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VAALCO Energy Provides Update on Onshore Gabon Drilling

HOUSTON, Feb. 24 /PRNewswire-FirstCall/ -- VAALCO Energy, Inc. (NYSE: EGY) today provided an update on its two exploratory wells onshore Gabon in the Mutamba concession. VAALCO said that the first of two exploratory wells onshore Gabon in the Mutamba concession (Ontou-1) was drilled to a depth of approximately 3,800 feet. The objective reservoir, the Gamba sandstone, was present but was low to prognosis and was water bearing. Accordingly, the well will be logged, then plugged and abandoned. The Company noted that these results have no impact on the second planned exploratory well in the Mutamba concession.

The second planned exploratory well (N'Gongui-1) is located on an island in a lagoon, and the Nabors 864 rig is in the process of being rigged-down and moved to this location. VAALCO expects that it will take approximately 30 days to move the rig, with drilling expected to commence in late March or early April. VAALCO has a 100% working interest in the onshore Mutamba block.

Robert Gerry, Chairman and CEO of VAALCO, said, "We are proceeding with our exploration and drilling program and we will continue to take prudent risks to drive growth in reserves. We have strong supporting data for our additional exploration wells, and these opportunities, together with our development wells in North Ebouri, reinforce our continued confidence in VAALCO's prospects for growth and value creation."

In addition to the Company's exploration well onshore Gabon in the Mutamba concession, VAALCO currently has two development wells in North Ebouri and plans to drill exploratory wells in Southeast Etame and Angola. The Company also has a 25% interest in a gas prospect in the British North Sea on which it is currently drilling.

VAALCO said that the buyer of its crude oil is expected this week to complete a lifting of 400,000 barrels from the Company's FPSO.

Forward-Looking Statements

This document includes "forward-looking statements" as defined by the U.S. securities laws. Forward-looking statements are those concerning VAALCO's plans, expectations, and objectives for future drilling, completion and other operations and activities. All statements included in this document that address activities, events or developments that VAALCO expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements include future production rates, completion and production timetables and costs to complete well. 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 of 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 10-K for the year ended December 31, 2007 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.]

About VAALCO

VAALCO Energy, Inc. is a Houston based independent energy company principally engaged in the acquisition, exploration, development and production of crude oil. VAALCO's strategy is to increase reserves and production through the exploration and exploitation of oil and natural gas properties with high emphasis on international opportunities. The Company's properties and exploration acreage are located primarily in Gabon and Angola, West Africa.

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