
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report
December 4, 2014
(Date of earliest event reported)

VAALCO Energy, Inc.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

1-32167
(Commission File Number)

76-0274813
*(I.R.S. Employer
Identification Number)*

4600 Post Oak Place, Suite 300
Houston, Texas 77027
(Address of principal executive offices, including zip code)

(713) 623-0801
(Registrant's telephone number, including area code)

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers: Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On December 4, 2014, the board of directors (the “Board”) of VAALCO Energy, Inc. (the “Company”) adopted the VAALCO Executive and Non-Employee Director Stock Retention Guidelines (the “Guidelines”) that are applicable to all of the Company’s named executive officers and non-employee directors (“Covered Participants”). The Guidelines will be administered by the Company’s Nominating and Corporate Governance Committee, which may recommend the amendment, modification or termination of the Guidelines to the Board for approval. The Guidelines require Covered Participants to own shares of the Company’s common stock sufficient in number to satisfy the relevant amount specified below as a multiple of the Covered Participant’s annual base salary or retainer, as applicable:

<u>Position</u>	<u>Required Share Retention</u>
Non-Employee Member of the Board of Directors	5 times annual retainer
CEO	5 times annual base salary
COO	4 times annual base salary
CFO	3 times annual base salary
EVP	2 times annual base salary

The determination date for establishing compliance with the Guidelines will be April 1 of each year. Shares of Common Stock that count towards compliance with the Guidelines include: shares owned individually or jointly by the Covered Participant or immediate family members residing in the same house; vested and unvested shares of restricted stock; shares owned indirectly, including those in a trust, partnership, limited liability company or other entity for the benefit of the Covered Participant, his or her spouse or their children; and vested share units, including deferred stock, restricted stock, exercised share options and performance shares that are settled in shares. The following do not count toward compliance with the Guidelines: shares held in margin accounts or pledged as loan collateral; vested shares, including deferred stock units, restricted stock units, or performance share units, that are settled in cash; unvested share units, including deferred stock, restricted stock, or performance shares; unexercised stock options (whether vested or unvested); and long-term incentive performance awards that are settled in cash (whether vested or unvested).

Each Covered Participant has five years from the adoption of the Guidelines, or the date of his or her appointment to an officer or director position, whichever is later, to satisfy the retention Guidelines. Until the applicable ownership level is achieved, the Covered Participant is required to retain 60% of the net shares of Common Stock acquired through Company-provided equity awards, as a result of the exercise, vesting or payment of any Company equity awards granted. At no time will a Covered Participant be required to purchase shares to comply with the Guidelines. The Nominating and Corporate Governance Committee may waive the applicability of the Guidelines for financial hardship or similar circumstances.

The foregoing description of the Guidelines does not purport to be complete and is qualified in its entirety by reference to the full text of the Guidelines, a copy of which is filed with this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits. The Exhibit listed below is being furnished with this Form 8-K.

Exhibit 99.1 VAALCO Executive and Non-Employee Director Stock Retention Guidelines

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VAALCO Energy, Inc.

December 9, 2014

By: /s/ Steven P. Guidry

Steven P. Guidry

Chief Executive Officer and Chairman

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	VAALCO Executive and Non-Employee Director Stock Retention Guidelines

**VAALCO Executive and Non-Employee Director
Stock Retention Guidelines
December, 2014**

Purpose

The Board of Directors ("Board") of VAALCO Energy, Inc. ("VAALCO" or the "Corporation") believes that it is in the best interest of VAALCO and its shareholders to align the financial interests of VAALCO's named executive officers and non-employee members of the Board ("Directors") with those of the Corporation's shareholders. In this regard, the Nominating and Corporate Governance Committee will review and establish minimum stock retention guidelines to be approved by the Board of Directors. The Nominating and Corporate Governance Committee may at any time recommend to the Board of Directors amending, modifying or terminating these Guidelines.

Applicability

These Guidelines are applicable to all non-employee Directors and the Named Executive Officers (NEOs and together with the non-employee Directors, "Participants"). Questions regarding these Guidelines should be directed to the Corporation's Vice President – Legal.

MINIMUM RETENTION REQUIREMENTS**Named Executive Officers and Non-Employee Directors - Retention**

The individual guideline level for each Participant is outlined below. The determination of whether a Participant has satisfied his or her retention guideline shall be made on April 1st of each year.

Leadership Position	Required share retention ¹
Non-Employee Member of the Board of Directors	5x Annual Retainer
CEO	5x Annual Base Salary
COO	4x Annual Base Salary
CFO	3x Annual Base Salary
EVP	2x Annual Base Salary

- The participant must hold beneficial interest in VAALCO shares (as described below) worth an amount equal to or greater than the multiplier included in the above chart. For example, if the CEO's salary is \$300,000, the CEO must own shares worth \$1,500,000 (i.e. 5x his/her salary) to be in compliance with the Stock Retention Guidelines.

Until a Participant is in compliance with these Guidelines, that Participant must retain an amount equal to 60% of the net shares received as the result of the exercise, vesting or payment of any VAALCO equity awards granted.

Satisfaction of Guidelines

Shares that count towards satisfaction of the stock retention guidelines for Participants include the following:

- Shares owned by the Participant or his or her immediate family members residing in the same household;
 - Vested and unvested shares of restricted stock;
 - Shares owned indirectly, including those in a trust, partnership, limited liability company or other entity for the benefit of the Participant, his or her spouse or their children; and
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- Vested share units, including deferred stock, restricted stock, exercised share options and performance shares, that are settled in shares.

The following do not count towards satisfaction of the stock retention guidelines for Participants:

- Shares held in margin accounts or pledged as loan collateral;
- Vested shares, including deferred stock units, restricted stock units, or performance share units, that are settled in cash;
- Unvested share units, including deferred stock, restricted stock, or performance shares;
- Unexercised stock options (whether vested or unvested); and
- Long-term incentive performance awards that are settled in cash (whether vested or unvested).

Attaining Compliance

Each officer or non-employee director has five years from the adoption of these Guidelines, or the date of his or her appointment to an officer or director position, whichever is later, to satisfy the retention guidelines. If, after having reached the required retention level, a participant's retention falls below the prescribed level, that participant is required to retain 60% of any future awards until the required retention is again attained. At no time will a participant be required to purchase shares to comply with these Guidelines.

Compliance Certification

A Participant will annually certify whether or not they are in compliance with these Guidelines as of April 1st of each year and each time he/she sells shares. The Nominating and Corporate Governance Committee may grant an exception where a Participant is not in compliance with these Guidelines due to a decline of the market price of the stock or due to transactions made pursuant to hardship circumstances. The Compensation Committee will take into account a Participant's compliance with these Guidelines in determining grants of long-term incentive plan awards or annual equity retainers.

Hardship Provision

Hardship exceptions to the retention guidelines, upon the recommendation of the Chief Executive Officer, may be made by the Chair of the Nominating and Corporate Governance Committee.

Administration

The Nominating and Corporate Governance Committee shall be responsible for monitoring the application of these stock retention guidelines.