Press release

Vallourec pursues its long-term collaboration with Petrobras in Brazil

Belo Horizonte / Boulogne-Billancourt, 9 January 2013 – Vallourec, world leader in premium tubular solutions, announces the renewal of its main frame agreement with Brazilian national oil company Petrobras. Vallourec's Brazilian subsidiary V & M do BRASIL and Petrobras have signed a 5-year-contract to supply Petrobras' operations with premium OCTG products, including seamless pipes, steel grades and connections using state-of-the art technology. These products will be used for Petrobras' offshore Oil & Gas exploration and production wells, including the huge reservoir of the pre-salt fields. With proven reserves of up to 16 billion barrels, pre-salt should represent about 30% of Petrobras' production by 2020. The Brazilian national oil company is engaged in one of the largest investment plans in the world, amounting to US$ 236.5 billion between 2012 and 2016, including US$ 141.8 billion for exploration and production, according to the Business Plan announced by the company in 2012.

With this contract, Vallourec consolidates its worldwide leadership in the supply of premium OCTG products for the Oil & Gas industry. Philippe Crouzet, Chairman of Vallourec's Management Board, declared: *"The renewal of the main frame agreement with Petrobras is an important step in our long-term collaboration, dating back to 60 years. We are honored to be trusted by Petrobras, who is renowned for its technological excellence, to supply our most advanced premium tubular solutions, and support them with our best innovation capability in order to tackle the unequalled challenges of the pre-salt exploitation."*

Huge technical challenges ahead

The Brazilian pre-salt fields combine several additional challenges besides the salt layer itself: well depths up to 7,000 meters, ultra deepwater conditions with up to 2,000 meters between surface and seabed, acid corrosion caused by H_2S and CO_2 contaminants, temperatures and pressures tending toward High Pressure/High Temperature conditions in certain areas. Associating all these parameters together has an important impact on the exploration models, and on the requirements for OCTG material able to withstand such a combination of mechanical, corrosive and thermal constraints. Vallourec, through its sustained innovation capability, is able to meet all these technological needs and will supply Petrobras with the most advanced seamless pipes for sour service using high alloyed material as well as the latest and unequalled advanced premium connection VAM® 21.

Anticipating new demands for the pre-salt and growing challenges in the still unexplored equatorial margins, Vallourec will open in 2013 a new R&D Center in the State of Rio de Janeiro, located next to Petrobras' research center CENPES in the Technological Park of Rio de Janeiro, and will expand its current R&D facilities located in Belo Horizonte, Minas Gerais.

ABOUT VALLOUREC

Vallourec is a world leader in premium tubular solutions primarily serving the energy markets, as well as other industrial applications.

With over 22,000 employees, integrated manufacturing facilities, advanced R&D, and presence in more than 20 countries, Vallourec offers its customers innovative global solutions to meet the growing energy challenges of the 21st century.

Listed on NYSE Euronext in Paris (ISIN code: FR0000120354, Ticker VK) and eligible for the Deferred Settlement System, Vallourec is included in the following indices: MSCI World Index, Euronext 100 and CAC 40.

In the United States, Vallourec has a sponsored Level 1 American Depository Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). The ratio of Vallourec ADR to ordinary shares is 5:1).

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