

PRESS RELEASE



V A L L O U R E C

Strategic investment in oil & gas drilling tubes: acquisition by V & M TUBES of the assets of OMSCO, a division of ShawCor Ltd

Boulogne-Billancourt, 30 August 2005 - Vallourec, world leader in the production of seamless steel tubes and tubular products for specific industrial applications, announces that its subsidiary VALLOUREC & MANNESMANN TUBES (V & M TUBES) has signed a contract to acquire the assets of OMSCO, a division of ShawCor Ltd (Canada), which is based in Houston (USA) and specializes in the manufacture of steel drill pipe.

OMSCO is a manufacturer of tubular products adapted to the needs of the oil & gas drilling industry. These products are composed mainly of drill pipes (75% of 2004 sales), drill collars and heavyweight drill pipe. OMSCO carries out its activities at a site in Houston comprising four production lines and employing 250 staff. It has generated sales of USD 50 million in the first half of 2005.

This acquisition is in line with Vallourec's strategy, which is to expand in those activities with good prospects, particularly in the oil & gas sector, involving high value-added products, whilst limiting the Group's exposure to currency risk.

Vallourec expects this acquisition to provide significant synergies, which will enable it to:

- Develop a global marketing strategy aimed at major international customers in the drilling sector,
- Use mother tubes provided by V & M TUBES' other units in the production of drill pipe at OMSCO,
- Promote the sharing of know-how between the production units of V & M TUBES and OMSCO.

This acquisition will be carried out by purchasing OMSCO's assets for USD 120 million, financed by the use of existing lines of credit. It is expected to have a positive impact on the Vallourec group's EBITDA and net income, Group share from as early as year one.

The acquisition, which will be subject to certain conditions, in particular the agreement of the US competition authorities, is expected to be finalized on or about 30 September 2005.

Pierre Verluca, the Chairman of Vallourec's Management Board, made the following statement regarding the acquisition:

"The acquisition of OMSCO represents a unique opportunity for us to strengthen our presence in the high value-added drill pipe market, particularly in North America. It corresponds perfectly to the Group's strategic objectives and comes at a time when the oil & gas sector is performing well. We look forward to welcoming OMSCO's staff into the Vallourec group and to continuing our expansion in collaboration with them".

Calendar

- Consolidated results for the first half of 2005 will be released on 15 September 2005
- Consolidated sales for the third quarter of 2005 will be released on 27 October 2005
- Consolidated sales for the fourth quarter of 2005 will be released on 1 February 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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