



Boulogne-Billancourt, 1<sup>st</sup> July 2010

**VALLOUREC SHARE BUY-BACK PROGRAM  
APPROVED BY THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS MEETING  
ON 31 MAY, 2010**

*This description is established in accordance with articles 241-1 and seq. of the General Regulation of the Autorité des Marchés Financiers (AMF)*

**1. Date of the shareholders meeting having authorized the share buy-back program**

The share buy-back program has been authorized by the combined ordinary and extraordinary shareholders' meeting on 31 May, 2010 (*11th resolution*).

**2. Allocation by purpose of own shares held by Vallourec**

On 31 May, 2010, the shares held directly or indirectly by Vallourec are allocated as follows, by purpose:

Implementation of any stock-option plan or free allocation of shares .....	186 944
Conversion, exchange, redemption or exercise of securities giving access by any means, immediately or in the future, to shares of the Company .....	-
External growth transactions .....	-
Liquidity agreement .....	42 500
Reducing the share capital .....	-

**3. Objectives of the share buy-back program**

The objectives are as follows :

- to implement any stock option plan of the Company in accordance with Articles L.225-177 *et seq.* of the Commercial Code;
- to award or sell shares to employees in order to allow them to participate in the Company's expansion and in connection with any group or company savings plan established under applicable law (in particular Articles L.3332-1 *et seq.* of the Labour Code);
- to award shares in accordance with Articles L.225-197-1 *et seq.* of the Commercial Code;
- to develop the market or liquidity of the shares through an investment services provider, within the framework of a liquidity contract signed with such provider conforming to the deontological charter approved by the *Autorité des Marchés Financiers*;
- delivering shares (as exchange, payment or otherwise) in connection with transactions involving external growth, mergers, split-offs or contributions;
- to deliver shares upon exercise of rights attached to securities that give access to share capital through repayment, conversion, exchange, exercise of a warrant or in any other manner; or
- cancelling all or part of such repurchased shares within the framework of the authorization resulting from the *twenty-second resolution* of the Combined Shareholder's Meeting of 4 June 2009.

This program would also allow the Company to proceed with any other objective currently authorized under existing laws and regulations, or which may in the future be authorized by such laws and regulations. In such a case, the Company would inform shareholders by way of press release.

**4. Maximum percentage of share capital, maximum number of shares and characteristics of the shares and maximum purchase price**

*Characteristics of the shares:* Vallourec common shares listed on the Eurolist market of Euronext Paris, ISIN code FR 0000120354.

*Maximum number of shares that the company may purchase:* 10% of the share capital. On 31 May, 2010, the share capital of the company is 229, 123, 156 euros, divided in 57,280,789 shares. Given the number of treasury shares already held on 31 May, 2010, the maximum number of shares that the company may purchase consists of 5,498,635 shares, represented 9.60% of the share capital.

*Maximum purchase price:* the maximum purchase price may not exceed 204 euros per share and the maximum amount of funds for carrying out this share buy-back program is 800 million euros.

*Terms and conditions of the share buy-back program:* the acquisition, sale, exchange or transfer of these shares may be carried out by any means on the market or over-the-counter at such time as determined by the Management Board except in case of public offer on Vallourec shares.

**5. Duration of the share buy-back program**

18 months as from its approval by the combined ordinary and extraordinary shareholders meeting of 31 May, 2010, *i.e.* until 30 November, 2011 included.

**6. Transactions carried out under the previous share buy-back program – Synthesis of declarations**

**Assessment of the execution of the previous share buy-back program (between 4 June, 2009 and 31 May, 2010)**

<b>Percentage of treasury shares held directly or indirectly</b>	<b>0.40%</b>
<b>Number of shares cancelled during the last 24 months</b>	<b>-</b>
<b>Number of securities held in portfolio</b>	<b>229 444</b>
<b>Book value of the portfolio</b>	<b>13, 612, 542 €</b>
<b>Market value of the portfolio</b>	<b>34, 909, 905 €</b>

	Cumulated gross flows		Positions open at the program description publication date			
	Purchases	Sales / Transfers***	Positions opened for purchase		Positions opened for sale	
			Purchased Stock Options	Future Purchases	Sold Stock Options	Future Sales_
<b>Number of Shares</b>	466,640	573,244				
<b>Average Maximum Expiry Date</b>	--	--	--	--	--	--
<b>Average Price for the Transaction</b>	118.714	119.63	--	--	--	--
<b>Average Exercise Price (€)</b>	--	10.57	--	--	--	--
<b>Amounts (€)</b>	55,396,104	63,755,107	--	--	--	--

\*\*\*Of which 41,703 shares transferred up to 15,967 shares to cover the stock option plan stock and 25,736 shares for the allocation of free shares.