



## Press Release

### **VALLOUREC STRENGTHENS ITS POSITION IN THE NORTH AMERICAN PREMIUM OCTG<sup>1</sup> MARKET THROUGH THE ACQUISITION OF THREE TUBULAR BUSINESSES FROM GRANT PRIDECO**

*Boulogne Billancourt, 30 October 2007* – Vallourec, world leader in the production of seamless steel tubes, today announces that it has reached an agreement regarding the acquisition from Grant Prideco of Atlas Bradford<sup>®</sup> Premium Threading & Services, TCA<sup>®</sup> and Tube-Alloy.

**Atlas Bradford<sup>®</sup>** is recognized in North America as a leading supplier of premium<sup>2</sup> OCTG connection technology. Atlas Bradford<sup>®</sup> will complement Vallourec's VAM<sup>®</sup> product offering, providing an additional range of integral connections for the industry's most demanding applications.

**TCA<sup>®</sup>** specializes in heat treatment operations and markets high grade tubular products with a strong focus on short lead time orders. TCA<sup>®</sup> will provide Vallourec with additional premium capacity, a specific expertise in sour services as well as a clear geographical fit enabling Vallourec to extend its North American footprint.

**Tube-Alloy** produces and repairs down-hole tubular accessories for the oil & gas industry, and specializes in complex threading and machining for custom made orders. Combining this new activity with Vallourec's international client base, will open up interesting growth opportunities for the Group.

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1 OCTG = Oil Country Tubular Goods

2 Premium connections = connections that maintain a gas-tight seal while subject to extreme tension, pressure and compression forces or while drilling near environmentally sensitive areas.



**Pierre Verluca, Chairman of Vallourec's Management Board**, commented: *"This is an exciting opportunity for Vallourec. Atlas Bradford<sup>®</sup>, TCA<sup>®</sup> and Tube-Alloy have an excellent track record for providing leading premium connection technology and excellent customer service, and we look forward to welcoming the teams to our Group. These three businesses will significantly enhance our offer to customers in the North American oil & gas market whilst reinforcing Vallourec's leadership position in high value added products."*

**Michael McShane, Chairman, President and CEO of Grant Prideco**, commented: *"Combining Atlas Bradford<sup>®</sup>, TCA<sup>®</sup> and Tube-Alloy with Vallourec will give these businesses' a better growth avenue."*

The purchase price is US\$ 800 million on a net debt free basis, payable in cash. For the last 12 months<sup>3</sup> Atlas Bradford<sup>®</sup>, TCA<sup>®</sup> and Tube-Alloy had combined sales of US\$ 229 million and acquired EBITDA of US\$ 74 million, representing a combined EBITDA margin of 32%. The agreement, is subject to customary regulatory approvals, the terms of which shall not entail a material adverse effect.

Rothschild, Calyon and Société Générale acted as Financial Advisers to Vallourec.

### **About Vallourec**

Vallourec is a world leader in the production of seamless steel tubes destined primarily for the oil and gas and power generation sectors, and other industrial applications.

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 and CAC 40. FTSE classification: engineering and machinery.

### **Calendar**

- Results for the third quarter of 2007 will be released on 14 November 2007.
- Full year and fourth quarter 2007 sales will be released on 5 February 2008.
- Full year 2007 results will be released on 4 March 2008.

**For further information, please contact:**

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<sup>3</sup> From October 2006 to September 2007

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