

V A L L O U R E C
**A French limited liability Company with Management and Supervisory
Boards and capital of € 212,154,880**
**Registered office: 27, avenue Général Leclerc – 92100 Boulogne-Billancourt
552 142 200 RCS Nanterre**

I – Certified annual accounting documents for the year ended 31 December 2007

The Ordinary and Extraordinary General Meeting of 4 June 2008 approved without amendment the Company and consolidated financial statements and the allocation of the net income published in *Bulletin des Annonces Légales Obligatoires* no. 43 of 9 April 2008 under item number 080 3457.

II – Attestation of the Statutory Auditors on the Company and consolidated financial statements

1 – Extract of the general report on the Company financial statements

1.1 Opinion on the financial statements - We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities, as of 31 December 2007, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

1.2 Justification of our assessments - In accordance with the requirements of Article L. 823-9 of the French Company Law (*Code de Commerce*) relating to the justification of our assessments, we draw to your attention the following matters:

- provisions for impairment of participating interests are recorded by your Company as described in note II of the notes to the financial statements;
- our work involved assessing the information and assumptions on which these estimates were based, reviewing the calculations made by the Company, comparing the accounting estimates of earlier periods with the corresponding actual figures and examining the procedures for the approval of these estimates by senior management;
- we assessed whether these estimates were reasonable.

The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

1.3 Specific verifications and information - We have also performed the specific verifications required by law in accordance with professional standards applicable in France.

We have no matters to report regarding:

- the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements;
- the fair presentation of the information given in the management report of the Management Board in respect of remuneration and benefits granted to the relevant directors and any commitments given to them in connection with, or after, their appointment, termination or change in function.

Paris La Défense and Neuilly-sur-Seine, 25 April 2008

The Statutory Auditors

Deloitte & Associés

KPMG Audit

A Division of KPMG S.A.

Jean-Paul Picard

Bertrand de Florival

Jean-Paul Vellutini

Philippe Grandclerc

2 - Extract of the report on the consolidated financial statements:

2.1 Opinion on the consolidated financial statements - We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements' presentation. We believe that our audit provides a reasonable basis for the opinion expressed below.

In our opinion, the consolidated financial statements give a true and fair view of the financial position and assets and liabilities of the Group as of 31 December 2007 and the results of its operations for the year then ended in accordance with the IFRS framework as adopted in the European Union.

2.2 Justification of our assessments - In accordance with the requirements of Article L.823-9 of the French Company Law (*Code de Commerce*) relating to the justification of our assessments, we draw to your attention the following matters:

As specified in paragraph A-2.2 of the notes to the consolidated financial statements, the Management of Vallourec is required to make estimates and assumptions that affect the amounts in the consolidated financial statements and accompanying notes. These assumptions are, by nature, subject to uncertainties, and actual results could differ from these estimates. In the context of our audit of the consolidated financial statements for the year ended 31 December 2007, we considered that, of those items that are subject to significant accounting estimates, a justification of our assessments was required in the case of provisions (note A-2.14), retirement benefits and similar obligations (note A-2.15), goodwill (notes A-2.9 and A-2.11) and financial instruments (note A-2.18):

- concerning the provisions, we have assessed the bases and assumptions on which such estimates were made, reviewed the calculations made by the Company, examined Management's procedures for approving these estimates, and reviewed the appropriateness of the information disclosed in note C-16 to the consolidated financial statements;
- concerning retirement benefits and similar obligations, which have been measured by independent actuaries, our procedures consisted in examining the information used, assessing the assumptions adopted and reviewing the appropriateness of the information disclosed in note C-17 to the consolidated financial statements;
- concerning goodwill, we have examined the methods for implementing the impairment tests that were performed as well as the cash flow forecasts and assumptions used. We have also verified the appropriateness of the information disclosed in note C-1 to the consolidated financial statements;
- concerning financial instruments, we have assessed the documentation prepared by your Company justifying, in particular, the classification of financial instruments, the hedging relationships as well as their effectiveness, and reviewed the appropriateness of the information disclosed in note C-8 to the consolidated financial statements.

2.3 Specific verification - In accordance with professional standards applicable in France, we have also verified the information given in the Group management report. We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, 25 April 2008

The Statutory Auditors

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