March 10, 2010

VAALCO Energy Provides Update on Gabon Drilling Program

HOUSTON, March 10 /PRNewswire-FirstCall/ -- VAALCO Energy, Inc. (NYSE: EGY) is pleased to announce that the contracted rig "Sapphire Driller" is on location at the Ebouri Platform offshore Gabon and will commence drilling the first of four wells today, March 10, 2010.

The following four wells, in order, are scheduled to be drilled:

- Ebouri 4H Horizontal development well in the Ebouri Field to establish additional production while testing a deeper horizon and potential future development locations. Estimated drilling time of six weeks at a gross cost of approximately $25.4 million. Initial production estimated at 4,000 barrels per day gross.

- Ebouri 3H Horizontal workover to replace two electrical submersible pumps and return well to optimal production of approximately 3,000 gross barrels per day. Three weeks drill time at a gross cost of approximately $5.4 million.

- SE Etame Move rig approximately 14 kms to drill an exploration well to evaluate the Gamba and the deeper Dentale sandstones. Estimated drilling time of five weeks with a gross cost of $13.8 million. Potential gross reserves of 27 million barrels.

- Etame 7H Horizontal development well in known separate fault block in Etame Field to add additional production of approximately 4,000 gross barrels per day. Estimated drilling time including installation of sub-sea tree is approximately eight weeks at a gross cost of $44.0 million.

The Company's subsidiary VAALCO Gabon Etame, Inc. operates and owns a 28.07% net interest in the Etame Field. Other field partners are Addax Petroleum Etame Inc. (31.36%), Sasol Petroleum Etame Limited (27.75%), Sojitz Etame Limited (2.98%), PetroEnergy Resources Corp. (2.34%) and Tullow Oil Gabon SA (7.5%).

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, 2008 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 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 and Angola, West Africa.

SOURCE VAALCO Energy, Inc.