



Press Release

Vallourec reinforces its presence in China in the power generation business

Boulogne-Billancourt, 28 July 2010 - Vallourec, world leader in premium tubular solutions, announces today the expansion of its plant, V & M Changzhou, in China. Using a new proprietary technology, this extension will allow the production of 60,000 tonnes of seamless pipes per year to serve the local demand for power plants. The capital expenditure of this project amounts to Euro 160 million, and operations are expected to begin by mid 2012.

Over the next 20 years, one third of the new global power generation capacity is expected to be built in China¹. The development of more efficient, supercritical and ultra-supercritical coal-fired power plants is key to meet China's ambitious plans to reduce CO₂ emissions. These power plants operate at extreme temperatures and pressures, thereby increasing efficiency and reducing CO₂ emissions by 33%.

V & M Changzhou, located in Jiangsu province and commissioned in 2006, is a state of the art finishing plant dedicated to large diameter seamless pipes for power plants. Its current finishing capacity stands at 15 000 tonnes per year. Expansion of the plant will enable the local production of premium tubes specifically designed to meet the needs of the new generation of supercritical and ultra-supercritical power plants.

Vallourec's patented production process consumes 30% less energy per tonne compared to other mills.

Philippe Crouzet, Chairman of Vallourec's Management Board stated: *"This is a strategic investment to accompany our customers in the huge development of China's power generation capacities. This project capitalizes on our position as world leader for premium tubes for power generation and on the quality of our local partnerships. It is an important step which establishes Vallourec as a local market player offering local premium solutions for our customers established in China."*

¹ World Energy Outlook 2009, IEA (International Energy Agency)

About Vallourec

Vallourec is a world leader in premium tubular solutions primarily serving the energy markets, as well as other industrial applications.

With 18 600 employees, integrated manufacturing facilities, advanced R&D and a presence in more than 20 countries, Vallourec offers its customers innovative global solutions to meet the growing energy challenges of the 21st century.

Listed on the NYSE Euronext in Paris (ISIN code: FR0000120354) and eligible for the Deferred Settlement System, Vallourec is included in the following indices: MSCI World Index, Euronext 100 and CAC 40.

Calendar 2010

- 28 July: Release of 2010 second-quarter results
- 24 September: Investor Day in New York
- 9 November : Release of 2010 third-quarter results

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