



## **VAALCO ENERGY RESTORES PRODUCTION AT GABON FACILITY**

### **Provides Rig Update for New Ebouri and Etame Wells**

HOUSTON – November 7, 2008 – VAALCO Energy, Inc. (NYSE: EGY) today announced that production at its Etame and Avouma / Tchibala fields in offshore Gabon, West Africa, has successfully been restored following the planned upgrade to the Floating Production, Storage and Offloading (FPSO) facility serving these fields.

During the upgrade, VAALCO installed an expanded flare system and increased the water processing capacity at the FPSO to accommodate production from VAALCO's planned development well in Ebouri. The upgrade proceeded as expected, with the Company returning to full production in 3.5 days, which is less than the five to seven day timeframe that was originally anticipated.

“We are pleased that the FPSO upgrade was carried out successfully with production from the wells in the Etame and Avouma / Tchibala fields now back to normal levels,” said Robert L. Gerry, III, Chairman and CEO.

VAALCO also provided an update on the rigs for its new Ebouri and Etame wells.

For the development well in the Ebouri field, the Adriatic 6 came on hire to VAALCO on November 6 and is currently under tow to Gabon. The jack-up drilling rig is expected to be on location by mid-November with drilling to commence shortly thereafter. First oil production from this well is expected in January 2009. VAALCO continues to expect production at a rate sufficient to bring the Company's total production to approximately 25,000 bpd.

In the Etame block, VAALCO plans three exploratory wells, as previously announced. The jack-up drilling rig, Pride Cabinda, is expected to be on location by mid-November as planned. Drilling will commence shortly thereafter and the wells will be drilled back to back.

## **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.

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions at oil and gas prices in effect at the time of the estimate, without future escalation. We include in this press release an estimate of gross reserve potential that the SEC's guidelines strictly prohibit us from including in filings with the SEC. Investors are urged to consider closely the disclosure in our Form 10-K, available from the SEC at [www.sec.gov](http://www.sec.gov).

## **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.

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