March 4, 2015

VAALCO Energy Announces Drilling Has Commenced On Block 5 Offshore Angola

HOUSTON, March 4, 2015 /PRNewswire/ -- VAALCO Energy, Inc. (NYSE: EGY) today announced that on March 2, 2015, the Company spudded the post-salt Kindele-1 well, its first exploration well on Block 5 offshore Angola. As previously announced, VAALCO contracted the Transocean "Celtic Sea" semi-submersible rig to drill the Kindele-1 well to a planned total depth of 2,250 meters in a water depth of approximately 100 meters.

Steve Guidry, Chairman and CEO, commented, "We are very pleased to announce this major step forward for our operations offshore Angola. After nearly nine years of continued commitment to our Block 5 license, we are embarking on an important phase in our efforts to explore for hydrocarbons from a second West African country. We continue to believe that Block 5 is within an area with potential in both post- and pre-salt formations including the syn-rift and sag play."

As previously announced in October 2014, VAALCO, together with its working interest partner, Sonangol P&P, entered into the Subsequent Exploration Phase ("SEP") on Block 5. Under the SEP, VAALCO and Sonangol P&P have committed to drill a total of four exploration wells during the exploration extension period, which expires in November 2017. The four-well obligation includes the original two-well commitment under the primary exploration period that carries over to the SEP period.

The Kindele-1 well will test a fault block adjacent to the Mubafo discovery which tested oil from the Mucanzo sand section within the Pinda group formations. The Kindele-1 will be drilled to a depth of 1,800 meters to evaluate the Mucanzo sand section. The well will then be deepened to the salt to an estimated depth of 2,250 meters for geologic and geophysical correlation. The well is expected to take approximately six weeks to drill to total depth.

Additionally, the Company is nearing finalization of the seismic processing in the outboard portion of Block 5. The seismic processing is being performed to image pre-salt structures as potential targets for future exploration wells on Block 5.

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, acquisition opportunities and reserve growth. These statements are based on assumptions made by VAALCO based on its 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, 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 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.

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.

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-drilling-has-commenced-on-block-5-offshore-angola-300045627.html

SOURCE VAALCO Energy, Inc.