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## **VAALCO Energy Awards FPSO Contract**

HOUSTON--(PRNewswire)—August 22, 2001--VAALCO Energy, Inc. ([VEIX](#) – OTC) announced that its wholly owned subsidiary VAALCO Gabon (Etame), Inc. has awarded a contract to lease the Floating Production Storage Offloading (FPSO) vessel *Petróleo Nautipa*. The FPSO is owned and operated by a joint venture between Fred. Olsen Energy ASA and Prosafe ASA. The FPSO, with production capacity of 30,000 barrels per day, and storage capacity of 1.1 million barrels, will be utilized to develop the Etame Discovery offshore Gabon. VAALCO will have the option to upgrade to a larger tanker after two years should field conditions dictate. The leasing of the vessel is part of VAALCO's plan to obtain initial production between 12,000 to 15,000 barrels of oil per day from three wells in 2002. After ascertaining deliverability, future wells will be added to fully develop the field to its maximum capability.

The FPSO *Petróleo Nautipa* is currently in Angola, and is expected to demobilise from its location to be taken to a ship-yard for necessary upgrading before being installed on the Etame Field offshore Gabon no later than September 2002. The contract is subject to approval by the Gabonese authorities' of Vaalco Gabon (Etame) Inc.'s Field Development Plan.

The Etame consortium consists of VAALCO Energy (Operator) – 30.35%, Pan African Energy Corporation Ltd. – 32.5%, Sasol Petroleum International – 30%, PetroEnergy Resources Corporation – 4.525% and Nissho Iwai Corporation 2.625%.

VAALCO is an independent oil and gas exploration and production company with oil and gas assets in Gabon, the Philippines and in Texas.

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. Investors are directed to consider other risks and uncertainties in documents filed by the Company with the Securities and Exchange Commission.

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