

MARKET STATISTICS

Exchange / Symbol	NASDAQ: TGA
Price:	\$4.65
Market Cap (mm):	\$340.9
Enterprise Value (mm):	\$307.5
Shares Outstanding (mm):	73.2
Float:	86.0%
Volume (3-mo. avg. NASDAQ):	951,536
52-week Range:	\$1.47 - \$5.50
Industry:	Oil and Gas E&P

CONDENSED BALANCE SHEET

(\$mm, except per share data)

Balance Sheet Date:	03/31/2022
Total Cash & Equivalents:	\$37.2
Working Capital	\$60.4
Total Debt	\$3.9
Equity (Book Value):	\$220.2
Equity/Share:	\$3.01

CONDENSED INCOME STATEMENTS

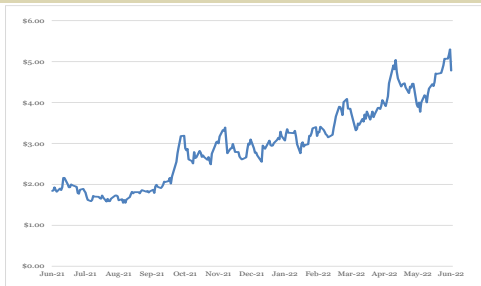
(\$mm, except per share data)

FY - 12/31	Revenue	Net Inc	EBITDA	EPS
FY19	\$140.6	\$(4.0)	\$72.0	\$(0.06)
FY20	\$115.4	\$(77.4)	\$36.9	\$(1.07)
FY21	\$169.0	\$40.3	\$68.6	\$0.55
FY22E	\$231.5	\$113.3	\$136.5	\$1.51

LARGEST SHAREHOLDERS

Invesco, Ltd	5,826,066
Fondren Management	3,715,000
Bradley Radoff	3,590,000
Renaissance Technologies Corp	3,238,201
FMR LLC	2,355,629
Ross Clarkson	1,973,219
Acadian Asset Management	1,078,138
Value First Advisors	970,108
Connor, Clark & Lunn Invst Mgmt	809,000
Randall Neely	466,506

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. 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 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.

SUMMARY

- Well positioned operator** - TransGlobe is an international oil and gas player with over 20 years of experience across diverse geological basins in several countries with a variety of fiscal regimes. With a focus on capital discipline while building a profitable, growth oriented international portfolio, TransGlobe is well positioned to navigate future market volatility.
- With established production** - TransGlobe's average production in F21 was 12.9 Mboepd compared to 13.4 Mboepd in F20. Production declined due to natural declines in Egypt, partially offset by the re-commencement of Eastern Desert drilling and well optimization activities. Production guidance for 2022 is set at 12.4 Mboepd to 13.4 Mboepd.
- And a solid reserve base** - At the end of 2021, the Company reported 28.0 MMboe total proved (1P) reserves as well as 46.1 MMboe total proved + probable (2P) reserves. The Company has focused on maintaining reserves through exploration success and effective resource maturation.
- Unique position in Egypt** - TGA has operated in Egypt for 15 years and is considered a best-in-class operator. The Company has a strong relationship with the Egyptian Government and in December 2020, it finalized negotiations to amend, extend and consolidate three concessions (located in Eastern Desert) into a single new concession. Importantly, the agreement received parliamentary ratification and Presidential signature into law in December 2021. The consolidation provides a platform for TGA to grow its Egyptian business across all oil prices.
- Poised for long-term growth in Egypt** - The Company's growth profile should improve post concession agreement, as the field life extends from a near-term expiry to 2040, updated fiscal terms and extension will allow TGA to target an additional 59 MMbbl of contingent resources, and improvement to netbacks greater than 100% at benchmark crude oil prices of \$60.00/bbl is expected to drive improved cash flows. The Company is also targeting inorganic growth opportunities through acquisitions.
- Additional upside in Canada** - In 2020, TGA drilled a development well in South Harmattan before the price of oil significantly declined. Well completion was deferred until Q1 2021. TGA drilled three South Harmattan horizontal wells in 2021 and all three wells were brought into production by October 2021. Furthermore, there is the potential to drill in excess of 80 additional 1-mile horizontal well locations over the next four to six years. As such, TGA believes it will see production growth at South Harmattan to create value to shareholders. TransGlobe's 2022 guidance for Canadian production is 2,400 to 2,600 boe/d.
- Valuation** - Given the different geographic locations of TransGlobe's operating assets, we are using a sum-of-the-parts analysis. Based on our analysis, we arrive at a combined valuation range of \$6.25 to \$10.00, with a midpoint of \$8.25. See page 9 and 10 for details.

BUSINESS OVERVIEW

TransGlobe Energy Corporation engages in the exploration, development and production of crude oil and natural gas in Egypt and Canada. 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 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.

Most recently reported reserves for TransGlobe as of year-end FY21 are 46.1 MMboe of 2P reserves, up from 38.9 MMboe of 2P reserves in FY20. The Company has focused on growing reserves through exploration success and effective resource maturation.

Exhibit 1: TransGlobe Reserves

2021 Reserves Summary	PDP	1P	2P	3P
2020 Year End Reserves (MMboe)	15.3	22.8	38.9	55.9
2021 Adds/Revisions (MMboe)	9.3	9.9	11.9	9.3
2021 Production (MMboe)	-4.7			
2021 Year End Reserves (MMboe)	19.9	28.0	46.1	60.5
Change vs Year End 2020 (%)	30%	23%	18%	8%
Production Replacement Ratio (%) – (ex A&D, economic factors)	198%	199%	211%	148%
NPV 10% Before tax \$MM Dec 31/21	258	315	435	527
NPV 10% After tax \$MM Dec 31/21	257	314	423	508

Source: Company Reports

TransGlobe's initial entry into Egypt focused on brownfield redevelopment, whereby TGA was able to increase the production of legacy assets. 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. The Company completed its first direct sale of Egyptian crude oil to a third-party buyer in Q115.

In February 2017, TransGlobe's subsidiary, TransGlobe Petroleum International, Inc. (TPI) completed a \$75M 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.

RECENT ANNOUNCEMENTS

TransGlobe made three significant announcements in the recent past. First, on December 21, 2021, TransGlobe announced that the Company received notification that its agreement with the Egyptian General Petroleum Corporation (EGPC) to merge, amend and extend its three existing Eastern Desert concessions (West Gharib, West Bakr, and North West Gharib) was ratified into Egyptian law. This agreement was finalized at an official signing ceremony with the Ministry of Petroleum held on January 19, 2022. As discussed later in the report, the newly ratified agreement extends the concession life with a 15-year development term and a 5-year extension term, modernizes the fiscal terms to promote investment across a broad range of commodity prices, and merges the existing concessions to substantially increase operational and financial efficiencies.

With the ratification concluded, the Company intends to continue to increase investment and production from its Eastern Desert acreage. TransGlobe also believes it is well positioned to seek out opportunities to expand its international portfolio, with a primary focus in Egypt.

Then in May 2022, the Company updated its 2022 capital budget and reiterated its 2022 production guidance. Given the executed Eastern Desert concessions, and recent commodity price improvements, TransGlobe is focused on moving forward increased investment in Egypt and Canada to maximize value for shareholders in both countries. In Egypt, the focus is on maintaining/growing production in the Eastern Desert, while the Company works to further mature its contingent resource portfolio through the drilling of its first horizontal multi-stage completion wells. In Canada, the focus is on developing its South Harmattan acreage, following the successful 2021 drilling program, and continuing to expand the discovered resource base. Additional highlights include:

- 2022 capital budget of \$70.5M (before capitalized G&A).
- 2022 average production guidance of 12.4 Mboed to 13.4 Mboed, with a midpoint of 12.9 Mboed (Egypt: 10.0 – 10.8 Mboed; Canada: 2.4 – 2.6 Mboed).
- The Company expects exit production to be in the range of 12.8 to 14.2 Mboed, up ~12% y/y over Dec'21 production.
- 2022 drilling program includes 17 Egypt wells and 7 Canada Cardium wells in South Harmattan.
- The Company expects field operating netbacks for 2022 of \$31/Bbl in Egypt Eastern Desert, based on an average Brent price of \$95/Bbl, and a combined netback of \$40/Bbl in Canada at an average WTI price of \$95/Bbl.

And lastly, in March 2022, the Company declared a dividend to shareholders in the amount of \$0.10/share, payable in April 2022. Importantly, the Company has adopted a distribution policy that is targeting minimum distributions of 75% of free cash flow. The Company's board of directors will continue to evaluate its ability to pay a dividend, along with share buybacks on a semi-annual basis.

GROWTH STRATEGY

TransGlobe Energy is focused on cash flow and building value over the longer term. The 2022 capital budget was updated with Q122 results to \$70.5M (from \$57.7M), before capitalized G&A. The update captured supply chain issues, drilling complications in Egypt, and inflation pressures, and allowed for optimization of the planned drilling program in Canada. The 2022 plan is focused on value accretive projects within TransGlobe's portfolio. It is also focused on maximizing free cash flows to direct at future value growth opportunities, to increase the Company's production base, and to allow the Company to return capital to its shareholders.

With the approval of the agreement to merge the Eastern Desert concession and recent commodity price improvements, the Company restarted its investment in Egypt. 17 new wells are scheduled in 2022.

Exhibit 2: 2022 Forecasted Capital

Concession	TransGlobe Net Capital (US\$MM)			Gross Well Count			
	Development Wells	Other	Exploration Wells	Total Capex	New Drills Dev	Expl	Inj
Eastern Desert	24.7	17.4	1.8	44.0	13	2	2
South Ghazalat		0.1		0.1			
Egypt	24.7	17.5	1.8	44.1	13	2	2
Canada	21.6	4.8		26.4	7		
Total	46.3	22.3	1.8	70.5	20	2	2

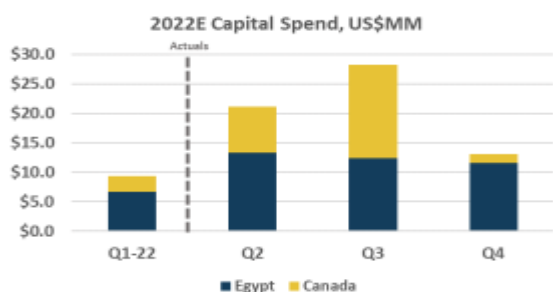
Capital program adjusted at Q1 update to proactively manage supply chain, adjust for inflationary pressures, drilling complications encountered in Egypt and slight expansion of capital program in Canada (three 1-mile wells re-planned to three 2-mile wells)

2022 Budget Capital US\$MM	Supply Chain Issues	Egypt Drilling Complications	Inflationary Pressures	Expansion of Canadian Program	Forecast capital US\$MM
57.7	4.3	3.8	3.5	1.2	70.5

Source: Company Reports

The Company's Canada program consists of 7 well development/delineation program. The Company is targeting the Cardium light oil resource at South Harmattan.

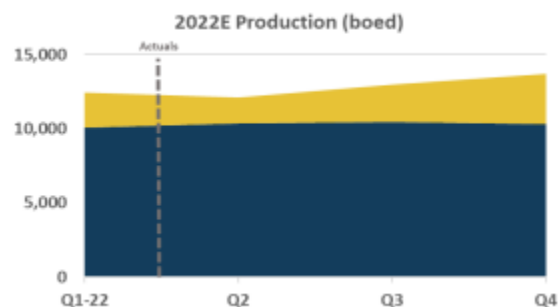
Exhibit 3: Planned Capital Expenditures



Source: Company

2022 production guidance calls for average production of 12.4 Mboed to 13.4 Mboed, with a midpoint of 12.9 Mboed. Egypt is expected to range from 10.0 – 10.8 Mboed and Canada is expected to range from 2.4 – 2.6 Mboed. The Company's current full year F22 production guidance also calls for a 93% weighting to oil and liquids.

Exhibit 4: TransGlobe Production Guidance

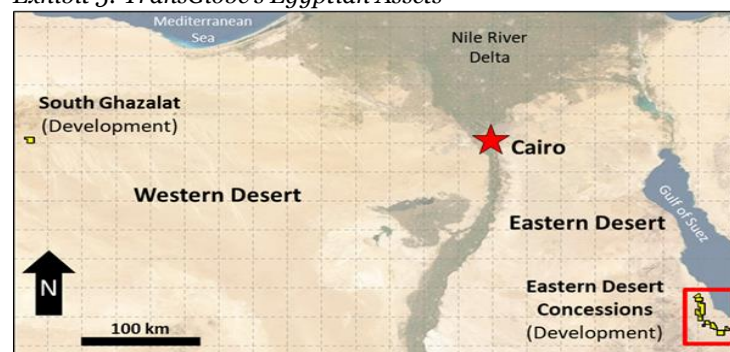


Source: Company Reports

EGYPTIAN PORTFOLIO

The Company has operated in Egypt for 15 years and is considered a best-in-class operator. The Company has two areas of focus in Egypt: (1) the Eastern Desert and (2) the Western Desert.

Exhibit 5: TransGlobe's Egyptian Assets



Source: Company Reports

THE EASTERN DESERT

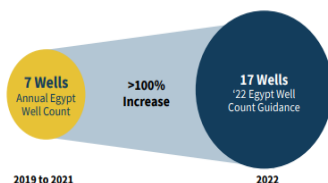
Previously, TransGlobe had three operated concessions in the Eastern Desert: West Gharib, West Bakr, and North West Gharib. Importantly, in December 2020, TransGlobe finalized negotiations with the EGPC to amend, extend and consolidate the three Eastern concession agreements into one. The agreement was ratified into Egyptian law by the parliament in December 2021. Key items from the new agreement include:

- Modernized financial terms to allow increased investment at various commodity prices.
- Netback to increase to \$31/bbl at \$95/bbl Brent crude price.
- Extended terms bring the field life to 2040, up from near-term expiry.
- Changes to the fiscal terms and the extension will allow TransGlobe to target an additional 59.1 MMbbl of contingent resources.
- Importantly, these new terms have an effective date of February 1, 2020, implying that the Company is already benefiting from the improved terms.
- In Jan'22, TransGlobe made the 1st equalization payment of \$15M plus a \$1M bonus payment. It also paid the 2nd modernization payment of \$10M in Feb'22. Four additional payments of \$10M will be made annually, beginning in Feb'23 until Feb'26.

The merged concession aligns the asset potential with investments incentives. Importantly, it encourages the development of contingent resources, while the new fiscal terms support a material increase in the development drilling. With the effective date of the merged concession of February 1, 2020, the production sharing for each period since then has to be recalculated under this new agreement. While a final effective date adjustment has not yet been agreed to, TransGlobe recognized a receivable of \$67.5M at March 31, 2022, which represents the amount expected to be received from EGPC based on historical realized prices. The receipt of the adjustment may result in additional distributions to shareholders.

Exhibit 6: Aligned Asset Potential & Investment Incentives

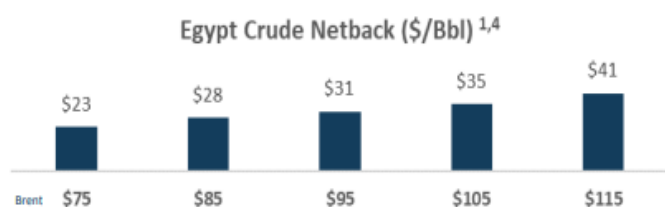
PSC Summary Terms	
2022E Production	10.0 to 10.8 MBopd
Profit Oil	~30%
PSC Expiry	2035 + 5Yr Ext
Cost Oil	40%
Excess Cost Oil	15%



Source: Company Reports

The improved fiscal terms outlined above greatly increases the netbacks and hence cash flows for the Company at differing oil prices.

Exhibit 7: Egyptian Netbacks



Source: Company Reports

As seen in Exhibit 8, looking at the \$95 oil price, using the \$31/bbl netback, and the annual production guidance mid-point of 10,400 bbl/d, TransGlobe realizes cash flow of ~\$117.7M/year. The incremental improvement in cash flows should fund the equalization payments.

Exhibit 8: Netback & Cash Flow

Netback			
Benchmark crude oil price (\$/bbl)	85.00	95.00	105.00
Netback (\$/bbl)	28.00	31.00	35.00

Annualized Cash Flow			
Benchmark crude oil price (\$/bbl)	85.00	95.00	105.00
Annualized Eastern Desert Production (bbl/d)	10,400	10,400	10,400
Annualized Easter Desert Production (mmbbl)	3.8	3.8	3.8
Netback (\$/bbl)	28.00	31.00	35.00
Annualized cash flow (\$mm)	106.3	117.7	132.9

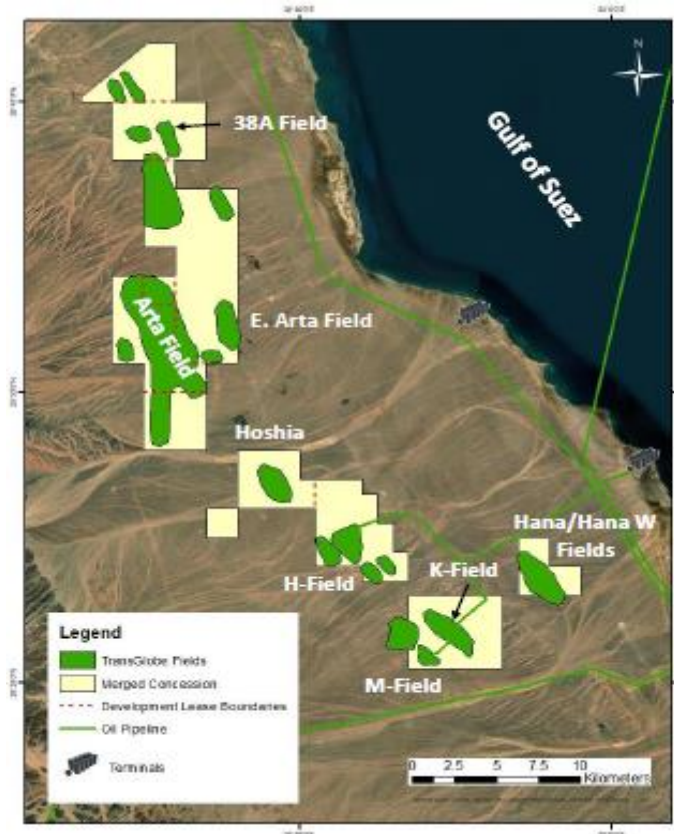
Source: Company Reports

The Company is also required to a minimum financial work commitment of \$50M per each 5-year period, or \$10M per year. Any investments which exceed the 5-year, \$50M minimum, will carry forward to the next 5-year period and offset those future

commitments. We note TransGlobe's average annual capex in Egypt over the past 5 years has been greater than \$30M annually. As a result of the new agreement, TransGlobe's minimum required capex spend is significantly less than it has been historically, and the Company should be able to fund these investments from the incremental cash flow from the improved terms.

Management believes it has gained valuable efficiencies from this consolidation. Along with the improved netbacks mentioned above, and the extended term, TransGlobe now has the financial incentives and time to unlock meaningful additional reserves and increase production using modern technology and optimization of its infrastructure.

Exhibit 9: Eastern Desert Concession



Source: Company Reports

Prior to the amend, extend, and consolidate agreement, several of the 10 development leases were approaching their primary terms in the next few years. However, with the modernized fiscal terms mentioned above, TransGlobe can increase investment to recover additional oil volumes given the current Brent oil price environment of greater than \$90/bbl.

New investable projects will target a Company Gross risked best estimate of an incremental 59.1MMbbls of contingent resources through drilling, increased operating efficiencies, and the application of new technologies over the 20-year term (15 yr. primary plus a 5-year option period).

Exhibit 10: Incremental Resource Recovery Potential

Project Maturity Sub-Class	Best Estimate Risked Contingent Resources ¹	
	Crude Oil	
	Gross (MMbbl)	Net (MMbbl)
Development Pending/ On Hold	20.5	13.4
Development Unclassified	38.6	22.8
Total Economic Contingent Resources	59.1	36.2
Development Not Viable	2.1	1.3

Source: Company Reports

As seen in Exhibit 10, TransGlobe has technically matured a risked best estimate incremental 20.5MMbbls from the Arta Nukhul, K-Field, and H-Field pools based on their respective dynamic modeling, the merged concession terms, and an estimated ~\$125M future capital investment. The Company will prioritize the Arta Nukhul, H-Field, and K-Field pools' resource projects and will start as soon as reasonably possible.

There are additional incremental projects also identified for maturation in the K-Field/ H-Field via enhanced recovery; and Nukuhl / Thebes via development and enhanced recovery that is targeting ~ 38.6 MMbbls of contingent resources.

THE WESTERN DESERT

TransGlobe currently operates in the Western Desert in the South Ghazalat concession.

South Ghazalat

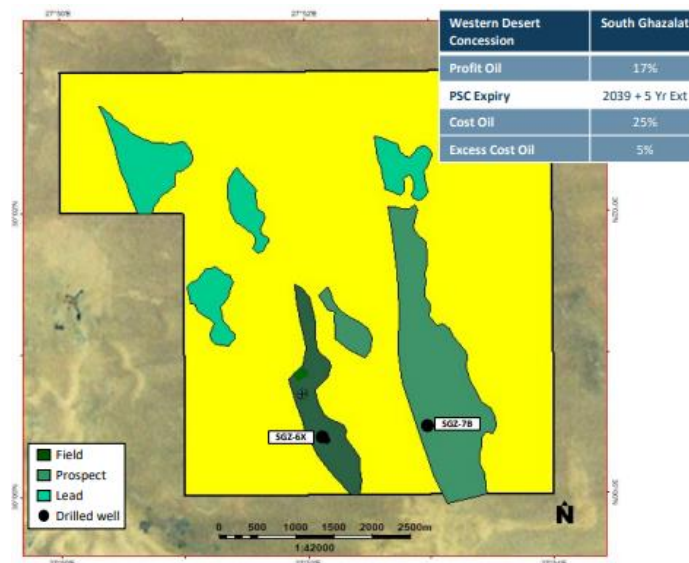
In November 2013, TransGlobe acquired a 100% working interest in the South Ghazalat concession. The 349,302-acre South Ghazalat PSC is in the prolific Abu Gharadig basin. At South Ghazalat the Company committed to a work program of \$8M in the first phase, which has been met, and consisted of 400 square kilometers of 3-D seismic and two wells.

During Q418, the Company drilled and cased prospect SGZ-6X in the eastern portion of the concession to a depth of 5,195 feet. Based on positive testing results, the Company filed a declaration of a Commercial Discovery with EGPC (as well as an initial development plan in February 2019).

The Company completed the SGZ-6X discovery well in Q319 as an oil producer in the upper Bahariya formation. The well was brought on stream on December 24, 2019, at field estimated initial rate 800- 1,000 bopd light and medium crude. The SGZ-6X well was recompleted to test the lower Bahariya zone in March 2021. The well commenced test production at a field-estimated production rate of 3,600 bopd.

The Company installed an Early Production Facility (EPF) from which oil will be transported to the South Dabaa receiving facility and onward to market via existing pipeline infrastructure.

Exhibit 11: South Ghazalat



Source: Company Reports

CANADIAN PORTFOLIO

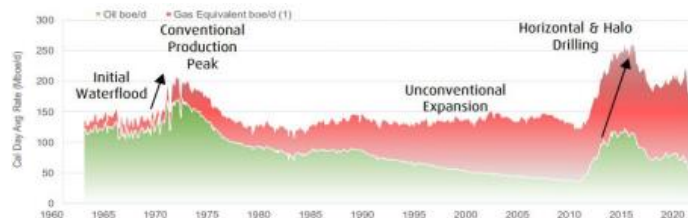
At the end of December 2016, the Company re-entered Canada, acquiring production and high working interest assets (88% of current Canadian production) in the Harmattan area of west central Alberta, an area with proven, low-risk Cardium light oil and Mannville liquids-rich gas. The Canadian portfolio is located just 40 minutes from the Company's headquarters in Calgary. Most recently the Company reported year end 2021 2P reserves of 19.4 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 new wells, which they expect will provide a substantially higher recovery rate. The property also contains 100% interest in a 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 as gas prices improve.

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 synergistic opportunities in Canada that can be tucked into its existing infrastructure, for example, the Company purchased an additional 9,920 acres of Cardium rights in the Harmattan area in 2018, which increased the Cardium drilling location inventory by up to 30 locations (success dependent).

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 13 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.

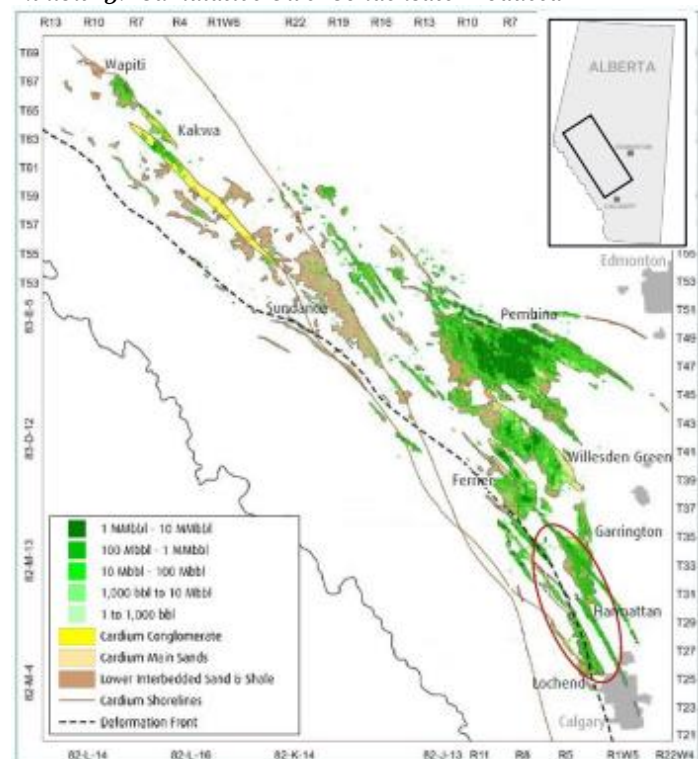
Exhibit 12: The Cardium in Canada – Historical Production



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 existing surface infrastructure can often be utilized, reducing capital investment.

Exhibit 13: Cumulative Oil & Condensate Produced



Source: Canadian National Energy Board

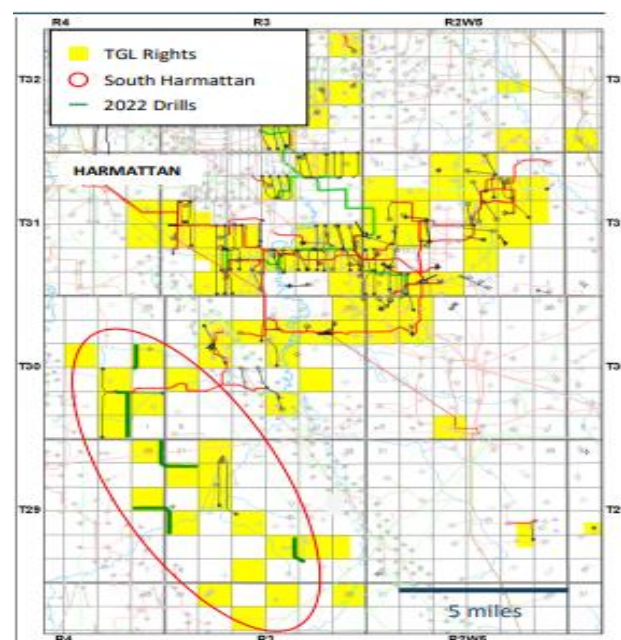
Extensive oil and gas resources are known to be present in these reservoirs; however, these resources typically will not flow to the wellbore at economic rates without using advanced drilling techniques. Many of the larger IOCs, such as Apache (NYSE: APA), have taken the easily assessed, low-hanging fruit in its fields, and are selling these assets in the Cardium to smaller companies. For example, Apache sold its Cardium assets producing 5,000 Boepd to Cardinal Energy, Ltd. (TSX: CJ) in 2017.

The Cardium drilling program initially began Q317, with the Company drilling and completing three horizontal wells. In 2018, the Company drilled and cased five one-mile horizontal wells and one two-mile horizontal well from a common pad to reduce costs and improve efficiencies. Following frac stimulation, the six wells were placed into production early 2019 in a systematic manner to maximize ultimate recoveries.

Additionally, the Company completed construction of a 2.7-kilometer pipeline to connect the wells to the central production facility. In 2019, The Company drilled four horizontal Cardium oil wells in the Harmattan area and stimulated, equipped, and tied these four wells.

In Q4 2021, total production was 2.7 Mboe/d. For 2022, the Company plans to drill and complete 7 wells at South Harmattan. Importantly, 2 wells were drilled in Q1 2022, with stimulation and equipping expected in June/July. The remaining 5 well program is expected to begin in the summer of 2022. 2022 average production guidance is 2.4 Mboe/d to 2.6 Mboe/d.

Exhibit 14: Canadian Assets



Source: Company Reports

In the medium term, the Company is looking to continue to extend the Cardium by targeting production growth at South Hartman, production maintenance at Harmattan proper, and unlock Ellerslie Hz potential.

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 ultimate recovery of hydrocarbons and may result in the economic value of the reserves being understated or overstated.

INCOME STATEMENT

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

	FY 2019	FY 2020	FY 2021	FY 2022E
Revenues				
Petroleum and natural gas sales, net of royalties	\$ 140.1	\$ 114.7	\$ 169.0	\$ 231.5
Finance revenue	0.5	0.1	0.0	0.0
Other revenue	-	0.6	0.0	-
Total revenues	140.6	115.4	169.0	231.5
Operating expenses				
Production and operating	50.6	64.5	61.4	61.9
Overlift	-	-	14.7	-
Selling costs	1.3	2.1	3.9	4.8
General and administrative	16.6	12.0	20.4	28.3
Foreign exchange (gain) loss	(0.1)	0.0	0.0	(0.0)
Finance costs	4.3	2.5	1.1	0.9
Depletion, depreciation and amortization	34.9	31.0	25.4	27.9
Asset Retirement Obligation Accretion	0.2	0.3	0.2	0.3
(Gain) loss on financial instruments	2.8	(6.6)	10.6	1.4
Impairment (reversal) losses & other	7.9	73.5	(31.5)	(26.0)
Gain (Loss) on corporate dispositions	(0.1)	-	-	(8.0)
Total expenses	118.5	179.3	106.3	91.6
Earnings before income taxes	22.1	(63.9)	62.7	139.9
Income tax expense (recovery) - current	26.1	13.5	22.4	26.6
Net income (loss)	(4.0)	(77.4)	40.3	113.3
Basic EPS (loss)	\$ (0.06)	\$ (1.07)	\$ 0.56	\$ 1.52
Diluted EPS (loss)	\$ (0.06)	\$ (1.07)	\$ 0.55	\$ 1.51
Basic shares outstanding	72.5	72.5	72.6	74.4
Diluted shares outstanding	72.5	72.5	72.8	74.9
EBITDA	\$ 72.0	\$ 36.9	\$ 68.6	\$ 136.5

Source: Company Reports, Stonegate Capital Partners estimates

VALUATION

Given the different geographic locations of TransGlobe's operating assets, we are using a sum-of-the-parts analysis. As seen below, we arrive at a combined valuation range of \$6.25 to \$10.50, with a midpoint of \$8.50.

Canada

Based on F22 estimates, TransGlobe currently trades at a significant discount to peers. Below we compare just the Company's Canadian production vs. its Canadian peers.

Exhibit 15: Comparable Analysis (in US\$)

Name	Ticker	Price ⁽¹⁾	S/O	Mrkt Cap	EV	BOE/d ⁽²⁾		EV/Boe/d ⁽²⁾	
						2021	2022E	2021	2022E
Tamarack Valley Energy Ltd.	TVE	\$ 4.86	433.0	\$2,697.6	\$2,531.8	34,562	45,500	73,254	55,644
Cardinal Energy Ltd.	CJ	\$ 6.95	151.9	\$1,353.2	\$1,170.4	19,090	20,500	61,309	57,092
Surge Energy Inc.	SGY	\$ 9.92	83.4	\$1,057.8	\$1,088.0	17,642	21,500	61,673	50,606
Gear Energy Ltd.	GXE	\$ 1.19	261.0	\$ 394.8	\$ 324.1	5,676	6,000	57,108	54,024
Bonterra Energy Corp.	BNE	\$ 9.86	35.6	\$ 456.3	\$ 539.8	12,747	13,500	42,348	39,986
InPlay Oil Corp.	TSX:IPO	\$ 3.47	86.6	\$ 386.8	\$ 358.7	5,768	9,150	62,181	39,198
Yangarra Resources Ltd.	YGR	\$ 3.15	86.7	\$ 350.1	\$ 426.0	8,931	12,000	47,696	35,498
								Avg	57,938
								Median	61,309
TransGlobe Energy	TGA	\$ 4.65	73.2	\$ 340.9	\$ 307.5	13,425	12,500	24,600	22,905

(1) Previous day's closing price

(2) Est are from Capital IQ & reflect either Company guidance, extrapolated YTD production, or consensus; TGA production are Stonegate

Source: Company Reports, Capital IQ, Stonegate Capital Partners

As seen above, Canadian peers with operations in the Cardium are trading at an average EV/Boe/d multiple of \$47,435. As TransGlobe's Canadian production is ~ 15% of its total annual production, the Company is trading at a significant discount. Just looking at TransGlobe's Canadian production guidance for F22 of 2,500 Boe/d (mid-point), and using peer valuation metrics, we arrive at a valuation range of \$1.75 to \$2.50 with a mid-point of \$2.00 for its Canadian asset.

Exhibit 16: Implied Valuation Range for Canadian Assets

	EV/Boe/d Range		
	35,498	47,435	57,092
Canadian Production:	2,500	2,500	2,500
Enterprise Value:	88.7	118.6	142.7
Net Debt:	(33.4)	(33.4)	(33.4)
Market Cap:	122.1	152.0	176.1
S/O:	73.2	73.2	73.2
Price	\$ 1.67	\$ 2.08	\$ 2.41

Source: Capital IQ, Stonegate Capital Partners

Egypt

Obtaining proper comparable companies for the Egyptian assets is very difficult given the varying contractual terms of other players in the area. As such, we employ a cash flow analysis to help frame the valuation of the Egyptian assets.

F22 Egyptian production guidance is for 10,400 boe/d (mid-point). We then use the new contractual agreement total netback and hence, annualized cash flow. As obtaining comps is very difficult, we use a relatively standard industry cash flow multiple of 3.0x to 5.0x.

Exhibit 17: Implied Valuation Range for Egyptian Assets

F22 Production	10,400	boe/d		
Annualized production (MMbbl)	3.8			
Oil benchmark price (\$/bbl)	85.00	95.00		
Total Netback (\$/bbl)	28.00	31.00		
\$90 benchmark price - midpt	29.50			
Annual CF (\$m)	112.0			
S/O	73.2			
CF/Sh	\$ 1.53			
CF multiple	3.0x	4.0x	5.0x	
Price	\$ 4.59	\$ 6.12	\$ 7.65	

Source: Capital IQ, Stonegate Capital Partners

Using a benchmark price of \$90/bbl and using the mid-point netback at that oil price, we arrive at a valuation range of \$4.50 to \$7.50, with a midpoint of \$6.00.

RECENT NEWS

May 12, 2022 – TransGlobe Energy Corporation Announces AGM Voting Results and Confirmation of Board Changes.

May 11, 2022 – TransGlobe Energy Corporation Announces First Quarter 2022 Financial and Operating Results for the Three Months Ended March 31, 2022.

April 13, 2022 – TransGlobe Energy Corporation Announces a Change in Auditor.

April 6, 2022 – TransGlobe Energy Corporation Operations Update.

March 28, 2022 – TransGlobe Energy Corporation Announces Board of Directors Changes.

March 17, 2022 – TransGlobe Energy Corporation Announces Year End 2021 Financial and Operating Results.

March 16, 2022 – TransGlobe Energy Corporation Announces Declaration of Dividend.

March 7, 2022 – TransGlobe Energy Corporation Announces Year End Reserves

January 27, 2022 – TransGlobe Energy Corporation Announces its 2022 Capital Budget & 2022 Production Guidance.

January 20, 2022 – TransGlobe Energy Corporation Announces Eastern Desert Contract Execution.

January 10, 2022 – TransGlobe Energy Corporation Operations Update.

January 3, 2022 – TransGlobe Energy Corporation Announces Upcoming Changes to the Board of Directors.

December 21, 2021 – TransGlobe Energy Corporation Announces Ratification of the Consolidated and Amended Eastern Desert Production Sharing Contracts.

November 18, 2020 – TransGlobe Energy Corporation a Corporate Update.

December 1, 2021 – TransGlobe Energy Corporation Comment on Market Speculation.

September 29, 2020 – TransGlobe Energy Corporation Operations Update.

August 06, 2020 – TransGlobe Energy Corporation Announces Second Quarter 2021 Financial and Operating Results for the Three and Six Months Ended June 30, 2021.

June 23, 2021 – TransGlobe Energy Corporation Announces an Operations Update.

May 07, 2021 – TransGlobe Energy Corporation Announces AGM Voting Results and Confirmation of Board Changes.

CORPORATION GOVERNANCE

Randy Neely – President, Chief Executive Officer, Director – Mr. Neely, who has more than 25 years of experience in executive financial positions, has been with TransGlobe since May 2012 and was most recently appointed CEO as of 12/31/18. 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.

Geoffrey Probert – Vice President, Chief Operating Officer - Mr. Probert was appointed Vice President and Chief Operating Officer in March 2019. A recognized expert at exploration drilling, field appraisal, development and rehabilitation operations, Mr. Probert has over 30 years of experience across: the UK, Europe, Middle East, Africa, and North and South America. Most recently Mr. Probert was the North Africa Managing Director for Petroceltic International plc and Chief Operating Officer for Echo Energy plc. Mr. Probert has a degree in Chemical Engineering and holds a Master of Petroleum Engineering from Heriot Watt University, Edinburgh.

Board of Directors:

David Cook – *Director, Chairman of the Board*

Randy Neely – *Director*

Edward LaFehr - *Director*

Dr. Timothy Marchant- *Director*

Jennifer Ann Kaufield - *Director*

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