August 28, 2019

VAALCO Energy Provides Operational Update

HOUSTON, Aug. 28, 2019 (GLOBE NEWSWIRE) -- VAALCO Energy, Inc. (NYSE: EGY) ("VAALCO" or the "Company") today provided an operational update with additional details on the commencement of its 2019/2020 drilling program, the successful completion of its full-field annual maintenance shutdown at Etame, and the extension of the lease contract for the floating, production, storage and offloading vessel ("FPSO") *Petróleo Nautipa* offshore Gabon.

Key Highlights

- Delivery of the Vantage Drilling International *Topaz* jackup drilling rig to VAALCO is expected in early September
- Announced plans to drill the Etame 9P appraisal wellbore first, followed by the Etame 9H development well from the Etame platform
- Confirmed plans to drill an additional appraisal wellbore and up to two more development wellbores later this year and into the first half of next year
- Successfully resumed full production following completion of the planned full-field annual maintenance shutdown offshore Gabon at the Etame field in August on schedule and on budget
- Exercised an election to extend the lease contract for the FPSO to September 2021 with an additional one-year option through September 2022

Cary Bounds, Chief Executive Officer, commented, "We are very pleased to have the Vantage *Topaz* jackup rig mobilizing to the Etame platform to commence our 2019/2020 drilling campaign in mid-September. This represents the commencement of a busy and exciting period of operational activity for VAALCO, the ultimate objectives of which are to enhance cash flow and realize further value from our reserves and resources. Our current plans are to drill up to three development wells and two appraisal wellbores funded from cash on hand and cash generated from operations. The development wells will all be drilled from our existing platforms where the infrastructure is in place to bring production online quickly. The appraisal wellbores are expected to help further define existing leads that may potentially add reserves and de-risk future drilling locations."

Bounds continued, "In addition, we have successfully completed our periodic full-field maintenance shutdown at Etame and most importantly, there were no safety or environmental incidents with production restored to pre-shutdown levels. Our relationship with our FPSO provider remains positive, so we extended the FPSO contract for another year through September 2021. By maintaining operational excellence, we are very pleased to have positioned the Company to deliver material organic growth through development drilling and create value for our shareholders."

2019/2020 Drilling Program

Vantage Drilling International has notified VAALCO that they expect to release the *Topaz* jackup rig to VAALCO in early September following completion of ENI Gabon's drilling operations. VAALCO plans to spud the Etame 9P appraisal wellbore first, followed back-to-back with the Etame 9H development well. The Company plans to drill up to three development wells and two appraisal wellbores in the 2019/2020 drilling program. VAALCO believes that there is significant reserve upside associated with the two appraisal wellbores as they may confirm up to approximately five million net barrels of 2P oil reserves spread across six well locations targeted in future drilling campaigns. The Company is forecasting that the 2019/2020 drilling program will be funded by cash on hand and cash generated from operations. The current estimated net drilling capital expenditures are $20 million to $25 million in 2019 with an additional $5 to $10 million of expenditures in 2020.

Gabon Operational Update

During August 2019, VAALCO completed its planned full field 2019 maintenance shutdown for the Etame Marin FPSO and four platforms. The entire work scope was completed successfully with no adverse environmental or safety incidents. The field was shut-in for approximately nine days during the shutdown and then returned to pre-shutdown production levels.

VAALCO has exercised an election to extend the lease contract for the FPSO *Petróleo Nautipa* at Etame through September 2021, with an additional one-year option to run through September 2022.

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.

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. All statements, other than statements of historical facts, included in this document that address activities, events, plans, expectations, objectives or developments that VAALCO expects, believes or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements include all statements regarding wells anticipated to be drilled and placed on production, future levels of drilling activity and associated production and cash flow expectations, the Company's 2019 guidance and capital expenditure forecast, estimated reserve quantities and the present value thereof, the implementation of the Company's business plans and strategy, expected sources of future capital funding and future liquidity, future operating losses, future changes in oil and natural gas prices, future strategic alternatives, prospect evaluations, negotiations with governments and third parties, expectations regarding processing facilities, production and sales projections, and reserve growth, as well as statements including the words "believe," "expect," "plans" and words of similar meaning. These statements are based on assumptions made by VAALCO based on its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. No assurances can be given, however, that these events will occur or that these projections will be achieved, and actual results could differ materially from those projected as a result of certain factors. Some of the factors which could affect our

future results and could cause results to differ materially from those expressed in our forward-looking statements include oil and gas price volatility, inflation, general economic conditions, the Company's success in discovering, developing and producing reserves, production and sales differences due to timing of liftings, decisions by future lenders, the risks associated with liquidity, lack of availability of goods, services and capital, environmental risks, drilling risks, foreign regulatory and operational risks, and regulatory changes.

These and other risks are further described in VAALCO's annual reports on Form 10-K and quarterly reports on Form 10-Q and other reports filed with the U.S. Securities and Exchange Commission ("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. 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.

Supplemental Non-GAAP Financial Measure

Probable and Potential Reserves

This press release contains oil and gas metrics, which do not have standardized meanings or standard methods of calculation as classified by the SEC and therefore such measures may not be comparable to similar measures used by other companies. Such metrics have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company and future performance may not compare to the performance in previous periods.

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Source: VAALCO Energy, Inc.