

**VAALCO Energy, Inc.**

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**VAALCO Energy, Inc. announces Financial Results**

HOUSTON—(PR Newswire)—April 3, 2003 – VAALCO Energy, Inc. (VEIX – OTC) announced its financial results for the year 2002:

For the year ending December 31, 2002 (\$ thousands)	
Revenues	\$ 9,992
Operating Cost and Expenses	<u>(7,110)</u>
Operating Income	2,882
Other Expenses	(700)
Income Tax Expenses	(1,390)
Minority Interest (in Earning of Subsidiaries)	<u>(341)</u>
Net Income	445
Basic Income Per Share	\$0.02
Diluted Income Per Share	\$0.01

A copy of the Form 10-KSB may be found on the web site [www.vaalco.com](http://www.vaalco.com).

Robert L. Gerry, III, Chairman & CEO commented “The year end results include a full quarter of revenue from the Etame Field, off-shore Gabon, which came on stream on September 8, 2002 and thus allowed VAALCO to show a profit for the full year. The Etame Field continues to produce approximately 15,000 barrels per day and has now produced approximately three million barrels for the consortium. Our plans for the balance of 2003 are to maintain our production while we evaluate recently shot 3-D seismic to determine additional exploration drilling on several separate prospects”.

VAALCO is also pleased to announce that it reached Etame project completion under its loan agreement with the IFC (International Finance Corporation), and has returned to the 1818 Fund II and a third party investor the \$10 million held in escrow as a guarantee for the IFC loan. As a further result of project completion VAALCO will cancel 7.5 million warrants issued to the investors. Additionally, we expect to receive back 4.5 million warrants as a result of not using a standby \$3.0 million associated with the 1818 Fund II loan.

Partners in the Etame Marine Permit are: VAALCO Gabon (Etame), Inc. (Operator) 30.350%; PanAfrican Energy Corp. Ltd. 32.5%; Sasol Petroleum International (Pty) Ltd. 30.0%; PetroEnergy Resources Corp. 4.525%; Nissho Iwai Corporation 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 10KSB for the year ended December 31, 2001 and other reports filed with the SEC which can be reviewed at [www.sec.gov](http://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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