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Press Release

TMK and Sakhalin Energy Sign Memorandum of Understanding

TMK, one of the world's leading producers of pipe for the oil and gas industry, signed a memorandum of understanding with Sakhalin Energy Investment Company Ltd. (Sakhalin Energy), an operator at Sakhalin-II, one of the largest integrated oil and gas projects globally.

The memorandum provides a framework for fruitful cooperation on TMK's tubular product qualification and certification with a view to testing its suitability for Sakhalin Energy's operations. The memorandum also stipulates an audit and technical qualification of TMK's Volzhsky Pipe Plant and Taganrog Metallurgical Plant. Sakhalin Energy experts together with technical advisors (including those of Royal Dutch Shell) will be working on tubular product testing at TMK's R&D centre in Houston, USA.

All the steps completed, a roadmap is going to be drafted for Sakhalin Energy to view TMK as a prospective pipe supplier. TMK's offer for Sakhalin-II comprises tubular products for field development, including casing with TMK UP PF premium connections. Earlier, this type of connection successfully passed the CAL IV qualification tests, a standard that confirms the world-class quality of TMK's products.

"The intended cooperation with the operator of such a big and extremely challenging oil and gas project stands as proof of the recognition that TMK's high-quality tubular products and technologies enjoy. We believe that after completing all the required certification procedures and tests TMK will be able to join Sakhalin Energy's pool of suppliers and contribute to the Sakhalin region development jointly with other industry leaders", said Alexander Shiryaev, TMK CEO.

For further information regarding TMK please visit www.tmk-group.com or download the YouTube iPad application from the App Store

<https://itunes.apple.com/ru/app/yourtube/id516074932?mt=8&ls=1>

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

TMK (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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