

May 21, 2008



VAALCO to Request Stockholder Ratification of Stockholder Rights Plan at 2009 Annual Meeting

HOUSTON--(BUSINESS WIRE)--

VAALCO Energy, Inc. (NYSE: EGY) today announced that its Board of Directors has determined to submit the Company's stockholder rights plan for ratification at the Company's 2009 Annual Meeting of Stockholders. If stockholders do not ratify the rights plan, the rights plan will be terminated.

Adopted by the Board of Directors in September 2007, the plan was intended to enable all stockholders to realize the value of their investment in the Company by protecting them in the event of an unfair or coercive takeover attempt.

"VAALCO's Board is - and has always been - focused on protecting the interests of VAALCO stockholders," said Robert L. Gerry, III, VAALCO's Chairman and CEO. "The adoption of the rights plan, together with the Board's decision to submit the plan for ratification by VAALCO stockholders in 2009, serve to both protect stockholders' interests and provide the time needed to execute the Company's imminent drilling program so that VAALCO stockholders have the opportunity to maximize their return on these investments."

As previously announced, VAALCO's 2008 exploration program, which includes seven planned exploration wells, has the potential to add in excess of 50 million net barrels (after expected royalties) to the Company's current 6.2 million barrels of proved reserves - an eight-fold potential increase. The Company has rigs arranged to commence drilling this summer.

Important Information

VAALCO has filed with the SEC definitive proxy materials (the "Proxy Materials"). The Proxy Materials contain important information about VAALCO, the 2008 Annual Stockholders Meeting, and our nominees and other directors in the solicitation. VAALCO's stockholders are urged to read the Proxy Materials carefully. Stockholders may obtain additional free copies of the Proxy Materials and other relevant documents filed with the SEC by VAALCO through the website maintained by the SEC at www.sec.gov. The Proxy Materials and other relevant documents may also be obtained free of charge from VAALCO at VAALCO Energy, Inc., 4600 Post Oak Place, Suite 309, Houston, Texas 77027; or by phone at (713) 623-0801. The Proxy Materials are also available on VAALCO's website at www.vaalco.com. The contents of the websites referenced above are not deemed to be incorporated by reference into the Proxy Materials.

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 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.

Source: VAALCO Energy, Inc.