June 6, 2008

VAALCO Energy to Begin Upgrade of Gabon Production Facility

HOUSTON, June 6 /PRNewswire-FirstCall/ -- VAALCO Energy, Inc. (NYSE: EGY) today announced that it will shortly begin a planned upgrade to the Floating Production, Storage and Offloading (FPSO) facility serving its Etame and Avouma fields in offshore Gabon, West Africa. The upgrade is intended to improve the water processing capacity at the facility, which would enable VAALCO to increase production by 10% to 25,000 barrels of oil per day (bdp) by year-end. In addition, modifications to the gas flare system will be undertaken, improving safety and reducing the likelihood of unplanned downtime.

"This upgrade is part of our efforts to ensure that we are fully capitalizing on VAALCO's E&P portfolio and driving value for our shareholders," said Robert L. Gerry, III, Chairman and CEO. "With seven planned exploration wells in Gabon, Angola and the North Sea, we are entering a period that will see the highest levels of exploration and development in VAALCO's history. This program offers exciting opportunities to drive significant increases in both production and reserves, and represents compelling future upside for VAALCO and our shareholders."

VAALCO noted that the upgrade to the FPSO facility is expected to commence June 12 and be completed within seven to ten days during which time production will be temporarily shut-in. VAALCO expects to more than make up the lost production as a result of the capacity expansion and does not expect the shut-in to have a material effect on the Company's revenues or earnings for the quarter or for the year.

VAALCO said that Shell has nominated 650,000 barrels to be lifted for the month of June, which will occur prior to commencing the upgrade.

Forward-Looking Statements

This document includes "forward-looking statements" as defined by the U.S. securities laws. 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 future production rates, completion and production timetables and costs to complete well. 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, lack of availability of goods, services and capital, environmental risks, drilling risks, foreign operational risks and regulatory changes. 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, 2007 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 309, Houston, Texas 77027, (713) 623-0801.

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 of oil and natural gas properties with high emphasis on international opportunities. The Company's properties and exploration acreage are located primarily in Gabon and Angola, West Africa.

Investor Contact
W. Russell Scheirman
713-623-0801

Media Contact
Barrett Golden / Tim Lynch
Joele Frank, Wilkinson Brimmer Katcher
215-355-4449

SOURCE VAALCO Energy, Inc.