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## **VAALCO Energy Announces successful completion of Gabon Development Well**

HOUSTON - (PR Newswire) – August 23, 2004 – VAALCO Energy, Inc. (EGY – Amex), (the “Company”) announced that it had successfully completed the ET-5H development well in the Etame Field, offshore Gabon. Oil was flowing to the Floating Production Storage and Offloading facility (FPSO) at the rate of 6,400 barrels per day on a 48/64” choke.

Robert L. Gerry, III, Chairman & CEO stated, “VAALCO and its partners are extremely pleased to have our ET-5H well online. This will be our fourth producing well in the Etame Field and our intent is to slowly raise the production level as the well cleans up. It is currently anticipated we should stabilize production over the next few weeks of the ET-5H well at around 6,500 to 7,500 barrels of oil per day thereby bringing total field production to over 21,000 barrels of oil per day.”

VAALCO and its partners recently sold approximately 400,000 barrels of oil. Current inventory in the FPSO is 240,000 barrels with another sale of approximately 500,000 barrels scheduled for September. Partners in the consortium are VAALCO Energy, Inc. (28.07%), PanAfrican Energy Gabon Corp. (31.36%), Sasol Petroleum West Africa (Ltd.) (27.75%), Sojitz Etame Limited (2.98%), PetroEnergy Resources Corp. (2.34%) and Energy Africa Gabon (7.5%).

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, 2003 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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