

Vallourec to double its VAM[®] connection testing capacity in Aulnoye-Aymeries, France

Boulogne-Billancourt, January 23, 2014 - Vallourec, world leader in premium tubular solutions, today announced its decision to expand its VAM[®] Connection Technology Center in Aulnoye-Aymeries (North of France), in order to double its testing capacity. The center currently employs 160 people who work on developing ever more innovative products for the oil and gas industry (VAM[®] tubes and connections) to meet the increasing complexity of drilling operations. Amounting to approximately €50 million, this investment will result in the creation of 95 jobs by 2016.

Demand from oil and gas customers for full-scale testing is growing as the standards and the reliability requirements are getting more and more stringent. Thanks to the state-of-the-art tools that will equip the testing facility, the sealing qualities of VAM[®] tubes and connections will be verified under the most extreme conditions. Testing includes subjecting connections to make-up and break-out operations, simulation of combined loads (tension or compression), deformation and resistance to high temperatures and fatigue. This testing capacity complements the center's development activity which covers the design of premium-threaded connections, the development of proprietary steel grades and the industrialization of threading lines.

Didier Hornet, Managing Director of Vallourec's Oil and Gas activities, said: *"The ability to conduct full scale testing on VAM[®] tubes and connections under the most extreme conditions responds to the growing demand from oil and gas companies and represents a real competitive advantage for Vallourec. After doubling our testing capacity in Houston in 2012, this new investment reflects our commitment to pushing the frontiers of technological innovation in the field of VAM[®] connections still further and serving our customers better through increased research and development resources."*

The project to expand the testing center in Aulnoye-Aymeries will occur in two stages. Preparation of receiving areas for the new test equipment in existing buildings at the Aulnoye-Aymeries site will begin in the first quarter of 2014 and the first additional testing capacities should be operational by 2015. All VAM[®] development and testing capabilities will then be transferred in 2017 to a new building to be constructed near the existing center. The new 9,000m² testing facility will be divided into four zones: machining (mechanical metalworking), surface treatment, sample preparation and testing.

This VAM[®] Connection Technology Center will continue to benefit from the immediate vicinity of Vallourec Research Center France, in particular relating to metallurgy and to corrosion studies. In addition to the research and development activities which currently employ above 300 people, three production units are also located at the Aulnoye-Aymeries site: a pipe mill, a drill pipe and connections manufacturing unit and a threading unit. Altogether, Vallourec employs 1,600 people at the site.

The Aulnoye-Aymeries VAM[®] center is one of Vallourec's three VAM[®] connection test centers, the other two being located in the United States (Houston, Texas) and in Indonesia (Batam). Vallourec plans the construction of a fourth VAM[®] connection testing center in Brazil by 2015.



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

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