December 14, 2015

# VAALCO Energy Announces Second Successful Well Drilled To The Dentale Formation

## NORTH TCHIBALA 2-H WELL ENCOUNTERED GOOD QUALITY SANDS AT A DEEPER HORIZON

HOUSTON, Dec. 14, 2015 /PRNewswire/ -- VAALCO Energy, Inc. (NYSE: EGY) today announced that the North Tchibala 2-H well, the second development well drilled by VAALCO in the North Tchibala field, was brought online at a stabilized rate of approximately 500 gross barrels of oil per day (BOPD), or 122 BOPD net revenue interest to VAALCO. The well was drilled to a measured depth of 16,476 feet and encountered good quality sands in the Dentale D-18/19 reservoir. The well came on production flowing naturally with no $H_2S$ and water free. Based on production tests in nearby exploration wells, the quality of the reservoir would indicate the potential for a higher flow rate than has been achieved thus far. VAALCO is gathering diagnostic data to assess the productive capacity of the North Tchibala 2-H well and to determine if there is remedial work that might increase the flow rate from the well.



While the Dentale formation is productive in onshore Gabon fields, the North Tchibala field represents the first Dentale production developed in the offshore waters of Gabon. The first

North Tchibala producer, North Tchibala 1-H, targeted the shallower Dentale D-9 formation at approximately 11,200 feet measured depth and was placed on production during the third quarter of 2015. The North Tchibala 1-H well initially produced at a sustained rate of 3,000 BOPD flowing naturally for six weeks with minimal pressure depletion. In late October, the Company observed a decline in bottomhole pressure accompanied by an increase in gas production rates. The well was choked back to approximately 1,500 BOPD and bottomhole pressure has now stabilized. Production continues to remain at that level, which is still at initial expectations for the well. VAALCO will continue to monitor both Dentale wells and take appropriate actions to optimize long term production and reservoir performance.

The North Tchibala 2-H is the third successful well drilled and placed on production at VAALCO's new Southeast Etame/North Tchibala (SEENT) platform located in approximately 260 feet of water offshore Gabon. VAALCO is the operator of the Etame Marin permit area and owns a 28.1% working interest and a 24.4% net revenue interest. The Transocean Constellation II jackup rig has mobilized to the nearby Avouma/South Tchibala platform to conduct workover operations to replace electrical submersible pumps (ESPs) on three existing production wells, two of which are off production. Sea conditions have improved allowing the safe movement of the rig.

Steve Guidry, VAALCO's Chairman and CEO commented, "I am pleased to announce that the North Tchibala 2-H well encountered very good quality reservoir. As a result, we are further encouraged about the long term upside potential for the Dentale formation on our Etame Marin acreage, but it will take time to monitor the ongoing performance of the first two wells and to test other areas of our concession with additional wells in the future. While no more wells are planned for the SEENT platform in the near term, we are evaluating the drilling of a development well at the Etame platform in early 2016 following our three-well workover program. The Etame development well would target the Gamba formation as well as test the Dentale reservoir that we believe could exist at deeper depths in that area."

**Forward Looking Statements**

This news 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, and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those concerning VAALCO's plans, expectations, and objectives for future drilling, completion and other operations and activities. All statements, other than statements of historical facts, included in this news 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 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, 2014, subsequent quarterly reports on Form 10-Q, 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 9800 Richmond Avenue, Suite 700, Houston, Texas 77042, (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. VAALCO assumes no obligation to update any forward-looking statement as of any future date.

**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 the emphasis on international opportunities. The company's properties and exploration acreage are located primarily in Gabon, Angola and Equatorial Guinea in West Africa.

Logo - https://photos.prnewswire.com/prnh/20100316/NY71495LOGO

To view the original version on PR Newswire, visit:http://www.prnewswire.com/news-releases/vaalco-energy-announces-second-successful-well-drilled-to-the-dentale-formation-300192192.html

SOURCE VAALCO Energy, Inc.