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

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 3, 2005

**VAALCO Energy, Inc.**

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*(Exact name of registrant as specified in its charter)*

**Delaware**

**0-20928**

**76-0274813**

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*(State or other jurisdiction  
of incorporation)*

*(Commission  
File Number)*

*(I.R.S. Employer  
Identification No.)*

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**4600 Post Oak Place, Suite 309**

**77027**

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*(Address of principal executive offices)*

*(Zip Code)*

**Registrant's telephone number, including area code 713-623-0801**

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*(Former name or former address, if changed since last report.)*

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events**

On May 3, 2005, VAALCO Energy, Inc. issued a press release announcing the approval of Avouma development plan, signing of FPSO contract extension and updating the status of Gabon activities.

The information in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information contained herein and in the accompanying Exhibit 99.1 shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by VAALCO Energy, Inc., whether made before or after the date hereof and regardless of any general incorporation language in such filing, except as expressly set forth by specific reference in such filing to this Current Report on Form 8-K.

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits

99.1 Press Release issued by VAALCO Energy, Inc., on May 3, 2005.

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**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

May 3, 2005

VAALCO ENERGY, INC.

By: /s/ W. RUSSELL SCHEIRMAN

W. Russell Scheirman  
President and Chief Financial Officer

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**VAALCO Energy Announces Approval of Avouma Development Plan, Signs FPSO  
Contract Extension and Spuds Wildcat in Southern Gabon**

HOUSTON, May 3 /PRNewswire-FirstCall/ -- VAALCO Energy, Inc. (Amex: EGY), (the "Company") announced it has received approval from the Government of Gabon to proceed with the development of the Avouma field, which was discovered last July 2004. The EAVOM-1 well tested 6,600 barrels per day on a 40/64's inch choke from the Gamba sandstone. The Avouma field is adjacent to the previously discovered South Tchibala field found by Gulf Oil in 1978. With the additional reserves discovered by the EAVOM-1 well, the combined accumulations are deemed commercial.

Plans call for the installation of a platform and drilling of two development wells to produce the South Tchibala/Avouma accumulations. The platform will be tied back via a pipeline to the floating production, storage and offloading facility ("FPSO"), which is currently servicing the Etame field. The estimated cost of the development is approximately \$65 million for the platform, wells and pipeline (\$19.5 million net to VAALCO). Production from the development is expected to commence in the second quarter of 2006.

To ensure the availability of the FPSO to produce Etame, South Tchibala and Avouma, the Company signed a contract extension as operator with the FPSO owners. The extension allows the consortium to keep the FPSO through 2012, and gives the consortium the option to purchase the FPSO at the end of the contract on favorable terms. The Company's independent reserve engineers report has the fields producing until at least 2015. The contract extension provides for annual reductions in the day rate for the FPSO in each year of the term. As a result of signing the extension, VAALCO has commenced certain modifications of the tanker to allow for gas lifting of the Etame wells, and will perform future activities to expand the capacity of the tanker to handle additional production.

Separately, and as previously announced, VAALCO has spudded the EAVSM-1 wildcat well on a prospect south of the Avouma field. The well will test a separate Gamba sandstone structure adjacent to the existing Avouma discovery. Total depth of the well is anticipated to be approximately 8,800 feet, and should take 30 days to drill.

Mr. Robert Gerry, Chairman and CEO of the Company stated, "VAALCO and its partners continue to aggressively pursue maximizing the potential of the Etame Marin permit. Upon completion of our exploration well, we will move the rig to the Etame field to drill and complete the Etame 6H well. Production from that well should commence in July 2005."

The Company's subsidiary VAALCO Gabon Etame, Inc. operates and owns a 28.07% interest in the Etame Field. Other field partners are Pan-Ocean Energy Corporation Limited (31.36%), Sasol Petroleum West Africa (Ltd.) (27.75%), Sojitz Etame Limited (2.98%), PetroEnergy Resources Corp. (2.34%) and Tullow Oil plc (7.5%).

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VAALCO Energy, Inc. will hold an investor conference call Wednesday, May 4, 2005 at 10:00 a.m. (Central time). Interested parties may participate by dialing 1 (888) 545-0687. International parties may dial 1 (630) 691-2764. Please be prepared to provide the following information to gain access to the conference call:

Confirmation Number:	11611552
Host Name:	Russell Scheirman
Company:	VAALCO Energy, Inc.

Conference call replay will be available beginning 1 hour after the conference is over and will run through June 5, 2005 by dialing 1-877-213-9653 and entering the pass code 11611552#. International parties may dial 1 (630) 652-3041 and entering the pass code 11611552#.

This press release includes "forward-looking statements" as defined by the U.S. securities laws. Forward-looking statements are those concerning VAALCO's plans, expectations, and objectives for future drilling, completion and other operations and activities. All statements included in this press release that address activities, events or developments that VAALCO expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements include future production rates, completion and production timetables and costs to complete wells. These statements are based on assumptions made by VAALCO based on its experience, perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond VAALCO's control. These risks include, but are not limited to, inflation, lack of availability goods, services and capital, environmental risks, drilling risks, foreign operational risks and regulatory changes. Investors are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. These risks are further described in VAALCO's annual report on form 10K/SB for the year ended December 31, 2004 and other reports filed with the SEC which can be reviewed at <http://www.sec.gov>, or which can be received by contacting VAALCO at 4600 Post Oak Place, Suite 309, Houston, Texas 77027, (713) 623-0801.

SOURCE VAALCO Energy, Inc.

-0- 05/03/2005

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