



V A L L O U R E C

New investment in China:

Vallourec to build a threading plant for OCTG products (oil & gas) in Changzhou

Boulogne-Billancourt, 28 September 2006 - Vallourec, world leader in the production of seamless steel tubes and tubular products for specific industrial applications, today announced its decision to build in Changzhou, China, a plant for threading seamless steel tubing and casing for oil and gas OCTG (Oil Country Tubular Goods) products, focusing mainly on premium joints (Vallourec's VAM[®] product range).

Construction is expected to begin in October 2006 with production in mid-2007. Threading capacity is expected to reach 50,000 t per year. The plant will employ approximately 160 people when operating at full capacity.

The plant will be operated by a newly-formed company - VAM (Changzhou) Oil & Gas Premium Equipments Co, Ltd – wholly owned by V & M TUBES.

This new operation will enable Vallourec to strengthen its position in the Chinese oil & gas market. By supplying Chinese oil companies with premium products, VAM Changzhou will be even better positioned to match their needs to exploit increasingly complex oil & gas fields.

Vallourec already operates two other plants in Changzhou (180 km west of Shanghai): Changzhou Valinox Great Wall Welded Tubes Co, Ltd, established in 1996 and specialised in welded stainless steel tubes designed for use in Chinese power generation plants, and V & M Changzhou specialised in the cold finishing of large-diameter seamless alloy steel tubes to be also primarily used by power generation plants. The inauguration ceremony of V & M Changzhou is due to take place on 29 September 2006.

The VAM Changzhou investment therefore represents a new step in Vallourec's expansion in the Chinese and Asian energy markets, and demonstrates the Group's global strategy to continue to develop high value-added products.

Calendar

- Consolidated sales for the third quarter of 2006 will be released on 25 October 2006.
- Consolidated sales for the fourth quarter of 2006 will be released on 1 February 2007.

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, 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: MSCI World Index, Euronext 100, CAC Next 20 and SBF 120. FTSE classification: engineering and machinery.

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