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Press Release

TMK Starts Supplying Pipes for Lukoil's North Caspian Deposit

TMK, a leading global manufacturer and supplier of steel pipes for the oil and gas industry, has started shipments of pipes to be used in construction of deep water pipelines at the Filanovsky oil and gas condensate deposit in the North Caspian Sea under development by Lukoil.

The tenders for the pipeline construction were won by the Malaysian Bumi Armada Berhad and Italian SAIPEM S.p.A, and in June 2012 Bumi Armada Caspian contracted TMK to supply line pipes for the project. In August 2012, TMK's Volzhsky Pipe Plant (VPP) shipped the first consignment of seamless line pipes with three-layer polyethylene external coating. Overall, by April 2013, TMK is to supply over 12,000 tonnes of line pipes to Bumi Armada Caspian for the project.

SAIPEM S.p.A. engaged TMK in July 2012 to supply 58,000 tonnes of longitudinal welded pipes with three-layer polyethylene external coating for construction of a deep sea gas pipeline. The first consignment of the pipes (2,100 tonnes) was shipped in September 2012. Another one of 10,000+ is scheduled for shipping in October 2012.

Over the 1.5 years' contract period, TMK will totally supply more than 70,000 tonnes of pipes for the project. Ballast concrete external coating will be applied to the shipped pipes before they are welded into the pipeline.

The pipes were shipped after qualification testing at VPP for compliance with standards higher than the DNV deep water piping class. Following the testing, the Russian Maritime Register of Shipping qualified the plant as a manufacturer of seamless steel line pipes and welded steel pipes for deep sea pipelines.

One of the main advantages that secured the contract for TMK was its ability to supply the whole range of welded and seamless pipes.

"TMK supplying pipes for Lukoil's large-scale offshore North Caspian project is yet another proof that our products meet the highest standards of quality, safety, and environmental security set out for deep water pipelines. Close collaboration with major international service companies further evidences worldwide recognition of our products and the Company's solid position on the global oil and gas market," noted Alexander Shiryayev, TMK CEO.



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;
 - Taganrog Metallurgical Works;
 - Sinarsky Pipe Plant;
 - TMK-Kaztrubprom.
- American division:
 - 11 plants of TMK IPSCO.
- European division:
 - TMK-ARTROM;
 - TMK-RESITA.
- TMK-INOX;
- TMK-Premium Service;
- TMK Oilfield Services.

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