

PRESS RELEASE



V A L L O U R E C

Acquisition of SMFI

Following the purchase of OMSCO, Vallourec continues its expansion in oil & gas drilling

Boulogne-Billancourt, 30 January 2006 - Vallourec, world leader in the production of seamless steel tubes and tubular products for specific industrial applications, announces that, on 27 January 2006, its subsidiary VALLOUREC & MANNESMANN TUBES (V & M TUBES) signed a contract to acquire SMFI (Société Matériel de Forage International), a French based company specialized in the manufacture of drill collars, heavy weight drill pipes and high-tech products for oil & gas drilling.

SMFI, which employs 240 staff (85% of whom are in France), generated sales of € 46 million in 2005 and expects 2006 sales to exceed € 60 million.

Via its subsidiary OMSCO, recently acquired by V & M TUBES, Vallourec already has a presence in the drill collar and heavy weight drill pipe market, mainly in North America. The acquisition of SMFI, whose business is conducted in the rest of the world, is a perfect fit and will strengthen Vallourec's position as the world's number two player in the drilling sector.

Vallourec expects this acquisition to generate significant synergies as a result of the sharing of know-how between the French and US production units and a global marketing strategy aimed at major international customers in the drilling market.

Vallourec will be acquiring 100% of SMFI SAS. The price paid for this acquisition is € 40 million. It will be financed by the use of existing credit lines. It is expected to have a positive impact on Vallourec's net income from as early as year one.

The acquisition, which is subject to the agreement of the German competition authorities, is expected to be finalized by the end of March 2006.

Pierre Verluca, Chairman of Vallourec's Management Board, made the following statement: "The acquisition of SMFI is perfectly in line with Vallourec's strategy which is to consolidate its leadership position by focusing on high value-added products in buoyant markets. There is a large number of projects in which OMSCO and SMFI will be jointly involved. We look forward to welcoming SMFI's staff into the Vallourec group and to continuing our expansion in collaboration with them."

Calendar

- Consolidated sales for the fourth quarter of 2005 will be released on 1 February 2006.
- Consolidated results for the financial year 2005 will be released on 8 March 2006.

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, chemicals and 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: SBF 120, CAC Mid 100 and NEXT 150.

FTSE classification: engineering and machinery.

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