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PRESS RELEASE

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PAO "TMK" ANNOUNCES PRICING OF A SECONDARY PUBLIC OFFERING OF ORDINARY SHARES

3 February 2017 – PAO "TMK" (the "**Company**", and, together with its subsidiaries, the "**Group**" or "**TMK**"), one of the world's leading producers of tubular products for the oil and gas industry, today announces the pricing of the fully-marketed secondary public offering (the "**Offering**") of 138,888,888 existing ordinary shares of the Company ("**Offer Shares**") by its wholly owned subsidiary Rockarrow Investments Limited (the "**Selling Shareholder**").

Details of the Offering:

The offer price has been set at RUB 75 per ordinary share.

Gross proceeds to the Selling Shareholder from the Offering are expected to be approximately RUB 10,416.7 million.

The Company, the Selling Shareholder and TMK Steel Holding Limited, the major shareholder of the Company, have each agreed in respect of themselves and their subsidiaries and persons acting on its or their behalf to provide customary lock-up arrangements in relation to their respective shareholdings in the Company for a period of 180 days following the Offering.

The Offering comprises an offering of the Offer Shares (i) in the Russian Federation; (ii) in the United States to persons reasonably believed to be qualified institutional buyers, as defined in, and in reliance on, Rule 144A under the US Securities Act of 1933, as amended (the "**Securities Act**"); and (iii) outside the United States and the Russian Federation in offshore transactions in reliance on Regulation S under the Securities Act.

Credit Suisse Securities (Europe) Limited, Morgan Stanley & Co. International plc and VTB Capital plc are acting as Joint Global Coordinators and together with Aton LLC as Joint Bookrunners in connection with the Offering. It is expected that the delivery of the Offer Shares to purchasers thereof and payment for the Offer Shares will commence on or about 7 February 2017.

Net proceeds to the Selling Shareholder from the Offering will be used to purchase 138,888,888 ordinary shares of the Company from VTB Bank (PJSC) ("**VTB**") pursuant to a call option under a cash settled non-deliverable forward contract with VTB ("**VTB Contract**"). The net cost of the repurchase of the ordinary shares from VTB and the settlement of the forward under the VTB Contract will be no higher than the proceeds of the Offering. The ordinary shares purchased from VTB will be used to repay the stock loan provided to the Selling Shareholder by TMK Steel Holding Limited, the Company's major shareholder. Any amount of the proceeds of the Offering in excess of the amount payable to VTB under the VTB Contract will be used by the Group for general corporate purposes. The use of proceeds will be in compliance with applicable U.S. and EU sanctions.

"We consider our SPO to be a success as the shares have been placed above the initially indicated price level. We have attracted a large number of new international and domestic investors. We expect the SPO to enhance liquidity in our stock going forward to the benefit of all our shareholders", TMK CEO Alexander Shiryayev commented.



About TMK:

TMK (LSE: TMKS / MOEX: TRMK) is a leading global manufacturer and supplier of tubular products for the oil and gas industry. TMK is operating 27 production sites in the United States, Russia, Canada, Romania, Oman and Kazakhstan and two R&D centers in Russia and the USA. In 2016, TMK's pipe shipments totalled 3.4 million tonnes. The largest share of TMK's sales belongs to high margin seamless 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 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.

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Aton, Credit Suisse, Morgan Stanley and VTB Capital are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offering and will not regard any other person (whether or not a recipient of this press release) as their client in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their client.

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Some of the information in these materials may contain forward-looking statements. All statements other than statements of historical fact included herein are forward-looking statements. Forward-looking statements give PAO "TMK" current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond PAO "TMK" control that could cause PAO "TMK" actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding PAO "TMK" present and future business strategies and the environment in which it will operate in the future. When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which PAO "TMK" operates. These forward-looking statements speak only as at the date hereof. PAO "TMK" expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in PAO "TMK" expectations with regard thereto or any change in events, conditions or circumstances on which any of such statements are based.