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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024

or

☐ **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 in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**76-0274813** **(I.R.S. Employer Identification No.)**
9800 Richmond Avenue **Suite 700** **Houston, Texas** **(Address of principal executive offices)**	**77042** **(Zip code)**

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

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock	EGY	New York Stock Exchange
Common Stock	EGY	London Stock Exchange

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 ☒ No ☐

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 ☒ No ☐

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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

As of May 3, 2024, there were outstanding 103,455,525 shares of common stock, $0.10 par value per share, of the registrant.

VAALCO ENERGY, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

VAALCO ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	As of March 31, 2024	As of December 31, 2023
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 113,321**	$ 121,001
Restricted cash	**140**	114
Receivables:		
Trade, net of allowances for credit loss and other of $ 0.8 and $0.5 million, respectively	**44,897**	44,888
Accounts with joint venture owners, net of allowance for credit losses of $ 0.8 and $0.8 million, respectively	**35**	1,814
Egypt receivables and other, net of allowances for credit loss and other of $ 6.0 and $4.6 million, respectively	**44,591**	45,942
Crude oil inventory	**2,386**	1,948
Prepayments and other	**12,374**	12,434
Total current assets	**217,744**	228,141
Crude oil, natural gas and NGLs properties and equipment, net	**457,419**	459,786
Other noncurrent assets:		
Restricted cash	**—**	1,795
Value added tax and other receivables, net of allowances for credit loss and other of $ 0.0 and $0.0 million, respectively	**5,033**	4,214
Right of use operating lease assets	**1,444**	2,378
Right of use finance lease assets	**89,587**	89,962
Deferred tax assets	**30,329**	29,242
Abandonment funding	**6,268**	6,268
Other long-term assets	**1,323**	1,430
Total assets	**$ 809,147**	$ 823,216
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 16,747**	$ 22,152
Accounts with joint venture owners	**3,836**	5,990
Accrued liabilities and other	**60,345**	67,597
Operating lease liabilities - current portion	**1,466**	2,396
Finance lease liabilities - current portion	**10,974**	10,079
Foreign income taxes payable	**37,836**	19,261
Total current liabilities	**131,204**	127,475
Asset retirement obligations	**47,644**	47,343
Operating lease liabilities - net of current portion	**—**	33
Finance lease liabilities - net of current portion	**77,802**	78,293
Deferred tax liabilities	**71,228**	73,581
Other long-term liabilities	**8,679**	17,709
Total liabilities	**336,557**	344,434
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Preferred stock, $25 par value; 500,000 shares authorized, none issued	—	—
Common stock, $0.10 par value; 160,000,000 shares authorized, 121,940,831 and 121,397,553 shares issued, 103,455,525 and 104,346,233 shares outstanding, respectively	**12,194**	12,140
Additional paid-in capital	**358,827**	357,498
Accumulated other comprehensive income	**426**	2,880
Less treasury stock, 18,485,306 and 17,051,320 shares, respectively, at cost	**(77,566)**	(71,222)
Retained earnings	**178,709**	177,486
Total shareholders' equity	**472,590**	478,782
Total liabilities and shareholders' equity	**$ 809,147**	$ 823,216

See notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2024	**2023**
	(in thousands, except per share amounts)	
Revenues:		
Crude oil, natural gas and natural gas liquids sales	**$ 100,155**	$ 80,403
Operating costs and expenses:		
Production expense	**32,089**	28,200
Exploration expense	**48**	8
Depreciation, depletion and amortization	**25,824**	24,417
Transaction costs related to acquisition	**1,313**	—
General and administrative expense	**6,710**	5,224
Credit losses and other	**1,812**	935
Total operating costs and expenses	**67,796**	58,784
Other operating income (expense), net	**(166)**	-
Operating income	**32,193**	21,619
Other income (expense):		
Derivative instruments gain (loss), net	**(847)**	21
Interest expense, net	**(935)**	(2,246)
Other income (expense), net	**(487)**	(1,153)
Total other expense, net	**(2,269)**	(3,378)
Income before income taxes	**29,924**	18,241
Income tax expense	**22,238**	14,771
Net income	**$ 7,686**	$ 3,470
Other comprehensive income (loss)		
Currency translation adjustments	**(2,454)**	(125)
Comprehensive income	**$ 5,232**	$ 3,345
Basic net income per share:		
Net income per share	**$ 0.07**	$ 0.03
Basic weighted average shares outstanding	**103,659**	107,387
Diluted net income per share:		
Net income per share	**$ 0.07**	$ 0.03
Diluted weighted average shares outstanding	**104,541**	108,752

See notes to condensed consolidated financial statements.

VAALCO ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

	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, 2024	**121,398**	**(17,051)**	$ **12,140**	$ **357,498**	$ **2,880**	$ **(71,222)**	$ **177,486**	$ **478,782**
Shares issued - stock-based compensation	**543**	—	**54**	**393**	—	—	—	**447**
Stock-based compensation expense	—	—	—	**936**	—	—	—	**936**
Treasury stock	—	**(1,434)**	—	—	—	**(6,344)**	—	**(6,344)**
Dividend distributions	—	—	—	—	—	—	**(6,463)**	**(6,463)**
Other comprehensive loss	—	—	—	—	**(2,454)**	—	—	**(2,454)**
Net income	—	—	—	—	—	—	**7,686**	**7,686**
Balance at March 31, 2024	**121,941**	**(18,485)**	$ **12,194**	$ **358,827**	$ **426**	$ **(77,566)**	$ **178,709**	$ **472,590**

	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, 2023	119,483	(11,630)	$ 11,948	$ 353,606	$ 1,179	$ (47,652)	$ 147,024	$ 466,105
Shares issued - stock-based compensation	633	(187)	64	210	—	—	—	274
Stock-based compensation expense	—	—	—	683	—	—	—	683
Treasury stock	—	(981)	—	—	—	(5,377)	—	(5,377)
Dividend distributions	—	—	—	—	—	—	(6,735)	(6,735)
Cumulative effect of adjustment upon adoption of ASU 2016-13 on January 1, 2023	—	—	—	—	—	—	(3,120)	(3,120)
Other comprehensive loss	—	—	—	—	(125)	—	—	(125)
Net income	—	—	—	—	—	—	3,470	3,470
Balance at March 31, 2023	120,116	(12,798)	$ 12,012	$ 354,499	$ 1,054	$ (53,029)	$ 140,639	$ 455,175

See notes to condensed consolidated financial statements.

VAALCO ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
	(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	**$ 7,686**	$ 3,470
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	**25,824**	24,417
Bargain purchase loss	—	1,412
Deferred taxes	**(3,441)**	2,471
Unrealized foreign exchange loss	**(102)**	512
Stock-based compensation	**898**	649
Cash settlements paid on exercised stock appreciation rights	**(154)**	(233)
Derivative instruments (gain) loss, net	**847**	(21)
Cash settlements paid on matured derivative contracts, net	**(24)**	(59)
Cash settlements paid on asset retirement obligations	**(29)**	(123)
Credit losses and other	**1,812**	935
Other operating loss, net	**166**	13
Operational expenses associated with equipment and other	**302**	(640)
Change in operating assets and liabilities:		
Trade, net	**(9)**	21,357
Accounts with joint venture owners, net	**(683)**	18,911
Egypt receivables and other, net	**1,346**	(2,309)
Crude oil inventory	**(438)**	(8,443)
Prepayments and other	**(2,278)**	983
Value added tax and other receivables	**(2,734)**	(1,361)
Other long-term assets	**(1,017)**	1,051
Accounts payable	**(5,984)**	(6,739)
Foreign income taxes receivable/(payable)	**18,912**	8,193
Deferred tax liability	—	(3,250)
Accrued liabilities and other	**(19,068)**	(19,190)
Net cash provided by (used in) operating activities	**21,832**	42,006
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property and equipment expenditures	**(16,618)**	(27,700)
Net cash provided by (used in) investing activities	**(16,618)**	(27,700)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the issuances of common stock	**447**	274
Dividend distribution	**(6,463)**	(6,735)
Treasury shares	**(6,344)**	(5,377)
Payments of finance lease	**(2,095)**	(1,701)
Net cash provided by (used in) in financing activities	**(14,455)**	(13,539)
Effects of exchange rate changes on cash	**(208)**	(309)
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**(9,449)**	458
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD	**129,178**	59,776
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	**$ 119,729**	$ 60,234

See notes to condensed consolidated financial statements.

VAALCO ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS SUPPLEMENTAL DISCLOSURES (Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
	(in thousands)	
Supplemental disclosure of cash flow information:		
Interest paid, net of amounts capitalized	**$ 1,409**	$ 1,488
Supplemental disclosure of non-cash investing and financing activities:		
Property and equipment additions incurred but not paid at end of period	**$ 19,226**	$ 39,584
Recognition of right-of-use finance lease assets and liabilities	**$ —**	$ 1,429

See notes to condensed consolidated financial statements.

VAALCO ENERGY, INC. AND SUBSIDIARIES
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND ACCOUNTING POLICIES

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. As operator, the Company has production operations and conducts exploration activities in Gabon and Canada and hold interests in two production sharing contracts ("PSCs") in Egypt and holds a non-operator interest in Cote d’Ivoire. The Company has opportunities to participate in development and exploration activities in Equatorial Guinea, West Africa.

These unaudited condensed consolidated financial statements (“Financial Statements”) reflect the opinion of management and all adjustments necessary for a fair presentation of results for the interim periods presented. All adjustments are of a normal recurring nature unless disclosed otherwise. Interim period results are not necessarily indicative of results expected for the full year.

These condensed consolidated financial statements have been prepared in accordance with rules of the Securities and Exchange Commission (“SEC”) and do not include all the information and disclosures required by accounting principles generally accepted in the United States (“GAAP”) for complete financial statements. They should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, which includes a summary of the significant accounting policies.

Reclassification – Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. An adjustment has been made to the Condensed Consolidated Balance Sheet, Condensed Consolidated Statements of Operations and Comprehensive Income and Condensed Consolidated Statements of Cash Flows for fiscal year ended December 31, 2023, in the amounts of $673 thousand, $15 thousand, and $15 thousand, respectively, to reclassify the discontinued operations account balances and transactions.

Allowance for credit losses and other – The Company estimates the current expected credit losses 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 following table provides an analysis of the change of the aggregate credit loss allowance and other allowances.

	Three Months Ended March 31,	
	2024	**2023**
	(in thousands)	
Allowance for credit losses and other		
Balance at beginning of period	**$ (6,029)**	$ (8,704)
Credit loss charges and other, net of receipts	**(1,812)**	(935)
Cumulative effect of adjustment upon adoption of ASU 2016-13 on January 1, 2023	—	(3,120)
Foreign currency gain (loss)	**12**	(73)
Balance at end of period	**$ (7,829)**	$ (12,832)

Fair value of financial instruments

	Balance Sheet Line	As of March 31, 2024 Level 1	Level 2	Level 3	Total
		(in thousands)			
Assets					
Derivative asset	Prepayments and other	$ —	$ —	$ —	$ —
		$ —	$ —	$ —	$ —
Liabilities					
Derivative liability	Accrued liabilities and other	$ —	**$ 420**	$ —	**$ 420**
		$ —	**$ 420**	$ —	**$ 420**

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	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

2. NEW ACCOUNTING STANDARDS

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.

In November 2023, FASB issued new guidance to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The rules become effective for annual periods beginning after December 15, 2023, and for interim periods within fiscal years beginning afterDecember 15, 2024. The standard requires additional disclosures about operating segments. VAALCO is currently evaluating the impact of adopting 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.

3. PENDING 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 adjustment as described in the Share Purchase Agreement. The Company subsequently closed its acquisition of Svenska 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 by a combination of a dividend of cash on Svenska's balance sheet to the seller immediately prior to the consummation of the acquisition and $40.2 million of VAALCO's cash-on-hand.

4. SEGMENT INFORMATION

The Company's operations are based in Gabon, Egypt, 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, evaluates the operation of each geographic segment separately, primarily based on Operating income (loss). 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.

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

	Three Months Ended March 31, 2024					
(in thousands)	**Gabon**	**Egypt**	**Canada**	**Equatorial Guinea**	**Corporate and Other**	**Total**
Revenues:						
Crude oil, natural gas and natural gas liquids sales	$ 57,504	$ 36,961	$ 5,690	$ —	$ —	$ 100,155
Operating costs and expenses:						
Production expense	16,713	12,751	2,379	245	1	32,089
Exploration expense	—	48	—	—	—	48
Depreciation, depletion and amortization	13,451	8,336	3,897	—	140	25,824
Transaction costs related to acquisition	—	—	—	—	1,313	1,313
General and administrative expense	634	169	12	78	5,817	6,710
Credit losses and other	20	1,634	—	158	—	1,812
Total operating costs and expenses	30,818	22,938	6,288	481	7,271	67,796
Other operating income (expense), net	(166)	—	—	—	—	(166)
Operating income	26,520	14,023	(598)	(481)	(7,271)	32,193
Other income (expense):						
Derivative instruments loss, net	—	—	—	—	(847)	(847)
Interest (expense) income, net	(1,317)	(410)	24	—	768	(935)
Other (expense) income, net	(94)	—	—	(1)	(392)	(487)
Total other expense, net	(1,411)	(410)	24	(1)	(471)	(2,269)
Income (loss) before income taxes	25,109	13,613	(574)	(482)	(7,742)	29,924
Income tax (benefit) expense	16,293	7,033	—	—	(1,088)	22,238
Net income (loss)	$ 8,816	$ 6,580	$ (574)	$ (482)	$ (6,654)	$ 7,686
Consolidated capital expenditures	$ 6,287	$ 4,328	$ 12,559	$ -	$ 848	$ 24,022

(in thousands)	Three Months Ended March 31, 2023 Gabon	Egypt	Canada	Equatorial Guinea	Corporate and Other	Total
Revenues:						
Crude oil, natural gas and natural gas liquids sales	$ 36,737	$ 34,784	$ 8,882	$ —	$ —	$ 80,403
Operating costs and expenses:						
Production expense	14,415	11,110	2,254	362	59	28,200
Exploration expense	8	—	—	—	—	8
Depreciation, depletion and amortization	9,845	10,795	3,711	—	66	24,417
General and administrative expense	618	179	—	129	4,298	5,224
Credit losses and other	935	—	—	—	—	935
Total operating costs and expenses	25,821	22,084	5,965	491	4,423	58,784
Operating income (loss)	10,916	12,700	2,917	(491)	(4,423)	21,619
Other income (expense):						
Derivative instruments gain, net	—	—	—	—	21	21
Interest (expense) income, net	(1,507)	(808)	(4)	—	73	(2,246)
Other income (expense), net	517	—	—	(1)	(1,669)	(1,153)
Total other expense, net	(990)	(808)	(4)	(1)	(1,575)	(3,378)
Income (loss) before income taxes	9,926	11,892	2,913	(492)	(5,998)	18,241
Income tax expense (benefit)	6,578	4,992	—	—	3,201	14,771
Net income (loss)	$ 3,348	$ 6,900	$ 2,913	$ (492)	$ (9,199)	$ 3,470
Consolidated capital expenditures	$ 3,689	$ 11,571	$ 10,165	$ —	$ —	$ 25,425

(in thousands)	Gabon	Egypt	Canada	Equatorial Guinea	Corporate and Other	Total
Long-lived assets:						
As of March 31, 2024	**$ 166,596**	**$ 167,215**	**$ 111,313**	**$ 10,000**	**$ 2,295**	**$ 457,419**
As of December 31, 2023	$ 171,787	$ 171,224	$ 105,189	$ 10,000	$ 1,586	$ 459,786

(in thousands)	Gabon	Egypt	Canada	Equatorial Guinea	Corporate and Other	Total
Total assets:						
As of March 31, 2024	**$ 302,389**	**$ 253,656**	**$ 120,598**	**$ 11,365**	**$ 121,139**	**$ 809,147**
As of December 31, 2023	$ 309,394	$ 263,015	$ 114,215	$ 11,327	$ 125,265	$ 823,216

5. 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 to net income used in calculating EPS as well as a reconciliation from basic to diluted shares follows:

	Three Months Ended March 31,	
	2024	**2023**
	(in thousands)	
Net income (loss) (numerator):		
Net Income	**$ 7,686**	$ 3,470
Income attributable to unvested shares	**(15)**	(29)
Numerator for basic	**7,671**	3,441
Loss attributable to unvested shares	**15**	(18)
Numerator for dilutive	**$ 7,686**	$ 3,423
Weighted average shares (denominator):		
Basic weighted average shares outstanding	**103,659**	107,387
Effect of dilutive securities	**882**	1,365
Diluted weighted average shares outstanding	**104,541**	108,752
Stock options and unvested restricted stock grants excluded from dilutive calculation because they would be anti-dilutive	**529**	195

6. REVENUE

Gabon

The Company currently sells crude oil production from Gabon under term crude oil sales and purchase agreements (“COSPAs”) or crude oil sales and marketing agreements ("COSMA or COSMAs"). The following table presents revenues from contracts with customers as well as revenues associated with the obligations under the Etame PSC.

	Three Months Ended March 31,	
	2024	**2023**
Revenues from customer contracts:	*(in thousands)*	
Sales under the COSPA or COSMA	**$ 64,788**	$ 42,601
Other items reported in revenue not associated with customer contracts:		
Carried interest recoupment	**1,174**	—
Royalties	**(8,458)**	(5,864)
Net revenues	**$ 57,504**	$ 36,737

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, 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. Payments of the income tax expense are reported in the period that the government takes its Profit Oil in-kind, i.e. the period in which it lifts the crude oil. As of March 31, 2024, the Company has a $37.5 million foreign income tax payable related to Gabon.The Company had an $18.9 million foreign income tax payable as of December 31, 2023.

Egypt

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

	Three Months Ended March 31,	
	2024	**2023**
Revenues from customer contracts:	*(in thousands)*	
Gross sales	**$ 63,192**	**$** 54,621
Royalties	**(26,120)**	(19,340)
Selling costs	**(111)**	(497)
Net revenues	**$ 36,961**	**$** 34,784

Canada

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

	Three Months Ended March 31,	
	2024	**2023**
Revenues from customer contracts:	*(in thousands)*	
Oil revenue	$ **4,153**	**$** 6,654
Gas revenue	**820**	958
NGL revenue	**1,976**	2,463
Royalties	**(1,117)**	(1,193)
Selling costs	**(143)**	—
Net revenues	$ **5,689**	**$** 8,882

Information about the Company’s most significant customers

For the three months ended March 31, 2024 the Company had one customer that comprised 100% of its sales for Gabon. In Egypt, one customer made up 100% of revenue. In Canada, three separate customers made up approximately 40%, 30% and 19% of revenue, respectively.

7. CRUDE OIL, NATURAL GAS and NGLs PROPERTIES AND EQUIPMENT

The Company's crude oil, natural gas and NGLs properties and equipment is comprised of the following:

	As of March 31, 2024	As of December 31, 2023
	(in thousands)	
Crude oil, natural gas and NGLs properties and equipment - successful efforts method:		
Wells, platforms and other production facilities	**$ 1,481,103**	$ 1,468,542
Work-in-progress	**7,404**	4,183
Undeveloped acreage	**53,683**	52,109
Equipment and other	**51,357**	47,794
Total crude oil, natural gas and NGLs properties, equipment and other	**1,593,547**	1,572,628
Accumulated depreciation, depletion, amortization and impairment	**(1,136,128)**	(1,112,842)
Net crude oil, natural gas and NGLs properties, equipment and other	**$ 457,419**	$ 459,786

8. DERIVATIVES AND FAIR VALUE

The Company uses derivative financial instruments from time to time to achieve a more predictable cash flow from crude oil production by reducing the Company's exposure to price fluctuations. See the table below for the list of outstanding contracts as of March 31, 2024:

Settlement Period	Type of Contract	Index	Average Monthly Volumes	Weighted Average Put Price	Weighted Average Call Price
			(Bbls)	(per Bbl)	(per Bbl)
April 2024 - June 2024	Collars	Dated Brent	65,000	$ 65.00	$ 100.00
July 2024 - September 2024	Collars	Dated Brent	80,000	$ 65.00	$ 92.00

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

Derivative Item	Statements of Operations Line	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
		(in thousands)	
Commodity derivatives	Cash settlements paid on matured derivative contracts, net	**$ (24)**	$ (59)
	Unrealized gain (loss)	**(823)**	80
	Derivative instruments gain (loss), net	**$ (847)**	$ 21

9. CURRENT ACCRUED LIABILITIES AND OTHER

Accrued liabilities and other balances were comprised of the following:

	As of March 31, 2024	As of December 31, 2023
	(in thousands)	
Accrued accounts payable invoices	**$ 18,523**	$ 21,225
Gabon contractual obligations	**10,108**	15,794
Capital expenditures	**13,903**	10,136
Accrued wages and other compensation	**1,599**	3,746
Egypt modernization payments	**8,672**	9,933
Other	**7,542**	6,763
Total accrued liabilities and other	**$ 60,347**	$ 67,597

10. COMMITMENTS AND CONTINGENCIES

Abandonment funding

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. At March 31, 2024, $10.7 million ($6.3 million, net to VAALCO) of the abandonment fund has been funded 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. Future changes to the anticipated abandonment cost estimate could change the asset retirement obligation and the amount of future abandonment funding payments.

Share Buyback Program

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 were funded using the Company's cash on hand and cash flow from operations. The share buyback program was completed March 12, 2024. Under the share buyback program, we purchased a total of 6,797,711 shares at an average price of $4.41 per share.

The following table shows the repurchases of equity securities related to the share repurchase program from January 1, 2024 through March 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	$ 3,773
Total	1,267,603		1,267,603	

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 at March 31, 2024, $9.4 million of the remaining modernization payment liability was recorded in the line item "Accrued liabilities and other" and $8.7 million was recorded in "Other long-term liabilities".

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 March 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.

As the Merged Concession Agreement was signed in January 2022 and is effective as of February 1, 2020, there was an effective date adjustment 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. In accordance with GAAP, the Company has recognized a receivable in connection with the effective date adjustment of $67.5 million as of October 13, 2022, based on historical realized prices. However, the cumulative value to be received because of the effective date adjustment is currently being finalized with the EGPC and could result in a range of outcomes based on the final price per barrel negotiated. As of March 31, 2024, the remaining $50.3 million of the original $67.5 million receivable is recorded on the unaudited condensed consolidated balance sheet in "Egypt receivables and other, net".

11. DEBT

As of March 31, 2024 and December 31, 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 million initial commitment, was reduced by $6.3 million. At March 31, 2024, the amount available to be drawn under the facility was $43.8 million.

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 March 31, 2024, the Company was in compliance with all debt covenants and had no outstanding borrowings under the facility.

12. STOCK-BASED COMPENSATION AND OTHER BENEFIT PLANS

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.

The Company used the Monte Carlo simulation to calculate the grant date fair value of performance stock option awards. The fair value of these awards will be amortized to expense over the derived service period of the option.

For options that do not contain a market or performance condition, the Company uses the Black-Scholes model to calculate the grant date fair value of stock option awards. This fair value is then amortized to expense over the service period of the option.

During the three months ended March 31, 2024 and 2023, no stock options were granted.

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 vesting of the restricted stock is dependent upon, among other things, the employees' and directors' continued service with the Company.

During the three months ended March 31, 2024 and 2023, no restricted shares were granted.

13. INCOME TAXES

VAALCO and its domestic subsidiaries file a consolidated U.S. income tax return. Certain foreign subsidiaries also file tax returns in their respective local jurisdictions that include Canada, Egypt, Equatorial Guinea and Gabon.

The foreign taxes payable are attributable to Gabon for the three months ended March 31, 2024 and 2023.

The Company's effective tax rate for the three months ended March 31, 2024 and 2023, excluding the impact of discrete items, was 61.05% and 60.96%, respectively. For the three months ended March 31, 2024 and 2023, the Company's overall effective tax rate was primarily impacted by tax rates in foreign jurisdictions higher than the US statutory rate and by non-deductible items associated with operations.

For the three months ended March 31, 2024, the income tax expense of $22.2 million includes a $1.6 million unfavorable oil price adjustment as a result of the change in value of the government of Gabon's allocation of Profit Oil between the time it was produced and the time it was taken in-kind. After excluding this impact, income taxes were $20.7 million for the period.

As of March 31, 2024, the Company had no material uncertain tax positions. The Company's policy is to recognize potential interest and penalties related to unrecognized tax benefits as a component of income tax expense.

14. OTHER COMPREHENSIVE INCOME

The Company's other comprehensive loss was $2.5 million for the three months ended March 31, 2024. The functional currency of our Canadian segment is the Canadian Dollar. All of the Company's other comprehensive income arises from the currency translation of our Canadian segment to USD.

The components of accumulated other comprehensive income are as follows:

	Currency Translation Adjustments
	(in thousands)
Balance at December 31, 2023	$ 2,880
Other comprehensive income (loss)	**(2,454)**
Balance at March 31, 2024	$ **426**

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly 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"), 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 Quarterly 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:

- volatility of, and declines and weaknesses in crude oil, natural gas and natural gas liquids ("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;
- 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 and NGLs reserves;
- currency exchange rates and regulations;
- unanticipated issues and liabilities arising from non-compliance with environmental regulations;
- our limited control over the assets we do not operate;
- our ability to extend the Block CI-40 Petroleum Production Sharing Contract in Cote d'Ivoire;
- the impact and duration of scheduled maintenance of the floating, production, storage and offloading vessel in Cote d'Ivoire;

- 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;
- the ultimate resolution of our negotiations with the Egyptian General Petroleum Corporation ("EGPC") relating to amounts owed to us for the difference in the historic commercial terms and the revised commercial terms applied against the production since the Merged Concession Effective Date, February 1, 2020;
- 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, and disruption in financial credit;
- our ability to enter into new customer contracts;
- changes in customer demand and producers' supply;
- actions by the 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 Quarterly Report and the information set forth under the heading "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 ("2023 Form 10-K"), 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 Quarterly Report and the 2023 Form 10-K, 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 Quarterly 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 in their entirety 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 Quarterly Report.

INTRODUCTION

VAALCO is a Houston, Texas-based, African-focused independent energy company with strong production and reserve portfolio of assets in Gabon, Egypt, Equatorial Guinea and Canada, currently engaged in the acquisition, exploration, development and production of crude oil, natural gas and NGLs.

RECENT DEVELOPMENTS

Dividend Policy

On February 26, 2024, VAALCO issued a press release announcing its quarterly cash dividend of $0.0625 per share of common stock for the first quarter of 2024 ($0.25 annualized), which was paid March 28, 2024 to stockholders of record at the close of business on March 8, 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.

Recent Operational Updates

Gabon

VAALCO completed its last drilling campaign in the fourth quarter of 2022. We are currently evaluating locations and planning for the next drilling campaign at Etame that is expected to occur early in 2025. In October 2022, VAALCO successfully completed its transition to a Floating Storage and Offloading vessel ("FSO") and related field reconfiguration processes. This project provides a low cost FSO solution that increases the storage capacity for the Etame block and improved operational performance. The Company continues to focus on operational excellence, production uptime and enhancement in 2024 to minimize decline until the next drilling campaign.

At the end of March 2024, all wells were online with expected production profiles. The gas lift compression system increased the production and the reliability of two subsea wells, positively impacting our volumes for the quarter ended March 31, 2024. Gas lift compression and subsea wells remained online with a high level of reliability through the quarter ended March 31, 2024.

We have dedicated significant efforts to optimize the new flow line configurations through the Etame Facility. These efforts to maintain high uptime availability of the Etame Facility and, in turn, the entire Etame field, during the first quarter of 2024. Combining this with focus on individual well and facility chemical injection optimization and facility pipeline pigging adjustments both on frequency of pigging as well as flow path targeting, has increased production through decrease in pipeline internal buildup and resulting drop in pipeline back pressure. This has provided more stable operations resulting in lower downtime. Through the end of 2023 and the first quarter of 2024, this continues to be a focus with positive results in production rates and uptime.

Preventative maintenance activities on facilities and facility equipment remained at scheduled levels. Equipment reliability and availability remain at high levels. The actual percentages of corrective maintenance performed versus preventative maintenance performed remain well within VAALCO and industry best practice standards.

Egypt

We have deferred 2024 drilling to work up a robust drilling program which is expected to commence in late 2024. We are in the process of contracting a second workover rig to supplement the current workover rig, which will allow us to substantially slow any decline until the 2024/25 drilling program starts.

We completed the K-81 recompletion at the start of the first quarter which was a carry-over from our 2023 drilling activity. The EA-55 well, drilled in October 2023, was completed and put online in January 2024. Three workover recompletions have been performed on H-22, K-65-ST1 and K-85. Both H-22 and K-65 ST1 had sanding issues and may need sand screens fitted to achieve peak production; whereas K-85 has come on with very strong production. The OGS-10 workover rig is currently working on the fourth workover well K-84. With the low cost of workover under $0.2 million the well economics are proving to be very good.

A summary of the Egyptian workover campaign's impact in the quarter ended March 31, 2024 is presented below:

VAALCO Egypt 2024 Workover Wells					
Well	**Workover date**	**Type**	**Completion Zone**	**Perforation Interval (ft)**	**IP-30 Rate (BOPD)**
K-81	1-Jan-24	Recompletion	Asl-D	13.1	154
EA-55	10-Jan-24	Frac & Complete	Redbed	Hydraulic Frac	143
H-22	7-Feb-24	Recompletion	Yusr-A	9.8	82
K-65_ST1	14-Feb-24	Recompletion	Asl-D	13.1	43*
K-85	16-Mar-24	Recompletion	Asl-D	13.1	420
K-84	21-Mar-24 Under WO	Recompletion	Asl-G	16.4	In Progress

Canada

The 2024 drilling campaign commenced in January 2024 with the drilling of 9-12-30-4W5, was spud on January 17, 2024. Our four planned wells in the north of the license have since been drilled. The first well was drilled to a total depth of 22,732 feet. The second well of the program, 10-12-30-4W5, was spud on February 9, 2024, and drilled to a total depth of 21,736 feet. The third well on the program, 11-12-30-4W5 was spud on February 23, 2024, and drilled to a total depth of 21,624 feet. The fourth well on the program was spud on March 9, 2024 and drilled to a total depth of 20,669 feet. The drilling rig was released on March 24, 2024. Completion of the wells was initiated in late March, and will be completed in April, followed by equipping and tie-in, with first production forecast to be in May 2024.

ACTIVITIES BY ASSET

Gabon

Offshore – Etame Marin Block

Development and Production

We operate the Etame Marin Block on behalf of a consortium of companies. As of March 31, 2024, production operations in the Etame Marin block included fifteen platform wells, plus two subsea wells tied back by pipelines to deliver crude oil and associated natural gas through a riser system to allow for delivery and processing at the Etame platform. From the Etame platform, the crude oil is pumped through a riser system to the FSO where it is stored and ultimately offloaded. The leased FSO is anchored to the seabed on the block. The Etame field currently has a combined total of seventeen producing wells. During the three months ended March 31, 2024 and 2023, production from the block was 1,437 million barrels ("MBbls") (735 MBbls, net) and 1,603 MBbls (820 MBbls, net), respectively, as discussed below in "Results of Operations".

Egypt

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. Both of our Egyptian blocks are production sharing contracts ("PSC") among the Egyptian General Petroleum Corporation ("EGPC"), the Egyptian government and us. 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. During the three months ended March 31, 2024 and 2023, production from the Eastern Desert was 950 MBbls (641 MBbls, net) and 903 MBbls (616 MBbls, net), respectively, as discussed below in "Results of Operations."

Canada

In Harmattan, Canada, we own production and working interests in the Cardium light oil and Mannville liquids-rich gas assets. This property produces 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. All gas is delivered to a third party non-operated gas plant for processing. During the three months ended March 31, 2024 and 2023, production from our Canadian assets was 215 MBoe to our working interest (180 MBoe, net) and 239 MBoe (211 MBoe, net), respectively, as discussed below in "Results of Operations".

Equatorial Guinea

As of March 31, 2024, we had $10.0 million recorded for the book value of the undeveloped leasehold costs associated with the Block P license. In February of 2023, we acquired an additional 14.1% participating interest, increasing VAALCO's participating interest in the Block to 60.0%. This increase of 14.1% participating interest increases our future payment to GEPetrol to $6.8 million at first commercial production of the Block. In March 2023, Atlas voted to participate in the Venus Development. Amendment 5 of the PSC was approved by all parties in March 2023 with this updated participating interest, and execution of the Venus development plan has been initiated. VAALCO, as operator, is in the process of working through the project charter and timing of key milestones. In March 2024, all partners signed the final documents, and the Government of Equatorial Guinea has approved the Joint Operating Agreement ("JOA") related to the previously approved Venus-Block P plan of development.

The Block P PSC provides for a development and production period of 25 years from the date of approval of a development and production plan for the area associated with the Venus development. The PSC also includes the portions of Block P not associated with the Block P - Venus development.

CAPITAL RESOURCES AND LIQUIDITY

Cash Flows

Our cash flows for the three months ended March 31, 2024 and 2023 are as follows:

	Three Months Ended March 31,		
	2024	**2023**	**Increase (Decrease) in 2024 over 2023**
		(in thousands)	
Net cash provided by operating activities before changes in operating assets and liabilities	**$ 33,785**	$ 32,803	$ 982
Net change in operating assets and liabilities	**(11,953)**	9,203	(21,156)
Net cash provided by (used in) operating activities	**21,832**	42,006	**(20,174)**
Net cash provided by (used in) investing activities	**(16,618)**	(27,700)	11,082
Net cash provided by (used in) in financing activities	**(14,455)**	(13,539)	(916)
Effects of exchange rate changes on cash	**(208)**	(309)	101
Net change in cash, cash equivalents and restricted cash	$ **(9,449)**	$ 458	$ (9,907)

The $20.2 million decrease in net cash provided by operating activities during the three months ended March 31, 2024 compared to the three months ended March 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 $21.2 million for the three months ended March 31, 2024 compared to the same period of 2023 was related to a decrease in trade receivable and receivables accounts with joint venture owners (collectively $41.0 million). Partially offsetting these changes were increases in cash provided on changes in Egypt receivables and other, net and crude oil inventory, as well as a decrease in cash used on foreign income taxes payable (collectively positive $22.4 million).

The $11.1 million decrease in net cash used in investing activities during the three months ended March 31, 2024 was due to capital spending costs associated with the development drilling programs in Egypt and Canada not exceeding prior year expenditures along with reduced current year expenditures for Gabon. For the three months ended March 31, 2023, cash used in investing activities was due to the Etame field reconfiguration and other items to support the 2021/2022 drilling campaign.

Net cash used in financing activities during the three months ended March 31, 2024 included $6.5 million for dividend distributions, $6.4 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 $2.1 million of principal payments on our finance leases partially offset by $0.5 million in proceeds from options exercised. For the three months ended March 31, 2023, cash used in financing activities included $6.7 million for dividend distributions, $5.4 million for treasury stock repurchased under our stock repurchase plan, and $1.7 million of principal payments on our finance leases partially offset by $0.3 million in proceeds from options exercised.

Capital Expenditures

For the three months ended March 31, 2024 we had accrual basis capital expenditures of $24.0 million compared to $25.4 million accrual basis capital expenditures for the same period in 2023. For the three months ended March 31, 2024, our cash spending primarily related to the new wells drilled as part of the drilling campaign in Canada. During the same period in 2023, our cash spending primarily related to the payments for the 2023 drilling campaigns in both Egypt and Canada.

See discussion below in “*Capital Resources, Liquidity and Cash Requirements*” for further information.

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.

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 unaudited condensed consolidated statements of operations and other comprehensive income (loss). We record such derivative instruments as assets or liabilities in the unaudited condensed consolidated balance sheet.

Cash on Hand

At March 31, 2024, we had unrestricted cash of $113.3 million. 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.

We currently sell our crude oil production from Gabon under a crude oil sales and marketing agreement ("COSMA") with Glencore. Under the COSMA all oil produced from the Etame G4-160 Block offshore Gabon from August 2022 through the final maturity date of the Facility, expected to be May 15, 2027, will be bought and marketed by Glencore, with pricing based upon an average of Dated Brent in the month of lifting, adjusted for location and market factors. Sales with Glencore are normally settled 30 days from the delivery date.

Revenues associated with the sales of our crude oil in Egypt are recognized by reference to actual volumes sold and quoted market prices in active markets for Dated Brent, 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. For reporting purposes, we record the EGPC's share of production as royalties which are netted against revenue. With respect to taxes in Egypt, our income taxes under the terms of the Merged Concession Agreement are the liability of TransGlobe Petroleum International ("TGPI"), a wholly-owned indirect subsidiary of VAALCO. TGPI's income taxes are paid by EGPC on behalf of TGPI out of EGPC's production entitlement. The income taxes paid to the Arab Republic of Egypt on behalf of TGPI are recognized as oil and gas sales revenue and income tax expense for reporting purposes. Terms of settlement for sales to EGPC are within 30 days from the delivery date.

Revenues from the sale of crude oil, natural gas, condensate and NGLs in Canada are recognized by reference to actual volumes delivered at contracted delivery points and prices. Prices are determined by reference to quoted market prices in active markets for crude oil, natural gas, condensate, and NGLs based on product, each adjusted according to specific terms and conditions applicable per the sales contracts. Revenues are recognized net of royalties and transportation costs. Revenues are measured at the fair value of the consideration received or receivable. Settlement of accounts receivable in Canada occur on the 25th of the following month after production.

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 Gabon, Egypt and Canada. 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 and cash flow from operations, including the addition of our Egypt and Canada segments, to support our current cash requirements, 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 or 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 Note 10 to the Condensed Consolidated Financial Statements.

RBL Facility Agreement and Available Credit

For information on our RBL Facility Agreement and Available Credit, see Note 11 to the Condensed Consolidated Financial Statements.

Cash Requirements

Our material cash requirements generally consist of finance leases, operating leases, purchase obligations, capital projects and 3D seismic processing, dividend payments, merged concession agreement, future lease payments and abandonment funding, each of which is discussed in further detail below.

Completed Acquisition - On February 29, 2024, we entered into a Share Purchase Agreement to purchase all of the issued shares in the capital of Svenska for $66.5 million in cash, subject to adjustment as described in the Share Purchase Agreement. The acquisition closed on April 30, 2024 after certain necessary regulatory approvals were obtained. Pursuant to the Share Purchase Agreement, 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. The purchase price was funded by a combination of a dividend of cash on Svenska's balance sheet to the seller immediately prior to the consummation of the acquisition and $40.2 million of VAALCO's cash-on-hand.

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. At March 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 unaudited condensed 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.

Leases - We are a party to several operating and financing lease arrangements, including operating leases for the corporate office, a drilling rig, rental of marine vessels and a helicopter, warehouse and storage facilities, equipment and financing lease agreements for the FSO, a marine vessel, generators and turbines used in the operations of the Etame Marin block and for equipment, offices and vehicles used in the operations of Canada and Egypt. The annual costs of these leases are significant to us.

Merged Concession Agreement - On January 20, 2022, prior to the consummation of the Arrangement, 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. As part of the agreement, the Company is required to make annual modernization payments of $10.0 million per year through February 2026. 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. We will make two further annual equalization payments of $10.0 million each beginning February 1, 2025 until February 1, 2026.

We also have 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 March 31, 2022, our financial work commitments have exceeded the five-year minimum $50 million threshold and any excess carries forward to offset against subsequent five-year commitments.

BWE Consortium – On October 11, 2021, we announced our entry into a consortium with BW Energy and Panoro Energy and that the BWE Consortium has been provisionally awarded two blocks in the 12th Offshore Licensing Round in Gabon. Negotiations to finalize the commercial terms were held in 2023, however they were halted late in the year due to the presidential elections. The negotiations were started again at the request of the Gabonese Government in early February 2024, where the consortium and the government came to an agreement on the fiscal terms on February 9, 2024. The next step is concluding the terms of the PSC with the Gabonese government. BW Energy will be the operator with a 37.5% working interest. We will have a 37.5% working interest and Panoro Energy will have a 25% working interest as non-operating joint owners. The two blocks, G12-13 and 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.

Trends and Uncertainties

Geopolitical Conflict and Other Market Forces – The outbreak of armed conflict between Russia and Ukraine in February 2022 and the subsequent sanctions imposed on the Russian Federation has, and may continue to have, a destabilizing effect on the European continent and the global oil and natural gas markets. The ongoing conflict has caused, and could continue to intensify, volatility in oil and natural gas prices, and 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.

For example, shortly after the outbreak of the conflict through the year ended December 31, 2023 and on-going into 2024, we noticed that the lead times associated with obtaining materials to support our operations and drilling activities has lengthened, leading to delays and, in most cases, prices for materials have increased. Management believes the ongoing war between Russia and Ukraine, the Houthis attacks on maritime vessels in the Red Sea region, conflicts in the Middle East and the related impact on the global economy are causing supply chain issues and energy concerns in parts of the global economy, as well as destabilizing impacts on the global oil and natural gas market. 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 greenhouse gases ("GHG"), including methane (a primary component of natural gas) and carbon dioxide (a byproduct of crude oil and natural gas combustion) and freshwater use. This increased attention to climate change and environmental stewardship 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 stewardship 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 three 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 ESG 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 ESG Report details with environmental, social and governance matters which the TCFD report forms an important part of the 2023 Sustainability Report is available on the Company's website.

In summary the Company considers itself aligned with both the Governance and Strategy pillars and the recommendations therein. It does not consider itself aligned with Risk Management nor Metrics and Targets, but has made meaningful progress against certain of the underlying recommendations and provides statements of intent to address these recommendations during 2024.

CRITICAL ACCOUNTING POLICIES

There have been no material changes to our critical accounting policies subsequent to December 31, 2023.

NEW ACCOUNTING STANDARDS

See Note 2 to the Condensed Consolidated Financial Statements.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2024 Compared to the Three Months Ended March 31, 2023

Net income for the three months ended March 31, 2024 was $ 7.7 million compared to net income of $ 3.5 million for the same period of 2023. See discussion below for changes in revenue and expense.

Crude oil, natural gas and NGL revenues increased $19.8 million, or approximately 24.6%, to $ 100.2 million during the three months ended March 31, 2024 from $ 80.4 million for the same period in the prior year. The revenue increase is attributable to higher volumes sold in Gabon, Egypt and Canada segments partially offset by lower realized sales prices compared to the prior period.

	Three Months Ended March 31,		
	2024	**2023**	**Increase/(Decrease)**
	(in thousands except per Boe information)		
Net crude oil, natural gas and NGLs sales volume (MBoe)	**1,490**	1,224	266
Average crude oil, natural gas, and NGLs sales price (per Boe)	**$ 66.43**	$ 65.68	$ 0.75
Net crude oil, natural gas, and NGLs revenue	**$ 100,155**	$ 80,403	$ 19,752
Operating costs and expenses:			
Production expense	**32,089**	28,200	3,889
Exploration expense	**48**	8	40
Depreciation, depletion and amortization	**25,824**	24,417	1,407
Transaction costs related to acquisition	**1,313**	—	1,313
General and administrative expense	**6,710**	5,224	1,486
Credit losses and other	**1,812**	935	877
Total operating costs and expenses	**67,796**	58,784	9,012
Other operating expense, net	**(166)**	—	(166)
Operating income	**$ 32,193**	$ 21,619	$ 10,574

The revenue changes in the three months ended March 31, 2024 compared to the same period in 2023 identified as related to changes in price or volume, are shown in the table below:

(in thousands)		
Price	$	1,116
Volume		17,459
Other		1,177
	$	19,752

(1) The price in the table above excludes revenues attributed to carried interests.

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

	Three Months Ended March 31,			
	2024		2023	
Net crude oil, natural gas and NGLs production (MBoe)		1,533		1,647
Net crude oil, natural gas, and NGL sales (MBoe)		1,490		1,224
Average realized crude oil, natural gas and NGLs price ($/Boe)	$	66.43	$	65.68
Average Dated Brent spot price* ($/Bbl)	$	83.00		81.07

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

Crude oil, natural gas and NGL revenues:

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 $ 57.5 million of revenue to the Company's total revenue during the three months ended March 31, 2024. This compares to the $ 36.7 million of revenue contributed by the Gabon segment during the three months ended March 31, 2023. The total barrels lifted in Gabon for the three months ended March 31, 2024 was higher when compared to lifting in the 2023 period. This was compounded by the Gabon per barrel price received during the three months ended March 31, 2024 which was $3.49 more than the price received in 2023. Our share of crude oil inventory, excluding royalty barrels, was approximately 111,871 barrels and 408,543 barrels at March 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. During the three months ended March 31, 2024, the oil sold in Egypt was through direct sales to EGPC. The Company's Egypt segment contribute d $37.0 million of revenue to the Company's total revenue for the quarter. At March 31, 2024, the Company's Egypt segment had no 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 $ 5.7 million of revenue to the Company's total revenue for the quarter.

*Production expense*s increased $3.9 million, or approximately 13.7%, for the three months ended March 31, 2024 to $32.1 million from $28.2 million for the same period in the prior year. The increase in production expense was primarily driven by higher operating costs. VAALCO has seen inflationary pressure on personnel and contractor costs. In February 2024, the Government in Gabon enacted a new Finance Act 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 three months ended March 31, 2024 decreased to $15.71 per barrel from $23.91 per barrel for the three months ended March 31, 2023 primarily as a result of higher sales volumes for the current period.

Exploration expense for the three months ended March 31, 2024 and 2023 wasnot material to our results.

Depreciation, depletion and amortization costs increased $1.4 million, or approximately 5.7% for the three months ended March 31, 2024 to $25.8 million from $24.4 million for the same period in the prior year. The increase in depreciation, depletion and amortization expense is due to higher depletable costs in Gabon, Egypt, and Canada.

Transaction costs related to acquisition were $1.3 million for the quarter ended March 31, 2024 and relate to the Svenska Share Purchase Agreement. There were no similar expenses for the quarter ended March 31, 2023.

General and administrative expenses increased $ 1.5 million, or 28.8% for the three months ended March 31, 2024 to $ 6.7 million from $ 5.2 million for the same period in the prior year. The increase in general and administrative expenses is primarily professional service fees, salaries and wages, and accounting and legal fees.

Credit losses and other increased by $0.9 million to $1.8 million for the three months ended March 31, 2024 from $0.9 million for the three months ended March 31, 2023. We adopted Accounting Standards Update 2016-13, Financial Instruments—Credit Losses (“ASU 2016-13”) on January 1, 2023. In connection with the adoption of ASU 2016-13, we established an opening balance sheet adjustment related to a receivable from a state sponsored oil refinery where we delivered oil pursuant to the domestic market needs obligation under the Etame PSC. For the three months ended March 31, 2024, no allowance was established related to this receivable as the state sponsored oil refinery made timely payments of the amounts owed to the Company.

Other operating expense, net for each of the three months ended March 31, 2024 and 2023 was not material to our results.

Derivative instruments gain (loss), net is attributable to our swaps and collars as discussed in Note 8 to the Financial Statements. Derivative loss increased by $0.8 million to a loss of $0.8 million for the three months ended March 31, 2024 from no gain or loss during the same period in the prior year. Derivative losses for the three months ended March 31, 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 three months ended March 31, 2024. Our derivative instruments currently cover a portion of our production through September 2024.

Interest expense, net was $0.9 million for the three months ended March 31, 2024 compared to an expense of $2.2 million during the same period in 2023. The decrease of net interest expense for the three months ended March 31, 2024, primarily results from a decrease in our amortization of debt issue costs and commitment fees incurred on the Facility partially offset by interest income.

Other (expense) income decreased by $0.7 million to an expense of $0.5 million for the three months ended March 31, 2024 from a $1.2 million expense for the three months ended March 31, 2023 . Other (expense) income, net normally consists of foreign currency gains and losses. However, during the three months ended March 31, 2023 there was a $1.4 million expense from a transition period adjustment of the bargain purchase gain related to the Arrangement of transactions costs associated with the TransGlobe acquisition.

Income tax expense (benefit) for the three months ended March 31, 2024 was an expense of $22.2 million. This is comprised of current tax expense of $25.7 million including a $1.6 million adverse oil price adjustment as a result of the change in value of the government of Gabon's allocation of Profit Oil between the time it was produced and the time it was taken in-kind. After excluding this impact, current income taxes were $24.1 million for the period.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

MARKET RISK

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

FOREIGN EXCHANGE 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 March 31, 2024, we had net monetary assets of $6.0 million (XAF 3,646.2 million) denominated in XAF. A 10% weakening of the CFA relative to the U.S. dollar would have a $0.6 million reduction in the value of these net assets. For the three months ended March 31, 2024, we had expenditures of approximately $16.7 million (net to VAALCO), 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% decrease in the value of the Canadian dollar against the US dollar would increase the value of the net assets for the three months ended March 31, 2024 by approximately $1.2 million. Conversely, a 10% increase in the value of the Canadian dollar against the US dollar would decrease the value of the net assets for the three months ended March 31, 2024 by approximately $1.5 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 March 31, 2024, we estimate that a 10% increase in the value of the Egyptian pound against the US dollar would increase the cash value for the three months ended March 31, 2024 by $31 thousand. Conversely, a 10% decrease in the value of the Egyptian pound against the US dollar would decrease our US dollar cash value for the three months ended March 31, 2024 by $26 thousand.

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.

COUNTERPARTY RISK

We are exposed to market risk on our open derivative instruments related to potential nonperformance by our counterparty. To mitigate this risk, we enter into such derivative contracts with creditworthy financial institutions deemed by management as competent and competitive market makers.

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 resumption 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. If crude oil sales were to remain constant at the most recent quarterly sales volumes of 1,490 MBoe, a $5 per Bbl decrease in crude oil price would be expected to cause a $7.5 million decrease per quarter in revenues and operating income (loss) and a $5.8 million decrease per year in net income (loss).

With respect to our crude oil sales in Gabon, the price received is based on Dated Brent prices plus or minus a differential. If crude oil sales were to remain constant at the most recent annual sales volumes of 669 MBbls, a $5 per Bbl decrease in crude oil price would be expected to cause a $3.3 million decrease per quarter in revenues and operating income (loss) and a $3.0 million decrease per quarter in net income (loss).

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 VAALCO's recognition of costs and their recovery as VAALCO 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 (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-sharing oil. During times of lower oil prices, the Company receives more cost oil and may receive less profit oil.

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. If Canadian BOE sales were to remain constant at the most recent yearly sales volumes of 180 MBbls, a $5 per Bbl decrease in crude oil price would be expected to cause a $0.9 million decrease per quarter in revenues and operating income (loss) and a $0.7 million decrease per quarter in net income (loss).

As of March 31, 2024, we had unexpired derivative instruments outstanding covering approximately 435 MBbls of production through September of 2024.

INTEREST RATE RISK

Changes in market interest rates affect the amount of interest owed on outstanding balances under our Facility. However, as of March 31, 2024 we had no amounts drawn under the facility. The commitment fees on the undrawn availability under the Facility are not subject to changes in interest rates. Additionally, changes in market interest rates could impact interest costs associated with any future debt issuances.

ITEM 4. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

We performed an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. The evaluation was performed with the participation of senior management, under the supervision of the principal executive officer and principal financial officer. Based on their evaluation as of March 31, 2024, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting during the three months ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are subject to litigation claims and governmental and regulatory proceedings arising in the ordinary course of business. It is management's opinion that none of the claims and litigation we are currently involved in are material to our business.

ITEM 1A. RISK FACTORS

Our business faces many risks. Any of the risks discussed elsewhere in this Quarterly Report and our other SEC filings could have a material impact on our business, financial position or results of operations. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations.

For a discussion of our potential risks and uncertainties, see the information in Item 1A. "Risk Factors" in our 2023 Form 10-K. Except as set forth below, there have been no material changes in our risk factors from those described in our 2023 Form 10-K.

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.

There are no assurances that we will be able to extend the Block CI-40 Petroleum Production Sharing Contract"(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 floating, production, storage and offloading vessel (the "FPSO") in Côte d'Ivoire is scheduled to come offline for scheduled maintenance in January 2025. 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 is expected to be non-operational beginning on or around January 2025, during which time it will be put on dry dock and undergo maintenance. The FPSO is expected to return to service in 2026. 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.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sale of Equity Securities

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

Issuer Repurchases of Common Stock

On November 1, 2022, we announced that our board of directors formally ratified and approved the share buyback program ("the Plan") that was announced on August 8, 2022 in conjunction with our business combination with TransGlobe. The board of directors also directed management to implement the Plan to facilitate share purchases through open market purchases, privately negotiated transactions, or otherwise in compliance with Rule 10b-18 under the Exchange Act. The Plan provides for an aggregate purchase of currently outstanding common stock up to $30 million over up to 20 months. Payment for shares repurchased under the share buyback program were funded using our cash on hand and cash flow from operations. The share buyback program was completed March 12, 2024.

The following table represents details of the various repurchases under the Plan during the quarter ended March 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	$ 3,773
Total	1,267,603		1,267,603	

ITEM 5. OTHER INFORMATION

During the three months ended March 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 6. EXHIBITS

(a) **Exhibits**

2.1*	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 13, 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).
10.1(a)	Amended and Restated Executive Employment, effective April 18, 2024, by and between VAALCO Energy, Inc. and Thor Pruckl.
10.2(a)	Executive Employment, effective January 18, 2024, by and between VAALCO Energy, Inc. and Matthew Powers.
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.
101.INS(a)	Inline XBRL Instance 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	Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101).

(a) Filed herewith
(b) Furnished herewith
* Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K, and portions of this exhibit have been redacted in compliance with Item 601(b)(2) and Item 601(a)(6) of Regulation S-K.

SIGNATURE

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

VAALCO ENERGY, INC.
(Registrant)

By : /s/ Ronald Bain
Ronald Bain
Chief Financial Officer
(Principal Financial Officer)

Dated: May 8, 2024

Exhibit 10.1(a)

EXECUTIVE EMPLOYMENT AGREEMENT

BETWEEN

VAALCO ENERGY, INC.

AND

THORPRUCKL

EFFECTIVE AS OF APRIL 18, 2024

SECOND AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

THIS SECOND AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (the **"Agreement"),** effective as of APRIL____, 2024 (the **"Effective Date"),** is made and entered into by and between VAALCO Energy, Inc., a Delaware corporation (hereafter **"Company")** and Thor Pruckl (hereafter **"Executive").** The Company and Executive may sometimes hereafter be referred to singularly as a **"Party"** or collectively as the **"Parties."**

W I T N E S S E T H:

WHEREAS, the Company desires to continue to secure the employment services of Executive subject to the terms and conditions hereafter set forth; and

WHEREAS, Executive is willing to enter into this Agreement upon the terms and conditions hereafter set forth; and

WHEREAS, this Agreement supersedes and replaces the Amended and Restated Executive Employment Agreement by and between the Parties dated February 6, 2024;

NOW, THEREFORE, in consideration of Executive's employment with the Company, and the mutual promises, covenants and obligations contained herein, the Parties hereby agree as follows:

ARTICLE 1.
EMPLOYMENT AND DUTIES

1.1 Definitions. In addition to the terms defined in the text hereof, terms with initial capital letters as used herein have the meanings assigned to them, for all purposes of this Agreement, in the Definitions Appendix hereto, unless the context reasonably requires a broader, narrower or different meaning. The Definitions Appendix, as attached hereto, is part of this Agreement and incorporated herein.

1.2 Employment; Effective Date. Effective as of the Effective Date and continuing for the Employment Period (as defined in Section 2.1), the Executive's employment by the Company shall be subject to the terms and conditions of this Agreement.

1.3 Positions. As of the Effective Date, the Executive will serve as the Chief Operating Officer of the Company **("COO").** The Company shall maintain the Executive in the position of COO of the Company, and/or in such other positions as the Parties mutually may agree, for the Employment Period.

1.4 Duties and Services. The Executive agrees to serve in the positions referred to in Section 1.3 and to perform diligently and to the best of his abilities the duties and services appertaining to such offices, as well as such additional duties and services appropriate to such offices upon which the Parties mutually may agree from time to time or, with respect to his duties as COO, that are assigned to him by the Chief Executive Officer of the Company **("CEO")** or the Board of Directors of the Company (the **"Board of Directors").** The Executive's employment shall also be subject to the policies maintained and established by the Company from time to time, as the same may be amended or otherwise modified. Executive shall at all times use his best efforts to in good faith comply with United States and foreign laws applicable to Executive's actions on behalf of the Company and its Affiliates. Executive understands and agrees that he may be required to travel extensively at times for purposes of the Company's business.

1.5 Other Interests. The Executive agrees that, during the Employment Period, he will devote his primary business time, energy and best efforts to the business and affairs of the Company and its Affiliates, and not to engage, directly or indirectly, in any other business or businesses, whether or not similar to that of the Company or an Affiliate, except with the consent of the Board of Directors. The foregoing notwithstanding, the Parties recognize and agree that the Executive may engage in passive personal investments (such as real estate investments and rental properties) and other civic and charitable activities (such as continued service on non-profit and/or educational boards) that do not conflict with the business and affairs of the Company or interfere with the Executive's performance of his duties hereunder without the necessity of obtaining the consent of the Board of Directors; provided, however, Executive agrees that if the Compensation Committee of the Board of Directors (the **"Compensation Committee")** determines that continued service with one or more civic or charitable entities is inconsistent with the Executive's duties hereunder and gives written notice to the Executive, he will promptly resign from such position(s).

1.6 Duty of Loyalty. The Executive acknowledges and agrees that the Executive owes a fiduciary duty of loyalty, fidelity, and allegiance to use his best efforts to act at all times in the best interests of the Company and its Affiliates. In keeping with these duties, the Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company's business, and he shall not appropriate for the Executive's own benefit any business opportunity concerning the subject matter of such fiduciary relationship.

ARTICLE 2.
TERM AND TERMINATION OF EMPLOYMENT

2.1 Term of Employment. Unless otherwise terminated pursuant to other provisions hereof (including pursuant to a termination at will pursuant to Section 2.2), the Company agrees to continue to employ the Executive for the period beginning on the Effective Date and ending on the end of the day December 31, 2024 (the **"Initial Term of Employment").** Beginning effective as of January 1, 2025 (the **"Initial Extension Date"),** the term of employment hereunder shall be extended automatically for an additional successive one-year period as of such date and as of each annual anniversary of the Initial Extension Date that occurs while this Agreement remains in effect so that the remaining term is one year.

The Initial Term of Employment, and any extension of employment hereunder, shall be referred to herein as a **"Term of Employment."** The entire period from the Effective Date through the date of Executive's termination of employment with the Company, for whatever reason, shall be referred to herein as the **"Employment Period."**

2.2 Notice of Termination. This Agreement may be terminated by the Company for any reason or no reason at all upon giving 90 days' written notice to the Executive, which notice shall be delivered pursuant to a Notice of Termination; provided, however, that the Company may reduce or eliminate, as applicable, such 90 day notice period by paying Executive an amount equal to (a) his Base Salary *times* (b) a fraction, (i) the numerator of which is the number of days that would remain in such 90 day notice period after Employee's termination and (ii) the denominator of which is the number of calendar days in the year in which such written notice is delivered (such payment, the ***"Notice Payment'}*** The Executive may terminate this Agreement upon giving 90 days' written notice to the Company, which notice shall be delivered pursuant to a Notice of Termination. For the avoidance of doubt, no further renewals of the Term of Employment hereunder shall occur pursuant to Section 2.1 after the giving of such Notice of Termination.

2.3 Resignations. Notwithstanding any other provision of this Agreement, upon the termination of the Executive's employment hereunder for any reason, unless otherwise requested by the Compensation Committee, Executive shall immediately resign from all officer positions and all boards of directors of the Company or any Affiliates of which he may then be a member. The Executive hereby agrees to execute any and all documentation of such resignations upon request by the Company, but he shall be treated for all purposes as having so resigned upon termination of his employment, regardless of when or whether he executes any such documentation.

ARTICLE 3.
COMPENSATION AND BENEFITS

3.1 Base Salary. During the Employment Period, the Executive shall receive a minimum annual base salary of $400,000, which shall be prorated for any period of less than 12 months (the **"Base Salary").** The Compensation Committee shall review the Executive's Base Salary on an annual basis and may, in its sole discretion, increase, but not decrease, the Base Salary, and references in this Agreement to "Base Salary" shall refer to annual Base Salary as so increased. The Base Salary shall be paid in equal installments in accordance with the Company's standard policy regarding payment of compensation to executives, but no less frequently than monthly.

3.2 Annual Bonuses. For the 2024 calendar year and subsequent calendar years during the Employment Period, the Executive shall be eligible to receive an annual cash bonus (the **"Annual Bonus")** under the Company's annual incentive cash bonus plan for executives or any successor incentive cash bonus plan (the **"Bonus Plan"),** in an amount to be determined by the Compensation Committee, based on performance goals established by the Compensation Committee, in its discretion, pursuant to the terms of the Bonus Plan, and with a target percentage (the **"Incentive Target Percentage")** of 75% of the Executive's annual Base Salary as in effect at the beginning of the calendar year and may scale up or down based on achievement of personal and corporate goals established by the Compensation Committee.

3.3 Equity Awards after the Effective Date. During the Employment Period on and after the Effective Date, the Executive shall be eligible for stock options or other incentive awards in accordance with normal competitive pay practices, as part of the process and approach used for the Company's other senior executives, as determined by the Compensation Committee in its discretion. The annual long-term incentive award shall be up to 75% of Executive's Base Salary.

3.4 Business and Entertainment Expenses. Subject to the Company's standard policies and procedures with respect to expense reimbursement as applied to its executives generally, the Company shall reimburse the Executive for, or pay on behalf of the Executive, the reasonable and appropriate expenses incurred by the Executive for business related purposes, including dues and fees to industry and professional organizations and costs of entertainment and business development.

3.5 Vacation. During each full year of the Term of Employment, the Executive shall be entitled to 25 days of paid vacation in accordance with the Company's vacation policy, as in effect from time to time.

3.6 Employee and Executive Benefits Generally. During the Employment Period, the Executive shall be eligible for participation in all employee and executive benefits, including without limitation, qualified and supplemental retirement, savings and deferred compensation plans, medical and life insurance plans, and other fringe benefits, as in effect from time to time for the Company's most senior executives and subject to the terms of such plans; provided, however, that the Executive acknowledges and agrees that he shall not be a participant in, and he hereby waives any right to participate in, any severance plan (as the same may be amended from time to time) that generally covers the employees of the Company or its Affiliates such as to preclude duplicative severance benefits with those provided to Executive under the terms of this Agreement; provided, further, that the Company reserves the right to amend and termination any of such plans in its sole discretion.

3.7 Pension Benefits. During each calendar year of the Employment Period, beginning on the January 1, 2024 and pro-rated in the last calendar year of the Employment Period, as necessary, the Company shall pay to Executive an annual amount of US$17,000 as an allowance for him to invest in either a personal pension scheme or similar retirement funding as he may elect in his discretion.

3.8 Proration. Any payments payable to Executive hereunder in respect of any calendar year during which Executive is employed by the Company for less than the entire year, unless otherwise provided in the applicable plan or arrangement, shall be prorated in accordance with the number of days in such calendar year during which he is so employed.

3.9 Local Housing and Transportation. During the Employment Period, for such time as Executive's principal place of employment for the Company is in Houston, Texas, the Company will provide furnished leased housing and a leased vehicle to the Executive. Additionally, each time an amount for this leased housing or leased vehicle is included in the Executive's ordinary income and subject to withholding taxes, the Company shall make an additional payment to the Executive to cover any withholding taxes due on such amounts such that the after-tax amount received by the Executive for such pay stub is the same that the Executive would have received had he not received such leased housing or leased vehicle. For the avoidance of doubt, if such payments are made and included in income as supplemental wages separate from any other compensation, then the additional payment shall be made such that the Executive nets zero after such additional payment.

ARTICLE 4.
RIGHTS AND PAYMENTS UPON TERMINATION

4.1 Rights and Payments upon Termination.

(a) In addition to any Notice Payment that the Company elects to pay to reduce or eliminate the notice period provided for in Section 2.2, and without limiting any other payments or benefits that Employee is entitled to receive under the terms of this Agreement or any employee benefit plan or program, Executive's right to compensation and benefits for periods after the Termination Date shall be limited to the following amounts:

(i) his accrued and unpaid Base Salary through the Termination Date;

(ii) his accrued and unused vacation days through the Termination Date; and

(iii) reimbursement of his reasonable business expenses that were incurred but unpaid as of the Termination Date.

(b) Any Notice Payment, together with such salary and accrued vacation days described in Section 4.1(a). shall be paid to Executive within five Business Days following the Termination Date in a cash lump sum less applicable withholdings. Business expenses shall be reimbursed in accordance with the Company's normal policy and procedures.

(c) ***Termination Benefits.*** In the event that during the Term of Employment Executive incurs a Severance Payment Event, the following severance benefits shall be provided to Executive hereunder or, in the event of his death before receiving all such benefits, to his Designated Beneficiary following his death:

(i) **Additional Payment.** The Company shall pay to Executive as additional compensation (the **"Additional Payment"),** an amount equal to fifty percent (50%) (in the event of a Regular Severance Payment Event), or one hundred percent (100%) (in the event of a CIC Severance Payment Event), multiplied by the aggregate sum of the following compensation items:

(A) Executive's Base Salary as in effect as of the Termination Date; plus

(B) an amount equal to the greater of (i) the average of Executive's Annual Bonus (or other cash incentive bonus) paid or payable to Executive by the Company for the two calendar years immediately preceding the calendar year in which the Termination Date occurs or (ii) Executive's Annual Bonus calculated at the Incentive Target Percentage for the full calendar year in which the Termination Date occurs; provided, however, in the event that the Termination Date occurs before the end of the calendar year, Executive shall be entitled to a prorata portion of the greater of clause (i) or (ii) above (based on the number of days in which he was employed during that year divided by 365).

Regardless of whether attributable to a Regular Severance Payment Event or a CIC Severance Payment Event, and subject to Section 4.1(c)(iii) in the event of an Anticipatory Termination, the Company shall make the Additional Payment to Executive over a six (6) month period in twelve (12), substantially equal bimonthly payments that begin within twenty (20) days following the Termination Date. The payment of any Additional Payment shall be made in accordance with, and subject to, the Release requirements of Section 4.3 and the Company's standard payroll procedures. The Company shall delay payments pursuant to Section 6.1 to the extent required to comply with the requirements of Code Section 409A. If Executive is a "specified employee" within the meaning of Code Section 409A, then payment of the Additional Payments otherwise payable during the first six (6) months following the Termination Date shall be deferred for six (6) months following the Termination Date (in accordance with Section 6.1) and such aggregate amount shall be paid within ten (10) days following the expiration of such 6-month period. Thereafter, the installment payments shall be made to Executive in accordance with the bi-monthly schedule set out above. In the event of Executive's death prior to the payment of all installments of the (1) Additional Payment as provided above, or (2) the Remaining Additional Payment Amount as provided in Section 4.l(b)(iii), the remaining installment payments shall be aggregated and paid in a single sum payment to the Executive's Designated Beneficiary within sixty (60) days from Executive's date of death.

(ii) Continued Group Health Plan Coverage. The Company and its Affiliates shall maintain continued group health plan coverage following the Termination Date under any of the Company's group health plans that covered Executive immediately before the Termination Date which are subject to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as codified in Code Section 4980B and Part 6 of Subtitle B of Title I of ERISA **("COBRA"),** for Executive and his eligible spouse and other dependents (together, **"Dependents"),** for a period of one (1) year following the Termination Date and at no cost to Executive and his Dependents.

After the Termination Date, Executive, and his Dependents, if any, must first elect and maintain any COBRA continuation coverage under such plan that they are entitled to receive under the terms of such plan and COBRA. However, Executive and his Dependents shall not be required to make any premium payments for the portion of any such COBRA coverage period that does not extend beyond the maximum one-year period referenced above. In all other respects, Executive and his Dependents shall be treated the same as other COBRA qualified beneficiaries under the terms of such plan and the requirements of COBRA during the period while COBRA coverage remains in effect.

The continuation coverage described above shall be provided in a manner that is intended to satisfy an exception to Code Section 409A, and therefore not be treated as an arrangement providing for nonqualified deferred compensation that is subject to taxation under Code Section 409A.

(iii) Anticipatory Termination. Notwithstanding any provision of this Agreement to the contrary, in the event of an Anticipatory Termination, the Company shall compute the Additional Payment payable to Executive as the result of a CIC Severance Payment Event and offset from such amount the aggregate amount of the installments of the Additional Payment, if any, that were already paid to Executive through the Change in Control Date as the result of his Regular Severance Payment Event. The difference between the amount of Additional Payment attributable to the Executive's CIC Severance Payment Event and his Regular Severance Payment Event, as offset by any installment payments already made to Executive through the Change in Control Date, is defined as the **"Remaining Additional Payment Amount".** The Remaining Additional Payment Amount shall be paid to Executive in substantially equal, bi-monthly installment payments over the remaining term of the one-year period that is specified in Section 4.l(b)(i). The Remaining Additional Payment Amount shall be paid to Executive, as provided above, without the requirement that Executive enter into a new Release Agreement.

4.2 Limitation on Other Severance Benefits.

(a) Limitation on Other Severance Payments. For purposes of clarity, in the event that (i) Executive voluntarily resigns or otherwise voluntarily terminates his own employment during the Term of Employment, *except for* due to his death or Disability, or (ii) Executive's employment is terminated due to a No Severance Benefits Event, then, in either such event under clause (i) or (ii), the Company shall have no obligation to provide the severance benefits described in subsection (i) of Section 4.l(c). Executive shall still be entitled to receive the minimum payments provided under Section 4.l(a).

(b) No Duplication of Severance Benefits. Notwithstanding Section 4.1, if Executive receives or is entitled to receive any severance benefit under any change of control policy, or any agreement with, or plan or policy of, the Company or any Affiliate, the amount payable under Section 4.1(c) to or on behalf of Executive shall be offset by such other severance benefits received by Executive, and Executive shall thus be entitled to receive the greater of such other severance benefits or the benefits provided under this Agreement, and not any duplicate benefits. The severance payments provided under this Agreement shall also supersede and replace any duplicative severance benefits under any severance pay plan or program that the Company or any Affiliate maintains for employees generally and that otherwise may cover Executive. For the avoidance of doubt, nothing in this Agreement shall be deemed to alter the provisions of any agreement granting equity-based awards to Executive; nor shall anything in such agreements be deemed to alter the provisions of this Agreement.

4.3 Release Agreement. In order to receive the Termination Benefits, Executive must first execute the Release on a form provided by the Company. Pursuant to the Release, thereby Executive agrees to release and waive, in return for such severance benefits, any claims that he may have against the Company including, without limitation, for unlawful discrimination or retaliation (e.g., Title VII of the U.S. Civil Rights Act); provided, however, the Release shall not release any claim by or on behalf of Executive for any payment or benefit that is due and payable under the terms of this Agreement prior to the receipt thereof.

The Company shall deliver the Release to Executive within ten (10) days after the Employment Termination Date. The Executive must return the executed Release within the twenty-one (21) or forty-five (45) day period, as applicable, following the date of his receipt of the Release, and not revoke such Release such that the Release becomes effective no later than the sixtieth day following the Termination Date. If the conditions set forth in the preceding sentence are not satisfied by Executive, the Termination Benefits shall be forfeited hereunder.

If the Release delivery and non-revocation period spans two taxable years, the Termination Benefits will always be paid in the second taxable year. The Company shall also execute the Release. No Termination Benefits shall be payable or provided by the Company unless and until the Release has been executed by Executive, has not been revoked, and is no longer subject to revocation by Executive.

4.4 Notice of Termination. Any termination of employment by the Company or Executive shall be communicated by Notice of Termination to the other Party.

4.5 No Mitigation. Executive shall not be required to mitigate the amount of any payment or other benefits provided under this Agreement by seeking other employment.

ARTICLES.
CONFIDENTIAL INFORMATION AND RESTRICTIVE COVENANTS

5.1 Access to Confidential Information and Specialized Training. In connection with his employment and continuing on an ongoing basis during the Employment Period, the Company and its Affiliates will give Executive access to Confidential Information, which Executive did not have access to or knowledge of before the execution of this Agreement. Executive acknowledges and agrees that all Confidential Information is confidential and a valuable, special and unique asset of the Company that gives the Company an advantage over its actual and potential, current and future competitors. Executive further acknowledges and agrees that Executive owes the Company a fiduciary duty to preserve and protect all Confidential Information from unauthorized disclosure or unauthorized use, that certain Confidential Information constitutes "trade secrets" under applicable laws, and that unauthorized disclosure or unauthorized use of the Confidential Information would irreparably injure the Company or any Affiliate.

The Company also agrees to provide Executive with Specialized Training, which Executive does not have access to or knowledge of before the execution of this Agreement and continuing on an ongoing basis during his employment.

5.2 Agreement Not to Use or Disclose Confidential Information. Both during the term of Executive's employment and after his termination of employment for any reason (including wrongful termination), Executive shall hold all Confidential Information in strict confidence, and shall not use any Confidential Information except for the benefit of the Company or its Affiliates, in accordance with the duties assigned to Executive. Executive shall not, at any time (either during or after the term of Executive's employment), disclose any Confidential Information to any Person (except other Persons who have a need to know the information in connection with the performance of services for the Company or an Affiliate), or copy, reproduce, modify, decompile or reverse engineer any Confidential Information, or remove any Confidential Information from the Company's premises, without the prior written consent of the Compensation Committee, or permit any other Person to do so. Executive shall take reasonable precautions to protect the physical security of all documents and other material containing Confidential Information (regardless of the medium on which the Confidential Information is stored). This agreement and covenant applies to all Confidential Information, whether now known or later to become known to Executive.

The Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information relating to the Company or any of its Affiliates, and their respective businesses, that has been obtained by the Executive during the Executive's employment by the Company and which is not public knowledge (other than by acts of the Executive or representatives of the Executive in violation of this Agreement).

Following the termination of the Executive's employment with the Company for any reason, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such Confidential Information to any Person other than the Company and those designated by it.

The Company has and will disclose to the Executive, or place the Executive in a position to have access to or develop, trade secrets and Confidential Information of the Company or its Affiliates; and/or has and will place the Executive in a position to develop business goodwill on behalf of the Company or its Affiliates; and/or has and will entrust the Executive with business opportunities of the Company or its Affiliates. As part of the consideration for the compensation and benefits to be paid to the Executive hereunder; to protect the trade secrets and Confidential Information of the Company and its Affiliates that have been and will in the future be disclosed or entrusted to the Executive, the business goodwill of the Company and its Affiliates that has been and will in the future be developed in the Executive, or the business opportunities that have been and will in the future be disclosed or entrusted to the Executive.

5.3 Duty to Return Company Documents and Property. Upon the termination of Executive's employment with the Company and its Affiliates, for whatever reason, Executive shall immediately return and deliver to the Company any and all papers, books, records, documents, memoranda and manuals, e-mail, electronic or magnetic recordings or data, including all copies thereof, belonging to the Company or an Affiliate or relating to their businesses, in Executive's possession or under his control, and regardless of, whether prepared by Executive or others. If at any time after the Employment Period, Executive determines that he has any Confidential Information in his possession or under his control, Executive shall immediately return to the Company all such Confidential Information, including all copies (including electronic versions) and portions thereof.

Within one day after the end of the Employment Period for any reason, the Executive shall return to Company all Confidential Information which is in his possession, custody or control.

5.4 Further Disclosure. Executive shall promptly disclose to the Company all ideas, inventions, computer programs, and discoveries, whether or not patentable or copyrightable, which he may conceive or make, alone or with others, during the Employment Period, whether or not during working hours, and which directly or indirectly:

(a) relate to matters within the scope, field, duties or responsibility of Executive's employment with the Company; or

(b) are based on any knowledge of the actual or anticipated business or interest of the Company; or

(c) are aided by the use of time, materials, facilities or information of the Company.

Executive assigns to the Company, without further compensation, all rights, titles and interest in all such ideas, inventions, computer programs and discoveries in all countries of the world. Executive recognizes that all ideas, inventions, computer programs and discoveries of the type described above, conceived or made by Executive alone or with others within six months after termination of employment (voluntary or otherwise), are likely to have been conceived in significant part either while employed by the Company or as a direct result of knowledge Executive had of Confidential Information. Accordingly, Executive agrees that such ideas, inventions or discoveries shall be presumed to have been conceived during his employment with the Company, unless and until the contrary is clearly established by Executive.

5.5 Inventions. Any and all writings, computer software, inventions, improvements, processes, procedures and/or techniques which Executive may make, conceive, discover, or develop, either solely or jointly with any other Person, at any time during the Employment Period, whether at the request or upon the suggestion of the Company or otherwise, which relate to or are useful in connection with any business now or hereafter carried on or contemplated by the Company or an Affiliate, including developments or expansions of its present fields of operations, shall be the sole and exclusive property of the Company. Executive shall take all actions necessary so that the Company can prepare and present applications for copyright or Letters Patent therefor, and can secure such copyright or Letters Patent wherever possible, as well as reissue renewals, and extensions thereof, and can obtain the record title to such copyright or patents. Executive shall not be entitled to any additional or special compensation or reimbursement regarding any such writings, computer software, inventions, improvements, processes, procedures and techniques. Executive acknowledges that the Company from time to time may have agreements with other Persons which impose obligations or restrictions on the Company or an Affiliate regarding inventions made during the course of work thereunder or regarding the confidential nature of such work. Executive agrees to be bound by all such obligations and restrictions and to take all reasonable action which is necessary to discharge the obligations of the Company or an Affiliate with respect thereto.

5.6 Tolling. If Executive violates any of the restrictions contained in Sections 5.1 through 5.5, the restrictive period will be suspended and will not run in favor of Executive from the time of the commencement of any violation until the time when Executive cures the violation to the Company's reasonable satisfaction.

5.7 Reformation. It is expressly understood and agreed that the Company and the Executive consider the restrictions contained in this Article 5 to be reasonable and necessary to protect the Confidential Information and reasonable business interests of the Company or its Affiliates. Nevertheless, if any of the aforesaid restrictions are found by a court having jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the Parties intend for the restrictions therein set forth to be modified by such court or arbitrator so as to be reasonable and enforceable and, as so modified, to be fully enforced in the geographic area and for the time period to the full extent permitted by law.

5.8 No Previous Restrictive Agreements. Executive represents that, except for agreements he disclosed in writing to the Company, he is not bound by the terms of any agreement with any previous employer or other Person to (a) refrain from using or disclosing any trade secret or confidential or proprietary information in the course of Executive's employment by the Company or (b) refrain from competing, directly or indirectly, with the business of such previous employer or any other Person. Executive further represents that his performance of all the terms of this Agreement and his work duties for the Company does not, and will not, breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive in confidence or in trust prior to Executive's employment with the Company, and Executive will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or other Person.

5.9 Conflicts of Interest. In keeping with his fiduciary duties to Company, Executive hereby agrees that he shall not become involved in a conflict ofinterest, or upon discovery thereof, allow such a conflict to continue at any time during the Employment Period. Moreover, Executive agrees that he shall abide by the Company's Code of Conduct, as it may be amended from time to time, and immediately disclose to the Board of Directors any known facts which might involve a conflict of interest of which the Board of Directors was not aware.

5.10 Remedies. Executive acknowledges that the restrictions contained in this Article 5, in view of the nature of the Company's business, are reasonable and necessary to protect the Company's legitimate business interests, and that any violation of this Agreement would result in irreparable injury to the Company. In the event of a breach or a threatened breach by Executive of any provision of Article 5, the Company shall be entitled to a temporary restraining order and injunctive relief restraining Executive from the commission of any breach, and to recover the Company's attorneys' fees, costs and expenses related to the breach or threatened breach. Nothing contained in this Agreement shall be construed as prohibiting the Company from pursuing any other remedies available to it for any such breach or threatened breach, including, without limitation, the recovery of money damages, attorneys' fees, and costs. These covenants and disclosures shall each be construed as independent of any other provisions in this Agreement, and the existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants and agreements.

The Executive acknowledges that money damages would not be sufficient remedy for any breach ofArticle 5 by the Executive, and the Company shall also be entitled to specific performance as an available remedy for any such breach or any threatened breach. The remedies provided in this Section 5.10 shall not be deemed the exclusive remedies for a breach of Article 5, but shall be in addition to all remedies available at law or in equity.

5.11 No Disparaging Comments. Executive and the Company shall refrain from any criticisms or disparaging comments about each other or in any way relating to Executive's employment or separation from employment; provided, however, that nothing in this Agreement shall apply to or restrict in any way the communication of information by the Company or any of its Affiliates or by the Executive to any state or federal law enforcement agency. The Company and Executive will not be in breach of this covenant solely by reason of testimony or disclosure that is required for compliance with applicable law or regulation or by compulsion of law. A violation or threatened violation of this prohibition may be enjoined by a court of competent jurisdiction. The rights under this provision are in addition to any and all rights and remedies otherwise afforded by law to the Parties.

Executive acknowledges that in executing this Agreement, he has knowingly, voluntarily, and intelligently waived any free speech, free association, free press or First Amendment to the United States Constitution (including, without limitation, any counterpart or similar provision or right under the Texas Constitution or any other state constitution which may be deemed to apply) rights to disclose, communicate, or publish disparaging information or comments concerning or related to the Company or its Affiliate; provided, however, nothing in this Agreement shall be deemed to prevent Executive from testifying fully and truthfully in response to a subpoena from any court or from responding to an investigative inquiry from any governmental agency.

5.12 Company Documents and Property. All writings, records, and other documents and things comprising, containing, describing, discussing, explaining, or evidencing any Confidential Information, and all equipment, components, parts, tools, and the like in Executive's custody, possession or control that have been obtained or prepared in the course of Executive's employment with the Company shall be the exclusive property of the Company, shall not be copied and/or removed from the premises of the Company, except in pursuit of the business of the Company, and shall be delivered to the Company, without Executive retaining any copies or electronic versions, promptly upon notification of the termination of Executive's employment or at any other time requested by the Company. The Company shall have the right to retain, access, and inspect all property of any kind in the office or premises of the Company.

ARTICLE 6.
GENERAL PROVISIONS

6.1 Matters Relating to Section 409A of the Code. Notwithstanding any provision in this Agreement to the contrary, if the payment of any compensation or benefit provided hereunder (including, without limitation, any Termination Benefits) would be subject to additional taxes and interest under Section 409A of the Code **("Section 409A"),** then the following provisions shall apply:

(a) Notwithstanding anything to the contrary in this Agreement, with respect to any amounts payable to Executive under this Agreement in connection with a termination of Executive's employment that would be considered "non-qualified deferred compensation" that is subject to, and not exempt under, Section 409A, a termination of employment shall not be considered to have occurred under this Agreement unless and until such termination constitutes Executive's Separation From Service.

(b) Notwithstanding anything to the contrary in this Agreement, to the maximum extent permitted by applicable law, the Termination Benefits provided to Executive pursuant to this Agreement shall be made in reliance upon Treasury Regulation Section 1.409A-l(b)(9)(iii) (relating to separation pay plans) or Treasury Regulation Section l.409A-l(b)(4) (relating to short-term deferrals). However, to the extent any such payments are treated as "non-qualified deferred compensation" subject to Section 409A, and if Executive is determined by the Company at the time of his Separation from Service to be a "specified employee" for purposes of Section 409A, then to the extent delayed payment of the Termination Benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited payment under Section 409A, such severance payment shall not be made to Executive before the earlier of (1) the expiration of the six month period measured from the date Executive's Separation from Service or (2) the date of Executive's death. Upon the earlier of such dates, all payments deferred pursuant to this Section 6.1 shall be paid in a lump sum to Executive (or to Executive's Designated Beneficiary in the event of his death). Each installment payment shall be treated as a separate payment for purposes of Section 409A.

(c) The determination of whether Executive is a "specified employee" for purposes of Section 409A at the time of his Separation from Service shall be made by the Company in accordance with the requirements of Section 409A.

(d) Notwithstanding anything to the contrary in this Agreement or in any separate Company policy, with respect to any in-kind benefits and reimbursements provided under this Agreement during any tax year of Executive shall not affect in-kind benefits or reimbursements to be provided in any other tax year of Executive and are not subject to liquidation or exchange for another benefit. Reimbursement requests must be timely submitted by Executive, and if timely submitted, reimbursement payments shall be made to Executive as soon as administratively practicable following such submission in accordance with the Company's policy regarding reimbursements, but in no event later than the last day of Executive's taxable year following the taxable year in which the expense was incurred. This Section 6.1 shall only apply to in-kind benefits and reimbursements that would result in taxable compensation income to Executive.

(e) This Agreement is intended to be written, administered, interpreted and construed in a manner such that no payment under this Agreement becomes subject to (1) the gross income inclusion under Section 409A or (2) the interest and additional tax under Section 409A (collectively, **"Section 409A Penalties"),** including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of the Section 409A Penalties. For purposes of Section 409A, each payment that Executive may be eligible to receive under this Agreement shall be treated as a separate and distinct payment and shall not collectively be treated as a single payment. If any provision of this Agreement would cause Executive to incur the Section 409A Penalties, the Company may, after consulting with Executive, reform such provision to comply with Section 409A or to preclude imposition of the Section 409A Penalties, to the full extent permitted under Section 409A.

6.2 Withholdings; Right of Offset. The Company may withhold and deduct from any benefits and payments made or to be made pursuant to this Agreement (a) all federal, state, local, foreign, and other taxes as may be required pursuant to any law or governmental regulation or ruling, (b) all other normal employee deductions made with respect to Company's employees generally, and (c) any advances made to Executive and owed to Company.

6.3 Nonalienation. The right to receive payments under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge or encumbrance by Executive, his dependents or beneficiaries, or to any other Person who is or may become entitled to receive such payments hereunder. The right to receive payments hereunder shall not be subject to or liable for the debts, contracts, liabilities, engagements or torts of any Person who is or may become entitled to receive such payments, nor may the same be subject to attachment or seizure by any creditor of such Person under any circumstances, and any such attempted attachment or seizure shall be void and of no force and effect.

6.4 Incompetent or Minor Payees. Should the Compensation Committee determine, in its discretion, that any Person to whom any payment is payable under this Agreement has been determined to be legally incompetent or is a minor, any payment due hereunder, notwithstanding any other provision of this Agreement to the contrary, may be made in any one or more of the following ways: (a) directly to such Person; (b) to the legal guardian or other duly appointed personal representative of the individual or the estate of such Person; or (c) to such adult or adults as have, in the good faith knowledge of the Compensation Committee, assumed custody and support of such Person; and any payment so made shall constitute full and complete discharge of any liability under this Agreement in respect to the amount paid.

6.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise), and this Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as previously defined and any successor by operation of law or otherwise, as well as any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement. Except as provided in the preceding provisions of this Section 6.5. this Agreement, and the rights and obligations of the Parties hereunder, are personal in nature and neither this Agreement, nor any right, benefit, or obligation of either Party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the written consent of the other Party.

6.6 Notice. Each Notice or other communication required or permitted under this Agreement shall be in writing and transmitted, delivered, or sent by personal delivery, prepaid courier or messenger service (whether overnight or same-day), or prepaid certified United States mail (with return receipt requested), addressed (in any case) to the other Party at the address for that Party set forth below or under that Party's signature on this Agreement, or at such other address as the recipient has designated by Notice to the other Party.

To the Company:	VAALCO Energy, Inc. 9800 Richmond Avenue, Suite 700 Houston, Texas 77042 Attention: Chief Executive Officer
To Executive:	Thor Pruckl (as set forth below his signature)

Each Notice or communication so transmitted, delivered, or sent (a) in person, by courier or messenger service, or by certified United States mail (return receipt requested) shall be deemed given, received, and effective on the date delivered to or refused by the intended recipient (with the return receipt, or the equivalent record of the courier or messenger, being deemed conclusive evidence of delivery or refusal), or (b) by email or facsimile shall be deemed given, received, and effective on the date of actual receipt (with the confirmation of transmission being deemed conclusive evidence of receipt, except where the intended recipient has promptly Notified the other Party that the transmission is illegible). Nevertheless, if the date of delivery or transmission is not a Business Day, or if the delivery or transmission is after 4:00 p.m. (local time at the recipient) on a Business Day, the Notice or other communication shall be deemed given, received, and effective on the next Business Day.

6.7 Mandatory Arbitration of Disputes. Except as provided in subsection (h) of this Section 6.7, any Dispute must be resolved by binding arbitration in accordance with the following:

(a) Either Party may begin arbitration by filing a demand for arbitration in accordance with the Arbitration Rules and concurrently Notifying the other Party of that demand. If the Parties are unable to agree upon the choice of an arbitrator within 20 Business Days after the demand for arbitration was filed (and do not agree to an extension of that 20-day period), either Party may request the Houston, Texas, office of the American Arbitration Association **("AAA")** to appoint the arbitrator in accordance with the Arbitration Rules. The arbitrator, as so appointed hereunder, is referred to herein as the **"Arbitrator".**

(b) The arbitration shall be conducted in the Houston, Texas metropolitan area, at a place and time agreed upon by the Parties with the Arbitrator, or if the Parties cannot agree, as designated by the Arbitrator. The Arbitrator may, however, call and conduct hearings and meetings at such other places as the Parties may mutually agree or as the Arbitrator may, on the motion of one Party, determine to be necessary to obtain significant testimony or evidence.

(c) The Arbitrator may authorize any and all forms of discovery upon a Party's showing of need that the requested discovery is likely to lead to material evidence needed to resolve the Dispute and is not excessive in scope, timing, or cost.

(d) The arbitration shall be subject to the Federal Arbitration Act and conducted in accordance with the Arbitration Rules to the extent that they do not conflict with this Section 6.7. The Parties and the Arbitrator may, however, agree to vary to provisions of this Section 6.7 or the matters otherwise governed by the Arbitration Rules.

(e) The arbitration hearing shall be held within 60 days after the appointment of the Arbitrator. The Arbitrator's final decision or award shall be made within 30 days after the hearing. That final decision or award by the Arbitrator shall be deemed issued at the place of arbitration. The Arbitrator's final decision or award shall be based on this Agreement and applicable law.

(f) The Arbitrator's final decision or award may include injunctive relief in response to any actual or impending breach of this Agreement or any other actual or impending action or omission by a Party in connection with this Agreement.

(g) The Arbitrator's final decision or award shall be final and binding upon the Parties, and judgment upon that decision or award may be entered in any court having jurisdiction. The Parties shall have any appeal rights afforded to them under the Federal Arbitration Act.

(h) Nothing in this Section 6.7 shall limit the right of either Party to apply to a court having jurisdiction to: (1) enforce the agreement to arbitrate in accordance with this Section 6.7; (2) seek provisional or temporary injunctive relief in response to an actual or impending breach of the Agreement or otherwise so as to avoid an irreparable damage or maintain the status quo, until a final arbitration decision or award is rendered or the Dispute is otherwise resolved; or (3) challenge or vacate any final Arbitrator's decision or award that does not comply with this Section 6.7. In addition, nothing in this Section 6.7 prohibits the Parties from resolving any Dispute (in whole or in part) by mutual agreement at any time, including, without limitation, through the use of personal negotiations or mediation with a third party.

(i) The Arbitrator may proceed to an award notwithstanding the failure of any Party to participate in such proceedings. The prevailing Party in the arbitration proceeding may be entitled to an award of reasonable attorneys' fees incurred in connection with the arbitration in such amount, if any, as determined by the Arbitrator in his discretion. The costs of the arbitration shall be borne equally by the Parties unless otherwise determined by the Arbitrator in the award.

G) The Arbitrator shall be empowered to impose sanctions and to take such other actions as it deems necessary to the same extent a judge could impose sanctions or take such other actions pursuant to the Federal Rules of Civil Procedure and applicable law. Each Party agrees to keep all Disputes and arbitration proceedings strictly confidential except for the disclosure of information required by applicable law.

(k) Executive acknowledges that by agreeing to this provision, he knowingly and voluntarily waives any right he may have to a jury trial based on any claims he has, had, or may have against the Company or an Affiliate, including any right to a jury trial under any local, municipal, state or federal law.

6.8 Severability. It is the desire of the Parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held unenforceable by a court of competent jurisdiction or arbitrator (pursuant to Section 6.7). the Parties hereby agree and consent that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law; provided, however, if such provision cannot be reformed, it shall be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement. This Agreement should be construed by limiting and reducing it only to the minimum extent necessary to be enforceable under then applicable law.

6.9 No Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, and to their respective successors and permitted assigns hereunder, but otherwise this Agreement shall not be for the benefit of any Persons who are third parties.

6.10 Waiver of Breach. No waiver by either Party of a breach of any provision of this Agreement by the other Party, or of compliance with any condition or provision of this Agreement to be performed by the other Party, will operate or be construed as a waiver of any subsequent breach by the other Party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either Party to take any action by reason of any breach will not deprive such Party of the right to take action at any time while such breach continues.

6.11 Survival of Certain Provisions. Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of this Agreement or following the Executive's Termination Date.

6.12 Entire Agreement; Amendment and Termination. This Agreement contains the entire agreement of the Parties with respect to the matters covered herein; moreover, this Agreement supersedes all prior and contemporaneous agreements and understandings, oral or written, between the Parties concerning the subject matter hereof. This Agreement may be amended, waived or terminated only by a written instrument that is identified as an amendment, waiver or termination hereto and that is executed by or on behalf of each Party.

6.13 Defend Trade Secrets Act. Executive is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Executive files a lawsuit for retaliation against the Company for reporting a suspected violation of law, Executive may disclose the Company's trade secrets to Executive's attorney and use the trade secret information in the court proceeding if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

6.14 Interpretive Matters. In the interpretation of the Agreement, except where the context otherwise requires:

(a) **Headings.** The Agreement headings are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(b) The terms **"including" and "include"** do not denote or imply any limitation

(c) The conjunction **"or"** has the inclusive meaning **"and/or".**

(d) The singular includes the plural, and vice versa, and each gender includes each of the others.

(e) The term **"month"** refers to a calendar month.

(0 Reference to any statute, rule, or regulation includes any amendment thereto or any statute, rule, or regulation enacted or promulgated in replacement thereof.

(f) The words **"herein", "hereof', "hereunder"** and other compounds of the word **"here"** shall refer to the entire Agreement and not to any particular provision;

(g) All amounts referenced herein are in U.S. dollars.

6.15 Governing Law; Jurisdiction. All matters or issues relating to the interpretation, construction, validity, and enforcement of this Agreement shall be governed by the laws of the State of Texas, without giving effect to any choice-of-law principle that would cause the application of the laws of any jurisdiction other than Texas. Jurisdiction and venue of any action or proceeding relating to this Agreement or any Dispute (to the extent arbitration is not required under Section 6.7) shall be exclusively in the federal and state courts of competent jurisdiction in the Houston, Texas metropolitan area.

6.16 Executive Acknowledgment. Executive acknowledges that (a) he is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, (b) he has read this Agreement and understands its terms and conditions, (c) he has had ample opportunity to discuss this Agreement with his legal counsel prior to execution, and (d) no strict rules of construction shall apply for or against the drafter or any other Party. Executive represents that he is free to enter into this Agreement including, without limitation, that he is not subject to any covenant not to compete or other restrictive covenant that would conflict with his employment duties and covenants under this Agreement.

6.17 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a copy hereof containing multiple signature pages, each signed by one Party hereto, but together signed by both Parties.

[Signature page follows.]

IN **WITNESS WHEREOF,** Executive has hereunto set his hand and Company has caused this Agreement to be executed in its name and on its behalf by its duly authorized officer, to be effective as of the Effective Date.

EXECUTIVE:

Signature: /s/

Name: Thor Pruckl

Date: April 18/2024

Executive's Address for Notices:

ATTEST: 1770 South Post Oak Ln Apt 1601 77056.

Signature: /s/

Name: Thor Pruckl

Date: __________

COMPANY:

VAALCO ENERGY. INC.

Signature: /s/

Name: George Maxwell

Title: Chief Executive Officer Date:

Date: 4/18/24

Signature Page to Executive Employment Agreement

APPENDIX A

Definitions Appendix

1. **"Affiliate"** has the same meaning ascribed to such term in Rule 12b-2 under the Securities Exchange Act of 1934, as amended from time to time.

2. **"Anticipatory Termination"** means a Separation From Service of the Executive within the time period that begins on the first day of the month that is twelve (12) months immediately preceding the first day of the month containing the Change in Control Date and ends on the Change in Control Date, but only if the Executive's Separation From Service was (a) due to a termination by the Company without Cause or (b) a termination by the Executive for Good Reason. For purposes of clarification and not limitation, a Separation From Service for Cause, or due to Executive's death or Disability or his voluntary resignation without Good Reason, is not an Anticipatory Termination.

3. **"Arbitration Rules"** means the Rules for Employment Arbitrations of the American Arbitration Association, as in effect at the time of arbitration of a Dispute.

4. **"Board"** means the then-current Board of Directors of the Company.

5. **"Business Day"** means any Monday through Friday, excluding any such day on which banks are authorized to be closed in Texas.

6. **"Cause"** shall mean the termination by the Company of the Executive's employment with the Company by reason of (a) the conviction of the Executive by a court of competent jurisdiction as to which no further appeal can be taken of a crime involving moral turpitude or a felony; (b) the commission by the Executive of a material act of fraud upon the Company or any Subsidiary, or any customer or supplier thereof; (c) the misappropriation of any funds or property of the Company or any Subsidiary, or any customer or supplier thereof, by the Executive; (d) the willful and continued failure by the Executive to perform the material duties assigned to him that is not cured to the reasonable satisfaction of the Company within 30 days after written notice of such failure is provided to Executive by the Board or the Compensation Committee (or by an officer of the Company who has been designated by the Board or the Compensation Committee for such purpose); (e) the engagement by the Executive in any direct and material conflict of interest with the Company or any Subsidiary without compliance with the Company's or Subsidiary's conflict of interest policy, if any, then in effect; or (f) the engagement by the Executive, without the written approval of the Board or the Compensation Committee, in any material activity which competes with the business of the Company or any Subsidiary or which would result in a material injury to the business, reputation or goodwill of the Company or any Subsidiary.

7. **"Change in Control"** means the occurrence of any one or more of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a **"Person")**) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (i) the then outstanding shares of common stock of the Company (the **"Outstanding Company Stock")** or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the **"Outstanding Company Voting Securities");** provided, however, that the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company or any Subsidiary, (ii) any acquisition by the Company or any Subsidiary or by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (iii) any acquisition by any corporation pursuant to a reorganization, merger, consolidation or similar business combination involving the Company (a **"Merger"),** if, following such Merger, the conditions described in Section 7.8(c) (below) are satisfied;

(b) Individuals who, as of the Effective Date, constitute the Board of Directors of the Company (the **"Incumbent Board")** cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-l 1 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Merger involving the Company, unless immediately following such Merger, (i) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to Merger beneficially own, directly or indirectly, more than fifty percent (50%) of the common stock of the corporation resulting from such Merger (or its parent corporation) in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to such Merger and (ii) at least a majority of the members of the board of directors of the corporation resulting from such Merger (or its parent corporation) were members of the Incumbent Board at the time of the execution of the initial agreement providing for such Merger;

(d) The sale consummation, or other disposition of all or substantially all of the assets of the Company, unless immediately following such sale or other disposition, (i) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to the consummation of such sale or other disposition beneficially own, directly or indirectly, more than fifty percent (50%) of the common stock of the corporation acquiring such assets in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to the consummation of such sale or disposition, and (ii) at least a majority of the members of the board of directors of such corporation (or its parent corporation) were members of the Incumbent Board at the time of execution of the initial agreement or action of the Board providing for such sale or other disposition of assets of the Company; or

(e) The approval by the stockholders of the Company or the Board of a plan for the complete liquidation or dissolution of the Company.

Notwithstanding the foregoing provisions of this Change in Control definition, to the extent that any payment (or acceleration of payment) under the Agreement is considered to be deferred compensation that is subject to, and not exempt under, Code Section 409A, then the term Change in Control hereunder shall be construed to have the meaning as set forth in Code Section 409A with respect to the payment (or acceleration of payment) of such deferred compensation, but only to the extent inconsistent with the foregoing provisions of this definition as determined by the Incumbent Board.

8. "Change in Control Date" means the first date upon which a Change in Control event occurs, provided that such date is during (a) the Employment Period or (b) the period following the Employment Period as specified in the definition of "Anticipatory Termination" if applicable.

9. "CIC Window Period" means (a) the time period beginning on the Change in Control Date and ending on the last day of the twelve (12) consecutive month period that begins immediately following the last day of the month containing the Change in Control Date, or (b) following an Anticipatory Termination, the occurrence of a Change in Control (which Change in Control must qualify as a "change in control event" within the meaning of Section 409A) within the period that is specified in the definition of "Anticipatory Termination".

10. "Code" means the Internal Revenue Code of 1986, as amended, or its successor. References herein to any Section of the Code shall include any successor provisions of the Code.

11. "Confidential Information" means any information or material known **to,** or used by or for, the Company or an Affiliate (whether or not owned or developed by the Company or an Affiliate and whether or not developed by Executive) that is not generally known by other Persons in the Business. For all purposes of the Agreement, Confidential Information includes, but is not limited to, the following: all trade secrets of the Company or an Affiliate; all non-public information that the Company or an Affiliate has marked as confidential or has otherwise described to Executive (either in writing or orally) as confidential; all non-public information concerning the Company's or Affiliate's products, services, prospective products or services, research, prospects, leases, surveys, seismic data, drilling data, designs, prices, costs, marketing plans, marketing techniques, studies, test data, leasehold and royalty owners, investors, suppliers and contracts; all business records and plans; all personnel files; all financial information of or concerning the Company or an Affiliate; all information relating to the Company's operating system software, application software, software and system methodology, hardware platforms, technical information, inventions, computer programs and listings, source codes, object codes, copyrights and other intellectual property; all technical specifications; any proprietary information belonging to the Company or an Affiliate; all computer hardware or software manuals of the Company or an Affiliate; all Company or Affiliate training or instruction manuals; all Company or Affiliate electronic data; and all computer system passwords and user codes.

12. "Designated Beneficiary" means Executive's surv1vmg spouse, if any, as determined for purposes of the Code. If there is no such surviving spouse at the time of Executive's death, then the Designated Beneficiary shall be Executive's estate.

13. "Disability" shall mean that Executive is entitled to receive long-term disability **("LTD")** income benefits under the LTD plan or policy maintained by the Company or an Affiliate that covers Executive. If, for any reason, Executive is not covered under such LTD plan or policy, then "Disability" shall mean a "permanent and total disability" as defined in Code Section 22(e)(3) and Treasury regulations thereunder. Evidence of such Disability shall be certified by a physician acceptable to both the Company and Executive. In the event that the Parties are not able to agree on the choice of a physician, each shall select one physician who, in tum, shall select a third physician to render such certification. All costs relating to the determination of whether Executive has incurred a Disability shall be paid by the Company. Executive agrees to submit to any examinations that are reasonably required by the attending physician or other healthcare service providers to determine whether he has a Disability.

14. "Dispute" means any dispute, disagreement, controversy, claim, or cause of action arising in connection with or relating to this Agreement or Executive's employment or termination of employment hereunder, or the validity, interpretation, performance, breach, modification or termination of this Agreement.

15. "Good Reason" means, with respect to Executive, the occurrence of any one or more of the following events which first occurs during the Employment Period, except as a result of actions taken in connection with termination of Executive's employment for Cause or Disability, and without Executive's specific written consent:

(a) The assignment to Executive of any duties that are materially inconsistent with Executive's executive position, which in this definition includes status, reporting relationship to the Board of Directors, office, title, scope of responsibility over corporate level staff or operations functions, or responsibilities as an officer of the Company, or any other material diminution in Executive's position, authority, duties, or responsibilities, other than (in any case or circumstance) an isolated and inadvertent action not taken in bad faith that is remedied by the Company within thirty (30) Business Days after Notice thereof to the Company by Executive; or

(b) The Company requires Executive to be based at any office or location that is farther than forty (40) miles from Executive's principal office location located in the Houston, Texas metropolitan area, except for required business travel; or

(c) Any failure by the Company to obtain an assumption of this Agreement by its successor in interest, or any action or inaction that constitutes a material breach by the Company of this Agreement.

Notwithstanding the foregoing definition of "Good Reason", Executive cannot terminate his employment under the Agreement for Good Reason unless Executive (1) first provides written Notice to the Compensation Committee of the event (or events) that Executive believes constitutes a Good Reason event (above) within sixty (60) days from the first occurrence date of such event, and (2) provides the Company with at least thirty (30) Business Days to cure, correct or mitigate the Good Reason event so that it either (A) does not constitute a Good Reason event hereunder or (B) Executive specifically agrees, in writing, that after any such modification or accommodation by the Company, such event does not constitute a Good Reason event hereunder.

16. "Notice of Termination" means a written Notice which (a) indicates the specific termination provision in the Agreement that is being relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and (c) if the Termination Date is other than the date ofreceipt of such Notice, specifies the termination date (which date shall be not more than sixty (60) days after the giving of such Notice). Any termination of Executive by the Company for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other Party. The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of such Party, or preclude such Party from asserting, such fact or circumstance in enforcing such Party's rights.

17. "No Severance Benefits Event" means termination of Executive's employment under the Agreement for Cause.

18. "Notice" means a written communication complying with Section 6.6 **("Notify"** has the correlative meaning).

19. "Person" means any individual, firm, corporation, partnership, limited liability company, trust, or other entity, including any successor (by merger or otherwise) of such entity.

20. "Release" means a separation and release agreement, in such form as is prepared and delivered by the Company to Executive. The Release shall not release any claim by or on behalf of Executive for any payment or other benefit that is required under this Agreement prior to the receipt thereof, except as may otherwise be agreed to by Executive.

21. "Separation From Service" means Executive's "separation from service" with the Company and its Affiliates, as such term is defined under Code Section 409A.

22. "Severance Payment Event" means either a (a) "CIC Severance Payment Event" or (b) "Regular Severance Payment Event", as such terms are defined below.

(a) **"CIC Severance Payment Event"** means either: the Executive's Separation From Service with the Company and all Affiliates that occurs within the CIC Window Period, other than (1) voluntarily by the Executive unless such resignation **is** for Good Reason, (2) due to Executive's death or Disability, or (3) involuntarily by the Company for Cause. Any Separation From Service of the Executive that does not occur within the CIC Window Period, or is otherwise not described in this subsection (a), shall not be considered a CIC Severance Payment Event.

(b) "Regular Severance Payment Event" means a Separation From Service that is not a CIC Severance Payment Event and such Separation From Service is due to: (1) involuntary termination of Executive's Employment by the Company, except due to a

Exhibit 10.2(a)

EXECUTIVE EMPLOYMENT AGREEMENT

BETWEEN

VAALCO ENERGY, INC.

AND

MATTHEW POWERS (EFFECTIVE AS OF JANUARY 18 2024)

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EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the **"Agreement"),** effective as of **18 January 2024** (the **"Effective Date"),** is made and entered into by and between VAALCO Energy, Inc., a Delaware corporation (hereafter **"Company")** and Matthew Powers (hereafter **"Executive").** The Company and Executive may sometimes hereafter be referred to singularly as a **"Party"** or collectively as the **"Parties."**

<u>W I T N E S S E T H</u>:

WHEREAS, the Company desires to continue to secure the employment services of Executive subject to the terms and conditions hereafter set forth; and

WHEREAS, Executive is willing to enter into this Agreement upon the terms and conditions hereafter set forth;

NOW, THEREFORE, in consideration of Executive's employment with the Company, and the mutual promises, covenants and obligations contained herein, the Parties hereby agree as follows:

Article 1.
EMPLOYMENT AND DUTIES

1.1 **<u>Definitions.</u>** In addition to the terms defined in the text hereof, terms with initial capital letters as used herein have the meanings assigned to them, for all purposes of this Agreement, in the Definitions Appendix hereto, unless the context reasonably requires a broader, narrower or different meaning. The Definitions Appendix, as attached hereto, is part of this Agreement and incorporated herein.

1.2 **<u>Employment; Effective Date.</u>** Effective as of the Effective Date and continuing for the Employment Period (as defined in <u>Section 2.1</u>), the Executive's employment by the Company shall be subject to the terms and conditions of this Agreement.

1.3 **<u>Positions.</u>** As of the Effective Date, the Executive will serve as the Executive Vice President, General Counsel, Chief Compliance Officer, and Corporate Secretary of the Company (together **"EVP/GC/CCO/CS").** The Company shall maintain the Executive in the position of EVP/GC/CCO/CS of the Company, and/or in such other positions as the Parties mutually may agree, for the Employment Period.

1.4 **<u>Duties and Services.</u>** The Executive agrees to serve in the positions referred to in Section I .3 and to perform diligently and to the best of his abilities the duties and services appertaining to such offices, as well as such additional duties and services appropriate to such offices upon which the Parties mutually may agree from time to time or, with respect to his duties as EVP/GC/CCO/CS, that are assigned to him by the Chief Executive Officer of the Company **("CEO")** or the Board of Directors of the Company (the **"Board of Directors").** The Executive's employment shall also be subject to the policies maintained and established by the Company from time to time, as the same may be amended or otherwise modified.

Executive shall at all times use his best efforts to in good faith comply with United States and foreign laws applicable to Executive's actions on behalf of the Company and its Affiliates. Executive understands and agrees that he may be required to travel extensively at times for purposes of the Company's business.

1.5 **Other Interests.** The Executive agrees that, during the Employment Period, he will devote his primary business time, energy and best efforts to the business and affairs of the Company and its Affiliates, and not to engage, directly or indirectly, in any other business or businesses, whether or not similar to that of the Company or an Affiliate, except with the consent of the Board of Directors. The foregoing notwithstanding, the Parties recognize and agree that the Executive may engage in passive personal investments (such as real estate investments and rental properties) and other civic and charitable activities (such as continued service on non-profit and/or educational boards) that do not conflict with the business and affairs of the Company or interfere with the Executive's performance of his duties hereunder without the necessity of obtaining the consent of the Board of Directors; provided, however, Executive agrees that if the Compensation Committee of the Board of Directors (the **"Compensation Committee")** determines that continued service with one or more civic or charitable entities is inconsistent with the Executive's duties hereunder and gives written notice to the Executive, he will promptly resign from such position(s).

1.6 **Duty of Loyalty.** The Executive acknowledges and agrees that the Executive owes a fiduciary duty of loyalty, fidelity, and allegiance to use his best efforts to act at all times in the best interests of the Company and its Affiliates. In keeping with these duties, the Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company's business, and he shall not appropriate for the Executive's own benefit any business opportunity concerning the subject matter of such fiduciary relationship.

Article 2.
TERM AND TERMINATION OF EMPLOYMENT

2.1 **Term of Employment.** Unless sooner terminated pursuant to other provisions hereof, the Company agrees to continue to employ the Executive for the period beginning on the Effective Date and ending on the end of the day December 31, 2024 (the **"Initial Term of Employment").** Beginning effective as of January 1, 2025 (the **"Initial Extension Date"),** the term of employment hereunder shall be extended automatically for an additional successive one- year period as of such date and as of each annual anniversary of the Initial Extension Date that occurs while this Agreement remains in effect so that the remaining term is one year; provided, however, if, at any time prior to the date that is sixty (60) days before the Initial Extension Date or any annual anniversary thereof, either Party gives Notice of Termination to the other Party that no such automatic extension shall occur, then the Executive's employment hereunder shall terminate on the last day of the then-current calendar year period.

In addition, the Company and Executive shall each have the right to give Notice of Termination at will, with or without cause, at any time, subject to the terms and conditions of this Agreement regarding the rights and duties of the Parties upon termination of employment.

The Initial Term of Employment, and any extension of employment hereunder, shall be referred to herein as a **"Term of Employment."** The entire period from the Effective Date through the date of Executive's termination of employment with the Company, for whatever reason, shall be referred to herein as the **"Employment Period."**

2.2 **Notice of Termination.** If the Company or the Executive desires to terminate the Executive's employment hereunder at any time as of, or prior to, expiration of the Term of Employment, such Party shall do so by giving written Notice of Termination to the other Party, provided, however, that no such action shall alter or amend any other provisions hereof or rights arising hereunder. No further renewals of the Term of Employment hereunder shall occur pursuant to Section 2.1 after the giving of such Notice of Termination.

2.3 **Resignations.** Notwithstanding any other provision of this Agreement, upon the termination of the Executive's employment hereunder for any reason, unless otherwise requested by the Compensation Committee, Executive shall immediately resign from all officer positions and all boards of directors of the Company or any Affiliates of which he may then be a member. The Executive hereby agrees to execute any and all documentation of such resignations upon request by the Company, but he shall be treated for all purposes as having so resigned upon termination of his employment, regardless of when or whether he executes any such documentation.

Article 3.
COMPENSATION AND BENEFITS

3.1 **Base Salary.** During the Employment Period, the Executive shall receive a minimum annual base salary of $350,000, which shall be prorated for any period of less than 12 months (the **"Base Salary").** The Compensation Committee shall review the Executive's Base Salary on an annual basis and may, in its sole discretion, increase, but not decrease, the Base Salary, and references in this Agreement to "Base Salary" shall refer to annual Base Salary as so increased. The Base Salary shall be paid in equal installments in accordance with the Company's standard policy regarding payment of compensation to executives, but no less frequently than monthly.

3.2 **Annual Bonuses.** For the 2024 calendar year and subsequent calendar years during the Employment Period, the Executive shall be eligible to receive an annual cash bonus (the **"Annual Bonus")** under the Company's annual incentive cash bonus plan for executives or any successor incentive cash bonus plan (the **"Bonus Plan"),** in an amount to be determined by the Compensation Committee, based on performance goals established by the Compensation Committee, in its discretion, pursuant to the terms of the Bonus Plan, and with a target percentage (the **"Incentive Target Percentage")** of seventy-five percent (75%) of the Executive's annual Base Salary as in effect at the beginning of the calendar year and may scale up or down based on achievement of personal and corporate goals established by the Compensation Committee.

3.3 Equity Awards after the Effective Date. During the Employment Period on and after the Effective Date, the Executive shall be eligible for stock options or other incentive awards in accordance with normal competitive pay practices, on a basis no less favorable than the process and approach used for the Company's other senior executives, as determined by the Compensation Committee in its discretion. The annual long-term incentive award shall be up to fifty percent (50%) of Executive's Base Salary.

3.4 Business and Entertainment Expenses. Subject to the Company's standard policies and procedures with respect to expense reimbursement as applied to its executives generally, the Company shall reimburse the Executive for, or pay on behalf of the Executive, the reasonable and appropriate expenses incurred by the Executive for business related purposes, including dues and fees to industry and professional organizations and costs of entertainment and business development.

3.5 Vacation. During each full year of the Term of Employment, the Executive shall be entitled to five (5) weeks of paid vacation in accordance with the Company's vacation policy, as in effect from time to time.

3.6 Employee and Executive Benefits Generally. During the Employment Period, the Executive shall be eligible for participation in all employee and executive benefits, including without limitation, qualified and supplemental retirement, savings and deferred compensation plans, medical and life insurance plans, and other fringe benefits, as in effect from time to time for the Company's most senior executives; provided, however, that the Executive acknowledges and agrees that he shall not be a participant in, and he hereby waives any right to participate in, any severance plan (as the same may be amended from time to time) that generally covers the employees of the Company or its Affiliates such as to preclude duplicative severance benefits with those provided to Executive under the terms of this Agreement.

3.7 Proration. Any payments or benefits payable to Executive hereunder in respect of any calendar year during which Executive is employed by the Company for less than the entire year, unless otherwise provided in the applicable plan or arrangement, shall be prorated m accordance with the number of days in such calendar year during which he is so employed.

Article 4.
RIGHTS AND PAYMENTS UPON TERMINATION.

4.1 Rights and Payments upon Termination. Executive's right to compensation and benefits for periods after the date on which his employment terminates with the Company and all Affiliates (the **"Termination Date")** shall be determined in accordance with this Article 4. as follows:

(a) ***Minimum Payments.*** Executive shall be entitled to the following minimum payments under this Section 4.1(a), in addition to any other payments or benefits which he is entitled to receive under the terms of this Agreement or any employee benefit plan or program:

(i) his accrued and unpaid Base Salary through the Termination Date;

(ii) his accrued and unused vacation days through the Termination Date; and

(iii) reimbursement of his reasonable business expenses that were incurred but unpaid as of the Termination Date.

Such salary and accrued vacation days shall be paid to Executive within five (5) Business Days following the Termination Date in a cash lump sum less applicable withholdings. Business expenses shall be reimbursed in accordance with the Company's normal policy and procedures.

(b) ***Termination Benefits.*** In the event that Executive incurs a Severance Payment Event, the following severance benefits shall be provided to Executive hereunder or, in the event of his death before receiving all such benefits, to his Designated Beneficiary following his death:

(i) Additional Payment. The Company shall pay to Executive as additional compensation (the **"Additional Payment"),** an amount equal to fifty percent (50%) (in the event of a Regular Severance Payment Event), or one hundred percent (I 00%) (in the event of a CIC Severance Payment Event), multiplied by the aggregate sum of the following compensation items:

(A) Executive's Base Salary as in effect as of the Termination Date; plus

(B) an amount equal to the greater of (i) the average of Executive's Annual Bonus (or other cash incentive bonus) paid or payable to Executive by the Company for the two calendar years immediately preceding the calendar year in which the Termination Date occurs or (ii) Executive's Annual Bonus calculated at the Incentive Target Percentage for the full calendar year in which the Termination Date occurs; provided, however, in the event that the Termination Date occurs before the end of the calendar year, Executive shall be entitled to a prorata portion of the greater of clause (i) or (ii) above (based on the number of days in which he was employed during that year divided by 365).

Regardless of whether attributable to a Regular Severance Payment Event or a CIC Severance Payment Event, and subject to section 4.1(b)(iii) in the event of an Anticipatory Termination, the Company shall make the Additional Payment to Executive over a six (6) month period in twelve (12), substantially equal bi monthly payments that begin within twenty (20) days following the Termination Date. The payment of any Additional Payment shall be made in accordance with, and subject to, the Release requirements of Section 4.3 and the Company's standard payroll procedures. The Company shall delay payments pursuant to Section 6.1 to the extent required to comply with the requirements of Code Section 409A. If Executive is a "specified employee" within the meaning of Code Section 409A, then payment of the Additional Payments otherwise payable during the first six (6) months following the Termination Date shall be deferred for six (6) months following the Termination Date (in accordance with Section 6.1) and such aggregate amount shall be paid within ten (10) days following the expiration of such 6-month period. Thereafter, the installment payments shall be made to Executive in accordance with the bi-monthly schedule set out above. In the event of Executive's death prior to the payment of all installments of the (1) Additional Payment as provided above, or (2) the Remaining Additional Payment Amount as provided in Section 4.l{b)(iii), the remaining installment payments shall be aggregated and paid in a single sum payment to the Executive's Designated Beneficiary within sixty (60) days from Executive's date of death.

(ii) Continued Group Health Plan Coverage. The Company and its Affiliates shall maintain continued group health plan coverage following the Termination Date under any of the Company's group health plans that covered Executive immediately before the Termination Date which are subject to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as codified in Code Section 49808 and Part 6 of Subtitle B of Title I of ERISA **("COBRA"),** for Executive and his eligible spouse and other dependents (together, **"Dependents"),** for a period of one (1) year following the Termination Date and at no cost to Executive and his Dependents.

After the Termination Date, Executive, and his Dependents, if any, must first elect and maintain any COBRA continuation coverage under such plan that they are entitled to receive under the terms of such plan and COBRA. However, Executive and his Dependents shall not be required to make any premium payments for the portion of any such COBRA coverage period that does not extend beyond the maximum one-year period referenced above. In all other respects, Executive and his Dependents shall be treated the same as other COBRA qualified beneficiaries under the terms of such plan and the requirements of COBRA during the period while COBRA coverage remains in effect.

The continuation coverage described above shall be provided in a manner that is intended to satisfy an exception to Code Section 409A, and therefore not be treated as an arrangement providing for nonqualified deferred compensation that is subject to taxation under Code Section 409A.

(iii) Anticipatory Termination. Notwithstanding any provision of this Agreement to the contrary, in the event of an Anticipatory Termination, the Company shall compute the Additional Payment payable to Executive as the result of a CIC Severance Payment Event and offset from such amount the aggregate amount of the installments of the Additional Payment, if any, that were already paid to Executive through the Change in Control Date as the result of his Regular Severance Payment Event. The difference between the amount of Additional Payment attributable to the Executive's CIC Severance Payment Event and his Regular Severance Payment Event, as offset by any installment payments already made to Executive through the Change in Control Date, is defined as the **"Remaining Additional Payment Amount".** The Remaining Additional Payment Amount shall be paid to Executive in substantially equal, bi-monthly installment payments over the remaining term of the one-year period that is specified in Section 4.Hb)Ci). The Remaining Additional Payment Amount shall be paid to Executive, as provided above, without the requirement that Executive enter into a new Release Agreement.

4.2 Limitation on Other Severance Benefits.

(a) Limitation on Other Severance Payments. For purposes of clarity, in the event that (i) Executive voluntarily resigns or otherwise voluntarily terminates his own employment during the Term of Employment, *except for* (A) Good Reason or (B) due to his death or Disability, or (ii) Executive's employment is terminated due to a No Severance Benefits Event, then, in either such event under clause (i) or (ii), the Company shall have no obligation to provide the severance benefits described in subsection (i) and (i j) of Section 4.l(b). except to offer COBRA coverage (as required by COBRA) but not at the discounted rate as described in Section 4.l{b)(i i). Executive shall still be entitled to receive the severance benefits provided under Section 4.l(a).

(b) Duplication of Severance Benefits. Notwithstanding Section 4.1. if Executive receives or is entitled to receive any severance benefit under any change of control policy, or any agreement with, or plan or policy of, the Company or any Affiliate, the amount payable under Section 4.Hb) to or on behalf of Executive shall be offset by such other severance benefits received by Executive, and Executive shall thus be entitled to receive the greater of such other severance benefits or the benefits provided under this Agreement, and not any duplicate benefits. The severance payments provided under this Agreement shall also supersede and replace any duplicative severance benefits under any severance pay plan or program that the Company or any Affiliate maintains for employees generally and that otherwise may cover Executive. For the avoidance of doubt, nothing in this Agreement shall be deemed to alter the provisions of any agreement granting equity-based awards to Executive; nor shall anything in such agreements be deemed to alter the provisions of this Agreement.

4.3 Release Agreement. In order to receive the Termination Benefits, Executive must first execute the Release on a form provided by the Company in substantially the same form as attached hereto as Appendix B, together with any changes thereto that the Company deems to be necessary or appropriate to comply with applicable law or regulation. Pursuant to the Release, thereby Executive agrees to release and waive, in return for such severance benefits, any claims that he may have against the Company including, without limitation, for unlawful discrimination or retaliation *(e.g.,* Title VII of the U.S. Civil Rights Act); provided, however, the Release shall not release any claim by or on behalf of Executive for any payment or benefit that is due and payable under the terms of this Agreement prior to the receipt thereof.

The Company shall deliver the Release to Executive within ten (10) days after the Employment Termination Date. The Executive must return the executed Release within the twenty-one (21) or forty-five (45) day period, as applicable, following the date of his receipt of the Release. If the conditions set forth in the preceding sentence are not satisfied by Executive, the Termination Benefits shall be forfeited hereunder.

If the Release delivery and non-revocation period spans two taxable years, the Termination Benefits will always be paid in the second taxable year. The Company shall also execute the Release. No Termination Benefits shall be payable or provided by the Company unless and until the Release has been executed by Executive, has not been revoked, and is no longer subject to revocation by Executive.

4.4 **<u>Notice of Termination.</u>** Any termination of employment by the Company or Executive shall be communicated by Notice of Termination to the other Party.

4.5 **<u>No Mitigation.</u>** Executive shall not be required to mitigate the amount of any payment or other benefits provided under this Agreement by seeking other employment.

Article 5.
CONFIDENTIAL INFORMATION AND RESTRICTIVE COVENANTS

5.1 **<u>Access to Confidential Information and Specialized Training.</u>** In connection with his employment and continuing on an ongoing basis during the Employment Period, the Company and its Affiliates will give Executive access to Confidential Information, which Executive did not have access to or knowledge of before the execution of this Agreement. Executive acknowledges and agrees that all Confidential Information is confidential and a valuable, special and unique asset of the Company that gives the Company an advantage over its actual and potential, current and future competitors. Executive further acknowledges and agrees that Executive owes the Company a fiduciary duty to preserve and protect all Confidential Information from unauthorized disclosure or unauthorized use, that certain Confidential Information constitutes "trade secrets" under applicable laws, and that unauthorized disclosure or unauthorized use of the Confidential Information would irreparably injure the Company or any Affiliate.

The Company also agrees to provide Executive with Specialized Training, which Executive does not have access to or knowledge of before the execution of this Agreement and continuing on an ongoing basis during his employment.

5.2 **<u>Agreement Not to Use or Disclose Confidential Information.</u>**Both during the term of Executive's employment and after his termination of employment for any reason (including wrongful termination), Executive shall hold all Confidential Information in strict confidence, and shall not use any Confidential Information except for the benefit of the Company or its Affiliates, in accordance with the duties assigned to Executive. Executive shall not, at any time (either during or after the term of Executive's employment), disclose any Confidential Information to any Person (except other Persons who have a need to know the information in connection with the performance of services for the Company or an Affiliate), or copy, reproduce, modify, decompile or reverse engineer any Confidential Information, or remove any Confidential Information from the Company's premises, without the prior written consent of the Compensation Committee, or permit any other Person to do so. Executive shall take reasonable precautions to protect the physical security of all documents and other material containing Confidential Information (regardless of the medium on which the Confidential Information is stored). This agreement and covenant applies to all Confidential Information, whether now known or later to become known to Executive.

The Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information relating to the Company or any of its Affiliates, and their respective businesses, that has been obtained by the Executive during the Executive's employment by the Company and which is not public knowledge (other than by acts of the Executive or representatives of the Executive in violation of this Agreement).

Following the termination of the Executive's employment with the Company for any reason, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such Confidential Information to any Person other than the Company and those designated by it.

The Company has and will disclose to the Executive, or place the Executive in a position to have access to or develop, trade secrets and Confidential Information of the Company or its Affiliates; and/or has and will place the Executive in a position to develop business goodwill on behalf of the Company or its Affiliates; and/or has and will entrust the Executive with business opportunities of the Company or its Affiliates. As part of the consideration for the compensation and benefits to be paid to the Executive hereunder; to protect the trade secrets and Confidential Information of the Company and its Affiliates that have been and will in the future be disclosed or entrusted to the Executive, the business goodwill of the Company and its Affiliates that has been and will in the future be developed in the Executive, or the business opportunities that have been and will in the future be disclosed or entrusted to the Executive; and as an additional incentive for the Company to enter into this Agreement, the Company and the Executive agree to the noncompetition and the nonsolicitation obligations set forth in this Agreement.

5.3 **Duty to Return Company Documents and Property.** Upon the termination of Executive's employment with the Company and its Affiliates, for whatever reason, Executive shall immediately return and deliver to the Company any and all papers, books, records, documents, memoranda and manuals, e-mail, electronic or magnetic recordings or data, including all copies thereof, belonging to the Company or an Affiliate or relating to their businesses, in Executive's possession or under his control, and regardless of, whether prepared by Executive or others. If at any time after the Employment Period, Executive determines that he has any Confidential Information in his possession or under his control, Executive shall immediately return to the Company all such Confidential Information, including all copies (including electronic versions) and portions thereof.

Within one (I) day after the end of the Employment Period for any reason, the Executive shall return to Company all Confidential Information which is in his possession, custody or control.

5.4 Further Disclosure. Executive shall promptly disclose to the Company all ideas, inventions, computer programs, and discoveries, whether or not patentable or copyrightable, which he may conceive or make, alone or with others, during the Employment Period, whether or not during working hours, and which directly or indirectly:

(a) relate to matters within the scope, field, duties or responsibility of Executive's employment with the Company; or

(b) are based on any knowledge of the actual or anticipated business or interest of the Company; or

(c) are aided by the use of time, materials, facilities or information of the Company.

Executive assigns to the Company, without further compensation, all rights, titles and interest in all such ideas, inventions, computer programs and discoveries in all countries of the world. Executive recognizes that all ideas, inventions, computer programs and discoveries of the type described above, conceived or made by Executive alone or with others within six (6) months after termination of employment (voluntary or otherwise), are likely to have been conceived in significant part either while employed by the Company or as a direct result of knowledge Executive had of Confidential Information. Accordingly, Executive agrees that such ideas, inventions or discoveries shall be presumed to have been conceived during his employment with the Company, unless and until the contrary is clearly established by Executive.

5.5 Inventions. Any and all writings, computer software, inventions, improvements, processes, procedures and/or techniques which Executive may make, conceive, discover, or develop, either solely or jointly with any other Person, at any time during the Employment Period, whether at the request or upon the suggestion of the Company or otherwise, which relate to or are useful in connection with any business now or hereafter carried on or contemplated by the Company or an Affiliate, including developments or expansions of its present fields of operations, shall be the sole and exclusive property of the Company. Executive shall take all actions necessary so that the Company can prepare and present applications for copyright or Letters Patent therefor, and can secure such copyright or Letters Patent wherever possible, as well as reissue renewals, and extensions thereof, and can obtain the record title to such copyright or patents. Executive shall not be entitled to any additional or special compensation or reimbursement regarding any such writings, computer software, inventions, improvements, processes, procedures and techniques. Executive acknowledges that the Company from time to time may have agreements with other Persons which impose obligations or restrictions on the Company or an Affiliate regarding inventions made during the course of work thereunder or regarding the confidential nature of such work. Executive agrees to be bound by all such obligations and restrictions and to take all reasonable action which is necessary to discharge the obligations of the Company or an Affiliate with respect thereto.

5.6 Non-Solicitation Restriction. To protect the Confidential Information, and in the event of Executive's termination of employment for any reason, it is necessary to enter into the following restrictive covenants which are ancillary to the enforceable promises between the Company and Executive in this Agreement. Executive hereby covenants and agrees that he will not, directly or indirectly, either individually or as a principal, owner, partner, agent, consultant, contractor, employee, or as a director or officer of any corporation or other association, or in any other manner or capacity whatsoever, except on behalf of the Company or an Affiliate, solicit business, or attempt to solicit business, in products or services competitive with any products or services provided by the Company or any Affiliate, from the Company's or Affiliate's partners or clients (or any prospective partner or client) as of the Termination Date, or any other Person with whom the Company or Affiliate did business, or had a business relationship with, within the one (1) year period immediately preceding the Termination Date.

5.7 Non-Competition Restriction. The Executive shall not, directly or indirectly for himself or for any other Person, in any geographic area or market where (a) the Company or any Affiliate is conducting any business or actively reviewing prospects or (b) the Company or an Affiliate has conducted any business during the previous 12-month period:

(i) engage in any business competitive with the oil and gas exploration and production business activity conducted by the Company and its Affiliates (the **"Business");** or

(ii) render advice or services to, or otherwise assist, any Person who is engaged, directly or indirectly, in any business that is competitive with the Business.

For these purposes, if less than five percent (5%) of the revenues of any business are derived from activities competitive with the Business, then the first business shall not be considered to be competitive with the Business. These noncompetition obligations shall apply (a) during the period that the Executive is employed by the Company and (b) for a period of one (1) year after the Termination Date for whatever reason.

5.8 No-Recruitment Restriction. Executive agrees that during the Employment Period, and for a period of two (2) years from the end of the Employment Period for whatever reason, Executive will not, directly or indirectly, or by acting in concert with others, solicit or influence any employee of the Company or any Affiliate, or any other service provider thereto, to terminate or reduce such Person's employment or other relationship with the Company or any Affiliate.

The Executive shall not, directly or indirectly, for the Executive or for any other Person, in any geographic area or market where the Company or any of its Affiliates is conducting any business or has during the previous twelve (12) months conducted such business, induce any employee of the Company of any of its Affiliates to terminate his or her employment with the Company or such Affiliates, or hire or assist in the hiring of any such employee by any Person not affiliated with the Company, unless such employee has terminated employment with the Company and its Affiliates for at least thirty (30) days before such initial solicitation. These nonsolicitation obligations shall apply during the period that the Executive is employed by the Company and during the two-year period commencing on the Termination Date. Notwithstanding the foregoing, the provisions of this Section 5.8 shall not restrict the ability of the Company or its Affiliates to take any action with respect to the employment or the termination of employment of any of its employees, or for the Executive to participate in his capacity as an officer of the Company.

5.9 Forfeiture of Severance Payment. **A "Forfeiture Event"** for purposes of this Agreement will occur if (a) Executive violates any of the covenants or restrictions contained in Sections 5.1 through 5.8, or (b) the Company learns of facts within one (I) year following Executive's Termination Date that, if such facts had been known by the Company as of the Termination Date, would have resulted in the termination of Executive's employment hereunder for Cause, as determined by the Compensation Committee. In the event of a Forfeiture Event, within thirty (30) days of being notified by the Company in writing of the Forfeiture Event, Executive shall pay to the Company the full the amount of the Additional Payment received by Executive pursuant to Section 4.1(b). net of any tax withholdings that were previously withheld from such payment. Executive specifically recognizes and affirms that this Section 5.9 is a material part of this Agreement without which the Company would not have entered into this Agreement. Executive further covenants and agrees that should all or any part or application of this Section 5.9 be held or found invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction or arbitrator in an action between Executive and the Company, then Executive shall promptly pay to the Company the amount of the Additional Payment, or such lesser amount as shall be determined to be the maximum reasonable and enforceable amount by a court or arbitrator, as applicable.

5.10 Tolling. If Executive violates any of the restrictions contained in Section 5.1 through 5.8, the restrictive period will be suspended and will not run in favor of Executive from the time of the commencement of any violation until the time when Executive cures the violation to the Company's reasonable satisfaction.

5.11 Reformation. It is expressly understood and agreed that the Company and the Executive consider the restrictions contained in this Article 5 to be reasonable and necessary to protect the Confidential Information and reasonable business interests of the Company or its Affiliates. Nevertheless, if any of the aforesaid restrictions are found by a court having jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the Parties intend for the restrictions therein set forth to be modified by such court or arbitrator so as to be reasonable and enforceable and, as so modified, to be fully enforced in the geographic area and for the time period to the full extent permitted by law.

5.12 No Previous Restrictive Agreements. Executive represents that, except for agreements he disclosed in writing to the Company, he is not bound by the terms of any agreement with any previous employer or other Person to (a) refrain from using or disclosing any trade secret or confidential or proprietary information in the course of Executive's employment by the Company or (b) refrain from competing, directly or indirectly, with the business of such previous employer or any other Person. Executive further represents that his performance of all the terms of this Agreement and his work duties for the Company does not, and will not, breach any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive in confidence or in trust prior to Executive's employment with the Company, and Executive will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or other Person.

5.13 Conflicts of Interest. In keeping with his fiduciary duties to Company, Executive hereby agrees that he shall not become involved in a conflict of interest, or upon discovery thereof, allow such a conflict to continue at any time during the Employment Period. Moreover, Executive agrees that he shall abide by the Company's Code of Conduct, as it may be amended from time to time, and immediately disclose to the Board of Directors any known facts which might involve a conflict of interest of which the Board of Directors was not aware.

5.14 **Remedies.** Executive acknowledges that the restrictions contained in this Article 5, in view of the nature of the Company's business, are reasonable and necessary to protect the Company's legitimate business interests, and that any violation of this Agreement would result in irreparable injury to the Company. In the event of a breach or a threatened breach by Executive of any provision of A1ticle 5, the Company shall be entitled to a temporary restraining order and injunctive relief restraining Executive from the commission of any breach, and to recover the Company's attorneys' fees, costs and expenses related to the breach or threatened breach. Nothing contained in this Agreement shall be construed as prohibiting the Company from pursuing any other remedies available to it for any such breach or threatened breach, including, without limitation, the recovery of money damages, attorneys' fees, and costs. These covenants and disclosures shall each be construed as independent of any other provisions in this Agreement, and the existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants and agreements.

The Executive acknowledges that money damages would not be sufficient remedy for any breach ofArticle 5 by the Executive, and the Company shall also be entitled to specific performance as an available remedy for any such breach or any threatened breach. The remedies provided in this Section 5.14 shall not be deemed the exclusive remedies for a breach of Article 5. but shall be in addition to all remedies available at law or in equity.

5.15 **No Disparaging Comments.** Executive and the Company shall refrain from any cnttc1sms or disparaging comments about each other or in any way relating to Executive's employment or separation from employment; provided, however, that nothing in this Agreement shall apply to or restrict in any way the communication of information by the Company or any of its Affiliates or by the Executive to any state or federal law enforcement agency. The Company and Executive will not be in breach of this covenant solely by reason of testimony or disclosure that is required for compliance with applicable law or regulation or by compulsion of law. A violation or threatened violation of this prohibition may be enjoined by a court of competent jurisdiction. The rights under this provision are in addition to any and all rights and remedies otherwise afforded by law to the Parties.

Executive acknowledges that in executing this Agreement, he has knowingly, voluntarily, and intelligently waived any free speech, free association, free press or First Amendment to the United States Constitution (including, without limitation, any counterpart or similar provision or right under the Texas Constitution or any other state constitution which may be deemed to apply) rights to disclose, communicate, or publish disparaging information or comments concerning or related to the Company or its Affiliate; provided, however, nothing in this Agreement shall be deemed to prevent Executive from testifying fully and truthfully **in** response to a subpoena from any court or from responding to an investigative inquiry from any governmental agency.

5.16 **<u>Company Documents and Property.</u>** All writings, records, and other documents and things comprising, containing, describing, discussing, explaining, or evidencing any Confidential Information, and all equipment, components, parts, tools, and the like in Executive's custody, possession or control that have been obtained or prepared in the course of Executive's employment with the Company shall be the exclusive property of the Company, shall not be copied and/or removed from the premises of the Company, except in pursuit of the business of the Company, and shall be delivered to the Company, without Executive retaining any copies or electronic versions, promptly upon notification of the termination of Executive's employment or at any other time requested by the Company. The Company shall have the right to retain, access, and inspect all property of any kind in the office or premises of the Company.

Article 6.
GENERAL PROVISIONS

6.1 **<u>Matters Relating to Section 409A of the Code.</u>** Notwithstanding any provision in this Agreement to the contrary, if the payment of any compensation or benefit provided hereunder (including, without limitation, any Termination Benefits) would be subject to additional taxes and interest under Section 409A of the Code **("Section 409A"**), then the following provisions shall apply:

(a) Notwithstanding anything to the contrary in this Agreement, with respect to any amounts payable to Executive under this Agreement in connection with a termination of Executive's employment that would be considered "non-qualified deferred compensation" that is subject to, and not exempt under, Section 409A, a termination of employment shall not be considered to have occurred under this Agreement unless and until such termination constitutes Executive's Separation From Service.

(b) Notwithstanding anything to the contrary in this Agreement, to the maximum extent permitted by applicable law, the Termination Benefits provided to Executive pursuant to this Agreement shall be made in reliance upon Treasury Regulation Section 1.409A-l(b)(9)(iii) (relating to separation pay plans) or Treasury Regulation Section 1.409A-l(b)(4) (relating to short-term deferrals). However, to the extent any such payments are treated as "non-qualified deferred compensation" subject to Section 409A, and if Executive is determined by the Company at the time of his Separation from Service to be a "specified employee" for purposes of Section 409A, then to the extent delayed payment of the Termination Benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited payment under Section 409A, such severance payment shall not be made to Executive before the earlier of (1) the expiration of the six month period measured from the date Executive's Separation from Service or (2) the date of Executive's death. Upon the earlier of such dates, all payments deferred pursuant to this <u>Section 6.1</u> shall be paid in a lump sum to Executive (or to Executive's Designated Beneficiary in the event of his death).

(c) The determination of whether Executive is a "specified employee" for purposes of Section 409A at the time of his Separation from Service shall be made by the Company in accordance with the requirements of Section 409A.

(d) Notwithstanding anything to the contrary in this Agreement or in any separate Company policy, with respect to any in-kind benefits and reimbursements provided under this Agreement during any tax year of Executive shall not affect in-kind benefits or reimbursements to be provided in any other tax year of Executive and are not subject to liquidation or exchange for another benefit. Reimbursement requests must be timely submitted by Executive, and if timely submitted, reimbursement payments shall be made to Executive as soon as administratively practicable following such submission in accordance with the Company's policy regarding reimbursements, but in no event later than the last day of Executive's taxable year following the taxable year in which the expense was incurred. This Section 6.1 shall only apply to in-kind benefits and reimbursements that would result in taxable compensation income to Executive.

(e) This Agreement is intended to be written, administered, interpreted and construed in a manner such that no payment under this Agreement becomes subject to (1) the gross income inclusion under Section 409A or (2) the interest and additional tax under Section 409A (collectively, **"Section 409A Penalties"),** including, where appropriate, the construction of defined terms to have meanings that would not cause the imposition of the Section 409A Penalties. For purposes of Section 409A, each payment that Executive may be eligible to receive under this Agreement shall be treated as a separate and distinct payment and shall not collectively be treated as a single payment. If any provision of this Agreement would cause Executive to incur the Section 409A Penalties, the Company may, after consulting with Executive, reform such provision to comply with Section 409A or to preclude imposition of the Section 409A Penalties, to the full extent permitted under Section 409A.

6.2 Withholdings; Right of Offset. The Company may withhold and deduct from any benefits and payments made or to be made pursuant to this Agreement (a) all federal, state, local, foreign, and other taxes as may be required pursuant to any law or governmental regulation or ruling, (b) all other normal employee deductions made with respect to Company's employees generally, and (c) any advances made to Executive and owed to Company.

6.3 Nonalienation. The right to receive payments under this Agreement shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge or encumbrance by Executive, his dependents or beneficiaries, or to any other Person who is or may become entitled to receive such payments hereunder. The right to receive payments hereunder shall not be subject to or liable for the debts, contracts, liabilities, engagements or torts of any Person who is or may become entitled to receive such payments, nor may the same be subject to attachment or seizure by any creditor of such Person under any circumstances, and any such attempted attachment or seizure shall be void and of no force and effect.

6.4 Incompetent or Minor Payees. Should the Compensation Committee determine, in its discretion, that any Person to whom any payment is payable under this Agreement has been determined to be legally incompetent or is a minor, any payment due hereunder, notwithstanding any other provision of this Agreement to the contrary, may be made in any one or more of the following ways: (a) directly to such Person; (b) to the legal guardian or other duly appointed personal representative of the individual or the estate of such Person; or (c) to such adult or adults as have, in the good faith knowledge of the Compensation Committee, assumed custody and support of such Person; and any payment so made shall constitute full and complete discharge of any liability under this Agreement in respect to the amount paid.

6.5 Indemnification. The Company agrees to indemnify the Executive with respect to any acts or omissions he may commit during the period during which he is an officer, director and/or employee of the Company or any Affiliate, and to provide him with coverage under any directors' and officers' liability insurance policies, in each case on terms not less favorable than those provided to any of its other directors and officers as in effect from time to time.

6.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise), and this Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as previously defined and any successor by operation of law or otherwise, as well as any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement. Except as provided in the preceding provisions of this Section 6.6, this Agreement, and the rights and obligations of the Parties hereunder, are personal in nature and neither this Agreement, nor any right, benefit, or obligation of either Party hereto, shall be subject to voluntary or involuntary assignment, alienation or transfer, whether by operation of law or otherwise, without the written consent of the other Party.

6.7 **Notice.** Each Notice or other communication required or permitted under this Agreement shall be in writing and transmitted, delivered, or sent by personal delivery, prepaid courier or messenger service (whether overnight or same-day), or prepaid certified United States mail (with return receipt requested), addressed (in any case) to the other Party at the address for that Party set forth below or under that Party's signature on this Agreement, or at such other address as the recipient has designated by Notice to the other Party.

To the Company:	VAALCO Energy, Inc. 9800 Richmond Avenue, Suite 700 Houston, Texas 77042 Attention: Chief Executive Officer
To Executive:	Matthew Powers (as set forth below his signature)

Each Notice or communication so transmitted, delivered, or sent (a) in person, by courier or messenger service, or by certified United States mail (return receipt requested) shall be deemed given, received, and effective on the date delivered to or refused by the intended recipient (with the return receipt, or the equivalent record of the courier or messenger, being deemed conclusive evidence of delivery or refusal), or (b) by email or facsimile shall be deemed given, received, and effective on the date of actual receipt (with the confirmation of transmission being deemed conclusive evidence of receipt, except where the intended recipient has promptly Notified the other Party that the transmission is illegible). Nevertheless, if the date of delivery or transmission is not a Business Day, or if the delivery or transmission is after 4:00 p.m. (local time at the recipient) on a Business Day, the Notice or other communication shall be deemed given, received, and effective on the next Business Day.

6.8 **Mandatory Arbitration of Disputes.** Except as provided in subsection (h) of this Section 6.8, any Dispute must be resolved by binding arbitration in accordance with the following:

(a) Either Party may begin arbitration by filing a demand for arbitration in accordance with the Arbitration Rules and concurrently Notifying the other Party of that demand. If the Parties are unable to agree upon the choice of an arbitrator within twenty (20) Business Days after the demand for arbitration was filed (and do not agree to an extension of that 20-day period), either Party may request the Houston, Texas, office of the American Arbitration Association **("AAA")** to appoint the arbitrator in accordance with the Arbitration Rules. The arbitrator, as so appointed hereunder, is referred to herein as the **"Arbitrator".**

(b) The arbitration shall be conducted in the Houston, Texas metropolitan area, at a place and time agreed upon by the Parties with the Arbitrator, or if the Parties cannot agree, as designated by the Arbitrator. The Arbitrator may, however, call and conduct hearings and meetings at such other places as the Parties may mutually agree or as the Arbitrator may, on the motion of one Party, determine to be necessary to obtain significant testimony or evidence.

(c) The Arbitrator may authorize any and all forms of discovery upon a Party's showing of need that the requested discovery is likely to lead to material evidence needed to resolve the Dispute and is not excessive in scope, timing, or cost.

(d) The arbitration shall be subject to the Federal Arbitration Act and conducted in accordance with the Arbitration Rules to the extent that they do not conflict with this Section 6.8. The Parties and the Arbitrator may, however, agree to vary to provisions of this Section 6.8 or the matters otherwise governed by the Arbitration Rules.

(e) The arbitration hearing shall be held within sixty (60) days after the appointment of the Arbitrator. The Arbitrator's final decision or award shall be made within thirty (30) days after the hearing. That final decision or award by the Arbitrator shall be deemed issued at the place of arbitration. The Arbitrator's final decision or award shall be based on this Agreement and applicable law.

(f) The Arbitrator's final decision or award may include injunctive relief in response to any actual or impending breach of this Agreement or any other actual or impending action or omission by a Party in connection with this Agreement.

(g) The Arbitrator's final decision or award shall be final and binding upon the Parties, and judgment upon that decision or award may be entered in any court having jurisdiction. The Parties shall have any appeal rights afforded to them under the Federal Arbitration Act.

(h) Nothing in this Section 6.8 shall limit the right of either Party to apply to a court having jurisdiction to: (1) enforce the agreement to arbitrate in accordance with this Section 6.8**;** (2) seek provisional or temporary injunctive relief in response to an actual or impending breach of the Agreement or otherwise so as to avoid an irreparable damage or maintain the status quo, until a final arbitration decision or award is rendered or the Dispute is otherwise resolved; or (3) challenge or vacate any final Arbitrator's decision or award that does not comply with this Section 6.8. In addition, nothing in this Section 6.8 prohibits the Parties from resolving any Dispute (in whole or in part) by mutual agreement at any time, including, without limitation, through the use of personal negotiations or mediation with a third party.

(i) The Arbitrator may proceed to an award notwithstanding the failure of any Party to participate in such proceedings. The prevailing Party in the arbitration proceeding may be entitled to an award of reasonable attorneys' fees incurred in connection with the arbitration in such amount, if any, as determined by the Arbitrator in his discretion. The costs of the arbitration shall be borne equally by the Parties unless otherwise determined by the Arbitrator in the award.

G) The Arbitrator shall be empowered to impose sanctions and to take such other actions as it deems necessary to the same extent a judge could impose sanctions or take such other actions pursuant to the Federal Rules of Civil Procedure and applicable law. Each Party agrees to keep all Disputes and arbitration proceedings strictly confidential except for the disclosure of information required by applicable law.

(k) Executive acknowledges that by agreeing to this provision, he knowingly and voluntarily waives any right he may have to a jury trial based on any claims he has, had, or may have against the Company or an Affiliate, including any right to a jury trial under any local, municipal, state or federal law.

6.9 Severability. It is the desire of the Parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held unenforceable by a court of competent jurisdiction or arbitrator (pursuant to Section 6.8). the Parties hereby agree and consent that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law; provided, however, if such provision cannot be reformed, it shall be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement. This Agreement should be construed by limiting and reducing it only to the minimum extent necessary to be enforceable under then applicable law.

6.10 No Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, and to their respective successors and permitted assigns hereunder, but otherwise this Agreement shall not be for the benefit of any Persons who are third parties.

6.11 **Waiver of Breach.** No waiver by either Party of a breach of any provision of this Agreement by the other Party, or of compliance with any condition or provision of this Agreement to be performed by the other Party, will operate or be construed as a waiver of any subsequent breach by the other Party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either Party to take any action by reason of any breach will not deprive such Party of the right to take action at any time while such breach continues.

6.12 **Survival of Certain Provisions.** Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of this Agreement or following the Executive's Termination Date.

6.13 **Entire Agreement; Amendment and Termination.** This Agreement contains the entire agreement of the Pal ties with respect to the matters covered herein; moreover, this Agreement supersedes all prior and contemporaneous agreements and understandings, oral or written, between the Parties concerning the subject matter hereof This Agreement may be amended, waived or terminated only by a written instrument that is identified as an amendment, waiver or termination hereto and that is executed by or on behalf of each Party.

6.14 **Defend Trade Secrets Act.** Executive is hereby notified in accordance with the Defend Trade Secrets Act of2016 that Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Executive files a lawsuit for retaliation against the Company for reporting a suspected violation of law, Executive may disclose the Company's trade secrets to Executive's attorney and use the trade secret information in the court proceeding if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

6.15 **Interpretive Matters.** In the interpretation of the Agreement, except where the context otherwise requires:

(a) **Headings.** The Agreement headings are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(b) The terms **"including"** and **"include"** do not denote or imply any limitation.

(c) The conjunction **"or"** has the inclusive meaning **"and/or".**

(d) The singular includes the plural, and vice versa, and each gender includes each of the others.

(e) The term **"month"** refers to a calendar month.

(f) Reference to any statute, rule, or regulation includes any amendment thereto or any statute, rule, or regulation enacted or promulgated in replacement thereof.

(g) The words **"herein", "hereof', "hereunder"** and other compounds of the word **"here"** shall refer to the entire Agreement and not to any particular provision;

(h) All amounts referenced herein are in U.S. dollars.

6.16 <u>Governing Law; Jurisdiction.</u> All matters or issues relating to the interpretation, construction, validity, and enforcement of this Agreement shall be governed by the laws of the State of Texas, without giving effect to any choice-of-law principle that would cause the application of the laws of any jurisdiction other than Texas. Jurisdiction and venue of any action or proceeding relating to this Agreement or any Dispute (to the extent arbitration is not required under <u>Section 6.8</u>) shall be exclusively in the federal and state courts of competent jurisdiction in the Houston, Texas metropolitan area.

6.17 <u>Executive Acknowledgment.</u> Executive acknowledges that (a) he is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, (b) he has read this Agreement and understands its terms and conditions, (c) he has had ample opportunity to discuss this Agreement with his legal counsel prior to execution, and (d) no strict rules of construction shall apply for or against the drafter or any other Party. Executive represents that he is free to enter into this Agreement including, without limitation, that he is not subject to any covenant not to compete or other restrictive covenant that would conflict with his employment duties and covenants under this Agreement.

6.18 <u>Professional Conduct.</u> Nothing in this Agreement is intended, or shall be interpreted, to permit or require Executive to violate any obligation of the Texas Disciplinary Rules of Professional Conduct governing attorneys, or to waive any provision thereof concerning retaining papers relating to the client to the extent permitted by law.

6.19 <u>Counterparts.</u> This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a copy hereof containing multiple signature pages, each signed by one Party hereto, but together signed by both Parties.

[Signature page follows.]

IN **WITNESS WHEREOF,** Executive has hereunto set his hand and Company has caused this Agreement to be executed in its name and on its behalf by its duly authorized officer, to be effective as of the Effective Date.

WITNESS:	**EXECUTIVE:**
	Matthew Powers
Executive's Address for Notices: The address on file with the Company's Human Resources Department	
	COMPANY:
ATTEST:	**VAALCO ENERGY, INC.**
	By:________________
	Name: George Maxwell
	Title: Chief Executive Officer

APPENDIX A

Definitions Appendix

1. **"Affiliate"** has the same meaning ascribed to such term in Rule 12b-2 under the Securities Exchange Act of 1934, as amended from time to time.

2. **"Anticipatory Termination"** means a Separation From Service of the Executive within the time period that begins on the first day of the month that is twelve (12) months immediately preceding the first day of the month containing the Change in Control Date and ends on the Change in Control Date, but only if the Executive's Separation From Service was
(a) due to a termination by the Company without Cause or (b) a termination by the Executive for Good Reason. For purposes of clarification and not limitation, a Separation From Service for Cause, or due to Executive's death or Disability or his voluntary resignation without Good Reason, is not an Anticipatory Termination.

3. **"Arbitration Rules"** means the Rules for Employment Arbitrations of the American Arbitration Association, as in effect at the time of arbitration of a Dispute.

4. **"Board"** means the then-current Board of Directors of the Company.

6. **"Business Day"** means any Monday through Friday, excluding any such day on which banks are authorized to be closed in Texas.

7. **"Cause"** shall mean the termination by the Company of the Executive's employment with the Company by reason of (a) the conviction of the Executive by a court of competent jurisdiction as to which no further appeal can be taken of a crime involving moral turpitude or a felony; (b) the commission by the Executive of a material act of fraud upon the Company or any Subsidiary, or any customer or supplier thereof; (c) the misappropriation of any funds or property of the Company or any Subsidiary, or any customer or supplier thereof, by the Executive; (d) the willful and continued failure by the Executive to perform the material duties assigned to him that is not cured to the reasonable satisfaction of the Company within 30 days after written notice of such failure is provided to Executive by the Board or the Compensation Committee (or by an officer of the Company who has been designated by the Board or the Compensation Committee for such purpose); (e) the engagement by the Executive in any direct and material conflict of interest with the Company or any Subsidiary without compliance with the Company's or Subsidiary's conflict of interest policy, if any, then in effect; or (f) the engagement by the Executive, without the written approval of the Board or the Compensation Committee, in any material activity which competes with the business of the Company or any Subsidiary or which would result in a material injury to the business, reputation or goodwill of the Company or any Subsidiary.

8. **"Change in Control"** means the occurrence of any one or more of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a **"Person"))** of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (i) the then outstanding shares of common stock of the Company (the **"Outstanding Company Stock")** or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the **"Outstanding Company Voting Securities");** provided, however, that the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company or any Subsidiary, (ii) any acquisition by the Company or any Subsidiary or by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (iii) any acquisition by any corporation pursuant to a reorganization, merger, consolidation or similar business combination involving the Company (a **"Merger"),** if, following such Merger, the conditions described in <u>Section 7.8(c)</u> (below) are satisfied;

(b) Individuals who, as of the Effective Date, constitute the Board of Directors of the Company (the **"Incumbent Board")** cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-1 I of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Merger involving the Company, unless immediately following such Merger, (i) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to Merger beneficially own, directly or indirectly, more than fifty percent (50%) of the common stock of the corporation resulting from such Merger (or its parent corporation) in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to such Merger and (ii) at least a majority of the members of the board of directors of the corporation resulting from such Merger (or its parent corporation) were members of the Incumbent Board at the time of the execution of the initial agreement providing for such Merger;

(d) The sale consummation, or other disposition of all or substantially all of the assets of the Company, unless immediately following such sale or other disposition, (i) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to the consummation of such sale or other disposition beneficially own, directly or• indirectly, more than fifty percent (50%) of the common stock of the corporation acquiring such assets in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to the consummation of such sale or disposition, and (ii) at least a majority of the members of the board of directors of such corporation (or its parent corporation) were members of the Incumbent Board at the time of execution of the initial agreement or action of the Board providing for such sale or other disposition of assets of the Company; or

(e) The approval by the stockholders of the Company or the Board of a plan for the complete liquidation or dissolution of the Company.

Notwithstanding the foregoing provisions of this Change in Control definition, to the extent that any payment (or acceleration of payment) under the Agreement is considered to be deferred compensation that is subject to, and not exempt under, Code Section 409A, then the term Change in Control hereunder shall be construed to have the meaning as set forth in Code Section 409A with respect to the payment (or acceleration of payment) of such deferred compensation, but only to the extent inconsistent with the foregoing provisions of this definition as determined by the Incumbent Board.

9. "Change in Control Date" means the first date upon which a Change in Control event occurs, provided that such date is during (a) the Employment Period or (b) the period following the Employment Period as specified in the definition of "Anticipatory Termination" if applicable.

10. "CIC Window Period" means (a) the time period beginning on the Change in Control Date and ending on the last day of the twelve (12) consecutive month period that begins immediately following the last day of the month containing the Change in Control Date, or (b) following an Anticipatory Termination, the occurrence of a Change in Control (which Change in Control must qualify as a "change in control event" within the meaning of Section 409A) within the period that is specified in the definition of "Anticipatory Termination".

11. "Code" means the Internal Revenue Code of 1986, as amended, or its successor. References herein to any Section of the Code shall include any successor provisions of the Code.

12. "Confidential Information" means any information or material known to, or used by or for, the Company or an Affiliate (whether or not owned or developed by the Company or an Affiliate and whether or not developed by Executive) that is not generally known by other Persons in the Business. For all purposes of the Agreement, Confidential Information includes, but is not limited to, the following: all trade secrets of the Company or an Affiliate; all non-public information that the Company or an Affiliate has marked as confidential or has otherwise described to Executive (either in writing or orally) as confidential; all non-public information concerning the Company's or Affiliate's products, services, prospective products or services, research, prospects, leases, surveys, seismic data, drilling data, designs, prices, costs, marketing plans, marketing techniques, studies, test data, leasehold and royalty owners, investors, suppliers and contracts; all business records and plans; all personnel files; all financial information of or concerning the Company or an Affiliate; all information relating to the Company's operating system software, application software, software and system methodology, hardware platforms, technical information, inventions, computer programs and listings, source codes, object codes, copyrights and other intellectual property; all technical specifications; any proprietary information belonging to the Company or an Affiliate; all computer hardware or software manuals of the Company or an Affiliate; all Company or Affiliate training or instruction manuals; all Company or Affiliate electronic data; and all computer system passwords and user codes.

13. "Designated Beneficiary" means Executive's surviving spouse, if any, as determined for purposes of the Code. If there is no such surviving spouse at the time of Executive's death, then the Designated Beneficiary shall be Executive's estate.

14. "Disability" shall mean that Executive is entitled to receive long-term disability **("LTD")** income benefits under the LTD plan or policy maintained by the Company or an Affiliate that covers Executive. If, for any reason, Executive is not covered under such LTD plan or policy, then "Disability" shall mean a "permanent and total disability" as defined in Code Section 22(e)(3) and Treasury regulations thereunder. Evidence of such Disability shall be certified by a physician acceptable to both the Company and Executive. In the event that the Parties are not able to agree on the choice of a physician, each shall select one physician who, in turn, shall select a third physician to render such certification. All costs relating to the determination of whether Executive has incurred a Disability shall be paid by the Company. Executive agrees to submit to any examinations that are reasonably required by the attending physician or other healthcare service providers to determine whether he has a Disability.

15. "Dispute" means any dispute, disagreement, controversy, claim, or cause of action arising in connection with or relating to this Agreement or Executive's employment or termination of employment hereunder, or the validity, interpretation, performance, breach, modification or termination of this Agreement.

16. "Good Reason" means, with respect to Executive, the occurrence of any one or more of the following events which first occurs during the Employment Period, except as a result of actions taken in connection with termination of Executive's employment for Cause or Disability, and without Executive's specific written consent:

(a) The assignment to Executive of any duties that are materially inconsistent with Executive's executive position, which in this definition includes status, reporting relationship to the Board of Directors, office, title, scope of responsibility over corporate level staff or operations functions, or responsibilities as an officer of the Company, or any other material diminution in Executive's position, authority, duties, or responsibilities, other than (in any case or circumstance) an isolated and inadvertent action not taken in bad faith that is remedied by the Company within thirty (30) Business Days after Notice thereof to the Company by Executive; or

(b) The Company requires Executive to be based at any office or location that is farther than forty (40) miles from Executive's principal office location located in the Houston,
Texas metropolitan area, except for required business travel; or

(c) Any failure by the Company to obtain an assumption of this Agreement by its successor in interest, or any action or inaction that constitutes a material breach by the Company of this Agreement.

Notwithstanding the foregoing definition of "Good Reason", Executive cannot terminate his employment under the Agreement for Good Reason unless Executive (1) first provides written Notice to the Compensation Committee of the event (or events) that Executive believes constitutes a Good Reason event (above) within sixty (60) days from the first occurrence date of such event, and (2) provides the Company with at least thirty (30) Business Days to cure, correct or mitigate the Good Reason event so that it either (A) does not constitute a Good Reason event hereunder or (B) Executive specifically agrees, in writing, that after any such modification or accommodation by the Company, such event does not constitute a Good Reason event hereunder.

17. "Notice of Termination" means a written Notice which (a) indicates the specific termination provision in the Agreement that is being relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and (c) if the Termination Date is other than the date of receipt of such Notice, specifies the termination date (which date shall be not more than sixty (60) days after the giving of such Notice). Any termination of Executive by the Company for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other Party. The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of such Party, or preclude such Party from asserting, such fact or circumstance in enforcing such Party's rights.

18. "No Severance Benefits Event" means termination of Executive's employment under the Agreement for Cause.

19. "Notice" means a written communication complying with Section 6.7 **("Notify"** has the correlative meaning).

20. "Person" means any individual, firm, corporation, partnership, limited liability company, trust, or other entity, including any successor (by merger or otherwise) of such entity.

21. "Release" means a separation and release agreement, in such form as is prepared and delivered by the Company to Executive. The Release shall not release any claim by or on behalf of Executive for any payment or other benefit that is required under this Agreement prior to the receipt thereof, except as may otherwise be agreed to by Executive.

22. "Separation From Service" means Executive's "separation from service" with the Company and its Affiliates, as such term is defined under Code Section 409A.

23. "Severance Payment Event" means either a (a) "CIC Severance Payment Event" or (b) "Regular Severance Payment Event", as such terms are defined below.

(a) **"CIC Severance Payment Event"** means either: the Executive's Separation From Service with the Company and all Affiliates that occurs within the CIC Window Period, other than (1) voluntarily by the Executive unless such resignation is for Good Reason, (2) due to Executive's death or Disability, or (3) involuntarily by the Company for Cause. Any Separation From Service of the Executive that does not occur within the CIC Window Period, or is otherwise not described in this subsection (a). shall not be considered a CIC Severance Payment Event.

(b) **"Regular Severance Payment Event"** means a Separation From Service that is not a CIC Severance Payment Event and such Separation From Service is due to: (1) involuntary termination of Executive's Employment by the Company, except due to a No Severance Benefits Event, (2) termination of Executive's Employment due to his death or Disability, or (3) termination of Executive's Employment for Good Reason.

For all purposes of this definition of "Severance Payment Event", any transfer of the Executive's Employment from the Company to an Affiliate, from an Affiliate to the Company, or from one Affiliate to another Affiliate, is not a Separation From Service of the Executive (though any such transfer might, depending on the circumstances, constitute or result in a Separation From Service by the Executive for Good Reason). Any termination by the Company of the Executive for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other Party.

24. "Specialized Training" includes the training the Company provides to Executive that is unique to its business and enhances Executive's ability to perform his job duties effectively, which includes, without limitation, orientation training, operation methods training, and computer and systems training.

25. "Subsidiary" means a corporation or other entity, whether incorporated or unincorporated, of which at least a majority of the voting securities is owned, directly or indirectly, by the Company.

26. "Termination Benefits" means the benefits described in **Section 4.l(b).**

27. "Termination Date" means the date on which Executive's employment terminates with the Company and all Affiliates. Notwithstanding anything herein to the contrary, the date on which a "separation from service" under Code Section 409A is effective shall be the Termination Date with respect to any payment or benefit to or on behalf of Executive that constitutes deferred compensation that is subject to, and not exempt_ from or excepted under, Code Section 409A.

APPENDIX B
TO
EXECUTIVE EMPLOYMENT AGREEMENT

RELEASE AGREEMENT

In consideration of the Termination Benefits as set forth in that certain Executive Employment Agreement (the **"Employment Agreement")** dated as of January 18, 2024 and as it may be amended thereafter, by and between VAALCO Energy, Inc. (the **"Company")** and Matthew Powers **("Executive"),** this Release Agreement (the **"Agreement")** is made and entered into by the Company and the Executive (each a **"Party"** and together, the **"Parties").**

By signing this Release Agreement, Executive and the Company hereby agree as follows:

1. **Purpose.** The purpose of this Agreement is to provide for the orderly termination of the employment relationship between the Parties, and to voluntarily resolve any actual or potential disputes or claims that Executive has, had or may ever have, as of the date of Executive's execution of this Agreement, against (a) the Company and all of its parents, predecessors, successors, Affiliates (as defined in the Employment Agreement), divisions, related companies and organizations, and its and their present and former agents, employees, managers, officers, directors, attorneys, stockholders, plan fiduciaries, assigns, agents, representatives, and all other Persons (as defined in the Employment Agreement) acting by, through or in concert with any of them and (b) all compensation and benefit plans and programs sponsored or maintained by the Company and the administrators, trustees, insurers, and fiduciaries of such plans and programs (hereinafter, all the persons and entities in clauses (a) and (b) being individually and collectively referred to as the **"Released Parties").** Neither the fact that this Agreement has been proposed or executed, nor the terms of this Agreement, are intended to suggest, or should be construed as suggesting, that the Released Parties have acted unlawfully or violated any federal, state or local law or regulation, or any other duty, policy or contract involving Executive.

2. **Termination of Employment.** Effective as of the close of business on ____________(the **"Termination Date"),** Executive's employment with the Company and all of its Affiliates has voluntarily terminated.

3. **Termination Benefits.** In consideration for Executive's execution of; and required performance under, this Agreement, the Company shall provide Executive with the Termination Benefits (as defined in the Employment Agreement, which definition and other terms in the Employment Agreement are incorporated herein by this reference). Executive confirms and agrees that he would not otherwise have received, or been entitled to receive, the Termination Benefits if he did not enter into this Agreement.

4. **Waiver of Additional Compensation or Benefits.** The Termination Benefits to be paid to Executive constitutes the entire amount of compensation and consideration due to Executive under the Employment Agreement and this Agreement, and Executive acknowledges that he has no right to seek, and will not seek, any additional or different compensation or consideration for executing or performing under the Employment Agreement or this Agreement.

5. **Non-Disparagement.** Executive hereby agrees not to disclose, communicate, or publish any disparaging or negative information, writings, electronic communications, comments, opinions, facts, or remarks, of any kind, about the Company and/or any of the other Released Parties; provided, however, that this paragraph shall have no application to any evidence or testimony required by any court or other government entity, including but not limited to, the U.S. Equal Employment Opportunity Commission **("EEOC")** or any similar federal, state or local agency, under compulsion of law. Executive acknowledges that in executing this Agreement, Executive has knowingly, voluntarily and intelligently waived any free speech or First Amendment rights under the United States Constitution or applicable state counterpart to disclose, publish or communicate any such disparaging information about the Company and/or any of the other Released Parties.

6. **Executive Representations.** Executive expressly acknowledges and represents, and intends for the Company to rely upon the following in entering the Agreement:

(a) Executive has not filed any complaints, claims or actions against the Company or any of the other Released Parties with any court, agency, or commission regarding the matters encompassed by this Agreement and, by executing this Agreement, Executive hereby waives the right to recover monetary damages in any proceeding that (1) Executive may bring before the EEOC or any state or local human rights commission or (2) may be brought by the EEOC or any state or local human rights commission by or on Executive's behalf.

(b) Executive understands that he is, by entering into this Agreement, releasing the Released Parties, including the Company, from any and all claims he has, had or may ever have against them under federal, state or local laws, which have arisen on or before the execution date of this Agreement.

(c) Executive understands that he is, by entering into this Agreement, waiving all claims that he has, had or may ever have against the Released Parties under the federal Age Discrimination in Employment Act of 1967, as amended, which have arisen on or before the execution date of this Agreement.

(d) Executive agrees that this Agreement shall be binding on him and his heirs, administrators, representatives, executors, successors, and assigns, and shall inure to the benefit of his heirs, administrators, representatives, executors, successors and assigns.

(e) Executive has reviewed all aspects of this Agreement, and has carefully read and fully understands all of the provisions and effects of this Agreement.

(f) Executive has been, and is hereby, advised in writing to consult with an attorney of his own choice before signing this Agreement.

(g) Executive is knowingly and voluntarily entering into this Agreement, and has relied solely and completely upon his own judgment and, if applicable, the advice of his own attorney in entering into this Agreement.

(h) Executive is not relying upon any representations, promises, predictions, projections or statements made by or on behalf of the Company or any of the other Released Parties, other than those that are specifically stated in this Agreement.

(i) Executive does not waive rights or claims that may arise after the date this Agreement is signed below.

G) This Agreement shall be, in all cases, construed as a whole according to its fair meaning, and not strictly for or against any of the Parties.

(k) Executive will receive payment of consideration under this Agreement that is beyond what Executive was entitled to receive before entering into this Agreement.

7. Release. Executive, on behalf of himself and his heirs, executors, administrators, successors and assigns, irrevocably and unconditionally releases, waives and forever discharges the Released Parties from and against any and all claims, demands, actions, causes of action, charges, complaints, liabilities, obligations, promises, sums of money, agreements, representations, controversies, disputes, damages, suits, right, sanctions, costs (including attorneys' fees), losses, debts and expenses of any nature whatsoever, whether known or unknown, fixed or contingent, which Executive has, had or may ever have against the Released Parties arising out of, concerning, or related to, his employment or separation from employment with the Company and its Affiliates, from the beginning of time and up to and including the date Executive executes this Agreement below. This Agreement includes, without limitation, (a) law or equity claims; (b) contract (express or implied) or tort claims; (c) claims arising under any federal, state or local laws of any jurisdiction that prohibit age, sex, race, national origin, color, disability, religion, veteran, military status, sexual orientation or any other form of discrimination, harassment, hostile work environment or retaliation (including, without limitation, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments Act of 2008, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Acts of 1866 and/or 1871, 42 U.S.C. Section 1981, the Rehabilitation Act, the Family and Medical Leave Act, the Sarbanes-Oxley Act, the Employee Polygraph Protection Act, the Worker Adjustment and Retraining Notification Act, the Equal Pay Act of 1963, the Lilly Ledbetter Fair Pay Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Genetic Information and Nondiscrimination Act of 2008, the Texas Labor Code, Section 1558 of the Patient Protection and Affordable Care Act of 20 I 0, the Consolidated Omnibus Budget Reconciliation Act of 1985, and any other federal, state or local laws of any jurisdiction); (d) claims under any other federal, state, local, municipal or common law whistleblower protection, discrimination, wrongful discharge, anti- harassment or anti-retaliation statute or ordinance; (e) claims arising under ERISA; or

(f) any other statutory or common law claims related to Executive's employment or separation from employment with the Company and its Affiliates. Executive further represents that, as of the date of his execution of this Agreement, he has not been the victim of any illegal or wrongful acts by any of the Released Parties, including, without limitation, discrimination, retaliation, harassment or any other wrongful act based on sex, age, race, religion, or any other legally protected characteristic.

Notwithstanding the foregoing, this Agreement specifically does not release any claim or cause of action by or on behalf of Executive (or his beneficiary) (i) for any payment or other benefit that is required under the terms of either the Employment Agreement or pursuant to any Plan (as defined in the Employment Agreement) prior to the receipt thereof by or on behalf of Executive or (ii) arising out of the Company's obligation to indemnify the Executive in his capacity as a director, officer or employee of the Company or any Affiliate thereof, or as a former director, officer or employee of the Company or any Affiliate as provided in the Company's by-laws, any agreement to which the Executive is a party or beneficiary, at law, or otherwise.

8. **Entire Agreement.** This Agreement sets forth the entire agreement between the Parties and fully supersedes and replaces any and all prior agreements or understandings, written or oral, between the Parties pertaining to the subject matter of this Agreement.

9. **Severability.** Should any provision of this Agreement be declared or be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, the Agreement shall first be reformed to make the provision at issue enforceable and effective to the full extent permitted by law. If such reformation is not possible, all remaining provisions of this Agreement shall otherwise remain in full force and effect and shall be construed as if such illegal, invalid or unenforceable provision has not been included herein.

10. **Time to Consider Offer of Termination Benefits.** Executive shall have, and by signing this Agreement Executive acknowledges and represents that he has been given, a period of at least *[insert twenty-one (21) or forty-five (45), as appropriate}* calendar days to consider whether to elect to sign this Agreement, and to thereby waive and release the rights and claims addressed in this Agreement. Although Executive may sign this Agreement prior to the end of the applicable time period (as specified above), Executive may not sign this Agreement on or before the Termination Date. In addition, if Executive signs this Agreement prior to the end of the applicable time period, Executive shall be deemed, by doing so, to have certified and agreed that the decision to make such election prior to the expiration of the applicable time period is knowing and voluntary and was not induced by the Company through: (a) fraud, misrepresentation or a threat to withdraw or alter the offer prior to the end of the applicable time period; or (b) an offer to provide different terms or benefits in exchange for signing the Agreement prior to the expiration of the applicable time period. The procedure for Executive to accept this Agreement is to return a fully executed, dated and witnessed Agreement to the Chief Executive Officer of the Company **("CEO")** prior to the deadline.

11. **Seven Day Revocation Period.** Executive understands and acknowledges that he may revoke this Agreement at any time within seven (7) calendar days after he signs this Agreement. To revoke this Agreement, Executive must deliver written notification of such revocation to the attention of the CEO, within seven (7) calendar days after the date that he signs this Agreement. Executive further understands that if he does not revoke this Agreement within seven (7) calendar days following his execution of the Agreement (excluding the date of execution), the Agreement will become effective, binding and enforceable on both Parties.

12. **Agreement not to Sue.** Except as required by law that cannot be waived, Executive agrees that he will not commence, maintain, initiate, or prosecute, or cause, encourage, assist, volunteer, advise or cooperate with any other Person (as defined in the Executive Employment Agreement) to commence, maintain, initiate or prosecute, any action, lawsuit, proceeding, charge, petition, complaint or claim before any court, agency or tribunal against the Company or any Affiliate arising from, concerned with, or otherwise relating to, in whole or in part, Executive's employment or separation from employment with the Company, or any of the matters discharged and released in this Agreement. Notwithstanding the preceding sentence or any other provision of this Agreement or the Employment Agreement, this release and the Employment Agreement are not intended to interfere with Executive's right to enforce the terms of the Employment Agreement or to file a charge with the EEOC or a state or local human rights commission in connection with any claim that Executive believes he may have against the Company or its Affiliates, or to cooperate or provide truthful testimony to the EEOC or a state or local human rights commission with respect to any investigation. However, by executing this Agreement, Executive hereby waives the right to recover monetary damages in any proceeding he may bring before the EEOC or any state or local human rights commission or in any proceeding brought by the EEOC or any state or local human rights commission (or any other agency) on Executive's behalf.

13. **Confidentiality of Agreement.** Executive agrees to keep this Agreement and its terms confidential. Executive agrees and understands that he is prohibited from disclosing any terms of this Agreement to anyone, except that he may disclose the terms of this Agreement to his attorney, his spouse, his financial advisor or as otherwise required by compulsion of law. The Company acknowledges and agrees that it is prohibited from disclosing any terms of this Agreement to any third parties, except that the Company may disclose the terms of this Agreement to its attorneys, accountants, and other Persons (as defined in the Employment Agreement) with a need to know, or as otherwise required by compulsion of law.

14. **Agreement to Return Company Property/Documents.** Executive acknowledges that his employment with the Company and its Affiliates has terminated effective as of the Termination Date. Accordingly, Executive agrees that, in accordance with the Company's policy: (i) Executive will not take with him, copy, alter, destroy or delete any files, documents or other materials whether or not embodying or recording any Confidential Information (as defined in the Employment Agreement), including copies, without obtaining in advance the written consent of an authorized Company representative; and (ii) Executive will promptly return to the Company all Confidential Information, documents, files, records and tapes (written or electronically stored) that are in Executive's possession or under his control, and Executive shall not use or disclose such materials in any way or in any format, including written information in any form, information stored by electronic means, and any and all copies of such materials. Executive further agrees that he will return to the Company immediately all Company property, including, without limitation, any Company-provided keys, equipment, computer and computer equipment, devices, any other Company cellular phones, Company credit cards, business cards, data, lists, information, correspondence, notes, memorandums, reports or other writings prepared by the Company or Executive on behalf of the Company or an Affiliate.

15. **Waiver.** A Party's waiver of any breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any later breach of the same or other provision by such Party.

16. **Miscellaneous.** The Parties understand and agree that if a violation of any term of this Agreement is asserted, the Party who asserts such violation shall have the right to seek specific performance of that term and/or any other necessary and proper relief as permitted by law or equity, including but not limited to, damages awarded by any court of competent jurisdiction, and the prevailing Party shall be entitled to recover its reasonable costs and attorneys' fees.

    Nothing in this Agreement will be construed to prevent Executive from challenging the validity of this Agreement under the Age Discrimination in Employment Act or Older Workers Benefit Protection Act. Executive further understands and agrees that if he, or someone acting on his behalf, files, or causes to be filed, any such claim, charge, complaint or action against the Company, an Affiliate or any other Released Party, Executive hereby expressly fully waives and relinquishes any right to recover any damages or other relief, whatsoever, from the Company, its Affiliates and/or other Persons, including costs and attorneys' fees.

17. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective heirs, executors, beneficiaries, personal representatives, successors and permitted assigns hereunder, but otherwise this Agreement shall not be for the benefit of any third parties.

18. **Survival of Certain Provisions.** Wherever appropriate to the intention of the Parties, the respective rights and obligations of the Parties hereunder shall survive any termination or expiration of this Agreement

19. **Choice of Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Texas without regard to principles of conflict of laws. Jurisdiction and venue of any action or proceeding relating to this Agreement, or any dispute hereunder, shall be exclusively in a federal or state court of competent jurisdiction in the Houston, Texas, metropolitan area, and the Parties hereby waive any objection to such jurisdiction or venue including, without limitation, to the effect that it is inconvenient.

20. **Counterparts.** The Parties agree that this Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument.

PLEASE READ CAREFULLY BEFORE SIGNING

- Executive acknowledges that he has carefully read and understands the terms of this Agreement and his obligations hereunder.
- Executive acknowledges that he has been advised to review this Agreement with an attorney of his choosing.
- Executive acknowledges that he has been given at least *[insert twenty-one (21) or forty-five (45) as appropriate]* days to consider whether to sign this Agreement. Executive acknowledges that if the signs this Agreement before the end of such period, it will be his personal and voluntary decision to do so.
- Executive understands that this Agreement will not become effective or enforceable until after the 7-day revocation period has expired. The Company will have no obligations to Executive under this Agreement or the Employment Agreement if Executive revokes the Agreement during such 7-day period.

I ACKNOWLEDGE THAT (1) I HAVE CAREFULLY READ THE FOREGOING AGREEMENT, (2) I UNDERSTAND ALL OF ITS TERMS AND CONDITIONS, (3) I **AM RELEASING CLAIMS, AND (4) I AM VOLUNTARILY ENTERING INTO THIS AGREEMENT.**

[Signature page follows.]

Please review this document carefully as it includes a release of claims.

IN **WITNESS WHEREOF,** Executive has executed and entered into this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf by its duly authorized officer, to be effective as of the date this Agreement is executed by Executive as set forth beneath his signature below.

This document was presented to Executive on ___________.. 20__

COMPANY:

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

EXECUTIVE:

By: ______________________________

Name: Matthew Powers

Date: ______________________________

WITNESS:

____
Witness signature

Name: ______________________________

Date: ______________________________

Address for Executive:

____

____

____

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 quarterly report on Form 10-Q 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)) 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: May 8, 2024

/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 quarterly report on Form 10-Q 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)) 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: May 8, 2024

/s/ Ronald Bain
Ronald Bain
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
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 Quarterly Report of VAALCO Energy, Inc. (the “Company”) on Form 10-Q for the quarterly period endedMarch 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 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: May 8, 2024

/s/ George W.M. Maxell
George W.M. Maxwell, Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
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 Quarterly Report of VAALCO Energy, Inc. (the "Company") on Form 10-Q for the quarterly period endedMarch 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: May 8, 2024

/s/ Ronald Bain
Ronald Bain, Chief Financial Officer
(Principal Financial Officer)