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PRESS RELEASE

PQF Mill Launched at TAGMET

TMK (LSE: TMKS), announces today that a 600 thousand tonne capacity Premium Quality Finishing (PQF) seamless rolling mill was brought on line as scheduled at its TAGMET plant in south-western Russia. The first batch of PQF seamless pipes was shipped to Surgutneftegas.

TMK is the first global pipe producer to operate a PQF mill, allowing it to produce pipes with geometry that twice surpasses API requirements.

The PQF mill will produce high-performance 73 to 273 mm OD seamless tubes with up to 25 mm wall thickness. The mill was designed, manufactured and supplied by the German company SMS Meer, a leading supplier of pipe rolling equipment.

In addition to expanding the share of premium-class products, the state-of-the-art three roller technology employed by the mill will improve production yields by 6 to 17%.

The mill is scheduled to reach its projected production rate in the first quarter of 2009.

On top of the PQF mill, 200 thousand tonnes of additional heat treatment capacity is also being brought on line, further enhancing the mechanical characteristics of pipes produced at TAGMET. Italian metallurgical equipment producer Olivetto Ferré supplied the heat treatment equipment.

This new generation of oil and gas pipes is designed for aggressive and complex operating environments such as those found in Caspian Sea offshore operations and Arctic shelf projects in the Kola Peninsula and the Barents Sea. The production of PQF seamless tubes will also meet the needs and requirements of the machine building, energy, chemical and petrochemical industries and other demanding applications.

Production is intended for both Russian and international markets, primarily North America, the European Union, the Middle East and North Africa. Furthermore, shipments of PQF tubes to TMK IPSCO finishing facilities will provide the North American market with premium-class products.



“In 2008, TMK’s Strategic Investment Programme focuses on the expansion of seamless OCTG production. The launch of the PQF mill was a key part of our strategy to bring TMK’s OCTG production to the next level. Although we expect a positive impact from this new mill already this year, the full effect of the PQF technology and high value-added production will be felt in 2009, when the mill is fully ramped up. The globally recognised high quality standards of the PQF rolling mill will allow TMK to successfully compete in all global oil and gas pipe markets”, said Konstantin Semerikov, TMK CEO.

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

For further information please contact:

TMK IR Department

Alexei Ratnikov

Tel: +7 495 775 7600 ext. 2078

Email: IR@tmk-group.com

TMK PR Department

Alexey Sotskov

Tel: +7 495 775 7600 ext. 2125

Email: PR@tmk-group.com