Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 05/11/2009

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [X] the final return/report;
- [ ] an amended return/report;
- [X] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
VAM DRILLING USA, INC 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 11/11/2005

2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)
VAM DRILLING USA, INC.

6300 NAVIGATION BLVD.
HOUSTON, TX 77011

6300 NAVIGATION BLVD.
HOUSTON, TX 77011

2b Employer Identification Number (EIN)
20-3483439

2c Sponsor's telephone number
713-844-3717

2d Business code (see instructions)
211110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	04/05/2010	ELIZABETH YOUNG-KRUEGER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
VAM DRILLING USA, INC.

6300 NAVIGATION BLVD.
HOUSTON, TX 77011

3b Administrator's EIN
20-3483439

3c Administrator's telephone number
713-844-3717

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	305
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	0
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	0
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	0
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	0
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	0
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	19
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2F 2G 2J 2K 2E 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)		**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 05/11/2009

A Name of plan
VAM DRILLING USA, INC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
VAM DRILLING USA, INC.

D Employer Identification Number (EIN)
20-3483439

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	52053	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2284642	0
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	717165	0
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	6649723	0
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	9703583	0
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	21410	0
k	Total liabilities (add all amounts in lines 1g through1j)	1k	21410	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	9682173	0

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)	0	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		0
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	2325	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	9418	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		11743
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-914733
c Other income	2c		400
d Total income. Add all **income** amounts in column (b) and enter total	2d		-902590
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	356550	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		356550
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	3091	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		3091
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		359641
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-1262231
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		8419942

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: UHY,LLP (2) EIN: 20-0694403

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k	X		
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If yes, enter the amount of any plan assets that reverted to the employer this year ... [X] **Yes** [ ] **No** **Amount:** 0

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)
VALLOUREC NORTH AMERICA RETIREMENT	22-2426905	002

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 05/11/2009

A Name of plan
VAM DRILLING USA, INC 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
VAM DRILLING USA, INC.

D Employer Identification Number (EIN)
20-3483439

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 94-3149038

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a	The current year	**14a**	
b	The plan year immediately preceding the current plan year	**14b**	
c	The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a	The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b	The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a	Enter the number of employers who withdrew during the preceding plan year	**16a**	
b	If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

VAM DRILLING USA, INC. 401(k) PLAN

FINANCIAL STATEMENTS

FOR THE PERIOD FROM JANUARY 1, 2009 THROUGH MAY 11, 2009 AND YEAR ENDED DECEMBER 31, 2008

VAM DRILLING USA, INC. 401(k) PLAN
FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 1, 2009 THROUGH MAY 11 2009
AND YEAR ENDED DECEMBER 31, 2008

C O N T E N T S

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Supplemental Schedule

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All other schedules required by the Employee Retirement Income Security Act of 1974 are not applicable and have been omitted.

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Independent Auditors' Report

To the Participants and Plan Administrator of the
VAM Drilling USA, Inc. 401(k) Plan
Houston, Texas

We were engaged to audit the financial statements of VAM Drilling USA, Inc. 401(k) Plan (the "Plan") as of May 11, 2009 and December 31, 2008, and for the period from January 1, 2009 through May 11, 2009, and the supplemental schedule as of May 11, 2009, as listed in the accompanying table of contents. These financial statements and the supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by Charles Schwab Trust Company, the trustee for the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certification from the trustee as of May 11, 2009 and December 31, 2008, and for the period from January 1, 2009 through May 11, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

As further discussed in Note A to the financial statements, during December of 2008, the Plan Sponsor elected to merge the Plan's assets into the Vallourec North American 401(k) Plan effective May 11, 2009.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

UHY LLP

Houston, Texas
January 25, 2010

VAM DRILLING USA, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	May 11, 2009	December 31, 2008
ASSETS		
CASH	$ -	$ 52,053
INVESTMENTS, at fair value		
Mutual funds	-	6,649,723
Money market fund	-	2,284,642
Participant loans	-	717,165
TOTAL INVESTMENTS	-	9,651,530
TOTAL ASSETS	-	9,703,583
LIABILITIES		
Other liability	-	21,410
TOTAL LIABILITIES	-	21,410
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ -	$ 9,682,173

See notes to financial statements.

VAM DRILLING USA, INC. 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE PERIOD FROM JANUARY 1, 2009 THROUGH MAY 11, 2009

ADDITIONS TO NET ASSETS	
INVESTMENT INCOME	
Interest income from loans	$ 9,418
Interest income from money market	2,325
Other	400
TOTAL INVESTMENT INCOME	12,143
TOTAL ADDITIONS TO NET ASSETS	12,143
DEDUCTIONS FROM NET ASSETS	
Net depreciation in fair value of investments	914,733
Benefits paid to participants	356,550
Administrative expenses	3,091
TOTAL DEDUCTIONS FROM NET ASSETS	1,274,374
NET DECREASE	(1,262,231)
NET ASSETS AVAILABLE FOR BENEFITS	
Balance, January 1, 2009	9,682,173
Transfer of assets from this Plan	(8,419,942)
Balance, May11, 2009	$ -

See notes to financial statements.

NOTE A - PLAN DESCRIPTION

The following description of VAM Drilling USA, Inc. 401(k) Plan (the "Plan") (formerly OMSCO, Inc. 401(k) Plan) provides only general information. Participants should refer to the plan agreement or summary plan description for a more complete description of the Plan's provisions.

During December 2008, a Merger Agreement was executed, effective May 11, 2009, transferring all assets and liabilities of the Plan to the Vallourec North American 401(k) Plan to be held therein in trust. Additionally, on December 31, 2008, the VAM Drilling USA, Inc. 401(k) Plan was frozen so that no employee who was not already a participant in the Plan as of this date shall be eligible to become a participant in the Plan.

General: The Plan was a defined contribution plan available to qualifying employees of VAM Drilling USA, Inc. (the "Company") (formerly OMSCO, Inc.) and was originally established by the Company (effective on November 11, 2005) following the acquisition of the Company, formerly a division of ShawCor Inc., by Vallourec & Mannesmann Tubes S.A. through its U.S. entity. The Plan was intended to conform to and qualify under Section 401 and 501 of the Internal Revenue Code of 1986 ("IRC"), as amended and was subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Administration: The Company was responsible for the administration and operation of the Plan. Milliman, Inc. (the "record keeper") had been retained to provide record keeping services for the Plan. The record keeper used the resources and software developed by SunGard Corbel, Inc. to perform the record keeping functions for the Plan. The Charles Schwab Trust Company (the "Trustee") was responsible for the custody and management of the Plan's assets.

Eligibility: All employee classifications were eligible to participate in the Plan, except certain employees as described in the plan agreement. If eligible to participate in the Plan, the participant would automatically become a participant on the first day of the month that coincides with or next followed the completion of six months of employment. For eligibility purposes, any service time earned with ShawCor, Inc. was credited as service time for Plan purposes.

Contributions: Participants could contribute up to 100% of their annual compensation, subject to certain limitations, with the contributions and earnings thereon being nontaxable until withdrawn from the Plan. The Company made matching contributions equal to 100% of the employee's pre-tax contribution that did not exceed 6% of the participant's compensation for each plan year.

Additionally, the Company could make a discretionary matching contribution to ensure that total matching contributions for the year are equal to 100% of the total employee pre-tax contributions that do not exceed 6% of total employee compensation for the year.

Participant Accounts: Each participant account was credited with the participant's and the Company's contributions and an allocation of net plan earnings. Participants could direct the investment of their account balances into various investment options offered by the Plan. The Plan offered one money market fund and multiple mutual funds as investment options for participants.

NOTE A - PLAN DESCRIPTION (Continued)

Vesting: Participants were fully vested in their contributions and any earnings thereon. Vesting in Company matching contributions or Company discretionary contributions occurred at the rate of 20% per year over five years, based on the participant's service with the Company.

Participants would receive a year of vesting service for each 365 days of service completed with the Company, regardless of the number of hours worked. Severance periods of less than 365 days were counted as service. Participants became 100% vested if they were employed when they reached the normal retirement date (age 65).

Payment of Benefits: Upon termination of service due to death, disability, retirement or separation, a participant received the vested account balance in a lump-sum distribution. If the value of the vested account was greater than $5,000, the participant could elect to defer payment to a later date but not beyond the participant's normal retirement date. The Plan allowed for in-service withdrawals if a participant was 59½ or older. The Plan also offered hardship withdrawals.

Forfeitures: Forfeitures by non-vested participants were used to reduce future Company contributions or pay plan expenses. During the period ended May 11, 2009, no forfeitures were used to reduce Company contributions. On May 11, 2009, all unused forfeitures were transferred to the Vallourec North American 401(k) Plan. At December 31, 2008, forfeited amounts were not material to the financial statements.

Participant Loans: Participants could borrow up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. The minimum loan amount was $1,000. The loans were secured by the balance in the participant's account and bore interest at the prime rate quoted in the *Wall Street Journal* on the first day of the month in which the loan was made plus 1%. The loans were repaid ratably through payroll deductions over a period of five years or less for a general-purpose loan or over a period of ten years or less for a primary residence loan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements have been prepared under the accrual method of accounting.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Contributions and Contribution Receivables: Contributions are recorded on the accrual method of accounting. Contributions receivable are obligations arising from amounts owed to the Plan from participants or the Company that have not been included in the Plan's investments at year end.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition: Investments are reported at fair value. In September 2006, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 157, *Fair Value Measurements*, which defines fair value and establishes a formal framework for measuring fair values of assets and liabilities in financial statements that are already required by accounting principles generally accepted in the United States of America to be measured at fair value. SFAS No. 157 clarifies guidance in FASB Concepts Statement ("CON") No. 7, which discusses present value techniques in measuring fair value. Additional disclosures are also required for transactions measured at fair value. On January 1, 2008, the Plan adopted SFAS No. 157. The adoption did not impact financial condition, or results of operations, but did result in additional disclosures. See further discussion in Note D below.

The Plan's investments are primarily held in the form of various mutual funds. The Plan's investments are stated at market value based upon quoted market prices. The change in the current value of investments (including investments bought and sold) during the period are reflected in the statement of changes in net assets available for benefits as net appreciation or depreciation in fair value of investments. In addition, dividends on mutual funds are included in net appreciation or depreciation in the fair value of investments in the statement of changes in net assets available for benefits. Investments in mutual funds are generally subject to the volatility of the major stock markets in which the underlying investments are held. Participant loans are stated at amortized cost which approximates fair value.

Administrative Expenses: The majority of the administrative expenses of the Plan are paid by the Company.

Payment of Benefits: Benefits are recorded when paid.

Risk and Uncertainties: The Plan provides for various investments in money markets and mutual funds, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits and participant account balances.

NOTE C - INVESTMENTS (UNAUDITED)

As permitted by the rules and regulations of the Department of Labor with respect to reporting and disclosure under ERISA, the trustee has certified to the plan administrator that the listing of investments (stated at cost and fair value) together with all other transactions which affect plan investments, are complete and accurate.

NOTE C - INVESTMENTS (UNAUDITED) (Continued)

The following presents investments that represent five percent or more (in either year) of the Plan's net assets:

	May 11, 2009	December 31, 2008
Schwab Retirement Advantage Money Fund	$ -	$ 2,284,642
Dodge & Cox Balanced Fund	-	794,293
Dodge & Cox Stock Fund	-	925,581
Davis New York Venture Fund Class A	-	1,018,565
PIMCO Total Return Institutional Fund	-	1,776,252
Wasatch Core Growth Fund	-	757,205
Julius Baer International Equity Fund	-	572,971
Participant loans	-	717,165
	-	8,846,674
Investments representing less than 5% of net assets available for benefits	-	804,856
Total investments	$ -	$ 9,651,530

NOTE D - FAIR VALUE DISCLOSURE

As discussed in Note B, on January 1, 2008, the Plan adopted SFAS No. 157 for its investments recognized at fair value. The adoption of SFAS No. 157 did not have a material impact on the Plan's financial statements. SFAS No. 157 defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

SFAS No. 157 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

The three levels of the fair value hierarchy as defined by SFAS No. 157 are as follows:

- Level 1: Valuations utilizing quoted, unadjusted prices for identical assets or liabilities in active markets that the Plan has the ability to access. This is the most reliable evidence of fair value and does not require a significant degree of judgment.

- Level 2: Valuations utilizing quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly for substantially the full term of the asset or liability.

- Level 3: Valuations utilizing significant, unobservable inputs. This provides the least objective evidence of fair value and requires a significant degree of judgment. Inputs may be used with internally developed methodologies and should reflect an entity's assumptions using the best information available about the assumptions that market participants would use in pricing an asset or liability.

NOTE D - FAIR VALUE DISCLOSURE (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value:

- *Mutual Funds*: The fair values of mutual funds are determined based on quoted market prices ("fair value") on the last business day of the plan year as reported by the Trustee of the Plan's assets. Investments are generally subject to the volatility of the major stock markets in which the underlying investments are held.

- *Money Market Fund:* The Plan maintains an investment in a single money market fund. The Plan determined that the fund is valued at its carrying value which estimates fair value due to its liquid nature.

- *Participant Loans*: Participant loans are cash loans made to Plan participants who hold accounts with the Plan. The fair value of these loans are reported at amortized cost and cannot be readily determined in an active market or other observable market as it is not practical to estimate the loan's fair value to restrictions on the transferability of the loans.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Effective May 11, 2009, all assets were transferred to another plan and accordingly, the Plan held no assets. The fair value of investments is categorized as follows at December 31, 2008:

	Level 1	Level 2	Level 3	Total
Money market	$ 2,284,642	$ -	$ -	$ 2,284,642
Mutual funds	6,649,723	-	-	6,649,723
Participant loans	-	-	717,165	717,165
Total assets at fair value	$ 8,934,365	$ -	$ 717,165	$ 9,651,530

NOTE D - FAIR VALUE DISCLOSURES (Continued)

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2008:

	Participant Loans
Balance, as of January 1, 2008	$ 706,693
Interest	64,233
Issuances, repayments and settlements, net	(53,761)
Balance, as of December 31, 2008	717,165
Interest	9,418
Issuances, repayments and settlements, net	(24,403)
Transfer to another qualified plan	(702,180)
Balance, as of May 11, 2009	$ -

NOTE E - INCOME TAX STATUS

SunGuard Corbel, Inc. received a letter dated September 4, 2001 from the Internal Revenue Service informing them that the plan document submitted under a volume submitter program is acceptable under the provisions of Section 401(a) of the Internal Revenue Code. Subsequent to receiving this letter, the Plan has been amended; however, the Plan's administrator believes that the Plan was currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE F - PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by the trustee, as defined by the plan agreement. These investments qualify as party-in-interest transactions.

SUPPLEMENTAL SCHEDULE

VAM DRILLING USA, INC. 401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS
(HELD AT END OF YEAR)
MAY 11, 2009

EIN: 20-3483439
Plan Number: 001

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value

Effective May 11, 2009, all assets were transferred to another plan and, accordingly, the Plan held no assets.

See independent auditors' report.