

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 13D**

(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
§ 240.13d-2(a)

(Amendment No. 1)<sup>1</sup>

VAALCO Energy, Inc.  
(Name of Issuer)

Common Stock, \$0.10 par value  
(Title of Class of Securities)

91851C201  
(CUSIP Number)

ADAM FINERMAN, ESQ.  
OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP  
Park Avenue Tower  
65 East 55th Street  
New York, New York 10022  
(212) 451-2300

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

April 11, 2008  
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

*Note:* Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

<sup>1</sup> The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the *Notes*).

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1	NAME OF REPORTING PERSON  NANES DELORME PARTNERS I LP	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS  WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  DELAWARE	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 4,700,000
	8	SHARED VOTING POWER - 0 -
	9	SOLE DISPOSITIVE POWER 4,700,000
	10	SHARED DISPOSITIVE POWER - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  4,700,000	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  8.0%	
14	TYPE OF REPORTING PERSON  PN	

1	NAME OF REPORTING PERSON  NANES BALKANY PARTNERS LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS  AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  DELAWARE	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 4,700,000
	8	SHARED VOTING POWER - 0 -
	9	SOLE DISPOSITIVE POWER 4,700,000
	10	SHARED DISPOSITIVE POWER - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  4,700,000	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  8.0%	
14	TYPE OF REPORTING PERSON  OO	

1	NAME OF REPORTING PERSON  NANES BALKANY MANAGEMENT LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS  AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  DELAWARE	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  4,700,000
	8	SHARED VOTING POWER  - 0 -
	9	SOLE DISPOSITIVE POWER  4,700,000
	10	SHARED DISPOSITIVE POWER  - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  4,700,000	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  8.0%	
14	TYPE OF REPORTING PERSON  OO	

1	NAME OF REPORTING PERSON  JULIEN BALKANY	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS  AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  FRANCE	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 4,700,000
	8	SHARED VOTING POWER - 0 -
	9	SOLE DISPOSITIVE POWER 4,700,000
	10	SHARED DISPOSITIVE POWER - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  4,700,000	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  8.0%	
14	TYPE OF REPORTING PERSON  IN	

1	NAME OF REPORTING PERSON  DARYL NANES	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS  AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  USA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 4,700,000
	8	SHARED VOTING POWER - 0 -
	9	SOLE DISPOSITIVE POWER 4,700,000
	10	SHARED DISPOSITIVE POWER - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  4,700,000	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  8.0%	
14	TYPE OF REPORTING PERSON  IN	

1	NAME OF REPORTING PERSON  LEONARD TOBOROFF	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS  AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  USA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  - 0 -
	8	SHARED VOTING POWER  - 0 -
	9	SOLE DISPOSITIVE POWER  - 0 -
	10	SHARED DISPOSITIVE POWER  - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  - 0 - <sup>1</sup>	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  - 0 -	
14	TYPE OF REPORTING PERSON  IN	

<sup>1</sup> See Item 5.

1	NAME OF REPORTING PERSON  CLARENCE COTTMAN III	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS  AF	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION  USA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  - 0 -
	8	SHARED VOTING POWER  - 0 -
	9	SOLE DISPOSITIVE POWER  - 0 -
	10	SHARED DISPOSITIVE POWER  - 0 -
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  - 0 - <sup>1</sup>	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input checked="" type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  - 0 -	
14	TYPE OF REPORTING PERSON  IN	

<sup>1</sup> See Item 5.



The following constitutes Amendment No. 1 to the Schedule 13D filed by the undersigned (“Amendment No. 1”). This Amendment No. 1 amends the Schedule 13D as specifically set forth.

Item 2. Identity and Background.

Item 2(a) is amended and restated to read as follows:

(a) This statement is filed by Nanes Delorme Partners I LP, a Delaware limited partnership (“Nanes Delorme Partners”), Nanes Balkany Partners LLC, a Delaware limited liability company (“Nanes Balkany Partners”), Nanes Balkany Management LLC, a Delaware limited liability company (“Nanes Balkany Management”), Julien Balkany, Daryl Nanes, Leonard Toboroff and Clarence Cottman III. Each of the foregoing is referred to as a “Reporting Person” and collectively as the “Reporting Persons.” Each of the Reporting Persons is party to that certain Joint Filing and Solicitation Agreement as further described in Item 6. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D.

Nanes Balkany Partners is the general partner of Nanes Delorme Partners. Nanes Balkany Management is the investment manager of Nanes Delorme Partners. The managing members of Nanes Balkany Partners and Nanes Balkany Management are Julien Balkany and Daryl Nanes. By virtue of their positions with Nanes Balkany Partners and Nanes Balkany Management, Messrs. Balkany and Nanes have the sole power to vote and dispose of the Issuer’s Shares owned by Nanes Delorme Partners. Messrs. Balkany, Toboroff and Cottman are nominees for the Board of Directors of the Issuer (the “Nominees”).

Item 2(b) is amended and restated to read as follows:

(b) The principal business address of Nanes Delorme Partners, Nanes Balkany Partners, Nanes Balkany Management, Julien Balkany and Daryl Nanes is 230 Park Avenue, 7<sup>th</sup> Floor, New York, New York, 10169.

The principal business address of Mr. Toboroff is c/o Corinthian Capital Group, LLC, 153 East 53rd Street, 59th Floor, New York, New York 10021.

The principal business address of Mr. Cottman is c/o Legacy Energy, Inc., 1135 Eugenia Place, Suite C, Carpinteria, California 93013.

Item 2(c) is amended to add the following:

The principal occupation of Mr. Toboroff is serving as a director and Vice Chairman of the Board of Allis-Chalmers Energy Inc., a provider of products and services to the oil and gas industry listed on the NYSE, and as an Executive Director of Corinthian Capital Group, LLC, a private equity fund.

The principal occupation of Mr. Cottman is serving as President of Legacy Energy, Inc., a private oil and gas exploration and production company, and Vice Chairman of Petro Falcon Corporation, an oil and gas exploration and production company focused on Venezuela.

Item 2(f) is amended and restated to read as follows:

- (f) Mr. Balkany is a citizen of France and Messrs. Nanes, Toboroff and Cottman are citizens of the United States of America.

Item 4. Purpose of Transaction.

Item 4 is amended to add the following:

On April 11, 2008, Nanes Delorme Partners delivered a letter (the "Nomination Letter") to the Corporate Secretary of the Issuer nominating the Nominees, as set forth therein, for election to the Issuer's Board of Directors at the Issuer's 2008 annual meeting of stockholders, or any other meeting of stockholders held in lieu thereof, and any adjournments, postponements, reschedulings or continuations thereof (the "Annual Meeting"). A copy of the Nomination Letter is attached as an exhibit hereto and is incorporated herein by reference.

Item 5. Interest in Securities of the Issuer.

Item 5(a) is hereby amended and restated to read as follows:

(a) The aggregate percentage of Shares reported owned by each person named herein is based upon 59,194,182 Shares outstanding, which is the total number of Shares reported to be outstanding as of February 29, 2008 in the Issuer's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on March 14, 2008.

As of the date hereof, Nanes Delorme Partners beneficially owns 4,700,000 Shares, constituting approximately 8.0% of the Shares outstanding. As the general partner of Nanes Delorme Partners, Nanes Balkany Partners may be deemed to beneficially own the 4,700,000 Shares owned by Nanes Delorme Partners, constituting approximately 8.0% of the Shares outstanding. As the investment manager of Nanes Delorme Partners, Nanes Balkany Management may be deemed to beneficially own the 4,700,000 Shares owned by Nanes Delorme Partners, constituting approximately 8.0% of the Shares outstanding. As the managing members of Nanes Balkany Partners and Nanes Balkany Management, Messrs. Balkany and Nanes may be deemed to beneficially own the 4,700,000 Shares owned by Nanes Delorme Partners, constituting approximately 8.0% of the Shares outstanding. Messrs. Balkany and Nanes have sole voting and dispositive power with respect to the 4,700,000 Shares owned by Nanes Delorme Partners by virtue of their authority to vote and dispose of such Shares. Nanes Balkany Partners, Nanes Balkany Management and Messrs. Balkany and Nanes disclaim beneficial ownership of the Shares held by Nanes Delorme Partners, except to the extent of their pecuniary interest therein.

Messrs. Toboroff and Cottman do not directly own any Shares. Messrs. Toboroff and Cottman, as members of a "group" for the purposes of Rule 13d-5(b)(1) of the Exchange Act, may be deemed to beneficially own the 4,700,000 Shares owned by Nanes Delorme Partners. Messrs. Toboroff and Cottman disclaim beneficial ownership of such Shares.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 is hereby amended to add the following:

On April 11, 2008, the Reporting Persons entered into a Joint Filing and Solicitation Agreement in which, among other things, (a) the parties agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of the Issuer, (b) the parties agreed to solicit proxies or written consents for the election of the Nominees or any other person designated by the Reporting Persons to the Issuer's Board of Directors at the Annual Meeting and to take all other action necessary or advisable to achieve the foregoing (the "Solicitation"), and (c) Nanes Delorme Partners, subject to its pre-approval, agreed to pay all expenses incurred in connection with the Reporting Persons' activities, including approved expenses incurred by any of the parties in connection with the Solicitation. A copy of the Joint Filing and Solicitation Agreement is attached as an exhibit hereto and is incorporated herein by reference.

Nanes Delorme Partners has executed or intends to execute letter agreements pursuant to which it agrees to indemnify Messrs. Toboroff and Cottman against claims arising from the solicitation of proxies from VAALCO stockholders in connection with the Annual Meeting and any related transactions (the "Indemnification Letter Agreement"). The form of the Indemnification Letter Agreement is attached as an exhibit hereto and is incorporated herein by reference.

Nanes Delorme Partners has also executed or intends to execute letter agreements pursuant to which it agrees to compensate each of Messrs. Toboroff and Cottman (i) \$25,000 in cash as soon as reasonably practicable after submission of this letter and (ii) solely in the event that Nanes Delorme Partners withdraws its nomination of any such nominee prior to the Annual Meeting, other than as a result of such nominee failing to provide Nanes Delorme Partners with information which it reasonably requests, an additional \$25,000 within ten business days following the date of such withdrawal (the "Compensation Letter Agreement"). The form of the Compensation Letter Agreement is attached as an exhibit hereto and is incorporated herein by reference.

Other than as described herein, there are no contracts, arrangements, understandings or relationships among the Reporting Persons, or between the Reporting Persons and any other person, with respect to the securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

Item 7 is hereby amended to add the following:

- 99.1 Joint Filing and Solicitation Agreement by and among Nanes Delorme Partners I LP, Nanes Balkany Partners LLC, Nanes Balkany Management LLC, Julien Balkany, Daryl Nanes, Leonard Toboroff and Clarence Cottman III, dated April 11, 2008.

- 99.2 Nomination Letter from Nanes Delorme Partners I LP to VAALCO Energy, Inc., dated April 11, 2008.
- 99.3 Form of Indemnification Letter Agreement.
- 99.4 Form of Compensation Letter Agreement.

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: April 11, 2008

NANES DELORME PARTNERS I LP

By: Nanes Balkany Partners LLC  
General Partner

By: /s/ Daryl Nanes  
Name: Daryl Nanes  
Title: Managing Member

NANES BALKANY PARTNERS LLC

By: /s/ Daryl Nanes  
Name: Daryl Nanes  
Title: Managing Member

NANES BALKANY MANAGEMENT LLC

By: /s/ Daryl Nanes  
Name: Daryl Nanes  
Title: Managing Member

/s/ Julien Balkany

JULIEN BALKANY

/s/ Daryl Nanes

DARYL NANES

/s/ Leonard Toboroff

LEONARD TOBOROFF

/s/ Clarence Cottman III

CLARENCE COTTMAN III

EXHIBIT LIST

Exhibit

- 99.1 Joint Filing and Solicitation Agreement by and among Nanes Delorme Partners I LP, Nanes Balkany Partners LLC, Nanes Balkany Management LLC, Julien Balkany, Daryl Nanes, Leonard Toboroff and Clarence Cottman III, dated April 11, 2008.
- 99.2 Nomination Letter from Nanes Delorme Partners I LP to VAALCO Energy, Inc., dated April 11, 2008.
- 99.3 Form of Indemnification Letter Agreement.
- 99.4 Form of Compensation Letter Agreement.

**JOINT FILING AND SOLICITATION AGREEMENT**

WHEREAS, certain of the undersigned are stockholders, direct or beneficial, of VAALCO Energy, Inc., a Delaware corporation (“VAALCO” or the “Company”); and

WHEREAS, Nanes Delorme Partners I LP, a Delaware limited partnership (“Nanes Delorme Partners”), Nanes Balkany Partners LLC, a Delaware limited liability company and the general partner of Nanes Delorme Partners (“Nanes Balkany Partners”), Nanes Balkany Management LLC, a Delaware limited liability company and the investment manager of Nanes Delorme Partners (“Nanes Balkany Management”), Julien Balkany (“Mr. Balkany”), Daryl Nanes (“Mr. Nanes” and, together with Nanes Delorme Partners, Nanes Balkany Partners, Nanes Balkany Management and Mr. Balkany, the “Nanes Balkany Group”), Leonard Toboroff and Clarence Cottman III wish to form a group for the purpose of (i) soliciting proxies or written consents to elect Messrs. Balkany, Toboroff and Cottman (the “Nominees”), or any other person designated by Nanes Delorme Partners, as directors of VAALCO, (ii) taking such other actions as the parties deem advisable and (iii) taking all other action necessary or advisable to achieve the foregoing.

NOW, IT IS AGREED, this 11th day of April 2008 by the parties hereto:

1. In accordance with Rule 13d-1(k)(1)(iii) under the Securities Exchange Act of 1934, as amended, each of the undersigned (collectively, the “Group”) agrees to the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of VAALCO. Each member of the Group shall be responsible for the accuracy and completeness of his/its own disclosure therein, and is not responsible for the accuracy and completeness of the information concerning the other members, unless such member knows or has reason to know that such information is inaccurate.
  2. So long as this agreement is in effect, each of the undersigned shall provide written notice to Olshan Grundman Frome Rosenzweig & Wolosky LLP (“Olshan”) of (i) any of their purchases or sales of securities of VAALCO; or (ii) any securities of VAALCO over which they acquire or dispose of beneficial ownership. Notice shall be given no later than 24 hours after each such transaction.
  3. Each of the undersigned agrees to work together for the purpose of (i) soliciting proxies or written consents to elect the Nominees or any other person designated by Nanes Delorme Partners as directors of VAALCO, (ii) taking such other actions as the parties deem advisable, and (iii) taking all other action necessary or advisable to achieve the foregoing.
  4. Nanes Delorme Partners shall have the right to pre-approve all expenses incurred in connection with the Group’s activities and agrees to pay directly all such expenses.
  5. Each of the undersigned agrees that any SEC filing, press release or stockholder communication proposed to be made or issued by the parties hereto in connection with the Group’s activities set forth in Section 3 shall be first approved by Nanes Delorme Partners, or their respective representatives, which approval shall not be unreasonably withheld.
  6. The relationship of the parties hereto shall be limited to carrying on the business of the Group in accordance with the terms of this Agreement. Such relationship shall be construed and deemed to be for the sole and limited purpose of carrying on such business as described herein. Nothing herein shall be construed to authorize any party to act as an agent for any other party, or to create a joint venture or partnership, or to constitute an indemnification. Nothing herein shall restrict any party’s right to purchase or sell securities of VAALCO, as he/it deems appropriate, in his/its sole discretion, provided that all such sales are made in compliance with all applicable securities laws.
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7. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument, which may be sufficiently evidenced by one counterpart.

8. Any notice, direction or other instrument required or permitted to be given to any party hereunder shall be in writing and shall be sufficiently given if delivered personally, if sent by fax and mailed within 24 hours, if sent by certified prepaid mail or overnight courier service, to:

**Any member of the Nanes Balkany Group:**

Nanes Delorme Partners I LP  
230 Park Avenue, 7<sup>th</sup> Floor  
New York, New York, 10169  
Attn: Julien Balkany

**or if to Messrs. Toboroff or Cottman, to the respective address set forth on the signature pages hereto.**

9. In the event of any dispute arising out of the provisions of this Agreement, the parties hereto consent and submit to the exclusive jurisdiction of the Federal and State Courts in the State of New York.

10. Any party hereto may terminate his obligations under this Agreement at any time on 24 hours' written notice to all other parties, with a copy by fax to Adam Finerman at Olshan, Fax No. (212) 451-2222.

11. Each party acknowledges that Olshan shall act as counsel for both the Group and Nanes Delorme Partners.

[Signature page on next page]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

NANES DELORME PARTNERS I LP

By: Nanes Balkany Partners LLC  
General Partner

By: /s/ Daryl Nanes  
Name: Daryl Nanes  
Title: Managing Member

NANES BALKANY PARTNERS LLC

By: /s/ Daryl Nanes  
Name: Daryl Nanes  
Title: Managing Member

NANES BALKANY MANAGEMENT LLC

By: /s/ Daryl Nanes  
Name: Daryl Nanes  
Title: Managing Member

/s/ Julien Balkany  
JULIEN BALKANY

/s/ Daryl Nanes  
DARYL NANES

/s/ Leonard Toboroff  
LEONARD TOBOROFF  
153 East 53rd Street, 59th Floor  
New York, NY 10021

/s/ Clarence Cottman III  
CLARENCE COTTMAN III  
1135 Eugenia Place, Suite C  
Carpinteria, California 93013

**Nanes Delorme Partners I LP**

April 11, 2008

**BY FACSIMILE AND FEDERAL EXPRESS**

VAALCO Energy, Inc.  
4600 Post Oak Place, Suite 309  
Houston, Texas 77027  
Attn: Corporate Secretary

Re: **Notice of Intention to Nominate Individuals for Election as Directors at  
the 2008 Annual Meeting of Stockholders of VAALCO Energy, Inc.**

Dear Sir:

This letter shall serve as notice to VAALCO Energy, Inc., a Delaware corporation ("VAALCO" or the "Company") as to the nomination by Nanes Delorme Partners I LP, a Delaware limited partnership ("Nanes Delorme Partners"), of three (3) nominees for election to the Board of Directors of VAALCO (the "VAALCO Board") at the 2008 annual meeting of stockholders of VAALCO, or any other meeting of stockholders held in lieu thereof, and any adjournments, postponements, reschedulings or continuations thereof (the "Annual Meeting").

This letter and the Exhibits attached hereto are collectively referred to as the "Notice." As of April 11, 2008, Nanes Delorme Partners was the beneficial owner of 4,700,000 shares of common stock, par value \$0.10 per share (the "Common Stock"), of VAALCO, 1,000 shares of which are held of record. Nanes Delorme Partners hereby nominates and notifies the Company of its intent to nominate Julien Balkany, Leonard Toboroff and Clarence Cottman III, as nominees (the "Nominees") to be elected to the VAALCO Board at the Annual Meeting. Nanes Delorme Partners believes that the terms of the three (3) Class I directors currently serving on the VAALCO Board expire at the Annual Meeting. To the extent there are in excess of three (3) vacancies on the VAALCO Board to be filled by election at the Annual Meeting or VAALCO increases the size of the VAALCO Board above its existing size, Nanes Delorme Partners reserves the right to nominate additional nominees to be elected to the VAALCO Board at the Annual Meeting. Additional nominations made pursuant to the preceding sentence are without prejudice to the position of Nanes Delorme Partners that any attempt to increase the size of the current VAALCO Board or to reconstitute or reconfigure the classes on which the current directors serve constitutes an unlawful manipulation of VAALCO's corporate machinery. If this Notice shall be deemed for any reason by a court of competent jurisdiction to be ineffective with respect to the nomination of any of the Nominees at the Annual Meeting, or if any individual Nominee shall be unable to serve for any reason, this Notice shall continue to be effective with respect to the remaining Nominee(s) and as to any replacement Nominee(s) selected by Nanes Delorme Partners. Nanes Delorme Partners reserves the right to withdraw its nomination of one or more of the Nominees. In the event Nanes Delorme Partners withdraws its nomination of one or more of the Nominees, this Notice shall continue to be effective with respect to the remaining Nominee(s).

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Information concerning Nanes Delorme Partners and the Nominees is set forth below:

**(i) Name and address, as believed to appear on VAALCO's books, of the stockholder giving the Notice is as follows:**

<u>Name</u>	<u>Address</u>
Nanes Delorme Partners I LP	230 Park Avenue, 7th Floor New York, NY 10169

**(ii) Class and number of shares of Common Stock of VAALCO which are owned beneficially and of record by the stockholder giving the Notice:**

<u>Name</u>	<u>Beneficial Ownership</u>
Nanes Delorme Partners I LP	4,700,000 shares of Common Stock, including 1,000 shares held of record.

**(iii) Representation by the stockholder giving the Notice.**

Nanes Delorme Partners hereby represents that it (i) is a holder of record of 1,000 shares of Common Stock of the Company, (ii) is entitled to vote at the Annual Meeting and (iii) intends to appear in person or by proxy to nominate the Nominees at the Annual Meeting.

**(iv) Arrangements and understandings between the stockholder and each Nominee and any other person or persons pursuant to which the nominations are to be made by the stockholder:**

Nanes Delorme Partners has executed or intends to execute letter agreements pursuant to which it agrees to indemnify Messrs. Toboroff and Cottman against claims arising from the solicitation of proxies from VAALCO stockholders in connection with the Annual Meeting and any related transactions.

Nanes Delorme Partners has also executed or intends to execute letter agreements pursuant to which it agrees to compensate each of Messrs. Toboroff and Cottman (i) \$25,000 in cash as soon as reasonably practicable after submission of this letter and (ii) solely in the event that Nanes Delorme Partners withdraws its nomination of any such nominee prior to the Annual Meeting, other than as a result of such nominee failing to provide Nanes Delorme Partners with information which it reasonably requests, an additional \$25,000 within ten business days following the date of such withdrawal.

Nanes Delorme Partners, Nanes Balkany Partners LLC, a Delaware limited liability company and the general partner of Nanes Delorme Partners (“Nanes Balkany Partners”), Nanes Balkany Management LLC, a Delaware limited liability company and the investment manager of Nanes Delorme Partners (“Nanes Balkany Management”), Julien Balkany (“Mr. Balkany”) and Daryl Nanes (“Mr. Nanes” and, together with Nanes Delorme Partners, Nanes Balkany Partners, Nanes Balkany Management and Mr. Balkany, the “Nanes-Balkany Group”) are parties to a joint filing agreement, dated March 11, 2008, and have jointly filed a Schedule 13D with respect to the Common Stock. Reference is made to the Schedule 13D initially filed on March 11, 2008 as it has been and may be amended from time to time, as filed and to be filed with the Securities and Exchange Commission, for information regarding the entities that are or may be deemed to be members in a group described therein, as well as beneficial ownership of shares of Common Stock by members of the Nanes-Balkany Group.

On the date hereof, the Nanes-Balkany Group and Messrs. Toboroff and Cottman (collectively, the “Group”) have entered into the Joint Filing and Solicitation Agreement in which the parties have agreed, among other things, (i) to the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of VAALCO, (ii) to solicit proxies or written consents for the election of the Nominees or any other person designated by the parties to the VAALCO Board at the Annual Meeting and (iii) to take such other actions as the parties deem advisable.

Other than as stated herein, there are no arrangements or understandings between Nanes Delorme Partners and each Nominee or any other person or persons pursuant to which the nominations described herein are to be made.

(v) **Name and business address of each of the Nominees:**

<u>Name</u>	<u>Business Address</u>
Julien Balkany	c/o Nanes Delorme Partners I LP 230 Park Avenue, 7th Floor New York, NY 10169
Leonard Toboroff	c/o Corinthian Capital Group, LLC 153 East 53 <sup>rd</sup> Street, 59 <sup>th</sup> Floor New York, NY 10021
Clarence Cottman III	c/o Legacy Energy, Inc. 1135 Eugenia Place, Suite C Carpinteria, CA 93013

(vi) **Principal occupation or employment of each of the Nominees:**

**Julien Balkany**, a French citizen, has been serving as a managing member of Nanes Balkany Partners, the general partner of Nanes Delorme Partners, a U.S.-based hedge fund, since January 2008. Nanes Delorme Partners pursues active investments in publicly traded oil and gas exploration and production companies. Concomitantly, Mr. Balkany has been a Managing Director at Nanes Delorme Capital Management LLC, a New York based financial advisory and broker-dealer firm, managing its oil and gas investment banking business, since 2005. Mr. Balkany has executed several hundred million dollars worth of oil & gas transactions on both the buy-side and sell-side. Mr. Balkany's most notable M&A assignments in Africa have included advising Maurel & Prom, Heritage Oil Corp, Afren Plc, Perenco, Vitol, Candax Energy, Carthago Oil, Range Energy and Surestream Petroleum. Before joining Nanes Delorme Partners and Nanes Delorme Capital Management LLC, Mr. Balkany worked at Pierson Capital, a U.S. private investment firm focused primarily on emerging markets, from 2003 to 2005. Prior to that Mr. Balkany gained significant expertise in the Latin America Debt Capital Markets Group of Bear Stearns. Mr. Balkany studied Political Science at the Institute of Political Studies (France) and Finance at UC Berkeley. Mr. Balkany is also fluent in French and Spanish.

**Leonard Toboroff**, a United States citizen, has been serving as a director and Vice Chairman of the Board of Allis-Chalmers Energy Inc., a provider of products and services to the oil and gas industry listed on the NYSE, since May 1989, and served as Executive Vice President from May 1989 until February 2002. Concurrently, Mr. Toboroff has been an Executive Director of Corinthian Capital Group, LLC, a private equity fund, since October 2005, a director of Engex Corp., a closed-end mutual fund, and a director of NOVOT Corporation, a former developer of advanced medical treatments for coronary and vascular disease, since April 2006. Mr. Toboroff has also been a director of SP Acquisition Holdings Inc., a blank check company managed by Warren G. Lichtenstein and other Steel Partners Group officers, since June 2007. Mr. Toboroff served as a director and Vice President of Varsity Brands, Inc. (formerly Riddell Sports Inc.), a provider of goods and services to the school spirit industry, from April 1998 until it was sold in September 2003. Mr. Toboroff has previously served as a director of American Bakeries Co., Ameriscribe Corporation and Saratoga Spring Water Co. and has been a practicing attorney continuously since 1961. Mr. Toboroff is a graduate of Syracuse University and The University of Michigan Law School.

**Clarence Cottman III**, a United States citizen, has over twenty-five years of experience in the oil and gas industry. Currently, Mr. Cottman has been the President and Founder of Legacy Energy Inc., a U.S. private oil and gas exploration and production company with assets in Louisiana and California, since 2006, Vice Chairman of PetroFalcon Corp. (ticker: PFC CN), an oil and gas exploration and production company focused on Venezuela and listed on the Toronto Stock Exchange, since 2007, a consultant to Vantage Marketplace (a wholly-owned subsidiary of Goldman Sachs) since 2007, and a private investor in numerous energy ventures. Mr. Cottman has served as Chief Financial Officer and Director of PetroFalcon Corporation from 1999 until 2006. From 1997 to 2000, Mr. Cottman was Managing Director of Pacific Oil and Gas LLC. Prior to co-founding Pacific Oil and Gas LLC, Mr. Cottman was at Benton Oil & Gas from 1989 to 1997 where he held various senior positions including Vice President of Business Development. Mr. Cottman has also worked for Sun Exploration & Production Company. Mr. Cottman holds a BA from Rochester Institute of Technology and an MBA from the University of Rhode Island.

(vii) **Class and number of shares of stock of VAALCO which are beneficially owned by each of the Nominees:**

<u>Name</u>	<u>Beneficial Ownership of Common Stock</u> *
Julien Balkany	4,700,000
Leonard Toboroff	None
Clarence Cottman III	None

(viii) **Other information relating to each of the Nominees that is required to be disclosed in solicitations of proxies for the election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended:**

Each of the Nominees has consented to be named as a nominee in any proxy statement filed by Nanes Delorme Partners in connection with the solicitation of proxies or written consents for the election of the Nominees to the VAALCO Board and to serve as a director of VAALCO, if so elected. Such consents are attached hereto as Exhibit B.

Please see Exhibit A for information regarding purchases and sales during the past two years by the Nominees and the Nanes-Balkany Group in securities of VAALCO.

Except as set forth in this Notice (including the Exhibits attached hereto), (i) during the last 10 years, no Nominee has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors); (ii) no Nominee directly or indirectly beneficially owns any securities of VAALCO; (iii) no Nominee owns any securities of VAALCO which are owned of record but not beneficially; (iv) no Nominee has purchased or sold any securities of VAALCO during the past two years; (v) no part of the purchase price or market value of the securities of VAALCO owned by any Nominee is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such securities; (vi) no Nominee is, or within the past year was, a party to any contract, arrangements or understandings with any person with respect to any securities of VAALCO, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies; (vii) no associate of any Nominee owns beneficially, directly or indirectly, any securities of VAALCO; (viii) no Nominee owns beneficially, directly or indirectly, any securities of any parent or subsidiary of VAALCO; (ix) no Nominee or any of his associates was a party to any transaction, or series of similar transactions, since the beginning of VAALCO's last fiscal year, or is a party to any currently proposed transaction, or series of similar transactions, to which VAALCO or any of its subsidiaries was or is to be a party, in which the amount involved exceeds \$120,000; and (x) no Nominee or any of his associates has any arrangement or understanding with any person with respect to any future employment by VAALCO or its affiliates, or with respect to any future transactions to which VAALCO or any of its affiliates will or may be a party.

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\* As a managing member of Nanes Balkany Partners and Nanes Balkany Management, Mr. Balkany may be deemed to beneficially own the 4,700,000 shares of Common Stock of VAALCO owned by Nanes Delorme Partners. Mr. Balkany disclaims beneficial ownership of such shares held by Nanes Delorme Partners, except to the extent of his pecuniary interest therein. As a member of the Group, Messrs. Toboroff and Cottman may be deemed to beneficially own the 4,700,000 shares of Common Stock of VAALCO owned by Nanes Delorme Partners. Each of Messrs. Toboroff and Cottman disclaim beneficial ownership of such shares.

Nanes Delorme Partners does not have a substantial interest in any matters to be acted upon at the Annual Meeting except as otherwise set forth herein.

Please address any correspondence to our counsel, Olshan Grundman Frome Rosenzweig & Wolosky LLP, Park Avenue Tower, 65 East 55<sup>th</sup> Street, New York, New York 10022, Attention: Adam Finerman, Esq., telephone (212) 451-2289, facsimile (212) 451-2222. The giving of this Notice is not an admission that any procedures for notice concerning the nomination of directors to the VAALCO Board are legal, valid or binding, and Nanes Delorme Partners reserves the right to challenge their validity.

Very truly yours,

NANES DELORME PARTNERS I LP

By: Nanes Balkany Partners LLC  
General Partner

By: /s/ Daryl Nanes

Name: Daryl Nanes

Title: Managing Member

EXHIBIT A

TRANSACTIONS IN SECURITIES OF VAALCO ENERGY, INC.  
DURING THE PAST TWO YEARS

<u>Class of Security</u>	<u>Quantity Purchased / (Sold)</u>	<u>Price Per Share (\$)</u>	<u>Date of Purchase / Sale</u>
<b>NANES DELORME PARTNERS I LP*</b>			
Common Stock	1,000	4.6300	11/28/2007
Common Stock	40,000	4.4432	12/05/2007
Common Stock	45,000	4.5998	12/14/2007
Common Stock	50,000	4.5940	12/17/2007
Common Stock	50,000	4.5948	12/18/2007
Common Stock	50,000	4.7314	12/19/2007
Common Stock	108,000	4.8648	12/20/2007
Common Stock	45,000	4.7796	12/27/2007
Common Stock	200,000	4.6887	12/31/2007
Common Stock	50,000	4.5871	01/02/2008
Common Stock	75,000	4.6810	01/04/2008
Common Stock	100,000	4.5602	01/07/2008
Common Stock	130,000	4.7468	01/08/2008
Common Stock	15,000	4.7434	01/09/2008
Common Stock	25,000	4.7654	01/10/2008
Common Stock	60,000	4.9277	01/11/2008
Common Stock	80,000	4.8779	01/15/2008
Common Stock	1,000	5.0430	01/16/2008
Common Stock	100,000	4.7917	01/18/2008
Common Stock	200,000	4.3459	01/22/2008
Common Stock	200,000	4.1646	01/23/2008
Common Stock	150,000	4.4521	01/24/2008
Common Stock	183,000	4.4643	01/25/2008
Common Stock	325,000	4.6157	01/28/2008
Common Stock	221,000	4.6623	01/29/2008
Common Stock	196,000	4.7365	01/30/2008
Common Stock	20,000	4.3048	02/22/2008
Common Stock	130,000	4.4257	02/27/2008
Common Stock	61,000	4.4376	02/28/2008

\* For the period 11/28/07 through 1/30/08, a limited partner of Nanes Delorme Partners I LP purchased 2,700,000 Shares of VAALCO Energy, Inc. On 2/14/08, the limited partner contributed such Shares, with an aggregate purchase price of approximately \$12,558,213, in order to subscribe for and purchase interests in Nanes Delorme Partners I LP. Nanes Delorme Partners I LP assumed the same cost basis for the contributed shares and valued its contribution at the limited partner's own cost.



Common Stock	39,000	4.4361	02/29/2008
Common Stock	400,000	4.5100	03/03/2008
Common Stock	490,000	4.5435	03/04/2008
Common Stock	230,000	4.5729	03/05/2008
Common Stock	131,000	4.5466	03/06/2008
Common Stock	248,000	4.5369	03/07/2008
Common Stock	55,000	4.6948	03/10/2008
Common Stock	196,000	4.7588	03/11/2008

**NANES BALKANY PARTNERS LLC**

None

**NANES BALKANY MANAGEMENT LLC**

None

**JULIEN BALKANY**

None

**DARYL NANES**

None

**LEONARD TOBOROFF**

None

**CLARENCE COTTMAN III**

None

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**EXHIBIT B**  
**NOMINEE CONSENTS**

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**JULIEN BALKANY**  
230 Park Avenue, 7th Floor  
New York, NY 10169

April 11, 2008

VAALCO Energy, Inc.  
4600 Post Oak Place, Suite 309  
Houston, Texas 77027  
Attn: Corporate Secretary

Dear Sir:

You are hereby notified that the undersigned consents to (i) being named as a nominee in the notice provided by Nanes Delorme Partners I LP, a Delaware limited partnership ("Nanes Delorme Partners") of its intention to nominate the undersigned as a director of VAALCO Energy, Inc. ("VAALCO") at the 2008 annual meeting of stockholders, or any other meeting of stockholders held in lieu thereof, and any adjournments, postponements, reschedulings or continuations thereof (the "Annual Meeting"), (ii) being named as a nominee in any proxy statement filed by Nanes Delorme Partners in connection with the solicitation of proxies or written consents for election of the undersigned at the Annual Meeting and (iii) serving as a director of VAALCO if elected at the Annual Meeting.

Very truly yours,

/s/ Julien Balkany

Julien Balkany

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**LEONARD TOBOROFF**  
153 East 53rd Street, 59th Floor  
New York, NY 10021

April 11, 2008

VAALCO Energy, Inc.  
4600 Post Oak Place, Suite 309  
Houston, Texas 77027  
Attn: Corporate Secretary

Dear Sir:

You are hereby notified that the undersigned consents to (i) being named as a nominee in the notice provided by Nanes Delorme Partners I LP, a Delaware limited partnership ("Nanes Delorme Partners") of its intention to nominate the undersigned as a director of VAALCO Energy, Inc. ("VAALCO") at the 2008 annual meeting of stockholders, or any other meeting of stockholders held in lieu thereof, and any adjournments, postponements, reschedulings or continuations thereof (the "Annual Meeting"), (ii) being named as a nominee in any proxy statement filed by Nanes Delorme Partners in connection with the solicitation of proxies or written consents for election of the undersigned at the Annual Meeting and (iii) serving as a director of VAALCO if elected at the Annual Meeting.

Very truly yours,

/s/ Leonard Toboroff

Leonard Toboroff

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**CLARENCE COTTMAN III**  
1135 Eugenia Place, Suite C  
Carpinteria, CA 93013

April 11, 2008

VAALCO Energy, Inc.  
4600 Post Oak Place, Suite 309  
Houston, Texas 77027  
Attn: Corporate Secretary

Dear Sir:

You are hereby notified that the undersigned consents to (i) being named as a nominee in the notice provided by Nanes Delorme Partners I LP, a Delaware limited partnership ("Nanes Delorme Partners") of its intention to nominate the undersigned as a director of VAALCO Energy, Inc. ("VAALCO") at the 2008 annual meeting of stockholders, or any other meeting of stockholders held in lieu thereof, and any adjournments, postponements, reschedulings or continuations thereof (the "Annual Meeting"), (ii) being named as a nominee in any proxy statement filed by Nanes Delorme Partners in connection with the solicitation of proxies or written consents for election of the undersigned at the Annual Meeting and (iii) serving as a director of VAALCO if elected at the Annual Meeting.

Very truly yours,

/s/ Clarence Cottman III

Clarence Cottman III

**NANES DELORME PARTNERS I LP**  
**230 Park Avenue, 7th Floor**  
**New York, New York, 10169**

April [ ], 2008

[Nominee]  
[Address]

**Re: VAALCO Energy, Inc.**

Dear [Nominee]:

Thank you for agreeing to serve as a nominee for election to the Board of Directors of VAALCO Energy, Inc. (the "Company") in connection with the proxy solicitation that Nanes Delorme Partners I LP ("Nanes Delorme Partners"), and certain of its affiliates, are considering undertaking to nominate and elect directors at the Company's 2008 annual meeting of stockholders, or any other meeting of stockholders held in lieu thereof, and any adjournments, postponements, reschedulings or continuations thereof (the "Nanes Delorme Solicitation"). Your outstanding qualifications, we believe, will prove a valuable asset to the Company and all of its stockholders. This letter will set forth the terms of our agreement.

Nanes Delorme Partners agrees to indemnify and hold you harmless against any and all claims of any nature, whenever brought, arising from the Nanes Delorme Solicitation and any related transactions, irrespective of the outcome; provided, however, that you will not be entitled to indemnification for claims arising from your gross negligence, willful misconduct, intentional and material violations of law, criminal actions or material breach of the terms of this agreement; provided further, that this indemnification agreement and all of Nanes Delorme Partners' obligations hereunder shall not apply to any of your actions or omissions as a director of the Company. This indemnification will include any and all losses, liabilities, damages, demands, claims, suits, actions, judgments, or causes of action, assessments, costs and expenses, including, without limitation, interest, penalties, reasonable attorneys' fees, and any and all reasonable costs and expenses incurred in investigating, preparing or defending against any litigation, commenced or threatened, any civil, criminal, administrative or arbitration action, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation asserted against, resulting, imposed upon, or incurred or suffered by you, directly or indirectly, as a result of or arising from the Nanes Delorme Solicitation and any related transactions (each, a "Loss").

In the event of a claim against you pursuant to the prior paragraph or the occurrence of a Loss, you shall give Nanes Delorme Partners prompt written notice of such claim or Loss (provided that failure to promptly notify Nanes Delorme Partners shall not relieve us from any liability which we may have on account of this Agreement, except to the extent we shall have been materially prejudiced by such failure). Upon receipt of such written notice, Nanes Delorme Partners will provide you with counsel to represent you. Such counsel shall be reasonably acceptable to you. In addition, you will be reimbursed promptly for all Losses suffered by you and as incurred as provided herein. Nanes Delorme Partners may not enter into any settlement of loss or claim without your consent unless such settlement includes a release of you from any and all liability in respect of such claim.

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You hereby agree to keep confidential and not disclose to any party, without the consent of Nanes Delorme Partners, any confidential, proprietary or non-public information (collectively, "Information") of Nanes Delorme Partners or its affiliates, which you have heretofore obtained or may obtain in connection with your service as a nominee hereunder. Notwithstanding the foregoing, Information shall not include any information that is publicly disclosed by Nanes Delorme Partners or its affiliates or any information that you can demonstrate is now, or hereafter becomes, through no act or failure to act on your part, otherwise generally known to the public.

Notwithstanding the foregoing, if you are required by applicable law, rule, regulation or legal process to disclose any Information you may do so provided that you first promptly notify Nanes Delorme Partners so that Nanes Delorme Partners or any member thereof may seek a protective order or other appropriate remedy or, in Nanes Delorme Partners' sole discretion, waive compliance with the terms of this Agreement. In the event that no such protective order or other remedy is obtained or Nanes Delorme Partners does not waive compliance with the terms of this Agreement, you may consult with counsel at the cost of Nanes Delorme Partners and you may furnish only that portion of the Information which you are advised by counsel is legally required to be so disclosed and you will request that the party(ies) receiving such Information maintain it as confidential.

All Information, all copies thereof, and any studies, notes, records, analysis, compilations or other documents prepared by you containing such Information, shall be and remain the property of Nanes Delorme Partners and, upon the request of a representative of Nanes Delorme Partners, all such information shall be returned or, at Nanes Delorme Partners' option, destroyed by you, with such destruction confirmed by you to Nanes Delorme Partners in writing.

This letter agreement shall be governed by the laws of the State of New York, without regard to the principles of the conflicts of laws thereof.

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If you agree to the foregoing terms, please sign below to indicate your acceptance.

Very truly yours,

NANES DELORME PARTNERS I LP

By: Nanes Balkany Partners LLC  
General Partner

By: \_\_\_\_\_  
Name: Daryl Nanes  
Title: Managing Member

**ACCEPTED AND AGREED:**

\_\_\_\_\_

[Nominee]



**NANES DELORME PARTNERS I LP**  
**230 Park Avenue, 7th Floor**  
**New York, New York, 10169**

April [ ], 2008

[Nominee]  
[Address]

**Re: VAALCO Energy, Inc.**

Dear [Nominee]:

This letter sets forth our mutual agreement with respect to compensation to be paid to you for your agreement to be named and serve as a nominee of Nanes Delorme Partners I LP (“Nanes Delorme Partners”), and certain of its affiliates, for election as a director of VAALCO Energy, Inc. (the “Company”) at the Company’s 2008 annual meeting of stockholders, or any other meeting of stockholders held in lieu thereof, and any adjournments, postponements, reschedulings or continuations thereof (the “Annual Meeting”).

In consideration of your agreement to be named and serve as a nominee of Nanes Delorme Partners for election as a director of the Company at the Annual Meeting, the undersigned hereby agrees to pay you \$25,000 in cash upon Nanes Delorme Partners submitting a letter to the Company nominating you for election as a director of the Company (with such payment to be made as soon as reasonably practicable after you have been nominated). Nanes Delorme Partners further agrees that solely in the event that it withdraws your nomination prior to the Annual Meeting, other than as a result of your failing to provide Nanes Delorme Partners with information which it reasonably requests, then Nanes Delorme Partners will pay you an additional \$25,000 within ten business days following the date of such withdrawal.

The validity, interpretation, construction and performance of this letter agreement shall be governed by the laws of the State of New York, without regard to its principles of conflict of laws, and by applicable laws of the United States. The parties hereto consent to the jurisdiction of the New York State and United States courts located in New York County, New York for the resolution of any disputes hereunder and agree that venue shall be proper in any such court notwithstanding any principle of forum non conveniens and that service of process on the parties hereto in any proceeding in any such court may be effected in the manner provided herein for the giving of notices. The parties hereto waive trial by jury in respect of any such proceeding.

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This letter agreement shall bind and inure to the benefit of you and your heirs, successors and assigns.

This letter agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument.

Very truly yours,

NANES DELORME PARTNERS I LP

By: Nanes Balkany Partners LLC  
General Partner

By: \_\_\_\_\_

Name: Daryl Nanes

Title: Managing Member

**ACCEPTED AND AGREED:**

\_\_\_\_\_  
[Nominee]