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PRESS RELEASE

TMK and Metalloinvest sign an agreement for the supply of hot-briquetted iron

At the 22nd Metal-Expo'2016 International Industrial Exhibition, taking place now in Moscow, TMK and Metalloinvest have signed an agreement for the supply of hot-briquetted iron (HBI) including a formula-based pricing mechanism. The document was signed by Alexander Shiryayev, TMK CEO, and Andrey Varichev, Metalloinvest CEO.

The agreement is for one year and is renewable. Under the contracts, pricing will be based on a formula that takes into account domestic and global indicative prices for metal feedstock.

The agreement provides for HBI shipments by Lebedinsky GOK (part of Metalloinvest) to TMK's facilities to produce high-strength grade pipes which are used, among other projects, to develop the Chayandinskoye and Kovyktinskoye fields operated by Gazprom.

Alexander Shiryayev, CEO of TMK, commented: "The agreement signed today will enable TMK to diversify its sources of raw materials, and so reduce risks caused by market volatility in the scrap market. In addition, using hot-briquetted iron will improve the quality of our steel, requiring a reduced amount of non-ferrous metals and harmful alloys."

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

TMK on Facebook – <https://www.facebook.com/TMKGroupEN>

TMK (www.tmk-group.com)

TMK (LSE: TMKS) is a leading global manufacturer and supplier of steel pipe for oil and gas industry, operating more than 30 production sites in the United States, Russia, Canada, Romania, Oman and Kazakhstan and two R&D centers in Russia and the USA. In 2015, TMK's pipe shipments totaled 3.9 million metric tons. 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 assets structure by division:

- 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;
 - TMK CHERMET.
- American division:
 - 12 plants of TMK IPSCO;
 - TMK Completions.
- European division:
 - TMK-ARTROM;
 - TMK-RESITA.
- Middle East Division:
 - TMK GIPI (Oman).

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