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PRESS RELEASE

TMK Announces 1Q 2016 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 first quarter of 2016.

1Q 2016 Summary Results

(thousand tonnes)

Products	1Q 2016	4Q 2015	Q-o-Q, %	1Q 2016	1Q 2015	Y-o-Y, %
Seamless pipe	564	613	-8.1%	564	619	-8.9%
Welded pipe	281	325	-13.4%	281	376	-25.2%
Total	845	938	-9.9%	845	995	-15.1%
including OCTG	312	388	-19.6%	312	425	-26.5%

1Q 2016 Highlights

- In the first quarter of 2016, TMK shipped a total of 845 thousand tonnes of steel pipe to consumers, down 9.9% q-o-q and 15.1% y-o-y. The drop in shipments was mainly due to the continuing decline in shipments in the American division.
- In 1Q 2016, seamless pipe shipments amounted to 564 thousand tonnes, down 8.1% q-o-q and 8.9% y-o-y due to American division shipments decline. However, European division showed growth of shipments.
- In 1Q 2016, shipments of welded pipe dropped by 13.4% q-o-q and 25.2% y-o-y to 281 thousand tonnes, due to lower shipments of welded pipe in the American division.



OCTG pipe shipments amounted to 312 thousand tonnes in 1Q 2016, down 19.6% q-o-q and 26.5% y-o-y. The decline was due to lower shipments of welded OCTG pipe in the American division, as well as changes in Russian division OCTG sales structure.

1Q 2016 Results by Division

Russian division

1Q 2016 vs. 4Q 2015

In 1Q 2016, TMK's Russian division saw a 6.5% quarter-on-quarter decline in its shipments of tubular products to 741 thousand tonnes (1).

Seamless pipe shipments were down 3.4% to 481 thousand tonnes. In 1Q 2016, OCGT shipments amounted to 271 thousand tonnes, down 9.2% q-o-q.

Welded pipe shipments dropped by 11.8% to 260 thousand tonnes. In 1Q 2016, LDP shipments were down 10.7% to 141 thousand tonnes, against the backdrop of a record-high consumption of large diameter pipe in 4Q 2015.

Yet TMK kept its market share in main business segments.

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

1Q 2016 vs. 1Q 2015

The total amount of shipments by the Russian division grew 2.4% y-o-y.

Seamless pipe shipments were up 4.7%. Seamless OCTG shipments grew 8.5%, driven by the rise in oil drilling activity across Russia in 2016. In 1Q 2016, welded pipe shipments were almost flat year-on-year. LDP shipments were down 9.0% y-o-y, against the backdrop of a record-high demand for large diameter pipe in 2015.

American division

1Q 2016 vs. 4Q 2015

According to Baker Hughes, in 1Q 2016, the active rig count in the USA totalled 464 rigs, a 34% drop q-o-q, as many oil and gas production projects continue to be suspended due to low global oil prices. Besides, the



continued significant supply of imports to the American pipe market is putting pressure on prices.

In 1Q 2016, TMK's American division shipped 63 thousand tonnes of tubular products, down 40.9% q-o-q.

Shipments of seamless pipe dropped 45.6% to 42 thousand tonnes. Seamless OCGT shipments amounted to 38 thousand tonnes, a 45.8% drop quarter-on-quarter.

Welded pipe shipments declined 28.9% q-o-q to 21 thousand tonnes.

1Q 2016 vs. 1Q 2015

In 1Q 2016, the American division's shipments were down 72.5% y-o-y, due to significant declines in drilling in the USA throughout 2015, coupled with a significant inventory build-up.

Seamless pipe shipments were down 64.5% in 1Q 2016, while seamless OCTG shipments dropped 62.7% y-o-y.

In 1Q 2016, welded pipe shipments in the American division declined 80.9% y-o-y.

European division

1Q 2016 vs. 4Q 2015

Despite the flatness of European industrial pipe market in 1Q 2016, the European division increased its shipments of seamless pipe by 6.9% to 41 thousand tonnes.

1Q 2016 vs. 1Q 2015

In 1Q 2016, total shipments of tubular products in the European division remained virtually flat year-on-year.

Premium Segment

In 1Q 2016, the demand for TMK UP™ premium threaded connections remained weak, due to the suspension of complex oil and gas production projects in Russia and the USA, where premium products are widely used. Nevertheless, TMK successfully bid for tenders of oil and gas companies for supplies and maintenance of premium tubular products during the first quarter. In particular, in 2Q 2016, TMK will supply about 14 thousand tonnes of casing pipe with TMK UP™ premium threaded connections to Rosneft. In addition, TMK NGS-Buzuluk, the part of TMK Oilfield Services, won a tender



to provide technology and engineering supervision services for running casing with TMK UP™ into wells off the coast of Sakhalin for Gazprom.

2Q 2016 Outlook

According to TMK, the Russian oil and gas pipe market will be flat in 2Q 2016. The company expects to maintain current shipment volumes of OCTG and line pipe.

In the United States, the demand for oil and gas pipes will remain weak due to further declines in drilling volumes, large inventories, and continued low-priced imports. The American pipe market is not expected to recover before the end of 2016.

Industrial pipe consumption in the European pipe market will be stable in 2Q 2016, with the demand expected to increase slightly as the construction and repair season starts.

For further information regarding TMK, please, visit www.tmk-group.com as well as download the YourTube 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 pipe for oil and gas industry, operating more than 30 production sites in the United States, Russia, Canada, Romania, Oman, UAE and Kazakhstan and two R&D centers in Russia and the USA. In 2015, TMK's pipe shipments totaled 3.9 million metric tons. 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;
 - TMK CHERMET.
- American division:
 - 12 plants of TMK IPSCO;
 - OFS International LLC;
 - TMK Completions.
- European division:
 - TMK-ARTROM;
 - TMK-RESITA.
- Middle East Division:
 - TMK GIPI (Oman).

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