TransGlobe Energy CORPORATION

STONEGATE CAPITAL PARTNERS

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MARKET STATISTICS

Exchange / Symbol	NASDAQ: TGA
Price:	$0.43
Market Cap (mm):	$31.17
Enterprise Value (mm):	$36.07
Shares Outstanding (mm):	72.5
Float:	97%
Volume (3-mo. avg. NASDAQ):	187,298
52 week Range:	$0.30-1.97
Industry:	Oil and Gas

CONDENSED BALANCE SHEET

($mm, except per share data)

Balance Sheet Date:	12/31/2019
Total Cash & Equivalents:	$33.3
Working Capital	$32.2
Total Debt	$38.8
Equity (Book Value):	$214.5
Equity/Share:	$2.96

CONDENSED INCOME STATEMENTS

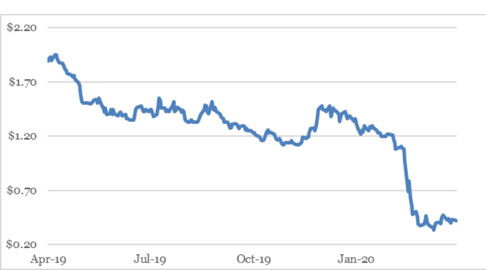
($mm, except per share data)

FY - 12/31	Revenue	Income	EBITDA	EPS
FY16	$63.8	$(87.7)	$4.4	$(1.21)
FY17	$148.6	$(75.9)	$79.9	$(1.09)
FY18	$176.8	$11.9	$102.1	$0.22
FY19	$140.6	$(1.9)	$55.4	$(0.06)
FY20E	$79.3	$(20.8)	$16.7	$(0.29)

TOP INSTITUTIONAL HOLDERS

Invesco, Ltd.	6,354,783
Fondren Management, LP	3,482,660
Renaissance Technologies Corp.	3,116,913
Morgan Stanley	2,785,268
Fidelidade-Companhia de Seguros	2,351983
Connor, Clark & Lunn Investment Mgmt.	2,220,616
Ross G. Clarkson	1,844,493
Acadian Asset Management, LLC	1,137,211
FMR, LLC	1,080,000
UBS Asset Management	815,184

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, and has approximately 70 employees.

SUMMARY

TransGlobe has been in the international oil and gas industry for over 20 years has been highly active and successful across diverse geological basins in several countries with a variety of fiscal regimes. 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 been successful in navigating the company through a variety of changes including low oil prices and revolutions, and as a result Transglobe is well positioned to navigate future volatility in the market.

- TransGlobe had an average production base of roughly 16,041 Boepd in 2019 and recently reported ~15.4 MBoepd for Q419, ~15.2 MBoepd during the month of February and ~14.6MBoepd in March. TGA has a number of development projects in Canada and Egypt, along with some potentially high-impact exploration opportunities in Egypt. The recently revised 2020 capital budget includes a total of ~$7.1M, with ~$5.0M allocated to Egypt and ~$2.1M to Canada.
- Due to the recent drop in oil prices, TransGlobe has reduced their original capital budget in an effort to reduce expenses. The revised plan includes two wells (one in Egypt and one in Canada) that were spudded before the recent oil price volatility. Additionally, the capital budget includes capital related to HSE, select recompletions, and certain land retention commitments.
- At year-end 2016, the Company 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 as well as expand operations outside areas with geopolitical risk, and it came with 149 potential drilling opportunities. The operating cost structure 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. In 2019, TransGlobe drilled four horizontal Cardium oil wells in the Harmattan area of Canada and stimulated, equipped and tied in these four wells along with six additional wells drill in 2018.
- Based on a February 2020 GLJ Petroleum Consultants evaluation, the Company reported 25.4 MMboe total proved (1P reserves) as well as 45.3 MMboe total proved + probable (2P reserves), a ~6% decrease and ~3% increase, respectively, from 2018 year-end.
- TGA had inventoried entitlement crude oil in Egypt of 964.5 Mbbls as of 12/31/19 valued at $17.5M on its balance sheet, which is up from levels reported as of 12/31/18 of 568.1 Mbbls.
- Due to spread of COVID-19 and increase in global supply, corporate production is expected to range between 13.3 and 14.3 Mboepd (midpoint 13.8 Mboepd) with a 93% weighting to oils and liquids; this includes 11.3 to 12.1 Mbopd for Egypt, and 2.0 to 2.1 Mboepd for Canada.

On a comparable company basis for FY20 estimates, TGA currently trades at an EV/S multiple of 0.5x while its peers trade at an average multiple of 1.7x, and at an EV/EBITDA of 2.2x vs. the average of its peers at 4.7x. See page 9 for 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 exited Yemen, primarily because of the political environment. TransGlobe re-entered Canada at year-end 2016 by acquiring production and working interests in properties located in west central Alberta, and the Cardium drilling program began in 2H18.

TransGlobe's initial entry into Egypt was challenging as 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 then 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.

From 2015-2016 the Company exclusively sold oil to third parties, however, with the economic situation in Egypt improving, the Company has sparingly sold entitlement oil to EGPC.

In 2019, the Company completed two direct crude oil sales to third-party buyers in Egypt for a total of 904 mbbls and total proceeds of $49.6 million. The Company also completed two sales of inventoried entitlement crude oil to EGPC for a total of 869.6 mbbls for total proceeds of $49.9 million. At the year ended December 31, 2019, $5.7 million of the total $10.7 million in receivables is due from EGPC, but is considered in good standing.

RECENT RESULTS

On March 12, 2020, the Company announced Q4FY19 financial and operating results. Management disclosed production on average of 15,362 Boepd for Q419, and the Company had average sales volume of 14,688 Boepd for the quarter. Funds flow from operations was positive at $3.17 million, or $0.04/share for the quarter and $46.9 million or $0.65/ share for 2019. The Company also reported net loss of $4.0 million or $0.06/share for the year ended 2019, compared to net earnings of $15.7 or $0.22/share in 2018. The decrease was primarily due to excess cost oil in West Bakr as well as lower commodity prices. The net loss is also inclusive of a $7.9 million non-cash impairment loss on the Company's exploration and evaluation assets as well as a $1.6 million unrealized loss on derivative commodity contracts.

The Company's inventoried entitlement crude oil in Egypt as of 12/31/19 was reported at ~964.5 Mbbls (up from levels reported as of 12/31/18 of 568.1 Mbbls), which was valued at $18.16/bbl on the balance sheet. TGA reported $33.3M in cash on hand at 12/31/19 (as well as positive working capital of $32.2M). As of 4/2/20 the Company reported cash of $26.7 million. During 2019, the Company reported exploration and development activities in Egypt and Canada, including the following high-level details:

- Drilled eight wells and performed twelve completions and workovers in Egypt
- South Ghazalat-6X's upper Bahariya reservoir was brought on stream on December 24, 2019 at a field estimated initial rate of 800 - 1,000 Bopd light and medium crude, as planned
- Completed Phase 2 expansions of the West Bakr K and H stations to double processing capacity
- Drilled four horizontal Cardium oil wells in the Harmattan area and stimulated, equipped and tied in these four wells along with six Cardium oil wells that were drilled in 2018 in Canada

Most recently reported reserves for TransGlobe are as of year-end FY19 with 45.3 MMBoe of 2P reserves, which was up 3% from 2018 levels of 44.1 MMboe.

Exhibit 1: TransGlobe Reserves

2019 Reserves Summary	PDP	1P	2P	3P
2018 Year End Reserves (MMboe)	17.5	26.9	44.1	61.8
2019 Adds/Revisions	6.8	4.3	7.0	7.3
2019 Production	-5.8			
2019 Year End Reserves (MMboe)	18.5	25.4	45.3	63.3
Change vs Year End 2018 (%)	6.0%	-5.0%	3.0%	2.0%
Production Replacement Ratio (%) – (ex A&D, economic factors)	119%	82%	135%	158%
NPV 10% Before tax $MM Dec 31/19	$161	$200	$298	$393
NPV 10% After tax $MM Dec 31/19	$161	$198	$288	$376

Source: Company Reports

Lastly, on April 2nd, 2020, the Company reported the 80% reduction in their 2020 capital program has been fully implemented. In addition, the Company also announced that they have reduced their monthly G&A costs across the business by ~35% through headcount reduction, salary rollback and reducing discretionary spending.

GROWTH STRATEGY

TGA is a well-managed company that is focused on cash flow and building value over the longer term. The 2020 capital budget has been set at roughly $7.1 million, before capitalized G&A. This budget amount includes ~$5.0M for Egypt and ~$2.1M for Canada. This compares to a capital budget of $34.1 million in 2019. The large decrease in the capital budget is due to the depressed price of oil and possible capital needs of the business for operations if low commodity prices continue. TGA disclosed that the 2020 drilling program will focus primarily on the HW-2A development well at West Bakr, targeting the Yusr sands, which spudded prior to the recent price disruption. In addition, other expenditures will include required HSE equipment, contractual training bonuses and select recompletion and well optimization projects that will improve overall economics despite the depressed price environment. The Company's Canada program consists of one horizontal well targeting the Cardium light oil resource in South Harmattan. This well also spudded prior the drop in commodity prices. This well will be drilled but will not be completed in order to preserve the economic value of the flush production that comes in the initial phase of production.

Exhibit 2: Planned Capital Expenditures

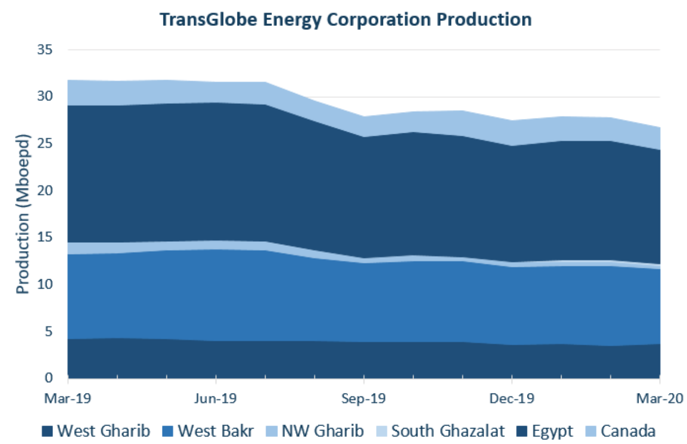
Concession	TransGlobe Net Capital (US$MM)				Gross Well Count		
	Development Wells	Development Other	Exploration Wells	Total Capex	New Drills Devt	New Drills Expln	Total Wells
West Gharib	-	-	-	-	-	-	-
West Bakr	1.2	3.8	-	5.0	1	-	1
NW Gharib	-	-	-	-	-	-	-
South Ghazalat	-	-	-	-	-	-	-
Egypt	1.2	3.8	-	5.0	1	-	1
Canada	1.7	0.4	-	2.1	1	-	1
Total	2.9	4.2	-	7.1	2	-	2

**Other includes workovers, recompletions, and maintenance*

Source: Company Reports

Also, the Company disclosed 2020 production estimates of 13,300 to 14,300 Boepd with a midpoint at 13,800 this includes 11,300 to 12,100 Bopd for Egypt, and 2,000 to 2,200 Boepd for Canada.

Exhibit 3: TransGlobe Production Update



Source: Company Reports

EGYPTIAN PORTFOLIO

TransGlobe reported year-end 2019 gross 2P reserves of 26.7 MMbbl 2P. The Company has two areas of focus in Egypt: (1) the Eastern Desert—West Gharib, West Bakr, North West Gharib, and (2) the Western Desert - South Ghazalat.

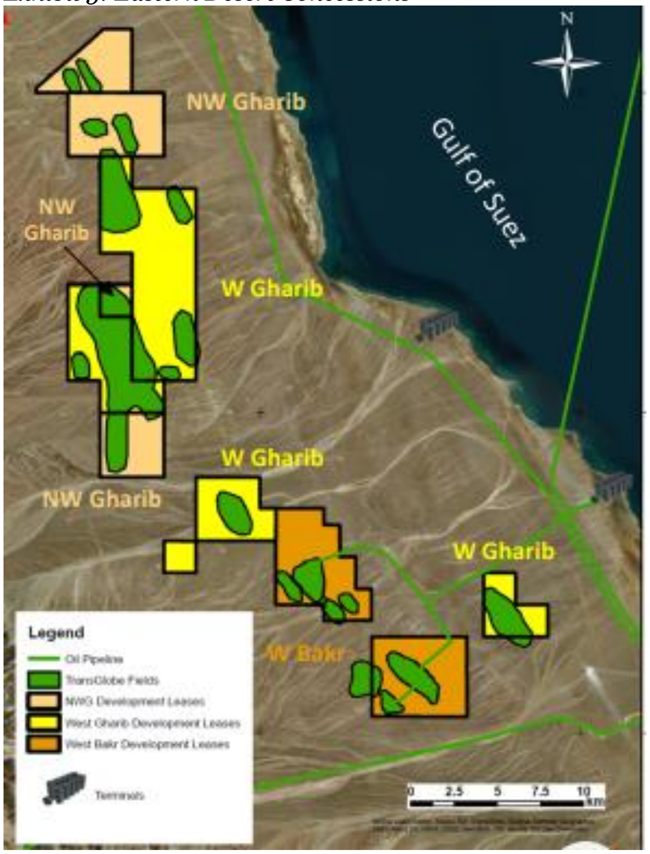
Exhibit 4: TransGlobe's Egyptian Assets

Source: Company Reports

THE EASTERN DESERT

TransGlobe has three operated concessions in the Eastern Desert: West Gharib, West Bakr, and North West Gharib. TransGlobe is currently in the process of negotiating with the Egyptian government to amend, extend and consolidate the Eastern concession agreements.

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.

Quarterly Eastern Desert Production (bbls/d)	2019			
	Q4	Q3	Q2	Q1
Gross production rate[1]	12,831	13,750	14,663	13,616
TransGlobe production (inventoried) sold	(674)	(1,821)	(967)	(877)
Total sales	**12,157**	**11,929**	**13,696**	**12,739**
Government shares (royalties and tax)	7,249	7,795	8,320	7,711
TransGlobe sales (after royalties and tax)[2]	4,908	4,134	5,376	5,028
Total sales	**12,157**	**11,929**	**13,696**	**12,739**

[1]Quarterly production by concession (bbls/d):
West Gharib - 3,857 (Q4-2019) 4,003 (Q3-2019), 4,256 (Q2-2019), 4,238 (Q1-2019)
West Bakr - 8,489 (Q4 2019) 8,978 (Q3-2019), 9,389 (Q2-2019), 8,132 (Q1-2019), and 7,323 (Q4-2018)
North West Gharib - 485 (Q4-2019) 769 (Q3-2019), 1,018 (Q2-2019), 1,246 (Q1-2019), and 1,135 (Q4-2018)
[2]Under the terms of the Production Sharing Concession Agreements, royalties and taxes are paid out of the Government's share of production sharing oil

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 above.

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 increased 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. In 2019, the Company Completed 2 expansions of the West Bakr K and H stations to double processing capacity

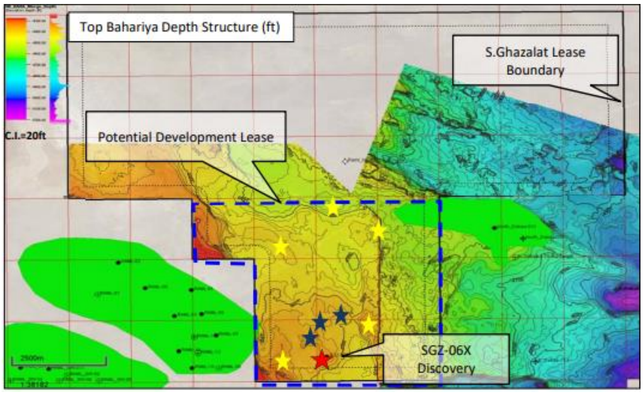
North West Gharib (100% working interest, operated)
The Egyptian government ratified the North West Gharib concession into law in November 2013. TGA's North West Gharib property covers ~11,000 acres. TGA completed the exploration of the concession on schedule in April 2017 and relinquished all of the exploration properties other than the properties designated on the map in Exhibit 5, where the Company received four 20-year development licenses.

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 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. 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). TGA completed the SGZ-6X discovery well in Q3 2019 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 well is currently restricted to 250-350 Bopd to manage the reservoir and optimize facilities.

The Company constructed 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. The Company is also committed to drill one additional exploration well under the agreement, the drilling of which has been deferred given the current economic environment. In the meantime, seismic mapping is ongoing on reprocessed data to identify opportunities in the area.

Exhibit 6: South Ghazalat



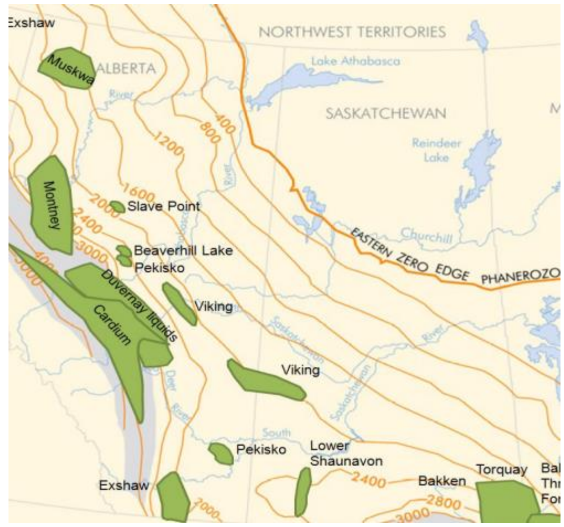
Source: Company Reports

CANADIAN PORTFOLIO

At the end of December 2016, the Company re-entered Canada, acquiring production and high working interest assets (88% of current 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. Most recently the Company reported 2P reserves of 18.6 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 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.

Exhibit 7: Tight Oil Developments in the Western Canada Sedimentary Basin

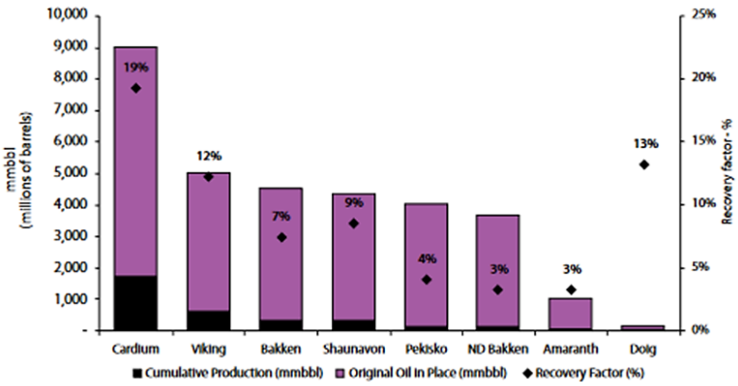


Source: Canadian National Energy Board

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

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. For example, Apache sold its Cardium assets producing 5,000 Boepd to Cardinal Energy, Ltd. (TSX: CJ) in 2017. Per the Company's last filing, Canadian production was as follows:

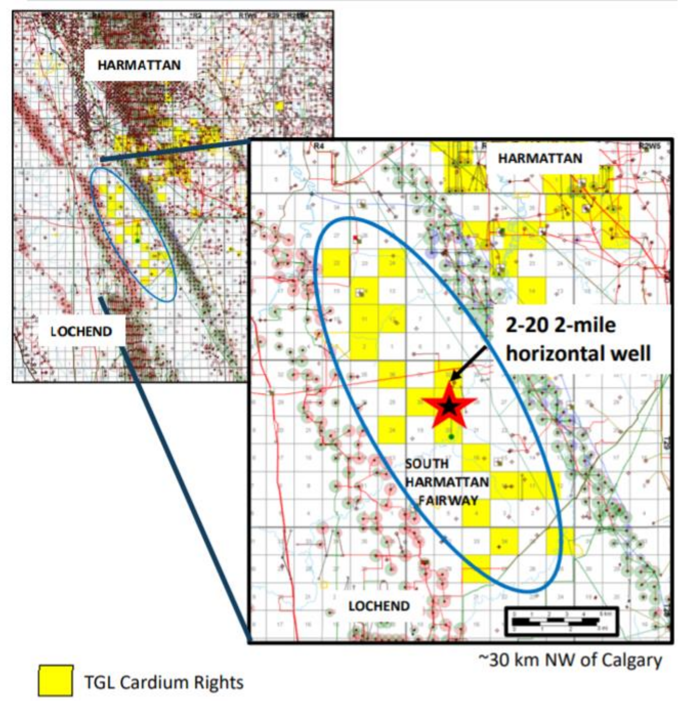
Quarterly Canada Production (boe/d)	2019			
	Q4	Q3	Q2	Q1
Canada crude oil (bbls/d)	908	666	788	894
Canada NGLs (bbls/d)	735	585	533	470
Canada natural gas (mcf/d)	5,331	5,652	5,733	5,663
Total production (boe/d)	**2,532**	**2,193**	**2,277**	**2,308**

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 in order to maximize ultimate recoveries; however, cold weather and a series of power outages somewhat impeded the initial results. 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 2020, the Company capital program consists of one horizontal well in South Harmattan. This well spudded before the price of oil significantly reduced. In order to preserve the economic value of the flush production of this initial phase of production, Transglobe will not complete the well until oil prices recover.

Per a recent filing, the Canadian assets were detailed as follows:

Exhibit 9: Canadian Assets



Source: Company Reports

INDUSTRY

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

Global Demand – 2020 has been a challenging year for those companies that depend on oil for the majority or all of their revenue. As the COVID-19 virus swept through China in January and February, demand for oil began to decrease. As the virus has spread throughout Europe, North America, and the rest of the world, oil demand has continued to decrease as many individuals have been confined to their homes, and many businesses have been forced to temporarily close their doors in order to contain the spread of the virus. At this time, it is unknown how long these government imposed lockdowns will continue, thus creating an uncertain environment of demand in the near term.

OPEC Alliance Breakdown – In 2016, Russia and Saudi Arabia joined forces to create an alliance dubbed OPEC+ in order to stabilize decreasing oil prices globally. The two commodity powers cut supply by 2.1 million barrels per day. In 2020, Saudi Arabia expressed interest in furthering that cut to 3.6 million barrels per day as demand dwindled. However, Russian President Vladamir Putin refused to the cut as American producers have continued to fill the supply gap. In response to this, Saudi Arabia cut prices by $4-$7 a barrel in addition to lifting production. Additionally, Russia has also announced that countries can produce as much as they please by April 1. This increase in supply has continued downward pressure on oil prices.

Cost cutting measures - Plummeting oil prices have prompted a surge in cost reduction measures. Man companies have already cut their dividend including Occidental Petroleum, who cut their dividend by 86%. Additionally, many companies have begun to dramatically reduce their planned capital expenditures in effort to keep more cash on their balance sheets in the event that these depressed prices continue for the foreseeable future.

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, free cash flow is a top 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.

Short-term EIA outlook – The U.S. Energy Information Administration (EIA) forecasts that OPEC crude production will average 29.3 b/d from April through December, up from 28.8 b/d in Q1. EIA expects inventory to grow an average of 1.0 million b/d in 2020 after falling 0.1 million in 2019. Brent spot prices, which averaged ~$64/b in 2018 is expected to average $43/b in 2020.

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.

STONEGATE CAPITAL PARTNERS

INCOME STATEMENT

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

	FY 2017	FY 2018	FY 2019	FY 2020E
Revenues				
Petroleum and natural gas sales, net of royalties	$ 148.5	$ 176.2	$ 140.1	$ 78.9
Finance revenue	0.1	0.6	0.5	0.5
Total revenues	**148.6**	**176.8**	**140.6**	**79.3**
Operating expenses				
Production and operating	51.0	53.3	50.6	34.4
Selling costs	2.5	2.1	1.3	1.3
General and administrative	15.3	18.7	16.6	13.4
Foreign exchange (gain) loss	0.2	(0.3)	(0.1)	-
Finance costs	6.2	5.1	4.3	3.0
Depletion, depreciaton and amortization	40.0	34.3	34.9	23.7
Asset Retirement Obligation Accretion	0.3	0.3	0.2	0.2
(Gain) loss on financial instruments	11.0	7.1	2.8	13.4
Impairment of exploration and evaluation assets	79.0	14.5	7.9	-
Gain (Loss) on corporate dispositions	-	(0.2)	(0.1)	-
Total expenses	**205.5**	**134.8**	**118.5**	**89.5**
Earnings before income taxes	(56.9)	42.0	22.1	3.2
Income tax expense (recovery) - current	21.8	26.3	26.1	24.0
-deferred	-	-		
Net income (loss)	**$ (78.7)**	**$ 15.7**	**(4.0)**	**(20.8)**
Other comprehensive income (loss)	2.8	(3.7)	2.1	-
Net income (loss)	**$ (75.9)**	**$ 11.9**	**$ (1.9)**	**$ (20.8)**
Comprehensive income (loss)	**$ (75.9)**	**$ 11.9**	**$ (1.9)**	**$ (20.8)**
Basic EPS (loss)	**$ (1.09)**	**$ 0.22**	**$ (0.06)**	**$ (0.29)**
Diluted EPS (loss)	**$ (1.09)**	**$ 0.22**	**$ (0.06)**	**$ (0.29)**
Basic shares outstanding	72.2	72.2	72.5	72.5
Diluted shares outstanding	72.2	72.6	72.5	72.5
EBITDA	**$ 68.8**	**$ 95.7**	**$ 69.2**	**$ 16.7**
Margin Analysis				
Production and operating	34.4%	30.2%	36.1%	43.7%
General and administrative	10.3%	10.6%	11.9%	17.0%
EBITDA margin	46.4%	54.3%	49.4%	21.2%
Pre-tax margin	-38.3%	23.8%	15.8%	4.1%
Net income margin	-53.0%	8.9%	-2.9%	-26.3%
Tax rate	14.7%	14.9%	18.6%	30.4%
Growth Rate Analysis Y/Y				
Total revenues	132.8%	19.0%	-20.5%	-43.6%
Production and operating	26.5%	4.5%	-5.0%	-32.0%
General and administrative	-13.1%	22.5%	-11.1%	-19.1%
EBITDA	68.8	95.7	69.2	16.7
Pre-tax income	24.3%	173.8%	-47.4%	-85.3%
Net income	10.2%	119.9%	-125.5%	-419.7%
EPS - fully diluted	10.2%	119.8%	-125.5%	-419.5%
Share count - fully diluted	0.0%	0.6%	-0.2%	0.0%

Source: Company Reports, Stonegate Capital Partners estimates

STONEGATE CAPITAL PARTNERS

VALUATION

On a comparable company basis for FY20 estimates, TGA currently trades at an EV/S multiple of 0.5x while its peers trade at a median multiple of 2.2x, and at an EV/EBITDA of 2.2x vs. the median of its peers at 4.7x. On a P/CFPS basis, TGA trades at 14.0x based on 2020E vs. the average of its peers at 2.4x.

Although we are expecting a decrease in the top and bottom line in 2020, the drop in price has been greater than the forecasted drop in financials in 2020. Based on the EIA expected average price of $43/b in 2020, we would expect that TGA could benefit from price appreciation with other upstream companies when prices return. Although we do not expect TGA to have positive EPS this year, the Company believes they have enough liquidity to weather the downturn.

Exhibit 10: Comparable Analysis

						EV/S (2)		EV/EBITDA (2)		P/E (2)		P/CFPS	
Name	**Ticker**	**Price (1)**	**S/O**	**Mrkt Cap**	**EV**	**2019**	**2020E**	**2019**	**2020E**	**2019**	**2020E**	**2019**	**2020E**
Bonterra Energy Corp.	TSX: BNE	$ 0.85	33.4	$ 28.3	$ 231.7	1.6x	2.4x	2.7x	8.5x	23.8x	nm	1.3x	1.5x
Canacol Energy, Ltd.	TSX: CNE	$ 2.49	181.3	$ 451.0	$ 743.5	3.1x	2.2x	4.7x	3.0x	10.8x	4.6x	83.8x	2.4x
Crew Energy, Inc.	TSX: CR	$ 0.16	151.6	$ 23.6	$ 267.3	1.8x	2.5x	3.6x	6.6x	nm	nm	n/a	1.1x
Gran Tierra Energy, Inc.	AMEX: GTE	$ 0.25	367.0	$ 91.8	$ 686.9	1.2x	2.1x	2.1x	4.7x	2.5x	nm	n/a	1.0x
Parex Resources, Inc.	TSX: PXT	$ 9.44	141.0	$ 1,331.6	$ 902.9	0.9x	1.4x	1.4x	3.1x	4.4x	14.5x	8.8x	5.9x
					Average	**1.7x**	**2.1x**	**2.9x**	**5.2x**	**10.4x**	**9.5x**	**31.3x**	**2.4x**
					Median	**1.6x**	**2.2x**	**2.7x**	**4.7x**	**7.6x**	**9.5x**	**8.8x**	**1.5x**
TransGlobe Energy Corp.	**Nasdaq: TGA**	**$ 0.42**	**72.5**	**$ 30.4**	**$ 36.1**	**0.3x**	**0.5x**	**0.5x**	**2.2x**	**nm**	**nm**	**3.9x**	**14.0x**

(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

STONEGATE CAPITAL PARTNERS

IN THE NEWS...

March 2020 – Transglobe announced that Ms. Susan MacKenzie has decided to retire from the Board and will not stand for election at the Company's Annual General and Special Meeting on May 13, 2020. Dr. Timothy Robertson Marchant (age 69) has been appointed to the Board as a non-executive independent director effective March 20, 2020. The Company also announced revised guidance for reduced capital spending in 2020 and a reduction of corporate production of 13.3 to 14.3 Mboepd.

February 2019 – The Company announced avergage production of 15.3 MBoepd in December 2019 and 16.0 MBoepd for the year 2019. Expected production for 2020 is 14.5 to 15.5 MBoepd.

January 2020 – TGA announced the final well of the program was a 2-mile appraisal /outpost well, drilled to 2115m (TVD) and 5028m (TMD). This well was stimulated and equipped to test the petroleum type and productivity of an undeveloped extension to the Cardium resource play in the South Harmattan area.

October 2019 -- TGA announces production for the nine months ended September 30, 2019 averaged 15,943 boe/d, 15% higher than the same period in 2018

May 2019 – TGA reports that the South Ghazalat development lease has been approved targeting an initial ~1,000 Bopd; also, production averaged ~17.0 MBoepd during both April and May

April 2019 – The Company details an operational update noting an average production for Q119 of 15.9 MBoepd vs. and average of 15.3 MBoepd in Q418

March 2019 – TGA announces transition of Board from nine to seven, with five of the seven being independent (changes will be effective May 2019)

February 2019 – Geoffrey Probert joins the Company as VP and COO with Lloyed Herrick moving to a new EVP role supporting growth initiatives

January 2019 – The Company announces 2018 year-end reserves including total 1P reserves of 26.9 MMboe and 2P reserves of 44.1 MMboe

December 2018 – TGA provides operations update including most recent production rate at ~16.3 MBoepd and certain accelerations for drilling program (2 wells scheduled for 2019 bumped up) as well as changes to Board 1/1/19 as a London office location by September 2018

TRANSGLOBE ENERGY CORPORATION GOVERNANCE

Randy C. 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 – *Independent Director, Chairman of the Board*

Ross Clarkson – *Non-independent Director*

Randy Neely – *Non-independent Director*

Dr. Carol Bell – *Independent Director*

Edward LaFehr - *Independent Director*

Dr. Timothy Marchant- *Independent Director*

Susan MacKenzie – *Independent Director*

Steven Sinclair – *Independent Director*

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