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# VAALCO Energy Announces Successful Workover on Avouma Platform Offshore Gabon

## South Tchibala 2-H Well Now Producing 1,600 Barrels of Oil per Day Gross

HOUSTON, Dec. 21, 2016 (GLOBE NEWSWIRE) -- VAALCO Energy, Inc. (NYSE:EGY) ("VAALCO" or the "Company") announced today that the South Tchibala 2-H well is back on production after utilizing a hydraulic workover unit to replace a failed Electrical Submersible Pump (ESP) system. The well is currently producing at a stabilized rate of 1,600 barrels of oil per day (BOPD) gross, or 430 BOPD net to VAALCO.

As previously announced, the ESP system failed in both the South Tchibala 2-H and the Avouma 2-H wells this past summer. Prior to temporarily shutting in the well after the ESP system failed, the South Tchibala 2-H well was producing approximately 1,700 gross BOPD or 460 BOPD net to VAALCO. Separately, work is proceeding as planned to replace the failed ESP system in the Avouma 2-H well and the Company expects to return the well to production prior to yearend. A detailed inspection of the failed ESPs is underway to determine the cause of the failures and results from the inspections are expected in the first quarter of 2017.

Cary Bounds, VAALCO's Chief Operating Officer and Interim CEO commented, "We are pleased to have restarted production on the South Tchibala 2-H well and will continue to monitor the performance of the ESP. We are also optimistic about restoring production from the Avouma 2-H well soon. I am especially pleased that we have demonstrated that we can conduct well interventions utilizing a hydraulic workover unit which resulted in a more efficient operation at a lower cost when compared with the prior practice of employing a drilling rig. With the recent rise in commodity prices and the resumption of production from the Avouma platform, we are optimistic about our outlook for 2017."

**About VAALCO**

VAALCO Energy, Inc. is a Houston-based independent energy company principally engaged in the acquisition, development and production of crude oil. The Company's properties and acreage are located primarily in Gabon and Equatorial Guinea in West Africa.

This news release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are those concerning VAALCO's plans, expectations, and objectives for liquidity and capital resources, future drilling, completion, workover and other operations and activities. All statements, other than statements of historical facts, included in this 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 may include expected capital expenditures, future drilling plans, prospect evaluations, liquidity, negotiations with governments and third parties, expectations regarding processing facilities, and reserve growth. 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 oil and gas price volatility, inflation, general economic conditions, the Company's success in discovering, developing and producing reserves, lack of availability of goods, services and capital, environmental risks, drilling risks, foreign operational risks, and regulatory changes. These and other risks are further described in VAALCO's annual report on Form 10-K for the year ended December 31, 2015, subsequent quarterly reports on Form 10-Q, and other reports filed with the SEC. 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. VAALCO disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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Source: VAALCO Energy, Inc.