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**PRESS RELEASE**

### **TMK Starts Large-Diameter Longitudinal Pipe Production**

TMK, one of the world's largest producers of pipes for the oil and gas sector, announces today that production of large-diameter longitudinal welded pipes began at the Volzhsky Pipe Plant. The successful commissioning of the new 650 thousand tonne HAEUSLER mill doubles Volzhsky's large-diameter (LD) capacity to 1.2 million tonnes of pipes per year.

The new 650 thousand tonne mill, the first of its kind in Russia, was manufactured by Switzerland's HAEUSLER AG and produces longitudinal welded pipes of up to X100 grade with diameters ranging from 530mm to 1420mm and wall thickness of up to 42mm.

Production certification and qualification with Russia's largest oil and gas companies is underway, with shipments scheduled to begin by the end of November.

The mill will be ramped up by the second quarter of 2009.

Exterior anticorrosion coating capacities for longitudinal and spiral welded pipes with diameters ranging from 508 to 1422 mm and wall thickness between 7 and 48 mm were added to the mill. The equipment has the capacity to coat 650 thousand tonnes of pipes per year. Additionally, a further 600 thousand tonnes of interior smooth coating capacity for pipes with diameters ranging from 508 to 1420 mm and wall thickness between 9 and 48 mm was commissioned earlier this year

Large-diameter pipes are used in long distance oil and gas pipelines including offshore pipelines, oil field pipelines, general purpose pipelines, and in the construction of heating systems and nuclear power stations.

Konstantin Semerikov, CEO of TMK, stated: "The launch of this facility significantly increases TMK's large-diameter capacity while expanding its product mix with longitudinal welded pipes. This new production capacity allows TMK to strengthen its position as a leading Russian large-diameter pipe producer and to provide for Gazprom and Transneft's demand in Russia. Additionally, we expect large-diameter demand to continue increasing in the CIS markets, where TMK successfully participated in a number of projects".



**TMK** ([www.tmk-group.com](http://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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