

MARKET STATISTICS

Exchange / Symbol	NASDAQ: TGA
Price:	\$1.35
Market Cap (mm):	\$97.5
Enterprise Value (mm):	\$120.0
Shares Outstanding (mm):	72.2
Float:	95%
Volume (3-mo. avg. NASDAQ):	73,200
52 week Range:	\$1.07 - \$1.85
Industry:	Oil and Gas

CONDENSED BALANCE SHEET

(\$mm, except per share data)

Balance Sheet Date:	12/31/2017
Total Cash & Equivalents:	\$47.4
Working Capital	\$50.6
Total Debt	\$70.0
Equity (Book Value):	\$210.0
Equity/Share:	\$2.91

CONDENSED INCOME STATEMENTS

(\$mm, except per share data)

FY - 12/31	Revenue	Income	EBITDA	EPS
FY14	\$284.2	\$11.5	\$167.6	\$(0.02)
FY15	\$92.9	\$(105.6)	\$13.6	\$(1.44)
FY16	\$63.8	\$(87.7)	\$4.4	\$(1.21)
FY17	\$148.6	\$(75.9)	\$79.9	\$(1.09)
FY18E	\$158.9	\$11.6	\$84.5	\$0.16

TOP INSTITUTIONAL HOLDERS

Janus Henderson Group, plc	5,250,000
Invesco, Ltd.	4,761,400
Fidelidade-Companhia de Seguros	2,422,900
Ross G. Clarkson	2,344,500
Renaissance Technologies Corp.	1,767,300
ClearBridge Investments, LLC	1,387,400
Hillsdale Investment Management, Inc.	946,400
Montrusco Bolton Investments, Inc.	938,500
Russell Investment Mgmt., LLC	691,700
Lloyd W. Herrick	689,100

STOCK CHART



COMPANY DESCRIPTION

TransGlobe Energy Corporation (“Company”) (“TGA”) is an independent oil and gas exploration and production company, with current operations in Alberta, Canada, and the Arab Republic of Egypt. TGA also operated in Yemen for 19 years, before selling those interests in 2015. The Company has operated in Egypt since 2004 and holds interests in production sharing concessions in the Eastern Desert and the Western Desert regions. TransGlobe operated in Canada from 1999 to 2008 and recently re-entered Canada in December 2016. The Company’s Canadian holdings include production and working interests in Cardium light oil and Mannville liquid-rich gas assets in the Harmattan area, located in west central Alberta. TransGlobe Energy is headquartered in Calgary, Alberta, and has approximately 70 employees.

SUMMARY

TransGlobe has been in the international oil and gas industry for over 20 years and has drilled more than 400 gross wells in varying geological formations, political climates and economic environments. Through the execution of a disciplined business plan involving cost-cutting measures, a strategic acquisition, and key contracts with the Egyptian government and third-party marketers, TGA’s management has steered the Company through a difficult period involving low oil prices and political turmoil, and, as a result, TransGlobe is well-positioned to return to profitability over the near-term.

- TransGlobe has a current production base of roughly 14,300 boepd (estimate for Q118), and a number of low-risk development projects in Canada and Egypt, along with some potentially high-impact exploration opportunities in Egypt. The recently released 2018 capital budget includes a total of ~\$41.3M, with ~\$29.1M allocated to Egypt and ~\$12.2M to Canada.
- Following a chaotic period in the aftermath of the Arab Spring uprising in 2011, Egypt has regained political and economic stability. Consequently, TransGlobe has announced plans to complete 5 exploration wells in the Western Desert in 2018. In the Eastern Desert, the focus is on sustaining and developing producing concessions. Recent tests in the Boraq field yielded disappointing results, but management notes an additional prospect in the area as a target for 2018 exploration program.
- At year-end 2016, TGA acquired some producing high-quality light oil and liquids-rich gas plays in west central Alberta, Canada. The acquisition was designed to diversify TGA geographically and expand operations outside areas with geopolitical risk. The property has a slow decline rate (12% over the last year), and the acquisition came with 149 potential drilling opportunities. The historical low operating costs and favorable royalty and tax structure of the area support growth at current oil prices and provide opportunities to increase reserves and production in proven plays using advanced horizontal drilling and multi-stage frac technology.
- Based on a 12/31/17 GLJ Petroleum Consultants evaluation, the Company reports 27.6 MMboe total proved (1P reserves) as well as 45.9 MMboe total proved + probable (2P reserves), both an 8% decrease from 2016 year-end, primarily due to production during 2017.
- Per an operations update on 12/20/17, TGA produced on average ~15.4 MBoepd in 2017, a 27% increase over 2016, and lifted and sold ~510K barrels of entitlement crude oil in Egypt late November for net proceeds of ~\$24.5M. Notably, as of December 31, 2017, the Company had ~0.8M barrels of entitlement oil in inventory valued at \$14.77 per barrel on its balance sheet as well as \$47.4M in cash and equivalents (including restricted cash).
- For 2018, corporate production is expected to range between 14,200 and 15,600 boepd (midpoint 14,900) with a 94% weighting to oils and liquids; this includes 12,000 to 13,000 bopd for Egypt, and 2,200 to 2,600 boepd for Canada, which includes a one month shut-in for plant and facility turnarounds in Canada.

On a comparable company basis for FY18 estimates, TGA currently trades at an EV/S multiple of 0.8x while its peers trade at an average multiple of 2.7x, an EV/EBITDA of 1.4x vs. the average of its peers at 4.9x, a P/E of 8.4x vs. the average of peers at 21.3x, and a P/CFPS of 1.5x vs. the average of its peers at 3.8x. See page 9 for further details.

BUSINESS OVERVIEW

TransGlobe Energy Corporation was incorporated in 1968 as a mineral exploration and extraction company and entered the oil and gas exploration and production market in 1992. The Company had properties in the U.S., and later in Yemen, Canada and Egypt. TGA sold its U.S. properties in 2000 to fund opportunities in Yemen and began operations in Egypt in 2004. In 2008, TGA divested its Canadian assets, which were mostly gas producing properties, to fund opportunities in Egypt and Yemen. In 2014, TransGlobe divested its properties and exited Yemen, primarily because of the political environment. TransGlobe re-entered Canada at year-end 2016 by acquiring production and working interest in properties located in west central Alberta.

In 2012, TransGlobe was ranked #30 in the Fortune Magazine *100 Fastest Growing Companies*; however, the years that followed were challenging. Political unrest in Egypt fueled by the Arab Spring uprisings made collecting receivables from the Egyptian government difficult. In 2013, when the accounts receivable total from the government of Egypt was approaching \$250 million, the management team, led by CEO Ross Clarkson, took aggressive steps to reverse the trajectory of the Company, including negotiations with the government-owned Egyptian General Petroleum Corporation (EGPC) and significant cost-cutting measures.

In recent years, under Egyptian president el-Sisi, Egypt has emphasized the importance of foreign investment, and with Egypt's cooperation, TransGlobe began directly marketing Eastern Desert entitlement crude oil to international buyers in 2015 without the Egyptian government acting as a middleman, which has improved liquidity and decreased credit risk. The Company completed its first direct sale of Egyptian crude oil to a third-party buyer in Q1 2015.

In February 2017, TGA's subsidiary, TransGlobe Petroleum International, Inc. (TPI) completed a \$75 million crude oil prepayment agreement with Swiss-based Mercuria Energy Trading SA. This is an important strategic relationship that management hopes to broaden over time. In conjunction with the agreement, TPI entered into a marketing contract with Mercuria to market nine million barrels of TPI's entitlement production, with pricing based on indexed market prices at the time of sale, which incentivizes Mercuria to deliver the best pricing. The initial advance was used to refinance the 6.0% convertible debentures that matured in March 2017, with subsequent funds used for working capital purposes. TGA completed three cargo liftings marketed by Mercuria in 2017.

The Company's most recent lifting included approximately 510,000 barrels of entitlement crude oil in late November 2017 for net proceeds of ~\$24.5M, inclusive of realized hedging loss and marketing costs. TGA has confirmed 4 cargo liftings scheduled in 2018, with the first set for late March.

RECENT RESULTS

On March 7, 2018, the Company announced year-end 2017 financial and operating results. Management disclosed production on average of 15,506 Boepd, and the Company sold 16,849 Boepd, a 28% and 51% increase, respectively, year-over-year. Funds flow from operations increased to \$55.6 million, or \$0.77/share, up from \$(8.4) million in 2016, and the best reported since 2014. The Company reported a net loss of \$(75.9), which included a non-cash impairment charge of \$79.0 million as well as a non-cash mark-to-market loss on derivative instruments of \$8.0 million.

The Company reduced its inventoried entitlement crude oil in Egypt from 1.3 million barrels to less than 0.8 million, a positive contribution to funds flow from operations for the year. During the year, the Company spent \$38.1 million on exploration and development activities in Egypt and Canada, including:

- 15 wells drilled in Egypt, resulting in 2 discoveries and 4 development wells
- Completing its eastern desert exploration commitment
- Three additional development leases approved at NWG
- 3 Hz multi-stage Cardium oil wells in Canada, validating the Cardium development model

TransGlobe ended FY17 with 45.9 MMBoe of 2P reserves, which is down from 2016 levels of 50.0 MMBoe.

Exhibit 1: TransGlobe Reserves

2017 Reserves Summary	1P	2P	3P
2016 Year End Reserves (MMBoe)	29.9	50.0	65.9
2017 Adds/Revisions	3.4	1.6	2.4
2017 Production		-5.7	
2017 Year End Reserves (MMBoe)	27.6	45.9	62.5
Change vs Year End 2016 (%)	-8.0%	-8.0%	-5.0%
Production Replacement Ratio (%) – (ex A&D, economic factors)	62%	30%	45%

Source: Company Reports

GROWTH STRATEGY

TGA is a well-managed company that is focused on cash flow and building value over the longer term. The 2018 capital budget has recently been released at roughly \$41.3 million, before capitalized G&A. This budget amount includes ~\$29.1M for Egypt and ~\$12.2 for Canada. TGA disclosed that the 2018 drilling program will encompass 5 Western Desert exploration wells, 8 Eastern Desert development wells and 6 Canadian horizontal Cardium wells. The Company has noted that the 2018 capital program is balanced to anticipated funds flow based on a \$55/bbl Brent oil price estimate, and the numbers could be adjusted if the recent price increases are sustained.

Exhibit 2: Planned Capital Expenditures

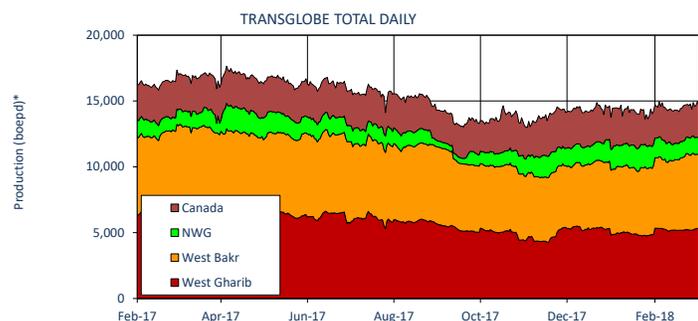
Concession	TransGlobe 2018 Capital (\$MM)				Total
	Development		Exploration		
	Wells*	Other	Wells	Other	
West Gharib	2.6	1.1	—	—	3.7
West Bakr	7.3	3.1	—	—	10.4
NW Gharib	2.4	0.9	—	—	3.3
NW Sitra	—	—	5.2	0.2	5.4
South Ghazalat	—	—	3.3	0.2	3.5
South Alamein	—	—	2.8	—	2.8
Egypt	\$12.3	\$5.1	\$11.3	\$0.4	\$29.1
Canada	\$11.2	\$1.1	—	—	\$12.2
2018 Total	\$23.4	\$6.6	\$11.3	\$0.4	\$41.3
Splits (%)	71%		29%		100%

* Wells include new wells, completions, workovers, recompletions and equipping.

Source: Company Reports

Also, the Company disclosed 2018 production estimates of 14.2 to 15.6 MBoepd with a mid-point of 14.9 MBoepd; this includes production in Egypt of 12.0 to 13.0 MBopd in 2018 and production in Canada of 2.2 to 2.6 MBoepd in 2018.

Exhibit 3: TransGlobe Production Update



	Q4 2017	2018 GUIDANCE	JANUARY 2018	FEBRUARY 2018
Egypt	11.3 MBopd	~12.0 - 13.0 MBopd	11.6 MBopd	12.0 MBopd
Canada	2.6* MBoepd	~2.2 - 2.6* MBoepd	2.6* MBoepd	2.5* MBoepd
Total Company	13.8* MBoepd	14.2-15.6* MBoepd	14.2* MBoepd	14.5* MBoepd

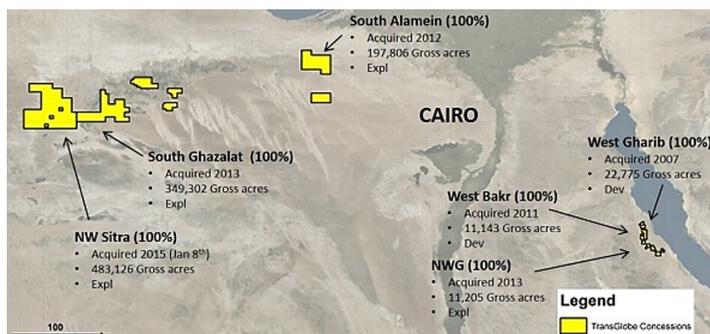
*6 Mcf to 1 Boe

Source: Company Reports

EGYPTIAN PORTFOLIO

TransGlobe has ~1.1 million gross acres of land in Egypt, with year-end 2017 gross reserves of 26.6 MMbbl 2P. The Company has two areas of focus in Egypt: (1) the Eastern Desert—West Gharib, West Bakr, Northwest Gharib, and (2) the Western Desert - South Alamein, South Ghazalat, North West Sitra.

Exhibit 4: TransGlobe's Egyptian Assets

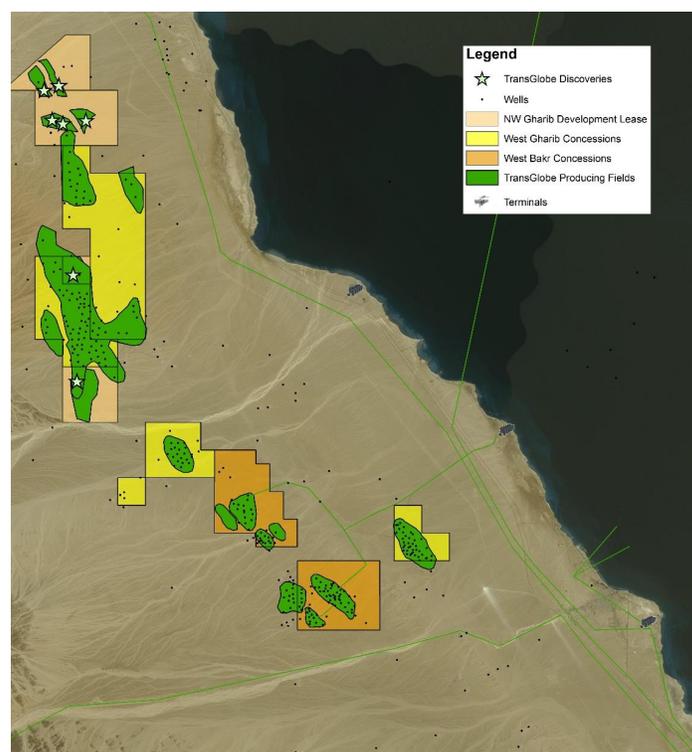


Source: Company Reports

THE EASTERN DESERT

TransGlobe has approximately 45,000 net acres in the Eastern Desert over three operated concessions: West Gharib, West Bakr, and NW Gharib.

Exhibit 5: Eastern Desert Concessions



Source: Company Reports

West Gharib (100% working interest, operated)

In September 2007, TransGlobe acquired and began operating 8 development leases with 24 producing wells in West Gharib, Egypt. A year later, in August 2008, the Company increased its working interest in the property to 100%. This oil has a high sulfur content, and must be refined outside of Egypt, generally in

Europe or Asia. The West Gharib concession has historically been, and continues to be, one of the TransGlobe's most prolific and valuable areas of operations. Through exploration discoveries, development drilling, and improvements to water flooding, the Company increased production by more than 400% from initial production in 2007 to 2013 and most recently reported the levels shown in the table below.

Quarterly West Gharib Production (bopd)	2017			
	Q-4	Q-3	Q-2	Q-1
Gross production rate	5,015	5,741	6,389	6,683
TransGlobe working interest	5,015	5,741	6,389	6,683
TransGlobe inventory held (lifted)	774	(5,715)	(92)	3
Total sales	4,241	11,456	6,481	6,680
Government share (royalties and tax)	2,459	2,826	3,155	3,304
TransGlobe sales (after royalties and tax) ¹	1,782	8,630	3,326	3,376

¹ Under the terms of the West Gharib Production Sharing Concession, royalties and taxes are paid out of the Government's share of production sharing oil.

Recent (Q4 2017) operations and production:

- No additional wells were drilled during the fourth quarter
- Fourth quarter was negatively impacted by well servicing delays, but the issues have been addressed, and servicing operations have resumed with additional equipment
- Subsequent to quarter-end, the drilling rig was mobilized to Arta 48, encountered 45 feet of Red Bed formation with an internally estimated 20 feet of net oil pay; it will require a frac stimulation prior to placing into production (estimated date of April 2018)
- A second well, Arta 54, is scheduled for drilling March/April

West Bakr (100% working interest, operated)

Immediately adjacent to the West Gharib concession is the West Bakr concession, which TransGlobe acquired in late 2011. The proximity to West Gharib provides the Company with synergies and increases operating leverage in this region.

TGA has identified multiple drilling opportunities and enhancement/development projects that could add to production and increase recoverable reserves. Due to the proximity of the fields, knowledge gained in increasing production at West Gharib has been applied at West Bakr. The West Bakr concession contains three fields—H, M, and K. Like West Gharib, the oil produced in West Bakr has a high sulfur content. The oil produced in these fields is transported via pipeline to the Ras Gharib terminal on the Gulf of Suez.

Quarterly West Bakr Production (bopd)	2017			
	Q-4	Q-3	Q-2	Q-1
Gross production rate	5,024	5,651	6,085	6,284
TransGlobe working interest	5,024	5,651	6,085	6,284
TransGlobe inventory held (lifted)	(3,511)	2,288	(3,202)	2,545
Total sales	8,535	3,363	9,287	3,739
Government share (royalties and tax)	2,990	3,363	3,621	3,739
TransGlobe sales (after royalties and tax) ¹	5,545	—	5,666	—

¹ Under the terms of the West Bakr Production Sharing Concession, royalties and taxes are paid out of the Government's share of production sharing oil.

Recent (Q4 2017) operations and production:

- No wells were drilled during the quarter
- Due to backlog of well workovers and impact of well service delays, TGA decided to defer certain low cost, behind-pipe opportunities in the K and H fields until 2018

- Subsequent to quarter-end, K 46 was drilled and encountered ~111 feet of total net oil pay in the Asl A and Asl B formations; the well should be placed into production in March 2018, with a second planned in Q218
- Two new M field wells targeting the main Asl A formation are planned for drilling and production late Q218 upon receipt of military and EGPC approvals
- K 47 and K 48 Asl A oil wells were recompleted in the south K field during February 2018, and a third is planned (K 51)
- Phase 2 expansion of K station upgrade should be completed March 2018, doubling handling capacity to 30,000 Bpd

North West Gharib (100% working interest, operated)

The Egyptian government ratified the North West Gharib concession into law in November 2013. TGA's North West Gharib property covers ~11,000 acres. TGA completed the exploration of the concession on schedule in April 2017 and relinquished all of the exploration properties other than the properties designated on the map in Exhibit 5, where the Company originally received four 20-year development licenses.

Quarterly North West Gharib Production (bopd)	2017			
	Q-4	Q-3	Q-2	Q-1
Gross production rate	1,212	876	1,377	982
TransGlobe working interest	1,212	876	1,377	982
TransGlobe inventory held (lifted)	439	318	499	356
Total sales	773	558	878	626
Government share (royalties and tax)	773	558	878	626
TransGlobe sales (after royalties and tax) ¹	—	—	—	—

¹ Under the terms of the North West Gharib Production Sharing Concession, royalties and taxes are paid out of the Government's share of production sharing oil.

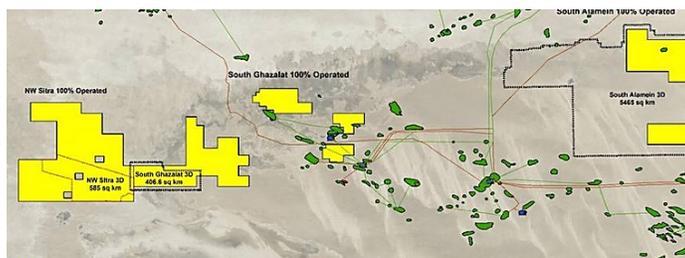
Recent (Q4 2017) operations and production:

- Two wells were drilled during the quarter that resulted in one Red Bed well and one dry hole (NWG 3A ST1)
- NWG 38A2 was drilled to 5,315 feet and encountered ~112 feet of Red Bed formation (estimated 20 feet of net oil pay); it was completed and put into production December 2018 with an ~460 bopd current production rate
- NWG-38A1 appraisal well was drilled during the third quarter and stimulated and placed into production October 2017; it's currently producing 290 bopd
- The Company has initiated permitting to drill a structurally down-dip injector for a water flood in the 1H 2018 to increase recoveries in the area
- NWG 1 and NWG 5 wells (discovered in 2014) were put into production October 2017; NWG 5x has shown an IP30 production rate of 180 Bopd, and NWG 1x has shown 90 Bopd
- NWG 1B and NWG 5b (drilled in 2014) are scheduled for completion and stimulation in Q218 as is the newly drilled Arta 48
- Additional stimulation work is planned for cased Nukhul/Red Bed wells in NW Gharib DL 2 & 3 in April 2018

THE WESTERN DESERT

TransGlobe has approximately 1.03M net acres in the Western Desert over three operated concessions: South Alamein, South Ghazalat and North West Sitra.

Exhibit 6: Western Desert Concessions



Source: Company Reports

South Alamein

Recent (Q4 2017) operations and production:

- The Company mobilized a completion rig to South Alamein in September 2017 to begin a 2-well testing program at Boraq; the Boraq 2 well was re-entered and tested in order to re-establish oil production prior to filing a development plan for the area
- The retest produced ~550 bbls of oil within a 14-hour period, with an average flow rate of 1,140 Bopd of 35 API oil on a 64/64 inch choke over an 8-hour flow period before being shut in for buildup
- Boraq 2 has now been shut in pending further development plans in the South Alamein concession (recent testing at Boraq 5 was not successful)
- In Q417, TransGlobe announced an additional exploration well for South Alamein in 2018, which could ultimately bring productivity from this area

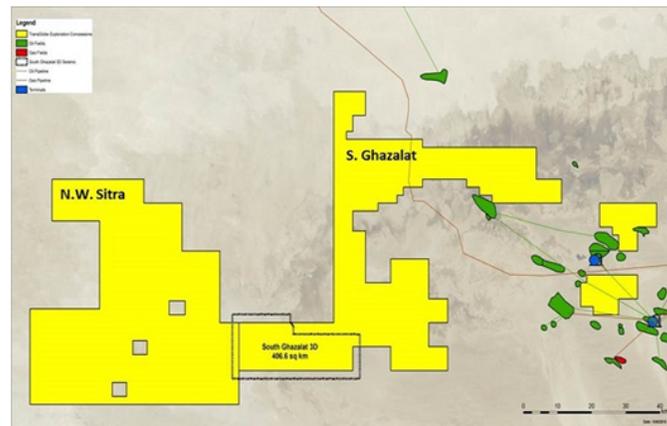
This block is attractive due to the high flow rates and the light oil that tends to sell much closer to Brent crude pricing. The Company continues to focus resources in the Western Desert because of the advantageous economics of the lighter oil. Additionally, the initial purchase of the South Alamein property included historical cost pools of ~\$80 million. If the Company is able to bring the pool into commercial production, it can recover those costs.

South Ghazalat and North West Sitra

In November 2013, TransGlobe acquired a 100% working interest in the South Ghazalat concession. The 349,302-acre South Ghazalat PSC is located in the prolific Abu Gharadig basin. At South Ghazalat the Company committed to a work program of \$8 million in the first phase, which has been met, and consisted of 400 square kilometers of 3-D seismic and two wells. The Company plans to drill 2 wells in this area in conjunction with North West Sitra drilling in 2018.

TransGlobe acquired a 100% working interest in the North West Sitra concession in 2015. The Company completed 3D seismic exploration in this region and was interpreting the data during 2017, which led to plans for two wells to be drilled in 2018 (and TransGlobe has a 2-well commitment). Early analysis of the data showed some large structures from the Cretaceous to Jurassic level.

Exhibit 7: South Ghazalat and North West Sitra



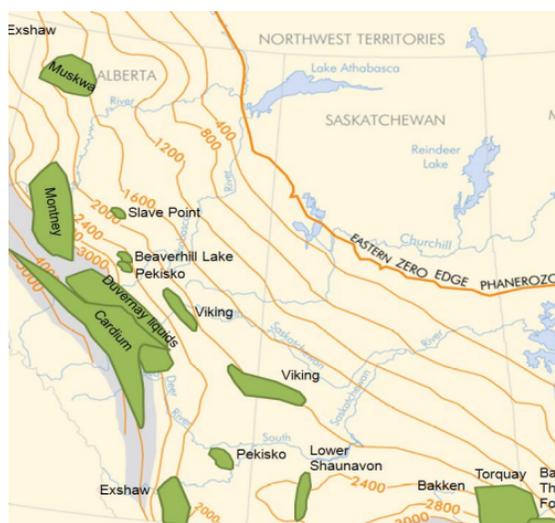
Source: Company Reports

CANADIAN PORTFOLIO

At the end of December 2016, the Company re-entered Canada, acquiring production and high working interest assets (88% of current production) in the Harmattan area of west central Alberta, an area with proven, low-risk Cardium light oil and Mannville liquids-rich gas. The Canadian portfolio, which is just 40 minutes from the Company's headquarters in Calgary, includes ~ 85,000 gross acres. Total consideration in the transaction was approximately \$59 million, comprised of \$48 million in cash and a vendor take back note of ~\$11 million. Most recently the Company reported 2P reserves of 19.3 MMBoe for the Canadian asset.

The Cardium formation in central Alberta currently has over 10,000 producing wells (3,900 of which are horizontal wells). The royalty and tax structure and the low operating costs make this area especially attractive in the current pricing environment. The Cardium property that TransGlobe purchased contains 39 horizontal wells drilled in 2012 and 2013 using an older technology with average frac density of 18 fracs per linear mile. TransGlobe is using a 40-stage frac program on these wells, which they expect will provide a substantially higher recovery rate. The property also contains 100% interest in central oil battery and flow lines with under-utilized capacity. The other play in the acquisition, the Ellerslie/Viking sands, is a deeper gas play that the Company may drill if gas prices continue to improve.

Exhibit 8: Tight Oil Developments in the Western Canada Sedimentary Basin

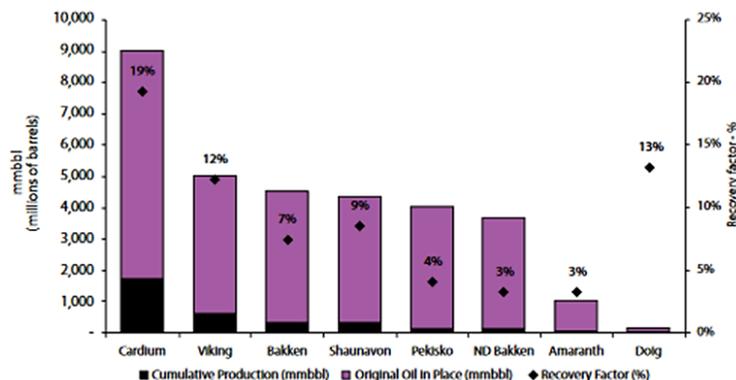


Source: Canadian National Energy Board

Importantly, the acquired assets provide a stable production base, with a low decline rate and access to surplus infrastructure that will accommodate production growth. The acquisition provided 149 gross potential drilling locations and the opportunity to materially increase reserves and production using horizontal drilling and multi-stage frac technology. TransGlobe management has stated the Company will be seeking additional opportunities in Canada, as well as in Egypt, that can be tucked into its existing infrastructure. For example, the Company recently disclosed the purchase of an additional 1600 acres of Cardium rights in the Harmattan area, which increases the Cardium drilling location inventory by 8 – 10 locations.

Industry reports often cite original oil in place (OOIP) for regions with proven or potential oil and gas potential. Simply put, the OOIP is the amount of oil trapped in underground reservoirs. Exhibit 9 illustrates the potential for additional recovery from existing fields in western Canada if new technologies are applied. The graph illustrates the amount of oil recovered to date compared with the estimated OOIP. The percentage value indicates the amount of oil that has been recovered from the reservoir to date. Using horizontal drilling and multi-stage hydraulic fracturing, the industry is successfully extracting significant oil from older reservoirs.

Exhibit 9: The Cardium in Canada Is a Tight Oil Play



Source: Canadian Society for Unconventional Resources

The Cardium formation in western Canada is known as a tight oil play. Tight oil is conventional oil that is often found in regions where reservoir properties inhibit production using conventional drilling. Typically, horizontal drilling combined with multi-stage fracturing is used to access these difficult to produce reservoirs. Tight oil is high quality and requires very little refinement, and often existing surface infrastructure can often be utilized, reducing capital investment.

As shown in Exhibit 9, extensive oil and gas resources are known to be present in these reservoirs; however, these resources typically will not flow to the wellbore at economic rates without using advanced drilling techniques. Many of the larger IOCs, such as Apache (NYSE: APA), have taken the easily assessed, low-hanging fruit in their fields, and are selling these assets in the Cardium to smaller companies. Apache recently sold its Cardium assets producing 5,000 boepd to Cardinal Energy, Ltd. (TSX: CJ). In fact, in 2017 alone, international oil majors including ConocoPhillips (NYSE: COP) and Marathon Oil Corp (NYSE: MRO) have sold off \$22.5 billion of Canadian assets to focus on higher growth areas, primarily in the U.S. Permian Basin.

Per the Company’s last filing, Canadian production was as follows:

Quarterly Canada Production (boepd)	2017			
	Q-4	Q-3	Q-2	Q-1
Canada crude oil (tbb/d)	775	518	496	565
Canada NGLs (tbb/d)	915	1,081	919	1,037
Canada natural gas (mcf/d)	6,058	6,268	7,191	7,075
Total production (boe/d)	2,700	2,644	2,613	2,782

As part of the Company’s most recent production update, TransGlobe disclosed average production for 2017 of 2.7 MBoepd in Canada and reduced operating costs 31% from \$8.41/Boe to \$5.60/Boe in 2017. Additionally, as of year-end 2017, the Company reported increases in its NPV10 value despite removing 3.1 MMBoe (2P) of undeveloped Mannville Gas, primarily due to low gas prices. The NPV10 increased 81%, up to 94 MM in 2017, up from \$52MM in 2016.

TGA also reported the completion of 3 horizontal Cardium wells in September/October with 40 stage (15t/stage) fracs. The wells were equipped and placed into production. Per the recent earnings release, the Canadian assets were detailed as follows:

Exhibit 10: Canadian Assets

	Producing		Gross Locations
	Wells	Boepd ¹	2P
Cardium	40	1,036	30
Ellerslie/Mannville	61	1,149	17
Other	22	529	0
Total	120*	2,714	40

*6 Mcf to 1 Boe

¹ Average production January 2017

Source: Company Reports

INDUSTRY

In response to a changing set of dynamics, a number of trends are shaping the oil and gas sector:

Cost cutting measures - Plummeting oil prices, beginning in June 2014, prompted a surge in cost reduction measures among upstream companies, with IOCs cutting cap ex by roughly 40% between 2014 and 2016. Projects during that time were canceled or delayed. As a result of cutting costs, combined with efficiency improvements, many projects are now in the position to break even with much lower oil prices.

Recent price gains – In 2016, OPEC, Russia and their allies struck a deal to end the price slump and re-balance an oversupplied market; they set a target of bringing oil inventories held by members back in line with the five-year average. After more than a year of supply curbs, they’ve made significant progress. However, recent news suggests that they might be re-evaluating their original metrics and could continue to push for further restrictions and continue supply curbs.

Free cash flow - Given the unpredictability of the market, companies’ business plans emphasize profitability that is sustainable under multiple price scenarios. Growth in production and reserves has often been the key metric driving oil and gas companies. However, in the current climate, with the specter of rising interest rate and cost of debt, free cash flow from earnings is a priority.

Specialization - Companies are specializing in capabilities that are key to their growth. The scenario involving large oil companies discovering, developing and operating fields until depletion has given way to ownership changes that match the specialized capabilities of companies with the life cycle of the field.

Mergers and acquisitions - M&A should increase for upstream companies as they re-evaluate their portfolios in the current environment. This strategy enables companies to divest of noncore assets and add properties that match their strategic direction, strengths and capabilities.

Short-term EIA outlook – The U.S. Energy Information Administration (EIA) reports that global petroleum and liquid fuels inventories (OECD countries) declined by 0.6 million barrels per day in 2017 but predicts global growth by about 0.4M barrels per day in 2018. EIA projects that U.S. crude oil production will average 10.7 million barrels per day in 2018, which would mark the highest annual average U.S. crude oil production average, surpassing the 1970 record. Brent spot prices, which averaged \$54/barrel in 2017, are expected to average \$62/barrel in 2018.

RISKS

Environmental and government regulation – Federal, state and international laws and regulations relating to the release of materials into the environment and the disposal of wastes from oil and gas activities may affect the Company’s business and increase costs.

Price volatility - Prices for crude oil sales have historically been unpredictable and volatile, and that volatility is expected to continue.

Political and economic instability – The country of Egypt experienced instability following the Arab Spring movement. TransGlobe’s business may be adversely affected by changes in political and economic conditions in Egypt.

Reserve estimates – Reserve estimates in the oil industry, particularly for new discoveries, are inherently imprecise. Inaccuracies in assumptions could affect the estimated quantities.

INCOME STATEMENT

TransGlobe Energy Corp. (NASDAQ: TGA)
 Consolidated Statements of Income (in millions \$, except per share amounts)
 Fiscal Year: December

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 E
Revenues					
Petroleum and natural gas sales, net of royalties	\$ 274.59	\$ 92.2	\$ 63.1	\$ 148.5	\$ 158.9
Finance revenue	0.3	0.7	0.7	0.1	-
Other revenue	9.3	-	-	-	-
Total revenues	284.2	92.9	63.8	148.6	158.9
Operating expenses					
Production and operating	76.5	52.7	40.3	50.2	55.6
Transportation costs	-	-	0.0	0.7	0.8
Selling costs	-	4.6	0.9	2.5	2.0
General and administrative	29.9	21.3	17.6	15.3	16.0
Foreign exchange (gain) loss	(6.5)	(11.6)	3.6	0.2	-
Finance costs	7.6	6.3	6.1	6.3	6.0
Exploration	0.7	-	-	-	-
Depletion, depreciaton and amortization	51.6	42.9	29.2	40.0	41.5
Accretion	-	-	-	0.3	0.4
Realized derivative loss on commodity contracts	-	0.7	1.0	2.9	-
Unrealized derivative loss on commodity contracts	-	-	-	8.0	-
Unrealized (gain) loss on financial instruments	(11.6)	6.6	7.0	0.2	-
Impairment of exploration and evaluation assets	71.4	85.4	33.4	79.0	-
Loss on corporate dispositions	-	0.3	-	-	-
Total operating expenses	219.5	209.1	139.0	205.4	122.3
Earnings before income taxes	64.7	(116.2)	(75.2)	(56.8)	36.6
Income tax expense (recovery) - current	63.0	25.5	15.5	21.8	25.0
-deferred	(9.8)	(36.0)	(3.0)	-	-
Net income (loss)	\$ 11.5	\$ (105.6)	\$ (87.7)	\$ (78.7)	11.6
Other comprehensive income (loss)	-	-	-	2.8	-
Comprehensive income (loss)	\$ 11.5	\$ (105.6)	\$ (87.7)	\$ (75.9)	11.6
Basic EPS (loss)	\$ 0.15	\$ (1.44)	\$ (1.21)	\$ (1.09)	\$ 0.16
Diluted EPS (loss)	\$ (0.02)	\$ (1.44)	\$ (1.21)	\$ (1.09)	\$ 0.16
Basic shares outstanding	74.9	73.5	72.2	72.2	72.2
Diluted shares outstanding	82.4	73.5	72.2	72.2	72.2
EBITDA	\$ 167.6	\$ 13.6	\$ 4.4	\$ 79.9	\$ 84.5

Margin Analysis

Production and operating	27.8%	57.1%	63.9%	33.8%	35.0%
General and administrative	10.9%	23.1%	27.8%	10.3%	10.1%
EBITDA margin	61.0%	14.8%	6.9%	53.8%	53.2%
Pre-tax margin	23.6%	-126.0%	-119.1%	-38.3%	23.0%
Net income margin	4.2%	-114.5%	-138.9%	-53.0%	7.3%
Tax rate	19.4%	-11.4%	19.7%	14.7%	15.7%

Growth Rate Analysis Y/Y

Total revenues	n/a	-67.3%	-31.3%	132.8%	6.9%
Production and operating	n/a	-31.1%	-23.5%	24.5%	10.7%
General and administrative	n/a	-28.6%	-17.7%	-13.1%	4.9%
EBITDA	n/a	-91.9%	-67.9%	1727.7%	5.8%
Pre-tax income	n/a	-279.5%	35.2%	24.4%	164.3%
Net income	n/a	-1019.7%	17.0%	10.3%	114.7%
EPS - fully diluted	n/a	-7100.0%	15.7%	10.3%	114.7%
Share count - fully diluted	n/a	-10.8%	-1.7%	0.0%	0.0%

Source: Company Reports, Stonegate Capital Partners estimates

VALUATION

On a comparable company basis for FY18 estimates, TGA currently trades at an EV/S multiple of 0.8x while its peers trade at an average multiple of 2.7x, and at an EV/EBITDA of 1.4x vs. the average of its peers at 4.9x. On a P/E ratio, the Company currently trades at 8.4x vs. the average of its peers at 21.3x, having just returned to a positive bottom line in FY18 per our estimates, and on a P/CFPS basis, TGA trades at 1.5x based on 2018E vs. the average of its peers at 3.8x. Additionally, the Company is well-positioned to return to profitability in the near-term based on:

- Execution of a disciplined business plan involving significant cost-cutting measures
- Recent acquisition supporting its decision to re-enter Canada
- Key contracts with the Egyptian government and third-party marketers
- The Company's experienced management team that has steered TGA through difficult periods involving low oil prices and political turmoil

We would expect that investors in TGA could benefit from price appreciation in the upcoming quarters as progress continues to be made, and the stock begins to trade more in-line with the metrics of its peers.

Exhibit 11: Comparable Analysis

Name	Ticker	Price (1)	Sh	Mrkt Cap	EV	EV/S (2)		EV/EBITDA (2)		P/E (2)		P/CFPS	
						2017	2018 E	2017	2018 E	2017	2018 E	2017	2018 E
Bellatrix Exploration, Ltd.	TSX: BXE	\$ 1.07	49.4	\$ 52.9	\$ 364.0	2.1x	1.9x	3.4x	4.5x	nm	nm	1.2x	1.0x
Bonterra Energy Corp.	TSX: BNE	\$ 10.36	33.3	\$ 345.0	\$ 591.2	4.0x	3.2x	6.7x	5.3x	172.7x	20.7x	4.3x	3.5x
Canacol Energy, Ltd.	TSX: CNE	\$ 3.49	176.7	\$ 616.7	\$ 891.7	5.5x	3.7x	10.2x	6.4x	nm	26.8x	9.4x	6.1x
Crew Energy, Inc.	TSX: CR	\$ 1.62	149.3	\$ 241.9	\$ 479.3	3.1x	2.8x	4.4x	5.7x	9.0x	40.5x	2.9x	3.5x
Gran Tierra Energy, Inc.	AMEX: GTE	\$ 2.79	391.3	\$ 1,091.7	\$ 1,310.9	3.1x	2.3x	5.3x	3.4x	nm	9.3x	5.0x	3.8x
Parex Resources, Inc.	TSX: PXT	\$ 14.21	155.0	\$ 2,202.6	\$ 1,967.5	3.3x	2.1x	6.2x	4.0x	14.4x	9.2x	7.9x	5.1x
Average						3.5x	2.7x	6.0x	4.9x	65.3x	21.3x	5.1x	3.8x
Median						3.2x	2.5x	5.7x	4.9x	14.4x	20.7x	4.7x	3.6x
TransGlobe Energy Corp.	Nasdaq: TGA	\$ 1.35	72.2	\$ 97.5	\$ 120.0	0.8x	0.8x	1.5x	1.4x	nm	8.4x	1.8x	1.5x

(1) Previous day's closing price

(2) Estimates are from Capital IQ except for TGA revenues, EBITDA and EPS, which are Stonegate estimates

Source: Company Reports, Capital IQ, Stonegate Capital Partners

CORPORATE TIMELINE

January 2018 – 2018 capital budget announced as well as management promotions and year-end reserves

December 2017 – TGA's operations update details annual average production of ~15.4 MBoepd for 2017

November 2017 – Boraq 5 test results fail to produce hydrocarbons from the two zones, and thus it is plugged and abandoned; TGA notes that Boraq 2 does not have sufficient scale on its own to proceed with development at this time

May 2017 - Entered into credit agreement for a revolving reserve-based lending facility with Alberta Treasury Branches

February 2017 - Announced the execution of a \$75 million crude oil prepayment agreement between TPI and Mercuria Energy Trading SA Company; Mercuria will market up to 9 million barrels of TPI's entitlement crude oil

December 2016 - Completed the acquisition of production and working interests in certain facilities in the Harmattan area of west central Alberta for total consideration of ~\$59.5M

November 2013 - Acquired a 100% working interest in the NW Gharib, SW Gharib, SE Gharib and South Ghazalat concessions

January 2015 - Acquired the NW Sitra concession

December 2014 - Wrote down Yemen assets to zero

December 2011 - Acquired 100% working interest in West Bakr Concession

May 2008 - Canadian assets sold for Cdn\$56.7 million

January 2008 - Began trading on NASDAQ under the symbol "TGA"

September 2007 - Expanded Egyptian operations with acquisition of 55% of West Gharib concession, bringing ownership to 100%

July 2004 - Entered Egypt with 50% interest in Nugra Concession

November 1997 - Common shares listed on the TSX under the symbol "TGL"

April 1996 - Changed name to TransGlobe Energy Corporation

1968 - Company was incorporated on August 6, 1968 as a mineral exploration and extraction venture under The Company Act (British Columbia)

TRANSGLOBE ENERGY CORPORATION GOVERNANCE

Ross G. Clarkson – President, Chief Executive Officer, Director – Mr. Clarkson has more than 40 years of domestic and international oil and gas exploration experience. He currently serves as TransGlobe's CEO. Prior to joining TransGlobe, Mr. Clarkson worked with a number of international oil companies in various technical capacities. He was resident manager of PetroCanada (Yemen), Inc.; senior project geologist with Canadian Occidental Petroleum, Ltd. in Yemen (now Nexen, Inc.); and supervisor of international exploration/geologist with Ranger Oil Limited. Mr. Clarkson's experience extends to countries on all continents including Australia, China, South America, Oman and the United Arab Emirates, Indonesia, Thailand, the North Sea and Africa.

Randy C. Neely – President – Mr. Neely, who has more than 25 years of experience in executive financial positions, has been with TransGlobe since May 2012. Mr. Neely was appointed President of the Company in January 2018 and was previously appointed as Vice President, Finance and CFO in May 2012. Prior experience includes serving as CFO of Pearl (Blackpearl) Exploration and Production, and CFO of Trident Exploration. His experience outside of the oil and gas industry includes working for TD Securities investment banking firm for over 3 years and KPMG for eight years. Mr. Neely holds designations as a Chartered Accountant (CA) and a Chartered Financial Analyst (CFA). He earned a commerce degree from University of Calgary.

Edward Ok – Vice President, Finance, Chief Financial Officer - Mr. Ok was appointed Vice President, Finance and Chief Financial Officer of the Company in January 2018. He was most recently at Zodiac Exploration and has over 10 years of corporate finance and accounting experience. Mr. Ok holds a Bachelor of Commerce from the University of Alberta, is a Chartered Accountant licensed in the Province of Alberta and a Certified Public Accountant licensed in Washington State.

Lloyd W. Herrick – Vice President, Chief Operating Officer – Mr. Herrick joined TransGlobe in April 1999 as Vice President and Chief Operating Officer. Prior to joining the Company, Mr. Herrick was President and CEO Of Moibus Resource Corporation, which was acquired by TransGlobe. He was previously employed with Ranger Oil in multiple technical, management/executive positions. He also worked at Rupertsland Resources, Ltd. as a petroleum engineer and at Hudson's Bay Oil & Gas, Ltd. as a production evaluations engineer. Mr. Herrick holds an ICD.D designation from the Institute of Corporate Directors.

Brett Norris – Vice President – Exploration – Mr. Norris is a professional geologist with over 24 years of industry experience. He joined TransGlobe in 2006 as Manager of Exploitation. Prior to joining the Company, he was Vice President of Geosciences and New Ventures at Paramount Energy Trust. He also worked as a manager at the international division of Nexen, Inc. in Yemen and South America. He has worked in a number of other exploration and production companies, including Esso Resources.

Board of Directors:

Robert Jennings - *Independent Director, Chairman of the Board*

Ross Clarkson – *Non-independent Director*

Lloyd Herrick – *Non-independent Director*

Matthew Brister – *Independent Director*

David Cook – *Independent Director*

Frederick Dymont – *Independent Director*

Bob MacDougall - *Independent Director*

Susan MacKenzie - *Independent Director*

Steven Sinclair – *Independent Director*

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