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PRESS RELEASE

TMK Successfully Tests New Heat Treatment Equipment at its Volzhsky Subsidiary

Volzhsky Pipe Plant (VTZ), TMK's subsidiary in the Volgograd Region, successfully tested Italian-made equipment installed as part of a new heat treatment line.

The new heat treatment line is to be commissioned in September 2008 and will increase TMK's heat treatment capacity by 340 thousand tonnes per year.

Heat treatment modifies the mechanical characteristics of the pipes by altering the structure of the steel or alloy, effectively enhancing customer value as treated pipes can meet the requirements associated with today's demanding operating environments. These high added value products can command a price mark-up of up to 30%.

The new line will treat seamless pipes for use in the oil and gas, and power generation industries.

As part of TMK's Strategic Investment Program, a new heat treatment line was put into operation at Sinarsky Pipe Plant earlier this year and another will be brought on line at Tagmet in September. Each of these lines has the capacity to treat 200 thousand tonnes of pipes per year. By the end of 2008, when the new lines are up and running, TMK's heat treatment capacities in Russia will exceed 1.4 million tonnes and further investments will bring capacity to 1.8 million tonnes in 2010.

In addition to the heat treatment line, a new 200 thousand tonne capacity finishing line for casing pipes will be added to Volzhsky Pipe Plant's TPC-3 rolling shop. Equipment suppliers included German companies ITWH and EMAG and US-based Bronx.

The TPC-3 pipe rolling shop will undergo further upgrading with the addition of a new casing coupling phosphatising line before year-end. Hot rolling equipment will also be upgraded and modified to permit the use of round billets, allowing the shop's capacity to be increased to 720 thousand tonnes of pipes per year by 2009.



TMK (www.tmk-group.com)

TMK (LSE: TMKS) is the largest pipe producer in Russia and one of the three global market leaders.

In 2007, TMK shipped over 3 million tonnes of pipes. TMK supplies to companies in more than 60 countries.

TMK production facilities are located in Russia, the United States, Romania and Kazakhstan

- Volzhsky Pipe Plant
- Seversky Tube Works
- Taganrog Metallurgical Works
- Sinarsky Pipe Plant
- TMK IPSCO
- TMK-Resita SA
- TMK-Artrom SA
- TMK-Kaztrubprom
- TMK Oilfield Services
- TMK-Premium Service

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