

Vallourec to supply the offshore Xerelete field in Brazil

Vallourec Tubos do Brasil was selected for Total's operatorship in Brazil

Belo Horizonte / Boulogne-Billancourt, 14 October 2013 – Vallourec, world leader in premium tubular solutions, announces that Vallourec Tubos do Brasil, Vallourec's wholly-owned Brazilian subsidiary, has been selected to supply premium pipes for the offshore Xerelete field in Brazil, of which Total became an operator in June 2012. The Xerelete field is located in the Campos Basin, around 250 kilometers off the coast of Rio de Janeiro in 2,400 m water depth. Vallourec's products will be used in the exploration and appraisal wells for additional oil and gas resources. Drilling operations are due to start by the end of the year.

The tubes will be produced at Vallourec Tubos do Brasil in Belo Horizonte, Minas Gerais. The mill successfully achieved the extensive qualification process required by Total and is now part of its approved suppliers, for providing OCTG¹ products, such as casings, tubing and accessories with premium connections. The choice for a local pipe supplier can be related to Total's strategy of working with local suppliers, valuing the comprehensive structure that the country has in the area. In addition, it speeds up the oil and gas exploitation process, avoiding for products to have to come from abroad.

Denis Palluat de Besset, Managing Director of TOTAL E&P do Brasil declared: *"Within our strategy of developing our presence in Brazil, it was important for us to work with a reliable, premium partner for our OCTG products. With Vallourec Tubos do Brasil, we found the level of excellence of the Vallourec Group, combined with the experience and proximity a local supplier can provide".*

Philippe Crouzet, Chairman of Vallourec's Management Board, added: *"We are very pleased to have been selected by Total for their operatorship in Brazil. On top of our long-term presence in this country, the qualification and selection of our local subsidiary recognizes the level of technological expertise and qualified workforce that we have developed, which make us able to fulfill the high standards required by Total in any parts of the world."*

Extended partnership

In addition to the premium products, Vallourec Tubos do Brasil will be in a position to offer several kinds of services, such as storage, inspection and preparation for use, follow-up of pipes running downhole and inspection after the products return from the rig, ensuring greater safety and speed to Total.

This contract extends the existing cooperation between the two Groups, as Vallourec is already supplying Total in more than 25 countries across the world.

¹ Oil Country Tubular Goods



About Vallourec

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

With over 23,000 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 energy challenges of the 21st century.

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

In the United States, Vallourec has established a sponsored Level 1 American Depositary Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). Parity between ADR and a Vallourec ordinary share has been set at 5:1.

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