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**April 28, 2014**

**Press Release**

## **TMK Signs Formula Pricing Agreement with Gazprom Neft**

TMK, one of the world's leading producers of tubular products for the oil and gas industry, signed an agreement with Gazprom Neft to apply formula pricing to pipe products.

Price formula is based on market prices for commodities and feedstock used in pipe production. It is the first agreement of this type to be signed by Gazprom Neft with a Russian pipe manufacturer. A similar agreement has been in force since 2012 between Gazprom and the leading Russian pipe producers.

TMK has already been commissioned to supply its first formula-priced pipes to Gazprom Neft: a batch of casing pipes will be shipped in April 2014.

"Formula pricing is a tool facilitating transparent B2B cooperation and prompt responses to changes in feedstock prices. Collaboration with Gazprom under a similar agreement has proved to be effective. We are positive about a broader use of formula pricing approach and believe it will enhance mutual trust and encourage cooperation between the companies," said Alexander Shiryaev, TMK CEO.

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*For further information regarding TMK please visit [www.tmk-group.com](http://www.tmk-group.com) or download the YouTube iPad application from the App Store <https://itunes.apple.com/ru/app/youtube/id516074932?mt=8&ls=1>*

*TMK on Facebook – <https://www.facebook.com/TMKGroupEN>*

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

TMK (LSE: TMKS) is a leading global manufacturer and supplier of steel pipes for the oil and gas industry, operating 28 production sites in the United States, Russia, Canada, Romania, Oman, UAE, and Kazakhstan and two R&D centers in Russia and the USA. 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 assets structure by division:*

- Russian division:
  - Volzhsky Pipe Plant;
  - Seversky Tube Works;
  - Taganrog Metallurgical Works;
  - Sinarsky Pipe Plant;
  - TMK-CPW;
  - TMK-Kaztrubprom;
  - TMK-INOX;
  - TMK-Premium Service;
  - TMK Oilfield Services.
- American division:
  - 12 plants of TMK IPSCO;
  - OFS International LLC.
- European division:
  - TMK-ARTROM;
  - TMK-RESITA.
- Middle East Division:
  - TMK GIPI (Oman);
  - Threading & Mechanical Key Premium LLC (Abu-Dhabi).

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