January 29, 2014 **PRESS RELEASE**

TMK Announces 4Q 2013 and FY 2013 Operational Results

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.

TMK, one of the world's leading producers of tubular products for the oil and gas industry, announces its operational results for the fourth quarter of 2013 and full year 2013.

4Q 2013 and FY 2013 Highlights

- In 2013, TMK shipped a total of 4,313 thousand tonnes of steel pipe to consumers, which is a 2.2% growth above 2012 and an all-time high for the Company. The increase was driven by stronger demand in the welded pipe segment. Shipments in the fourth quarter of 2013 rose by 5.0% quarter-on-quarter.
- Seamless pipe shipments fell by 1.9% year-on-year to 2,449 thousand tonnes. In the fourth quarter, on the back of the seasonal rise in demand from oil and gas companies, shipments were up by 14.0% quarter-on-quarter, reaching 642 thousand tonnes.
- Welded pipe shipments rose by 8.3% year-on-year in 2013 to 1,864 thousand tonnes as a result of improved demand for welded OCTG and line pipe, as well as large diameter pipe (LDP). Compared to the third quarter of 2013, shipments in the fourth quarter were down by 5.2%, mainly due to a decline in orders for LDP and industrial pipes.
- The total shipments of OCTG pipe, TMK's core product, saw a 7.3% growth above 2012 and reached 1,835 thousand tonnes. In the fourth quarter, shipments went up by 10.8% quarter-on-quarter. The share of OCTG in TMK's total shipments also grew from 40.6% in 2012 to 42.6% in 2013.
- Shipments of premium connections reached 774 thousand joints in 2013, up 26.3% year-on-year. In the fourth quarter, premium

connection shipments remained unchanged compared to the third quarter.

4Q and FY 2013 Summary Results

(thousand tonnes)

Product	4Q 2013	3Q 2013	Q-o-Q, %	2013	2012	Y-o-Y, %
Seamless Pipe	642	563	14.0%	2,449	2,497	-1.9%
Welded Pipe	471	497	-5.2%	1,864	1,722	8.3%
Total	**1,113**	**1,060**	**5.0%**	**4,313**	**4,218**	**2.2%**
including OCTG	493	445	10.8%	1,835	1,712	7.3%

4Q 2013 and FY 2013 Market Overview and Performance by Division

Russian Division

In 2013, according to the Company's estimates pipe consumption in Russia grew 3.8% year-on-year. In 2013, TMK's Russian division shipped 2,986 thousand tonnes of tubular products[1], which is slightly above the 2012 volumes. This secured the Company's leadership in the Russian market with the share of 25.2%. Shipments in the fourth quarter of 2013 rose by 2.2% quarter-on-quarter to 747 thousand tonnes.

In 2013, LDP shipments were up 4.5% above 2012, reaching 445 thousand tonnes, but declined by 15.6% in the fourth quarter following the completion of LDP shipments for the third line of the Central Asia–China gas pipeline.

Seamless OCTG shipments remained virtually unchanged year-on-year in 2013, standing at 1,011 thousand tonnes. In the fourth quarter, TMK's Russian division increased seamless OCTG shipments by 9.6% quarter-on-quarter. Shipments of seamless line pipe in 2013 were down by 12.1% as a result of scheduled repair of the rolling mills of TMK's Russian plants in the third quarter. In the fourth quarter, shipments in this segment increased by 57.6%, driven by the seasonal rise in demand from oil and gas companies. The 2013 shipments of welded line pipe grew by 21.4% year-on-year.

[1] This includes shipments from TMK's Russian facilities, TMK-Kaztrubprom and TMK GIPI to the Russian, CIS and non-CIS markets (excluding the North American market).

Seamless industrial pipe shipments increased by 2.0% in 2013. In the fourth quarter, shipments of this product were down by 8.8% quarter-on-quarter due to seasonal factors.

American Division

In 2013, TMK's American division managed to establish a new record for shipments of pipe with premium connections, resulting in a year-on-year increase of 24.4% as well as an increase in market share within the premium connections market segment. However, as energy sector companies continued to refocus on oil drilling, changes in the types of premium connections required by oil drillers as opposed to higher value connections required by natural gas drillers resulted in lower average selling prices for these products. Furthermore, overall US OCTG market prices continued to be under pressure from the considerable quantities of imported product – particularly from the nine countries currently under investigation by the US Commerce Department for possible dumping – that were brought into the U.S. market during 2013.

According to Baker Hughes, the active rig count totaled 1,762 rigs for 2013, which is 157 rigs or 8% below the 2012 average. The total amount of oil rigs went up by 1%, while gas rigs lost 31%, going down from 556 units in 2012 to 383 in 2013. However, the impact on OCTG consumption of this overall drop in rig count was to great extent mitigated by an increase in the number of tonnes consumed per rig, which was the result of greater drilling efficiencies and an increase in the number of horizontal wells, as well as the length of the lateral segments of these wells. As such, consumption of tubular products in the U.S. shrunk by 6%, less than the drop in rig count would otherwise lead to believe. That said, in addition to the 6% drop in consumption, the American market saw a 16% increase in inventories.

Despite these unfavourable market developments, TMK's American division managed to increase its market share – while shipping 1,170[2] thousand tonnes in 2013, which is 7.2% above the 2012 performance and also a new record for the division. Shipments in welded and seamless OCTG went up by 22.3% and 10.6%, respectively. In the fourth quarter of 2013, the American division shipped a total of 322 thousand tonnes of tubular products to consumers, up 9.5% quarter-on-quarter.

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

European Division

In 2013, the European market's trend towards a decline in tubular product capacity continued. In 2008 to 2013, the total annual consumption of tubular products in the EU countries shrank by more than 50%, from 5 million to 2.3 million tonnes. Additional challenges come from the stronger competition from cheaper products made in Ukraine, China, India and other countries where the costs of raw materials and electric power as well as environmental charges are considerably below those in Europe.

Still, even in this market environment, TMK's European division increased its shipments by 2.6% in 2013 to 156 thousand tonnes. In the fourth quarter, shipments went up by 25.1% quarter-on-quarter, reaching 43 thousand tonnes.

Premium Segment

Within its premium segment of business TMK ships pipe with premium connections and also provide threading services for third parties. Throughout 2013, demand for TMK’s premium connections continued to grow. For the full year 2013, TMK shipped 774 thousand connections developed by the Company's Russian and American divisions. This is a 26.3% increase year-on-year. At the same time Russian division’s shipments of premium connections grew by 30.5%, and the Company also saw a higher share of pipe with premium connections in the total shipments for 2013.

In the fourth quarter, TMK shipped a total of 201 thousand premium connections, which is in line with the third quarter performance.

In 2013, TMK's premium products and oilfield services were first used in Russia in a hydraulic fracturing project by Orenburgneft (part of Rosneft). In August 2013, TMK’s casing with TMK PF premium connections were qualified by ONGC, India’s state oil and gas company, and ADCO, one of the largest oil companies in the Middle East.

In November 2013, TMK announced bringing its two lines of premium connections (Russian and American) together under the single brand of TMK Ultra Premium (TMK UP™). The move will boost the Company’s competitive position in bidding for premium tubular product supply and contribute to TMK's premium product brand awareness in the global market.

Outlook

As Russian oil and gas companies remain actively focused on their plans for hydrocarbon production, TMK expects the 2014 demand for tubular products in Russia to be broadly the same as in 2013, with a potential for some upward trend in the second half of the year.

In the American market, demand for OCTG will stay stable or will be slightly higher than in 2013 as the Company sees producers' better activity in developing oil and gas fields in West Texas and Midcontinent. The Company also expects strong demand for line pipe on the back of continued construction of tubular infrastructure in the U.S., which will bring new opportunities for TMK's American division production to grow.

The environment in the European pipe market, which is going through a lasting recession, will remain largely unchanged in 2014 compared to 2013. Shipments of TMK's European division are projected to stay at the 2013 level.

In general, the Company confirms its cautiously positive outlook for 2014 and expects a moderate improvement in shipments for the year.

***

For further information regarding TMK please visit www.tmk-group.com or download the YourTube iPad application from the App Store https://itunes.apple.com/ru/app/yourtube/id516074932?mt=8&ls=1

***

TMK (*www.tmk-group.ru*)

TMK (LSE: TMKS) is a leading global manufacturer and supplier of steel pipes for the oil and gas industry, operating 28 production sites in Russia, the U.S., Canada, Romania, Oman, UAE, and Kazakhstan, and two R&D centres in Russia and the U.S. In 2013, TMK's pipe shipments totaled 4.3 million tonnes. The largest share of TMK's sales belongs to high margin oil country tubular goods (OCTG), shipped to customers in over 80 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 securities are listed on the London Stock Exchange, the OTCQX International Premier trading platform in the U.S. and on the Moscow Exchange MICEX-RTS.

TMK's production assets structure:

- Russian division:
  - Volzhsky Pipe Plant;
  - Seversky Tube Works;
  - Taganrog Metallurgical Works;
  - Sinarsky Pipe Plant;
  - TMK-CPW;
  - TMK-Kaztrubprom;
  - TMK-INOX;
- American division:
  - 12 plants of TMK IPSCO;
  - OFS International LLC.
- European division:
  - TMK-ARTROM;
  - TMK-RESITA.
- Middle East division:
  - TMK GIPI (Oman);

- TMK-Premium Service;
- TMK Oilfield Services.
- Threading & Mechanical Key Premium LLC (Abu-Dhabi);

TMK Corporate Communications
Ilya Zhitomirsky
Tel.: +7 495 775 7600
E-mail: pr@tmk-group.com