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Anhui Tianda Oil Pipe Company Limited
安徽天大石油管材股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 839

**ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Reference is made to the joint announcement (the “**Joint Announcement**”) dated 2 February 2016 issued jointly by Anhui Tianda Oil Pipe Company Limited (the “**Company**”) and Vallourec Tubes SAS in relation to, among others, the Sale and Purchase Agreement. Terms defined in the Joint Announcement shall have the same meanings when used herein, unless the context requires otherwise.

The board of directors of the Company (the “**Board**”) is pleased to announce that an independent board committee (the “**IBC**”) comprising Mr. Zhao Bin, Mr. Wang Bo and Mr. Wang Jie, all being independent non-executive Directors has been established in compliance with Rule 2.8 of the Takeovers Code to advise the Independent Shareholders in respect of the General Offer. The Board notes that under Rule 2.8 of the Takeovers Code, an independent board committee established for this purpose should comprise all non-executive Directors who have no direct or indirect interest in the General Offer. As Mr. Liu Peng (“**Mr. Liu**”) a non-executive Director, is the nephew of Mr. Ye Shi Qu, the executive Director and Chairman of the Company and a director and a ultimate beneficial owner of the Vendors; Mr. Bruno Saintes (“**Mr. Saintes**”), a non-executive Director, is currently the Internal Control and Risk Management Director of Vallourec, each are considered to have a material interest in the General Offer. Accordingly, Mr. Liu and Mr. Saintes are not offered membership of the IBC.

Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong), has been appointed as the independent financial adviser to advise the IBC in respect of the General Offer. The appointment of Gram Capital Limited has been approved by the IBC in accordance with Rule 2.1 of the Takeovers Code. The letter of advice from Gram Capital Limited in respect of the General Offer will be included in the composite offer document which will be despatched within 7 days of the Effective Transfer Date.

By order of the Board
Anhui Tianda Oil Pipe Company Limited
Mr Ye Shi Qu
Chairman

PRC, 23 May 2016

As at the date of this announcement, the Board comprises Ye Shi Qu, Zhang Hu Ming and Fu Jun as executive directors; Liu Peng and Bruno Saintes as non-executive directors; and Zhao Bin, Wang Bo and Wang Jie as independent non-executive directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any such statement contained in this announcement misleading.