

VAALCO Energy, Inc.

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VAALCO Energy, Inc. announces Second Well Completion

HOUSTON—(PR Newswire)—July 24, 2002 – VAALCO Energy, Inc. (VEIX – OTC) today announced the successful completion of the ET-4H well offshore Gabon, West Africa.

The well flowed at a daily rate in excess of 9,800 barrels on a 48/64” choke. Surface flowing tubing pressure was 629 psi. Flow rates were restricted by the available test equipment on the drilling rig.

Robert L. Gerry, III, Chairman and CEO commented “ This is the second successful completion in our three well program and confirms that we have a world class reservoir. We will now move the “Sedneth 701” drilling rig to the ET-1VA well location, the third and final well to be completed in Phase I of the Etame Development Project.

The wells are being horizontally completed subsea in the Gamba sandstone at a vertical depth of approximately 6000’ in 250’ of water.

The offshore storage vessel, “Petróleo Nautipa”, is scheduled to depart Singapore on July 26 after being retrofitted for storage of the Etame Field crude oil. The vessel is expected to be on location in the Etame Field during the third week of August. We remain optimistic for producing first oil from the Etame Field during the first week of September.”

Partners in the Etame Marine Permit are: VAALCO Gabon (Etame), Inc. (Operator); PanAfrican Energy Corp. Ltd.; Sasol Petroleum International (Pty) Ltd.; PetroEnergy Resources Corp.; Nissho Iwai Corporation.

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, 2001 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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