

Vallourec celebrates 50 years of VAM[®], a major innovation at the heart of the history of the oil and gas industry

Boulogne-Billancourt, June 11, 2015 – Vallourec, the world leader in tubular solutions, is today celebrating 50 years of its VAM[®] premium connections. A revolutionary innovation at its launch in 1965, when Alexandre Madrelle, a talented engineer at Vallourec, together with his team, first perfected it, VAM[®] has not stopped developing since then, thus anticipating and dealing with the industry's technological challenges, with and on behalf of its customers. As well as being a premium product, VAM[®] has now become **a brand**, made up of **30 patented product lines**, a veritable **ecosystem** based on a network of licensees and service centers located throughout the world, and, lastly, **a hybrid economic model**, built up through partnerships, joint ventures and mergers and acquisitions. For 50 years VAM[®] has helped to write the history of the oil and gas industry.

VAM[®], a major innovation in oil and gas, has anticipated and accompanied the changes and developments in the industry

The VAM[®] adventure began in 1965 with the development of a gas field at Lacq in the south west of France that it was thought could not be exploited as it had too high a sulphur content. In response to these unique conditions, Vallourec developed the first gas-tight connection in a highly corrosive context: the first VAM[®] was born.

Since then, Vallourec, always one step ahead of the challenges in the industry, has developed connections adapted to increasingly complex conditions, and which nowadays can operate at depths of over 7,000 meters in offshore fields and pressures of 1,000 bars. The **VAM[®] TOP**, launched in the 1990s specifically for high pressure/high temperature fields is now the most used connection in the world. It was Vallourec, too, that developed the first solutions for **the Brazilian pre-salt fields** and that optimized the connections and solutions for **non-conventional deposits in the US**. In 2008, another chapter of the history was written with the launch of the **VAM[®] 21TM**, a premium high technology solution that remains unrivalled.

Proximity to the customer lies at the heart of the success of VAM[®]

Vallourec relies on a network of more than **200 licensees** who fix VAM[®] connections and supply the associated accessories throughout the entire world according to the most rigorous quality and safety standards. To guarantee its customers the same level of service, the company has put in place a system that enables it to qualify, educate, train and audit its partners irrespectively of where they are located. Vallourec has also created the **VAM[®] Field Service** team: **230 field engineers**, located in 11 regional hubs, who can be called at any time to go onto the platforms and install its products. Lastly, Vallourec is continuing to strengthen its testing capacities, currently using three full-scale test centers – in France at Aulnoye-Aymeries, in the US in Houston and in Indonesia in Batam. A fourth center is in the process of being completed in Brazil.

A constantly changing market

The end of “easy oil” implies the exploration of regions that are more and more difficult to access under increasingly extreme conditions, while at the same time keeping costs as low as possible. The continuing development of VAM[®] premium connections aims to respond to this trend by offering customers **comprehensive solutions** and favoring **an increasingly collaborative approach** with them, while concentrating on three axes:

- **Innovation**: providing technically **ever better performing products** so as to continue to open the frontiers of exploration and production; contributing, through technology, to optimizing the design of wells; and designing **solutions that protect the environment and enhance safety**.

- Improving proximity to customers by setting up commercial hubs and finishing capacity as close as possible to the company's markets.
- Optimizing the **total cost of ownership** (TCO) in order to increase the value created for the customers by strengthening the company's competitiveness and improving **the efficiency of the supply chain**.

All VAM® pictures on: www.vallourec.com/EN/Media/Library/VAM-50-years

About Vallourec

Vallourec is the world leader in premium tubular solutions used mainly in energy markets as well as in other industrial applications.

With more than 23,000 employees, integrated production units, cutting-edge R&D and a presence in more than 20 countries, Vallourec offers its clients innovative and comprehensive solutions adapted to the energy challenges of the 21st century.

Quoted on Euronext in Paris (ISIN code: FR0000120354, Ticker: VK) and eligible for the Deferred Settlement System (DSS), Vallourec is included in the following indices: the MSCI World Index, the Euronext 100 and the SBF 120.

In the US, Vallourec has set up a level-1 sponsored American Depositary Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). The parity ratio between the ADR and the Vallourec ordinary share is 5:1.

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