

Closing of the acquisition of Tianda Oil Pipe

Boulogne-Billancourt (France), November 14, 2016 – Vallourec, world leader in premium tubular solutions, is pleased to announce that it has closed the acquisition of a majority stake (50.61%) in the Chinese company, Anhui Tianda Oil Pipe Company Limited (TOP) and thereby increased its total stake to 70.07%¹. This process coincides with the commencement of a mandatory unconditional cash bid for the remaining minority interest in TOP, which will close on December 2, 2016, unless Vallourec revises or extends the bid in accordance with the Hong Kong Code on Takeovers and Mergers. The two transactions value TOP's share (50.61% + 29.93%) at approximately 175 million US dollars.

Tianda Oil Pipe Company Limited is a Chinese manufacturer of seamless tubes listed on the Hong Kong Stock Exchange. TOP's industrial assets include, in particular, a state-of-the-art PQF^{®2} rolling mill with 500 kt capacity as well as a tube heat treatment and threading workshop. The company has 1,500 employees.

This acquisition, announced on February 1, 2016, is part of the Vallourec 2015-2020 Transformation Plan. It will enable Vallourec to create a new and very competitive production hub in China to supply the domestic market and export, particularly in Asia and the Middle East. It will allow Vallourec to develop a wider range of solutions that combine VAM[®] connections with Tianda's very competitive tubes to support the market share of VAM[®] connections.

"The integration of Anhui Tianda Oil Pipe fulfills a long-term strategic vision. By combining Vallourec's leadership in premium solutions with TOP's highly competitive operations, we are able to offer a wide range of competitive products that are perfectly suited to our customers' current needs and challenges" said Philippe Crouzet, Chairman of the Management Board. Didier Hornet, SVP Eastern Hemisphere in charge of the Oil & Gas strategy, added: *"we are delighted to welcome the TOP teams that have been our partners over the past five years for the delivery of tubes both to the Chinese market and to export markets"*.

Vallourec has been present in China for more than 20 years. At the end of 2016, Vallourec will have 2,000 employees (including TOP) in China on five production sites that serve both the oil and gas market and the power generation market. In 2015, China represented almost 7% of the Group's total revenue.

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 continually open new technological frontiers. Operating in more than 20 countries, its 20,000 dedicated and passionate people work hand-in-hand with their customers to offer more than just tubes: they deliver innovative, safe, competitive and smart tubular solutions, to make every project possible.

Listed on the Euronext in Paris (ISIN code: FR0000120354, Ticker VK) and eligible for the Deferred Settlement Service (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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¹ In 2011, Vallourec acquired 19.5% stake in TOP

² PQF = Premium Quality Finishing

For more information, please contact:

Investor relations

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

Press relations

Héloïse Rothenbühler
Tel: +33 (0)1 41 03 77 50 / +33 (0)6 45 45 19 67
heloise.rothenbuhler@vallourec.com

Individual shareholder corner

Toll-free number: 0 800 505 110
actionnaires@vallourec.com
