August 3, 2010

VAALCO Energy Provides Update on Drilling Activities

HOUSTON, Aug. 3 /PRNewswire-FirstCall/ -- VAALCO Energy, Inc. (NYSE: EGY) today provided a further update on the Southeast Etame No. 1 ("ETSEM-1") exploration well which, as previously announced, was drilled to a total depth of 2,757 meters (9,045 feet) offshore Gabon encountering approximately five meters (sixteen feet) of Gamba sandstone section which logged oil full to base.

(Logo: https://photos.prnewswire.com/prnh/20100316/NY71495LOGO)

(Logo: http://www.newscom.com/cgi-bin/prnh/20100316/NY71495LOGO)

VAALCO has completed a second sidetrack of the well and preliminary information indicates an oil column of up to 27 meters (90 feet) based upon the estimated oil/water contact. Further analysis will be required to estimate the size of the discovery and to assess potential development strategies.

The drilling rig "Sapphire Driller" will move to the Etame field to commence drilling a new horizontal development well, Etame 7H (ET-7H). The well is designed to replace the original vertical field discovery well (ET-1V) and is expected to be completed in the fourth quarter of 2010.

As previously announced, the partners in the Etame Marin concession met in mid-July, 2010, and elected to drill two additional wells immediately following the four well program. The first well, ETBSM-2H, will be a development well in the South Tchibala field. The second well, ETOMG-1, will be a new exploration well to test both the Gamba and Dentale reservoirs in the Omangou prospect. The prospect is located approximately two miles southeast of the Ebouri platform and approximately four miles to the northwest of the center of the Etame field.

The Company's subsidiary VAALCO Gabon Etame, Inc. operates the Etame Marin Permit in which it holds a 28.07% net interest in the Etame Field. Other participants in the permit 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%).

About VAALCO

VAALCO Energy, Inc. is a Houston, Texas 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.

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, side tracking 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 drilling plans, completion and production timetables, success of wells and costs to complete wells. 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, lack of availability of goods, services and capital, environmental risks, drilling and other operational 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, 2009 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.

Investor Contact	Media Contact
Greg Hullinger	Tim Lynch / Jaime Wert
Chief Financial Officer	Joele Frank, Wilkinson Brimmer Katcher
713-623-0801	212-355-4449

SOURCE VAALCO Energy, Inc.