Press release

Boulogne-Billancourt (France), 26 November 2018

Vallourec provides additional information regarding its liquidity.

Vallourec's liquidity situation is sound.

> As at September 30th 2018, the Group had €769m of cash, and undrawn medium and long term confirmed facilities of €2.2bn. On the same date net debt was €2,097m including short term debt of €1,072m, of which €264m was commercial paper.

The adjusted debt ratio, as defined in the banking contracts ("the banking covenant"), was estimated at 71% on September 30th 2018, well below the limit of 100%.

> This indebtedness ratio is defined in the banking agreements as the ratio of the Group's consolidated net debt* to the Group's equity, restated for gains and losses on derivatives and valuation differences (gains and losses on the consolidated subsidiaries in foreign currencies). This indebtedness ratio is tested once a year on the 31st December, and must be below a limit of 100% on this date.

For 2019:

> Vallourec targets a continued growth in its oil and gas activity and expects further significant cost savings and the continuous deployment of its new competitive manufacturing routes. Each of these objectives should contribute to an increase in EBITDA.
>
> The Group reminds that the working capital outflow in the first nine months of 2018 reflects to a large extent the non-recurring impact of an increase resulting from the particularly low level reached at the end of December 2017, measured in number of days of sales. Also, the level of capital expenditure will remain limited.

Based on current macroeconomic and market trends** and the objectives outlined above, the Group would respect its banking covenant at the end of 2019.

(*) Including the shareholder loan in Brazil

(**) Cf paragraph Information and Forward-Looking Statements

Information and Forward-Looking Statements

This press release contains forward-looking statements. These statements include financial forecasts and estimates as well as assumptions on which they are based, statements related to projects, objectives and expectations concerning future operations, products and services or future performance. Although Vallourec's management believes that these forward-looking statements are reasonable, Vallourec cannot guarantee their accuracy or completeness and these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and generally beyond Vallourec's control, which may mean that the actual results and developments may differ significantly from those expressed, induced or forecasted in the statements. These risks include those developed or identified in the public documents filed by Vallourec with the AMF, including those listed in the "Risk Factors" section of the Registration Document filed with the AMF on 21 March 2018.

About Vallourec

Vallourec is a world leader in premium tubular solutions for the energy markets and for demanding industrial applications such as oil & gas wells in harsh environments, new generation power plants, challenging architectural projects, and high-performance mechanical equipment. Vallourec's pioneering spirit and cutting edge R&D open new technological frontiers. With close to 19,500 dedicated and passionate employees in more than 20 countries, Vallourec works hand-in-hand with its customers to offer more than just tubes: Vallourec delivers innovative, safe, competitive and smart tubular solutions, to make every project possible.

Listed on Euronext in Paris (ISIN code: FR0000120354, Ticker VK) and eligible for the Deferred Settlement System (SRD), Vallourec is included in the following indices: SBF 120 and Next 150.

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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Definitions of non-GAAP financial data

Gross capital expenditure: Gross capital expenditure is defined as the sum of cash outflows for acquisitions of property, plant and equipment and intangible assets and cash outflows for acquisitions of biological assets.

Free cash flow: Free cash-flow (FCF) is defined as cash flow from operating activities minus gross capital expenditure and plus/minus change in operating working capital requirement.

Industrial margin: The industrial margin is defined as the difference between revenue and cost of sales (i.e. after allocation of industrial variable costs and industrial fixed costs), before depreciation.

Consolidated net debt: Consolidated net debt is defined as Bank loans and other borrowings plus Overdrafts and other short-term borrowings minus Cash and cash equivalents.

Banking Covenant: As defined in the bank loan agreements, the "banking covenant" ratio is the ratio of the Group's consolidated net debt (including the shareholder loan in Brazil) to the Group's equity, restated for gains and losses on derivatives and valuation differences (gains and losses on the consolidated subsidiaries in foreign currencies).

Data at constant exchange rate: The data presented « at constant exchange rate » is calculated by eliminating the translation effect into euros for the revenue of the Group's entities whose functional currency is not the euro. The translation effect is eliminated by applying Year N-1 exchange rates to Year N revenue of the contemplated entities.