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Press Release

TMK Announces 1H 2013 Operational Results

The following contains forward looking statements concerning future events. These forward looking statements are based on current information and assumptions of TMK management concerning known and unknown risks and uncertainties.

TMK (LSE: TMKS), a leading global manufacturer and supplier of steel pipes for the oil and gas industry, announces its operational results for the first half of 2013.

2Q 2013 and 1H 2013 Highlights

- TMK shipped a total of 2,140 thousand tonnes of steel pipe to customers in the first half of 2013, up 2% year-on-year. Shipments in the second quarter of 2013 also grew by 2% quarter-on-quarter.
- In the first half of 2013, seamless pipe shipments fell by 1% year-on-year to 1,244 thousand tonnes. Shipments in the second quarter of 2013 also fell by 1% quarter-on-quarter to 619 thousand tonnes.
- Welded pipe shipments rose by 6% year-on-year, reaching 896 thousand tonnes in the first half of 2013 driven, among other factors, by a rising demand for large diameter pipe (LDP) and line pipe from Russian consumers. Second quarter shipments were up by 7% compared to the first quarter of 2013.
- Total shipments of OCTG, TMK's core product, increased by 1% year-on-year and in the second quarter were up by 7% compared to the previous quarter.
- Shipments of premium connections rose to 370 thousand joints for the first half of 2013, up 22% year-on-year and 26% quarter-on-quarter.



2Q 2013 and 1H 2013 Summary Results

(thousand tonnes)

Product	2Q 2013	1Q 2013	Q-o-Q, %	1H 2013	1H 2012	Y-o-Y, %
Seamless Pipe	619	625	-1.0%	1,244	1,259	-1.2%
Welded Pipe	464	433	7.2%	896	846	5.9%
Total	1,083	1,058	2.4%	2,140	2,105	1.7%
<i>including OCTG</i>	464	434	6.9%	898	892	0.7%

2Q 2013 and 1H 2013 Market Overview and Performance by Division

Russian Division

In January–June 2013, TMK's Russian division shipped 1,508 thousand tonnes¹ of pipes, up 4% year-on-year. In the second quarter of 2013, shipments remained almost flat at 753 thousand tonnes compared to the previous quarter.

LDP shipments rose by 11% year-on-year and 4% quarter-on-quarter, driven by both TMK's involvement in supplies for the construction of the Russian onshore section of the South Stream pipeline and by growing shipments to CIS countries.

Due to increasing oilfield-to-storage transportation demands in Russia, in the first half of 2013, TMK's Russian division increased shipments of seamless and welded line pipe by 7% and 37% year-on-year, respectively, with no substantial year-on-year or quarter-on-quarter change in seamless OCTG shipments.

Shipments in the welded and seamless industrial pipe segments suffered a general year-on-year decline due to a shrinking market but in the second quarter of 2013 were up by 22% and 11% quarter-on-quarter, respectively, driven by a reviving demand from the machine building and construction industries.

¹ This includes shipments from TMK's Russian facilities, TMK-Kaztrubprom and GIPI to the Russian, CIS and non-CIS markets (excluding the North American market).



American Division

In the first half of 2013, shipments by the American division decreased by 3% year-on-year to 554 thousand tonnes². In the second quarter of 2013, shipments improved by 11% quarter-on-quarter, driven by targeted market sales of line pipe and OCTG.

Despite stronger commodity prices, the Baker Hughes US rig count in the first half of 2013 compared to the second half of 2012 decreased by 5% to an average of 1,760 while year-over-year the US rig count was down 11% from an average of 1,981 for the first half of 2012. In the first half of 2013, the oil rig count averaged 77% of the total US rig count versus 66% in the first half of 2012. In the second half of 2013 the natural gas rig count is expected to decline further due to seasonal influences. The trend of rigs drilling horizontally and directionally will, however, support OCTG consumption.

Market import volumes remain a high percentage of supply in the U.S. In July, TMK IPSCO and eight other domestic producers filed a petition for the imposition of anti-dumping and countervailing duties against oil country tubular goods from nine countries. However, due to the length of the investigation process, import supply in the second half of 2013 is not expected to be significantly affected by the submitted petition.

European Division

Throughout 2013, the European market environment was deteriorating month by month, becoming ever more critical at the end of the second quarter. The shrinking number of active projects coupled with investor pessimism resulted in lower consumption of tubular goods. This spring saw no demand revival, historically driven by the construction business resumption, since the construction industry was hit worst of all by a dramatic decline in private and public investments in infrastructure and other projects. Over the recent months, this environment has been pressing prices for tubular goods further downward.

Against this challenging economic environment, TMK's European division shipped 78 thousand tonnes of pipe in the first half of 2013, down 4% year-

² This includes products manufactured by TMK's Russian and Romanian facilities and sold on the North American market.



on-year. Shipments in the second quarter of 2013 fell by 5% quarter-on-quarter to 38 thousand tonnes.

Premium Segment

In the first half of 2013, overall demand for TMK's premium connections continued to grow. TMK shipped a total of 370 thousand premium connections in the first half of 2013, up 22% year-on-year. In the second quarter of 2013, shipments of premium connections grew by 26% quarter-on-quarter.

Expanding its services capabilities, in April 2013 TMK acquired a 100% interest in pipe services and precision manufacturing assets located north-east of Houston with an annual production capacity of more than 700 thousand joints of threaded pipe and around 250 thousand couplings. In addition, the facility provides pipe inspection services and manufactures down-hole tools and accessories for a wide range of oil and gas applications.

Outlook

The Company confirms the earlier announced expectations that the Russian division will continue to see a strong demand for OCTG and line pipe in 2013 as Russian oil and gas players fulfill their production plans. The LDP segment is expected to remain flat in the second half of 2013.

The Company maintains its positive long-term U.S. market outlook. TMK expects that the challenging pricing environment, which is likely to have a significant influence on TMK IPSCO's financial results in the first half of 2013, will be gradually improving in 2013 by the year end.

The Company believes that neither noticeable upturn nor stabilization in the European market will be seen before the end of the third quarter of 2013.

In general, the Company confirms its cautiously positive outlook for the current year and expects 2013 shipments to be at least the same as in 2012.



For further information regarding TMK please visit www.tmk-group.com or download the YouTube iPad application from the App Store <https://itunes.apple.com/ru/app/youtube/id516074932?mt=8&ls=1>

TMK (www.tmk-group.com)

TMK (LSE: TMKS) is a leading global manufacturer and supplier of steel pipes for the oil and gas industry, operating 28 production sites in the United States, Russia, Canada, Romania, Oman, UAE, and Kazakhstan and two R&D centers in Russia and the USA. In 2012, TMK's pipe shipments totaled 4.22 million tonnes. The largest share of TMK's sales belongs to high margin oil country tubular goods (OCTG), shipped to customers in over 80 countries. TMK delivers its products along with an extensive package of services in heat treating, protective coating, premium connections threading, warehousing and pipe repairing.

TMK's securities are listed on the London Stock Exchange, the OTCQX International Premier trading platform in the U.S. and on the Moscow Exchange MICEX-RTS.

TMK's production assets structure:

- Russian division:
 - Volzhsky Pipe Plant;
 - Seversky Tube Works;
 - Taganrog Metallurgical Works;
 - Sinarsky Pipe Plant;
 - TMK-CPW;
 - TMK-Kaztrubprom;
 - TMK-INOX;
 - TMK-Premium Service;
 - TMK Oilfield Services.
- American division:
 - 12 plants of TMK IPSCO;
 - OFS International LLC.
- European division:
 - TMK-ARTROM;
 - TMK-RESITA.
- Middle East Division:
 - TMK GIPI (Oman);
 - Threading & Mechanical Key Premium LLC (Abu-Dhabi).

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