

VAALCO ENERGY INC /DE/  
Form 8-K  
November 08, 2006

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported) November 2, 2006**

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**VAALCO Energy, Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction

of incorporation)

**0-20928**  
(Commission

File Number)

**76-0274813**  
(I.R.S. Employer

Identification No.)

**4600 Post Oak Place, Suite 309**  
(Address of principal executive offices)

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

**77027**  
(Zip Code)

(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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- .. 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 1.01 Entry into a Material Definitive Agreement**

On November 2, 2006, VAALCO Angola (Kwanza), Inc., a wholly owned subsidiary of registrant, announced the signing of a Production Sharing Agreement with Sociedade Nacional de Combustiveis de Angola - Empresa Publica for Block 05/06 located offshore the Republic of Angola. The Production Sharing Agreement grants us a 40% working interest and we will carry Sonangol Pesquisa e Producao, SA, the national oil company of the Republic of Angola, for a 10% working interest in all wells drilled and costs expended on the block. We have paid a \$ 10,500,000 signature bonus for our interest and are required to pay our share of costs to acquire and process 3-D seismic data and to drill two exploration wells during a four year period commencing from the date of execution of the Production Sharing Agreement.

**Signature**

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.**

November 7, 2006

By: /s/ W. Russell Scheirman  
W. Russell Scheirman  
President and Chief Financial Officer