

VAALCO ENERGY INC /DE/
Form 10-Q
August 08, 2017
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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 June 30, 2017

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)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 (Do not check if a smaller reporting company)	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 Exchange Act Rule 12b-2).

Yes No

As of August 1, 2017, there were outstanding 58,818,031 shares of common stock, \$0.10 par value per share, of the registrant.

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VAALCO ENERGY, INC. AND SUBSIDIARIES

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Unless the context otherwise indicates, references to "VAALCO," "the Company," "we," "our," or "us" in this Form 10-Q are references to VAALCO Energy, Inc., including its wholly-owned subsidiaries.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

VAALCO ENERGY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(in thousands, except number of shares and par value amounts)

	June 30, 2017	December 31, 2016
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 20,640	\$ 20,474
Restricted cash	802	741
Receivables:		
Trade	8,062	6,751
Accounts with partners, net of allowance of \$0.5 million at June 30, 2017 and December 31, 2016	978	3,297
Other	1	120
Crude oil inventory	952	913
Prepayments and other	4,392	4,040
Current assets - discontinued operations	2,578	2,139
Total current assets	38,405	38,475
Property and equipment - successful efforts method:		
Wells, platforms and other production facilities	389,192	389,231
Undeveloped acreage	10,000	10,000
Equipment and other	10,283	9,779
	409,475	409,010
Accumulated depreciation, depletion, amortization and impairment	(384,209)	(380,991)
Net property and equipment	25,266	28,019
Other noncurrent assets:		
Restricted cash	918	918
Value added tax and other receivables, net of allowance of \$5.4 million and \$4.7 million at June 30, 2017 and December 31, 2016, respectively	6,044	5,110
Abandonment funding	8,510	8,510
Total assets	\$ 79,143	\$ 81,032

LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)

Current liabilities:

Accounts payable	\$ 14,968	\$ 19,096
Accrued liabilities and other	9,568	