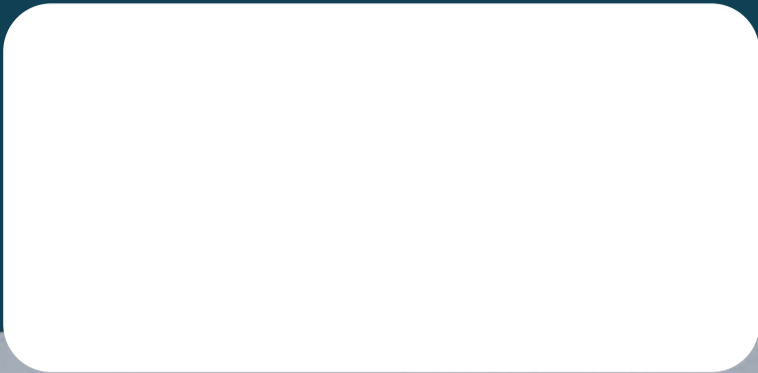




Vallourec Group

#5

JUILLET 2009



Safe!

Dear friends,

I would like to remind you of one of the key principles of our mission: safety. It has always been the cement of all our actions.

At VAM Drilling, safety starts by ensuring that everyone is safe when commuting to work and in the workplace. In 2008, more than 25% of training expenses were dedicated to safety, and more than 95% of our team has already received appropriate safety training. Combining a managerial training program and an internal communications campaign, our strategy is already taking shape with several safety audits and awareness initiatives. VAM Drilling also intends to seek OHSAS certification for its major industrial sites by 2010.

Our strength comes from our safe manufacturing of reliable drill string solutions for our valued clients. Using a Total Quality Management (TQM) system enables us to have a quality policy based on continuous improvement. We use techniques



such as Failure Mode, Effects, and Criticality Analysis (FMECA), Statistical Process Control (SPC), Total Product Management (TPM) and process audits, together with process control systems and built-in checks, etc. This enables us to achieve full process control and maintain the highest level of productivity and quality for our clients. Additionally, several quality control teams applying problem-solving methods throughout the company are decisive in our continuous improvement and innovation. Finally, our quality system has been ISO certified, along with additional international accreditation.

We are committed to maintaining a high level of safety & quality. This is part of the service excellence that we as a company target everyday. Through this process our team and client assets are safe, making VAM Drilling a reliable solution provider. Let's stay focused!

Bertrand de Rotalier
Sales & Marketing Director

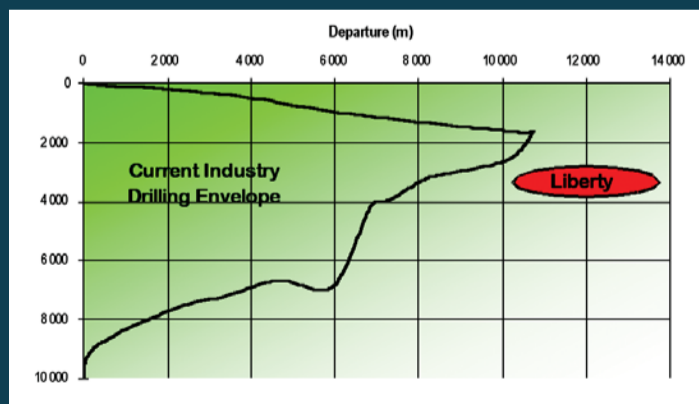
Editorial

Customers

VAM Drilling is the new extended reach drilling technology leader

Partner on the new BP Liberty Project, VAM Drilling will deliver over 100,000 ft of drill pipe for BP's unequalled extended reach drilling project.

On the North Slope of Alaska in Arctic conditions, BP is undertaking one of the most ambitious drilling projects ever realized. The Liberty project will set standards for oil-field development throughout the world. BP plans to use



footprint-minimizing extend-reach wells to "reach out" to an oil reservoir six miles east of an existing field. The resulting well will be the longest well ever drilled - 2 miles deep and 6 - 8 miles long. Initial production from Liberty is slated to start up in 2011 with an anticipated 100 millions barrels production by 2013. The field development is

expected to cost reach \$1.5 billion and will include the construction of a purpose built island.

Chosen as partner on the project, VAM Drilling has designed and produced fit for purpose drill strings using 165ksi material. This cutting edge high strength material technology is specifically designed to meet extreme loads and to provide an up to 20% performance gain while maintaining an ultra thin wall pipe body. These benefits include:

- 165ksi material drill pipe for improved tensile strength
- Extra thin body wall to reduce overall weight
- 135ksi high strength tool joints to improve torque carrying capability
- VAM Express VX high torque connections for high surface torques

The first drill pipe was manufactured in November 2008 and run in December 2008. The commercial Order will continue to be manufactured throughout 2009.





VAM Drilling launches its new VAM CDS™ connection



Always looking for adapted solutions to client needs, VAM Drilling recently launched its new VAM CDS Connection.

For those customers looking for more out of their connections than API can offer, the new VAM CDS is a connection of choice. With its double shoulder design, this high-torque

connection is fully interchangeable with API and the other well accepted double shoulder connections in the market. In deep well conditions, VAM CDS™ has additional torsional strength which provides exceptional performance. Now no matter what connection you are already using, you can count on VAM CDS™ to be there for you at every turn.

Corporate

VAM Drilling is close to its clients

In an effort to meet its clients where they are, VAM Drilling participated in:

- MIOGE Conference in Moscow from the 23rd to the 26th of June. MIOGE is Russia's largest oil & gas exhibition. Since its launch in 1993, it has established itself as a leading event for the Russian energy market. It is also among the top ten oil & gas shows in the world.
- Gastech 2009 Conference in Abu Dhabi from the 25th to the 28th of May. Gastech brings together some of the most important actors in the LNG, LPG and natural gas industries. This forum allowed us to meet with valued clients and build on our valued relationships.



The MIOGE Conference in Moscow



The IADC World Drilling Conference in Dublin

- IADC/SPE Drilling Conference in Amsterdam from March 17th to the 19th. The IADC/SPE Drilling Conference and Exhibition is recognized as the premier conference for presenting high-quality technical papers on topics related to well construction. This event was an outstanding forum for discussing client challenges and for displaying our latest products and services.

VAM Drilling hopes to meet with you soon at an upcoming conference!

VAM Drilling was “Platinum Sponsor” at the IADC World Drilling Conference in Dublin

For the third consecutive year, VAM Drilling has been a “platinum sponsor” at the IADC World Drilling Conference in Dublin on June 17th and 18th 2009. We were delighted to spend time with all of you and we look forward to meeting you soon.

On the move...

People



Lou Elliott
VP Marketing and Technical Support

Previously Deputy General Manager of Marketing and Technical Support before taking his new position with VAM Drilling in January 09.
lou.elliott@vamdrilling.com



Chris Langrill
Regional Manager – North Sea

Previously General Manager of Technical Sales for the Vallourec Group in the UK before joining VAM Drilling in January 09.
chris.langrill@vamdrilling.com



Jim Miller
Product & Technical Support

Manager North Sea
Previously Operations Manager with a service/manufacturing facility before joining VAM Drilling in September 08.
jim.miller@vamdrilling.com



Doug Yono
Sales Manager - Middle East

Previously Operations Coordinator in Nigeria for an oilfield service company before joining VAM Drilling in August 08.
doug.yono@vamdrilling.com



Alexandre Valdelièvre
Sales Manager

Previously Sales Manager for the Vallourec Oil & Gas division in China before joining VAM Drilling in October 08.
alexandre.valdelievre@vamdrilling.com