

# FORM 4

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

OMB APPROVAL	
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## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person* <b>CUTRER GAYLA M</b>			2. Issuer Name and Ticker or Trading Symbol <b>VAALCO ENERGY INC /DE/ [EGY]</b>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) ____ Director <input checked="" type="checkbox"/> Officer (give title below) <b>Corporate Secretary</b> ____ 10% Owner ____ Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <b>01/08/2010</b>			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person ____ Form filed by More than One Reporting Person		
4600 POST OAK PLACE, SUITE 309			4. If Amendment, Date Original Filed (Month/Day/Year)					
(Street)								
HOUSTON, TX 77027								
(City)			(State)			(Zip)		

### Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/08/2010		M		57,300	A	\$ 3.85	74,810	D	
Common Stock	01/08/2010		F(1)		51,942	D	\$ 4.6	22,868	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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### Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non Qualified Stock Option (Right to buy)	\$ 3.85	01/08/2010		M		57,300	(2)	01/12/2010	Common Stock	57,300	\$ 0	0	D	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CUTRER GAYLA M 4600 POST OAK PLACE SUITE 309 HOUSTON, TX 77027			Corporate Secretary	

## Signatures

//Gayla M. Cutrer	01/12/2010
<small>Signature of Reporting Person</small>	<small>Date</small>

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The Reporting Person exercised 57,300 non-statutory options, which options were otherwise due to expire on January 12, 2010. the Reporting Person executed cashless exercise to

(1) effectuate the transaction. The cashless exercise resulted in a net gain of 5,358 shares of directly held common stock. To cover the cost of the options and associated taxes, the Issuer withheld 51,942 shares.

(2) The options vested 1/3 on each of 1/12/2005, 2006 and 2007

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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