



V A L L O U R E C

Vallourec intends to open to Sumitomo the capital of its Chinese threading plant for oil & gas seamless pipes

Boulogne-Billancourt, 28 March 2007 - Vallourec and Sumitomo have today expressed their common intent to reach an agreement whereby Sumitomo Metals Industries, Ltd. and Sumitomo Corporation would jointly take a 49% stake in an overseas holding company controlling China-based VAM Changzhou. The parties anticipate to finalize a plan for the proposed investment in the near future. As a consequence of this project, Sumitomo will be able to use the mill's production for its own needs.

The creation of VAM Changzhou, specialized in the threading of seamless steel tubing and casing for Oil and Gas OCTG (Oil Country Tubular Goods) products was announced in September 2006. VAM Changzhou is expected to deliver its first connections by mid-2007 and threading capacity will reach 50,000 tonnes per year. It will be dedicated to the threading of premium connections, i.e. the VAM[®] product range. Whether by Vallourec or by Sumitomo, these connections will be sold in the Chinese market.

Vallourec and Sumitomo Metals, world leaders in the manufacture of high quality seamless pipes, have been collaborating for over 30 years in the field of VAM[®] premium connections for Oil & Gas applications. Whilst Sumitomo Metals has been operating a license to produce VAM[®] connections since 1976, cooperation between the two companies was extended in 1984 to include an R&D agreement.

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About Sumitomo Metals Industries Ltd

Sumitomo Metal Industries, Ltd., one of the major integrated steelmakers in Japan, supplies wide variety of high quality steel products including sheets and plates, pipes and tubes, and components for trains. In pipes and tubes, its technology ranks as the best in the world.

About Vallourec

Vallourec is a world leader in the production of seamless steel tubes and tubular products for specific industrial applications (oil and gas, power generation, petrochemicals, automotive and mechanical engineering industries).

Vallourec is listed on the Euronext Paris Eurolist (ISIN code: FR0000120354), is eligible for the deferred settlement system and is included in the following indices: MSCI World Index, Euronext 100, CAC 40 and SBF 120. FTSE classification: engineering and machinery.

Calendar

- Results for the first quarter of 2007 will be released on 3 May 2007.
- The General Meeting will be held on 6 June 2007.
- Investor Day: 14 June 2007
- Results for the first half of 2007 will be released on 31 July 2007.

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