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PRESS RELEASE

TMK Completes VTZ Upgrade

TMK (LSE:TMKS), one of the world's leading producers of steel pipes for the oil and gas industry, celebrated the completion of Volzhsky Pipe Plant's seamless pipe rolling modernization program. The official commissioning ceremony was held on October 26, 2010, at Volzhsky's rolling mill #3.

TMK's executive team was joined by Russian Deputy Minister of Industry and Trade Andrei Dementiev, Volgograd Governor Anatoly Brovko, the Chairman of the Regional Duma Vladimir Yefimov as well as numerous representatives from equipment suppliers, customers, and Russia's largest banks. TMK was represented by the Chairman of the Board of Directors Dmitry Pumpyanskiy, CEO Alexander Shiryayev and Volzhsky Managing Director Elena Blagova.

The complete overhaul of Volzhsky's steelmaking and pipe rolling equipment was begun in 2005 and included the upgrade of two continuous casters and an electric arc furnace as well as the installation of a gas cleaning system. The annual EAF capacity increased by 400 tonnes to 900 tonnes per year, enough to provide the mill with self-sufficiency in steel for its seamless pipe rolling operations as well as extra billet capacity to supply other TMK mills.

The gradual upgrade of Volzhsky's #3 mill permitted the switch to round billet, which nearly doubled the mill's annual seamless pipe production capacity to 630,000 tonnes. The use of round billets significantly improves pipe geometry, production yields and mill efficiency.

In parallel to the modernization of the rolling equipment, VTZ launched 360,000 tonnes of casing finishing capacity and expanded heat treating capacity to 640,000 tonnes per year. The mill also invested in the production of premium threaded casing. The modernization of the steelmaking and rolling operations represented investments of more than 10 billion roubles.

"The upgrade of Volzhsky's steelmaking and pipe rolling facilities was a major part of the overhaul of seamless oil and gas pipe production. Broadening the product offering while improving product-mix has always been a strategic priority. Strengthening our presence in the premium pipe segments allows us to supply our customers with an ever increasing range of high-tech seamless pipes suitable for the most demanding environments," said TMK CEO Alexander Shiryayev.

TMK (www.tmk-group.com)

TMK is one of the world's leading manufacturers and suppliers of steel pipes for the oil and gas industry. TMK operates 23 production sites in the United States, Russia, Romania and Kazakhstan. TMK has the world's largest steel pipe production capacity, of which about half is dedicated to the production of high margin oil country tubular goods (OCTG). In 2009, TMK supplied customers in more than 65 countries.



TMK's ordinary shares are listed on the RTS and MICEX stock exchanges in Russia. Its GDRs are traded on the London Stock Exchange and ADRs on the OTCQX International Premier trading platform in the US.

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

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