

Vallourec wins a major contract to supply seamless steel rigid line pipe for the pre-salt field Mero 1 in Brazil

Belo Horizonte (Brazil), 16 April 2019 – Vallourec Soluções Tubulares do Brasil has been awarded by TechnipFMC in Brazil to supply around 12,000 tons of seamless steel rigid line pipe with outside diameters 8” and 10”.

The pipe will be used in the fabrication of the riser and flowline system for interconnecting 13 wells (6 production wells and 7 water alternate gas injection wells), to be installed in the pre-salt field Mero 1, which is part of the giant Libra reservoir. Libra covers an area of 1,550 square kilometers, equivalent to the size of the Brazilian city of São Paulo, with recoverable reserves estimated in the range of 8 to 12 billion of barrels of oil.

The Libra Block has been developed under a consortium agreement with Petrobras (40% share) as operator, and with Shell (20%), Total (20%), CNOOC Limited (10%), CNPC (10%) and Pré-Sal Petróleo – PPSA (state owned company, manager of Libra Consortium contract) as the other consortium partners.

The Mero field is located around 180 kilometers off the Rio de Janeiro coast, in ultra-deep waters and has high quality carbonate reservoirs with expected high well productivity.

“We are very proud to be taking part in this major oil development, which is strategic for Brazil and for Vallourec. The award reflects the value of our integrated solution for rigid riser and flowline systems for ultra-deep water fields. This contract confirms that the strategy implemented by Vallourec to provide the clients with rigid line-pipe solutions is appropriate. We understand the market has reached an inflexion point where the demand for rigid risers will increase. At such depths and distance from the shore, rigid line pipe offers the most sustainable solution for the lifetime of such projects” declared Alexandre Lyra, Senior Vice President South America, Vallourec.

Vallourec pipe supply will start at the end of 2019.

Brazil is one of the key markets and a main production and export hub for Vallourec. The activities in Brazil comprise two main industrial sites, with steel casting pipe, rolling and finishing facilities, and two highly specialized service companies for O&G market, as well as one iron ore mine and planted eucalyptus forest.

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 19,000 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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