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VAALCO Energy Provides Update on Drilling Activities Offshore Gabon

HOUSTON, April 15, 2013 /PRNewswire/ -- VAALCO Energy, Inc. (NYSE: EGY) today provided an update on its drilling activities offshore Gabon.

(Logo: https://photos.prnewswire.com/prnh/20100316/NY71495LOGO)

VAALCO has successfully completed the new development well (EAVOM-3H) in the Avouma field. Production from this well commenced at a natural flow rate of approximately 3,000 gross barrels of oil per day ("BOPD"), rising to 4,000 gross BOPD once the Electrical Submersible Pumps ("ESPs") were engaged at the minimum setting. VAALCO will determine the optimal production rate for the well in the coming weeks.

As previously announced, VAALCO is undertaking workovers to replace the ESPs on the EAVOM-2H and ETBSM-1H wells, located on the Avouma platform. The contracted rig, the KCA Deutag "Ben Rinnes," will then be moved onto location to drill an exploration appraisal well to evaluate an untested fault block on the South West flank of the Ebouri field with the Gamba reservoir as the primary objective. The well will also test a secondary objective in the Dentale formation.

The Ben Rinnes will then be employed to drill a further exploration well, Prospect Mu, to the North of the Etame field. The well will be drilled in 60 meters of water to a depth of 2,700 meters to evaluate the Gamba reservoir and the underlying Lucina formation. Studies undertaken by VAALCO and its consortium partners with respect to Prospect Mu indicate that potential reserves in excess of 30 million gross barrels of oil are estimated to be recoverable.

The Company's subsidiary, VAALCO Gabon Etame, Inc., operates and owns a 28.07% net interest in the Etame Marin block. Other partners in the block are Addax Petroleum Etame, Inc. (31.36%), Sasol Petroleum Etame Limited (27.75%), Sojitz Etame Limited (2.98%), PetroEnergy Resources Corp. (2.34%) and Tullow Oil Gabon SA (7.5%).

Forward-Looking Statements
This press release includes "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than historical fact, 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 prospect evaluations, objectives for future drilling, negotiations with governments and third parties, capital expenditures, timing of the closing of a transaction, future production rates, reserve growth and other operations and activities. 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 reasonable. 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, general economic conditions, oil and gas prices, lack of availability of goods, services and capital, actions by VAALCO's venture partners, environmental risks, drilling risks, foreign operational risks, regulatory changes and risk factors contained in VAALCO's Form 10-K for the year ended December 31, 2012 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. These risks are further described in VAALCO's annual report on Form 10-K for the year ended December 31, 2012, 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 300, Houston, Texas 77027, (713) 623-0801. 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.

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, Angola and Equatorial Guinea, West Africa.

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