

Inauguration of Vallourec Saudi Arabia, the first premium finishing plant for oil & gas tubes in the Middle East

Dammam, Saudi Arabia, 15 January, 2014 – Vallourec, world leader in premium tubular solutions, announces the inauguration of its new premium finishing plant for oil & gas tubes (OCTG¹) in Saudi Arabia: Vallourec Saudi Arabia. Located in Dammam, this unit is dedicated to the heat treatment and threading for the full range of VAM[®] premium connections, with an annual capacity of 100,000 tons. Resulting from the acquisition in 2011 of Saudi Seamless Pipes Factory Company Limited, the finishing plant includes heat treatment and finishing lines, which were upgraded by Vallourec and completed by an additional premium threading line and a coupling shop. Total investment amounted to approximately \$200m.

Held under the patronage of H.R.H. Prince Saud bin Naif bin Abdulaziz Al Saud, Governor of the Eastern Province, and in the presence of the Minister of Commerce and Industry of the Kingdom, Dr. Tawfiq Al-Rabiah, the inauguration gathered the Group's main customers and partners. At the same occasion, the Group celebrated its 50th anniversary of cooperation with its business partner Abdel Hadi Abdullah Al-Qahtani & Sons, who is also a shareholder of Vallourec Saudi Arabia.

Speaking at the inauguration ceremony, Philippe Crouzet, Chairman of Vallourec's Management Board, said: *"This state-of-the art finishing plant in Dammam enables Vallourec to support local customers with the most advanced premium products for their growing oil and gas projects, and with increased services thanks to high flexibility and short delivery times. Vallourec Saudi Arabia gives us a clear competitive edge in the Kingdom and in the Middle East, where the demand for local content is increasing. We thank Abdel Hadi Abdullah Al-Qahtani & Sons, our 50 year partner in the Kingdom of Saudi Arabia, for contributing to making this project possible."*

With this first premium finishing plant in the Middle East, Vallourec is reinforcing its presence in the region where numerous oil and gas projects require high added-value tubular solutions. Vallourec Saudi Arabia will mainly supply Saudi Aramco, the Kingdom's national oil company, along with other regional operators. The unit is fully qualified to carry out all operations required in the production of VAM[®] premium connections using hollows provided by Vallourec's pipe mills, including VSB in Brazil.

The plant is expected to generate around 200 jobs, bringing the total number of employees working there from 100 in 2011 to 300 by the end of 2014. Today it employs 235 people, of which 25% are Saudi nationals.

¹ OCTG: Oil Countries 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.

VAM[®] is a registered trademark of the Vallourec group.

www.vallourec.com

For further information, please contact

Press relations

Caroline Philips
Tel: +33 (0)1 41 03 77 50
caroline.philips@vallourec.com

Investor relations

Etienne Bertrand
Tel: +33 (0)1 49 09 35 58
etienne.bertrand@vallourec.com