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PRESS RELEASE

## TMK Announces Third Quarter 2009 Production Results

*The following may contain forward looking statements concerning future events. These are based on current information and assumptions concerning known and unknown risks and uncertainties.*

OAO "TMK" (TMK), one of the world's largest oil and gas pipe producers, today announces its production results for the third quarter period ended September 30, 2009.

In the third quarter of 2009 TMK shipment volumes amounted to 716 thousand tonnes, representing a 15% increase as compared to the previous quarter. The increase in shipments is attributable to the start of a return in demand for pipe products and the strengthening of the Company's market share.

### **Volumes of shipped pipe products** (Q-o-Q)

*(Thousand of tonnes)*

<b>Product</b>	<b>3<sup>rd</sup> Quarter 2009</b>	<b>2<sup>nd</sup> Quarter 2009</b>	<b>Change, %</b>
Seamless Pipes	410	364	+13%
Welded Pipes	306	258	+19%
Total Pipes	716	622	+15%
<i>including OCTG</i>	226	220	+3%

OCTG and line pipe shipment volumes reached 377 thousand tonnes in the third quarter, representing an 8% growth over the previous quarter. This sizable increase stemmed from a growth in demand from key oil and gas customers. Line pipe shipments increased 17% due to oil and gas field infrastructure development requirements and the cyclical nature of OCTG and line pipe consumption. TMK expects demand for these products to further increase in the fourth quarter of the year. Third quarter shipment volumes in the premium segment rose 49% quarter-on-quarter and amounted to 43 thousand tonnes. Moreover, TMK significantly increased



shipments of industrial pipe in the third quarter to meet an increase in demand. Depending on the segment, the growth in industrial pipe shipments varied between 20% and 47%.

In spite of the positive growth observed in the third quarter, shipment volumes for the first nine months of 2009 remained down year-on-year as a result of the sharp first half decrease in demand for pipe products.

### **Volumes of shipped pipe products** (Y-o-Y)

*(Thousand tonnes)*

<b>Product</b>	<b>First 9 months 2009</b>	<b>First 9 months 2008</b>	<b>Change, %</b>
Seamless Pipe	1,175	1,517	-22%
Welded Pipes	743	919	-19%
Total Pipes	1,918	2,436	-21%
<i>Including OCTG</i>	<i>724</i>	<i>901</i>	<i>-20%</i>

For the first nine months of 2009, TMK shipped 1,918 thousand tonnes of steel pipes, a decrease of 21% year-on-year. At the same time, some pipe segments demonstrated continued growth. Premium pipe shipments increased 10% in the first 9 months of 2009 compared to the same period last year and reached 101 thousand tonnes.

TMK large-diameter (LD) shipments started picking up in the second quarter thanks to the successful ramping-up of Volzhsky's LD longitudinal mill. TMK expects a significant growth in LD pipe shipments in the second half of the year with the implementation of Gazprom and Transneft projects such as the Sakhalin-Khabarovsk-Vladivostok and the second phase of the Baltic Pipeline System.

Following a significant first half drop, pipe shipments from TMK IPSCO, the Company's American division, increased 52% in the third quarter as compared to the second quarter and climbed to 96 thousand tonnes on the back of increased oil and gas pipe demand, especially for OCTG products. The Company expects its U.S. assets to reach a 70% utilization rate by the



end of the year. These expectations are largely conditional to a recovery in U.S. gas prices; given their current low levels, the Company forecasts a steep market upturn in 2010 as opposed to late 2009.

TMK expects to continue increasing shipment volumes in the fourth quarter of the year. This expected growth will be fuelled by the implementation of large-scale long-distance pipeline projects and the seasonality of OCTG and line pipe procurement in Russia. Positive oil and gas drilling and production dynamics in Russia and North America will further stimulate TMK shipment volumes. Nevertheless, as a result of the sharp demand contraction in the first half of the year, the Company expects full year 2009 shipment volumes to remain below 2008 volumes.

TMK (LSE: TMKS) is the largest pipe producer in Russia and one of the three global market leaders. In 2008, TMK shipped over 3.2 million tonnes of pipes. TMK supplies to companies in more than 65 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-Europe
- TMK-Kaztrubprom
- TMK Oilfield Services
- TMK-Premium Service

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