February 17, 2009

VAALCO Energy Provides Update on Drilling Program

HOUSTON, Feb. 17 /PRNewswire-FirstCall/ -- VAALCO Energy, Inc. (NYSE: EGY) today provided the following update on its drilling program:

-- North Ebouri Development Well #1 (EEBOM-2H): The Company announced that its North Ebouri development well is currently producing at a rate of approximately 5,000 barrels of oil per day (bopd). As previously announced, oil production from this well began in January. The well was drilled from one of the three well slots on the Ebouri platform, which was installed in a water depth of 250 feet. The first pilot hole was drilled to the south of the original Ebouri discovery and a second pilot hole was drilled to the northwest of the original discovery. Both of these pilot holes were successful in delineating additional Gamba sandstone reservoir above the oil water contact, thereby increasing the acreage and reserves of the Ebouri field. The development well was completed horizontally on the same orientation as the second pilot hole.

-- North Ebouri Development Well #2 (EEBOM-3H): On January 27, 2009, VAALCO announced that it had begun drilling a new, second horizontal development well in North Ebouri with the jack-up rig Adriatic VI. The Company said today that the sand screens have been successfully installed and that the gravel pack installation is currently underway. The Company continues to expect completion and first oil production from this well in March 2009.

With the two Ebouri development wells, the Company continues to expect total production from the Etame block to be approximately 25,000 bopd, which would maximize the current throughput oil capacity of the Floating Production, Storage and Offloading (FPSO) facility serving the Etame and Avouma / Tchibala fields. VAALCO has a 28.1% working interest in the Etame license area.

-- Two exploratory wells in the Etame block: On January 27, 2009, VAALCO announced that the Pride Cabinda jack-up rig had commenced drilling the North Etame (ETNM-1) exploration well, to be followed by a second exploration well in Southeast Etame (ETSEM-1), both on newly mapped structures. VAALCO said today that the target Gamba reservoir at the North Etame well was encountered lower than anticipated and was water bearing. After gathering further data and consulting with its partners, the Company expects that the North Etame well will be plugged and abandoned, and the rig released, consistent with the contractual terms for the rig. VAALCO is in negotiations to secure a rig to drill the Southeast Etame exploration well.

-- Two exploratory wells onshore Gabon in the Mutamba concession (Ontou-1): On February 2, 2009, VAALCO began drilling the first of two planned exploratory wells with the Nabors 864 rig, and as of February 16 was at a depth of approximately 575 meters. Completion of this well is anticipated by early March. VAALCO has a 100%

working interest in the onshore Mutamba block.

-- Interest in North Sea (Vulcan): VAALCO has a 25% interest in a gas prospect on Block 48/25c in the British North Sea. The Company is participating with Century Exploration on the exploration well, which is an offset to a former Shell gas discovery made in 1987. 3-D seismic data indicates the ability to get higher on the structure than the earlier well, increasing the potential reserves to 60 Bcf. The well was spudded on February 12, 2009 and is currently drilling at approximately 1,500 feet.

-- One exploratory well in Angola: The Company continues to expect that it will begin drilling a well on Angola Block 5 in late-2009 depending upon consortium agreement on the well objective and rig availability. The Company has recommended to the consortium a prospect with three objective zones, both above and below the salt layer on the block. Total potential from all three objectives is 150 million gross barrels. VAALCO has a 40% working interest in Block 5.

Robert Gerry, Chairman and CEO of VAALCO, said, "We are extremely pleased to have successfully drilled our second development well in North Ebouri to capture those additional reserves recently proved-up in the area. Although we are disappointed in the North Etame well, we have a strong program in place to increase VAALCO's reserves with five additional exploratory wells planned throughout the year. These exploratory wells, together with our two producing North Ebouri development wells, give us confidence in our ability to further enhance the Company's growth and shareholder value."

Forward-Looking Statements

This document 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 document 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 of 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 10-K for the year ended December 31, 2007 and other reports filed with the SEC which can be reviewed at 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.]

About VAALCO

VAALCO Energy, Inc. is a Houston based independent energy company principally engaged in the acquisition, exploration, development and production of crude oil. VAALCO's strategy is to increase reserves and production through the exploration and exploitation of oil and

natural gas properties with high emphasis on international opportunities. The Company's properties and exploration acreage are located primarily in Gabon and Angola, West Africa.

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