Moscow, January 19, 2010 **PRESS RELEASE**

TMK Announces Production Results for 2009 and Trading Update

Some of the statements contained in this press release are forward looking statements. Forward looking statements are based on management's current views and assumptions and involve known and unknown risks that could cause actual result, performance or events to differ materially from those expressed or implied by those statements. These risks include but are not limited to risks arising from uncertainties as to future oil and gas prices and their impact on investment programmes by oil and gas companies.

OAO "TMK" ("TMK" or "the Company''), one of the world's largest oil and gas pipe producers, today announces its production for 2009 and provides a trading update.

Highlights

- The continued growth in shipments in the fourth quarter, up 22% compared to the previous quarter, enabled TMK to partially offset the decline in shipments observed in the first half of 2009. Full year 2009 shipment volumes decreased 13% as compared to 2008, reflecting the relative stability of the tubular industry during the downturn; .

- Shipments of oil country tubular goods (OCTG), a key segment of TMK's business, increased by 42% in the fourth quarter as compared to the third quarter of 2009.

- Shipments of large-diameter pipe started increasing from the second quarter of 2009 and continued to grow in the second half, with shipments amounting to more than 150,000 tonnes in the fourth quarter, primarily servicing the construction of major oil and gas pipeline projects in Russia by Gazprom and Transneft. Full year 2009 large-diameter volumes exceeded 2008 volumes by 20%;

- TMK expects its second half 2009 financial results to be significantly better than the first half due to a combination of increased demand for pipe products and changes in the structure of sales resulting from the strong performance observed in the large-diameter business and stable OCTG demand;

- During 2009, TMK significantly improved the structure of its debt portfolio. The Company attracted long-term loans to refinance existing facilities in an aggregate amount of about USD 2,100 million and, as a result, the share of short-term loans as a percentage of its total loans as at 31 December, 2009, decreased to 34% as compared to 69% as at 31 December, 2008[1];

- TMK successfully completed the ramping-up of the production facilities commissioned in late 2008 and early 2009. These included the longitudinal welded large-diameter (LD) pipe mill at Volzhsky, adding longitudinal LD pipe to its product offering, the continuous rolling Premium Quality Finishing (PQF) seamless mill at Tagmet, the only one of its kind in Russia, and the electric arc furnace (EAF) at Seversky, which brought the Company to near self-sufficiency

[1] All the numbers contained in this bulleted item represent management accounts and might differ from IFRS treatment.

in steelmaking for its seamless operations. Additionally, five heat treatment facilities were commissioned, including at the TMK-Baytown and TMK-Blytheville facilities in the United States and at the Volzhsky, Sinarsky and Tagmet mills in Russia. The new heat treatment facilities, with a total aggregate capacity of 940,000 tonnes per year, allowed the Company to strengthen its positions in the high-tech steel pipe market. The scope of the Company's 2009 heat treatment commissioning is unparalleled in terms of capacity and time frame.

Production results

Following an approximately 15% increase in shipment volumes in the third quarter of 2009, as compared to the second quarter of 2009, the Company further increased shipment volumes in the fourth quarter by approximately 22% compared to the third quarter to 874,000 tonnes.

Volumes of shipped pipe products

(Thousands of tonnes)

Product	4th Quarter 2009	3rd Quarter 2009	Q-o-Q (%)	2009	2008	Y-o-Y (%)
Seamless Pipes	495	410	21%	1,670	1,985	-16%
Welded Pipes	378	306	24%	1,122	1,242	-10%
Total Pipes	874	716	22%	2,792	3,227	-13%
including OCTG	322	226	42%	1,046	1,261	-17%

The Company attributes the fourth quarter increase in shipments to a pick-up in demand for OCTG and line pipe products in key markets and the implementation of large-scale long-distance pipeline projects in Russia. At the same time, an improvement in demand from the Russian machine building and construction sectors was observed. The continued growth witnessed in the fourth quarter enabled the Company to offset a substantial part of the first half decline in shipments volumes, therefore narrowing the level of decrease as compared to 2008.

Based on current market trends and prevailing market forecasts, TMK expects full year 2010 sales volumes to exceed 2008 levels.

OCTG and Line Pipe

OCTG and line pipe shipment volumes continued to grow in the fourth quarter and reached 498,000 tonnes, representing a 32% increase as compared to 377,000 tonnes shipped in the third quarter. We attribute this growth to a combination of increasing demand from key oil and gas customers, as oil production picked up in the fourth quarter, and seasonal procurement factors.

In 2009, TMK estimates that its seamless OCTG market share in Russia rose 9% to 69% as the Company completed key investment projects and broadened its product offering.

In the second half of 2009, Russia proved a more stable source of demand than non-Russian markets due to a combination of TMK's strategic customer relationships, improved drilling environment, and the limited impact of Chinese pipe producers on the Russian market. Overall, we expect an improvement in OCTG demand in Russia in 2010, due to announced plans for higher capital expenditure spending by major Russian oil and gas companies and increasing drilling activity at new and existing fields. The announced 15-20% increases in capital expenditure spending by such companies as Gazprom, Lukoil, Rosneft, and TNK-BP we believe will translate into an increase in shipments of pipe products to these companies given TMK's importance as supplier to these Russian major oil and gas companies.

Following a significant decline in shipments in the first half of the year, pipe shipments from TMK IPSCO increased by approximately 35% in the fourth quarter of the year, compared to the third quarter to 129,000 tonnes, driven by increased oil and gas pipe demand, especially for OCTG products. According to data from oilfield services company Baker Hughes, the U.S. rig count rebounded from its June 2009 low of 876 rigs to reach 1,248 rigs as of January 15, 2010. Current U.S. OCTG inventory levels represent approximately 9 months of pipe consumption, down from more than 15 months in May 2009.

Throughout the downturn, demand for TMK premium products remained robust due to continued demand from shale gas producers, which have unconventional drilling requirements and are significant customers of TMK's ULTRA products in North America. As of year end 2009, TMK estimated it had a 30% share of the U.S. onshore gas shale premium connections market. U.S. natural gas prices recovered during the fourth quarter from the low levels witnessed in early September 2009, which positively impacted demand for TMK IPSCO products. Strong demand for premium products in Russia, in particular for the TMK FMC and TMK GF premium connection series, was supported by shipments for Western and Eastern Siberia fields, including Vankor, one of Rosneft's most important projects.

Large-diameter Pipes

Demand for large-diameter pipe has increased steadily since May 2009, driven by the construction of major Gazprom gas pipelines such as the Sakhalin-Khabarovsk-Vladivostok and Pochinki-Gryazovets projects and Transneft's ESPO-2 and BPS-2 projects. Our shipment volumes have also benefited since the second quarter from the full ramp-up of Volzhsky's large-diameter longitudinal welded mill. We also continued to experience increased demand in the second half of 2009, from 19,000 tonnes in the first quarter of 2009 to approximately 70,000 tonnes in the second and third quarters of 2009 and to over 150,000 tonnes in the fourth quarter of 2009. The current large-diameter order backlog is quite significant and already extends through the second half of 2010. In late December 2009, Volzhsky's longitudinal welded mill received the Det Norske Veritas (DNV) submarine pipeline systems certification, which enhances our ability to participate in offshore pipeline projects. As a result of these developments, we expect 2010 large-diameter pipe shipments to be 1.5 times higher than 2009 full year volumes.

Price and Cost Dynamics

Current average pricing for our products has been generally stable in the second half of 2009 following a significant decline in the first half of 2009. However, this dynamic has not been uniform across geographic regions. In the United States, prices have only recently started stabilizing and showing signs of recovery from their 12-month lows. We expect a gradual price recovery in Russia and in the United States in 2010 on the back of the continued upturn in demand and increasing capacity utilization rates in the industry. We also expect a modest price increase in Europe driven by similar market dynamics.

Our cost of goods sold per tonne of shipments remained generally stable in the second half of 2009 as compared to the first half of 2009. On average, we have observed modest increases in various raw materials prices, apart from steel billets which have remained relatively stable since the beginning of 2009. Based on current raw material price dynamics and planned changes in principal expense items, we expect the spread between anticipated prices for our products and costs of goods sold to improve in 2010. We also expect that reported general and administrative costs in the second half of 2009 will be in line with the levels reported for the first half of 2009 and expect general and administrative costs to remain stable in 2010.

Investment projects

Over the course of 2009, we made significant progress with the key investment projects launched in 2008. The commissioning of Volzhsky's longitudinal welded large-diameter pipe mill in late 2008 has allowed TMK to supply pipe products used in the construction of various oil and gas pipeline projects. In 2009, the Company ramped up longitudinal LD production and began supplying Gazprom and Transneft with such pipes. For the full year 2009, the Company shipped 176,000 tonnes of longitudinal welded LD pipe. We expect 2010 volumes to amount to more than 400,000 tonnes, which represents an optimal utilization level given the current order book.

We also continued to ramp up production of the seamless PQF mill launched at Tagmet in late 2008. The new mill can produce high-performance pipes, including pipes used in shale gas plays. In 2009, we finalized the technical and quality testing of the mill and it produced 238,000 tonnes of pipe for the year. In light of the current market improvements and the increase in demand for high-quality pipe products we expect to considerably increase the output of the PQF mill in 2010.

In November 2009, a vacuum steel degassing facility was launched at Seversky, completing the modernization of the mill's steelmaking production following the commissioning of a 1 million tonne capacity electric arc furnace in late 2008. With the EAF's launch, TMK reached 95% self-sufficiency in the production of steel billets used to produce seamless pipes while enhancing quality control throughout the production cycle.

In 2009, new heat treatment facilities were brought on stream at the TMK Baytown and TMK Blytheville mills in the United States. Each of these fully automated facilities is designed to heat treat and finish up to 100,000 tonnes of pipe per year.

In Russia, the Volzhsky, Sinarsky and Tagmet heat treatment lines were ramped up in 2009. These facilities are also fully automated and have an aggregate capacity of 740,000 tonnes per year. These projects are expected to allow TMK to strengthen its position in the high-tech pipe market for pipes used, among other applications, for gas shale drilling.

Debt Refinancing[2]

As at 31 December 2009, TMK's total interest-bearing loans and borrowings amounted to USD 3,729 million, of which 66% was long-term debt and 34% short-term debt. At the same time, cash reserves amounted to USD 243 million. TMK's short-term debt included VTB Bank loan facilities in the aggregate amount of USD 750 million, which include an option to extend the maturity date by up to 5 years.

In 2009, while actively refinancing short-term indebtedness, TMK significantly improved the structure of its loan portfolio. Key 2009 refinancing activities included:

- Loans from Gazprombank in the aggregate amount of USD 1,107 million received in January 2009 with a subsequent extension of the final maturity from 2.5 to 5 years and a reduction in the interest rate;
- Loans from VTB Bank in the aggregate amount of USD 750 million, which TMK used to redeem its 2006 Eurobonds and partially buy back 2011 Eurobonds;
- Loans from Sberbank in an aggregate amount equivalent to USD 465 million, including a USD 188 million loan with a final maturity of 7 years;
- Loans from Gazprombank and VTB Bank in the aggregate amount equivalent to USD 341 million, as part of RUB 5 billion and RUB 10 billion agreements with maturities of 3 and 5 years, respectively, and 50% guaranteed by the Russian government

As a result of these activities, TMK's loan portfolio repayment schedule is now evenly distributed over the next 5 years. The Company plans to continue to improve its debt portfolio structure and financing conditions.

Outlook

Over the next twelve months, we expect to substantially increase production volumes and surpass 2009 levels as a result of the successfully completed ramp up of new capacities and the expected growth in demand for TMK pipe products that was witnessed in the second half of 2009 and that we expect to continue in 2010. The Company plans to increase prices for pipe products in 2010 to offset expected raw material price increases. Higher average selling prices coupled with higher utilization rates and a more favorable product mix are expected to result in improved profitability in 2010.

TMK (LSE: TMKS) is the largest pipe producer in Russia and one of the three global market leaders.
In 2009, TMK shipped 2.8 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

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[2] All the numbers contained in the Debt Refinancing section represent management accounts and might differ from IFRS treatment.

- Sinarsky Pipe Plant
- TMK IPSCO
- TMK-Europe
- TMK-Kaztrubprom
- TMK Oilfield Services
- TMK-Premium Service

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