January 8, 2014

VAALCO Energy Provides Operations Update

HOUSTON, Jan. 8, 2014 /PRNewswire/ -- VAALCO Energy, Inc. (NYSE: EGY) today provided the following update on its recent activities:

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Offshore Gabon

In December 2013, VAALCO spudded an exploration well in the Dimba prospect, located approximately seven miles northeast of the Etame field offshore Gabon. The exploration well is being drilled by the contracted rig, the KCA Deutag "Ben Rinnes," in approximately 175 feet of water and is intended to evaluate both the Gamba and deeper syn-rift formations. In addition, the rig will be used to redrill the S. Tchibala 1-H well, which experienced a casing failure in early 2013, and to perform a workover of the Avouma 2-H well to replace a failed submersible pump assembly.

Construction work on the two production platforms for the additional development of the Etame Marin block is continuing on schedule, with one platform expected to be installed in the Etame field and the second platform to be installed between the Southeast Etame and North Tchibala fields in the second half of 2014. In March 2014, a six-day shutdown of the Etame Marin block has been scheduled to upgrade the safety systems and perform general maintenance and repairs on VAALCO's leased Floating, Production, Storage and Offloading (FPSO) vessel. Other maintenance will be performed in the field to take advantage of the FPSO outage.

In addition, VAALCO confirmed that it successfully completed an end of year lifting, bringing its total fourth quarter 2013 crude sale liftings to four. On a gross basis, liftings from the FPSO in the Etame Marin block offshore Gabon totaled approximately 2.2 million barrels in the fourth quarter of 2013, as compared to approximately 2.0 million barrels in the fourth quarter of 2012. Liftings in the third quarter of 2013 were approximately 1.4 million barrels on a gross basis.

Angola

VAALCO has entered into an agreement to license and reprocess 3D Seismic data covering the deeper water segment of Block 5, offshore Angola. Under the terms of the agreement, approximately 1060 square kilometers of 3D data will be licensed, merged with a previously acquired 1175 square kilometers 3D survey, and reprocessed through Pre Stack Depth Migration, a seismic imaging technology utilized to better define geologic structures. The reprocessed data will enable the Company to better define the Ombundi and other high potential pre-salt leads in the deeper water portion of Block 5.

Forward-Looking Statements

This document 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. 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 expected capital expenditures, future drilling plans, prospect evaluations, objectives and operations, 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, inflation, general economic conditions, oil and gas price volatility, 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, 2012, its Form 10-Q for the third quarter filed on November 7, 2013, 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. 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.

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 in West Africa.

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