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PRESS RELEASE

TMK Announces 9M 2018 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.

3Q 2018 shipments data is preliminary and may be adjusted.

TMK, one of the world's leading producers of tubular products for the oil and gas industry, announces its operational results for the third quarter and nine months of 2018.

3Q and 9M 2018 Summary Results

(thousand tonnes)

Product	3Q 2018	2Q 2018	Change	9M 2018	9M 2017	Change
Seamless pipe	632	716	(12)%	2,025	1,996	1%
Welded pipe	317	359	(12)%	979	825	19%
Total	949	1,075	(12)%	3,004	2,821	7%
<i>Including:</i>						
OCTG	470	492	(4)%	1,422	1,311	8%

9M 2018 Highlights

- Total pipe shipments grew 7% year-on-year, to 3,004 thousand tonnes, mainly driven by higher shipments of welded pipe at the American division due to increased drilling activity in North America and higher seamless OCTG and LDP shipments at the Russian division.
- Seamless pipe shipments increased 1% year-on-year, to 2,025 thousand tonnes, mainly due to higher shipments of OCTG pipe at the Russian division.
- Welded pipe shipments increased 19% year-on-year, to 979 thousand tonnes, mainly driven by higher shipments of welded pipe at the American division and increased shipments of large diameter pipe in Russia.
- OCTG shipments increased 8% year-on-year, to 1,422 thousand tonnes.
- Shipments of premium threaded connections increased 27%, to 738 thousand joints, driven by the increased complexity of hydrocarbon production projects in Russia and the U.S., where premium products are used.

3Q 2018 Highlights

- Total pipe shipments decreased 12% quarter-on-quarter, to 949 thousand tonnes.
- Both seamless and welded pipe shipments were down 12%, mainly due to pre-planned upgrade and maintenance works at the Russian division's key production facilities, lower large diameter pipe shipments in Russia, and a decline in OCTG and line pipe shipments at the American division due to the high level of inventories built up in the U.S. during 2Q 2018.



- OCTG shipments were down 4% quarter-on-quarter, to 470 thousand tonnes, due to pre-planned upgrade and maintenance works at the Russian division's key production facilities, and lower OCTG shipments at the American division due to the high level of inventories built up in the U.S..
- Shipments of premium-threaded connections increased 7% quarter-on-quarter, to 265 thousand joints.

Alexander Shiryaev, CEO of TMK, said:

“We have achieved solid year-on-year growth for 9 months 2018, despite lower shipments in the third quarter, which reflected seasonal maintenance works at our Russian assets as well as a temporary market slowdown in the U.S., following the imposition of Section 232 earlier in the year.

Demand for our premium products remains strong, reflecting the more complex environments in which our consumers are required to operate and our commitment to delivering market-leading pipe technology through a constant focus on innovation.

Overall, we expect demand to remain strong in our key markets for the remainder of 2018, as drilling activity in Russia continues to grow and with the North American rig count remaining solid.”

3Q 2018 Results by Division

RUSSIAN DIVISION

Product	3Q 2018	2Q 2018	Change	9M 2018	9M 2017	Change
Seamless pipe	467	524	(11)%	1,501	1,483	1%
Welded pipe	216	251	(14)%	661	623	6%
Total⁽¹⁾	683	775	(12)%	2,162	2,106	3%
<i>Including:</i>						
OCTG	302	310	(3)%	916	863	6%

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

9M 2018 vs. 9M 2017

- Total pipe shipments increased 3% year-on-year, reflecting growth in both seamless and welded pipe shipments.
- Shipments of seamless pipe were up 1% year-on-year, supported by higher demand for seamless OCTG pipe as the drilling activity in Russia continues to grow.
- Shipments of welded pipe increased 6% year-on-year, mainly due to stronger shipments of large diameter pipe.
- OCTG shipments increased 6% year-on-year.

3Q 2018 vs. 2Q 2018

- Total pipe shipments decreased 12% quarter-on-quarter, due to pre-planned seasonal upgrade and maintenance works at the division's key production facilities and lower LDP shipments to Russian consumers.
- The 11% decline in shipments of seamless pipe quarter-on-quarter mainly reflected lower OCTG and line pipe shipments as a result of the scheduled repairs at the key production facilities. We also saw a decline in industrial pipe shipments due to some softening in demand on the market.
- Shipments of welded pipe were down 14% quarter-on-quarter, mainly due to lower shipments of large diameter pipe (-39% quarter-on-quarter).
- Shipments of OCTG declined 3% quarter-on-quarter.



AMERICAN DIVISION

(thousand tonnes)

Product	3Q 2018	2Q 2018	Change	9M 2018	9M 2017	Change
Seamless pipe	116	138	(16)%	375	374	0%
Welded pipe	101	109	(7)%	319	201	58%
Total	217	247	(12)%	694	575	21%
<i>Including:</i> OCTG	168	182	(8)%	506	448	13%

(thousand tonnes)

Product	3Q 2018	2Q 2018	Change	9M 2018	9M 2017	Change
Total shipments	217	247	(12)%	694	575	21%
<i>Including:</i> Imported pipe	27	37	(27)%	98	103	(5)%

9M 2018 vs. 9M 2017

- Total pipe shipments grew 21% year-on-year, supported by a significant increase in welded pipe shipments.
- Shipments of seamless pipe remained flat year-on-year, due to higher seamless OCTG and line pipe shipments, which fully compensated for lower shipments of industrial pipe.
- Shipments of welded pipe increased 58% year-on-year, due to continued solid demand in the U.S. oil and gas market despite short-term takeaway concerns in the Permian basin.
- OCTG shipments were up 13% year-on-year, mainly driven by stronger shipments of welded OCTG.
- Shipments of imported pipe at the American division declined 5% year-on-year.

3Q 2018 vs. 2Q 2018

- Total pipe shipments decreased 12% quarter-on-quarter reflecting lower shipments of both seamless and welded pipe. This was due to a gradual slowdown on the North American market following a build-up of inventories by distributors during 2Q 2018 in response to the application of Section 232.
- Shipments of OCTG declined 8% quarter-on-quarter reflecting lower shipments of seamless OCTG.
- Imported pipe shipments at the American division were down 27% quarter-on-quarter, partly impacted by the application of Section 232.

EUROPEAN DIVISION

(thousand tonnes)

Product	3Q 2018	2Q 2018	Change	9M 2018	9M 2017	Change
Seamless pipe – Total	49	54	(9)%	149	139	7%

9M 2018 vs. 9M 2017

- Shipments of seamless pipe increased 7% year-on-year, due to more favourable market conditions. In 9M 2018, the launch of TMK's new heat treatment facility improved the division's sales mix by increasing the share of premium products.

3Q 2018 vs. 2Q 2018

- Shipments of seamless pipe declined 9% quarter-on-quarter, due to a seasonal slowdown of activities on the European market.



2018 Outlook

TMK reiterates its previous outlook for the remainder of 2018 and expects demand for OCTG in Russia to remain strong, supported by stable drilling activity and high oil prices. Demand for LDP in 2018 is not expected to fall below 2017 levels.

The North American pipe market has experienced a gradual slowdown due to high levels of inventories built up during 2Q 2018 in response to the application of Section 232. Demand has remained solid, as has the rig count, despite short-term takeaway concerns in the Permian basin. We have observed a decrease in excess inventory and an increase in demand for certain types of pipe.

In Europe, TMK expects shipments of seamless pipe to increase for the full year 2018. This is in part due to the launch of a new heat treatment facility at TMK-ARTROM, which will improve the division's sales mix with a higher share of premium pipe.

Overall, the Group expects pipe shipments to increase in 2018 compared to 2017, building a foundation for TMK's stronger financial performance throughout 2018 as the company guided before.

For further information regarding TMK, please, visit www.tmk-group.com or download [the YourTube iPad application](#) from the App Store.

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TMK (www.tmk-group.com)

TMK (www.tmk-group.com) is a leading global manufacturer and supplier of steel pipes for oil and gas industry, operating over 20 production sites in the United States, Russia, Canada, Romania, Oman and Kazakhstan with two R&D centers in Russia and the U.S.. 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 and on the Moscow Exchange MICEX-RTS.