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PRESS RELEASE

TMK Announces 1H 2017 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, one of the world's leading producers of tubular products for the oil and gas industry, announces its operational results for the first half of 2017.

2Q and 1H 2017 Summary Results

(thousand tonnes)

| Product | 2Q 2017 | 1Q 2017 | Q-o-Q, % | 1H 2017 | 1H 2016 | Y-o-Y, % |
|----------------|------------|------------|--------------|--------------|--------------|-------------|
| Seamless pipe | 687 | 658 | 4.4% | 1,346 | 1,151 | 16.9% |
| Welded pipe | 270 | 192 | 41.0% | 462 | 585 | (21.0%) |
| Total | 957 | 850 | 12.6% | 1,808 | 1,736 | 4.1% |
| Including OCTG | 426 | 426 | (0.1%) | 852 | 645 | 32.1% |

2Q 2017 Highlights

- In 2Q 2017, TMK shipped 957 thousand tonnes of steel pipe, up 12.6% q-o-q. The increase was mainly driven by higher demand for welded pipe.
- Seamless pipe shipments for 2Q 2017 were up 4.4% q-o-q to 687 thousand tonnes, driven by sales in TMK's Russian, European and American divisions.
- Welded pipe shipments grew by 41.0% q-o-q to 270 thousand tonnes in all segments as a result of a seasonal growth in the markets, higher demand from the construction industry, and a doubling in shipments by TMK GIPI under long-term contracts for the supply of tubular products to Shell.



- In 2Q 2017, shipments of OCTG pipe and premium threaded connections remained flat q-o-q at 426 thousand tonnes and 179 thousand joints respectively.
- On the back of drilling activity growth in North America TMK's American division intensifies shipments of pipe in all market segments, but primarily for the oil and gas industry. To meet boosting demand, TMK IPSCO Camanche and Catoosa plants were restarted, additional shifts launched in Blytheville and Wilder. As a result, total OCTG pipe shipments increased 35.2% q-o-q, and 322% in welded OCTG.

1H 2017 Highlights

- Over the first half of 2017, the Company shipped 1,808 thousand tonnes of pipe, up 4.1% y-o-y. The increase was due to higher sales of welded and seamless OCTG driven by strong demand in the Russian and North American markets.
- Shipments of seamless pipe were up 16.9% y-o-y to 1,346 thousand tonnes due to an increase in shipments of industrial pipe and OCTG.
- Welded pipe shipments were down 21.0% y-o-y to 462 thousand tonnes on the back of weaker demand for large diameter pipe (LDP) in Russia.
- In 1H 2017, TMK shipped 852 thousand tonnes of OCTG, up by a third y-o-y.
- Shipments of premium threaded connections amounted to 339 thousand joints for 1H 2017, up by 56.9% y-o-y. This dramatic growth was driven by increased implementation of complex hydrocarbons production projects in Russia and the USA, where premium products are used.

Alexander Shiryaev, TMK's CEO, said:

“TMK has continued to grow shipments of tubular products, primarily of OCTG pipe. Strong demand and pipe inventory decrease in the US allowed the Company to raise prices and to increase shipments in North America. Welded pipe shipments have increased significantly in TMK GIPI. We expect strong demand in 3Q and 4Q 2017 for TMK's tubular products from oil and gas companies in the Russian and North American markets.”



2Q and 1H 2017 Results by Division

RUSSIAN DIVISION

2Q 2017 vs. 1Q 2017

In 2Q 2017, TMK's Russian division shipped 707 thousand tonnes¹ of tubular products, up 8.7% q-o-q. Higher sales were recorded across all product groups except OCTG, where lower shipments were due to seasonally weaker demand.

Seamless pipe shipments amounted to 501 thousand tonnes, up 1.6% q-o-q.

OCTG shipments fell by 13.5% q-o-q to 267 thousand tonnes.

Welded pipe shipments increased by 30.7% q-o-q to 206 thousand tonnes.

1H 2017 vs. 1H 2016

In 1H 2017, TMK's Russian division shipped 1,357 thousand tonnes of tubular products, down 9.4% y-o-y.

Seamless pipe shipments were up 3.4% y-o-y, totalling 993 thousand tonnes.

OCTG shipments grew by 4.9% as the levels of drilling activity continued to rise in the Russian market.

In 1H 2017, TMK shipped 363 thousand tonnes of welded pipe, down 32.2% y-o-y. The decline was due to a drop in shipments of large diameter pipe (down by 60.9% y-o-y) as a result of lower volumes of pipe purchased by oil and gas companies to support gas trunk pipeline projects and meet their maintenance needs.

AMERICAN DIVISION

2Q 2017 vs. 1Q 2017

The recovery in US drilling activity has continued. According to Baker Hughes, the active rig count in the USA reached 940 rigs at the end of the 2Q 2017, a 14% increase q-o-q.

In 2Q 2017, TMK's American division shipped 203 thousand tonnes, up 32.1%. Seamless pipe shipments were up 16% to 138 thousand tonnes.

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



Shipments of welded pipe were 65 thousand tonnes, an 88% increase q-o-q. OCTG shipments grew 35.2% q-o-q to 159 thousand tonnes.

1H 2017 vs. 1H 2016

In 1H 2017, shipments of the American division increased 135.8% y-o-y, totalling 356 thousand tonnes, with growth in seamless pipe shipments 152.2% to 258 thousand tonnes and in welded pipe shipments by 101.6% to 99 thousand tonnes. OCTG shipments increased almost 190% to 276 thousand tonnes.

EUROPEAN DIVISION

2Q 2017 vs. 1Q 2017

Shipments of seamless pipe by TMK's European division were up 3.5% q-o-q to 48.1 thousand tonnes, with competition in the European market remaining strong.

1H 2017 vs. 1H 2016

In 1H 2017, seamless pipe shipments in the European division grew by 8% to 94.6 thousand tonnes, driven by steady demand in the market, primarily from the engineering industry.

Premium Segment

In 1H 2017, TMK UP premium threaded connections shipments grew on the back of rising demand in TMK's key markets, Russia and North America.

TMK and Rosneft signed 5-year formula based pricing contracts for the supply of casing and tubing pipes. TMK's share of Rosneft's total procurement of casing and tubing pipes is expected to exceed 50% over the contract period.

2017 Outlook

TMK expects consumption of seamless OCTG and industrial pipe to remain high in the Russian market throughout 2017. The LDP market will remain relatively subdued due to the continuing decline in demand and stiffer competition.

The oil and gas industry in the United States and Canada is expected to show further recovery. The North American market has accepted stronger pricing by the American division, with oil and gas companies further



increasing the volumes of pipe purchases despite oil price volatility. TMK expects TMK IPSCO to further improve its financial performance in 3Q and 4Q 2017.

TMK anticipates a stable demand for industrial pipe in the European market

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/yourtube/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 pipes for oil and gas industry, operating more than 25 production sites in the United States, Russia, Canada, Romania, Oman and Kazakhstan with

two R&D centers in Russia and the USA. In 2016, TMK's pipe shipments totalled 3.46 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 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 Oilfield Services.
- American division:
 - 12 plants of TMK IPSCO;
 - TMK Completions.
- European division:
 - TMK-ARTROM;
 - TMK-RESITA.
- Middle East Division:
 - TMK GIPI (Oman).

TMK IR Department:

Marina Badudina
Tel: +7 (495) 775-7600
IR@tmk-group.com

TMK PR Department:

Alexander Goryunov
Tel: +7 (495) 775-7600
PR@tmk-group.com

International Media Relations:

Andrew Hayes / Emily Dillon
Tel: +44 (0) 20 7796 4133
Edillon@hudsonsandler.com