

VAALCO Energy, Inc.

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VAALCO ENERGY RESTORES PRODUCTION AT GABON FACILITY AND ANNOUNCES ARRIVAL OF EBOURI FIELD PLATFORM

HOUSTON, TEXAS – June 18, 2008 – VAALCO Energy, Inc. (NYSE: EGY) today announced that production at its Etame and Avouma / Tchibala fields in offshore Gabon, West Africa, has successfully been restored following the transfer of equipment to upgrade the Floating Production, Storage and Offloading (FPSO) facility. As previously announced, the FPSO upgrade is intended to improve water processing capacity at the facility, enabling VAALCO to increase production by 10% to 25,000 barrels of oil per day (bdp) by year-end.

“The equipment exchange from the transportation vessel onto the FPSO went flawlessly, and we were able to restart our fields in less than two days,” said Robert L. Gerry, III, Chairman and CEO.

VAALCO also announced that the barge carrying its platform for the Ebouri field has arrived in Gabon. Plans call for the platform to be tied back via a pipeline to the FPSO facility that also serves VAALCO’s Etame and Avouma / Tchibala fields. Upon completion of the construction for the production pipeline, VAALCO will begin installing the platform. The drilling rig is expected to arrive in October.

“With the arrival of the barge carrying our production platform for the Ebouri field, we are pleased to report that VAALCO is on track with the expansion of our drilling program,” said Mr. Gerry. “The planned development of Ebouri will complement the production that we are already realizing in our Etame and Avouma / Tchibala fields. We expect the increases in both production and reserves to support continued value creation for VAALCO shareholders.”

VAALCO said that it remains on schedule to commence drilling the Ebouri development with oil production expected in December at an initial rate of 4,000 to 6,000 bpd.

Forward-Looking Statements

This document 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 document 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 of 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 10-K for the year ended December 31, 2007 and other reports filed with the SEC which can be reviewed at <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.

About VAALCO

VAALCO Energy, Inc. is a Houston based independent energy company principally engaged in the acquisition, exploration, development and production of crude oil. VAALCO's strategy is to increase reserves and production through the exploration of oil and natural gas properties with high emphasis on international opportunities. The Company's properties and exploration acreage are located primarily in Gabon and Angola, West Africa.

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