producing	66	60	177	165	31	29	126	116	3,392	2,465
Proved Undeveloped	1,490	1,286	6,129	5,590	1,066	936	3,578	3,154	28,432	7,389
Total Proved	**3,260**	**2,766**	**18,279**	**16,080**	**3,180**	**2,681**	**9,487**	**8,126**	**83,266**	**47,107**

(1) Gross reserves represents 100% ownership before royalties.
(2) Net reserves represents company interest reserves net of royalty deductions.
(3) Oil equivalence factors: Crude Oil and NGL 1 bbl/bbl, Natural Gas 6 Mcf/bbl interest reserves net of royalty deductions.

In aggregate, the Canadian assets which GLJ evaluates account for 18.1 percent of the Company's net proved reserves. The Company provided to us the total Company reported reserves to derive the portion evaluated by GLJ. We express no opinion on this portion of the Company's reserves that we did not evaluate.

iv. Our report covered 18.1 percent of the Company's total proved reserves; our evaluation coverage from the perspective of the Company's total reserves is provided above in item iii. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") with the necessary modifications to reflect definitions and standards under the U.S. Financial Accounting Standards Board policies (the "FASB Standards") and the legal requirements under the U.S. Securities and Exchange Commission ("SEC requirements").

The economic evaluation was prepared to reflect the net present value of the Company before any incremental US taxes. Canadian income taxes were included, as well as the Company supplied estimates of abandonment and reclamation obligations.

Data used in our evaluation was obtained from regulatory agencies, public sources and from Company personnel and Company files. In the preparation of our report we have accepted as presented, and have relied, without independent verification, upon a variety of information furnished by the Company such as interests and burdens, recent production, product transportation and marketing and sales agreements, historical revenue, capital costs, operating expense data, budget forecasts, capital cost estimates and well data for recently drilled wells. If in the course of our evaluation, the validity or sufficiency of any material information was brought into question, we did not rely on such information until such concerns were satisfactorily resolved.

The Company has warranted in a representation letter to us that, to the best of the Company's knowledge and belief, all data furnished to us was accurate in all material respects, and no material data relevant to our evaluation was omitted.

A field examination of the evaluated property was not performed nor was it considered necessary for the purposes of our report.

In our opinion, estimates provided in our report have, in all material respects, been determined in accordance with the applicable industry standards, and results provided in our report and summarized herein are appropriate for inclusion in filings under Regulation S-K.

v. As required under SEC Regulation S-X, reserves are those quantities of oil and gas that are estimated to be economically producible under existing economic conditions. As specified, in determining economic production, constant product reference prices have been based on a 12 month average price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12 month period prior to the effective date of our report. The following average prices have been adjusted for quality, transportation fees and market differentials.

Country	Oil ($/bbl)	Gas ($/mcf)	Ethane ($/bbl)	Propane ($/bbl)	Butane ($/bbl)	Condensate ($/bbl)
Canada	$70.81	$0.97	$2.66	$22.35	$35.19	$72.70

The adjusted prices presented below have been held constant throughout the lives of the properties.

Country	Country	Oil ($/bbl)	Gas ($/mcf)	Ethane ($/bbl)	Propane ($/bbl)	Butane ($/bbl)	Condensate ($/bbl)
Harmattan	Canada	$69.12	$0.95	$3.52	$19.46	$30.68	$69.59

In our economic analysis, operating and capital costs are those costs estimated as applicable at the effective date of our report, with no future escalation. Where deemed appropriate, the capital costs and revised operating costs associated with the implementation of committed projects designed to modify specific field operations in the future may be included in economic projections.

vi. Our report has been prepared assuming the continuation of existing regulatory and fiscal conditions subject to the guidance in the COGE Handbook and SEC regulations. Notwithstanding that the Company currently has regulatory approval to produce the reserves identified in our report, there is no assurance that changes in regulation will not occur; such changes, which cannot reliably be predicted, could impact the Company's ability to recover the estimated reserves.

vii. Oil and gas reserves estimates have an inherent degree of associated uncertainty, the degree of which is affected by many factors. Reserves estimates will vary due to the limited and imprecise nature of data upon which the estimates of reserves are predicated. Moreover, the methods and data used in estimating reserves are often necessarily indirect or analogical in character rather than direct or deductive. Furthermore, the persons involved in the preparation of reserves estimates and associated information are required, in applying geosciences, engineering and evaluation principles, to make numerous unbiased judgments based upon their educational background, professional training, and professional experience. The extent and significance of the judgments to be made are, in themselves, sufficient to render reserves estimates inherently imprecise. Reserves estimates may change substantially as additional data becomes available and as economic conditions impacting oil and gas prices and costs change. Reserves estimates will also change over time due to other factors such as knowledge and technology, fiscal and economic conditions, and contractual, statutory and regulatory provisions.

viii. In our opinion, the reserves information evaluated by us have, in all material respects, been determined in accordance with all appropriate industry standards, methods and procedures applicable for the filing of reserves information under U.S. SEC Regulation S-K.

ix. A summary of the Company reserves evaluated by us was provided for item iii. Of the 8,126 Mboe total proved net after royalty reserves evaluated by us, 4,972 Mboe are proved developed and 3,154 Mboe are proved undeveloped.

GLJ is a private firm established in 1972 whose business is the provision of independent geological and engineering services to the petroleum industry. GLJ is among the largest evaluation firms in North America with approximately 50 engineering and geoscience personnel. Ms. Baird conducted the evaluation and is a qualified, independent reserves evaluator as defined in COGEH, and is a registered Practicing Professional Engineer in the Province of Alberta. Ms. Baird has in excess of 25 years of practical experience in petroleum engineering, has been employed at GLJ as an evaluator/auditor since 2000.

We trust this meets your current requirements.

Yours truly,

GLJ LTD.

Carolyn L. Baird, P. Eng.
Vice President, Corporate Evaluations

CLB/vdp