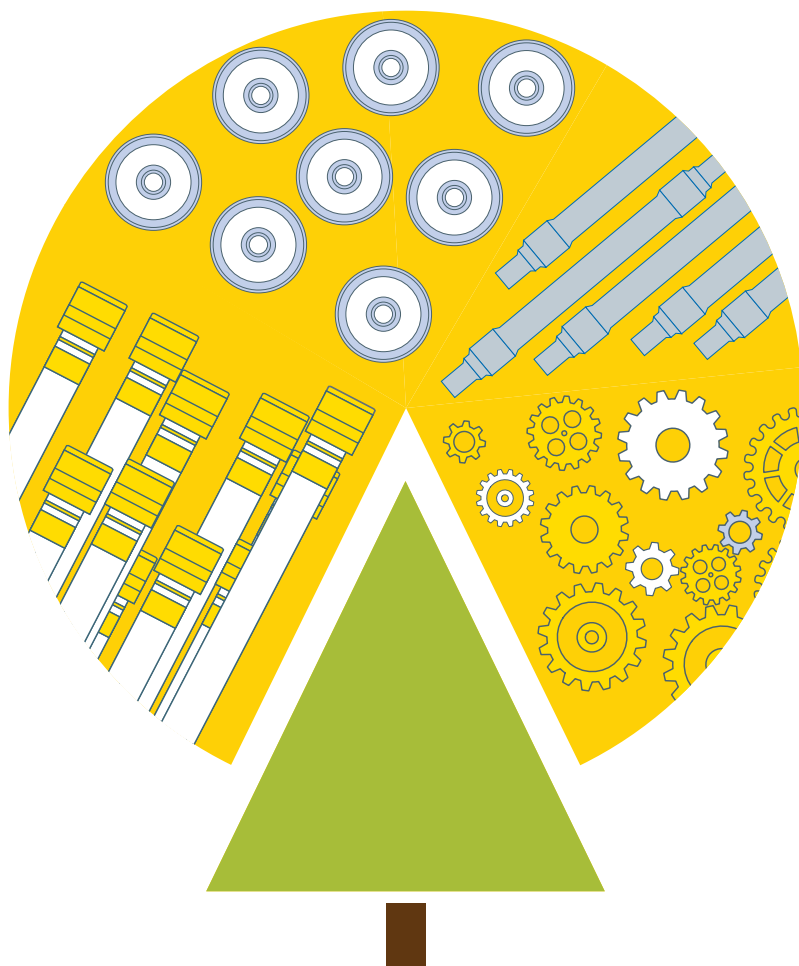


iPipe

Interpipe Customer Bulletin
#8, 2016



EXPANDING PREMIUM PRODUCT RANGE
MASTERING NEW PRODUCTS
THE INTERPIPE COMMUNITY



THANK YOU FOR SHARING THIS YEAR WITH US

Interpipe Team

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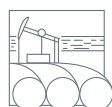
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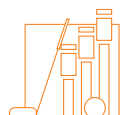
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TOP PROJECT

INTERPIPE IS CERTIFICATED AS A PRODUCER OF JFEBEAR PREMIUM CONNECTION

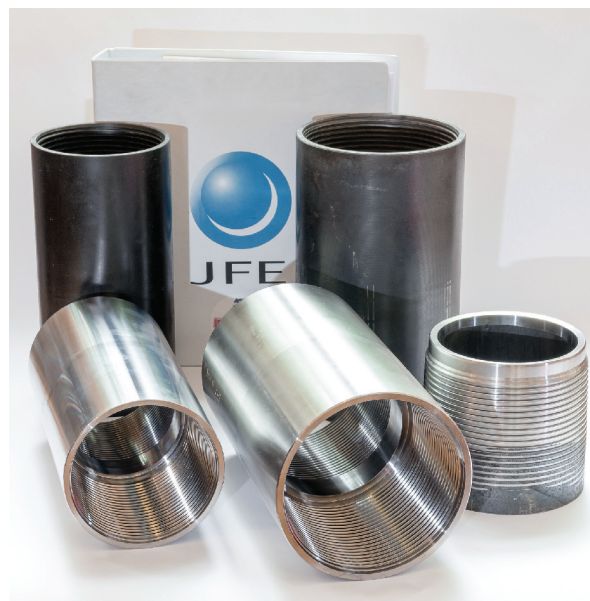
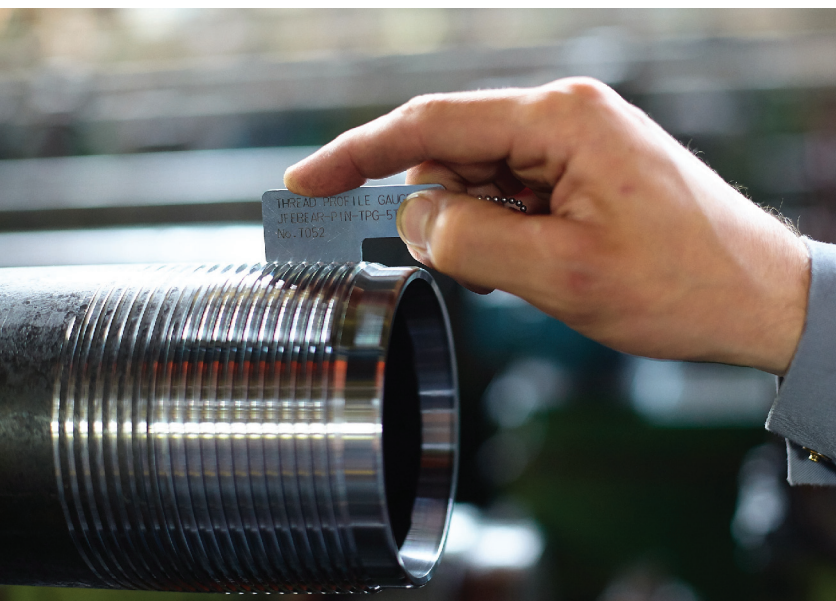
INTERPIPE IS EXPANDING ITS RANGE OF PREMIUM PRODUCTS TO PROVIDE OUR CUSTOMERS WITH THE BEST EXPERT SOLUTIONS.

Interpipe and Japanese JFE Steel Corporation signed a license agreement that will see Interpipe producing cutting-edge Premium Connection technology developed by the Japanese steelmaker. As a part of agreement, JFE has granted Interpipe access to cut its JFEBEAR Premium Connection, which has been designed and tested to meet needs for critical well loads.

JFEBEAR is an ISO 13679 2002 and DIS 2009 CAL IV qualified Premium Connection with extensive records and field-proven references.

Interpipe is one of few companies that can supply a finished product, both the pipe and coupling with threaded JFEBEAR Premium Connection. For certification, Interpipe facilities were thoroughly inspected by JFE Steel Corporation representatives.

The license allows Interpipe to produce and sell the full range of OCTG products, including full length Casing (4½" – 9½") and Tubing (2¾" – 4½") pipes plus relevant accessories. The main focus of the agreement covers Ukraine and CIS countries.



Mauro Longobardo, Chief Operations Officer, Interpipe:

"JFE Steel Corporation is a world leader in OCTG and Premium Connections products, covering all the needs of the oil & gas industry. It is famous for the reliability of its developed technologies. With this license agreement, Interpipe has expanded its product portfolio and is able to address customer requirements in the most challenging environments. For Interpipe this is a strategic step forward in developing a leading position in the OCTG Premium segment."



Bernard Tan, Operation Manager, JFETC, JFE Steel Corporation:

"Interpipe specialists are highly qualified in the production of JFEBEAR Premium Connection. I was really impressed with the high level of experience since trial batches were produced without any training, using only drawings. This was a real surprise to see.

We are confident in the opportunities this mutually beneficial cooperation presents. Together with Interpipe, we can promote JFEBEAR Premium Connection approved by oil & gas majors such as Shell, ExxonMobil and Dragon Oil, in Ukraine and CIS countries."

CORPORATE NEWS



FADI HRAIBE HAS BEEN APPOINTED AS INTERPIPE CEO



Fadi Hraibe had already worked at Interpipe previously. He had held the positions of Product and Resource Management Director and Commercial Manager, working at the Company for a total of 5 years.

Before his appointment to the new position, Fadi Hraibe had worked at the Nordic Yards shipbuilding company and the international consulting firm the Boston Consulting Group.

NEW APPOINTMENTS



Andrey Korotkov, Interpipe Steel Director

Previously Mr. Korotkov worked at Trobodetal, OMK group, as the Managing Director.

Prior to this, he obtained leading positions at Interpipe, including Pipe Department director, Interpipe NTRP chairman of the board. He is experienced in metallurgical industry management and implementation of widescale investment projects and developments.



Vitaliy Suyeta, Global Marketing Director

Mr. Suyeta will assist the Commercial Manager of the Company and will focus on international markets.

The area of his responsibilities includes development and implementation of marketing plans of the Company; detailed overviews on the industry market; interaction with the sales team on product research for the market.

Over the last eight years Vitaliy Suyeta had worked at Lafarge Company, holding various positions there, from Strategy and Marketing Analyst to the Marketing Service Manager.



Vera Smal, Sales Director for CIS Market

Vera Smal is responsible for the development and implementation of sales and marketing strategy for the CIS region.

She has been working at Interpipe for 13 years. Previously she held the positions of Project Manager for Developing New Sales Channels, Sales Director for CIS and Europe markets.



Daniel Valk, Sales Director for American Market

Mr. Valks's main objective is strengthening of North American Interpipe team and company development in American markets.

Daniel Valk has vast management experience in metallurgical and oil & gas industries. Before Interpipe, he held positions of General Manager at Poltava Petroleum Company, Dnepropetsstal, and North American Interpipe.



Ivan Mazanka, Sales Director for European Market

Mr. Mazanka has had several leading position in Interpipe sales with specialization on European market, including Director of Steel Billet Sales and Sales Director for European Market.



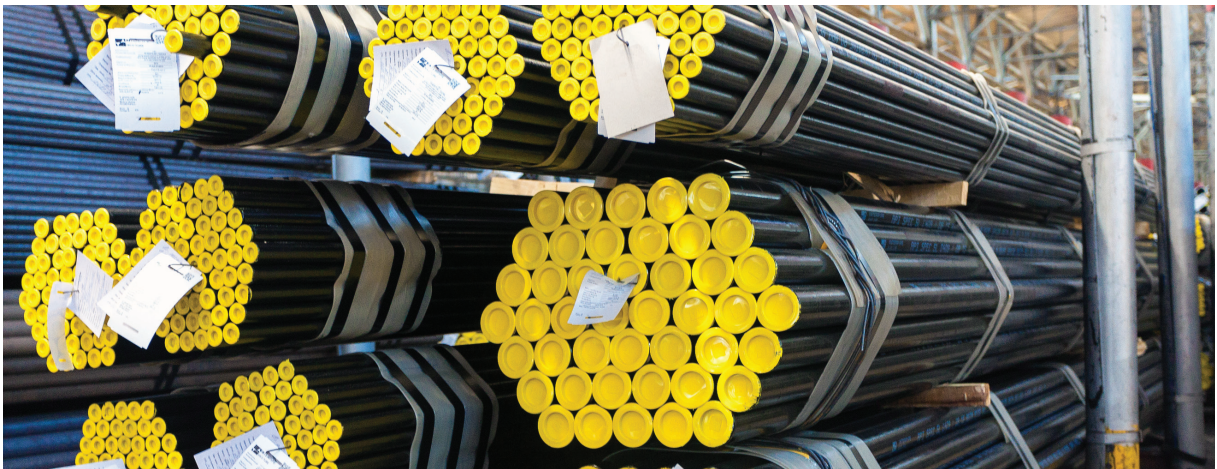
INTERPIPE IS SUPPLYING PIPES FOR FIRE-FIGHTING SYSTEMS

AT THE END OF 2015, INTERPIPE OBTAINED THE RIGHT TO SHIP PIPES, PRODUCED IN ACCORDANCE WITH UL 852 "METAL SPRINKLER PIPES FOR FIRE-FIGHTING SYSTEMS" STANDARD. SUCH PRODUCTS ARE IN GREAT DEMAND IN THE MIDDLE EASTERN MARKET.



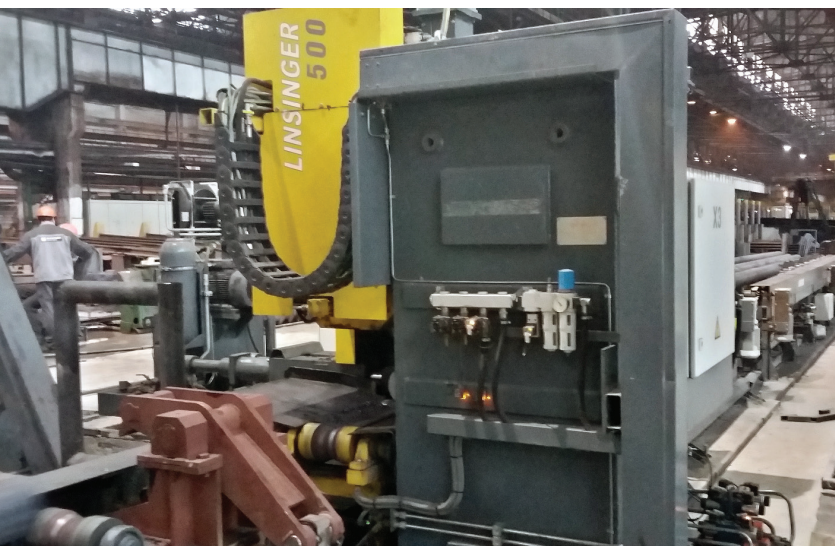
Victor Bisovetskij, Pipe Sales Manager on MENA Markets:

"Interpipe has become the first Ukrainian supplier to the Middle Eastern market with UL certification. Using this certificate, our distributors are able to supply pipes for all construction projects, meeting strict requirements to the fire-fighting systems at parking lots, undergrounds, premises of mills, and more. Before that, our partners had to independently obtain a conclusion that our pipes comply with UL, whereas now they can supply pipes directly to the construction sites. This certification will allow us to raise our share in the sales of pipes for fire-fighting at the MENA market."



AN INVESTMENT PROJECT ON THE PIPE BILLET COLD CUT INSTALLATION WAS IMPLEMENTED

TRS #7 PRE-PRODUCTION SITE AT INTERPIPE NIKO TUBE COMMISSIONED THE SECOND HIGH-PRECISION LINSINGER KSA-500 SAW FOR CUTTING OF PIPE BILLETS. THE TOTAL INVESTMENTS ARE USD \$ 863,000.



According to the former technological process, the cutting of billets before the heating furnace in volumes, required for execution of all production tasks, has been ensured by the shearing press and the Linsinger KSA-500 cutting saw, installed in 2008. The implementation of this project has enabled us to avoid the use of the shearing press cutting and enhance cutting accuracy.



PIPES WITHOUT THE INTERNAL BURR FOR EUROPE

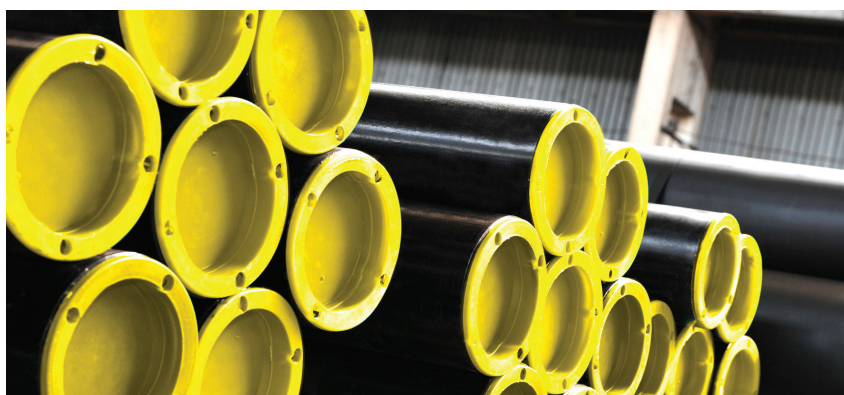
INTERPIPE NMPP HAS INSTALLED AN INTERNAL BURR-GRINDER FOR ELECTRIC-WELDED PIPES OF 60-114 MM DIAMETER AT THE SMALL-SIZED PIPE PRODUCTION COMPLEX. TWO MANUAL ENGRAVING DEVICES AND A BUBBLE-JET MARKING UNIT WITH A MECHANISM WITH LINEAR DISPLACEMENT OF THE MARKING HEAD HAVE BEEN ALSO PURCHASED. ALL EQUIPMENT WAS PRODUCED IN GERMANY. THE TOTAL INVESTMENTS ARE USD \$112,000.

The internal deburring machine has been designed to remove burrs inside the pipe in the process of production of pipes, welded with the high-frequency current method.

Interpipe NMPP will be able to supply 2,000 tons a year of pipes with marking made (application of the logo, standard title, and steel grade, using the

dot-peen marking method and the bubble-jet marking unit) and internal burr removed to the European market.

Starting from June, the production shop executes orders for a number of European customers that demand application of marking on each unique pipe produced.



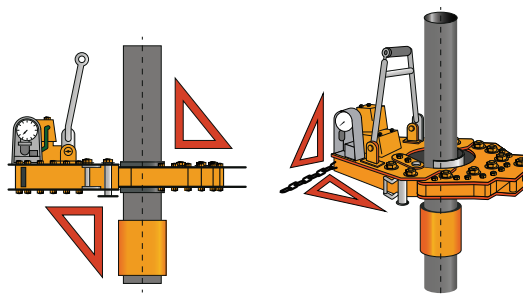
ADDITIONAL SERVICES FOR CUSTOMERS

INTERPIPE SALES TECHNICAL SUPPORT HAS LAUNCHED THE RUNNING MANUAL FOR OCTG PIPES.

The Running Manual consists of recommendations for the transportation, storage and most efficient exploitation of Interpipe OCTG products. Special attention is paid to pipe preparation before running, its drifting, connections cleaning, applying

thread lock, compound and running of the OCTG pipes, and make-up process.

You can learn more about Running Manual and Interpipe field service from Interpipe Sales and Sales Technical Support teams.



NEW PRODUCTS

THE NEW X60 STEEL GRADE HAS BEEN MASTERED

INTERPIPE STEEL IS FLEXIBLE IN STEEL GRADE DEVELOPMENT.

At the end of 2015, Interpipe has mastered the technology behind production of the new X60 steel grade. For the first time the company produced the steel grade for ArcelorMittal Tubular Products Roman (Romania).



Dmitriy Chaika, Technology Department Manager, Interpipe Steel:

"The special features of X60 steel grade includes microalloying with molybdenum, niobium and vanadium as well as an extremely low content of sulfur – 0.003% maximum. Billets out of X60 steel grade are scheduled for the production of OCTG pipes, resistant to hydrogen-sulfide corrosion."



THE RANGE OF SHORT PIPE AND PUP JOINT PRODUCTS HAS BEEN EXPANDED

INTERPIPE NTRP AND INTERPIPE NIKO TUBE HAVE COMBINED THEIR EFFORTS AND EXPANDED THE RANGE OF PUP JOINTS THEY PRODUCE, ENSURING THE RANGE OF DIAMETERS FROM 60.3 TO 339.7 mm.

Interpipe NTRP pup joints: OD 89-339.7 mm, length 0.61-5 m.

Interpipe NIKO TUBE pup joints: OD 60.3-114.3 mm, length 0.61-3.2 m.

Interpipe have to produced pup joints previously, but have had limitations of joint length. Now, cooperating, Interpipe NTRP and Interpipe Niko Tube is able to produce wide range of pup joints under requirements of API

standard. They also provide for the identical threading parameters, make-up stages during the coupling make-up process and pressure testing during the hydro-testing operations.



Yuriy Kuratsapov, Sales Technical Support Manager for MEA Market:

"Pup joints for both casing and tubing are in good demand at both in Middle East and African markets. Pup joint positions are almost always present in large-scale tenders, conducted in this region. These products are used for precise location (selection of the precise length) of casing strings and production strings, when such location cannot be ensured with installation of a standard length pipe. We have already produced pup joints of several dimensions with the Buttress threaded connection for casing, supplied to Canam Pipe & Supply (Turkey)."

Also Interpipe has produced pup joints with upset ends of 73.02x5.51 mm and several length dimensions for Natural Resources Company, the Ukrainian oil and gas producer.

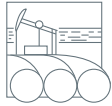
These pup joints will be used for natural gas recovery at the Lutsenko gas field in the Poltava region.



Andrey Sanin, Sales Director for Ukrainian Market:

"Mastering the production of pup joints allows us to improve our relationship with customers. It is an additional service, enabling our ability to cover all of our clients' needs not only in pipes, but also in pup joints. We have already passed on this information to all oil companies."

NEW DIMENSIONS FOR AMERICA, EUROPE, MIDDLE EAST



TO COMPLY WITH DEMANDS OF FASTIDIOUS EXPORT MARKETS, INTERPIPE NIKO TUBE HAS MASTERED THE PRODUCTION OF NEW DIMENSION TYPES FOR PIPES AND COUPLING STOCK.

- Thin-walled line pipe of 88.9x3.2 mm for European market.
- Coupling stock for tubing of 73x11 mm, 93.2x13.5 mm, 114.3x15.5 mm for American and Middle Eastern markets.
- Small diameter pipe of 21-27 mm OD for Middle Eastern and CIS markets.

THE NEW RANGE OF SPECIAL THIN-WALLED PIPES

INTERPIPE NTRP IS EXPANDING ITS PRODUCT RANGE TO PROVIDE MORE ADVANTAGES FOR CUSTOMERS.

Interpipe engineers have mastered pipes with wall thicknesses of 4 and 4.5 mm. The products are rare for seamless pipes, although they are in a high demand in Europe and the CIS countries.

To attain the best results, the company has adjusted the calibration of the piercing mill rollers and lengthwise rolling mills, and enhanced the rolling support system. The new product range is produced in accordance with requirements of EN 10210, EN 10216, EN 10297 standards and their combinations.



Ivan Mazanka, Sales Director for European Market:

"Pipes for the general application of 4-4.5 mm wall thickness are most commonly used for pipelines, fire-fighting systems, distribution of gas, and construction. This is the most highly demanded type of product in Europe. Due to the thin wall, such pipes have a lower weight than ones with the same length, and are more advantageous for customers. Our joint task is to expand the range of the thin-walled pipes we produce."

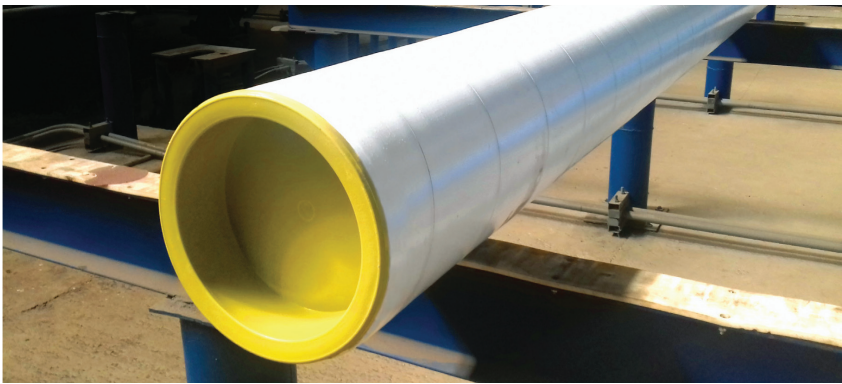
SUPPLIES OF PIPES WITH POLYPROPYLENE COATING HAVE BEEN STARTED

INTERPIPE NMPP HAS MASTERED THE TECHNOLOGY OF PIPE INSULATION WITH THREE-LAYER POLYPROPYLENE COATING. IT CAN BE USED FOR WELDED PIPES AS WELL AS FOR SEAMLESS ONES.

The mill had previously insulated pipes with an ordinary polyethylene coating. Now our facilities are able to apply the new coating for pipes of 114-530 mm outside diameter.

Major tests the new coating passed:

- | | |
|-------------------------|-----------------------------|
| • Coating continuity | • Thermosetting rate |
| • Impact strength | • Cathode lamination |
| • Impression | • Flexibility |
| • Elongation at rupture | • Hot-water immersion tests |
| • Pull strength | |



Anna Dubina, Sales Technical Support Manager:

"Polypropylene types of pipe coating are characterized by their high thermal endurance and enhanced impact, punching, cutting, and galling strength. They are intended for use under the aggressive environment conditions. Such pipes are widely used abroad for construction of subsea and shelf pipelines. The mastering of the three layer coating will enable the strengthening of our position in the niche we already have."



QUALITY PRIORITY

INTERPIPE BUILDS A UNIFIED IT SYSTEM

INTERPIPE IS ONE OF UKRAINIAN PIONEERS AMONG USERS OF ENTERPRISE RESOURCE PLANNING SYSTEM (ERP). NOW THE COMPANY HAS AN OBJECTIVE TO DEVELOP UNIFIED SYSTEM IN KEY AREAS, INCLUDING PRODUCTION, TREASURY AND BOOKKEEPING AND ORDER OPERATIONS.



A UNIFIED INFORMATION SYSTEM FOR PRODUCTION ACTIVITY PLANNING AND MANAGEMENT

Interpipe Steel and the TRS #2 of Interpipe Niko Tube was launched a pilot project on the development of a unified information system for production activity planning and management. It includes sub-projects in the order management, production management and logistics.

PRODUCTION ASSETS' MANAGEMENT

The company commenced the project on development of the principal production assets' management system. This system allows controlling the state of all equipment and plans all required maintenance and repairs to be done automatically. A wide range of data is entered into a special program based on the results of the equipment diagnostics, and the system, based on the pre-set algorithms, defines the planned dates and scope of maintenance.

TRACEABILITY OF EACH PIPE AT THE PRODUCTION FACILITY

A pilot project on single-piece traceability of pipes has been started at Tube-rolling shop #2 Interpipe Niko Tube. The encoded passport of each pipe, produced at the mill, will ensure the possibility to trace the history of its creation. The implementation of this project approximates the solution of the problem of quality enhancement and protection of Interpipe tubular goods against the counterfeiting.

QUALITY CONTROL IN DIGITAL FORMAT

AS PART OF DEVELOPING IT SYSTEM TUBE-ROLLING SHOP #7 AT INTERPIPE NIKO TUBE HAS UPGRADED AND REINFORCED ITS QUALITY CONTROL PROCEDURES THROUGH THE USE OF NEW TECHNOLOGY.

PIPE ROLLING ONLINE

Starting from March 2016, Tube-rolling shop #7 at Interpipe Niko Tube has installed a video surveillance system at the shop's cooling table. The picture from camera is transmitted to monitors, installed on the control panels after the reduction and continuation mills. It allows operators to detect for the rolling origin defects faster and to control pipe length easily.



MOBILE TERMINALS WHILE SHIPPING

Product acceptance inspectors at the finished product shipment site of Tube-rolling shop #7 at Interpipe Niko Tube have been "armed" with manual readers of QR-codes to reduce errors. Today acceptance inspectors can run the reader over the QR-code on the label, and all information will be automatically read and immediately transmitted to the IT system.



FIGHT FAKE PRODUCTS



INTERPIPE IS AGAINST COUNTERFEITING

FIGHTING WITH COUNTERFEITS IS ONE OF INTERPIPE'S TOP-PRIORITY TASKS AT THE MENA MARKET. THE COMPANY IS AN ACTIVE MEMBER OF STEEL ALLIANCE AGAINST COUNTERFEITING (SAAC), AN INDUSTRY INITIATIVE OF 18 GLOBAL PRODUCTION MANUFACTURERS COMMITTED TO COMBATING COUNTERFEITING.

SAAC members met at Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) 2016 to discuss industry concerns with the UAE Department of Economic Development and Criminal Investigation Department.

Leading world companies underlined that the growing presence of counterfeit steel products in the Middle East poses considerable safety, legal and financial risks for all stakeholders with potential disastrous consequences for the environment and human lives in case of accidents.

In that context, the SAAC advocated for the adoption of more stringent rules regarding the control of the origin of steel products in general, and in the revised UAE Fire safety code in particular. The Alliance supports increased mandatory authenticity checks of the of mill test certificates (MTC), to mitigate the use of counterfeit products. These controls are critical to guarantee the origin and quality of the steel products and ensure compliance with safety standards required within the oil & gas and construction sectors.

FIGHT FAKE PRODUCTS

To find out more please visit SAAC website:
<http://fight-fake.org/>



Andrey Burtsev, CCO for Middle East, Africa, and Asia markets, Interpipe:

"While there are no quantifiable statistics on the size of the counterfeit market in the region, its presence is real and represents a threat to the safety and integrity of this region's current investments in major infrastructure projects. Not only are our businesses being defrauded but end-users are too and that exposes them."



Anaïs Eiden, Group Senior Legal Manager, Intellectual Property and Innovation, Vallourec:

"We are committed to working with all relevant stakeholders and government bodies in the UAE and across the region, to take meaningful steps to mitigate the risks resulting from counterfeiting and avoid this unlawful practice becoming an even more systemic problem. We intend to intensify our awareness campaign and tools in the coming months whilst working collaboratively with authorities and end-users to identify solutions."



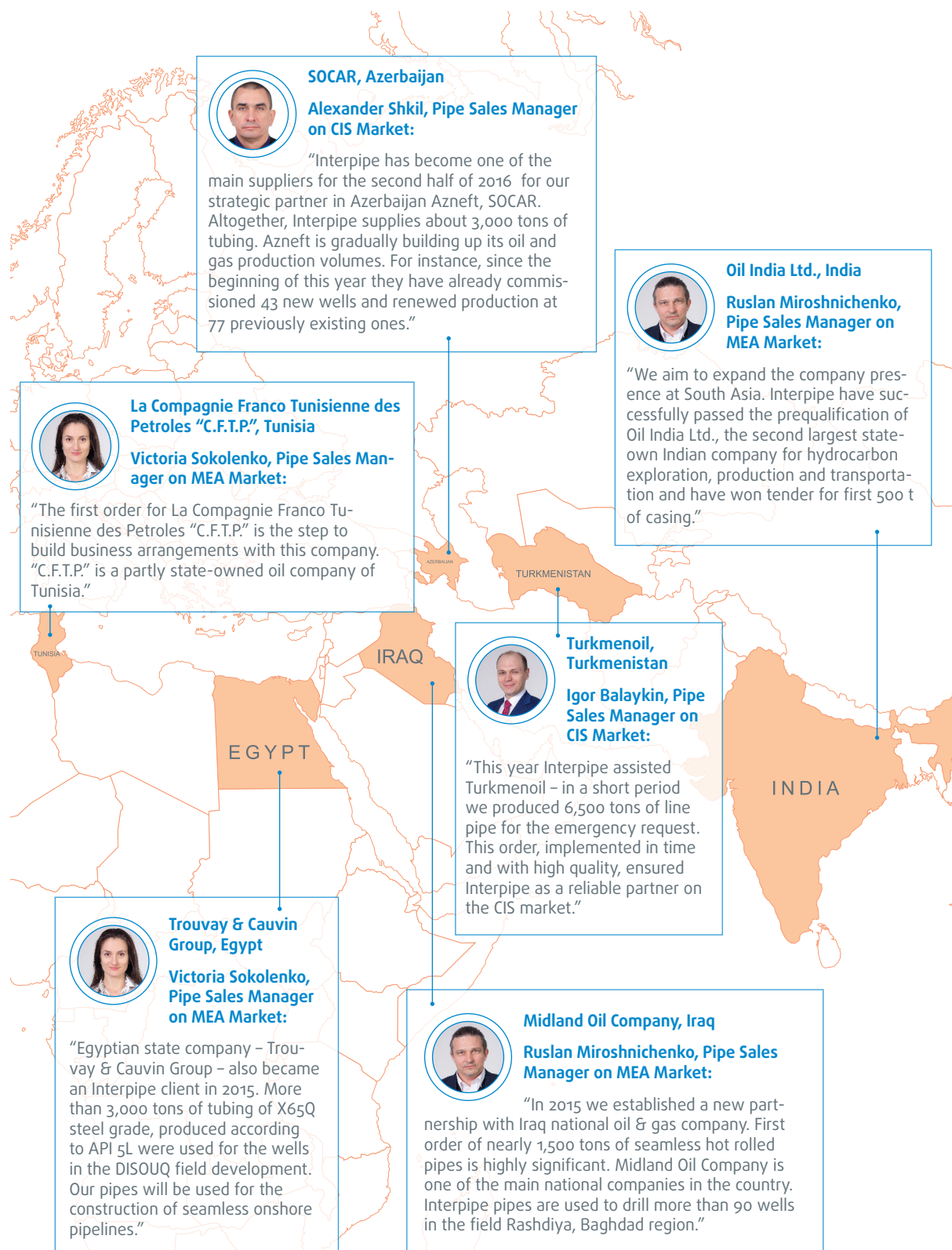
- In 2015 Interpipe strengthened the visual identification of its products. All Interpipe pipes are supplied with yellow end cups, base cover under binding straps, dye stamping on the pipes and Interpipe logo.
- In 2015 Interpipe joined the international initiative against the steel product counterfeiting – Steel Alliance Against Counterfeiting.
- In 2016 Interpipe registered its trademark in UAE.
- Registration of official trademark in Qatar, Saudi Arabia and Egypt is in process.
- Now the company is developing the system of secured verification of the products to increase their traceability.



PARTNERSHIP

OIL & GAS IN FOCUS

IN 2015-2016 INTERPIPE BECAME A LONG-TERM PARTNER FOR LARGE NATIONAL OIL & GAS COMPANIES IN MIDDLE EAST, ASIA, AFRICA, AND CIS.



CUSTOMER-ORIENTED



INTERPIPE SUPPORTED UKRAINIAN OFFICIAL RECEPTION IN QATAR

On November 24, the Ukrainian Embassy in Qatar hosted a high-level reception for key private and public sector officials from Qatari ministries and state agencies. Among the main guests were the Minister of Transport and Communications of Qatar, the Secretary of Ministry of Foreign Affairs and the Secretary-General of Gas Exporting Countries Forum. Interpipe was a key partner of the event.



INTERPIPE CONDUCTED THE CUSTOMER CONFERENCE IN CAIRO



On May 11, Interpipe in partnership with Egyptian partner Gazelle Trade held a conference for Egyptian clients in Cairo. The event was focused on the development of Interpipe over recent years and the problem of counterfeiting.

NORTH AMERICAN INTERPIPE HELD 5th ANNUAL GOLF TOURNAMENT

On October 13, North American Interpipe hosted the fifth annual golf tournament. 67 representatives of the North American Interpipe customers, including our key partners – large distributors Merfish Pipe & Supply and Kelly Pipe, and employees of the company have met not at the negotiating table, but at the golf field.





INTERPIPE SOCIAL LIFE

INTERPIPE DNIPRO HALF MARATHON – HOLIDAY FOR RUNNERS

INTERPIPE GETS INVOLVED WITH THE LOCAL COMMUNITY.

In May 2016, Interpipe sponsored a major city sport event called “The Interpipe Dnipro Half Marathon”. Company employees and their children also participated. Altogether, 161 Interpipe runners clocked an impressive 677 kilometers.



8 distances
1.5 thousand runners from
9 countries



INTERPIPE TECHFEST – #1 EVENT TO PROMOTE UP-TO-DATE TECHNOLOGIES

IN SEPTEMBER 2016, INTERPIPE ORGANIZED A LARGE EVENT IN DNIPRO TO PROMOTE INTEREST IN SCIENCE AND TECHNOLOGY.

Children were fascinated by robots, science experiments, drones and many other engaging engineering examples. Guests were also immersed in the world of space technologies, smart homes, start-ups and IT innovations.

Interpipe was represented at an industrial showroom location along with other companies. Everyone had access to an online guided tour at Interpipe production facilities.



10,000 visitors
90 partners
15 interactive locations
50 speakers on engineering, education and science

