



Press release

Vallourec: commercial success of the VAM[®] 21 connection in the Middle East

Boulogne-Billancourt, July 27, 2012 – Vallourec, world leader in premium tubular solutions, announces that it has received a series of orders for VAM[®] 21 premium threaded connections in the Middle East since the beginning of the year, representing a total of almost 15,000 tons. The new generation VAM[®] 21 connection developed by Vallourec has met with great commercial success in the most challenging environments, in the North Sea, Brazil, South-East Asia, and most recently, the Middle East. VAM[®] 21 is currently the only connection in the world complying with the latest specification demanded by oil companies for the most demanding applications, especially offshore.

Orders from major oil and gas companies in three countries

Several orders for VAM[®] 21 connections were received from Qatar in February 2012. These orders concern offshore applications covering all sizes offered by the range of product (from 5 to 14 inches in diameter).

In May 2012, Vallourec signed two orders for VAM[®] 21 connections in Saudi Arabia to equip exploration wells in offshore and deep offshore situated in the northern end of the Red Sea, near the Gulf of Suez.

And in July 2012, the Group received an order in Kuwait, to supply a customized version of VAM[®] 21 connection for very deep onshore gas drilling operations.

A great potential

"The Middle East region is well known for its production of onshore oil and gas, but it is also very active in the offshore segment, from shallow to very deep operations. In view of its recognized expertise in this field, Vallourec is particularly well placed to participate in the exploration and development of the many fields in the Red Sea and the Arabian Gulf which have huge potential. Thanks to its unique sealing and mechanical resistance properties, the VAM[®] 21 connection is clearly the best-adapted solution for the extreme conditions encountered for both onshore and offshore severe drilling operations" declared Didier Hornet, Managing Director of Vallourec Oil & Gas activities.

Unique technical qualities

This connection has been validated using ISO13679 FDIS-2011 CAL-IV, the latest-generation technical specification demanded by oil companies for the most demanding applications, especially offshore. It stands up to extremely high temperatures and pressures, and resists the strongest axial loads. It is currently the only connection in the world that is qualified according to the new 2011 standards and is capable of offering sealing and mechanical resistance qualities equivalent to that of the tube over a wide range of sizes.

This Threaded and Coupled solution is perfectly adapted to the most difficult environments such as HP/HT (High Pressure/High Temperature) fields, in drilling with casing conditions, or in extended reach wells. Moreover, VAM® 21 facilitates the self-alignment of the tubes, which ensures secure and rapid make-up during on-site assembly. It can be used with the Cleanwell® Dry coating, which preserves the environment while enabling dope-free tube connection.

VAM® 21 threading can be carried out in most of the Group's threading units around the world and maintenance is provided by the many VAM licensees based in over 50 countries.

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 22,000 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).

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