

VAALCO ENERGY INC /DE/
Form 10-Q
August 06, 2015
Table of Contents

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, 2015

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 or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).

Yes No .

As of July 31, 2015, there were outstanding 58,273,414 shares of common stock, \$0.10 par value per share, of the registrant.

Table of Contents

VAALCO ENERGY, INC. AND SUBSIDIARIES

Table of Contents

PART I. FINANCIAL INFORMATION

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Condensed Consolidated Balance Sheets

June 30, 2015 and December 31, 2014

3

Condensed Consolidated Statements of Operations

Three and Six Months Ended June 30, 2015 and 2014

4

Condensed Consolidated Statements of Changes in Equity

Six Months Ended June 30, 2015

5

Condensed Consolidated Statements of Cash Flows

Six Months Ended June 30, 2015 and 2014

6

Notes to Condensed Consolidated Financial Statements

7

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

13

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

19

ITEM 4. CONTROLS AND PROCEDURES

20

PART II. OTHER INFORMATION

21

ITEM 1. LEGAL PROCEEDINGS

21

ITEM 1A. RISK FACTORS

21

EXHIBITS

22

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

Table of Contents

PART I. FINANCIAL INFORMATION

VAALCO ENERGY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

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

	June 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 61,048	\$ 69,051
Restricted cash	1,194	1,584
Receivables:		
Trade	8,165	19,527
Accounts with partners, net of allowance of \$7.6 million at June 30, 2015 and December 31, 2014	19,054	10,903
Other, net of allowance of \$2.4 million at June 30, 2015 and December 31, 2014	6,278	3,285
Crude oil inventory	447	1,905
Materials and supplies	254	286
Prepayments and other	5,069	6,509
Total current assets	101,509	113,050
Property and equipment - successful efforts method:		
Wells, platforms and other production facilities	368,734	338,641
Undeveloped acreage	18,787	22,133
Work in progress	23,684	25,157
Equipment and other	13,546	11,907
	424,751	397,838
Accumulated depreciation, depletion and amortization	(314,337)	(289,714)
Net property and equipment	110,414	108,124
Other noncurrent assets:		
Restricted cash	15,830	20,830
Deferred tax asset	1,349	1,349
Deferred finance charge	1,648	1,959
Abandonment funding	3,537	3,537
Total assets	\$ 234,287	\$ 248,849
LIABILITIES AND EQUITY		