

Vallourec renews and reinforces its collaboration with Petrobras by signing new long-term agreements

Boulogne-Billancourt and Belo Horizonte, 5 April 2018 – Vallourec, world leader in premium tubular solutions, today announces it has signed new contracts for the supply of products and services to the Brazilian national oil company Petrobras.

In the framework of these 3 years Long Term Agreements, Vallourec will supply Petrobras' operations with premium seamless OCTG products and associated accessories, with premium steel grades and connections using state-of-the art technology, and specialized services.

The products and associated services will be used by Petrobras on its offshore Oil & Gas exploration and production wells, located at the important reservoirs of the pre-salt basin. The Petrobras production coming out from pre-salt area already represents more than 50% of Petrobras total production.

With these contracts, 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: *"Petrobras is one of the most productive oil companies in the world and operates in pre-salt areas where the potential is huge. We are proud to have taken up the challenge once again, to answer the technological challenges of Petrobras. We are pleased to pursue our collaboration with this historical partner. We have been bold in supporting it with the best of our innovation and by proposing new services"*.

Huge technical challenges ahead

The Brazilian pre-salt fields combine several 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 H₂S and CO₂ 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 products 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 connections. Further on, specialized technical services have been developed over the last years in order to answer to new needs from our customer.

About Vallourec

Vallourec is a world leader in premium tubular solutions for the energy markets and for demanding industrial applications such as oil & gas wells in harsh environments, new generation power plants, challenging architectural projects, and high-performance mechanical equipment. Vallourec's pioneering spirit and cutting edge R&D open new technological frontiers. With close to 19,500 dedicated and passionate employees in more than 20 countries, Vallourec works hand-in-hand with its customers to offer more than just tubes: Vallourec delivers innovative, safe, competitive and smart tubular solutions, to make every project possible.

Listed on Euronext in Paris (ISIN code: FR0000120354, Ticker VK) and eligible for the Deferred Settlement System (SRD), Vallourec is included in the following indices: SBF 120 and Next 150.



In the United States, Vallourec has established a sponsored Level 1 American Depositary Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). Parity between ADR and a Vallourec ordinary share has been set at 5:1.

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