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VAALCO Energy Announces the Successful Workover of Avouma 2-H Well That is Now Producing 2,700 Barrels of Oil Per Day Gross

Total Company Net Production Currently Averaging 4,600 Barrels of Oil Equivalent Per Day

HOUSTON, Jan. 05, 2017 (GLOBE NEWSWIRE) -- VAALCO Energy, Inc. (NYSE:EGY) ("VAALCO" or the "Company") announced today that the Avouma 2-H well on the Avouma Platform offshore Gabon is back on production after utilizing a hydraulic workover unit to replace a failed Electric Submersible Pump (ESP) system. The well is currently producing at a stabilized rate of 2,700 barrels of oil per day (BOPD) gross, or 730 BOPD net to VAALCO. With the addition of the two recent workover wells, total Company net production is currently averaging 4,600 BOPD.

As previously announced, the ESP systems failed in both the South Tchibala 2-H and the Avouma 2-H wells on the Avouma Platform this past summer. Prior to temporarily shutting in the Avouma 2-H well after the ESP system failed, the well was producing approximately 2,400 gross BOPD or 650 BOPD net to VAALCO. Following completion of workover operations on the South Tchibala 2-H, previously described in a press release dated December 21st, workover operations on the Avouma 2-H were completed and the well was put back on production. The entire operation was conducted safely and efficiently with no injuries or threats to the environment. All personnel and equipment utilized during the combined operations on the two wells have been demobilized. The detailed inspection of the failed ESP components continues and it is expected that the cause of the failures will be determined during the first quarter of 2017. Monitoring of ESP operation and production optimization procedures continues for both wells.

Cary Bounds, VAALCO's Chief Executive Officer commented, "Following the successful workover of the South Tchibala 2-H well, we are pleased to have also restored production from the Avouma 2-H well at a higher rate than when it went offline this past summer. We have once again demonstrated our ability to safely and successfully conduct well interventions utilizing a hydraulic workover unit. Our net production has risen to approximately 4,600 barrels of oil equivalent per day, our highest rate since early summer 2016. We are pleased to begin 2017 with an attractive combination of strong production volumes and higher oil prices."

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.

This news release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are those concerning VAALCO's plans, expectations, and objectives for liquidity and capital resources, future drilling, completion, workover and other operations and activities. All statements, other than statements of historical facts, included in this release 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 may include expected capital expenditures, future drilling plans, prospect evaluations, liquidity, negotiations with governments and third parties, expectations regarding processing facilities, 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 oil and gas price volatility, inflation, general economic conditions, 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, 2015, subsequent quarterly reports on Form 10-Q, and other reports filed with the SEC. 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.

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Source: VAALCO Energy, Inc.