



TMK CAPITAL MARKETS DAY

London

October 28, 2014

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The background of the slide is a composite of industrial images. The top half shows a bright, glowing molten metal being poured or processed, with a large, curved metallic structure in the foreground. The bottom half shows a dark, industrial setting with various pipes, valves, and structural elements. The overall color palette is dominated by warm, orange, and yellow tones from the molten metal, contrasted with the dark, metallic grays of the industrial structures.

WELCOME

Dmitry Pumpyanskiy
Chairman of the Board of Directors



Dmitry Pumpyanskiy

Chairman of the
Board of Directors



Peter O'Brien

Board Member,
Independent Director



Vladimir Shmatovich

Vice President for Strategy and
Business Development



Sergey Alekseev

Director for Marketing



Piotr Galitzine

Chairman, TMK IPSCO



Paul Fullerton

Vice President for Research and
Product Development

- **Dmitry Pumpyanskiy**, Chairman of the Board of Directors
“Welcome”
- **Vladimir Shmatovich**, VP for Strategy and Business Development
“TMK Financial and Strategic Overview”
- **Peter O’Brien**, Independent Director, Chairman of the Audit Committee
“Corporate Governance Review”
- **Sergey Alekseev**, Director for Marketing
“Russian Market: Challenges and Opportunities”

Coffee Break

- **Piotr Galitzine**, Chairman, TMK IPSCO
“Shale Gas & LNG, the Next Chapter in US Energy Renaissance”
- **Paul Fullerton**, VP for Research and Product Development
“Research and Development – Technology Advancements”

Q & A



TMK FINANCIAL AND STRATEGIC OVERVIEW

Vladimir Shmatovich

Vice President for Strategy and Business Development

- Opportunities for TMK today.
- Strategic capex completed.
- Addressing challenges.
- Increased efficiency and spending discipline.
- Refinancing in-hand.
- Key targets.

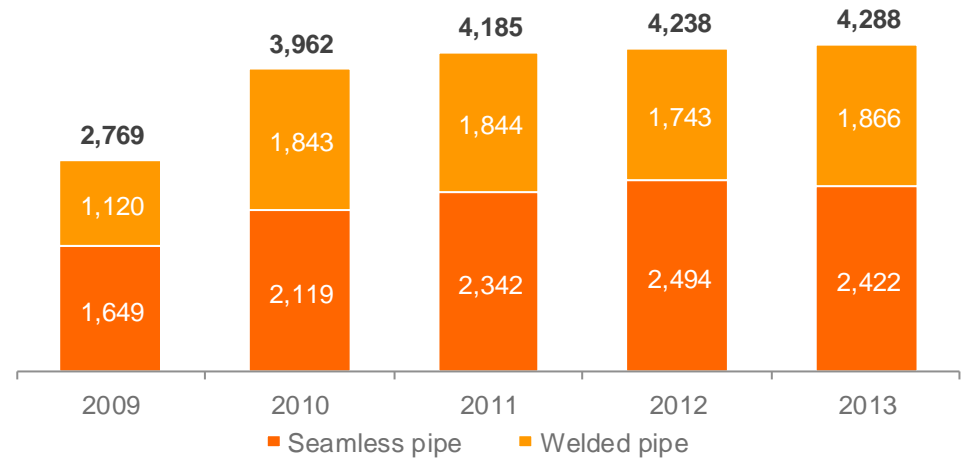


Leading Global Supplier of Pipes for Oil and Gas Industry

- More than 75% of sales dedicated to the Oil & Gas industry with key focus on seamless OCTG pipe.
- One of the largest global OCTG pipe manufacturers.
- Local manufacturer in countries which account for 86% of global drilling activity.
- Market leader in Russia and strong position in the US.
- Increasing drilling complexity drives demand for higher value added products.

The world's leading tube producer

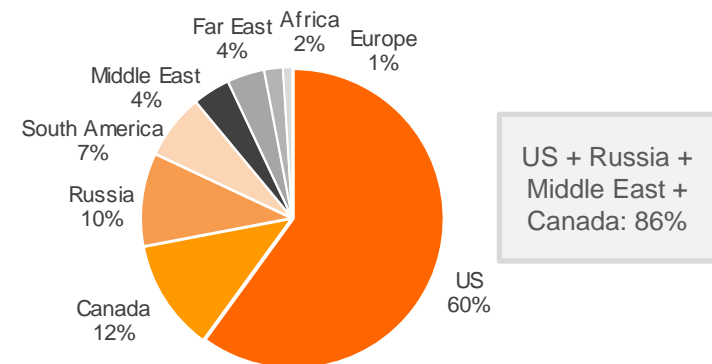
Sales volumes (thousand tonnes)



Source: TMK data

...Operating in the largest drilling markets

Number of wells drilled



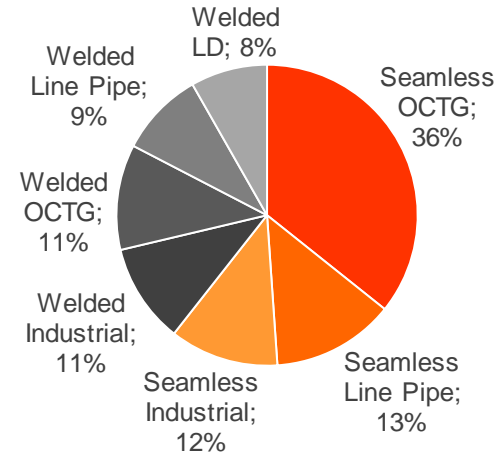
Note: Excluding China and Central Asia. Onshore and offshore drilling

Source: Spears & Associates

- High degree of product diversification gives earnings resilience.
- Geographical diversification helps mitigate swings in demand.
- Leader in Russia with around 60% market share in seamless OCTG pipe.
- Gaining market share in the US premium connections market – 18% in 2014E vs 14% in 2013.
- Diversified product portfolio, including full range of seamless and welded pipes.
- Focus on higher value added products, including seamless pipes and OCTG.
- Diversified customer base covering end users in oil & gas and industrial.

Diversified product portfolio and customer base

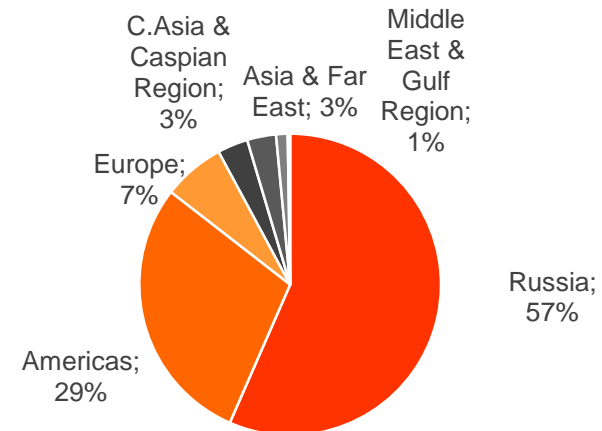
Sales volumes by product (1H 2014)



Source: TMK data

Diversified geographical reach

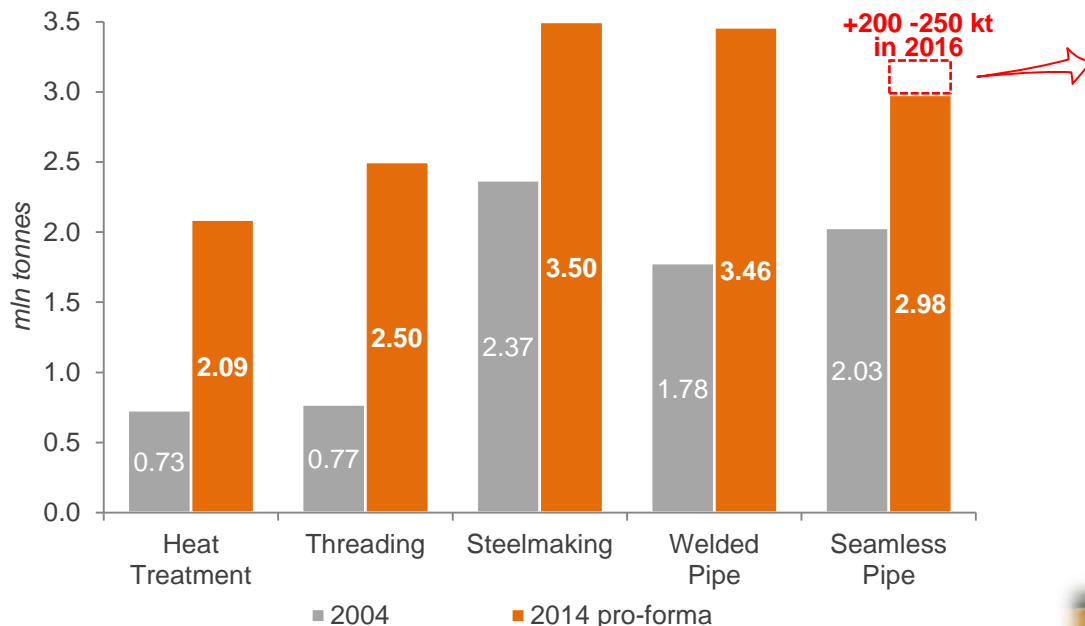
TMK revenues by country (FY2013)



Source: TMK data

All Strategic Assets Operating

Focus of CAPEX program has been seamless pipe and facility modernization in Russia and the US



Source: TMK data

- Total strategic investment program amounted to around US\$3.6 bn.
- No major acquisitions are planned.
- Further investments will be focused on additions to finishing capacities across all major regions of operations.

- New pipe rolling FQM Mill at Seversky Pipe Plant put into operation in October 2014.
- Additional 200-250 thousand tonnes of seamless pipe capacity to meet growing demand.
- Total cost of the project around US\$435 mln to be fully paid by 2017.



Addressing the Challenges

Global oil prices:

- Global oil prices recently dropped to a four-year low: Brent slumped by 22% YTD and WTI – by 17% YTD.
- Potential cut in CAPEX by major oil and gas companies.



- The negative effect is mitigated by the Rouble depreciation.
- Close relationship with clients to keep abreast of any potential project delays.

Rouble depreciation and FX sensitivity:

- 10% RUB depreciation in 1H2014 negatively affected our EBITDA by around 7%.



- Russian division EBITDA in RUB and per metric tonne remained almost flat in 1H2014 vs. 2H2013.
- Borrowing in RUB.
- Growth of export sales.

Refinancing risk and interest expense growth

- Interest rate growth for RUB loans.
- Temporarily limited access to international financial markets.



- Commitment to deleverage through limiting CAPEX and working capital.
- Strategic relations with the Russian banks.
- Potential IPO of TMK IPSCO.

Raw materials inflation

- In Russia, majority of raw materials prices significantly increased for 9m2014.
- In the US, raw materials prices remained almost flat.



- Price increases typically happen with a lag.
- Historically, we were able to transfer increasing costs to clients.
- Aim to implement pricing formulas with major RU customers.

Sanctions – New Opportunities Counterbalancing Threats

Selected sanctions by EU and US:

- Prohibited to directly or indirectly provide any **goods, service, or technology** in support of exploration or production for:
- An export license is required to export, re-export, or transfer (in-country) **OCTG or line pipe** for use in:



Deepwater



Arctic offshore



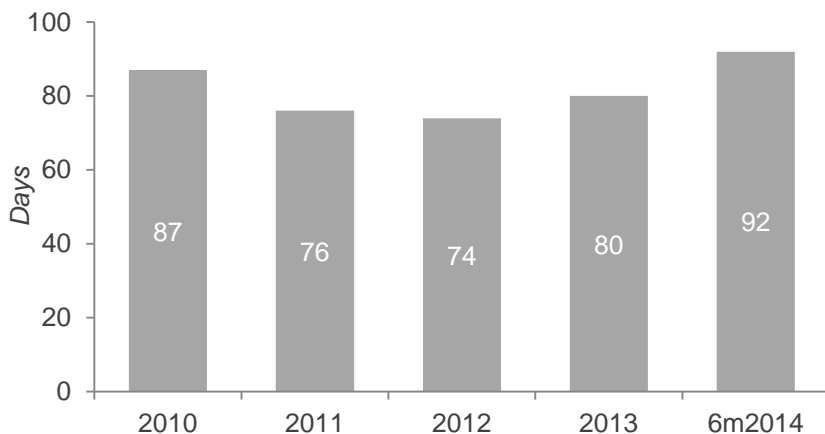
Shale Projects

New opportunities for TMK:

- Technology leadership in Russia.
- Import substitution program.
- Diverse product range supports supplies for the most severe conditions.
- Development of oilfield services.
- Start of Gazprom's Mega-Projects:
 - Power of Siberia;
 - Chayanda and Kovykta gas fields development.
- Start of the first LNG exports in the US in 2016.

Efficiency is Key

Cash conversion cycle to be stabilized



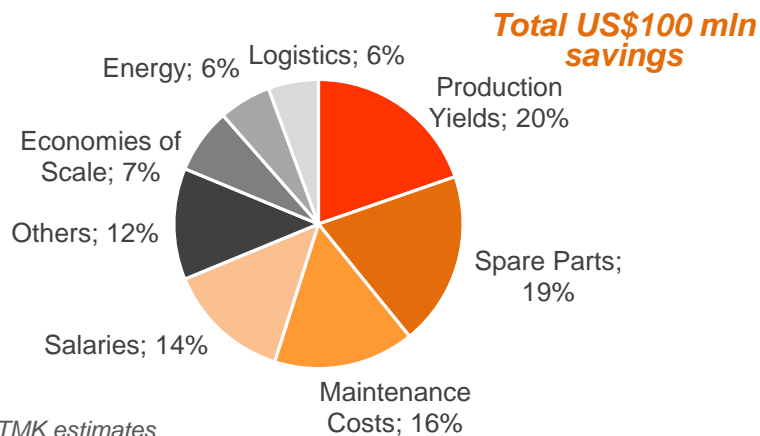
Source: TMK data

Note: cash conversion cycle is calculated as "days inventory outstanding" + "days receivables outstanding" - "days payables outstanding"

Improvement of working capital position

- Longer cash conversion cycle due to increasing sales to major O&G clients in Russia and rising export sales.
- Plan to stabilize cash conversion cycle through:
 - Improvements in inventory management;
 - New contract terms with Gazprom and Transneft => 30%-40% prepayments on all LDP orders.
- Prepayments will enable incremental reduction in debt.
- Improved capacity utilization and sales mix, reduces costs.

Cost cutting program breakdown

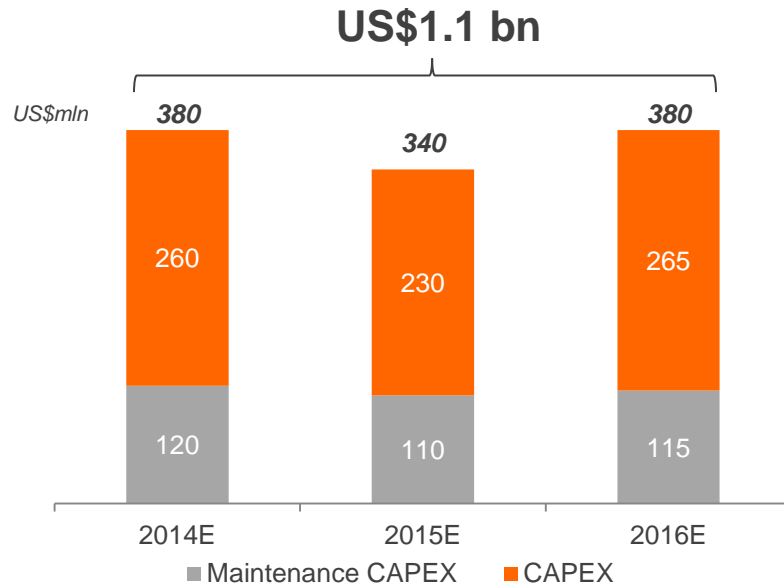


Source: TMK estimates

2014 Cost cutting program in place

- Around 45% of the cost cutting program has already been realized.
- Production yields and spare parts, maintenance costs and salaries, as well as energy and logistics.
- Targeted decrease of conversion costs up to US\$100 mln for FY2014.

Revised Capex and M&A Program



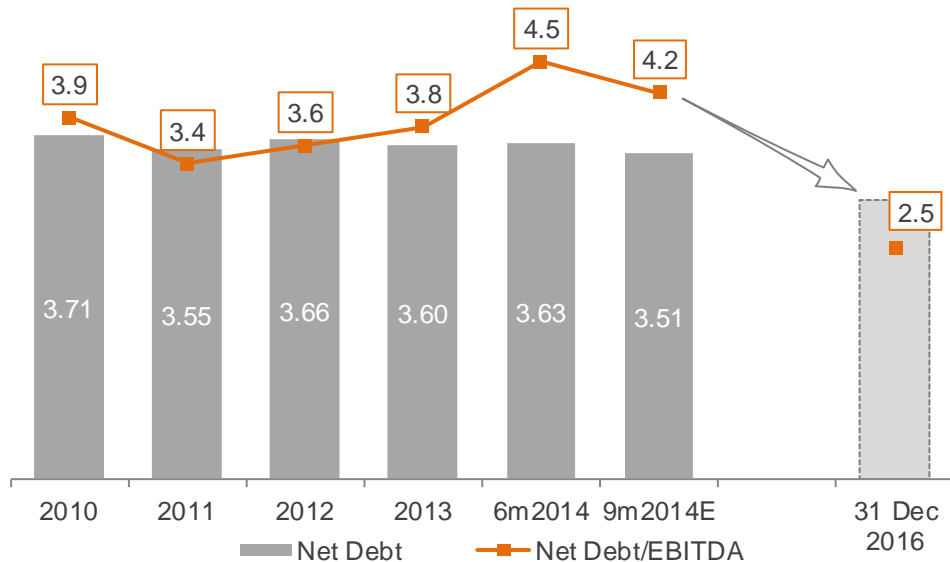
Source: TMK estimates

- Total US\$1.1 bn capex program for three years, which translates to US\$300-400 mln per year with around US\$100-120 mln annual maintenance capex.
- Majority of CAPEX in 2016-2017 will be spent on finishing capacities like heat treatment and threading lines both in Russia and the US.



Commitment to Deleverage

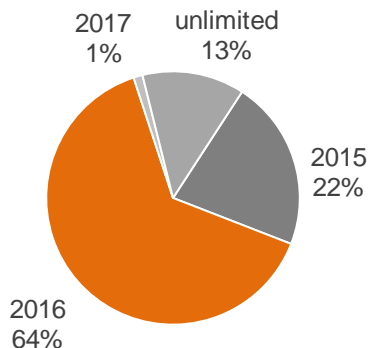
Target to achieve 2.5x Net Debt / EBITDA by YE2016



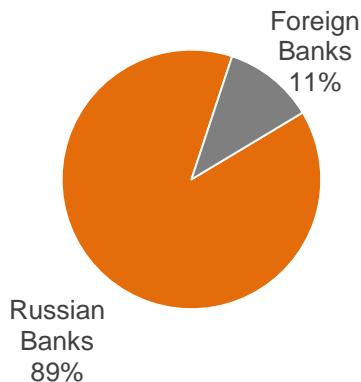
Source: TMK estimates

Around US\$900 mln of undrawn committed credit facilities available to cover ST Debt

Maturity Profile of Undrawn Credit Lines



Undrawn Credit Lines by Bank

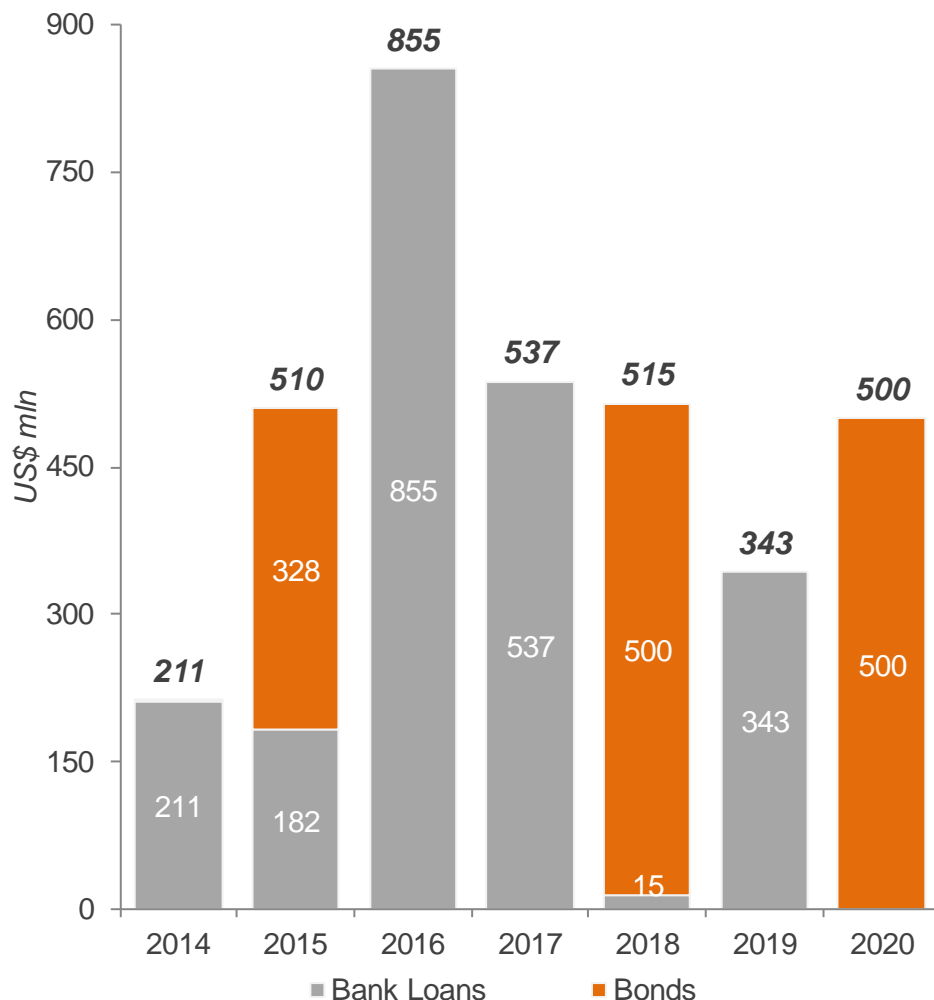


Source: TMK Management Accounts

- Target to achieve 2.5x Net Debt-to-EBITDA ratio by the end of 2016.
- Possible IPO of TMK IPSCO and limited sale of TMK shares to generate over US\$500 mln cash.
- Incurrence test for 2018 and 2020 Eurobonds starts at 3.5x Debt-to-EBITDA; breaching covenant means incurrence of permitted indebtedness, i.e. limitations to borrow additional debt over the baskets allowed. Compliant with a safety margin.
- Maintenance test on the majority of bank loans is 4.75x or 5.0x Net Debt or Total Debt-to-EBITDA.

Debt Maturity Extended

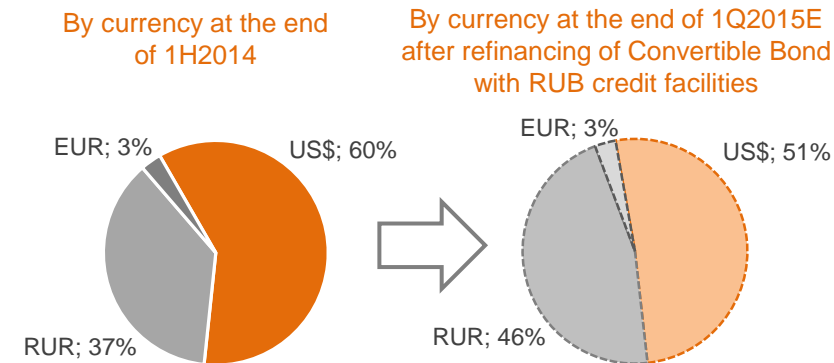
Debt maturity profile as of September 30, 2014



Source: TMK Management Accounts, figures based on non-IFRS measures, estimates from TMK management

- As of Sept 30, 2014, total credit portfolio amounted to US\$3,471 mln based on management accounts.
- More than 75% of total bank loans are with major Russian banks.
- Plans to refinance Feb 2015 Convertible Bonds using a new 3-year credit line with Russian state-owned banks.
- Weighted average interest rate 7.1%.
- Credit Ratings:
 - S&P: B+, Stable;
 - Moody's: B1, Stable.

Debt structure



Source: TMK data, TMK estimates

Key Targets and Strategy Update

CAPEX

- Capex investment largely completed with focus now on deleveraging.
- Possibility of limited small-sized acquisitions in upstream and downstream aiming at EBITDA growth whilst complying with deleveraging targets.
- Limit capex and M&A for 3 years 2014-2016 to US\$1.1 bn.

Deleveraging

- Achieve 2.5x Net Debt / EBITDA ratio by the end of 2016 through reducing debt both from operational cash flow and by capital restructuring.
- Improve contract terms with Russian oil and gas majors and stabilize cash conversion cycle.
- Possible IPO of TMK IPSCO.

OFS and premium products

- Develop Oil Field Services to become a “one-stop-shop” to fulfil more customers’ needs.
- Achieve more than 30% share of premium connections in total OCTG sales by 2018.

Strengthen positions on local markets

- Strengthen relationships with Gazprom and Rosneft; become their key premium products provider.
- Transfer cost increases to customers and retain pricing power.

A photograph of three business professionals in dark pinstriped suits standing on a modern, curved metal structure, possibly a bridge or a high-rise building. The man on the left is smiling and holding a blue folder. The woman in the center is smiling and holding a white laptop. The man on the right is smiling and holding a white folder. The background is a clear blue sky.

CORPORATE GOVERNANCE REVIEW

Peter O'Brien
Board Member, Independent Director

Key Considerations

- The Board of Directors is comprised of 11 members, including 5 independent directors, 4 non-executive directors and 2 executive directors.
- The Board of Directors has 3 standing committees, chairman of each committee is an independent director:
 - Audit Committee;
 - Nomination and Remuneration Committee;
 - Strategy Committee.
- TMK's day-to-day operations are managed by the CEO and the Management Board which consists of eight members.
- The Company has an integrated system of internal controls which provides assurance as to the efficiency and management of risks of operations.
- TMK ranks No 6 in S&P rating of corporate governance among Russian companies.



DMITRY PUMPYANSKIY, Chairman of the Board of Directors, non-executive director.

Born in 1964. Graduated from the Sergey Kirov Urals Polytechnic Institute in 1986. PhD in Technical Sciences, Doctor of Economics. Founder and beneficial majority shareholder of TMK

Relevant experience: Chairman of the Supervisory Board of Russian Agricultural Bank, Member of the Board of Directors at Rosagroleasing and SKB-Bank, President and Chairman of the Board of Directors of Sinara Group, member of the Management Board of the Russian Union of Industrialists and Entrepreneurs, CEO at TMK, CEO at Sinara Group, Board member at various industrial and financial companies



MIKHAIL ALEKSEEV, Independent director, Chairman of the Nomination and Remuneration Committee.

Born in 1964. Graduated from the Moscow Finance Institute in 1986. Doctor of Economics.

Relevant experience: Chairman of the Management Board of UniCredit Bank, Chairman of the Board and President of "Rossiysky Promyshlenny Bank" (Rosprombank), Senior Vice President and Deputy Chairman of the Management Board of Rosbank, Deputy Chairman of the Management Board of ONEXIM Bank, Deputy Head of the General Directorate of the Ministry of Finance of the USSR.



PETER O'BRIEN, Independent director, Chairman of the Audit Committee.

Born in 1969. Graduated from Duke University (USA) in 1991 and obtained an MBA from Columbia University Business School in 2000 and completed the AMP at Harvard Business School in 2011.

Relevant experience: Member of the Management Board, Vice President, Head of the Group of Financial Advisors to the President of Rosneft, Co-Head of Investment Banking, Executive Director of Morgan Stanley in Russia, Vice President at Troika Dialog Investment Company, Press Officer at the US Treasury.



ALEKSANDER SHOKHIN, Independent director, Chairman of the Strategy Committee.

Born in 1951. Graduated from the Lomonosov Moscow State University in 1974. PhD, Doctor of Science, Professor.

Relevant experience: President of the Russian Union of Industrialists and Entrepreneurs, President of the Higher School of Economics State University, Board member at Lukoil, Russian Railways, member of the Public Chamber of the Russian Federation, member of the State Duma, Minister of Labour and Employment and Minister of Economic Affairs, Head of the Russian Agency for International Cooperation and Development, twice appointed as Deputy Head of the Russian Government, Russia's representative to IMF and World Bank.



OLEG SCHEGOLEV, Independent director, member of the Strategy Committee.

Born in 1962. Graduated from the Moscow Finance Institute in 1984.

Relevant experience: First Vice President at Russneft, First Deputy Chairman of the Management Board and First Deputy CEO at Itera, Executive Director at Slavneft, Deputy Head of the Department for Longterm Planning of the Fuel and Energy Complex at the Ministry of Energy of the Russian Federation, chief officer, deputy director, department head at Sibneft.

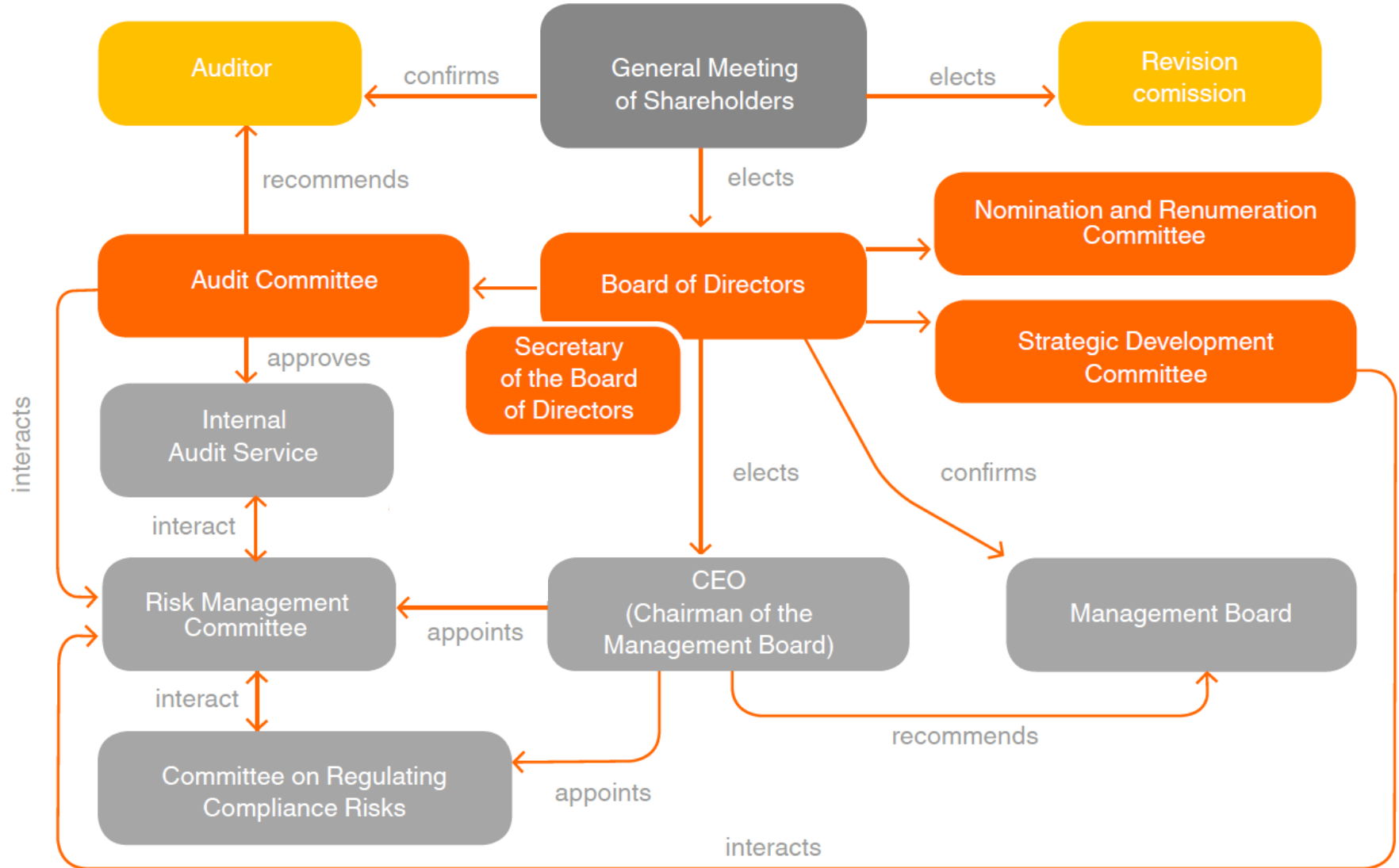


ROBERT MARK FORESMAN, Independent director, member of the Board of Directors since 2012.

Born in 1968. Graduated from Bucknell University (USA) in 1990 and Harvard University Graduate School of Arts & Sciences in 1993. Obtained a certificate from the Moscow Power Engineering Institute in 1989.

Relevant experience: Head of Barclays Capital in Russia, Deputy Chairman of the Management Board at Renaissance Capital, Chairman of the Management Committee for Russia and CIS at Dresdner Kleinwort Wasserstein, Head of Investment Banking for Russia and CIS at ING Barings.

Corporate Governance Structure



Technology and product offering, quality control.

Markets and clients: cost competitiveness, client strategy, product pricing.

Capital allocation and investment efficiency.

Financial: asset and liability profile, receivables.

Talent management.

Compliance.

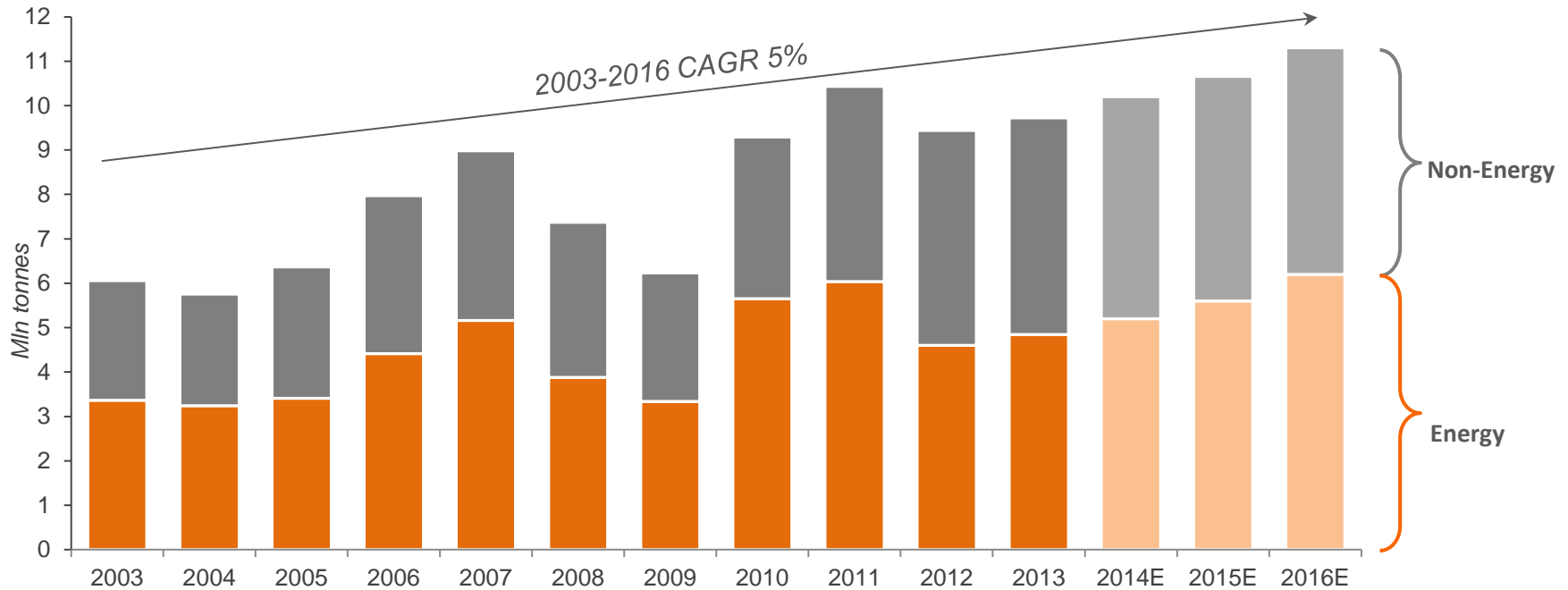
An oil pumpjack is shown in the foreground, its long arm and counterweight silhouetted against a bright, low sun. The sun is positioned on the right side of the frame, creating a strong lens flare and casting a warm, golden glow across the sky and the icy ground. The pumpjack's reflection is visible in the still, icy water in the foreground. In the background, another industrial structure is visible, also silhouetted against the sunset. The overall scene is a dramatic, high-contrast image of an oil field at dusk or dawn.

RUSSIAN MARKET: CHALLENGES AND OPPORTUNITIES

Sergey Alekseev
Director for Marketing

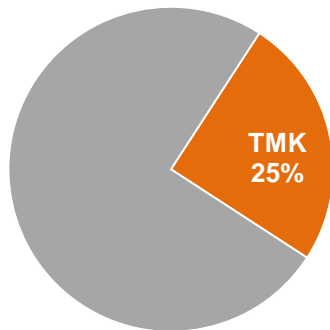
- **Dominant player in high growth Russian tube and pipe market:**
 - Well invested, strategically positioned production facilities;
 - Market leader in seamless pipes and OCTG with strong focus on oil & gas industry.
- **Rapidly evolving Oil and Gas industry dynamics lead to increased demand for high performance products:**
 - Increase in drilling/ horizontal drilling/ upstream capex/ well depths.
- **Unique range of Premium products and the only producer in Russia with a unique “packaged service solution” for the customers.**
- **Customer focused approach leads to long term strategic partnerships with key customers.**
- **Extensive R&D and international pipe making expertise is key to innovation and future growth.**

Russian Tube & Pipe Market



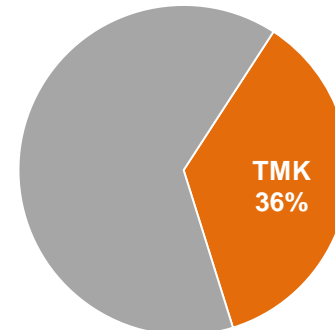
Source: TMK estimates

#1 on the Russian tube & pipe market



Source: TMK estimates, based on FY2013 numbers

36% market share of energy demand



Source: TMK estimates, based on FY2013 numbers

Seamless OCTG **60%**



Seamless OCTG
for oil and gas



Seamless line pipe **63%**



Seamless line pipe for
oil and gas



Seamless industrial pipe **28%**



High-margin products for
industrial needs



Large diameter pipe **16%**



Large diameter pipe for
projects



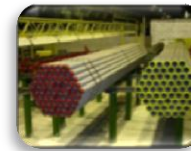
Welded line pipe **24%**



Welded line pipe for
oil and gas



Welded industrial pipe **11%**

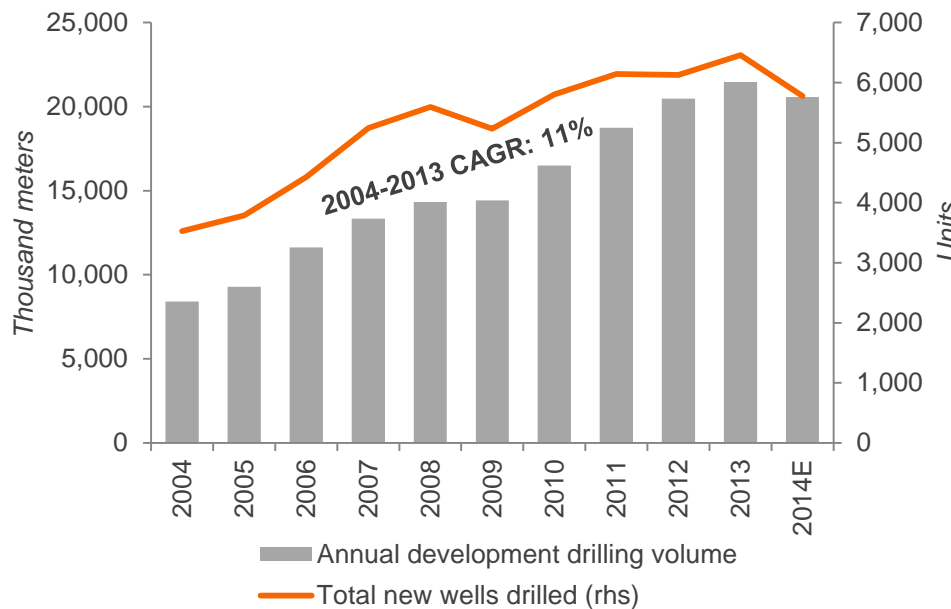


Welded industrial products



Source: TMK estimates, based on 1H2014 numbers

Growing oil drilling market in Russia

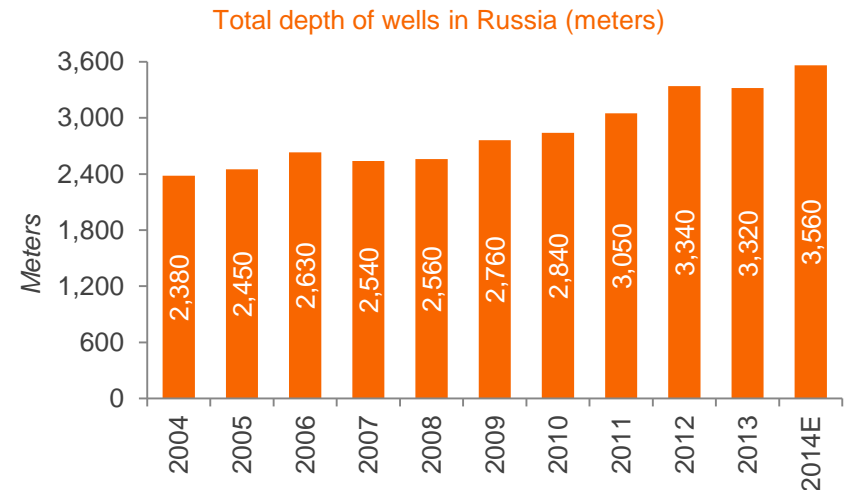


Source: CDU TEK

- Enhanced oil recovery from conventional fields.
- Development of unconventional reserves will require the use of non-conventional drilling techniques.
- Our portfolio of high end premium products are uniquely designed to meet specific drilling applications.

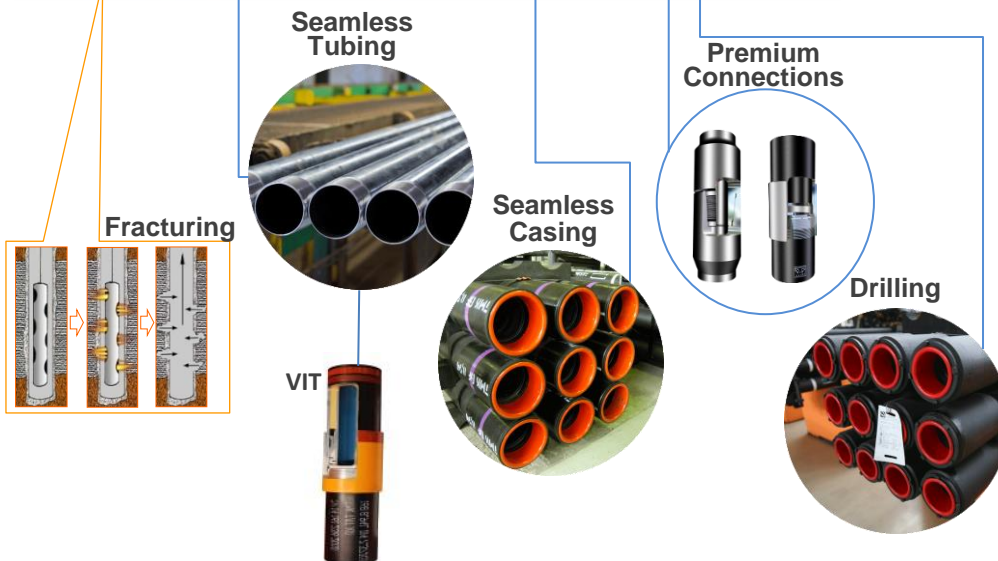
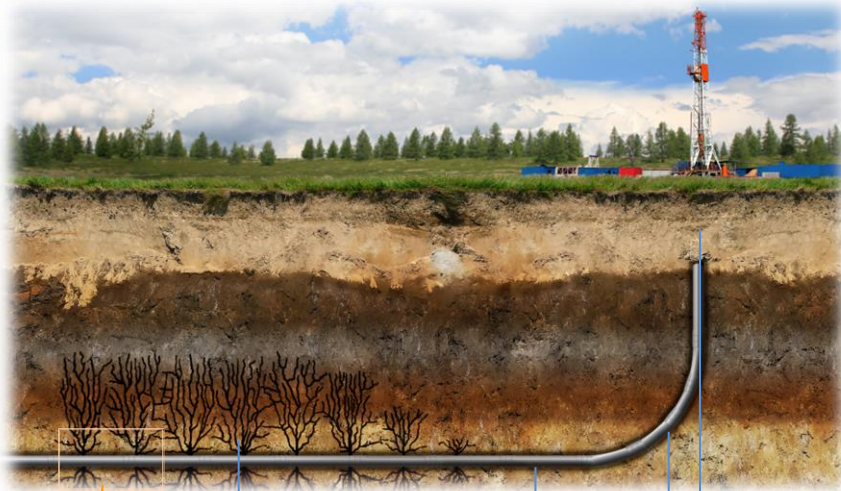


Increasing depth of Russian wells

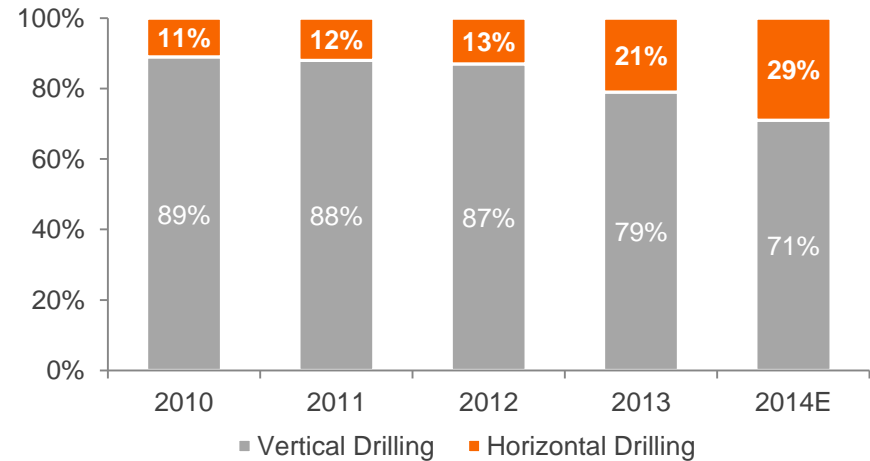


Source: CDU TEK

Horizontal drilling



Horizontal drilling is increasing in Russia



Source: CDU TEK

- Horizontal drilling enables operators to target a larger area of oil/gas recovery and achieve a higher flow rate.
- Pad drilling for horizontal wells delivers greater efficiency and cost saving, small footprint.
- Safety regulations require use of gastight premium connections when the gas-oil ratio is high.
- Growth of directional and horizontal drilling increases well depth. This results in growth of high-end OCTG used in the string.

Premium Solutions: TMK UP Series

Why do they choose premium in Russia?

- Gas wells.
- Oil wells with high gas-oil ratio.
- Higher pressure.
- When casing is rotated and pushed into place.
- Steam-Assisted Gravity Drainage (SAGD).
- Offshore.

Lite Series



- Higher resistance to torque for casing while drilling and rotating.
- Rapid and easy make-ups while providing increased strength in both tension and compression.
- API and enhanced thread forms compatible.

Professional Series



- Ability to withstand high tension, compression and bending loads at excessive internal and external pressure.
- Advanced performance for onshore and offshore environments.
- Validation under ISO 13679 CAL IV test protocol.

Classic Series



- Easy and reliable make-up.
- Reliable operation in difficult well conditions.
- Validation through years in a multitude of global field applications.

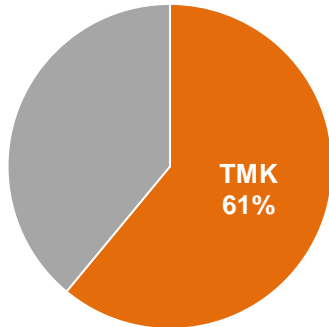
Special Series



- For complex operations:
 - Deviated wells;
 - Conductor pipes;
 - SAGD wells.

OCTG Products with Premium Connections

- Local producers are key suppliers.

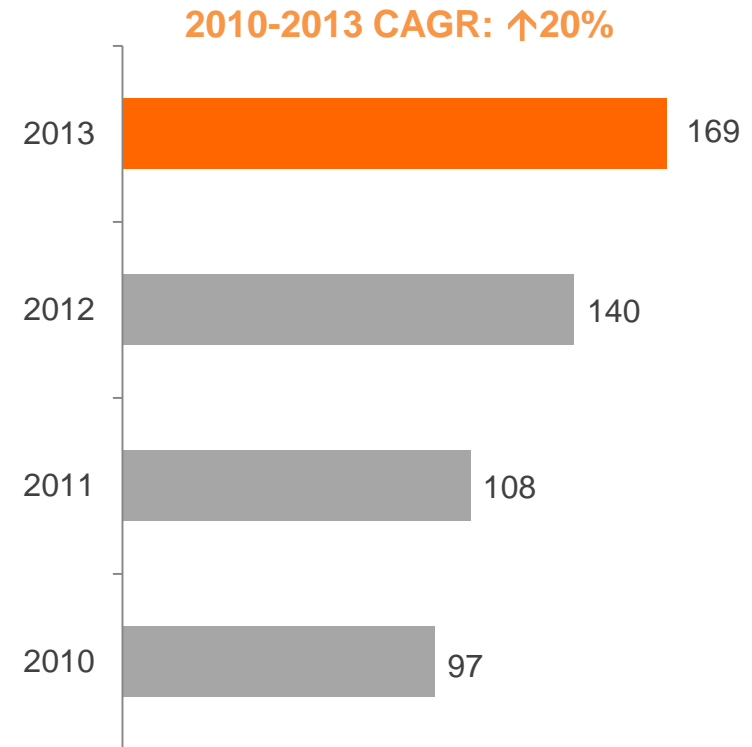


Source: TMK estimates, based on FY2013 numbers

- In CIS only TMK has full range of patented original Premium connections and network of licensees.



Russian sales of TMK UP connections (ktonnes)

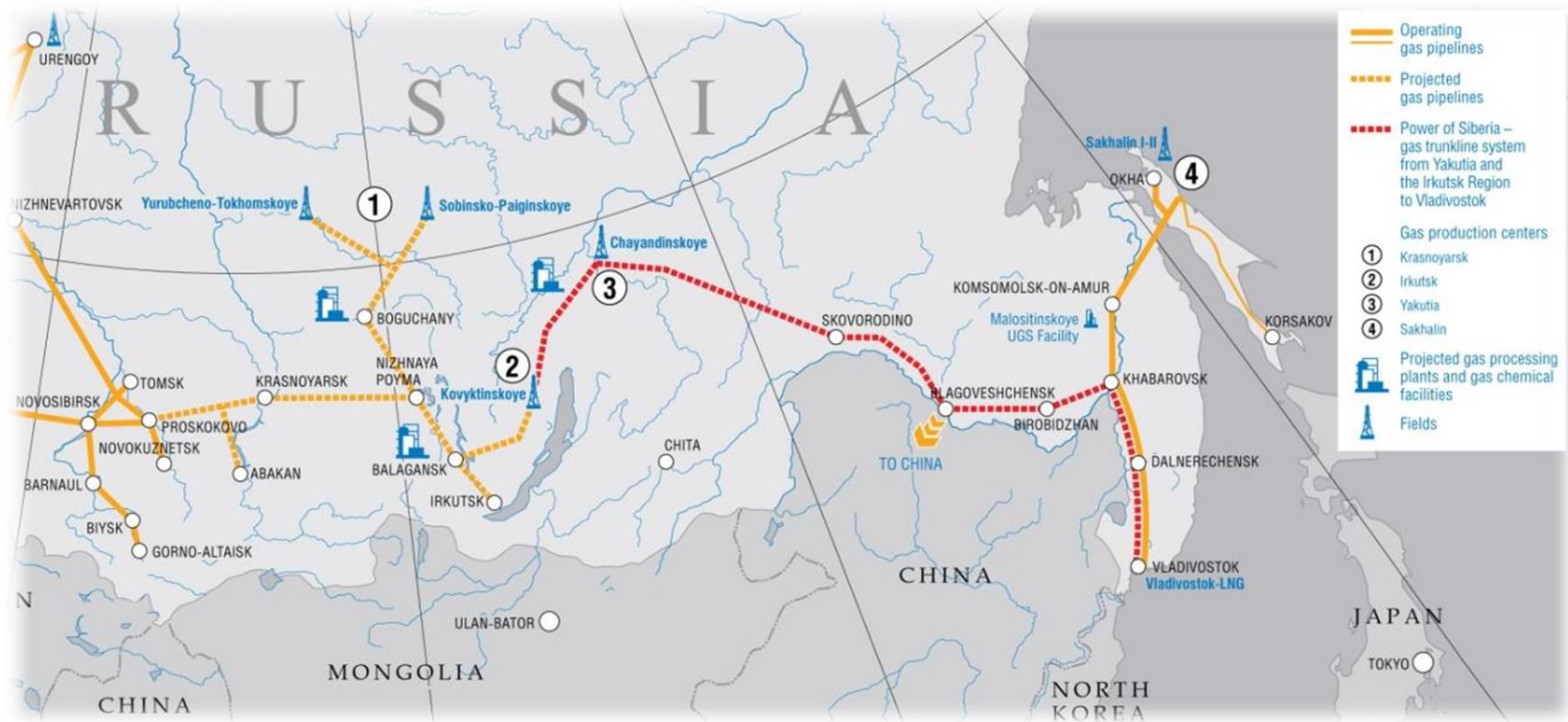


Source: TMK data

- Premium OCTG market growth is driven by the development of geologically complex oil and gas fields.
- In 2014, market is expected to decline while in 2015-2016 recovery anticipated.

Gazprom's Eastern Program Creates Additional Demands

- Promising deposits will drive significant development in the oil and gas sector.



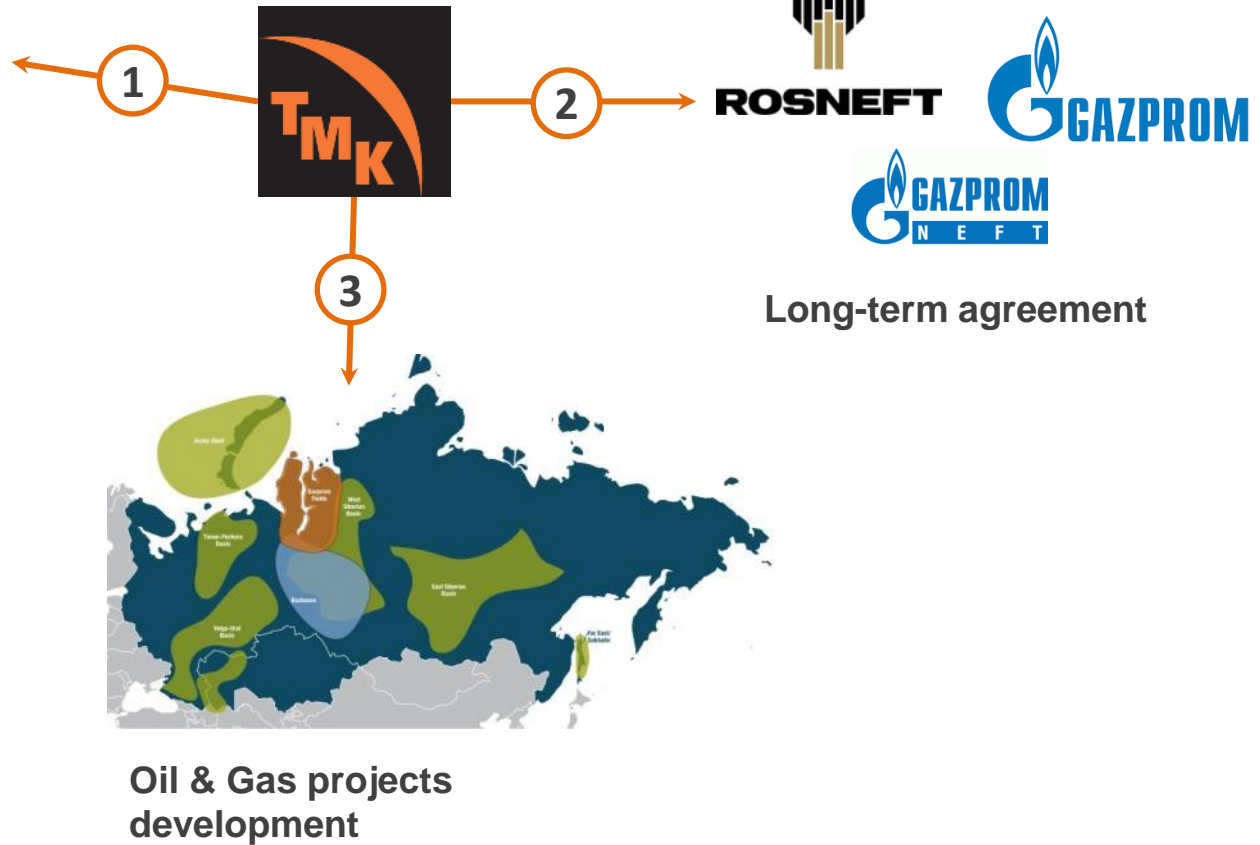
Source: Gazprom

- Demand for LDP from Power of Siberia project could amount to 2.7 mln tonnes until 2018.
- Consumption of OCTG pipe (including premium connections) from Chayandinskoye and Kovyktinskoye fields could be up to 1 mln tonnes by 2020.

New possibilities for TMK to replace high-end import products

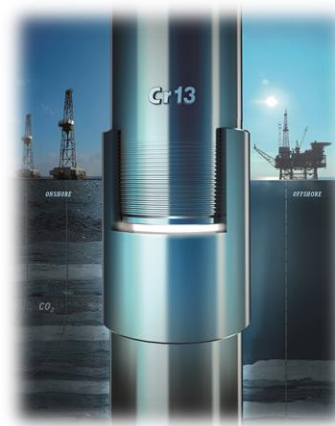


New products
for the Oil & Gas
industry





- New connections developments.
- GREENWELL solution implementation.
- Market share **+10%**.



- 13Cr OCTG is the most effective solution to protect pipes against CO₂ corrosion.
- Market share **+ 45%** what shows 10x growth since 2011.



- **TMK has a unique proprietary technology of producing Vacuum Insulated Tubing (VIT), including Super-Chrome steel.**
- Importance increasing in line with growing hydrocarbon production in harsh environments.
- The use of VIT allows for considerable improvement in the energy efficiency of well development and ensures high safety and environmental standards.

- In 2014, GreenWell coated premium connection TMK UP PF has been certified under ISO 13679 CAL IV.
- Tests were conducted at TMK's R&D centre in Houston in early 2014 and observed by Texas International Engineering Consultants, an independent third party.
- All samples successfully passed abrasion resistance, gas tightness and ultimate load tests.
- The successful tests of TMK's pipe products testify to quality that safe use both onshore and offshore drilling and production projects.




- Well equipment precision manufacturing:
 - Downhole equipment and accessories;
 - Fishing tools;
 - Hydraulic equipment.
- Accessories threading, pipe cutting, pipe coating, well maintenance and repair services for customers.
- Supervisory services, including running pipe into the well and turn-key preparation for hydrofracturing.
- Education of end-users.



- Long term strategic customer partnerships.
- Producer of high-margin tubular products to customer specifications.
- Experienced engineers to support customers.
- Flexible production program for key customers.
- Individual service approach to each customer.



- Dominant player in the Russian market.
- Focus on innovation and efficiency.
- High performance premium solutions for oil & gas industry.
- Extensive R&D base is key to future growth.
- Long term customer partnerships committed to innovation and quality.
- Continue to expand portfolio of high value added products.

The background image shows a large-scale industrial facility, likely a gas processing plant or refinery. In the foreground, a massive, dark-colored pipe curves across the frame. Behind it, several workers in blue uniforms and hard hats are visible, engaged in their tasks. The scene is brightly lit, suggesting an outdoor or well-lit indoor environment. The overall tone is professional and industrial.

SHALE GAS & LNG, THE NEXT CHAPTER IN US ENERGY RENAISSANCE

Piotr Galitzine
Chairman, TMK IPSCO

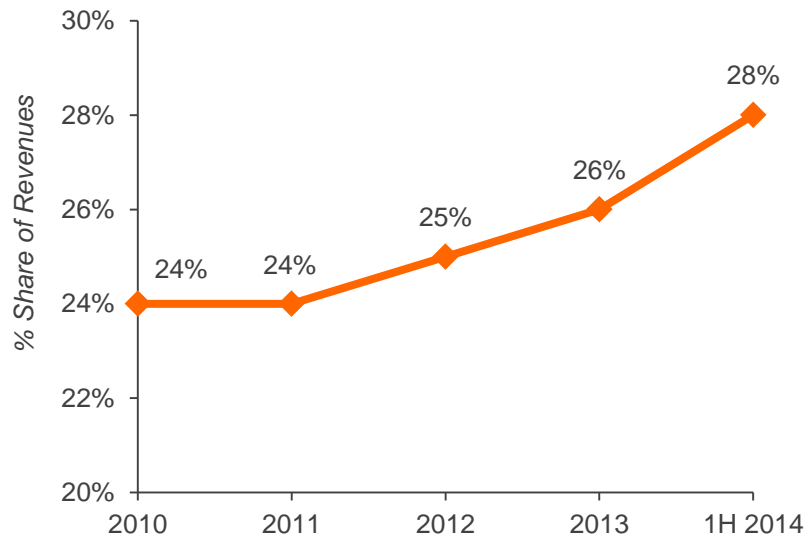
Overview

- Positive market outlook with sizeable increase in rig count, continued shift to unconventional drilling and favorable US OCTG trade case ruling.
- TMK well positioned to face market challenges with:
 - Robust production capacities, superior performance steel pipe, premium connections, customer focused approach.
- Politics not affecting our business results.
- Long term, TMK remains bullish on gas. Attractive buy-side prices should boost natural gas consumption for:
 - **Feedstock** in petrochemical plants, LNG processing and exports;
 - **Electricity**. . . Gas-fired electricity increased from 16% in 2000 to 27% in 2013;
 - **Transportation**. . . California, New York, Utah, and Oklahoma are leading the way in natural gas vehicle infrastructure;
 - **LNG exports**. . . Proposed US LNG export projects to Non-FTA countries total 37.6 bcf per day.
- Growing demand for natural gas should support and further increase consumption of pipes and premium connections.

TMK IPSCO Today

Share of TMK IPSCO revenue on a steady climb since 2010

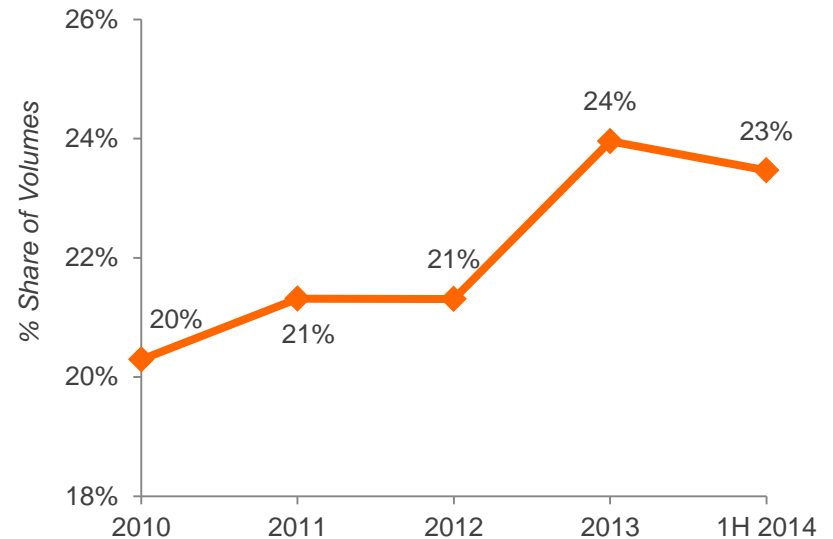
TMK IPSCO % share of total company revenue



Source: TMK estimates

TMK IPSCO % share of group's volumes

TMK IPSCO % share of total company volumes



Source: TMK estimates

- TMK IPSCO is a major contributor to TMK revenue.
- Now that the US OCTG trade case is over EBITDA is expected to pick up.

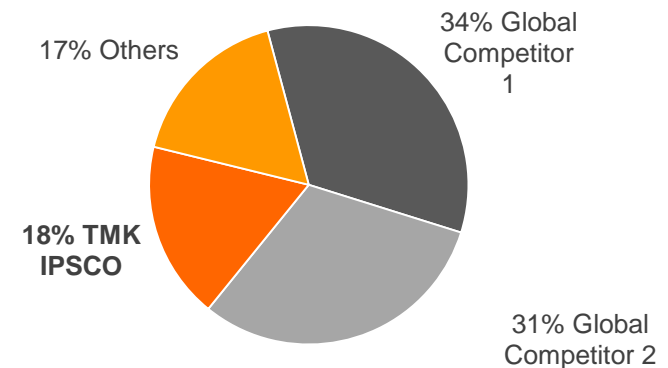
TMK IPSCO Today (Cont.)

- 15% share of the US OCTG market and 18% share of the US premium connections market, including:
 - **22% of the onshore premium connections market;**
 - **39% of the premium onshore integral connections market.**

- TMK expects NAFTA market for premium connections to grow at a CAGR of 4% through 2018.

- OFSi providing platform for further growth in the premium connections market segment as well as in oilfield services.

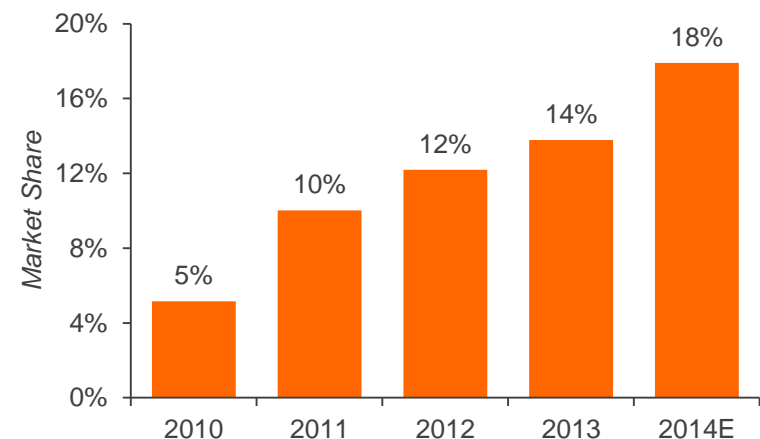
Top-3 supplier of premium connections in the US market...



Source: TMK estimates

And rapidly gaining premium market share

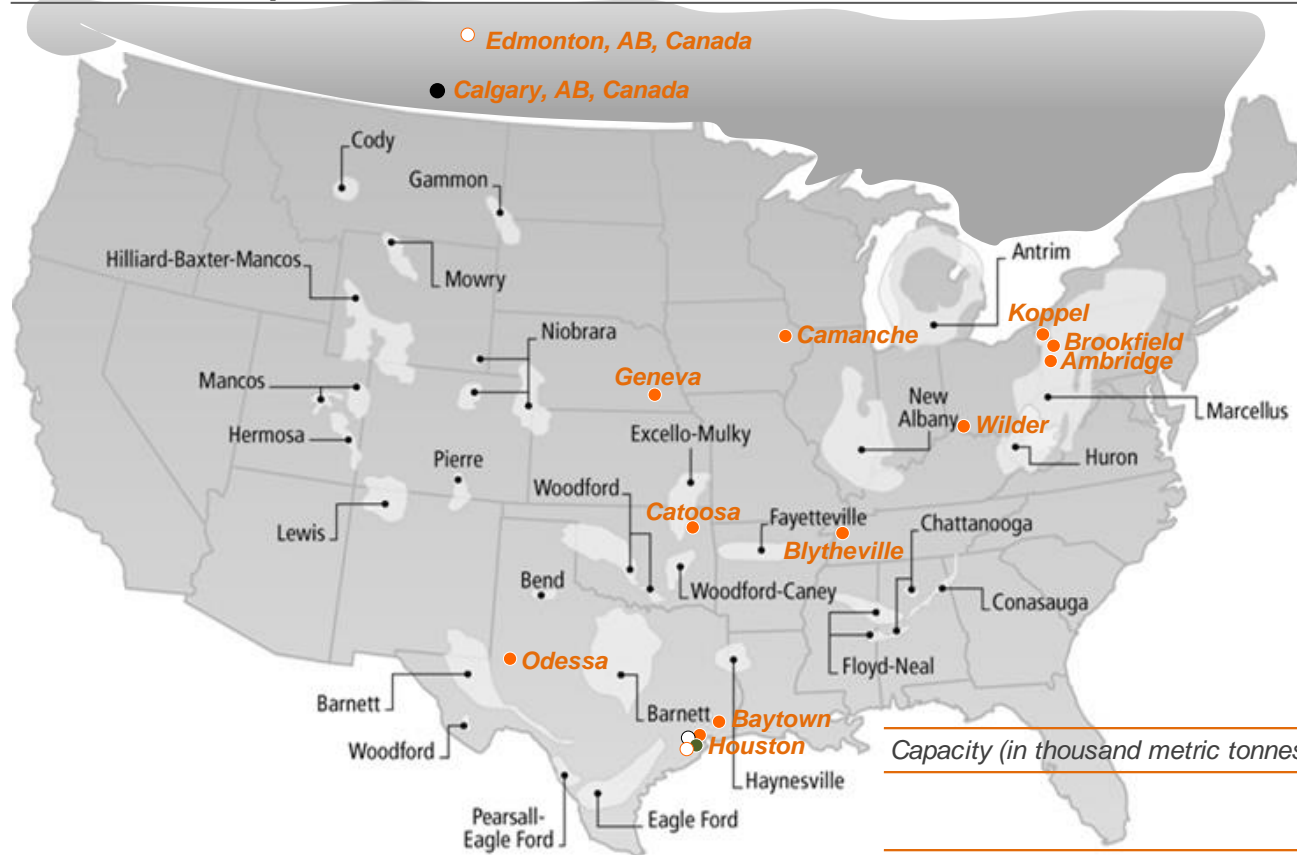
TMK IPSCO US premium connections market share



Source: TMK estimates

TMK IPSCO Capacities 2014 – Optimizing CAPEX

13 Production plants and the R&D center in North America



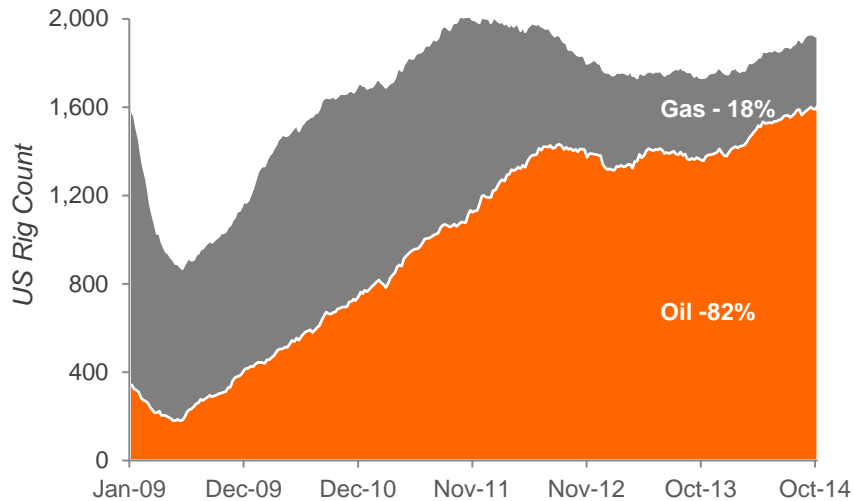
Capacity (in thousand metric tonnes)

	Beginning of 2014	Today	Change
Seamless Pipe	320	380	+60
Welded Pipe	1,000	1,050	+50
Heat Treatment	550	570	+20
Threading, including:	1,570	1,570	–
UP Premium connections	250	260	+10
including OFSi	310	310	–

- Management
- Production
- Oil and Gas Services
- Research and Development
- Sales and Marketing

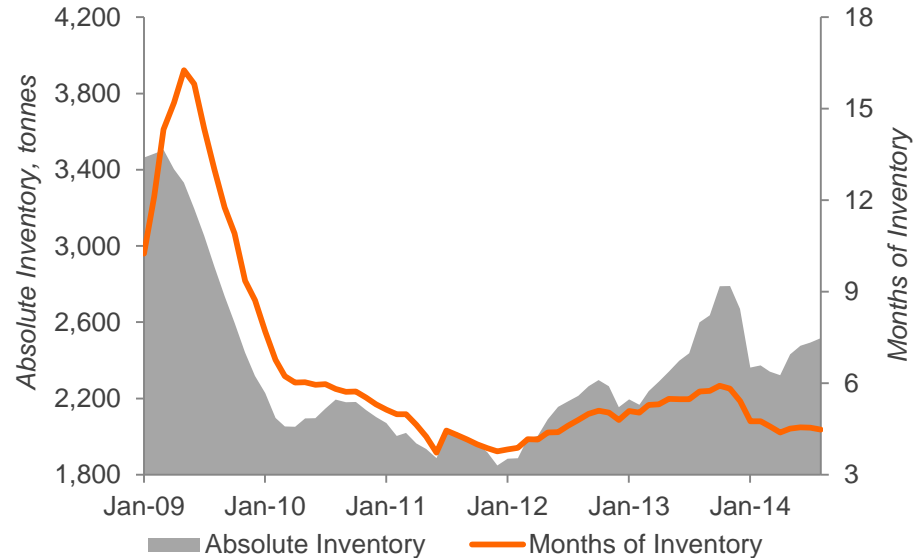
Source: TMK data

Oil rig count at 6-year high



Source: Baker Hughes, Preston Pipe & Tube Report

OCTG inventories down to reasonable levels



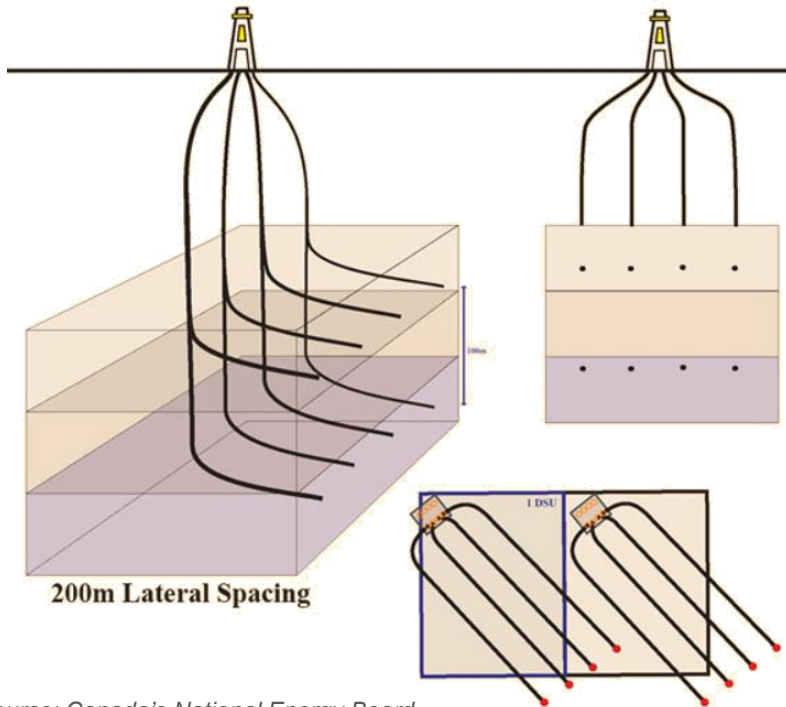
Source: Preston Pipe & Tube Report

- From January to September 2014, rig count increased by more than 170 rigs to an average of 1,930 rigs.
- Despite the recent retreat in oil prices and a YoY increase in US natural gas prices, economics continue to favor oil drilling. We expect a gradual shift back to natural gas drilling.
- Though inventory levels are going up, “months of inventory” is decreasing due to higher OCTG pipe consumption.

Increasing Complexity of Wells Fuelling Demand for Premium Pipes



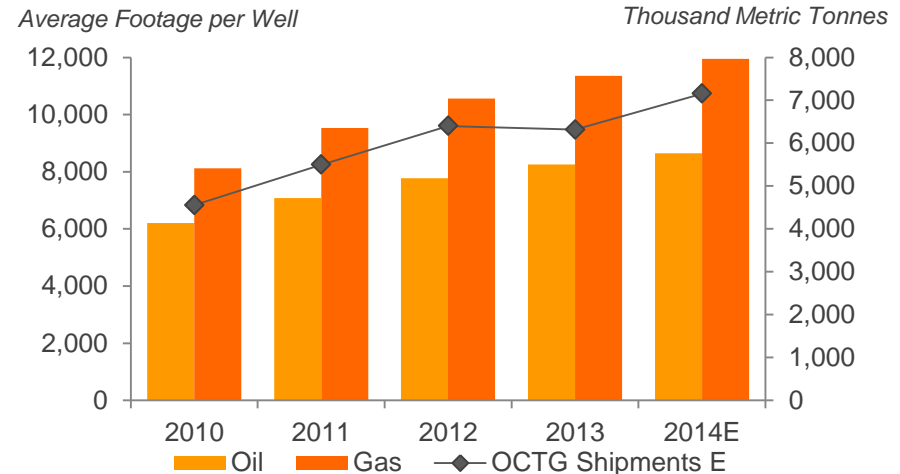
Pad drilling, more wells and pipe per rig



Source: Canada's National Energy Board

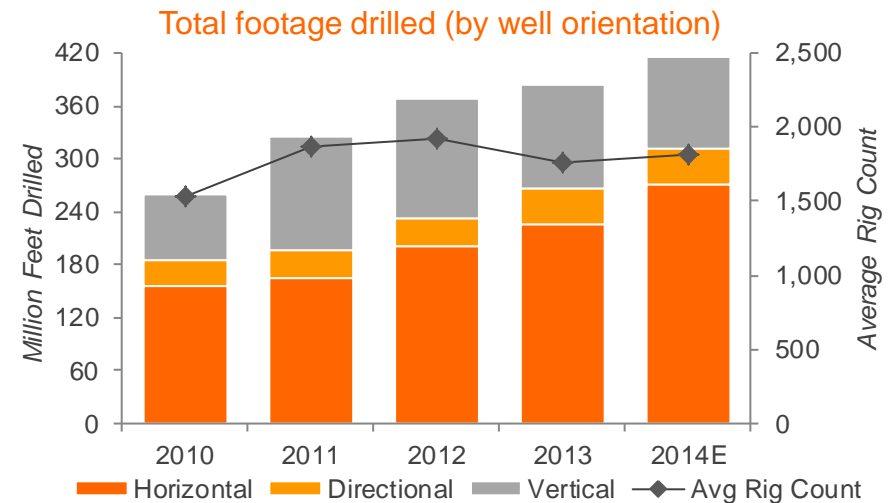
- As the average length of both oil and gas wells continue to grow, so does demand for higher steel-grades and premium connections.
- Horizontal and directional rigs now account for more than 80% of total rig count.

Footage drilled per well is increasing for both oil and gas wells



Source: Spears & Associates, Drilling Production Outlook, Baker Hughes, TMK estimates

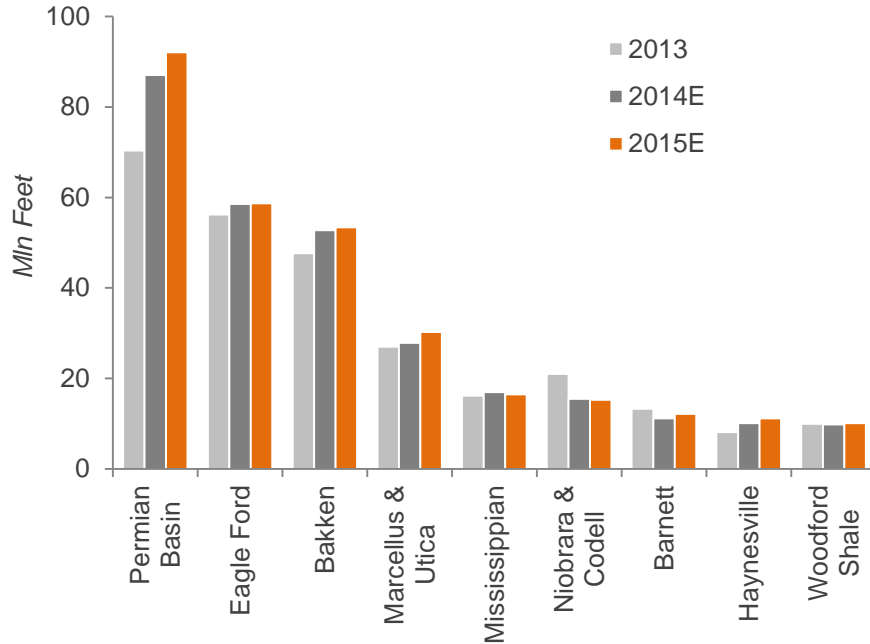
Laterals in horizontals is driving the growth



Source: Spears & Associates, Drilling Production Outlook

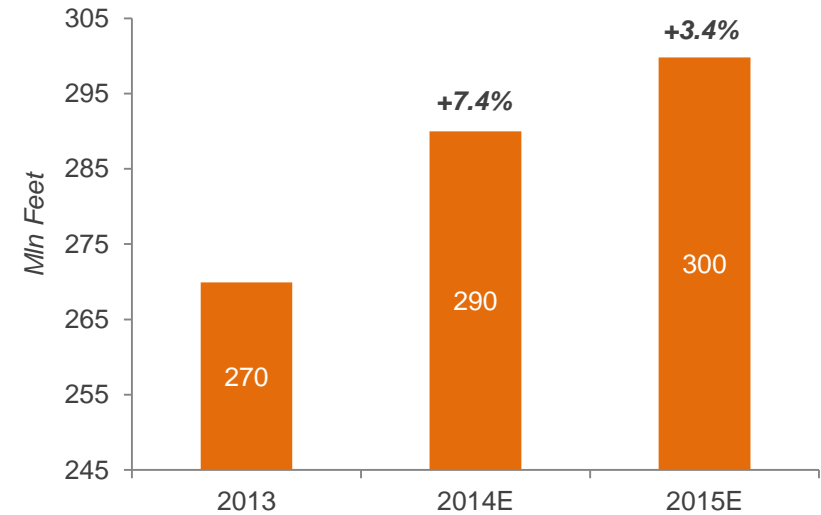
Where the Market is Going

Footage drilled by region



Source: Spears & Associates, Drilling Production Report

Total footage drilled



Source: Spears & Associates, Drilling Production Report

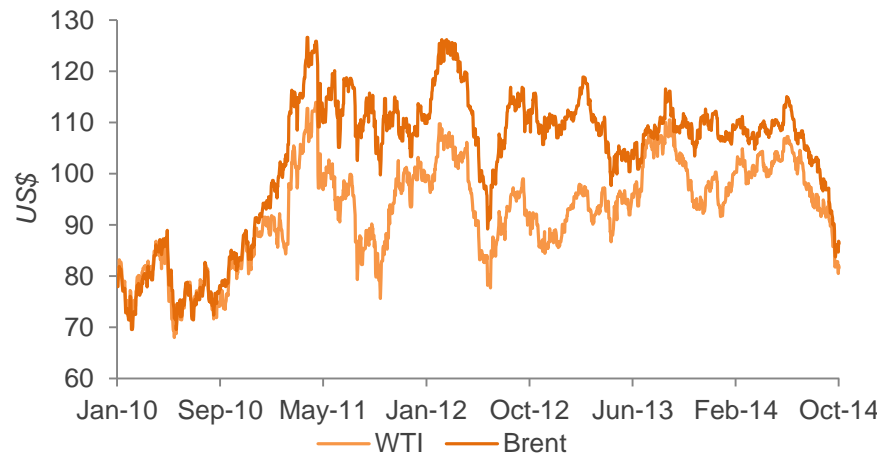
- Consensus is that 2015 rig count will remain flat compared to the 2014 average, with an increase in gas rigs offsetting a decrease in oil rigs.
- In 2015, total footage drilled is expected to increase by 2.6% YoY.
- We expect slightly higher demand for OCTG and premium connections.

IRR's for select oil plays at US\$100, US\$80 and US\$60

Region	\$100	\$80	\$60
Eagle Ford	79%	53%	29%
Permian Delaware	71%	48%	27%
Niobrara	69%	46%	26%
Mississippian	62%	43%	25%
Bakken	60%	40%	22%
Permian Midland	54%	36%	20%
Utica Oil	53%	35%	18%
Permian Central	45%	29%	15%
Granite Wash	38%	27%	15%
Woodford	36%	25%	15%

Source: Bentek Energy

Historical global oil prices



Source: Bloomberg

Global cash cost of oil production

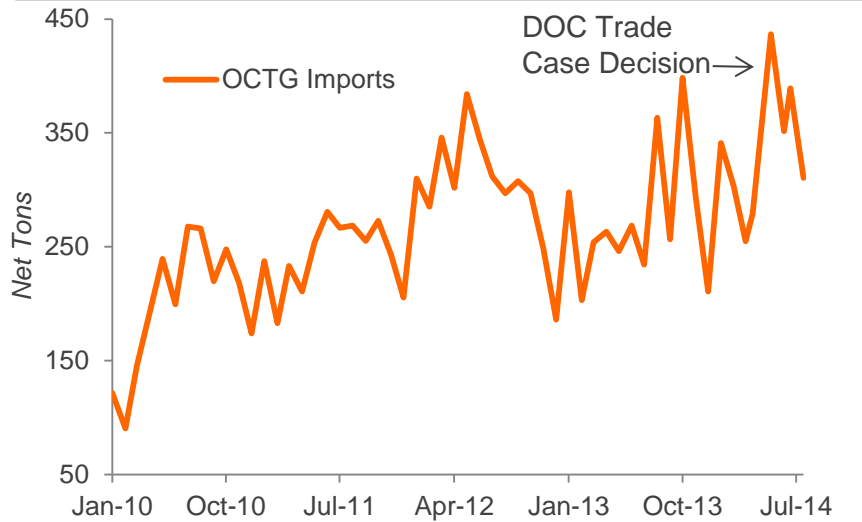


Source: Rystad Energy, Morgan Stanley Commodity Research estimates

Note: Breakeven prices assume a 10% hurdle rate

- Even at \$60/bbl IRR for most US shale oil plays remain attractive enough to support ongoing drilling activity.
- Cash cost suggest shut-in of existing production unlikely until prices fall significantly below US\$50/bbl.

Imports from dumping countries surged over the last four years

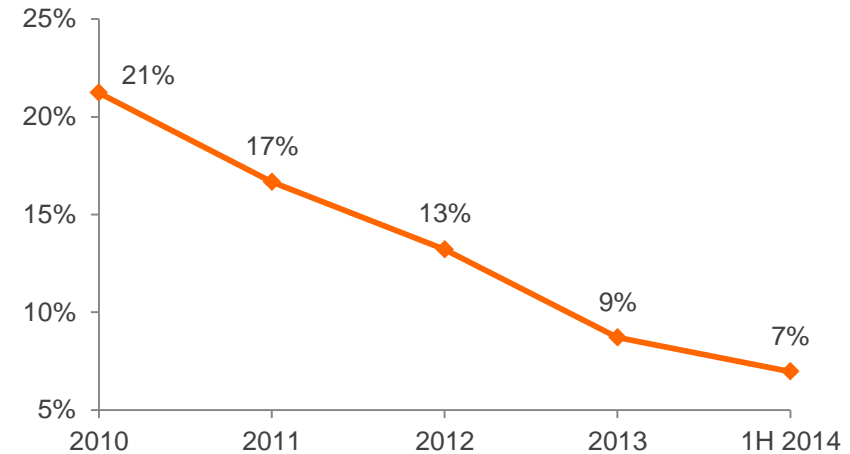


Source: Preston Pipe & Tube Report

- The DOC Trade Case decision marked a turning point for cheap imports and US price recovery.
- Consensus is that imports are unlikely to drop dramatically, but will slow.
- After the final Trade Case decision we expect recovery in TMK IPSCO EBITDA margins with improvement in market prices.

TMK IPSCO margins decreased as unfairly priced imports increased

TMK IPSCO EBITDA Margin



Source: TMK data

Country	Average Dumping (AD) Margin	Average Subsidy (CVD) Rate
Korea	12.8%	0.0%
India	5.9%	12.0%
Vietnam	67.8%	0.0%
Turkey	23.9%	9.0%
Taiwan	1.7%	0.0%
Ukraine	6.7%	0.0%

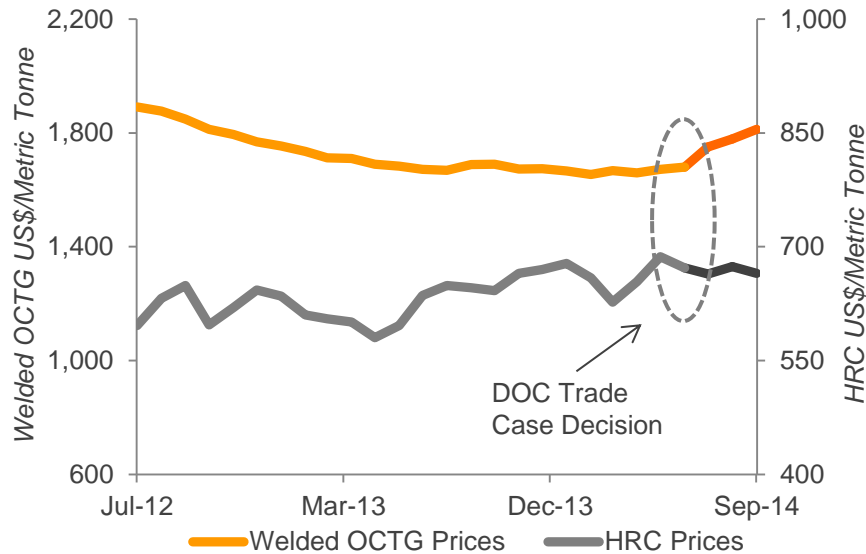
Source: US Department of Commerce, ITA

Margin Squeeze Should End with Trade Case Decision



US distributor welded OCTG vs HRC prices

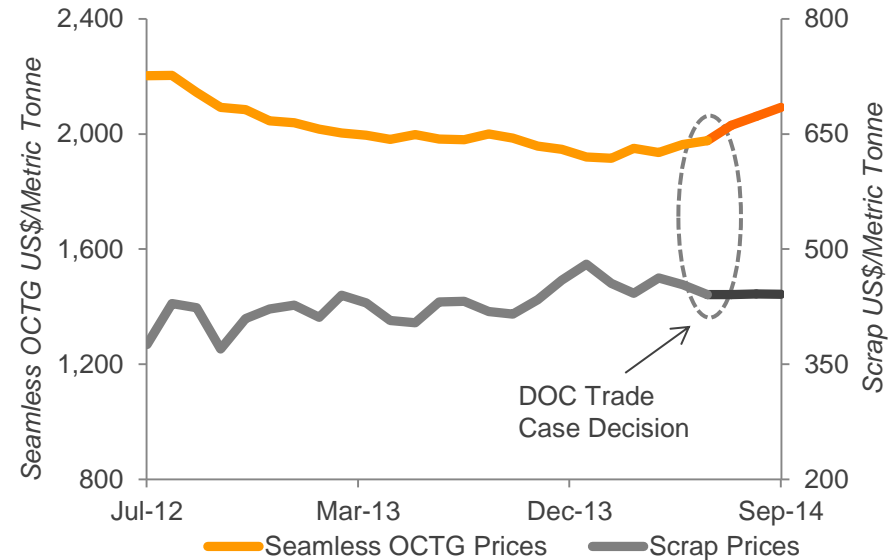
(Monthly Average)



Source: Pipe Logix, HRC Midwest CRU Prices

US distributor seamless OCTG vs. scrap prices

(Monthly Average)



Source: Pipe Logix, AMM

- Average welded and seamless market prices have recovered 4% and 3% respectively since the US DOC decision in July, and 10% and 9% respectively since their lowest point in February 2014.
- We expect the recovery in OCTG prices to continue throughout the rest of 2H 2014 and into 2015 as inventories of low priced imports are consumed.
- We expect HRC and scrap prices to remain stable.

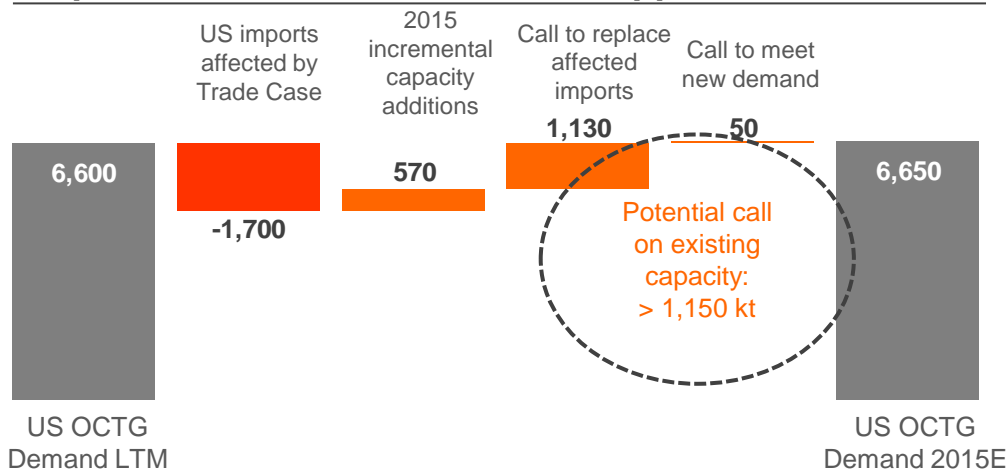
Additional Market Capacities

US mill capacity additions (in thousand metric tonnes)

Company	2015	2016	Later	Seamless	Welded
Alamo Tube	45	182			✓
Alita		136			✓
Axis	91	182			✓
Benteler	45	91		✓	
Borusan	255				✓
Tejas Tubular	18	73		✓	✓
Tenaris		91	500	✓	✓
Others	114	45	45	✓	✓
Total	568	800	545		

Source: Pipe Logix (OCTG Market Review & Outlook, July 2014)

We calculate ~1,180 kt call on existing capacity if all imports named in Trade Case disappear



Source: Morgan Stanley, Pipe Logix (OCTG Market Review & Outlook, July 2014), Preston Pipe & Tube Report, TMK data

- True capacity additions tend to lag or fall short of market expectations.
- According to our internal estimates, presumed capacity additions in 2015 will be about 570K metric tonnes.
- Countries that were assessed dumping margins accounted for circa 1.36 mln metric tonnes of OCTG shipments or 27% of apparent consumption in 2013, and 825,000 metric tonnes or 29% of apparent consumption during 1H 2014.
- Although it is unrealistic to think that all these import tonnes will be removed from the market, a meaningful part will be replaced by new additional domestic capacity.

- US sanctions restrict dealing with:
 - Certain sanctioned persons and companies;
 - Financing for or investing in certain Russian companies;
 - Directly or indirectly providing goods, services or technology to Russia for use in Deepwater, Arctic Offshore or Shale projects in certain circumstances.
- The European Union has adopted similar sanctions, but with additional restrictions on technologies for the sectors listed above.
- The sanctions are complex and may change.
- These sanctions do not affect TMK IPSCO's ability to import tubular products from Russia.
- **TMK IPSCO is complying with both the letter and the spirit of the law.**

Future for Natural Gas Drilling

- Natural gas spurring on 83 major industrial projects 2012-2019; US\$120 bn investment required*:
 - 49 New Projects: 24 Petrochemical (incl. 10 crackers), 12 Steel, 8 Fertilizer, 2 Gas-to-liquids, 2 Paper and pulp*;
 - 25 Expansions: 15 Petrochemical, 8 Fertilizer, 2 Steel*;
 - 9 Restarts: 4 Fertilizer, 5 Petrochemical*.
- This demand-driven rise is the ground-swell prior to the tsunami of LNG Exports.

*Source: Energy Ventures Analysis, Dec. 2013; NGSA

More Premium Content in Gas Wells

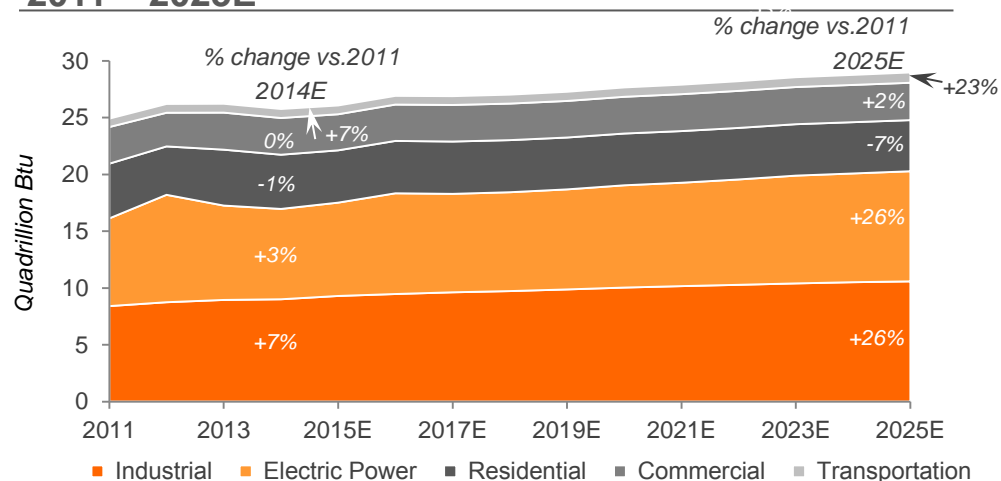
	Oil		Wet Gas		Dry Gas	
	API	Premium	API	Premium	API	Premium
% Share	70%	30%	60%	40%	50%	50%
Total Tons	150		200		215	

Source: TMK Estimates

- We expect gas drilling to increase in the near future.
- Gas rigs require more seamless pipe and higher premium content:
 - TMK IPSCO has 22% of the onshore premium connections market;
 - And 39% of the onshore premium integral connections market.

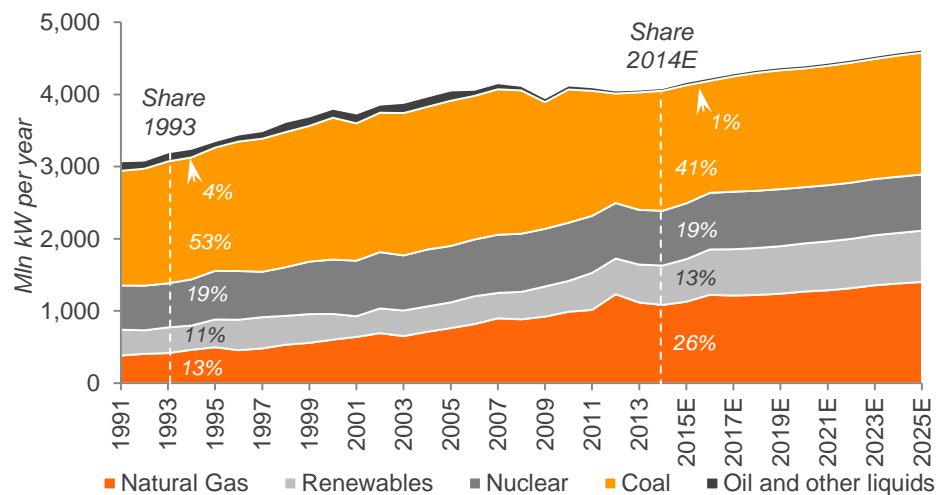
Long-term Growth in the US Natural Gas Demand

US natural gas consumption by industry, 2011 – 2025E



Source: EIA Annual Energy Outlook 2014

US electricity generation from natural gas and coal, 1991 – 2025E



Source: EIA Annual Energy Outlook 2014

- Power generation, fuel and feedstock and LNG exports are the main drivers behind long-term growth in Natural Gas demand.
- Switch to gas/coal for electricity generation already started, catalysed by improving air standards (MATS) and CO2 emission reductions (US EPA).
- Volumes of natural gas delivered to consumers are expected to rise.
- Our OCTG products are key:
 - Best premium connections;
 - Best gas-tightness in the industry – key for gas;
 - TMK products carry premium pricing advantage.

Already Nine LNG Terminals Approved

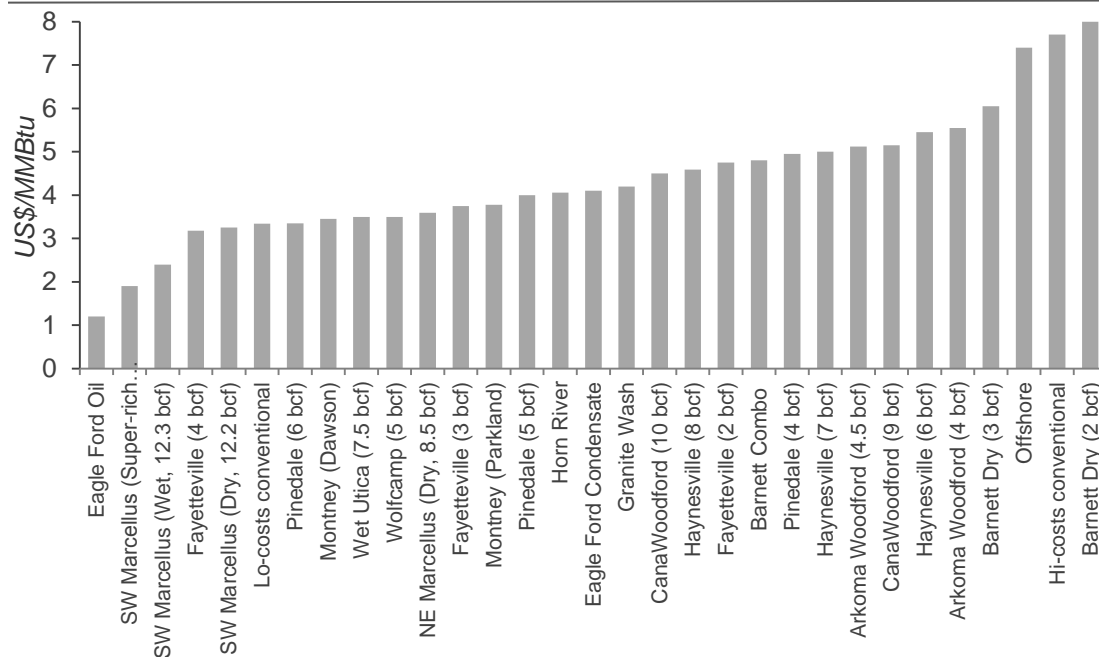
Summary of US LNG projects

	FTA Applications	Non-FTA Applications
Approved	37	9
Pending Approval / Under Review	5	27
Total	42	36
Billion cubic feet per day	40.96	37.6

Notes: FTA – Applications to export to free trade agreement (FTA) countries.
FTA and Non-FTA Bcf/d totals are not additive



Gas breakeven prices for 20% ROI (US\$85/bbl WTI and 40%WTI NGL price)

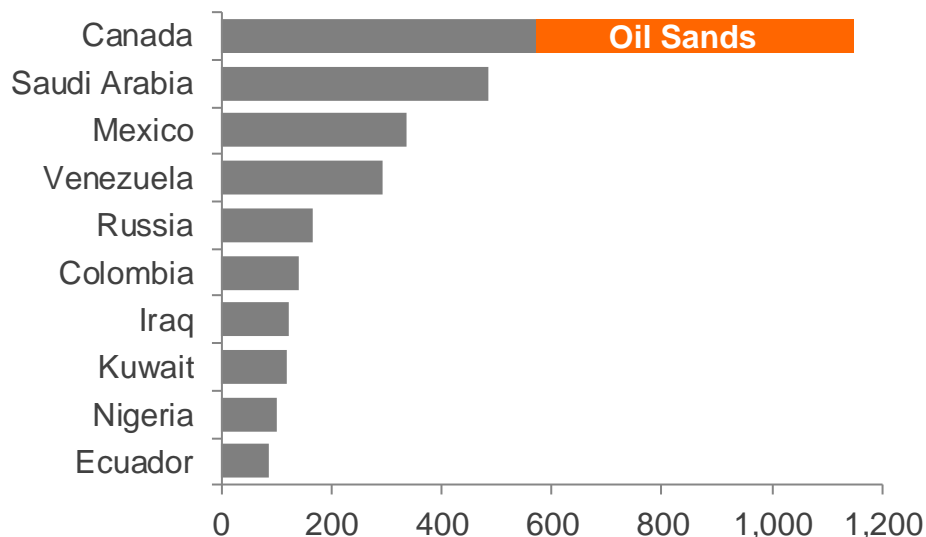


Source: Morgan Stanley Research

- Already nine LNG terminals fully approved.
- 27 more under DOE review.
- We expect LNG exports to plateau at 15 bcf/d, or 20% of today's natural gas production.
- Average breakeven price for many of the large US gas shale plays is US\$4.4/MMBtu.
- Installed LNG export capacity will create intercontinental pricing arbitrage opportunities, which should cause the US gas price to rise above the average breakeven price.

US top 10 sources of crude oil imports – 2013

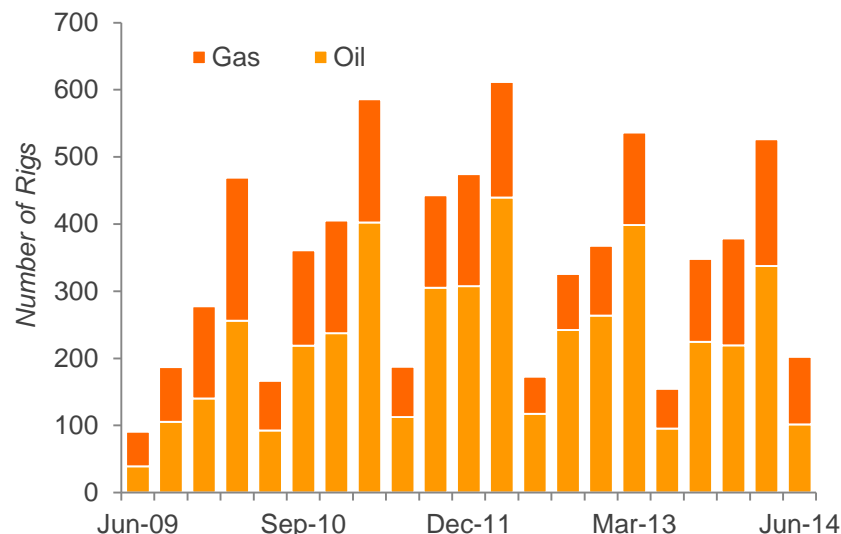
(in thousands of barrels per day)



Source: EIA - US Imports by Country of Origin,

- Today Canada is the source of 32% of US crude oil imports. It is estimated that about half of Canadian imports come from the oil sands.
- According to Bentek Energy, Canadian production growth could displace all South American imports of heavy crude by 2018.
- Premium tubular content increasing with SAGD drilling activity.

Average quarterly rig count by well class



Source: Baker Hughes

- YoY total rig count increased 31%, including a 6% increase in oil rig count and a 70% increase in natural gas rig count.
- Canada represents circa 15% of TMK IPSCO sales volumes.
- This points towards greater OCTG demand and a favorable environment for the Premium Connections market segment.

- Leading position in the US shale oil and gas market – the largest market for OCTG worldwide.
- Continuously gaining market share in the premium connections market.
- Well-positioned to answer customers' high requirements and continue gaining market share with robust capacities, a wide range of products, services and R&D expertise.
- Market poised for potential price rebound following positive US OCTG trade case outcome and growing unconventional drilling – driving demand for seamless pipe and premium products.
- Long-term positive fundamentals for a country with abundant natural gas and export opportunities.



RESEARCH AND DEVELOPMENT – TECHNOLOGY ADVANCEMENTS

Paul Fullerton
Vice President Research and Product Development

Technological Advancements

- Providing our customers with a competitive advantage.
 - Collaborating with our customers, listening to their ideas and combining those with our own.
- Designing with a purpose in mind.
 - Creating a company wide development plan and Stage-Gate® “Idea to launch” model.
- Staying ahead of the curve.
 - Developing technologies and processes that add value. Continuing investment in Research and Development.
- Delivering the message.
 - Expansion and focus on Global Technical Sales and continued interaction with our customer base.



In 2013, our corporate R&D centers – RosNITI and R&D center in Houston (USA), carried out over 200 projects related to new product and process development along with efficiency improvement.

Investing in Technology for the Future

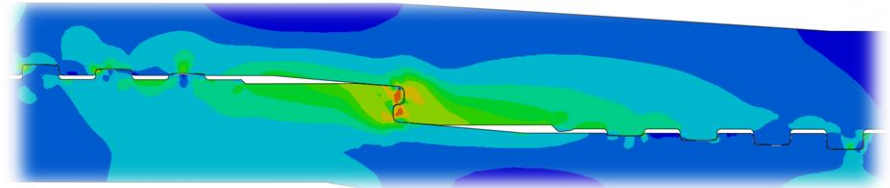


- TMK science and technology center – Moscow.
 - TMK entered into an agreement with the Center for Development and Commercialization of New Technologies (Skolkovo ODAS).
- US\$25 mln investment, 12,7000 sq. metre facility.
 - Focused on development of products for the Global market. Showcase new technologies for Russia and CIS.
- Third research and development facility.
 - Continued expansion of TMK (Houston, TX and OAO RosNITI, Chelyabinsk) facilities.



- Technology agreements.
 - Development and testing agreements in place with several of the global oil and gas majors.
- Expanding premium connection testing capabilities.
 - Addition of more load frames focusing on larger diameter, offshore products.
 - Focus on GreenWell technologies.
 - Completed first ISO 13670 CALIV test of GreenWell technology.
- High strength tubulars married to high performing connections.
 - Development of tubulars in the 125-150 ksi strength range, combined with high strength, high torque connections.

Finite element analysis of TMK UP ULTRA SF metal-metal seals under loading



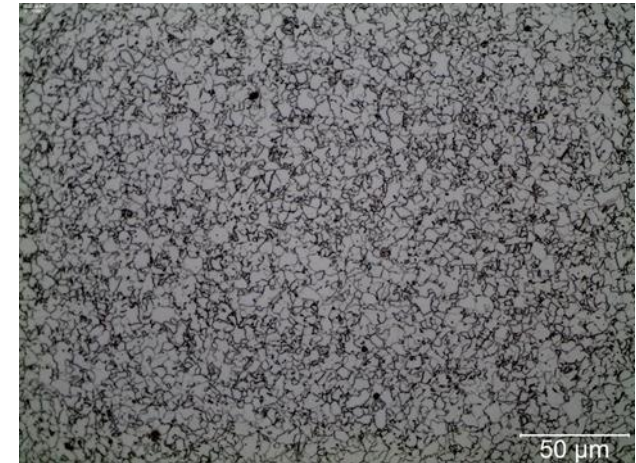
Over US\$16 mln invested in premium connection testing. Increased investment in the future



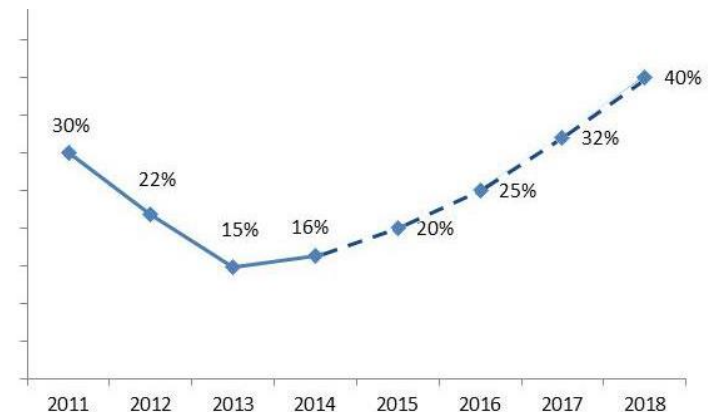
Focused Technological Advances

- ERW tubulars.
 - Adopting the automotive AHSS concepts - higher strengths, lighter steels.
- Unconventional manufacture.
 - Eliminate unnecessary conventional process steps, reducing cost and time to market.
 - Modify chemical composition and microstructures to enhance corrosion performance in select environments.
- Increase the use of proprietary high strength ERW.
 - Return to the focus of producing high strength ERW proprietary steels for the North American market.

ULTRA fine grained steel employed in high strength ERW tubulars

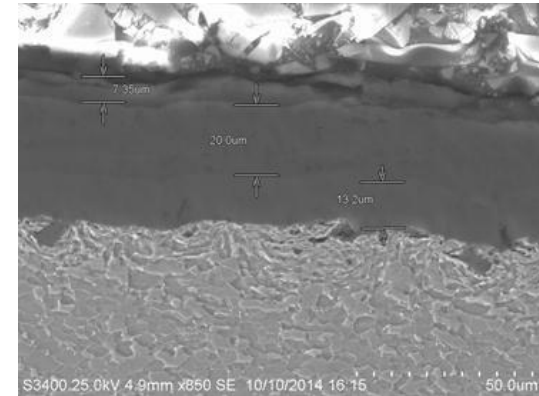


Welded casing – % of proprietary steels

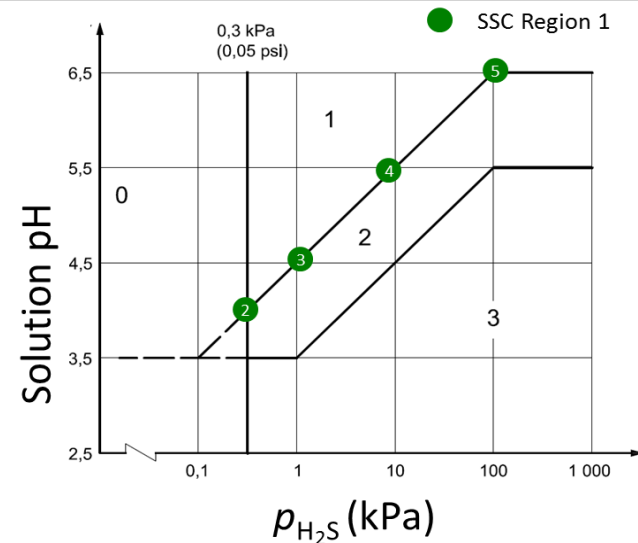


- Tiered approach to corrosion resistant tubulars.
 - Tiered approach to high performance tubulars with corrosion resistance.
 - ERW and Seamless high strength tubulars with limited applications.
 - Seamless Tubulars with extended resistance to corrosive environments.
 - CRA tubulars with enhanced corrosion resistance.
 - Surface Coating applications that extend the life of CRA and high strength carbon-alloy tubulars.

Multilayer DLC coatings to enhance corrosion resistance in high strength steels



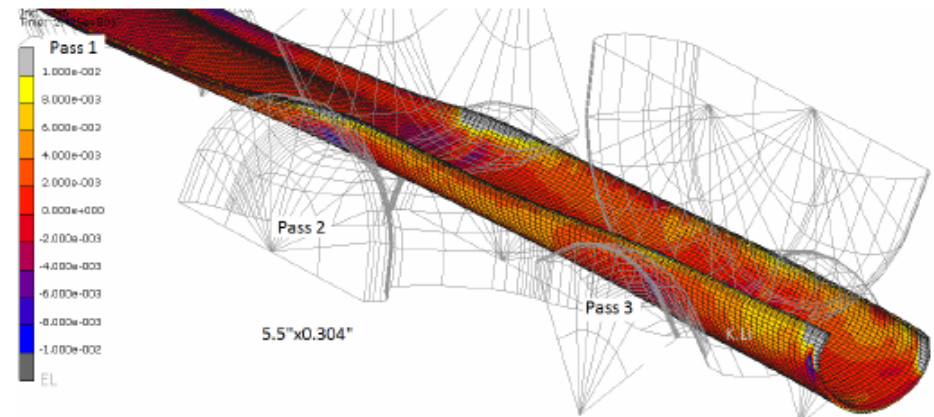
NACE SSC Region 1 testing of ERW 80ksi tubulars



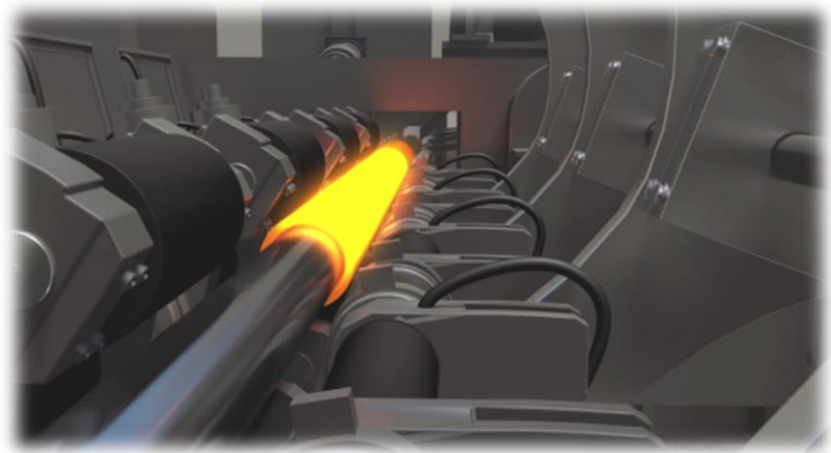
Tubulars.

- API.
 - H40 thru Q125.
- High strength.
 - V140.
- Corrosion resistant:
 - T95, C110, 5Cr and 13CrL80;
 - 13CrP110.
- Proprietary grades:
 - I-80, I-95, I-80MS1;
 - TMK P110MS1, TMK P110MS2;
 - TMK 140 and TMK 150.

Finite element analysis of cold forming high strength ERW casing



Seamless manufacture and piercing of 13Cr steels



- Global technical sales network.
 - Consolidated focus on providing technical support to our customers employing Technical Sales as the portal, supported by a network of Development Engineers.
 - Implementing Key Account Management (KAM) to build the foundation for technical support.
 - Offer comprehensive solutions to our customers ranging from products, services and logistics.
 - Aim to become the market leader in Global Technical Sales. Be considered as part of the customers engineering and development network.



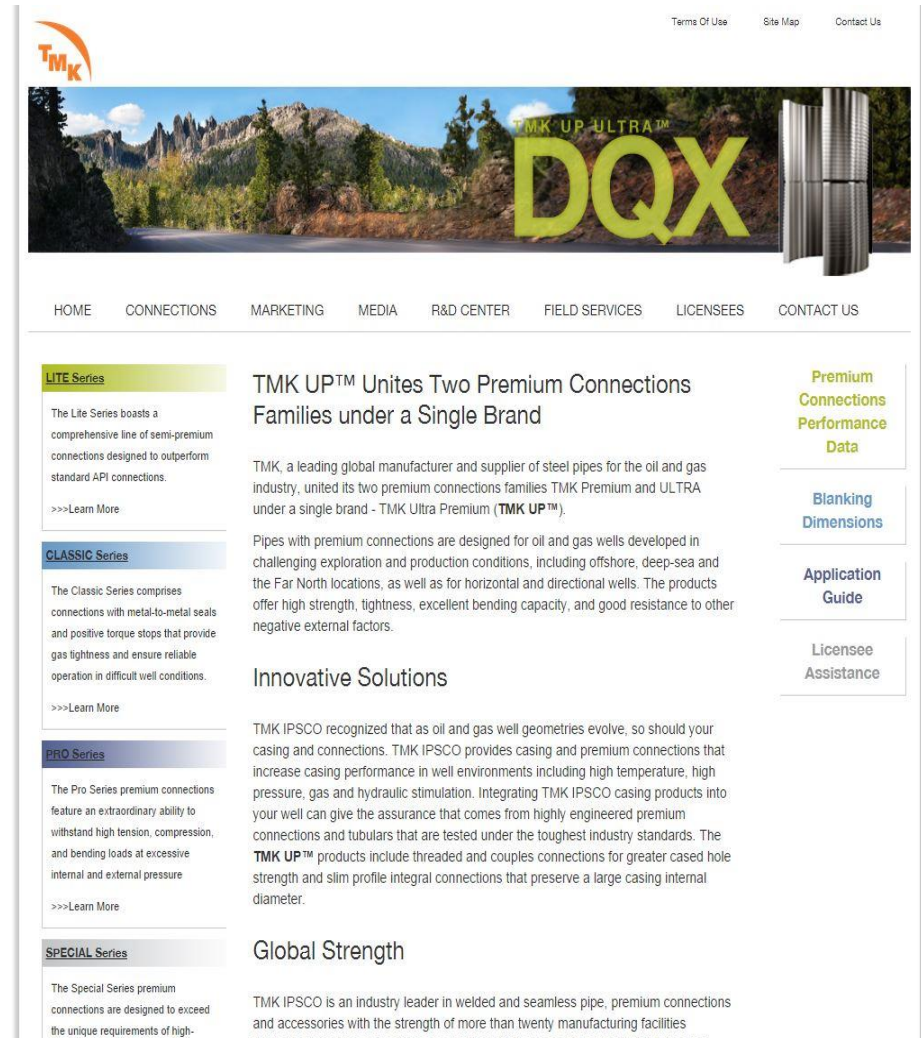
TRADE HOUSE TMK MIDDLE EAST (DUBAI)
Oversees product sales from TMK Russian plants, the TMK Artrom plant (Romania) and the TMK GIPI plant (Oman) in the Middle East and North Africa.

TMK GIPI PLANT (OMAN)
Produces and delivers welded casing and line pipe including those with external and internal coating to the market in Oman and the Middle East.



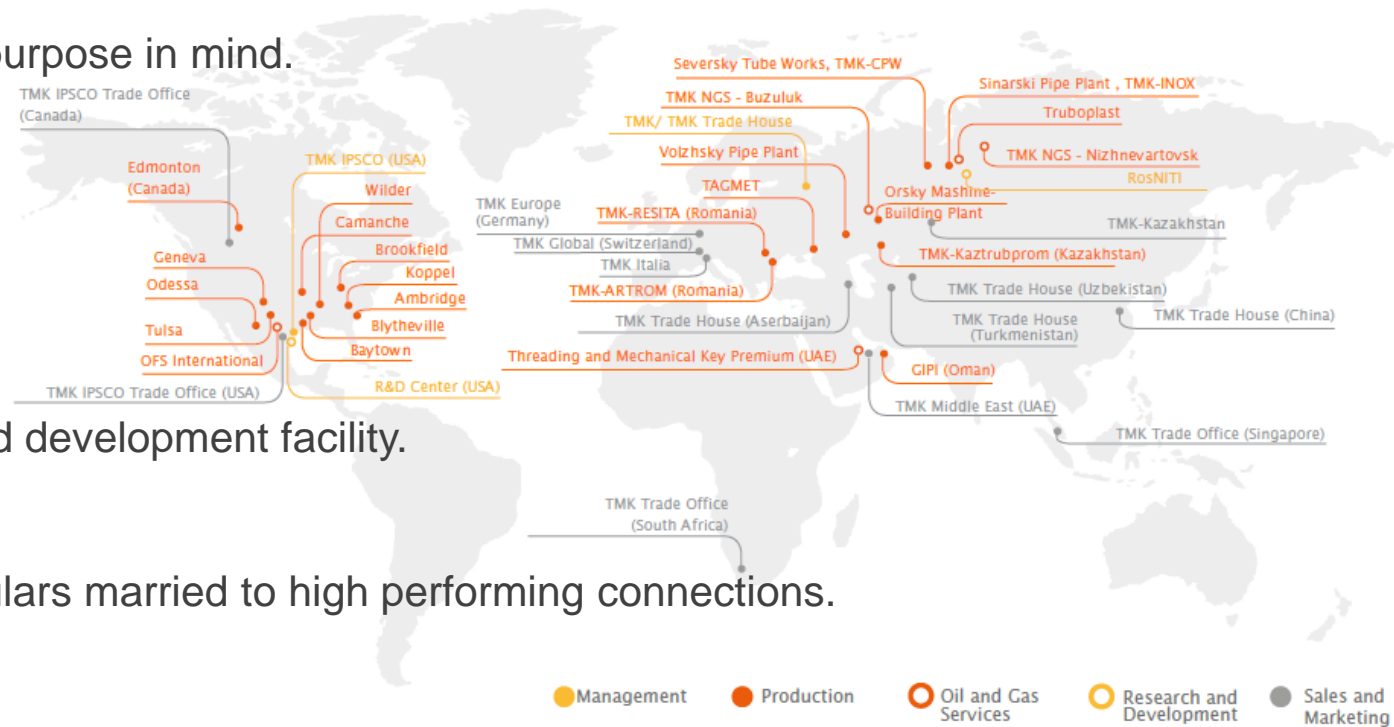
SERVICE CENTER THREADING AND MECHANICAL KEY PREMIUM LLC (ABU DHABI)
Responsible for threading pipe, couplings and accessories with TMK Premium Connections; repairing pipe, connections and accessories supporting TMK participation in oil and gas companies' tenders.

- New technology websites.
 - New technology websites will be launched early 2015.
 - Initial website will focus on Premium Connections and provide a portal for TMK customers and vendors.
 - Additional microsites will be created to focus on advancements in tubular development and processing technologies.
 - The goal is to become a market leader in informational technologies aimed at engaging our customers and vendors in TMK.



- Providing our customers with a competitive advantage.

- Designing with a purpose in mind.



- Third research and development facility.

- High strength tubulars married to high performing connections.

- Increase the use of proprietary high strength ERW.

- Global technical sales network.



Conclusion

Dmitry Pumpyanskiy
Chairman of the Board of Directors

An aerial photograph of a large body of water, possibly a reservoir or lake, surrounded by dense green forests. In the center of the lake, a tall, white oil drilling rig stands on a small island. The rig has a yellow base and a red top. The surrounding landscape is lush with green trees and vegetation. In the background, more forested hills and mountains are visible under a blue sky with some clouds. A large, semi-transparent circular overlay is positioned on the right side of the image, partially obscuring the landscape. The text "Q&A" is centered in the lower half of the image, overlaid on the circular area.

Q&A