



Press release

Acquisition of DPAL FZCO:

Vallourec strengthens its position on the drilling products market in the Middle East

Boulogne-Billancourt, 24 September 2009 - Vallourec, world leader in the production of seamless steel tubes, today announced that its fully-owned subsidiary VAM Drilling has reached an agreement regarding the acquisition of Dubai-based DPAL FZCO, a well established supplier of drill pipes, owned by Soconord Group.

The DPAL FZCO manufacturing facility located in the Jebel Ali Free Zone (Dubai, UAE), offers a large range of drill pipes to the oil drilling industry in the Middle East, where it enjoys an excellent service reputation. It has an annual production capacity of 25,000 joints.

The Middle East represents an important market for drilling products with growing requirements for premium products. This acquisition will strengthen the presence of VAM Drilling in the Middle East, providing local manufacturing for its major international customers operating throughout the region and to local National Oil and Drilling Companies. VAM Drilling will complement DPAL FZCO's existing offer with premium products and extended services.

Philippe Crouzet, Chairman of Vallourec Management Board, stated: ***“The acquisition of DPAL FZCO is a perfect example of our strategy of targeted acquisitions to strengthen our position in growing markets, especially in high value-added segments of the oil industry such as drilling products. It also provides us with an industrial foothold in the Middle East, close to our clients, in a region which is very important to us.”***

The agreement is subject to regulatory approval and the closing of the deal is expected to take place shortly.

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About Vallourec

Vallourec is world leader in the production of seamless steel tubes designed primarily for the Oil & Gas and Power generation sectors, and for other industrial applications.

Vallourec is listed on the Euronext Paris Eurolist (ISIN code: FR0000120354), is eligible for the deferred settlement system and is included in the following indices: MSCI World Index, Euronext 100 and CAC 40. FTSE classification: engineering and machinery.

VAM Drilling is a fully owned subsidiary of Vallourec with manufacturing facilities in France in Cosne-sur-Loire (Nièvre), Aulnoye-Aymeries (Nord) and Tarbes (Hautes-Pyrénées), in the United States, in Houston (Texas) as well as in Heerhugowaard in the Netherlands. VAM Drilling designs, manufactures and offers a complete range of high-performance products and services for the toughest drilling applications, including drill pipes, heavy weight, drill collars, accessories and performance drilling systems. It employs 800 people.

Calendar 2009

- 24 September: Investor Day
- 12 November: Release of 2009 third-quarter results

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