



January 12, 2011

Press Release

## TMK Announces Fourth Quarter and Full-Year 2010 Production Results and Trading Update

The following contains forward looking statements concerning future events. These forward looking statements are based on current information and assumptions of TMK management concerning known and unknown risks and uncertainties.

OAO TMK (“TMK” or “the Company”), one of the world’s leading oil and gas steel pipe producers, today announces its production results for the period ending December 31, 2010.

During 2010, TMK shipped a total of 3,969 thousand tonnes of pipes to customers, a 42.2% increase on the amount shipped in 2009.

### Volume of shipped pipe products

(thousand tonnes)

Product	4Q 2010	3Q 2010	Q-o-Q, %	2010	2009	Y-o-Y, %
Seamless pipes	595	507	17.4%	2 161	1 670	29.4%
Welded pipes	514	489	5.1%	1 808	1 122	61.1%
<b>Total pipes</b>	<b>1 109</b>	<b>996</b>	<b>11.3%</b>	<b>3 969</b>	<b>2 792</b>	<b>42.2%</b>
<i>Including OCTG</i>	368	347	6.0%	1 444	1 046	38.1%

The fourth quarter, like the previous nine months of 2010, demonstrated the positive dynamics of post-crisis market revival. Having exceeded the growth shown in the third quarter, shipment volumes increased by 11.3% over the previous period.

In the fourth quarter of 2010, increased demand was observed for OCTG pipes, which is related to seasonal purchases of pipes used in oil and gas production by energy companies. This was reflected in TMK’s increased shipments of this product by 6.0% over the third quarter. This increase also resulted from the completion of the steel-making and pipe-rolling modernization project in October at the Volzhsky Plant’s mill #3, which produces seamless pipes for the energy sector. On the whole, growth in shipments of OCTG pipes in 2010 over 2009 was 38.1%. TMK’s share of the



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Russian market for seamless OCTG pipes for the 12 months of 2010 was approximately 60%.

Large-diameter pipe shipments in the fourth quarter grew by nearly 40% over the third quarter. Due to large-scale investment programs at Gazprom and Transneft, the whole of 2010 saw high demand on the Russian market for large-diameter pipes. This enabled TMK to increase shipments of large-diameter pipes in 2010 to 671 thousand tonnes, which is a 116.9% increase over 2009.

Growth in the seamless line pipe market also continued. In the fourth quarter, TMK increased shipment volumes of this product by more than 26% compared to the previous quarter.

TMK's shipments of seamless industrial pipes increased in the fourth quarter, which was driven by growth in demand from Russia's machine-building and, in particular, automotive industries. Shipments of seamless industrial pipes grew by 17.9% over the third quarter.

During the 12 months of 2010, TMK shipped 397 thousand premium connections developed at the Company's Russian (TMK connections) and American (ULTRA connections) divisions. This is approximately 27.2% more than in 2009.

Shipments of tubular products from the Company's American division – TMK IPSCO – fell by 7.4% in the fourth quarter of 2010 over the previous quarter and came in at 212 thousand tonnes. At the same time, shipments of seamless pipes and seamless OCTG pipes increased by 7.2% and 17.8%, respectively. The main decrease was observed in shipments of seamless and welded industrial pipes. In total, TMK IPSCO facilities shipped 862 thousand tonnes in 2010, which is more than twice the level of 2009.

Drilling activity in the US remained high throughout the fourth quarter. According to Baker Hughes, the number of active rigs in the US increased by 2.1%, from 1,659 as of October 1, 2010 to 1,694 as of December 30, 2010. The growth resulted from higher drilling activity at oil fields, while at the same time drilling at conventional gas fields continued to decline.

Demand for ULTRA premium connections in North America continued to increase. During the 12 months of 2010, TMK IPSCO shipped more than 295 thousand ULTRA premium connections, a 36.5% increase over 2009.

In 2011, the Company expects to increase product shipments by 7-10% should current market trends continue to prevail.

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



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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 2010, total pipe sales amounted to approximately 4 million tonnes. 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  
Sinarsky Pipe Plant  
Seversky Tube Works

Taganrog Metallurgical Works  
TMK-Premium Service  
TMK Oilfield Services

TMK IPSCO  
TMK-Europe  
TMK-Kaztrubprom

For further information about TMK please visit [www.tmk-group.com](http://www.tmk-group.com) or contact:

TMK IR Department  
Alexei Ratnikov  
Tel: +7 495 775 7600  
Email: [IR@tmk-group.com](mailto:IR@tmk-group.com)

TMK PR Department  
Ilya Zhitomirsky  
Tel: +7 (495) 775-7600  
Email: [PR@tmk-group.com](mailto:PR@tmk-group.com)