



Société anonyme à Directoire et Conseil de Surveillance au capital de 212 006 640 €
Siège Social, 130 rue de Sully à 92100 Boulogne-Billancourt
552 142 200 RCS Nanterre

NOTICE OF MEETING

Ordinary General Meeting 1 June 2006

Vallourec's shareholders are invited to the salon d'honneur of the Palais Brongniart , 1st floor (Entrance opposite 40, rue Notre Dame des Victoires), in Paris (75002), on **Thursday 1 June 2006 at 4:30 p.m.** to attend the **Ordinary General Meeting**, in order to consider the items on the agenda and to decide on the following resolutions.

AGENDA

1. Agreements subject to Article L. 225-86 of the French Code de Commerce,
2. Approval of parent company financial statements and management report of the Management Board,
3. Approval of consolidated financial statements,
4. Allocation of net income and dividend distribution,
5. Ratification of provisional appointment of Mr Heinz-Jörg Fuhrmann to replace Mr Kunibert Martin, who has resigned,
6. to 10. Renewal of the terms of office of the following members of the Supervisory Board:
 - Mr Patrick Boissier,
 - Mr Wolfgang Eging,
 - Mr Heinz Jörg Fuhrmann,
 - Mr Denis Gautier-Sauvagnac,
 - Mr Jean-Paul Parayre
11. & 12. Appointment of new Statutory Auditors,
13. Renewal of the term of office of an Alternative Auditor,
14. Appointment of a new Alternative Auditor,
15. Modification of annual attendance fee budget for members of the Supervisory Board,
16. Authorization of share buy-back programme.

PROPOSED RESOLUTIONS

FIRST RESOLUTION *(Approval of the Statutory Auditors' special report on certain related party transactions)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having heard the special report of the Auditors in respect of the agreements subject to Article L. 225-86 of the French Code de Commerce, approves the operations stated in that report and records, where relevant, the continuation of agreements authorized previously during the year under review.

SECOND RESOLUTION *(Approval of Company financial statements and the management report of the Management Board)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having heard the reports of the Management Board, the report of the Chairman of the Supervisory Board on internal control, the report of the Supervisory Board and the general report of the Auditors for the financial year ended 31 December 2005, hereby approves the management report of the Management Board and the Company financial statements for the financial year 2005 as presented, which show net income of € 14,144,934.26.

THIRD RESOLUTION *(Approval of consolidated financial statements)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having heard the reports of the Management Board, the Supervisory Board and the Auditors, approves the consolidated financial statements for the year ended 31 December 2005 as presented to it, which show net income of € 632,389 thousand.

FOURTH RESOLUTION *(Allocation of net income)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, hereby approves the allocation of net income recommended by the Management Board.

In so doing, it resolves to appropriate from the net income for the financial year an amount of € 1,460,752 to the legal reserve and to appropriate the balance of € 12,684,182.26, increased by the amount of € 106,039,536.14, € 101,916,198.73 of which was deducted from retained earnings and € 4,123,337.41 of which was deducted from general reserves, to give a total of € 118,723,718.40, to the distribution of dividends.

Shareholders are reminded that, at its meeting on 14 September 2005, the Management Board had already decided to distribute an interim dividend of € 4 per share (giving a total payment of € 41,322,332). This interim dividend was paid on 12 October 2005.

Accordingly, the balance of € 7.20 shall be paid to each of the 10,600,332 shares representing the share capital at 31 December 2005, corresponding to a total dividend paid to each share in respect of the financial year 2005 of € 11.20.

The Meeting stipulates that the Company shall not receive any dividend in respect of any of its own shares that it may hold on the ex-dividend date. The corresponding amount shall be appropriated to retained earnings. Accordingly, the Meeting authorizes the Management Board, if necessary, to amend the final amount of dividends actually distributed and the final amount appropriated to retained earnings.

The dividend will be paid on 5 July 2006.

In accordance with the provisions of Article 158.3 (2°) of the French General Tax Code (*Code Général des Impôts*), this dividend is eligible for the 40% deduction designed to compensate individuals domiciled in France for tax purposes for the abolition of the tax credit.

The General Meeting notes that the dividends granted for the preceding three financial years were as follows:

Financial year	Number of shares	Net dividend per share (in €)	Tax credit per share (in €)	Total income per share (in €)
2002	9,730,226	2.10	1.05 (50%)	3.15
2003	9,730,266	1.60	0.80 (50%)	2.40
2004	9,869,956	3.20	Nil	3.20

FIFTH RESOLUTION *(Ratification of the appointment of Mr Heinz-Jörg Fuhrmann as a member of the Supervisory Board, to replace Mr Kunibert Martin, who has resigned)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, ratifies, in accordance with Article L. 225-78 of the French Code de Commerce, the provisional appointment as a member of the Supervisory Board of Mr Heinz-Jörg Fuhrmann at the Supervisory Board meeting on 14 December 2005, to replace Mr Kunibert Martin, who resigned, for the remainder of Mr Martin's term of office, that is until the close of this Ordinary General Meeting.

SIXTH RESOLUTION *(Renewal of the term of office of a member of the Supervisory Board, said term of office having expired)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, resolves to renew the appointment as a member of the Supervisory Board of Mr Patrick Boissier for a term of five (5) years expiring at the end of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2010.

SEVENTH RESOLUTION *(Renewal of the term of office of a member of the Supervisory Board, said term of office having expired)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, resolves to renew the appointment as a member of the Supervisory Board of Mr Wolfgang Eging for a term of five (5) years expiring at the end of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2010.

EIGHTH RESOLUTION *(Renewal of the term of office of a member of the Supervisory Board, said term of office having expired)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, resolves to renew the appointment as a member of the Supervisory Board of Mr Heinz-Jörg Fuhrmann for a term of five (5) years expiring at the end of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2010.

NINTH RESOLUTION *(Renewal of the term of office of a member of the Supervisory Board, said term of office having expired)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, resolves to renew the appointment as a member of the Supervisory Board of Mr Denis Gautier-Sauvagnac for a term of five (5) years expiring at the end of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2010.

TENTH RESOLUTION *(Renewal of the term of office of a member of the Supervisory Board, said term of office having expired)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, resolves to renew the appointment as a member of the Supervisory Board of Mr

Jean-Paul Parayre for a term of five (5) years expiring at the end of the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2010.

ELEVENTH RESOLUTION *(Appointment of new Statutory Auditors)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, notes the expiry of the term of office as Statutory Auditors of the Company Barbier Frinault & Autres and resolves not to renew its appointment.

The General Meeting, on the recommendation of the Supervisory Board, resolves to appoint KPMG, domiciled at 1 Cours Valmy, 92923 Paris La Défense Cedex, as Statutory Auditors for a term of six (6) financial years until the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2011.

TWELFTH RESOLUTION *(Appointment of new Statutory Auditors)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, notes the expiry of the term of office as Statutory Auditors of the Firm Calan, Ramolino et Associés and resolves not to renew its appointment.

The General Meeting, on the recommendation of the Supervisory Board, resolves to appoint Deloitte & Associés whose registered office is at 185, avenue Charles de Gaulle, 92524 Neuilly Sur Seine, as Statutory Auditors for a term of six (6) financial years until the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2011.

THIRTEENTH RESOLUTION *(Appointment of new Alternative Auditors)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, notes the expiry of the term of office as Alternative Auditor of Mr Jean-Marc Besnier and resolves not to renew his appointment.

The General Meeting, on the recommendation of the Supervisory Board, resolves to appoint SCP Jean-Claude André & Autres, domiciled at 2 bis rue de Villiers, Levallois-Perret, 92300 Les hauts de Villiers, as Alternative Auditors to KPMG for a term of six (6) financial years until the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2011.

FOURTEENTH RESOLUTION *(Renewal of the term of office of Alternative Auditors)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, notes the expiry of the term of office as Alternative Auditors of BEAS Sarl and resolves to renew its appointment as Alternative Auditors to Deloitte & Associés for a term of six (6) financial years until the Ordinary General Meeting called to approve the financial statements for the year ended 31 December 2011.

FIFTEENTH RESOLUTION *(Modification of attendance fees)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, fixes at € 400,000 the total maximum annual amount of attendance fees that may be granted to members of the Supervisory Board for the financial year 2006 and each subsequent financial year until decided otherwise.

SIXTEENTH RESOLUTION *(Authorization of share buy-back programme)*

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, having heard the reports of the Management Board and Supervisory Board, authorizes the Management Board, in accordance with Articles L. 225-209 et seq. of the French Code de Commerce and the conditions laid down in Articles 241-1 to 241-8 of the General

Regulation (*Règlement Général*) of the Autorité des Marchés Financiers and European Regulation no. 2273/2003 of 22 December 2003 implementing EC Directive 2003/6/EC of 28 January 2003, to purchase the Company's shares with a view to:

- their attribution or sale (i) in accordance with the provisions of Articles L. 225-179 et seq. of the French Code de Commerce, or (ii) within the context of a share ownership plan or company savings plan, or (iii) in accordance with the provisions of Articles L. 225-197-1 et seq. of the French Code de Commerce, or
- an investment services provider stimulating the market for or liquidity of the shares by means of a liquidity contract in accordance with the code of business ethics recognized by the Autorité des Marchés Financiers, or
- their subsequent use by way of exchange, payment or other use in connection with any acquisition transaction, or
- their use in connection with the exercise of rights attached to transferable securities giving the right via the redemption, conversion, exchange, presentation of a warrant or in any other way to the attribution of shares in the Company, or
- their cancellation, subject to a further authorization being given by an Extraordinary General Meeting called and held subsequent to this day,
- implementing any market practice authorized by the Autorité des Marchés Financiers, and more generally carrying out any other transaction allowed by the prevailing legislation.

Purchases of Company shares may apply to a number of shares such that the number of shares held by the Company subsequent to such purchases does not exceed 10% of the Company's share capital. Such percentage shall apply to the share capital as adjusted for any transactions that may affect the share capital subsequent to this General Meeting.

The purchase, disposal, exchange or transfer of shares may be carried out by the Management Board on one or more occasions, at the times the Board considers appropriate, by any means on the stock exchange or over-the-counter and notably through any intervention on or off the market, public purchase or exchange offer, or the purchase of blocks of shares, including through the use of financial derivatives. The full amount of the repurchase programme may be acquired, ceded, exchanged or transferred by means of blocks of shares. Purchase, disposal, exchange or transfer transactions may take place during the period of a public offering subject to the limits authorized by the prevailing legal and regulatory requirements and subject to the provisions of Article 631-6 of the General Regulation of the Autorité des Marchés Financiers relating to "black-out periods".

The maximum purchase price of each share is set at the value of the share at the close of the last stock exchange trading session preceding this General Meeting, increased by 50%.

The General Meeting invests all power in the Management Board to adjust the aforementioned purchase price in order to take account of the impact of any financial transactions on the value of the shares. In particular, in the event of any transactions in the Company's share capital, notably in the event of a stock split or reverse stock split, a capital increase by means of the capitalization of reserves and the attribution of bonus shares, the aforementioned prices shall be multiplied by a coefficient equal to the ratio between the number of shares comprising the share capital before the transaction and the number after the transaction.

The General Meeting also resolves that, in the event of a public offer for the Company's shares to be settled entirely in cash, the Company may continue to implement its share buy-back programme.

The maximum amount of funds earmarked for the share buy-back programme is € 750 million.

The General Meeting invests all power in the Management Board to carry out these operations and to decide on and implement this authorization and, in particular, to place any stock exchange orders, conclude any agreements, notably concerning the keeping of registers of purchases and sales of shares, make any declarations to the Autorité des Marchés Financiers or any other body and effect the adjustment provided for under the prevailing regulations in the event of the purchase of shares at a price higher than the stock exchange price.

The Management Board is expressly authorized to delegate to its Chairman, with the latter having the option to sub-delegate to a person of his choice, the execution of decisions taken by the Management Board in connection with this authorization.

This authorization is granted for a period of eighteen months from today.

It cancels and replaces the authorization given by the Ordinary and Extraordinary General Meeting held on 7 June 2005.

All shareholders, irrespective of the number of shares they hold, have the right to attend this Meeting. Upon application to the Registered Office or to CACEIS Corporate Trust - Service Assemblées - 92862 Issy Les Moulinaux cedex 09, an admission card will be sent to any shareholder wishing to attend.

In accordance with current legislation, shareholders who cannot attend this Meeting will be able either to nominate another shareholder or their spouse as proxy, or to return a proxy form without indicating a representative, or to vote by post. Forms for proxy and postal votes can be obtained from the Registered Office or to CACEIS Corporate Trust - Service Assemblées - 92862 Issy Les Moulinaux cedex 09..

In order to have the right to attend this Meeting, or to be represented by their spouse or another shareholder, or to use a postal vote, holders of registered shares must have been registered as such with the Company at least three days before the date set for this Meeting. Holders of bearer shares must, at least three days before the date set for this Meeting, lodge their shares in a blocked account with a bank, credit institution, stockbroker authorised to issue a certificate of immobilization. The certificate must, where applicable, be attached to the request for an admission card or to the proxy or postal vote form.

In accordance with the requirements of articles 128 and 130 of the decree of 23 March 1967, shareholders (either individually or as a group) accounting for at least 0.594% of the capital, have a ten-day period from the date of this notice in which to send to the Registered Office, by recorded delivery letter, drafts of resolutions they would like to see included on the agenda for this Meeting. In such cases, shareholders must prove their status under the same conditions as for attendance at the Meeting.

The shareholders can get documents covered by the articles 135 and 258 of the same decree by simple mail addressed to the Registered Office of the company.

Lest the agenda is not modified through resolution proposals, the present Notice of Meeting turns into an Invitation to Attend.

THE MANAGEMENT BOARD