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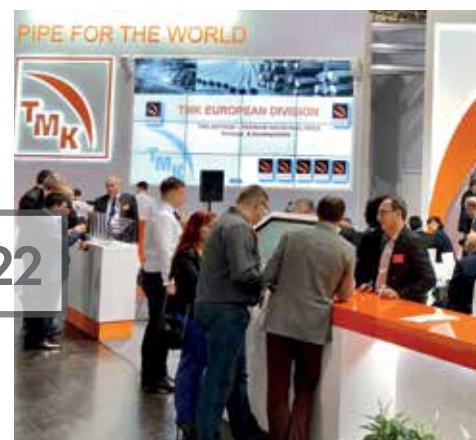
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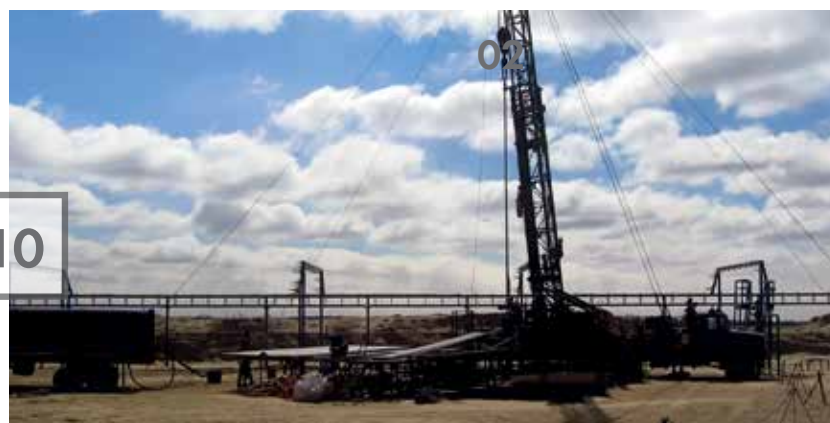
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NEW MILESTONE

Sinarsky Pipe Plant (SinTZ) has produced its 35th million tonne of pipe. A 4" x 0.256" casing joint was manufactured by Pipe Mill No. 2. The plant manufactured its first products 82 years ago.

Festivities to mark this event were held in the town of Kamensk-Uralsky and drew regional and local officials. Several employees of the plant were recognized for their performance.

"For us, this number is a milestone showing that we have come a long way. Throughout its history, SinTZ has been moving forward and evolving," says Managing Director Vyacheslav Gagarinov, adding: "We launch cutting-edge equipment and technologies every year. Last year alone, we commercialized 16 new types of products. Our goals for this year are even more ambitious."



APPOINTMENTS



Andrey Pushkariov

Appointed TMK Director of Pipe Sales in the Fuel and Energy Sector. He previously served as Director of the Premium Products Directorate.



Fiodor Klimkin

Appointed TMK Director of Corporate Communications. He previously handled corporate communications at the PR agency, Mikhailov & Partners, at an overseas business unit of LUKOIL and a number of federal Russian media outlets.

PIPE FOR THE EXTREME NORTH

Sinarsky Pipe Plant has produced its first Q135 and Q125 grade casing that meets advanced low temperature requirements. These extra-strength products feature high metal toughness at temperatures as low as -60°C. They will be used at gas and oil-gas-condensate fields in the Yamalo-Nenets Autonomous District.

The plant has perfected pipe rolling and sizing processes, determined the optimal heat treatment parameters, and fine-tuned the process of threading and making-up premium threaded connections to suit the metal properties. The expanding product mix gives the plant a greater competitive edge and is one of its strategic growth priorities.





TMK: Q1 2018

Shipment volumes continued to grow in virtually all product segments from the comparable period of the previous year. The premium product mix has also been expanded. Quarter-on-quarter revenue growth was fueled by improved performance of the Russian Division on the back of a more

favorable sales structure in the seamless pipe segment and higher sale prices. Revenue increased by 35% from the comparable period of the previous year. EBITDA remained flat from the previous quarter, increasing by 13% from Q1 2017.

Tubular goods shipments (thousand MT)

Product	Q1 2018	Q4 2017	Change %	Q1 2017	Change %
Seamless tubes	677	680	-0.4	659	3
ERW Pipe	303	291	4	185	64
Total pipe	980	971	1	843	16
Including OCTG	459	452	2	429	7

Financial Results (\$ million)

	Q1 2018	Q4 2017	Change %	Q1 2018	Q1 2017	Change %
Earnings	1274	1203	6	1274	944	35
Gross Profit	221	210	5	221	201	10
Adjusted EBITDA	160	160	0	160	142	13
Profitability per adjusted EBITDA (%)	13	13		13	15	

HELPING HAND FOR LICENSEES

TMK has launched a website for licensees. It has enabled a transition to electronic management of engineering documentation and allows submitting orders for gauges and cutting tools.

Now any licensee connected to the website can receive last-minute information about new documents issued, check order status, find answers to technical questions, and receive information via secure communication channels.

Technical experts of TMK Premium Service have already trained 26 licensees how to use the website.

APPOINTMENTS



Denis Blinov

Appointed Director of the TMK Directorate for Relations with Oil and Gas Companies. He previously headed the Directorate for Relations with Drilling and Service Companies.



Anton Narbutovskikh

Appointed Director of the TMK Premium Products Directorate. He previously served as TMK Deputy Head of Premium Product Sales to Russian Companies.



NEW DATABASE LISTING

TMK Kaztrubprom has been included in the ALASh database – an electronic list of suppliers for oil and gas industry operators in Kazakhstan. The company has proven its compliance with the criteria applicable to oil companies in the Republic of Kazakhstan in terms of the product mix, commercial terms of delivery, quality control, and safety procedures.



PIPE ON TOUCH SCREENS

In late April, TMK attended the 18th international exhibition Equipment and Technologies for the Oil and Gas Industry (NEFTEGAZ-2018) and the National Oil and Gas Forum (NOGF).

The TMK exhibition stand showcased the Company's entire range of hi-tech tubular products. The TMK product

offering was featured in a multimedia display with a plasma screen and touch panels. Also on display were samples of unique premium threaded connections from the TMK UP product line, which are used in horizontal and directional drilling operations in offshore and Arctic fields.

TMK representatives also participated in activities of the NOGF business program. Alexander Medvedev, TMK Director of Technical Sales and Product Promotion in the Domestic Market, discussed the latest premium products: pipe made from chromium-nickel alloys and 13Cr with GREENWELL coating.



STANDARDS MEETING

TMK top managers, led by TMK President and CEO Alexander Shiryayev, held a working meeting with representatives of U.S. standardization organizations: the American Petroleum Institute (API), the American Society for Testing and Materials (ASTM International), and the American Society of Mechanical Engineers (ASME).

Attendees discussed the prospects of using the ASTM Compass service – a portal offering access to standards, technical articles, and training programs customized for each specific user, such as using the TMK portal to receive real-time updates about

any amendments to standards.

Representatives of the U.S. organizations also expressed interest in cooperating with the Russian technical committee on standardization – TC 357 “Steel and Cast Iron Pipe and Cylinders.”

TMK plants have been manufacturing products compliant with API standards for 25 years and are licensed to use the Institute’s monogram. In 2007, TMK became the first Russian company to earn status as a voting member of the API. For over ten years TMK and the Institute have been actively cooperating in developing new standards.

AUTOMATION

Volzhsky Pipe Plant has launched new automated equipment for measuring the geometric parameters of welded large-diameter pipe (LDP).

The new equipment has been set up at the finishing station of the longitudinal welded pipe mill where welded pipe is produced for major pipelines. The equipment automatically measures the geometric parameters of products and provides full quality control without affecting performance. Any impact of human error on the measurement results is ruled out. All measurements are

stored in a database and can be analyzed for a quick evaluation of the LDP production process at every stage.



APPOINTMENTS



Donna Smith

Donna Smith has joined TMK IPSCO as the new Director of Marketing & Communications. She comes to TMK from Forum Energy Technologies where she served as Director of Marketing & Communications and was part of their successful IPO team.



James Stewart

James Stewart has joined TMK IPSCO as the new Director of Security. He comes to TMK from Baker Hughes where he directed global physical security and remote security operations.



Grigory Bobrovsky

Grigory Bobrovsky has joined TMK IPSCO as the Deputy General Manager, Strategic Sourcing. Grigory comes from the TMK family. He has worked for TMK Europe in Duesseldorf, Germany since 2006, most recently as Head of the Procurement Department.

FOUR IPSCO EMPLOYEES RECOGNIZED BY TMK

On July 25, during the Employee Engagement Event (E3) held at the Houston R&D Center, and broadcast to all the TMK IPSCO facilities, Chairman and CEO Piotr Galitzine presented the awards to the four IPSCO employees who were recognized for their work by the TMK Group.

David Diederich, Vice President of Engineering and R&D, received a Distinguished Employee award for his many years of service to the company and outstanding contributions to operations, research,

and new product development. Corporate Controller Kamran Ahmadov was also recognized as a Distinguished Employee for successfully transitioning the Accounting group during the downturn, relocating functions of the Welded finance group to Houston, then supporting the business increase during 2017, and, most importantly, preparing and auditing two full years and two interim financials based on the U.S. GAAP requirements applicable to U.S. public companies.

Alejandro Juarez, Manager of Product Development, and Sergei Kalamytsau, Manager of Communications and Translation Services, received Certificates of Commendation. Alejandro Juarez was nominated for his role in the development of new high-torque connections TMK UP TORQ™ and

TMK IPSCO CELEBRATES 10-YEAR ANNIVERSARY

When TMK purchased IPSCO Tubulars in the summer of 2008 from SSAB, a Swedish steel company, it was their largest acquisition to date. It also created the world's largest pipe manufacturer, with 6.4 million tons of pipe-making capacity, 42,000 employees, 27 production sites, and \$4.4 billion in annual revenue (2017).

Today, the American Division is an integral and important part of the TMK Group, underscoring the growing importance of the United States in global oil and gas production, and consequently OCTG consumption.

The history of IPSCO goes back to the middle of the 20th century. To illustrate how the company grew and changed together with the pipe-making industry, here is a brief overview of its history:



- Originally founded as Prairie Pipe Manufacturing Co. in 1956 in western Canada
- 1958: After adding a steel plant to its portfolio, changed name to InterProvincial Steel Company (IPSCO)
- 1988: Acquired first plant in the U.S. – Geneva, NE
- 1990: Purchased the Camanche, IA plant
- 1997: Built the Blytheville, AR plant to meet the growing U.S. OCTG demand
- 1999: Moved headquarters to the U.S. and started to report financial data in U.S. dollars
- 2006: Acquired NS Group (formerly Newport Steel)
 - Baytown
 - Wilder
 - Koppel, Ambridge, Brookfield
 - Ultra connections
- 2007: Purchased by SSAB, Swedish steel company
- 2008: Acquired by TMK after initial purchase by EVRAZ

TMK UP SF TORQ, the first such connections within TMK Group. Sergei Kalamysau was recognized for his contribution to communication between the Russian and American Divisions of TMK, which extends to day-to-day operations, as well as special projects, such as the Horizons Forum and the Friendship Summit.

Awards were signed by Alexander Shiryayev, President and CEO of PAO TMK, based on nominations by the

executive leadership of TMK IPSCO.

"It is exciting to feel that we are part of larger the TMK Group and that our work is recognized by our colleagues in Russia," says Alejandro Juarez.

Below: David Diederich (right) receives his TMK award from Piotr Galitzine.



BAYTOWN ACCEPTS FIRST FULLY LOADED BARGE

After completion of a four-month long dock dredging project, the first fully loaded barge with green tube from Ambridge arrived at the Baytown dock on September 5.

According to Project Engineer Bob Arceneaux, the revamped dock will result in annualized savings for the company of \$550,000 in the first year and \$715,000 thereafter. Since the construction of the dock in the mid-1980s, it has silted up, making waters in some places as shallow as 5 feet, whereas a fully-loaded

barge requires at least 7.5-9 feet of water. As a result, TMK IPSCO had to lighten incoming barges by 400-600 tons at third-party docks and transport that pipe to the Baytown facility by truck at additional cost.

Four contractors were involved in the project – a civil engineering firm, an environmental contractor, a crane pad construction firm and a dredging company. Baytown Shipping Department was involved in making the dock operational after the completion of construction work.

APPOINTMENTS



Rodrigo Corbari

Rodrigo Corbari has joined TMK IPSCO as the new Director of Process Engineering. He comes to TMK from Vallourec where he led a multidisciplinary team of process engineers. Rodrigo is also a published author and reviewer for various industry publications.



Alejandro Di Nunzio

Alejandro Di Nunzio has joined TMK IPSCO as the Director of Line Pipe Coating Business Development. He joins TMK from NOV Tuboscope where he was Business Development and Technical Sales Manager – Western Hemisphere since 2014.

CONSUMER-CENTERED SERVICE

THIS PAST SPRING, TMK NEFTEGAZSERVICE (TMK NGS)—ONE OF THE CORE BUSINESS UNITS OF TMK—MARKED ITS TENTH ANNIVERSARY. IN THE FOLLOWING INTERVIEW, TMK NGS CEO **VITALIY RUBEL** DISCUSSES WHAT DRIVES THE GROWTH OF TMK'S OIL AND GAS FIELD SERVICES UNIT, CUSTOMER RELATIONS, AND ADVANTAGES OF RUSSIAN COMPANIES IN THE DOMESTIC MARKET.

Mr. Rubel, one of the goals in setting up the TMK NGS division ten years ago was to offer products bundled with service and post-service support. Was this the right thing to do?

Absolutely. Meeting the service needs of TMK customers and creating added value is exactly what drives the growth of our business. Engineering support; threading of connections; manufacturing of drill pipe tool joints, boxes and string accessories; application of insulation and protective coatings; and the rental and leasing of tubing and drill pipe are the various aspects of the pipe service of TMK NGS plants. Demand for these services is on the rise. NGS plants saw their revenues grow by more than 2.5 times over the past decade.

Does TMK NGS pursue R&D cooperation with the RosNITI R&D Institute? If so, in what area?

Undoubtedly, yes. NGS plants work with RosNITI on basic research and standardization in almost 20 areas. We use RosNITI's personnel and laboratory equipment to support research for all product lines in which the plants specialize, improve available technology, increase cost-effectiveness, and develop new technical solutions.

Please tell us about new solutions for pipe coating.

Process improvement work never ends. Truboplast and TMK NGS-Nizhnevartovsk are now producing an extensive line of corrosion-resistant and protective coatings. Special interior coatings were developed for tubing and drill strings in highly-aggressive downhole environments. The Orsky Machine Building Plant is applying the innovative GREENWELL dopeless coating to premium casing pipe.

How would you evaluate the technical level of TMK NGS plants today? Do they meet modern requirements?

Large-scale upgrades are behind us. The largest projects in the last ten years were a new thread line for

premium casing, an upgrade of tool joint production facilities, an interior coating application shop, and establishing a service shop in Novy Urengoy. Our current challenges include ways to increase productivity, lower production costs, and assure product and service quality.

How much are TMK NGS's engineering support services in demand?

They are in greater demand with each passing year. Four years ago, every 24th pipe shipped from TMK to customers was covered by support, now it's every sixth. Conditions for oil and gas production are becoming more challenging, while the design of connections is becoming more sophisticated. Unfortunately, some drillers, who are used to standardized solutions, call us only when it's too late, after the incident, but we are always there to help.

Are TMK specialists supporting all the runs where TMK products are used?

That would be ideal. Initially, the goal was to support only the first runs with premium connections. Now our specialists are supporting 15% of shipments. Most key customers have seen value in both this service and in the competence of TMK NGS specialists. Therefore, new contracts for the delivery of tubular products include the "Run Support" section, and the end-user has the option of having our specialists in the field.

TMK has always tried to be closer to the end-user, including geographically. Are there plans to expand the service centers network?

Today our three service centers are in the middle of Russia's primary oil and gas producing areas. TMK NGS-Nizhnevartovsk is doing business in the Nizhnevartovsk oil region. A new service center opened up in 2016 in Novy Urengoy, Russia's gas capital. The TMK NGS-Buzuluk center is in the Volga-Urals oil and gas province. We are awaiting the further development of commercial operation of Eastern Siberian oil and gas fields. This is the most likely target for our geographic expansion.

How do you manage your customer service?

We focus on the maximum possible satisfaction of our customers' needs. As part of our quality management system, we survey consumers for their level of satisfaction with the products and services they received. This feedback enables us to promptly identify and eliminate any bottlenecks. Our specialists are continuously working on actions to increase downhole



equipment time-to-failure, and they learn about customers' expectations and get the assessment of their performance firsthand.

Competition in the service market is very tough. How would you assess the current market?

The current situation looks optimistic. Oil prices are rising, the number of active rigs is growing as is the demand for oilfield tubulars, both threaded and line pipe. That means more work for us.

The oil and gas market is very sensitive to fluctuations. How do you respond to changes in the market? Do you plan to develop new business areas? Or maybe existing ones will get a new push for development?

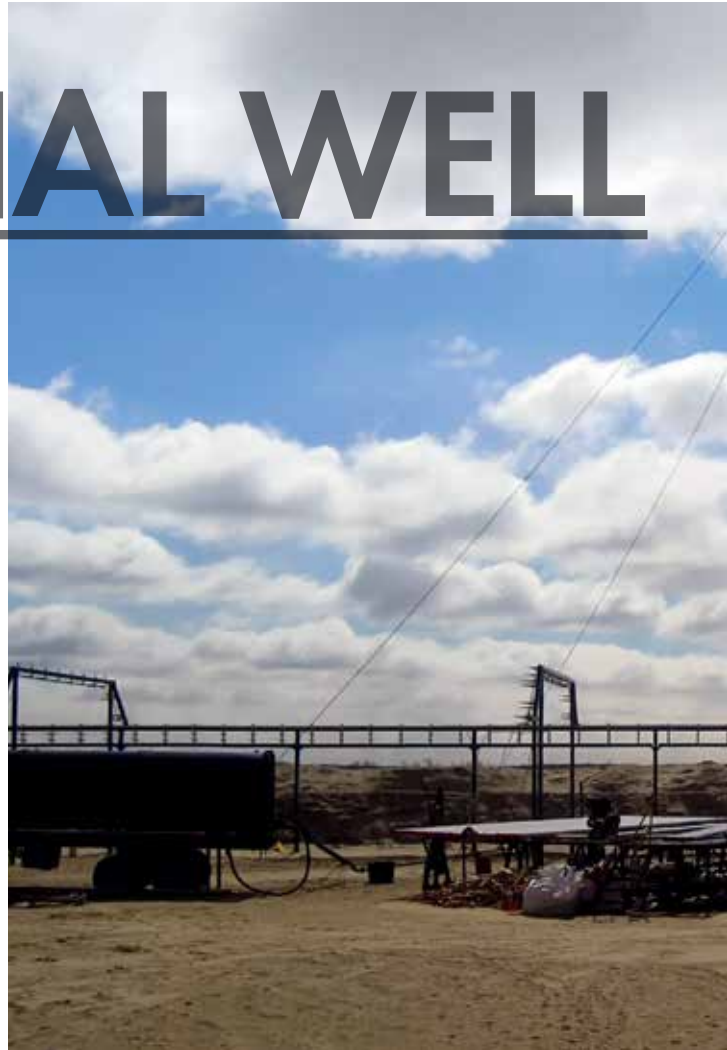
The market, current production, and the introduction of new products is a continuous process. As in 2017, we are still expanding our mainstream businesses. The main focus of our plants has been the implementation of technologies for threading premium connections on tubing and casing, string components and downhole equipment. **YT**

AN ETERNAL WELL

GAZPROMNEFTKHANTOS, TMK NGS-BUZULUK, AND OBNEFTEREMONT SPECIALISTS MADE-UP AND RAN TUBING DOWN AN INJECTION WELL AT THE YUZHNO-PRIOBSKOYE FIELD IN THE KHANTY-MANSIYSK AUTONOMOUS DISTRICT, WHICH OIL MEN CALL AN “ETERNAL WELL.” **ALEKSANDR KIRILLOV**, TMK NGS-BUZULUK TUBULAR PRODUCT SUPPORT ENGINEER, SHARED HIS IMPRESSIONS OF THE JOB.

The trip is over. Technical support for four runs of casing strings at the Vankorskoye field (an oil and gas field in Krasnoyarsk Krai) is now behind us. TMK NGS-Buzuluk engineer Vladimir Vanderov and I were asked to fly to TMK NGS-Nizhevarovsk to assist with training for the Eternal Well project. We had to fabricate instruments, so-called barettes, and apply buck-on marks to the pin ends and couplings of the tubing.

The tubing with gas-tight TMK UP PF premium connection was made at the Sinarsky Pipe Plant, and the Nizhevarovsk plant had to apply the interior and exterior polymer coating and buck-on marks. Applying a double coating on the pipe is a new, but extremely promising, project for TMK. Our product is one of several innovations that Gazprom is testing at the Eternal Well to optimize well performance.



A trial lot of tubing with interior and exterior coating and TMK UP PF gas-tight threaded connection was supplied to determine operating reliability and service life. The warranty in these cases is usually 1.5 – 3 years, but this time the customer wanted to be sure of the TMK pipe for 15 years.

The Yuzhno-Priobskoye field is 60 km from Khanty-Mansiysk. This is not the Arctic region, but it is still the far north. Conditions here are harsh: a long winter with low temperatures and wind, and numerous rivers, lakes, and swamps release clouds of gnats in the summer. The area is not only harsh, but also beautiful. Swans from warm climes came to nest on a nearby lake.

They say that 40 years ago you could only get here by helicopter. Geologists lived in shacks and sleeping bags. In winter hair froze to the walls, and it was often impossible to dry out clothing. Today the picture is entirely different. High roads have been built, along which pipe transports reach the field



without problem.

Rig crews come here on a 45-day rotation and work in two 12-hours shifts: from eight to eight. Facilities are modern, with electricity, heat, phone and Internet service.

There are still wild animals in the region, so accommodations have been made. Door handles open only by turning them upward, otherwise a bear could turn the handle with its paw and get inside.

We received a warm welcome. The Gazpromneft-Khantos specialists had done much preparatory work. We had a briefing with Obnetheremont personnel on pipe acceptance at the well, pipe unloading, stacking and preparation for the run. From Nizhnevartovsk, they sent a kit for repairing coating segments damaged during transportation and make-up.

We were there to teach their personnel how to run pipe with TMK connections. TMK UP PF gas-tight connection replaced Sumitomo and Tenaris connections at the Vankorskoye field. Japan is no

longer working at Vankor, only TMK is.

Weather conditions were difficult for the run. Tubing coating can be repaired only at ambient temperatures at or above +18°C. The temperature there dropped to -4°C during the day and a strong wind was blowing, bringing sand with it. During repair and make-up, the connection and lubricant can't be exposed to the wind, so special hoods were used as shields.

The repair mix should always be kept warm. The second engineer prepared the mix, continuously stirring and testing it. Usually during the run, the pipe is rolled, exposing them to additional shocks and damage, but here they were hand-carried. We showed the team how to hold a pipe and how to set it into the pin so as not to damage the thread.

The two days of work was complete. Everything went without a hitch. Hydraulic tests were performed for 10 minutes at 60 atmospheres. No abnormalities were found.

The brief but eventful trip to the Yuzhno-Priobskoye field came to an end, but TMK will return. After all, there is an offset well, and the pipe for it has already been delivered and is ready to run. Based on our recommendations, Nizhnevartovsk plant specialists applied an additional coating to the pipe where damage is most likely to occur. Soon we'll find out how these solutions work at the new well. **YT**





012

BY THE CUSTOMER'S SIDE

IN 2016, TMK NEFTEGAZSERVICE (TMK NGS) OPENED A NEW SITE IN RUSSIA'S GAS CAPITAL, NOVY URENGOY, TO PROVIDE LOCAL COMPANIES WITH OIL AND GAS FIELD SERVICES.

T

hese areas account for 74% of all natural gas produced in Russia, and a large stream of premium TMK product is flowing to Yamal's gas provinces. The launch of the new production site in Novy Urengoy was the company's next step in getting closer to its customers.

There are two TMK NGS centers in the northern Urals Federal District. The plant in Nizhnevartovsk provides comprehensive services to the oil and gas industry. The production facility in Novy Urengoy is part of TMK NGS-Nizhnevartovsk but has its own unique line of business. Its niche is work of any complexity, including in the premium segment, with short turnaround. Failures at the rig can lead to serious losses for operators. Even scheduled



The Novy Urengoy facility has the latest in high-tech equipment.

high-tech equipment, and the plant has a quality management system," says Igor Predein, director of the Novy Urengoy service center.

The site specializes in crossovers and fittings with threaded connection per GOST and API, as well as TMK UP premium threaded connections for casing, drill pipe and tubing, including with GREENWELL technology. Specialists thread connections not only on TMK products, but also on pipe and accessories of local companies. The center also repairs tubing and drill pipe with a wide range of threaded connections. In the Far North, pipe with TMK UP premium threaded connections is widely used for hydrocarbon production. It has improved strength, bending, good resistance to challenging environments and, most important, sealability, even under challenging operating conditions.

The company has invested more than \$1.7 million in the project. The Novy Urengoy service center has enabled TMK NGS-Nizhnevartovsk to enter a new service market, including the premium segment, and TMK Neftegazservice to scale its experience in new geographic areas. The new facility soon plans to start applying the lubricant-free GREENWELL coating to casing strings and introduce the new TMK UP CENTUM connection. **YT**

The company has invested more than million in the project.

\$1.7

outages to replace equipment take time and cost money. Having a TMK service center near the field is intended to provide ongoing support and quick response in an emergency.

"The center's production facilities have the latest

In the Far North, pipe with TMK UP premium threaded connections is popular for producing hydrocarbons.



GROWTH FORECAST

IN EARLY APRIL, THE WORLD STEEL ASSOCIATION (WORLDSTEEL) PRESENTED A SHORT-TERM FORECAST OF GLOBAL STEEL CONSUMPTION IN 2018 AND 2019. THE EXPERTS PREDICT AN EXPANSION OF GLOBAL STEEL PRODUCT CONSUMPTION.

WORLDSTEEL estimates that global steel demand this year will grow 1.8% compared to 2017 – to 1.616 billion tons. In 2019, steel demand is expected to grow 0.7% to 1.627 billion tons.

T. V. Narendran, chairman of the economics committee, stated, "According to forecasts, in the next two years the global economic situation will be positive with a high level of confidence, and investment activity in developed countries will continue to recover."

"We therefore expect that demand for steel in both developed and developing countries will exhibit a steady growth trend with relatively limited risks. Nevertheless, the possible adverse impact of growing trade tensions and the probable change in US and EU interest rates might undermine this trend," he said.

According to WSA estimates, developing economies are enjoying a number of advantages, including the stabilization of commodity prices. As expected, China will continue to steadily reduce its rate of economic growth after a brief recovery in 2017.

Regionally, the WSA expected demand in the EU-28 to rise by 2% this year to 165.6 million tons. It is anticipated that the main growth drivers will be investments encouraged by stable domestic and foreign demand, while low inflation and growth in wages and real incomes will support private demand.

Demand within NAFTA (USA, Mexico, and Canada) will grow by 3% in 2018 (to 145 million tons) and by 1.6% in 2019 (to 147.3 million tons). Steel demand in the United States will remain stable thanks to strong economic factors and investments. The cheap dollar and growing investments will help the industrial sector.

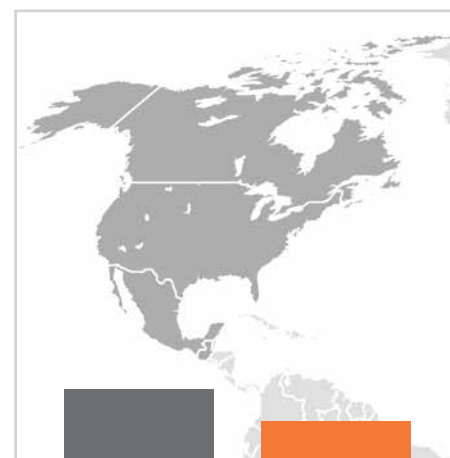
It is expected that demand from the EU and USA automotive industry will be moderate because of market saturation and interest rate hikes, while the heavy equipment sector is expected to benefit from investment growth.

The decline in steel demand in 2019 is explained by tightening monetary policy in the EU and United States.

The WSA estimates that steel demand in developing countries except China will grow by 4.9% and 4.5% in 2018 and 2019, including in the region of Middle East – North Africa (MENA), driven by the recovery in the price of oil and other commodities. If we have geopolitical stability, demand for steel in those regions may increase further.

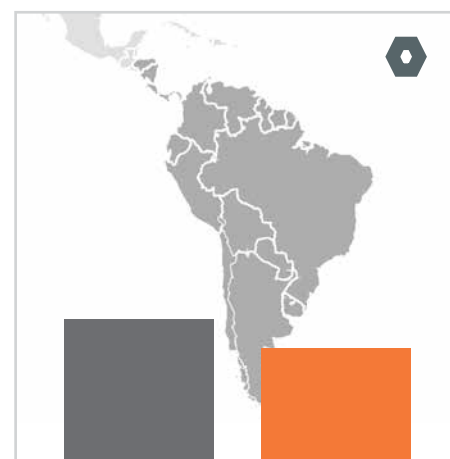
In Russia, WSA analysts predict a moderate recovery of demand. They estimate that this will be fostered by credit expansion, moderating monetary policy, and an improvement in consumer and business confidence. WSA expects that demand will increase by 2.1% in 2018 to 41.5 million tons; in 2019, growth will be 1.4% to 42.1 million tons. **YT**

NAFTA



2018	2019
• 145M tons	• 147.3M tons
◆ +3,0%	◆ +1,6%

CENTRAL AND SOUTH AMERICA



2018	2019
• 43.5M tons	• 45.6M tons
◆ +6,2%	◆ +4,9%

THE WORLD STEEL ASSOCIATION (WSA)

publishes its Short Range Outlook (SRO) every year in April and October. In April, the SRO covers seven quarters ahead; the October forecast, which is presented at the WSA General Assembly, looks five quarters ahead.

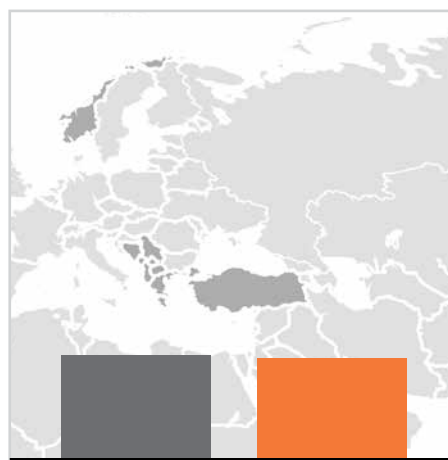
- Consumption (million tons)
- ♦ Change from previous year (%)

GLOBAL STEEL CONSUMPTION

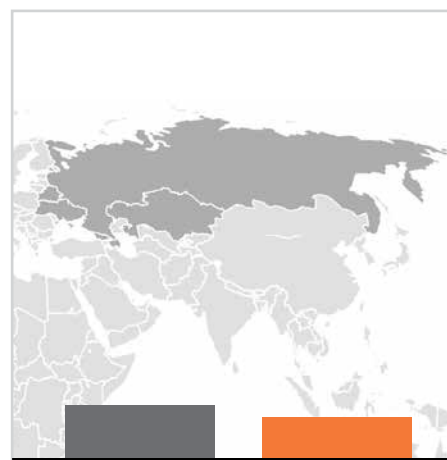
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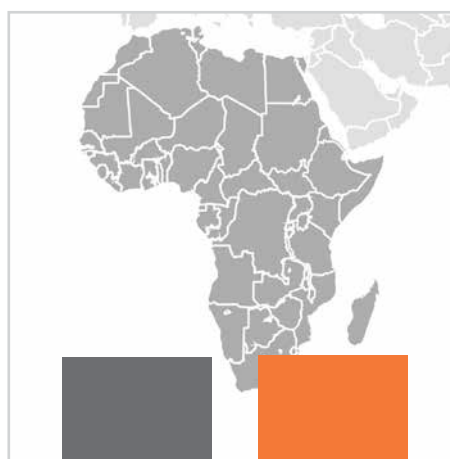
REST OF EUROPE



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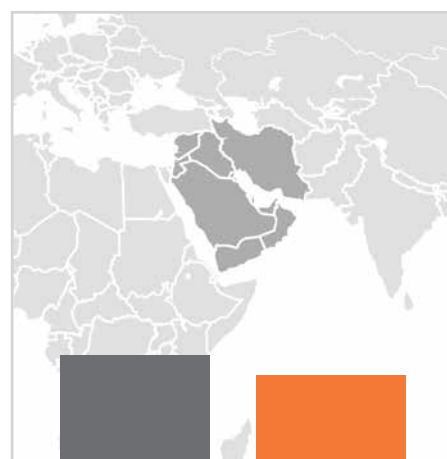
AFRICA



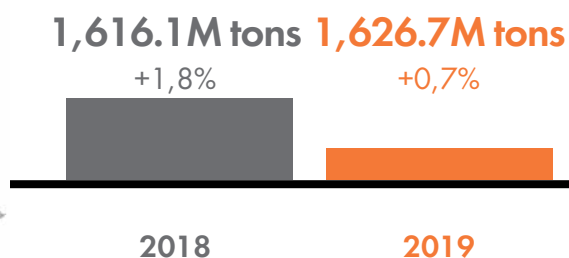
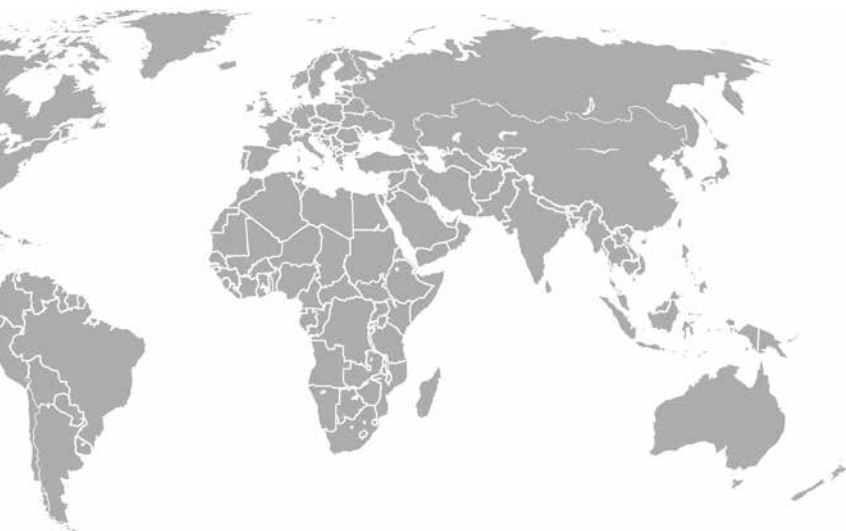
ASIA AND OCEANIA



MIDDLE EAST



WORLD



PREMIUM TECHNOLOGIES FOR INDIA

FOR THE FIRST TIME,
TMK SHIPPED AN
ORDER OF VACUUM
INSULATED TUBING
(VIT) FOR AN
INTERNATIONAL
PROJECT – AN OIL
FIELD IN INDIA.





V

acuum insulated tubing with TMK UP premium connections was shipped to India's second largest state-owned oil and gas company – Oil India Limited. The order was filled

at the Sinarsky Pipe Plant. The run is being supported by TMK Neftegazservice specialists.

VIT will be used at the Baghewala field, the oil reserves of which are estimated at 48 million tons of high-viscosity oil. To decrease the oil's viscosity and increase well yield at this field, cyclic steam stimulation, which involves injecting superheated steam into a well to a depth of 1600 m, will be used. The high temperature of steam injected to this depth can be maintained only by using high-tech VIT, which is a unique pre-fab product: a smaller-diameter pipe is placed inside a larger-diameter pipe, and a vacuum is created in the annular space, which is prefilled with an inorganic shielding material.

The Near and Middle East markets are attractive from the viewpoint of hard-to-recover hydrocarbons, including viscous oil. To develop these fields, TMK is ready to offer innovative products with improved heat insulation properties for use in thermal production methods. TMK's plants are now working on providing VIT with additional technological solutions customized to international customers. It has now started production of both VIT Light, in a vacuum-free version with operating temperatures up to 180°C, and heavy oil production VIT for injection of steam at temperatures of up to 350°C with an external pipe diameter from 3" to 6 5/8", said Dmitry Chernichenko, Director of Sales – Oil Companies.

TMK has successfully worked with Oil India on various projects since 2010, supplying casing from the Volzhsky Pipe Plant. **YT**

TMK UP KATRAN HD

FOR OFFSHORE PROJECTS



TMK UP KATRAN HD

- Needs no tools for assembly
- Installed under its own weight
- Visual inspection of assembly
- Remote assembly



The TMK UP KATRAN HD fast make-up connection is used to assemble conductor pipe from 20" to 36" in diameter. The connection is intended to run conductor pipe as offshore well legs, in unstable sedimentary rock on the sea floor, where strings must be assembled quickly and correctly. Pipe is assembled through the force created by the weight of the upper pipe and the spring ring.

TMK developed the TMK UP KATRAN HD as part of a long-term program of R&D cooperation with Gazprom; it is 100% made in Russia. Connections of this type used to be purchased exclusively abroad. This is the only connection that can be used on all Russian offshore projects, at any depth, and in the most severe climate.

The TMK UP KATRAN HD connection successfully completed acceptance tests by Gazprom VNIIGAZ at the Krylov State Science Center, one of the world's largest shipbuilding and design research centers. The tests included reassembly under its own weight and a set of static bench tests for torque, tension, compression and static and cyclic bending. The connection displayed exceptional performance properties and maintained sealability at the required operating loads. **YT**

CULTIVATING A SAFETY MINDSET

IN APRIL, TMK PARTICIPATED IN STEEL SAFETY DAY (SSD) – A GLOBAL INITIATIVE OF THE WORLD STEEL ASSOCIATION (WORLDSTEEL).

The focus of SSD 2018 was on preventing injuries resulting from movement within a facility.

The most important steps in preparing for SSD were audits, which were performed at all TMK production sites over several months. Because of this large-scale effort, each plant developed an action plan to mitigate the risks.

On April 28, Steel Safety Day, the company's senior managers visited and inspected many production sites. Meetings were held at the plants to discuss progress in risk management since 2017 and preparations for SSD 2018.

Alexander Shiryaev, TMK's CEO, visited the Volzhsky Pipe Plant. He noted that TMK's annual participation in worldwide Steel Safety Day has a positive effect on company's operating results.

Traditionally, large-scale events were held at TMK IPSCO. Members of the executive team attended SSD events at every plant and addressed the employees directly, with Chairman and CEO Piotr Galitzine visiting the Koppel plant.

At the Odessa plant, an employee of the Texas Public Safety Department talked about



Local firemen conducted a training session for the employees of the Wilder, KY plant.



TMK CEO Alexander Shiryayev (right) inspecting the Volzhsky Pipe Plant.

In 2017 TMK instituted the "Best Health & Industrial Safety Performance Competition among PAO TMK Organizations." Its goal is the continuous improvement of the employee health system and to encourage employees to follow safety regulations. At a meeting of company technical executives in February 2018, the Winner's Cup in the first season of the competition was awarded to Mikhail Zuyev, managing director of the Seversk Pipe Plant.

the danger of distracted driving. Medical center representatives visiting the Catoosa plant reminded employees about the symptoms of stroke.

Several TMK IPSCO plants included activities for family members of the employees. Children had an opportunity to learn about occupational safety and health through games. There were photo sessions with parents, raffles, entertainment and prizes, and the Baytown plant had a bouncing castle.

According to Chakeyla Manuel, Director of EHS at TMK IPSCO, in 2017 the number of accidents fell 20% while output increased 80%. The American division's plants are taking other initiatives, including walk-through inspections of production sites, kaizen activities, a PR Hand Safety campaign, and a safety threats and risks analysis program.

Throughout its history TMK has maintained the highest health and industrial safety standards. In 2017, all plants confirmed their compliance with OHSAS 18001 requirements. Since 2014, accidents at the Russian division's plants have dropped 50% and the number of accidents classified as severe has decreased significantly. **YT**



Special activities were held for the children of TMK IPSCO employees.



INDUSTRY ON THE RISE

TMK INTRODUCED NEW HIGH-TECH INDUSTRIAL PRODUCTS AT THE TUBE 2018 INTERNATIONAL SPECIALIZED SHOW IN DÜSSELDORF, GERMANY.

2.6

THOUSAND
COMPANIES
PARTICIPATING

INDUSTRY 4.0

Considered to be the most important event for the global tubulars industry, this year was special for Tube. The trade show celebrated its 30th anniversary. Started in 1988, the event invariably attracts the attention of anyone who wants to keep up with advanced technologies in the tubulars business. The number of participants who want to display their achievements and get to know competitor's innovations broke previous years' records, with more than 71,500 specialists from 134 countries attending the show.

"Despite the economic crises of the last few years, the industry is now on the upswing," Friedrich-Georg Kehrer, the show's director, said. "It creates a climate conducive to investment, and not just in Europe. Many are investing in infrastructure projects, construction, and the automotive industry in Southeast Asia, South America, and some regions of Africa."

Tube is an excellent venue for business meetings and negotiations.





118

AREA (THOUSAND
SQ. M2)

1,216

EXHIBITORS FROM
57 COUNTRIES

The theme of the show and the basic trend in metallurgy is the so-called digital transformation, or Industry 4.0. In 2016, this theme was merely discussed, but this year many manufacturers are exhibiting the results of the implementation of digital technologies at their production facilities.

TMK was represented by a delegation of marketing, sales and technical executives, and specialists from the company's Russian and European divisions. Vyacheslav Popkov, TMK's Senior Vice President, headed the team.

A special focus at the company's display stand was the new high-tech product from the Romanian plant TMK-ARTROM – seamless mechanical pipe, including premium products: seamless heat-treated pipe, cold-rolled pipe and specialized pipe for hydraulic cylinders and automotive components.

"Tube is an excellent venue for client relations. This business communications format saves a lot of time," noted Luca Zorzi, managing director for sales at TMK Europe. "Here we can spend a week exchanging opinions, discussing the market and current trends, and finding out what our competitors are up to. In this format, people are more open and relaxed. The atmosphere is friendly and interactions are more like a chat among friends."

Vyacheslav Popkov noted that, although Tube is a specialized show, company employees held business meetings concerning all TMK products.

"TMK's stand at Tube was a great success. We had a large number of discussions both with partners with whom we are already on friendly terms, and also with new and potential customers," said Vyacheslav Popkov.

TMK was not only active in exhibiting, but also at industry events. Russian division executives participated in a round table organized by the German SMS Group. Alexander Klachkov, TMK Vice President and Chief Engineer, Sergei Alekseev, TMK Marketing Director, and Norbert Thelen, SMS Group Vice President – Rolled Steel, discussed current topics in the companies' collaboration, particularly about developing technologies for new equipment.

During the show TMK hosted a traditional reception for partners and clients. More than 200 representatives from 100 companies worldwide attended the event. They were welcomed by Vyacheslav Popkov and Adrian Popescu, CEO of the European division. They thanked attendees for their efficient work and expressed confidence that their mutually beneficial collaboration would expand.



Sergei Alekseev, TMK Director of Marketing, Alexander Klachkov, TMK Vice President and Chief Engineer, and Norbert Thelen, SMS Group Vice President - Rolled Steel, discussed current topics in the companies' collaboration.





The entertainment program was a pleasant addition to the evening.

More than 200
representatives from 100
companies worldwide
attended the event.

"Implementing and launching a modern heat treatment system at TMK-ARTROM is the result of close work with partners and the wishes of more than 600 companies with which TMK works on the European and American markets," said Adrian Popescu. **YT**

**William Heck,
Herregods Franssen SA:**

TMK provides us with support like no other company. In the next few years, we are committed to expanding our collaboration. At the show we were introduced to TMK-ARTROM's new high-tech product. We'll offer it to our clients. I'm certain that it will be in demand, since these tubes have improved properties.

**Ben Arnolds,
Purchasing Manager
Benteler Group International:**

We have a great relationship with TMK, regardless of what's going on in the market. Even when the market was in decline, we didn't cut our purchases. The most challenging things on the market are the availability of products, productive capacities and price. We always find common language with TMK on all these items.

**Francesco Pighi,
Executive Director of
Siderpighi S.p.A:**

We operate in Italy and offer our clients industrial and mechanical pipe. We've worked with TMK for a long time. You might say that we're friends. In early 2018, the market is on the rise, so we have good expectations for the second half of the year, too.

MASTERS OF METAL

IN EARLY MAY, TMK REPRESENTATIVES PARTICIPATED IN THE MILESTONE 50TH INTERNATIONAL OIL AND GAS CONFERENCE AND OFFSHORE TECHNOLOGIES SHOW, OTC 2018, IN HOUSTON.



Alberto Vazquez (left), Vice President and Chief Commercial Officer of TMK IPSCO, demonstrates the TMK UP family of connections to a conference attendee.





Senior Product Development Engineer Ryan Broussard presents the latest products by TMK Group for the oil and gas industry.

ANNIVERSARY PROGRAM

Every year since 1969, the OTC has gathered industry professionals from the world over. This year, 70,000 guests from 100 countries and representatives of 2,300 companies from 44 countries attended. OTC marked its milestone event with a number of activities involving leading experts and senior executives of oil and gas companies. But, as the organizers promised, the celebration of the 50th year jubilee will continue next year at OTC-2019 as well.

Participating in the opening ceremony at NRG Park in Houston were Patrick Pouyann, President of France's Total; Harry Brekelmans, Division Director at Royal Dutch Shell; Solange da Silva Guedes, Director for Exploration and Production at Brazil's Petrobras; Jeff Miller, President and Chief Executive Director at Halliburton; and Clay Williams, Chairman and Chief Executive Director of National Oilwell Varco.



The ceremony ended with a "Heritage" lunch organized to celebrate the show's success and recognize volunteers and exhibitors. The annual award "For New Technologies" was also presented. This year, 17 companies won prizes. They included Shell and SBM Offshore (for successful development of the ultra-deepwater project, The Stones Field, using floating rigs for storage and shipment of LNG).

The OTC also held events on its business program. In particular, there was a discussion among industry experts on energy transformation.

OTC 2018:

350+

TECHNICAL PRESENTATIONS

22

LEARNING BREAKFASTS
AND LUNCHEONS

11

PANEL DISCUSSIONS



Specialists shared their views on the transition from hydrocarbons to renewable energy as a primary energy source.

Executives of international and national oil companies participated in a number of panel discussions on a wide range of issues, including digitization in the offshore industry, minimizing environmental risks during hydrocarbon production, and exploration of large deepwater fields off Brazil



Piotr Galitzine, Chairman of the Board of Directors and CEO of TMK IPSCO, thanks partners for their business, professionalism and support.



The TMK customer reception provides an excellent venue for informal discussions.

The theme of the customer event was "Masters of Metal."

During the conference, TMK hosted a traditional reception for 170 partners and clients.

and Guyana. Individual sessions were devoted to hydrocarbon production at the Hebron field on the Canadian shelf, Jack and St. Malo in the Gulf of Mexico, and LNG market in Japan, India and Vietnam.

TMK exhibited a wide range of TMK UP premium threaded connections at the OTC anniversary conference. The company was represented by executives from the American, Russian and European divisions.

Over the four days, company representatives presented the latest developments for the oil and gas industry, including insulated tubing and high torque premium connections.

The design of the TMK stand received numerous compliments. Its photography was used to illustrate materials in the business section of The Houston Chronicle, where the main events of OTC were covered.

During the conference, TMK hosted a traditional reception for 170 partners and clients. The theme of

the evening – "Masters of Metal" – was incorporated into the design. On entry, guests found themselves in a forge shop, where they were welcomed by three craftsmen who immediately produced small keepsakes for guests.

Piotr Galitzine, Chairman and CEO of TMK IPSCO, welcomed guests. He noted that the company is actively working on new high-tech tubular products. This year, it has launched the TORQ™ family of high torque connections. As a result, the company's partners now have access to high-performance connections that meet the most stringent industry requirements for tension, compression, torque and sealability in their extended reach laterals.

At the end, guests were treated to a surprise – a large cake to celebrate the 10th anniversary of TMK IPSCO. Raising a glass of champagne, Piotr Galitzine thanked those present for their partnership, professionalism and support. **YT**

ILYA ZYRIANOV: "THE CORE OF MANUFACTURING IS FIRST AND FOREMOST PEOPLE"

ILYA ZYRIANOV, OMZ'S MANAGING DIRECTOR, STARTS HIS MORNING NOT WITH COFFEE, BUT WITH A REVIEW OF DAILY PRODUCTION AND SHIPPING REPORTS. OVER A YEAR AS THE HEAD OF THE INDUSTRIAL FACILITY HE HAS MADE THIS A HABIT AND AN INTEGRAL PART OF HIS LIFE.

Ilya Zyrianov graduated from Urals Federal University with a major in steel metallurgy. He also received a degree in economics and enterprise management. Why did he pick metallurgy? "It's simple: I

followed in my father's footsteps," recalls Zyrianov.

The college graduate's career at the company began in 2004 at TMK Trade House. Later, he also worked at TMK Chermet and TMK Neftegazservice. During that time, he often visited the Orsky Machine Building Plant (OMZ), which was part of the oil field services division. Naturally,

by the time he was appointed managing director of OMZ in July of last year, he was well aware of the plant's operations and workforce. Nevertheless, he saw his promotion as a challenge, primarily to himself.

"I was concerned about whether I could handle the responsibility assigned to me. After all, the plant is huge and



the workforce is sizable. And the plant's targets were challenging. But, as they say, all things are difficult before they are easy. That was the case for me. Over time, everything came on track. And today new targets only add to the desire to move forward," says Zyrianov.

Ilya Zyrianov credits his advancement within the company to the corporate leadership school. He earned a diploma in the Effective Executive program and successfully completed all three levels of training in lean manufacturing in SMED: Single-Minute Exchange of Dies.

Among the OMZ's priorities today are internal corporate orders for tool joints and casing pipe. Just as important are gas cylinders, couplings for casing pipe and tubing, and oil and gas equipment. "Yes," notes Zyrianov, "it's hard for the plant to set records in the current environment, since 2016 was the most successful in that sense."

Compared to 2015, the rate of growth in production was 122.3% and 123% for shipments. However, solid growth occurred in 2017, too. Shipments grew by 9.1%; production grew by 8.7%.

"I'm tremendously lucky. I work with a team of real professionals. And I can confidently say that the core of any manufacturing facility is first and foremost people. The workforce is our greatest asset, and I'm trying to establish the most trusting relationship possible with people to achieve our common goal – the plant's development," stresses Zyrianov. **YT**



ILYA ZYRYANOV

MANAGING DIRECTOR,
OMZ

1. I read the report on production and shipments over the past few days.
2. There have been none. But I believe that thoughts, especially negative thoughts, may become a reality. So I try to chase such thoughts away when they come.
3. Peter I. I believe that his reforms pushed our country forward. This is worthy of respect.
4. To have a lucky necktie in my outfit.
5. Sergey Dovlatov.
6. "The Empire Must Die" by Mikhail Zygar.
7. I'm omnivorous, but I like Eastern cuisine and the cuisine of the Caucasus.
8. Moving and changing jobs.
9. Jerusalem and the State of Israel.
10. Ekaterinburg. It is compact, but also well developed as a large city. It's a city that you want to come back to again and again.
11. That people did not have envy or greed.
12. Integrity. Leadership. Competence.

1. How does your work day begin?
2. Professional superstitions or superstitious beliefs?
3. Who in the past or present particularly inspires you?
4. Favorite habits or rituals?
5. Whom would you invite to a dinner party? What would you like to talk about?

6. The last book that thrilled you?
7. Favorite ethnic cuisine or dish?
8. Most memorable impression recently?
9. What is the most interesting place in the world that you've visited?
10. Your favorite city, and why?
11. If you were given the chance to change just one thing in this world, what would it be?
12. What does TMK mean to you? Describe it in just three words.

032



VITALIY RUBEL

CEO,
TMK NGS

1. A status meeting, where we are discussing the operational results of enterprises in the division over the past few days, planning, and discussing current issues facing TMK NGS managers in their areas.
2. I don't have any.
3. I am inspired by the heroism of the Soviet soldiers during the Second World War.
4. Two or three cups of strong bitter coffee per day.
5. Friends and relatives, whom I see so rarely. And there's always something to talk about with them.
6. "White Bim Black Ear" by Gavriil Troepolskiy. It moved me to the depth of my soul when I was a kid.
7. Home cooking. I like turkey dishes.
8. Moving to Ekaterinburg, the capital of the Urals, from Buzuluk, the oil capital of Orenburg Oblast.
9. The Altai Mountains. Nature is beautiful there – mountains, rivers, lakes.
10. Ekaterinburg. That is my home.
11. Probably myself. After all, as the saying goes, if you want to change the world, change yourself.
12. My favorite work.

TMK global pipe producer and supplier

EUROPE

- 1 HQ TMK-ARTROM (ED TMK)
- 2 TMK-RESITA
- 3 TMK-ARTROM
- 4 TMK Europe (Germany)
- 5 TMK Global (Switzerland)
- 6 TMK Italia (Italy)



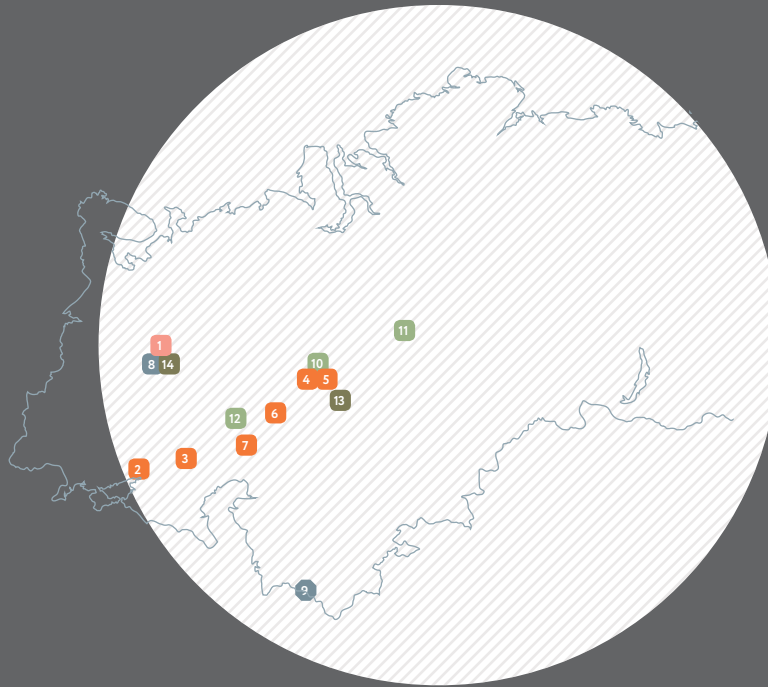
MIDDLE EAST, ASIA & AFRICA

- 1 TMK GIPI (Oman)
- 2 TMK MIDDLE EAST (UAE)
- 3 Trade House TMK office in China



RUSSIA & CIS

- 1 TMK HQ
- 2 TAGMET
- 3 VTZ
- 4 STZ, TMK-KPV
- 5 SinTZ, TMK-INOX
- 6 OMZ
- 7 TMK-Kaztrubprom
- 8 Trade House TMK
- 9 Trade House TMK office in Turkmenistan
- 10 TRUBOPLAST
- 11 TMK NGS-Nizhnevartovsk
- 12 TMK NGS-Buzuluk
- 13 RosNITI
- 14 Skolkovo R&D Center



NORTH AMERICA

- 1 HQ TMK IPSCO
- 2 Geneva, NE
- 3 Catoosa, OK
- 4 Midland TMK Premium, TX
- 5 Brookfield-TMK Premium, OH
- 6 Koppel, PA
- 7 Blytheville, AR
- 8 Wilder, KY
- 9 Baytown, TX
- 10 Camanche, IA
- 11 Ambridge, PA
- 12 Edmonton
- 13 Trade Office TMK IPSCO (Houston, USA)
- 14 Trade Office TMK IPSCO (Calgary, Canada)
- 15 TMK Industrial Solutions
- 16 R&D Center (Houston)



MANAGEMENT

PRODUCTION

SALES

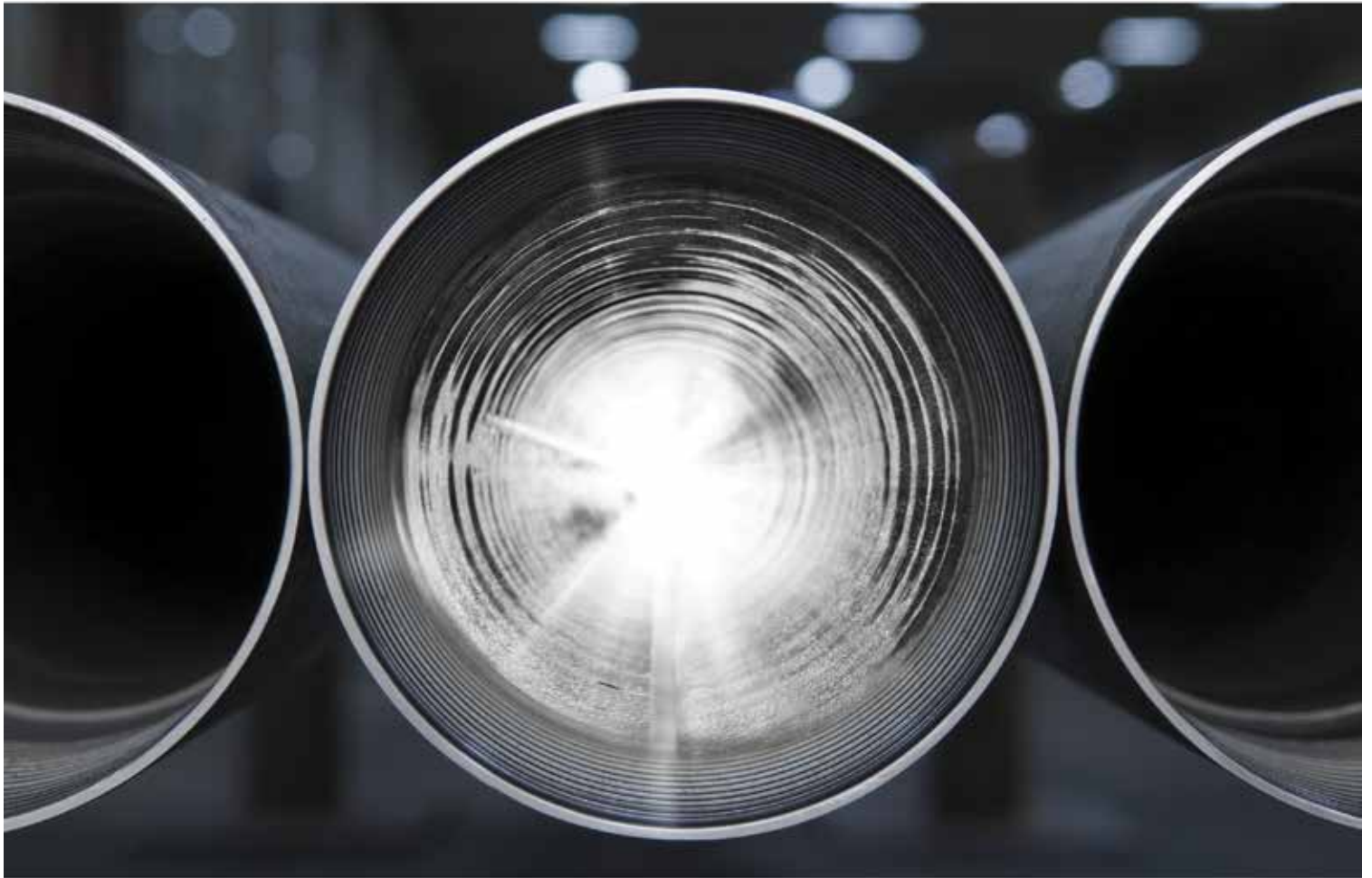
OILFIELD SERVICES

R&D



TMK IPSCO
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HOUSTON, TEXAS 77064

www.ipsco.com
Making Pipe for the World



Global Strength

As one of the world's largest producers of welded and seamless pipe and premium connections, TMK is dedicated to serving the oil and gas industry. Our legacy of quality, industry-renowned customer service and focus on innovative products and services allows us to drive unparalleled value for our customers. Dedicated to the advancement of tubular technologies, our team of experts is available to work with you to create customized solutions for the most challenging environments.