September 11, 2013

VAALCO Energy Provides Operations Update

HOUSTON, Sept. 11, 2013 /PRNewswire/ -- VAALCO Energy, Inc. (NYSE: EGY) today provided the following update on its recent activities:

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

Offshore Gabon

VAALCO completed drilling an exploration well on the Ovoka Prospect (formerly Mu), in 60 meters of water to a depth of 2,770 meters to evaluate the Gamba reservoir and deeper Lucina formations. The zones of interest were found to be water-bearing and the reservoir properties in the Lucina were of poor quality.

The construction of two production platforms for the development of the Etame Marin block is underway and the Company confirmed that timing for delivery continues to be on schedule. The Company expects one platform to be installed in the Etame field and the second platform to be installed in-between the Southeast Etame and North Tchibala fields in the first half of 2014, bringing the total number of platforms in the Etame Marin block to four. Multiple wells are expected to be drilled from each of the new platforms as part of the future development plans for the Etame Marin block.

The Company and its partners are in discussions pertaining to future exploration prospects on the Etame Marin Concession.

Onshore Gabon

VAALCO and Total Gabon continue to negotiate with the Government of Gabon on the terms to proceed with the development of the Mutamba oil discovery and the terms for the renewal of the existing exploration concession.

Offshore Angola

VAALCO has petitioned Sonangol, the national oil company of Angola, to be assigned the 40% working interest they are holding as a result of the default of the government appointed partner. VAALCO will then control 80% of Block 5 with Sonangol having a 20% carried working interest.

Upon assignment of the 40% working interest, VAALCO expects to farmout the interest to a third party that has already been identified. VAALCO then intends to commence drilling two exploration wells as soon as practical following the approval of the farmout by the Government of Angola.

Offshore Equatorial Guinea

VAALCO has requested that the Government of Equatorial Guinea consent to appointing the Company as operator of Block P. Upon receiving affirmative notification of operatorship, the Company expects that the consortium will proceed to contract for a drilling rig to drill two exploration wells.

Meetings are scheduled in Equatorial Guinea for later this month to discuss operatorship.

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, negotiations with governments and third parties, 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 second quarter filed on August 8, 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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