



Press release

Vallourec strengthens its local presence in Saudi Arabia with the acquisition of Zamil Pipes

Boulogne-Billancourt, 23 May 2011 – Vallourec world leader in premium tubular solutions, today announced that it has reached an agreement to acquire Saudi Seamless Pipes Factory Company Limited “Zamil Pipes”, the first processing company of seamless OCTG¹ in Saudi Arabia.

Located in Dammam, Zamil Pipes is close to Vallourec's new VAM threading plant which is currently under construction and due to be commissioned in H2 2011. In complement to this project, the acquisition of Zamil Pipes will provide Vallourec with ready-to-run heat treatment capacity and threading facilities of up to 100 kt of pipe per year. With these two operations, Vallourec will reinforce its local presence in the Kingdom, through additional finishing capacities and reduced lead-times to serve the premium OCTG market in Saudi Arabia.

The Kingdom of Saudi Arabia, through its national oil company Saudi Aramco, is the world's largest oil producer and is one of Vallourec's main customers with growing requirements for premium OCTG.

Philippe Crouzet, Chairman of Vallourec's Management Board stated: *“With local heat treatment and premium threading facilities, Vallourec and Zamil Pipes will enjoy an unmatched competitive position. The combination of Vallourec's expertise in VAM premium OCTG technology and Zamil Pipes processing facilities will strengthen the local offer to serve Saudi Aramco and other customers in the Middle East.”*

Khalid Al Zamil, Chairman of Zamil Pipes and Executive Director of Zamil Group said: *“We are proud to contribute to the local establishment of a world class premium OCTG supplier for the oil and gas industry in Saudi Arabia and wish Vallourec the best of success. This transaction sets the grounds for future developments to contribute to the national welfare of the Kingdom.”*

The transaction amounts to US \$135 million, is subject to regulatory approvals and is expected to be finalized in Q2 2011.

¹ OCTG = Oil Country Tubular Goods

ABOUT ZAMIL PIPES

Saudi Seamless Pipes Factory Company Limited "Zamil Pipes", member of the Zamil Group Holding Company, was founded in November 2007 to address the needs of the drilling industry by developing the Saudi's first processing and end-finishing processor of Oil Countries Tubular Goods "OCTG".

ABOUT VALLOUREC

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

With over 20,000 employees, integrated manufacturing facilities, advanced R&D, and 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 NYSE Euronext in Paris (ISIN code: FR0000120354, Ticker VK) and eligible for the Deferred Settlement System, Vallourec is included in the following indices: MSCI World Index, Euronext 100 and CAC 40.

In the United States, Vallourec has a sponsored Level 1 American Depository Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). The ratio of Vallourec ADR to ordinary shares is 5:1.

www.vallourec.com

CALENDAR 2011

- 7 June: Shareholders' General Assembly
- 27 July: Release of Q2 and Half Year 2011 Results
- 29 – 30 September: Investor Day in Brazil
- 9 November: Release of Q3 2011 Results

FOR FURTHER INFORMATION, PLEASE CONTACT

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