



Press release

Vallourec strengthens its premium positioning in growing OCTG markets:

- **In North America: Adding VAM threading facility in Youngstown, Ohio**
- **In Saudi Arabia: Closing of Zamil Pipes acquisition**

Boulogne-Billancourt, 30 November 2011 – Vallourec, world leader in premium tubular solutions, today announced the advancement of two projects to strengthen its premium positioning to serve the OCTG¹ markets of North America and the Middle East.

In North America, Vallourec will construct a new premium threading facility in Youngstown, Ohio, through its subsidiary VAM USA LLC. This decision is supported by the development of unconventional Oil & Gas drilling of shale resources, driving increased demand for premium connections. The new VAM facility will be located next to Vallourec's existing and soon to be commissioned pipe mills and close to customers operating in both the Marcellus and Utica shale areas. It will complement the VAM USA manufacturing facilities in Houston, Texas and enable the Group to expand its finished goods offer combining pipe and premium connections. Representing an investment of US\$ 57 million (€ 42 million), the new production facility will ramp-up in phases, starting with one manufacturing line operating in mid-2012, and multiple lines operating by the end of 2013.

In Saudi Arabia, Vallourec completed the acquisition of Zamil Pipes on 25 November 2011, for a total consideration of € 97 million. This acquisition provides Vallourec with ready-to-run heat treatment capacity and threading facilities of up to 100 kt of pipe per year which will be combined with the existing project to build a VAM threading facility, on the same site. These operations reinforce Vallourec's local presence with end-finishing facilities to serve the premium OCTG market in Saudi Arabia and the Middle East.

Philippe Crouzet, Chairman of Vallourec's Management Board stated: *"Increasingly complex and challenging drilling conditions and important safety and environmental considerations are driving demand for premium OCTG and VAM[®] connections – the leading premium connections in the world. These investments are fully in line with our strategy to strengthen our local presence and provide more premium solutions both in North America, where we are a leading domestic supplier of OCTG; and in Saudi Arabia, in response to growing demand from the world's largest oil producer, Saudi Aramco, and other customers in the Middle East."*

¹ OCTG = Oil Country Tubular Goods
VAM[®] is a registered trademark of the Vallourec Group

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 Depositary Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). The ratio of Vallourec ADR to ordinary shares is 5:1.

www.vallourec.com

Established in 1984, VAM USA LLC is a joint venture between Vallourec (51%) and Sumitomo (Sumitomo Metal Industries (34%) and Sumitomo Corporation (15%)), which manufactures and distributes VAM[®] premium connections in the USA. Located in Houston, Texas, VAM USA also offers extensive field service and technical sales support.

CALENDAR 2012

- 22 February: Release of Q4 and Full Year 2011 Results
- 10 May: Release of Q1 2012 Results
- 31 May: Shareholders' General Assembly

FOR FURTHER INFORMATION, PLEASE CONTACT

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