

VAALCO Energy, Inc.

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VAALCO Energy, Inc. announces Gabon Partners

HOUSTON—(PR Newswire)--December 15, 2000 - VAALCO ENERGY, INC. (VEIX – OTC), today announced PanAfrican Energy Corporation Ltd. has signed a letter of intent to purchase a 32.5% interest in the VAALCO operated Etame Marin Permit Offshore Gabon. An appraisal well off-setting a 3,700 barrel per day discovery is anticipated to commence in mid-January of 2001. Upon registration with the Gabon government, ownership of the concession will be VAALCO 30.35%, Sasol 30%, PanAfrican 32.5%, PetroEnergy Resources Corp. 4.425%, Alcorn Petroleum 2.625%.

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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