

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM S-8
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

VAALCO ENERGY, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

76-0274813
(I.R.S. Employer
Identification Number)

4600 Post Oak Place, Suite 309, Houston, Texas 77027
(Address of Principal Executive Offices)

VAALCO ENERGY, INC.
W. RUSSELL SCHEIRMAN, II EMPLOYMENT AGREEMENT
ROBERT L. GERRY, III EMPLOYMENT AGREEMENT
(Full Title of Plan)

W. Russell Scheirman, II
4600 Post Oak Place, Suite 309
Houston, Texas 77027
(Name and Address of Agent for Service)

(713) 623-0801
(Telephone Number, Including Area Code, of Agent for Service)

Copy to:
HAYNES AND BOONE, LLP
1000 Louisiana, Suite 4300
Houston, Texas 77002
Attn: George G. Young III
(713) 547-2081

CALCULATION OF REGISTRATION FEE

<TABLE>
<CAPTION>

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee

<S>	<C>	<C>	<C>	<C>
Common Stock, par value \$0.10 per share (1)	980,000	\$1.00 (2)	\$636,250 (2)	\$51.47

</TABLE>

(1) In addition pursuant to Rule 416(c) under the Securities Act of 1933, this Registration Statement also covers an indeterminate amount of interests to be offered or sold pursuant to the employee benefit plans described herein.

(2) Pursuant to Rule 457(h) of the Securities Act of 1933, the offering price and registration fee is computed upon the basis of the price at which the stock options may be exercised. The stock options may be exercised at the following prices: 130,000 shares at \$0.375; 150,000 shares at \$0.50; 500,000 shares at \$0.625; and 200,000 shares at \$1.00.

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PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

ITEM 1. PLAN INFORMATION.*

ITEM 2. REGISTRANT INFORMATION AND EMPLOYEE PLAN ANNUAL INFORMATION.*

*Information specified in Part I of Form S-8 (Items 1 and 2) will be

sent or given to our employees and officers participating in the W. Russell Scheirman, II Employment Agreement and Robert L. Gerry, III Employment Agreement (the "Plans") as specified by Rule 428(b)(1) under the Securities Act of 1933.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by us with the Securities and Exchange Commission pursuant to Section 13 of the Securities Exchange Act of 1934, are incorporated herein by reference:

- . Annual Report on Form 10-KSB for the fiscal year ended December 31, 2001.
- . Quarterly Report on Form 10-QSB for the quarters ended March 31, 2002, June 30, 2002, and September 30, 2002.
- . Current Report on Form 8-K filed on August 19, 2002.
- . The description of our common stock contained in our Registration Statement on Form 10 (Registration No. 0-20928), as amended by Form 8 filed by us filed with the Commission on January 25, 1993, including any future amendment or report filed for the purpose of updating such description.

All documents subsequently filed by us pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all securities offered under the Plans have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be part hereof from the date of the filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part hereof.

ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable.

ITEM 5. INTERESTS OF NAMED PERSONS AND COUNSEL.

Not applicable.

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ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware, pursuant to which we are incorporated, provides generally and in pertinent part that a Delaware corporation may indemnify its directors, officers, employees and agents (or persons serving at our request as a director, officer, employee or agent of another entity) against expenses, judgments, fines, and settlements actually and reasonably incurred by them in connection with any civil, criminal, administrative, or investigative suit or action except actions by or in the right of the corporation if, in connection with the matters in issue, they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and in connection with any criminal suit or proceeding, if in connection with the matters in issue, they had no reasonable cause to believe their conduct was unlawful. Section 145 further provides that in connection with the defense or settlement of any action by or in the right of the corporation, a Delaware corporation may indemnify its directors, officers, employees and agents (or persons serving at our request as a director, officer, employee or agent of another entity) against expenses actually and reasonably incurred by them if, in connection with the matters in issue, they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue, or matter as to which such person has been adjudged liable to the corporation unless the Delaware Court of Chancery or other court in which such action or suit is brought approves such indemnification. Section 145 further permits a Delaware corporation to grant its directors and officers additional rights of indemnification through bylaw provisions and otherwise, and or purchase indemnity insurance on behalf of its directors and officers. Article Nine of our Certificate of Incorporation, as amended, and Article VII of our Bylaws, as amended, provide, in general, that we may indemnify our directors, officers, employees and agents (or persons serving at our request as a director, officer, employee or agent of another entity) to the full extent of Delaware law.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not Applicable.

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ITEM 8. EXHIBITS.

<TABLE> <CAPTION>			
EXHIBIT NUMBER	DESCRIPTION	INCORPORATED BY REFERENCE FROM	FILED HEREWITH
<S>	<C>	<C>	<C>
4.1	Restated Certificate of Incorporation of the Company	Incorporated by reference from exhibit 4.1 of the Company's Registration Statement on Form S-3, Reg.No. 333-59095 filed on July 15, 1998	
4.2	Certificate of Amendment to Restated Certificate of Incorporation of the Company	Incorporated by reference from exhibit 4.2 of the Company's Registration Statement on Form S-3, Reg.No. 333-59095 filed on July 15, 1998	
4.3	Bylaws of the Company	Incorporated by reference from exhibit 4.3 of the Company's Registration Statement on Form S-3, Reg.No. 333-59095 filed on July 15, 1998	
4.4	Amendment to Bylaws of the Company	Incorporated by reference from exhibit 4.4 of the Company's Registration Statement on Form S-3, Reg.No. 333-59095 filed on July 15, 1998	
4.5	Designation of Convertible Series A Preferred Stock of the Company	Incorporated by reference from exhibit 4.1 of the Company's Report on Form 8-K filed on March 4, 1998	
4.6	Specimen Stock Certificate of the Company's Common Stock	Incorporated by reference from exhibit 4.5 of the Company's Registration Statement on Form S-8, Reg. No. 333-67858, filed on August 17, 2001	
5.1	Opinion of Haynes and Boone, LLP		X
15.1	Letter re unaudited interim financial information*		

</TABLE>

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<TABLE> <CAPTION>			
EXHIBIT NUMBER	DESCRIPTION	INCORPORATED BY REFERENCE FROM	FILED HEREWITH
<S>	<C>	<C>	<C>
23.1	Consent of Deloitte & Touche LLP		X
23.2	Consent of Haynes and Boone, LLP		Included as part of Exhibit 5.1
24	Power of attorney		Signature Page to this Registration Statement

99.1	W. Russell Scheirman, II Employment Agreement	X
99.2	Robert L. Gerry, III Employment Agreement	X
99.3	W. Russell Scheirman, II Letter Agreement	X
99.4	Robert L. Gerry, III Letter Agreement	X

</TABLE>

*Not applicable

ITEM 9. UNDERTAKINGS.

(a) We hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of a prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by us pursuant to

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Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) We hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of our annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefits plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or

otherwise, we have been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by us of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Houston, State of Texas, on February 28, 2003.

VAALCO ENERGY, INC.

By: /s/ Robert L. Gerry, III

Robert L. Gerry, III
Chairman of the Board and
Chief Executive Officer

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POWER OF ATTORNEY

Each of the undersigned hereby appoints Robert L. Gerry, III and W. Russell Scheirman, II, and each of them, as attorney and agent for the undersigned, with full power of substitution, for and in the name, place and stead of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Act of 1933 any and all amendments and exhibits to this Registration Statement and any and all applications, instruments and other documents to be filed with the Securities and Exchange Commission pertaining to the registration of the securities covered hereby, with full power and authority to do and perform any and all acts and things whatsoever requisite or desirable.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on February 28, 2003.

Signature - -----	Title -----
/s/ Robert L. Gerry, III - ----- Robert L. Gerry, III	Chairman of the Board and Chief Executive Officer (principal executive officer)
/s/ W. Russell Scheirman, II - ----- W. Russell Scheirman, II	President, Chief Financial Officer and Director (principal accounting and financial officer)
/s/ Virgil A. Walston, Jr. - ----- Virgil A. Walston, Jr.	Vice Chairman of the Board and Chief Operating Officer
/s/ Robert H. Allen - ----- Robert H. Allen	Director
/s/ Walter W. Grist - ----- Walter W. Grist	Director
/s/ T. Michael Long - ----- T. Michael Long	Director

Touche LLP

23.2	Consent of Haynes and Boone, LLP	Included as part of Exhibit 5.1
24	Power of attorney	Signature Page to this Registration Statement
99.1	W. Russell Scheirman, II Employment Agreement	X
99.2	Robert L. Gerry, III Employment Agreement	X
99.3	W. Russell Scheirman, II Letter Agreement	X
99.4	Robert L. Gerry, III Letter Agreement	X

</TABLE>

*Not applicable

Exhibit 5.1

HAYNES AND BOONE, LLP
1000 Louisiana Street, Suite 4300
Houston, Texas 77002
(713) 547-2000

March 3, 2003

VAALCO Energy, Inc.
4600 Post Oak Place, Suite 309
Houston, Texas 77027

Gentlemen:

We have acted as counsel to VAALCO Energy, Inc., a Delaware corporation (the "Company"), in connection with the preparation of the Registration Statement on Form S-8 (the "Registration Statement") which relates to 980,000 shares of the Company's Common Stock, par value \$0.10 per share (the "Common Stock") subject to issuance on the exercise of options granted, or to be granted, under the W. Russell Scheirman, II Employment Agreement and Robert L. Gerry, III Employment Agreement (the "Plans").

In connection therewith, we have examined (i) the Certificate of Incorporation and the Bylaws of the Company, each as amended; (ii) the Plans; and (iii) such other documents, corporate records, certificates and other instruments as we have deemed necessary for the expression of the opinions contained herein.

In making the foregoing examination, we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals, and the conformity to original documents of all documents submitted to us as certified or photostatic copies. Furthermore, we have assumed that prices paid for shares of Common Stock will equal or exceed the par value per share of the Common Stock. As to questions of fact material to this opinion, where such facts have not been independently established, and as to the content and form of the Certificate of Incorporation (as amended), Bylaws (as amended), Plans, minutes, records, resolutions and other documents or writings of the Company, we have relied, to the extent we deem reasonably appropriate, upon representations or certificates of officers or directors of the Company and upon documents, records and instruments furnished to us by the Company, without independent check or verification of their accuracy.

Based upon the foregoing, and having due regard for such legal considerations as we deem relevant, we are of the opinion that the 980,000 shares of Common Stock covered by the Registration Statement, which may be issued from time to time pursuant to the purchase of shares of Common Stock in accordance with the terms of the Plans, have been duly authorized for issuance by the Company, and, when so issued in accordance with the respective terms and conditions of the Plans, will be validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement.

Very truly yours,

/s/ HAYNES AND BOONE, LLP

Haynes and Boone, LLP

Exhibit 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of VAALCO Energy, Inc. on Form S-8 of our report dated March 29, 2002, appearing in the Annual Report on Form 10-KSB of VAALCO Energy, Inc. for the year ended December 31, 2001.

/s/ Deloitte & Touche LLP

Houston, Texas
February 24, 2003

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into effective this 15th day of March, 1996, between VAALCO Energy, Inc., a Delaware corporation duly authorized to transact business in the State of Texas (the "Company") and W. Russell Scheirman, II, an individual residing in the City of Houston and State of Texas ("Executive").

WITNESSTH:

WHEREAS, Executive has certain expertise in the administration and management of the day-to-day affairs of business entities.

WHEREAS, it is the desire of the Company to utilize the services and advice of Executive, on a full-time basis, in connection with the administration and management of the day-to-day affairs of the Company upon the conditions and for the terms set forth hereinbelow,

and

WHEREAS, it is the desire of Executive be retained upon the conditions and for the terms set forth hereinbelow.

NOW, THEREFORE, IN CONSIDERATION of the premises and mutual promises and covenants contained herein, the parties hereto hereby agree as follows:

1. Term. By this Agreement, the Company retains Executive for a period of three (3) years beginning on March 15, 1996 and ending on August 1, 1998, (the "Section 1 Termination Date"), unless this Agreement is either renewed or sooner terminated as hereinafter provided.

2. Compensation. For all services rendered under this Agreement, Executive shall be compensated as follows:

A. Annual Compensation. The Company shall pay Executive for his services rendered pursuant to this Agreement an annual salary in the amount of One Hundred and Sixty Thousand Dollars (\$160,000.00), to be paid in semi-monthly payments of Six Thousand Six Hundred Sixty Six Dollars and Sixty Six Cents (\$6,666.66) each.

B. Directors Fees. Executive shall receive directors fees, in addition to this compensation, at the same rate as other directors or outside directors, if any.

C. Discretionary Bonus. Executive shall be entitled to a bonus in addition to Executive's Annual Compensation at the discretion of the Board of Directors of the Company as to amount and timing.

3. Benefits. The Company agrees that Executive shall be included or offered to be included in the following benefits:

A. Medical and Disability. The Company's hospital, surgical and medical and dental benefit plan and key man disability benefits plan adopted by the Company under the terms and conditions no less favorable than those applicable to other Executive officers of the Company.

B. Life Insurance. The Company's Group Term Life Insurance Policy. Such Insurance shall be in the amount of Seventy Thousand and no/100 Dollars (\$70,000.00). Executive shall be entitled to designate, at his sole discretion the beneficiary or beneficiaries of such insurance.

C. Pension and Stock Option Plans. Executive shall have the option to purchase 1,000,000 shares under the following terms and conditions:

OPTIONS for	400,000 shares
Price	\$0.375 per share Being the closing bid price of the stock on March 14, 1996 the last day of trading prior to the commencement of this contract.
Vesting	200,000 at March 15, 1996 70,000 at March 14, 1997 70,000 at March 14, 1998 60,000 at August 1, 1998
Term	Exercisable for five years from the date of vesting.
OPTIONSfor	300,000 shares

Price	\$0.50/share
Vesting	150,000 shares at March 14, 1997 150,000 shares at March 14, 1998
Term	Exercisable for five years from the date of vesting
OPTIONS for	300,000 shares
Price	\$1.00/share
Vesting	100,000 shares at March 14, 1997 100,000 shares at March 14, 1998 100,000 shares at August 1, 1998
Term	Exercisable for five years from the date of vesting

D. Sick Pay. Executive shall be entitled to 5/6 days per month of employment during the term of this Agreement as sick days for personal and family illness.

E. Vacation. Executive shall be entitled to three (3) weeks of paid vacation per year of service to the Company. The timing of such vacation shall be approved by the Chairman of the Board of the Company (the "Chairman") and Executive shall be entitled to cumulate such vacation time during the term of this Agreement to a maximum of thirty (30) days. In no event however, shall Executive be entitled to take vacation time off in excess of three (3) weeks without the prior approval of the Chairman, which approval may be withheld at the sole and absolute discretion of the Chairman.

F. Holidays. Executive shall be entitled to paid holidays in accordance with established Company policy in addition to Sick Pay and Vacation.

All Benefits set forth in this Section 3 shall commence on the Effective Date hereof.

4. Reimbursement of Expenses Incurred by Executive. The Company shall pay or reimburse Executive for all reasonable and necessary business expenses for traveling, entertainment and such other reasonable and necessary expenses paid or incurred by Executive in connection with the performance of his services hereunder. Payments by the Company will be made for all expenses upon presentation of an expense statement, vouchers or other supporting information required by the Company.

5. Duties of Executive.

A. Duties. Executive shall hold the titles and offices of the President and Chief Financial Officer of the Company and Executive shall remain as one (1) of the three (3) inside members of the Board of Directors during the term of this Agreement. Executive shall have general supervision, direction and control of the day-to-day affairs and business of the Company, which shall include, but not be limited to those duties commensurate with Executive's abilities and expertise as may be assigned to him from time to time by the Company's Board of Directors or as may be provided in the Bylaws of the Company.

It is recognized and acknowledged by the Company and acknowledged by the Company that the duties of the Executive shall not include the ability of Executive to raise capital or venture funds for the Company.

B. Devotion of Time. Executive warrants that he is free to enter into the terms of this Agreement, that he has no obligations inconsistent herewith and that he will devote his best efforts and full time during normal business hours to the business of the Company during the term of any renewal term hereof.

6. Indemnification. The Company shall indemnify and hold harmless Executive for all costs and losses sustained by Executive in connection with his services in discharge of his duties under this Agreement, save and except that the Company shall not be obligated to indemnify Executive in connection with Executive's willful or wanton misconduct.

7. Working Conditions. The Company shall provide Executive with facilities and services as are suitable to Executive's position or required for the performance of his duties.

8. Renewal. This Agreement shall be automatically renewed, with ninety (90) days prior written notice to Executive, for a period of one (1) year from the Section 1 Termination Date (such Date as so extended being termed the "Renewal Termination Date").

9. Termination. This Agreement shall be terminated immediately upon the

occurrence of any one of the following events:

A. Business Discontinuation. The occurrence of circumstances that make it impossible or impractical for the business of the Company to be continued.

B. Death. The death of Executive.

C. Incapacity. The continued incapacity on the part of Executive to perform his duties for a continuous period of one hundred eighty (180) days or more, unless waived by the Company.

D. Misconduct. The entry of a final and non-appealable judgment by a court of competent jurisdiction to the effect that Executive, in connection with his services for the Company, committed any act or omission which was criminal, or constituted willful or wanton misconduct (the day on which such judgment becomes non-appealable hereinafter being termed the "Section 9D Termination Date"). Only termination pursuant to this Section 9D shall be deemed to be termination for cause.

E. Executive. Executive shall be entitled to terminate this Agreement upon thirty (30) days prior written notice to the Company. The date on which such termination becomes effective hereinafter being termed the "Section 9E Termination Date".

10. Effect of Termination.

A. For Cause. In the event of the termination of this Agreement by the Company for any of the reasons set forth in Section 9D:

(i) Executive shall be entitled to further compensation under Sections 2A and 2C above only to the extent earned prior to the Section 9D Termination Date, computed pro rata, up to and including the Section 9D Termination Date;

(ii) With respect to the plans and policies referred to in Section 3 above, and except as provided by law, Executive's coverage as an active Executive of the Company shall cease on the Section 9D Termination Date; and

(iii) Executive shall be relieved of all duties and obligations under this Agreement, as of the Section 9D Termination Date.

B. By Executive. In the event of the termination of this Agreement by Executive as set forth in Section 9E:

(i) Executive shall be entitled to further compensation under section 2A, 2B, and 2CC above only to the extent earned prior to the Section 9E Termination Date, computed pro rata, up to and including the Section 9E Termination Date;

(ii) With respect to the Plans and Policies referred to in Section 3 above, and except as provided by law, Executive's coverage as an active employee of the Company shall cease on the Section 9E Termination Date; and

(iii) Executive shall be relieved of all duties and obligations under this Agreement as of the Section 9E Termination Date.

C. Other Circumstances. In all cases of termination other than for cause under Section 9D and termination by Executive under Section 9E, Executive (or his estate) shall be entitled to a lump sum payment equal to the remaining compensation due Executive under Section 2A through the Section 1 Termination Date or the Renewal Termination Date, as the case may be. Such a termination shall not extinguish or otherwise effect Executive's rights, compensation or benefits under Section 2,3,4,6 or 8 of this Agreement and such lump sum payment shall be due and payable to Executive by the Company on the date of such termination.

11. Non-Disclosure of Confidential Information. Executive recognizes that the Company's business interests require a confidential relationship between the Company and Executive and the protection and confidential treatment of the Company's technology, trade secrets, know-how, inventions and other knowledge of or pertaining to its business that will be conceived or learned by Executive in the course of his employment hereunder including, without limitation, lists of the Company's customers, suppliers, price lists, commission schedules, processes, plans, research, information and methods of doing business, all of which are hereinafter jointly termed "confidential information". Accordingly, Executive agrees to keep secret and to treat confidentially all of the Company's confidential information, whether patentable, patented or not, and not to use or aid others in using such confidential information in competition with the Company for so long as the confidential or secret nature of such confidential information shall continue under applicable law. Upon termination of this Agreement, Executive agrees to surrender promptly to the Company all

papers, documents, writings and other property produced by him or coming into

his possession by or through his employment and relating to the confidential information referred to in this paragraph 11, and Executive understands and agrees that all such materials will at all times remain the exclusive property of the Company.

12. Notices. All notices, requests, demands or other communications provided for by this Agreement shall be in writing and shall be deemed to have been given when mailed at any general or branch United States Post Office enclosed in a certified postpaid envelope, return receipt requested and addressed at the address of the respective party stated below or such changed address as the party may have fixed by notice:

To the Company: VAALCO Energy, Inc.
 4600 Post Oak Place
 Suite 309
 Houston, Texas 77027

To Executive: W. Russell Scheirman, II
 1745 North Boulevard
 Houston, Texas 77098

Any notice of change of address shall only be effective, however when received.

13. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Company, its predecessors, agents, successors and assigns, including, without limitation, any entity which may acquire all or substantially all of the Company's assets and business or into which the Company may be consolidated or merged, and Executive, his heirs, executors, administration and legal representatives. Executive may assign his rights to payment, but not his obligations, under this Agreement.

14. Remedies. Any party hereto commences any action at law or in equity to enforce or interpret the terms of this Agreement and prevails, such prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such prevailing party may be entitled.

15. Applicable Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas.

16. Other Agreements. This Agreement supersedes all prior understandings and agreements between the parties. This Agreement may not be amended orally, but only in writing signed by the parties hereto.

17. Non-waiver. No delay or failure by either party in exercising any right under this Agreement, and no partial or single exercise of this right, shall constitute a waiver of that or any other right.

18. Headings. Headings or captions in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

19. Severability. If any portion of this Agreement is found to be illegal or unenforceable then the remaining portions of this Agreement shall be read as if the illegal or unenforceable provision had been deleted from this Agreement, ab initio.

20. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

EXECUTED as of the date first above written.

ATTEST: VAALCO Energy, Inc.

By: _____
Name: _____
Title: _____

WITNESS: EXECUTIVE

W. Russell Scheirman, II

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into this 1st day of August, 1997, between VAALCO Energy, Inc., a Delaware corporation duly authorized to transact business in the State of Texas (the "Company") and Robert L. Gerry, III, an individual residing in the City of Houston and State of Texas ("Executive").

WITNESSTH:

WHEREAS, Executive has certain expertise in the administration and management of the day-to-day affairs of business entities.

WHEREAS, it is the desire of the Company to utilize the services and advice of Executive, on a full-time basis, in connection with the administration and management of the day-to-day affairs of the Company upon the conditions and for the terms set forth hereinbelow,

and

WHEREAS, it is the desire of Executive be retained upon the conditions and for the terms set forth hereinbelow.

NOW, THEREFORE, IN CONSIDERATION of the premises and mutual promises and covenants contained herein, the parties hereto hereby agree as follows:

1. Term. By this Agreement, the Company retains Executive for a period of one (1) year beginning on August 1, 1997 and ending on July 31, 1998, (the "Section 1 Termination Date"), unless this Agreement is either renewed or sooner terminated as hereinafter provided.

2. Compensation. For all services rendered under this Agreement, Executive shall be compensated as follows:

A. Annual Compensation. The Company shall pay Executive for his services rendered pursuant to this Agreement an annual salary in the amount of Two Hundred and Twenty Five Thousand Dollars (\$225,000.00), to be paid in semi-monthly payments of Nine Thousand Three Hundred Seventy Five Dollars (\$9,375.00) each.

B. Directors Fees. Executive shall receive directors fees, in addition to this compensation, at the same rate as other directors or outside directors, if any.

C. Discretionary Bonus. Executive shall be entitled to a bonus in addition to Executive's Annual Compensation at the discretion of the Board of Directors of the Company as to amount and timing.

3. Benefits. The Company agrees that Executive shall be included or offered to be included in the following benefits:

A. Medical and Disability. The Company's hospital, surgical and medical and dental benefit plan and key man disability benefits plan adopted by the Company under the terms and conditions no less favorable than those applicable to other Executive officers of the Company.

B. Life Insurance. The Company's Group Term Life Insurance Policy. Such insurance shall be in the amount of Seventy Thousand and no/100 Dollars (\$70,000.00). Executive shall be entitled to designate, at his sole discretion the beneficiary or beneficiaries of such insurance.

C. Pension and Stock Option Plans. Executive shall have the option to purchase 1,000,000 shares under the following terms and conditions:

OPTIONS for	1,000,000 shares
Price	\$0.625 per share Being the closing bid price of the stock on May 5, 1997 the last day of trading prior to the date of this contract.
Vesting	500,000 at August 1, 1997 500,000 at July 31, 1998
Term	Exercisable for five years from the date of vesting.

D. Sick Pay. Executive shall be entitled to Ten (10) days per year of employment during the term of this Agreement as sick days for personal and family illness.

E. Vacation. Executive shall be entitled to three (3) weeks of paid vacation per year of service to the Company. The timing of such vacation shall be approved by the Chairman of the Board of the Company (the "Chairman") and Executive shall be entitled to cumulate such vacation time during the term of this Agreement to a maximum of thirty (30) days. In no event however, shall Executive be entitled to take vacation time off in excess of three (3) weeks without the prior approval of the Chairman, which approval may be withheld at the sole and absolute discretion of the Chairman.

F. Holidays. Executive shall be entitled to paid holidays in accordance with established Company policy in addition to Sick Pay and Vacation.

All Benefits set forth in this Section 3 shall commence on the Effective Date hereof.

4. Reimbursement of Expenses Incurred by Executive. The Company shall pay or reimburse Executive for all reasonable and necessary business expenses for traveling, entertainment and such other reasonable and necessary expenses paid or incurred by Executive in connection with the performance of his services hereunder. Payments by the Company will be made for all expenses upon presentation of an expense statement, vouchers or other supporting information required by the Company.

5. Duties of Executive.

A. Duties. Executive shall hold the titles and offices of Chief Executive Officer of the Company and Executive shall be elected as one (1) of the four (4) inside members of the Board of Directors and serve as Chairman of the Board during the term of this Agreement. Executive shall have general supervision, direction and control of the day-to-day affairs and business of the Company, which shall include, but not be limited to those duties commensurate with Executive's abilities and expertise as may be assigned to him from time to time by the Company's Board of Directors or as may be provided in the Bylaws of the Company.

B. Devotion of Time. Executive warrants that he is free to enter into the terms of this Agreement, that he has no obligations inconsistent herewith and that he will devote his best efforts and full time during normal business hours to the business of the Company during the term of any renewal term hereof.

6. Indemnification. The Company shall indemnify and hold harmless Executive for all costs and losses sustained by Executive in connection with his services in discharge of his duties under this Agreement, save and except that the Company shall not be obligated to indemnify Executive in connection with Executive's willful or wanton misconduct.

7. Working Conditions. The Company shall provide Executive with facilities and services as are suitable to Executive's position or required for the performance of his duties.

8. Renewal. This Agreement shall be automatically renewed, with thirty (30) days prior written notice to Executive, for a period of one (1) year from the Section 1 Termination Date (such Date as so extended being termed the "Renewal Termination Date").

9. Termination. This Agreement shall be terminated immediately upon the occurrence of any one of the following events:

A. Business Discontinuation. The occurrence of circumstances that make it impossible or impractical for the business of the Company to be continued.

B. Death. The death of Executive.

C. Incapacity. The continued incapacity on the part of Executive to perform his duties for a continuous period of one hundred eighty (180) days or more, unless waived by the Company.

D. Misconduct. The entry of a final and non-appealable judgment by a court of competent jurisdiction to the effect that Executive, in connection with his services for the Company, committed any act or omission which was criminal, or constituted willful or wanton misconduct (the day on which such judgment becomes non-appealable hereinafter being termed the "Section 9D Termination Date"). Only termination pursuant to this Section 9D shall be deemed to be termination for cause.

E. Executive. Executive shall be entitled to terminate this Agreement upon thirty (30) days prior written notice to the Company. The date on which such termination becomes effective hereinafter being termed the "Section 9E Termination Date".

10. Effect of Termination.

A. For Cause. In the event of the termination of this Agreement by the Company for any of the reasons set forth in Section 9D:

(i) Executive shall be entitled to further compensation under Sections 2A and 2C above only to the extent earned prior to the Section 9D Termination Date, computed pro rata, up to and including the Section 9D Termination Date;

(ii) With respect to the plans and policies referred to in Section 3 above, and except as provided by law, Executive's coverage as an active Executive of the Company shall cease on the Section 9D Termination Date; and

(iii) Executive shall be relieved of all duties and obligations under this Agreement, as of the Section 9D Termination Date.

B. By Executive. In the event of the termination of this Agreement by Executive as set forth in Section 9E:

(i) Executive shall be entitled to further compensation under section 2A, 2B, and 2C above only to the extent earned prior to the Section 9E Termination Date, computed pro rata, up to and including the Section 9E Termination Date;

(ii) With respect to the Plans and Policies referred to in Section 3 above, and except as provided by law, Executive's coverage as an active employee of the Company shall cease on the Section 9E Termination Date; and

(iii) Executive shall be relieved of all duties and obligations under this Agreement as of the Section 9E Termination Date.

C. Other Circumstances. In all cases of termination other than for cause under Section 9D and termination by Executive under Section 9E, Executive (or his estate) shall be entitled to a lump sum payment equal to the remaining compensation due Executive under Section

2A through the Section 1 Termination Date or the Renewal Termination Date, as the case may be. Such a termination shall not extinguish or otherwise effect Executive's rights, compensation or benefits under Section 2,3,4,6 or 8 of this Agreement and such lump sum payment shall be due and payable to Executive by the Company on the date of such termination.

11. Non-Disclosure of Confidential Information. Executive recognizes that the Company's business interests require a confidential relationship between the Company and Executive and the protection and confidential treatment of the Company's technology, trade secrets, know-how, inventions and other knowledge of or pertaining to its business that will be conceived or learned by Executive in the course of his employment hereunder including, without limitation, lists of the Company's customers, suppliers, price lists, commission schedules, processes, plans, research, information and methods of doing business, all of which are hereinafter jointly termed "confidential information". Accordingly, Executive agrees to keep secret and to treat confidentially all of the Company's confidential information, whether patentable, patented or not, and not to use or aid others in using such confidential information in competition with the Company for so long as the confidential or secret nature of such confidential information shall continue under applicable law. Upon termination of this Agreement, Executive agrees to surrender promptly to the Company all papers, documents, writings and other property produced by him or coming into his possession by or through his employment and relating to the confidential information referred to in this paragraph 11, and Executive understands and agrees that all such materials will at all times remain the exclusive property of the Company.

12. Notices. All notices, requests, demands or other communications provided for by this Agreement shall be in writing and shall be deemed to have been given when mailed at any general or branch United States Post Office enclosed in a certified postpaid envelope, return receipt requested and addressed at the address of the respective party stated below or such changed address as the party may have fixed by notice:

To the Company: VAALCO Energy, Inc.
4600 Post Oak Place
Suite 309
Houston, Texas 77027

To Executive: Robert L. Gerry, III
2114 Kingston Court
Houston, Texas 77019

Any notice of change of address shall only be effective, however when received.

13. Successors and Assigns. This Agreement shall inure to the benefit

of and be binding upon the Company, its predecessors, agents, successors and assigns, including, without limitation, any entity which may acquire all or substantially all of the Company's assets and business or into which the Company may be consolidated or merged, and Executive, his heirs, executors, administration and legal representatives. Executive may assign his rights to payment, but not his

obligations, under this Agreement.

14. Remedies. If any party hereto commences any action at law or in equity to enforce or interpret the terms of this Agreement and prevails, such prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such prevailing party may be entitled.

15. Applicable Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas.

16. Other Agreements. This Agreement supersedes all prior understandings and agreements between the parties. This Agreement may not be amended orally, but only in writing signed by the parties hereto.

17. Non-waiver. No delay or failure by either party in exercising any right under this Agreement, and no partial or single exercise of this right, shall constitute a waiver of that or any other right.

18. Headings. Headings or captions in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

19. Severability. If any portion of this Agreement is found to be illegal or unenforceable then the remaining portions of this Agreement shall be read as if the illegal or unenforceable provision had been deleted from this Agreement, ab initio.

20. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

EXECUTED as of the date first above written.

ATTEST: VAALCO Energy, Inc.

By: _____
Name: _____
Title: _____

WITNESS: EXECUTIVE

Robert L. Gerry, III

March 3, 2003

W. Russell Scheirman, II
4600 Post Oak Place, Suite 309
Houston, Texas 77027

Dear Mr. Scheirman:

Reference is made to the Employment Agreement (the "Employment Agreement") dated March 15, 1996 by and between VAALCO Energy, Inc., a Delaware corporation (the "Company"), and W. Russell Scheirman, II ("Executive"). The Company and the executive agree that Section 3.C of the Employment Agreement is hereby amended to permit Executive to pay the option price in cash or by tendering to the Company shares of Company common stock, par value \$.10 per share, or any combination thereof. The common stock so tendered will be valued on the date of exercise by the board of directors of the Company in such manner as the board of directors shall deem appropriate.

Except as explicitly amended by this letter, the terms, conditions, rights and obligations under the Employment Agreement shall remain in full force and effect.

Very truly yours,

VAALCO ENERGY, INC.

By: _____
Name: _____
Title: _____

Accepted:

W. Russell Scheirman, II

March 3, 2003

Robert L. Gerry, III
4600 Post Oak Place, Suite 309
Houston, Texas 77027

Dear Mr. Gerry:

Reference is made to the Employment Agreement (the "Employment Agreement") dated August 1, 1997 by and between VAALCO Energy, Inc., a Delaware corporation (the "Company"), and Robert L. Gerry, III ("Executive"). The Company and the executive agree that Section 3.C of the Employment Agreement is hereby amended to permit Executive to pay the option price in cash or by tendering to the Company shares of Company common stock, par value \$.10 per share, or any combination thereof. The common stock so tendered will be valued on the date of exercise by the board of directors of the Company in such manner as the board of directors shall deem appropriate.

Except as explicitly amended by this letter, the terms, conditions, rights and obligations under the Employment Agreement shall remain in full force and effect.

Very truly yours,

VAALCO ENERGY, INC.

By: _____
Name: _____
Title: _____

Accepted:

Robert L. Gerry, III