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VAALCO Energy Announces Industry-First Offshore Gabon Production From The Dentale Formation

STRONG RESULTS FROM INITIAL NORTH TCHIBALA DEVELOPMENT WELL

HOUSTON, Sept. 16, 2015 /PRNewswire/ -- VAALCO Energy, Inc. (NYSE: EGY) today announced that the North Tchibala 1-H well, the first development well drilled by VAALCO in the North Tchibala field, was brought online at a rate slightly in excess of 3,000 gross barrels of oil per day (approximately 750 barrels per day net revenue interest to VAALCO). The well was drilled to a measured depth of approximately 11,160 feet, targeting the undeveloped Dentale reservoir. The Dentale formation is productive in fields onshore Gabon, but this well represents the first Dentale production for the industry from that horizon in the offshore waters of Gabon.



The North Tchibala 1-H well was initially brought on production utilizing an electrical submersible pump (ESP), but was subsequently allowed to produce naturally. The well is not producing any formation water or hydrogen sulfide (H₂S) and has a strong flowing tubing pressure in excess of 1,000 PSI. VAALCO plans to continue to produce the well without artificial lift while monitoring surface and downhole pressures.

This is the second well drilled and placed on production at VAALCO's new Southeast Etame/North Tchibala (SEENT) platform 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 and a 24.4% net revenue interest. The Transocean Constellation II jackup rig is mobilizing over to the Avouma/South Tchibala platform to conduct workover operations to replace ESPs on three existing development wells, two of which are off production.

Steve Guidry, VAALCO's Chairman and CEO commented, "I am pleased to announce that the results from the North Tchibala 1-H well exceeded our expectations. This industry milestone is particularly exciting as it is the first production from the North Tchibala field and the producing interval in this well is one of several within the Dentale formation known to be oil-bearing. We will monitor production and reservoir performance over the next few months while we complete our workover program at the Avouma/South Tchibala platform to determine the appropriate timing to drill a follow-up North Tchibala development well. We believe this field has significant reserve upside and results from this well over the coming months are important as this will allow us to better understand the potential of the newly-producing reservoir."

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 year 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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