

VAALCO Energy, Inc.

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VAALCO Energy, Inc. announces Gabon well results

HOUSTON—(PR Newswire)—February 21, 2001 - VAALCO ENERGY, INC. (VEIX – OTC), VAALCO Energy, Inc. today updated its drilling progress on the Etame Marine Prospect offshore Gabon. The VAALCO operated ET-3V encountered the objective Gamba reservoir at a location higher structurally than the discovery well, the Etame #1. Log results show oil bearing sands of sufficient magnitude to indicate a reservoir highly indicative of commercial development. VAALCO is completing the open hole logging program to more precisely ascertain the quality and productivity of the reservoir.

"We and our partners are extremely pleased with the results," stated Robert L. Gerry, III, Chairman & CEO of VAALCO. " We intend to fast-track development of the project in order to be on production as rapidly, cost effectively, and prudently as possible. We, with our partners, are evaluating the reservoir and will drill additional wells to maximize production."

The ET-3V was drilled to a total depth of 2,160 meters (7,087 feet). The top of the oil pay was encountered at 1,855 meters (6,088 feet) and through log analysis net oil pay is estimated to be approximately 20 meters (65 feet). While the well was not flow tested the partners are confident the well will flow at rates in excess of the 3,500 bbls tested in the discovery well the Etame #1.

Partners in the Etame Marine Permit are: VAALCO Gabon (Etame), Inc. (Operator) 30.35%; Sasol Petroleum International (Pty) Ltd. 30.00%; PanAfrican Energy Corp. Ltd. 32.50%; PetroEnergy Resources Corp. 4.525%; Alcorn Gold Resources Corp. 2.625%.

This press release includes "forward-looking statements" as defined by the U.S. securities laws. Forward-looking statements are those concerning VAALCO's plans, expectations, and objectives for future drilling, completion and other operations and activities. All statements included in this press release that address activities, events or developments that VAALCO expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements include future production rates, completion and production timetables and costs to complete well. These statements are based on assumptions made by VAALCO based on its experience perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond VAALCO's control. These risks include, but are not limited to, inflation, lack of availability goods, services and capital, environmental risks, drilling risks, foreign operational risks and regulatory changes. Investors are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. These risks are further described in VAALCO's annual report on form 10K/SB for the year ended December 31, 1999 and other reports filed with the SEC which can be reviewed at www.sec.gov, or which can be received by contacting VAALCO at 4600 Post Oak Place, Suite 309, Houston, Texas 77027, (713) 623-0801.

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