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Press Release

TMK Announces First Quarter 2012 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 suppliers, announces its production results for the first quarter of 2012.

1Q 2012 Highlights

- TMK shipped a total of 1,053 thousand tonnes of steel pipes to customers, a decrease of 2.2% year-on-year. Reduction in total shipments resulted from lower sales volumes in the welded pipe business. This represents a 1.5% quarter-on-quarter increase.
- Seamless pipe shipments grew by 6.6% year-on-year and by 9.3% quarter-on-quarter to 632 thousand tonnes.
- Welded pipe shipments fell by 13.0% to 421 thousand tonnes driven by a fall in demand for Russian large diameter pipe (LDP) as compared to the first quarter of 2011. As compared to the fourth quarter of 2011, shipments decreased 8.3%.
- Shipments of premium connections rose to 138 thousand joints representing a 27.8% increase over the same period of 2011.



1Q 2012 Summary Results

(thousand tonnes)

Product	1Q 2012	4Q 2011	Q-o-Q, %	1Q 2012	1Q 2011	Y-o-Y, %
Seamless Pipe	632	578	9.3%	632	593	6.6%
Welded Pipe	421	459	-8.3%	421	484	-13.0%
Total	1,053	1,037	1.5%	1,053	1,077	-2.2%
<i>including OCTG</i>	445	402	10.7%	445	380	17.1%

1Q 2012 Market Overview and Performance by Division

Russian Division

According to Company estimates, pipe consumption in Russia fell year-on-year by 25% in the first quarter of 2012 with shipments in the Russian division falling by 9.7% to 729 thousand tonnes¹. This was driven primarily by a substantial, although a predicted, dip in demand for LDP caused by the completion of numerous major pipeline projects and the postponement of new projects by consumers. Total shipments grew by 2.8% quarter-on-quarter. TMK's LDP shipments decreased 48.6% over the exceptional first quarter of 2011 when LDP sales peaked. LDP shipments fell by 13.2% as compared to the fourth quarter of 2011. TMK's Russian division added 15.5% year-on-year and 21.9% quarter-on-quarter to its seamless OCTG shipments on the back of increased oil and gas production in Russia during the first quarter of 2012, thus strengthening its market share. The Company expanded its presence in domestic drill pipe, casing and tubing markets, demonstrating effective execution of the Company's strategy to increase total share of high-grade products in its product mix. Seamless industrial pipe shipments grew by 19.5% year-on-year and 49.6% quarter-on-quarter.

¹ This includes shipments from the TMK Russian facilities and TMK-Kaztrubprom to Russia, CIS and non-CIS countries.



American Division

Shipments of tubular products by TMK's American division increased 23.1% year-on-year to 286 thousand tonnes in the first quarter of 2012² representing a 3.0% decrease quarter-on-quarter. Welded pipe production continued to increase due to strong demand for line pipe used in the transportation of hydrocarbons to refineries and storage locations. Welded line pipe shipments grew by 127% in the first quarter of 2012 compared to the same period last year and by 16.3% over the fourth quarter of 2011, partially driven by operational efficiencies achieved with 2011 capital improvements. TMK's American division increased seamless and welded OCTG shipments by 22.9% and 18.5% year-on-year respectively.

As of March 31, 2012, the Baker Hughes rig count was 1,979 rigs representing an 11.4% year-on-year growth. Two thirds of active rigs are now employed in oil drilling due to steady and robust crude oil prices. The continued development of U.S. shale plays has driven horizontal and directional drilling to over 70% of the rig count activity, triggering increased shipments of TMK premium connections used for this kind of drilling.

European Division

The European market remained uncertain in the first quarter of 2012 with tubular product buyers trying to keep their inventory as low as possible and focusing primarily on monthly contracts. As a result, demand for pipes intended for the construction, machine building and automotive industries has been dropping. In spite of this trend, however, the division shipped 39 thousand tonnes of pipe in the reporting period, representing a 2.0% year-on-year growth and a 16.8% increase quarter-on-quarter. Seamless line and industrial pipe shipments increased 3.8% and 1.7% year-on-year respectively. Quarter-on-quarter growth stood at 4.0% and 24.2% respectively.

Premium Segment

In the first quarter of 2012, demand for TMK's premium connections continued to increase both in North America and Russia. During the first

² This includes products manufactured by TMK's Russian and Romanian facilities and sold on the North American market.



three months of 2012, TMK shipped 138 thousand premium connections designed by the Company's Russian and American plants, representing a 27.8% year-on-year increase. In order to expand its finishing capacities and to better serve its clients, the American division started development of a new pipe threading and service facility in Edmonton, Canada, in March 2012. During the first quarter of 2012, TMK continued to test its premium threads for compliance with international standards. TMK PF ET connections successfully passed 100% gas-tightness tests held at the Oil States Industries testing center in Aberdeen UK. Tubing with TMK PF premium threads also passed qualification tests to comply with the ISO 13679 CAL IV standard. Successful certification of TMK PF premium connections on both casing (this certification was earned in 2011) and tubing in accordance with the ISO 13679 CAL IV standard gives TMK the opportunity to supply a pipe string fully compliant with this standard for use in the well.

2012 Outlook

Looking further ahead in 2012, TMK expects growing demand for OCTG and line pipe in Russia and flat global demand for these products on the whole. The Company also expects more demand for industrial pipe primarily in Russia. LDP shipments in 2012 will depend on the launch of new pipeline projects and the pace of those projects, as well LDP pipeline maintenance volumes.

TMK (www.tmk-group.com)

TMK is a leading global manufacturer and supplier of steel pipes for the oil and gas industry, operating 24 production sites in the United States, Russia, Romania and Kazakhstan and two R&D centres in Russia and the USA. In 2011, TMK's pipe shipments totaled 4.23 million tonnes. The largest share of TMK's sales belongs to high margin oil country tubular goods (OCTG), shipped to customers in 85 countries. TMK delivers its products along with an extensive package of services in heat treating, protective coating, premium connections threading, warehousing and pipe repairing.

TMK's ordinary shares are listed on Russia's major stock exchange – MICEX-RTS. Its GDRs are traded on the London Stock Exchange, and its ADRs – on the OTCQX International Premier trading platform in the U.S.

TMK's production assets structure:

- Russian division:
 - Volzhsky Pipe Plant;
 - Seversky Tube Works;
- American division:
 - 11 plants of TMK IPSCO.
- European division:



- Taganrog Metallurgical Works;
 - Sinarsky Pipe Plant;
 - TMK-Kaztrubprom.
- TMK-ARTROM;
 - TMK-RESITA.
 - TMK-INOX;
 - TMK-Premium Service;
 - TMK Oilfield Services.

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