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## **VAALCO Energy Announces Strong Production Results From Southeast Etame Development Well**

HOUSTON, July 20, 2015 /PRNewswire/ -- VAALCO Energy, Inc. (NYSE: EGY) today announced that the Southeast Etame 2-H well, the first development well drilled in the Southeast Etame Field, was brought online at the rate of approximately 3,400 barrels of oil per day (approximately 850 barrels per day net to VAALCO). The well was drilled to a measured depth of approximately 14,012 feet, targeting a new reservoir that was discovered by an exploration well drilled by VAALCO in 2010. It is producing from the Gamba formation which is the source of all other VAALCO production in the Etame Marin permit area but the first production from this new, previously- unproduced field. The Etame 2-H well is not producing any formation water or hydrogen sulfide (H<sub>2</sub>S), has a flowing tubing pressure of 1,080 PSI, and is producing at the lowest setting on the ESP (electrical submersible pump). The combination of reservoir pressure that is at original conditions, productivity equivalent to or greater than other nearby Gamba development wells and the low setting being utilized on the ESP confirm the strength of this well. VAALCO plans to continue to produce the well at the current rate to monitor wellhead and downhole pressure and to optimize fluid throughput at the recently commissioned production facilities on the platform.



This is the first well drilled and placed on production at VAALCO's new Southeast Etame/North Tchibala (SEENT) platform that is located in approximately 260 feet of water offshore Gabon. VAALCO is the operator of the Etame Marin permit area and owns a 28.1% working interest. The Transocean Constellation II jackup rig has been moved to a second slot on the same platform to drill the North Tchibala 1-H well that is targeting the Dentale formation in another previously-unproduced field (North Tchibala), that was discovered and delineated by prior wells but has not been placed on production.

Steve Guidry, VAALCO's Chairman and CEO commented, "We are very pleased with the results of this first well to the new Southeast Etame field that we discovered in 2010 which have exceeded our expectations. While we believe the Etame 2-H well is capable of producing at even stronger rates, we are producing at these levels to optimize production and allow us to gather additional data about the productive capacity and extent of this previously un-tapped reservoir. We have already moved the rig and begun drilling the next well at the SEENT platform that will target the new North Tchibala Field and expect to have results from that well by late September."

## **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, Angola and Equatorial Guinea in West Africa.

## **Other Information**

This document includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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 expected capital expenditures, future drilling plans, prospect evaluations, liquidity, negotiations with governments and third parties, expectations regarding processing facilities, and reserve growth. 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, oil and gas price volatility, inflation, general economic conditions, the Company's success in discovering, developing and producing reserves, lack of availability of goods, services and capital, environmental risks, drilling risks, foreign operational risks, and regulatory changes. These and other risks are further described in VAALCO's quarterly report on Form 10-Q for the three months ended March 31, 2015, annual report on Form 10-K for the years ended December 31, 2014, 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 9800 Richmond Avenue, Suite 700, Houston, Texas 77042, (713) 623-0801. 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. VAALCO disclaims any intention or obligation to

update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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