

VAALCO Energy, Inc.
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VAALCO Energy, Inc. announces 2nd Quarter Results
And Withdrawal from Participation in Hunt Overseas Partnership

VAALCO Energy, Inc. (VEIX – OTC) a Houston, Texas based independent producer, announced a net loss of \$609,000 (\$0.03 per share) for the quarter ending June 30, 2000. The loss was attributable to a \$580,000 non-cash charge associated with the decision to withdraw from the Hunt Overseas Exploration Company L.P.

VAALCO's chairman Robert Gerry said, "The Hunt Partnership provided our shareholders with a unique exposure to large reserve potential. However, over the past year Hunt completed the drilling of the primary prospects on each of the blocks held by the Partnership and management believes it prudent to refocus the Company's resources. VAALCO intends to drill a delineation well on its discovery in Gabon during the late 4th quarter of 2000 or the 1st quarter of 2001 based upon rig availability. We will also be exploring the possibility of a strategic business combination or joint venture to expand our resource base. VAALCO will have in excess of \$11 million in cash available to fund strategic opportunities, with no long term debt."

Results for the quarter and the six months ending June 30, 2000 are stated below:

Dollars in thousands, except per share amounts

	<u>Three Months Ending June 30,</u>		<u>Six Months Ending June 30,</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Revenues	\$ 486	\$ 146	\$ 775	\$ 272
Expenses	<u>515</u>	<u>794</u>	<u>1,533</u>	<u>1,236</u>
Loss on Continuing Operations	(29)	(648)	(761)	(964)
Loss on Discontinued Operations	<u>(580)</u>	<u>(218)</u>	<u>(2,837)</u>	<u>(554)</u>
Net Loss	\$ <u>(609)</u>	\$ <u>(866)</u>	\$ <u>(3,598)</u>	\$ <u>(1,518)</u>
Net Loss Per Share	\$ <u>(0.03)</u>	\$ <u>(0.04)</u>	\$ <u>(0.17)</u>	\$ <u>(0.07)</u>

Some matters set forth herein are forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Potential risks and uncertainties include factors such as oil and gas prices, well completions and production levels within estimated ranges. Investors are directed to consider other risks and uncertainties discussed in documents filed by the Company with the Securities and Exchange Commission

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