

iPipe

Interpipe Customer Bulletin

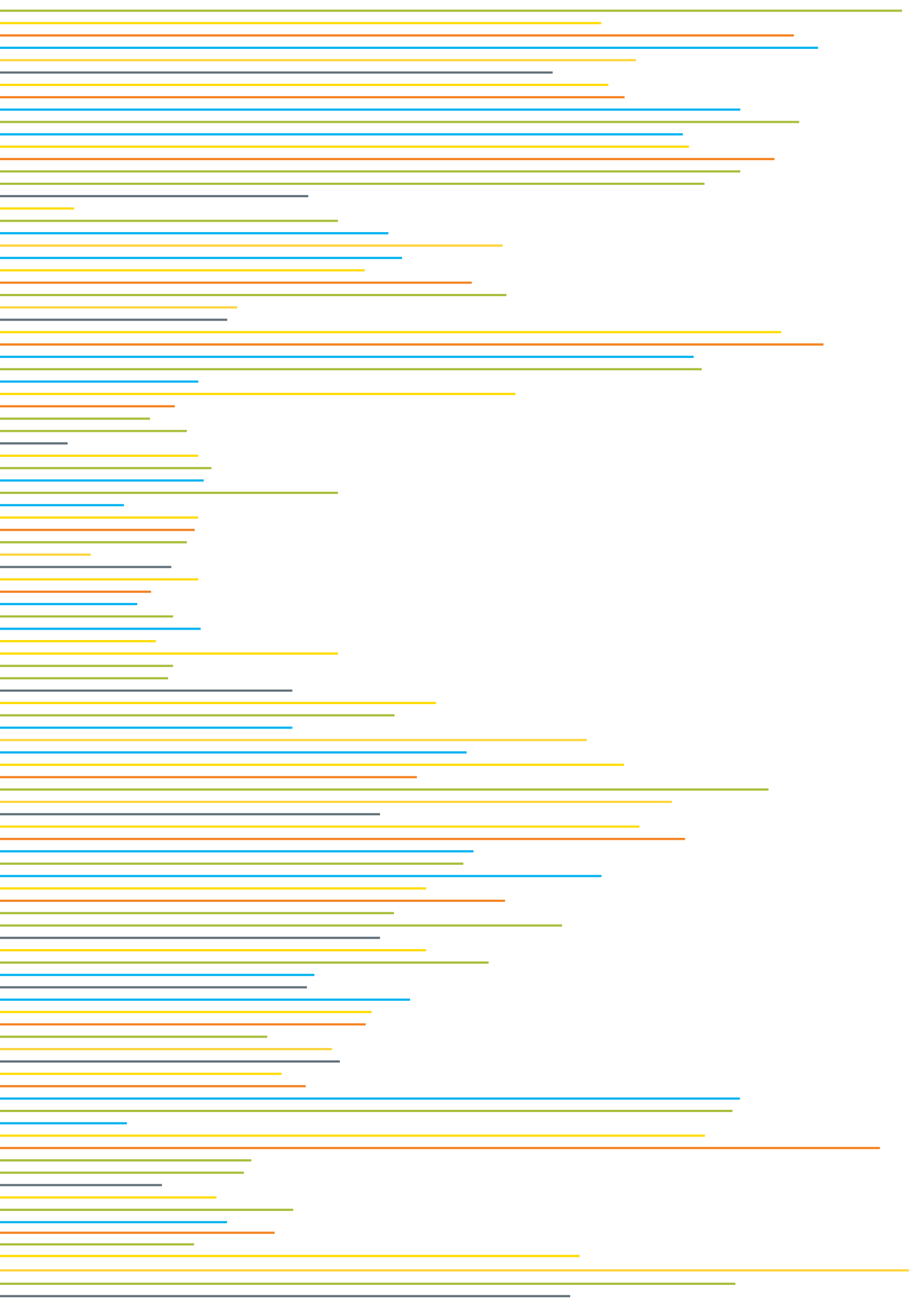
№6, 2014

**Custom-tailored approach
for clients' needs**

**New product —
short reducers**

**Kyivenergo:
long-term partnership**





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Dear Respected Partners and Customers!

On behalf of Interpipe, I would like to wish you and your family a happy holiday and harmonious, prosperous New Year.

Despite a challenging year, Interpipe has experienced considerable success over the past twelve months; supplying pipes to some of the largest oil and gas companies in America, Europe and the Middle East, signing major contracts with Russian and Turkmenistan oil producers, delivering pipes for iconic building projects in the Middle East and developing new steel grades and products. Interpipe looks forward to meeting new challenges in the coming year with the same resourcefulness and success as in 2014.

It is obvious that the main topic today is the current political situation in Ukraine. We fully appreciate your concerns and sympathize surrounding recent events, but would like to reassure customers that the recent conflict will not impact Interpipe's business in Dnipropetrovsk, where production facilities are based.

In actuality, Ukrainian society has returned to normal, with banks, transport systems and customs all resuming business, allowing Interpipe to fulfill their obligations and agreements to customers to the high standard expected.

Interpipe anticipated many problems well in advance to avoid delays and interruptions to its production, while also diversifying supply sources and developing effective and secure logistics for pipe products. This way, business continued to run as normal during a period of political and social upheaval, allowing Interpipe to realize production and sales targets, while continuing to provide a high level of customer service.

Details of Interpipe's latest projects can be found on the company's customer bulletin, which also provides information on how to stay informed of upcoming events at production facilities.

We hope the relationship between Interpipe and Ukraine will continue to be mutually beneficial in the future, allowing both parties to grow and develop moving forward into next year.

With sincere regards,
Interpipe Chief Commercial Officer
Fadi Hraibi



Interpipe continues supplying OCTG to the USA

On July 11, 2014, the American Department of Commerce announced the final determinations in the antidumping duty investigations of import of certain OCTG from 9 countries including Ukraine

The U.S. Department of Commerce assessed a final margin of 6.73% on certain OCTG imports from Ukraine. The U.S. Department of Commerce simultaneously announced the commencement of an agreement with Interpipe, suspending duty deposit requirements until July 2017. In accordance with the agreement, no antidumping cash deposits will be required and there will be no collection of antidumping duties. The Department of Commerce will

define the minimum prices for OCTG of Interpipe to be sold on the U.S. market.

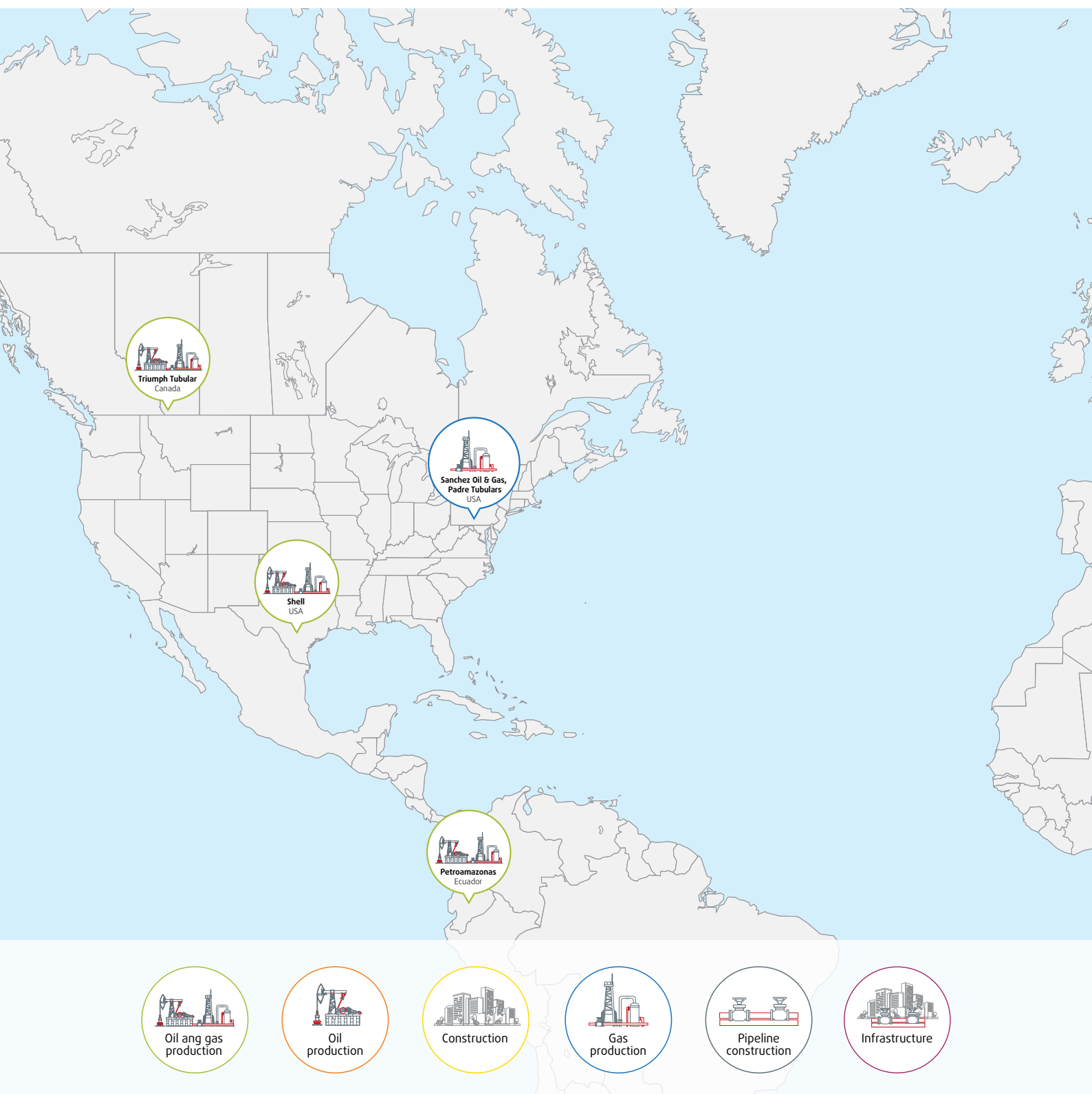
In light of the determinations, Interpipe will continue to supply OCTG to the U.S. market under the guidelines of the agreement. The North American subdivision of Interpipe will continue to service its customer base, while also purchasing tubular goods produced by Interpipe mills in Ukraine.



FADI HRAIBI, INTERPIPE CCO:

"Interpipe has achieved an outcome of the antidumping investigation. It is a result of work of Interpipe team and a good team of legal consult. Interpipe has been supplying pipe products since 2001 and we have firm and good relationships with our customers and partners. We are looking forward to supplying quality OCTG and line pipe to the USA and strengthening long term partnership with our existing and new customers".

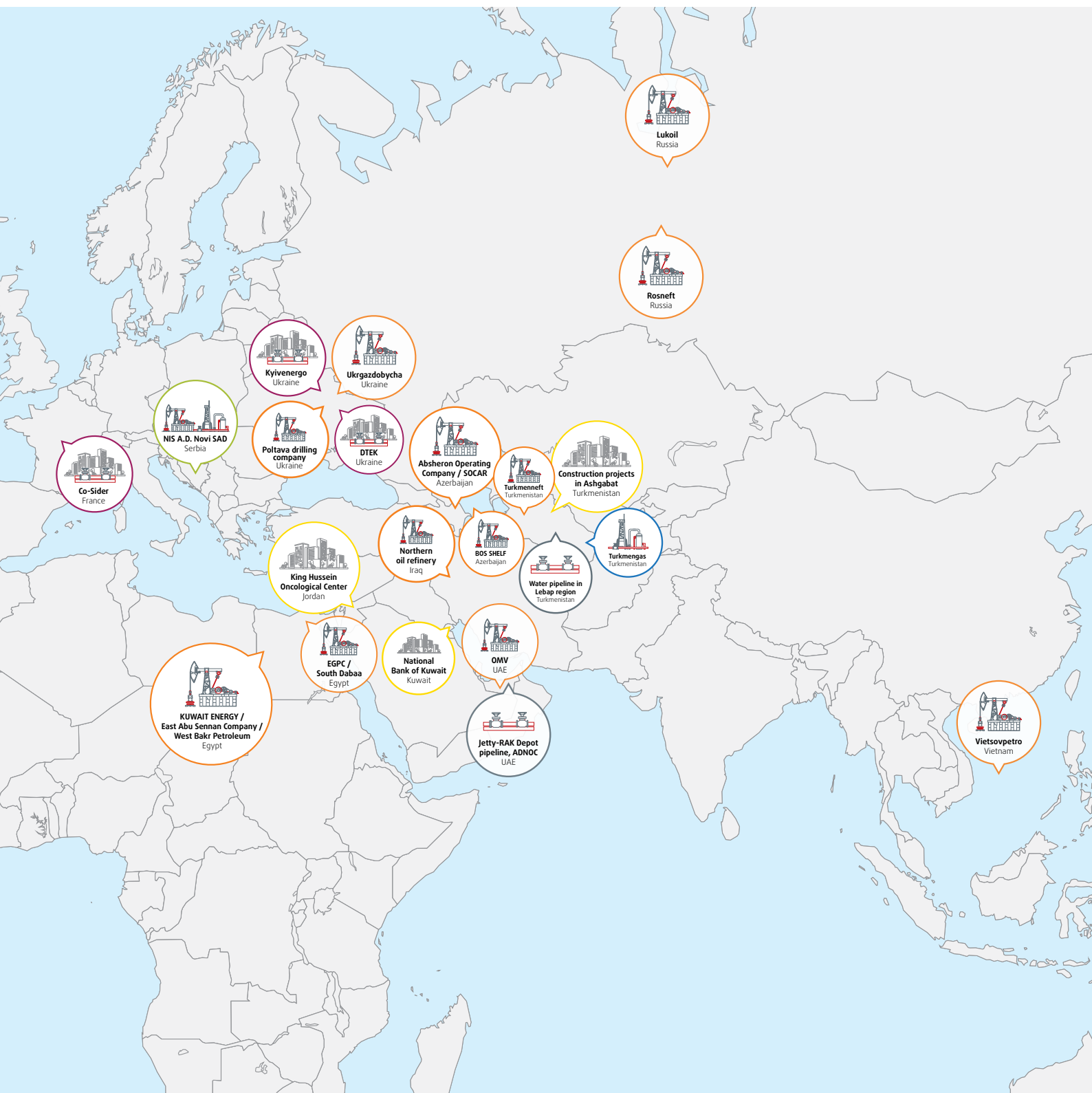
CUSTOM-TAILORED APPROACH FOR CLIENTS' NEEDS



Interpipe pipe solutions: from Colombia to Vietnam

Interpipe's customers are the largest oil and gas, construction, and servicing companies from 80 countries around the world. In 2014, Interpipe has supplied pipe products to oil and gas fields in Europe,

America, the Middle East and the CIS and the largest construction projects in the Middle East.



Oil companies: focus on individual demands

As the quantity of easily accessible oil and gas fields around the world gets lower, extraction conditions for these mineral products have become increasingly complicated and consequently, requirements for the pipes get tougher year by year. These requirements

concern national standards and internal specifications and norms of customers. To ensure customers' needs and demands are satisfied, Interpipe has successfully mastered new products, while developing solutions for oil and gas clients.

NEW STEEL GRADE FOR ROSNEFT

Interpipe has developed a new steel grade specifically for Russian oil giant Rosneft's new project, providing heat treatment of pipes and carrying out additional non-destructive tests

To produce K72 steel grade tubing that can withstand impact tests under low temperatures; Interpipe technical experts have developed two new cold-resistant steel grades for this customer – 38HGF and 38HGM. Pipes produced under these new steel grades have successfully passed tests with standing temperatures of

-20 °C (standard tests are carried out under 0 °C). Thus, pipe products made by Interpipe comply with both principal and additional requirements of the customer.

Under Rosneft's orders, Interpipe produced a total of approximately 1500 tons of K72 steel grade tubing.



UPJ CONNECTIONS FOR BOLIVIA

Interpipe has partnered with YPF, one of the largest oil and gas companies in South America. Its Bolivian subdivision, YPFB Chaco, has purchased a 178 mm diameter casing according to API 5CT standard, with Ukrainian premium connections – UPJ. These pipes were produced at Interpipe Niko Tube with subsequent heat treatment and execution of quality certificates at Interpipe NTRP. To ensure the successful assembly of the casing column under the

complicated conditions of tropical jungles, pipes have been produced in accordance with the most stringent quality standards and as a result the gas-tight connections are highly reliable and pressure-tight.

In May this year, YPFB Chaco (Bolivia), in collaboration with the American Weatherford Company, successfully lowered the casing into a well.

Construction companies: pipe deliveries for international projects

In 2014 Interpipe mills produced pipes for 2 large-scale construction projects in Jordan and Kuwait

Interpipe has delivered seamless steel pipes according to ASTM A106 to international construction company Joint Venture of Consolidated Contractors Group S.A.L. (CCG), for the construction of the largest Oncological Center in Jordan. This Oncological Center project is being implemented by CCG in cooperation with Haddadin Engineering Company for Contracting (Jordan).

Interpipe pipes will be used to lay a pipeline and a fire-fighting system at new buildings of King Hussein Oncological Center in the city of Amman. When this construction is over, this facility will become the largest clinic for cancer diseases' treatment in the Middle East, capable of receiving more than six-thousand patients a year. The completion of this project is scheduled for the middle of 2015.

Interpipe has also produced seamless steel pipes for Bader Al Mulla & Bros Co. W.L.L. – the largest Kuwaiti construction company specializing in the erection of skyscrapers, specifically for the construction of the new National Bank of Kuwait, according to API 5L and ASTM A106. The 62-storied building with the height of approximately 300 m is scheduled to be completed in 2016.

Interpipe pipes will be used to lay air conditioning and water supply systems of the National Bank.



Mechanical engineering companies: individual requirements and first orders

In 2014 Interpipe produced pipes for the mechanical engineering giant KAMAZ and ROSATOM Corporation (Kovrov Mechanical Factory) for the first time, and carried out deliveries for its long-standing partners – Taviller (Turkey) and TMM-ENERGOSTROY (Ukraine)

PIPES FOR THE NUCLEAR POWER INDUSTRY

The specialty function of the Kovrov Mechanical Factory (a part of Rosatom Corporation) is the production of gas centrifuges. Specifically for the customer, the company has produced cold-drawn

pipes under the customer's technical protocols, taking into consideration special requirements on the chemical and mechanical properties of these products, used in the nuclear power industry.



YEVGENIY LAVRUKHIN, PIPE SALES MANAGER IN RUSSIA:

"This is the first direct contract with a Rosatom Corporation enterprise. Some of the products, agreed upon in the contract (198 mm diameter pipes), have already been shipped to the customer's factory. The balance of this order (cold-drawn 171 mm diameter pipes) is currently prepared to be dispatched to the customer".



ROSATOM is the state nuclear power corporation, the largest power generating company in Russia, providing more than 40% of energy in the country. It is also one of the leaders in the global market for nuclear power technologies

PIPES FOR TRUCKS

Kamaz is the largest consumer of pipes for the mechanical engineering segment in the world. To produce cold-rolled and hot-rolled pipes for this customer, the company has developed individual technical specifications, taking into consideration all individual

requirements of the client. The first trial order (delivery of hot-rolled pipes) has already been successfully tested by the customer. At present the company produces cold-rolled pipes for the client.



Kamaz is the largest automobile corporation in Russia. The company is ranked 11th in the list of leading manufacturers of heavy trucks in the world. The group consists of 12 large automobile manufacturing plants and produces approximately 43,000 automobiles a year

HYDRAULIC CYLINDERS OUT OF INTERPIPE PIPES

Interpipe has been supplying its seamless pipes to Taviller – a Turkish manufacturer of hydraulic cylinders – for more than 10 years. Over this period of time the company, in close collaboration with customers, has developed strict and clear requirements as well as additional specifications for pipe products, required by the partner

to manufacture high-quality final products. The customer manufactures bodies and shafts for its hydraulic cylinders out of Interpipe pipes, and that is why, while executing its orders, the company always pays special attention to strict compliances with all requirements on pipe tolerances and coating.

INTERPIPE BOILER PIPES

Interpipe has supplied boiler pipes for both low and high pressure pipelines from the Belarusian nuclear power plant (units 1 and 2) to its long-standing partner - TMM-Energostroy - the largest manufacturer of pipeline elements for nuclear and thermal power plants in the Commonwealth of Independent States (CIS) region.

Taking into consideration the specific nature of the customer's projects – which includes repairs and maintenance of nuclear and thermal power plants – pipe products for this partner are made with due regard for individual requirements and the most stringent quality standards.



TATIANA KURILOVA, PIPE SALES MANAGER IN UKRAINE:

"Boiler pipes are a very complicated and tricky product with specific requirements and special permissions, which can be produced at the mills of a fair few companies. However, we have both highly qualified experts as well as the possibility for developing in the field of production in such special-purpose commodities".

Kyivenergo: long-term partnership

Interpipe has concluded a three-year contract with the Ukrainian power company Kyivenergo (DTEK) to pipe product delivery. The first group of pipes under this contract will be manufactured at Interpipe NTRP and Interpipe Niko Tube in November, and the orders for further lots in the framework of this contract will be produced quarterly basis until the end of 2017

Interpipe has worked for more than seven years with Kyivenergo; one of the largest consumers of pipe products in Ukraine. The company uses Interpipe pipes for maintenance and modernization

of heating networks in the country's capital. This year Interpipe has initiated a new set of negotiations to review the time terms for pipe product purchases.

FOCUS ON THE CUSTOMERS IN ACTION

To ensure the supply of heating to apartments and houses of Kyiv residents before October 26, Interpipe arranged and conducted an emergency delivery of pipes for Kyivenergo. This first delivery was conducted in the middle of October, using the company's stock of pipes

Based on the results of the tender, Interpipe and Kyivenergo have signed a three-year contract for the delivery of pipe products to Kyiv municipal utility companies. According to the provisions of

this contract Interpipe will be covering all demands of Kyivenergo in seamless and welded line pipes until the end of 2017.



IVAN DEKHTIUK, PIPE SALES MANAGER IN UKRAINE:

"We have managed to persuade our partners that we will continue being a reliable pipe supplier on a long-term basis. In this case our customer will be confident to get high-quality products in time, and we will be able to schedule the workload of our production facilities in advance."



YEVGENIY ZAVRAYSKIY, INTERPIPE REGIONAL SALES MANAGER IN UKRAINE:

"Operations based on long-term agreements not only ensure the possibility to satisfy our customers' needs with the best possible quality, but also enable efficient work planning for both production facilities and service departments. I truly believe that conclusion of long-term contracts with our key customers is one of the top priorities in Sales Department operations, and that is why this three-year contract with Kyivenergo is a great success for us. This is the first time that a contract for such a long period of time has been concluded in the region of Ukraine."



Kyivenergo is a power company, providing heat and electricity to Kyiv residents and metropolitan enterprises. Kyivenergo's structure includes two heat and power plants, electric and heating networks, as well as maintenance, construction, transportation, and technical departments. Approximately thirteen thousand people currently work in the company

RELIABLE AND EASY-TO-DEAL-WITH PARTNER

North American Interpipe golf tournament

An annual golf tournament organized for American customers has become an important tradition within the Interpipe community. In October 2014, North American Interpipe hosted representatives of 20 companies from the US, Canada, Bolivia, and Mexico, participating in the third annual golf tournament. North American

Interpipe employees were given the opportunity to interact with customers and get a better understanding of their requirements as well as garner information on new projects, where Interpipe products may be used.



RICHARD SHIELDS, PRESIDENT FOR PACIFIC TUBULARS (CANADA):

"I'm a quite good golf player and specifically came for this golf tournament from Canada. I have taken part in this Interpipe event for the third year in a row, also getting the latest Company news and projects, aimed at the product quality enhancement. I also use this opportunity for communication with my colleagues and discussions on the market trends and new projects".



JOHN CARUSO, TRANSAMERICAN METALS (USA):

"I have been in collaboration with Interpipe for the last 2 years, supplying pipe products to Bolivia. I always get lots of questions in my everyday operations, and that is why I enjoy the opportunity for personal communications with sales specialists, combining my work with the satisfaction I get when playing golf".

QUALITY PRIORITY

Interpipe NMPP receives approval from Shell

Interpipe NMPP production facilities have passed the qualification audit of international oil and gas company Shell

In the process, experts assessed the technical capabilities of the ERW pipes production lines as well as the mill's quality control system. Shell's auditors received evidence of the compliance of Interpipe NMPP tubular products with international standards and Shell in-house requirements.

Based on the results of this audit, Interpipe NMPP is now an ap-

proved supplier for Shell. In particular, Shell has agreed to the qualification of Interpipe NMPP oil and gas tubular products: ERW line pipes according API 5L with OD from 219 mm (8") to 508 mm (20"). The approval is valid for 4 years until May, 2017.

Earlier in 2013, Shell approved the company's seamless pipes production facilities – Interpipe NTRP and Interpipe Niko Tube.



FADI HRAIBI, INTERPIPE CCO:

"Interpipe successful qualification according to some of the largest oil and gas industry players, including ENI S.P.A, Shell, and South Oil Company, not only confirms the quality of Interpipe tubular products but also the industry demand for these. Interpipe's collaboration with oil and gas companies will strengthen the company's position in the global market."



Interpipe Niko Tube passed Petrobras prequalification

Interpipe Niko Tube successfully passed the second stage of Petrobras prequalification. Earlier in 2013 Petrobras, the world's largest Brazilian oil and gas company, approved the quality of Interpipe pipe products and now after economic prequalification, Interpipe Niko Tube received an "approved producer and supplier" status

Based on the results of the evaluation, Interpipe Niko Tube received 3.65 points, where a two-point level is sufficient to take part in Petrobras tenders.

Passing the Petrobras prequalification will provide the potential for Interpipe to supply its products to Petrobras directly, seeing a considerable increase of sales opportunities in South America.



Petroamazonas included Interpipe in "class A supplier" list

The Ecuadorian oil company Petroamazonas has evaluated the quality of Interpipe pipe products and client service, deeming the Interpipe North American sales office a class A supplier, awarding scores of 92/100, which suggests the company provides the highest quality of assistance

The key to success in the partnership with Petroamazonas is consistency in all different variables (Quality, Delivery, Service, Price) and access to a strong local agent company who can follow up in

real-time the oil and gas producer's requirements. Staying in this category will enable Interpipe to grow not just within Petroamazonas, but within the entire Latin American market.



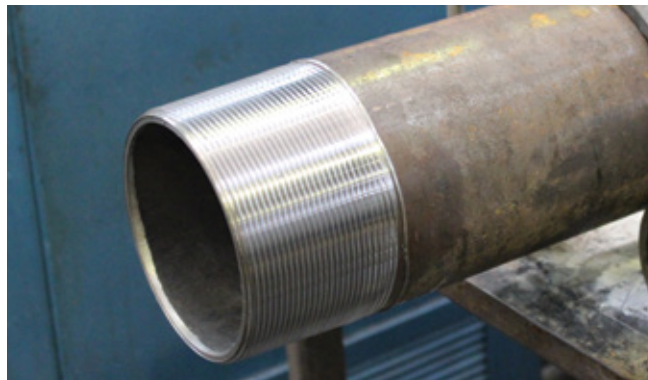
Petroamazonas — a unit of state oil company Petroecuador, engaged in the exploration and development of oil reserves. The company operates blocks 7, 15, 18 and 21, and is developing block 31, while also investigating new prospects in Jatunpamba, Balzayacu and Ochenta Sur structures of block 18. Remaining production reserves from the blocks stands at roughly 311 Mb. Petroamazonas was incorporated in 2008 and is based in Quito, Ecuador

New product: short reducers

Interpipe has mastered the production of new goods to help provide its customers, with not just pipe products, but a comprehensive solution – short reducers for pipes according to API Spec 5CT standard

The company's technical experts have developed the technology and produced the first group of the new product with an LC triangular thread attached to a Buttress trapezoidal thread. Interpipe has already obtained a license from the American Petroleum Institute (API) for the production of short reducers of all steel grades.

At present, the company's mill produces short reducers of 0.6-1.1 m, so as to foster the production of other dimensions.



ANDREY KUTSOV, INTERPIPE NTRP QUALITY AND TECHNOLOGY MANAGER:

"It is very important for consumers to get a full set of products at once. Our Middle East and Persian Gulf customers often demand comprehensive deliveries of casing, tubing, and short reducers for them. The next step for us is to master the full-scale production of such reducers".

Investments into quality

Interpipe continues to invest in the enhancement of pipe product quality, raising the efficiency of the production facilities' operations

INTERPIPE NIKO TUBE: RAISING THE MARKING SPEED

The export floor of the Tube-rolling shop No 7 at Interpipe Niko Tube has installed a new high-performance inkjet, Markem-Imaje 9040 Contrast, at the marking and bundling floor for coatless export pipe.

The printing speed for the marking set is 5.5 seconds per pipe. The printing of the outgoing data on the product has become more precise with the help of this unit, and the export floor productivity has been doubled – six-hundred pipes a shift and two-thousand tons of pipe a month.



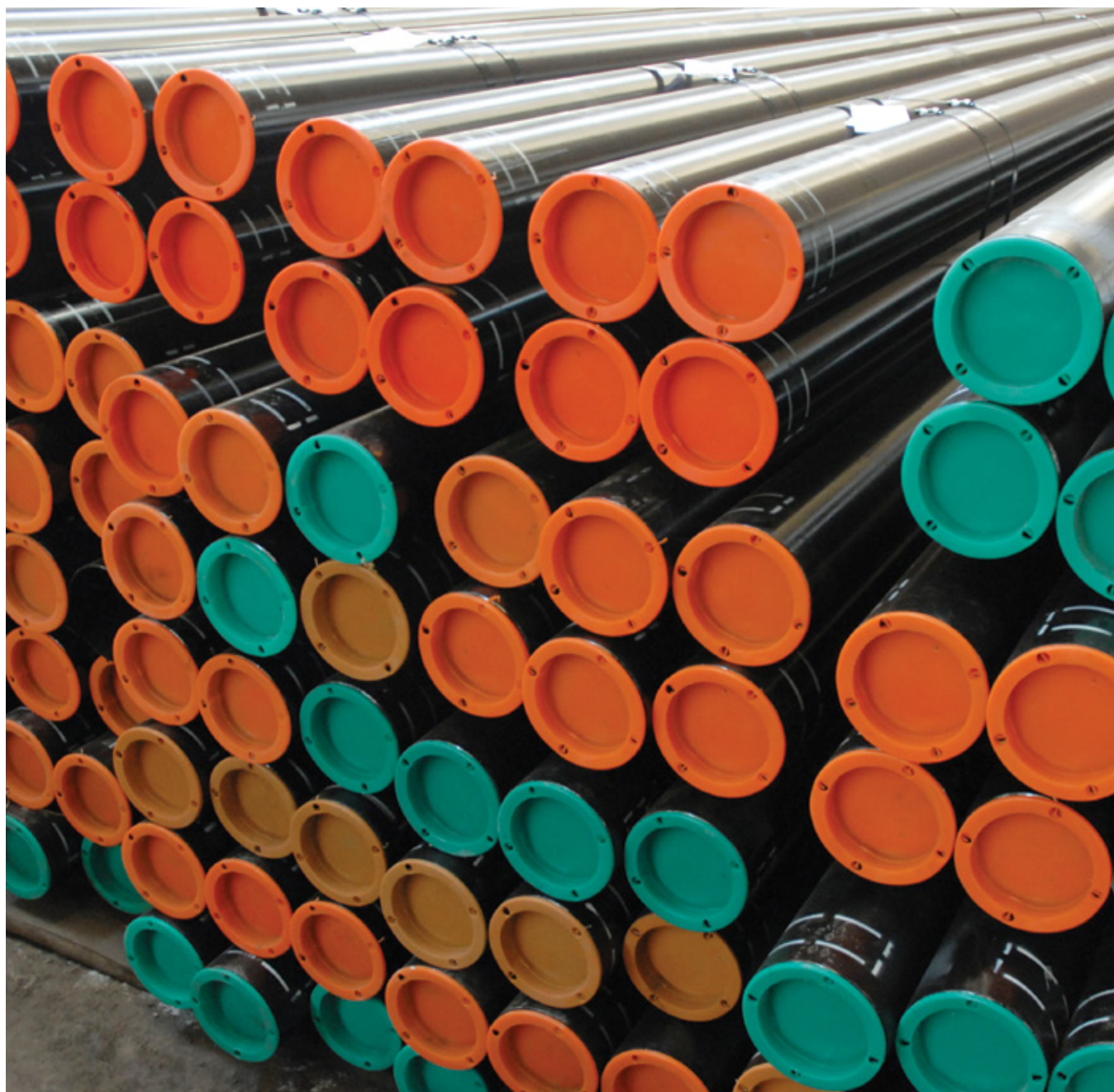
Project objective: to raise the export floor operating efficiency in the marking area

INTERPIPE NMPP: ON-TIME SHIPMENTS TO EUROPEAN CUSTOMERS

Interpipe NMPP has purchased new bundling units so as to comply with shipment terms and special requirements of its European customers regarding the pipe bundling

A huge share of the pipes produced at the Electric pipe welding floor No 3, are for Europe. In accordance with customers' requirements, all pipe products made must be bundled with a special metal tape. To satisfy the customer's needs, Interpipe has purchased

five new bundling units, which will ensure 100% bundling of all pipe products made at the Electric pipe welding floor No 3. Crucially, these products will fully comply with customers' requirements and be shipped in time.



OLEG PIATIGORSKIY, INTERPIPE NMPP ELECTRIC PIPE WELDING FLOOR NO 3 MANAGER:

"These bundling units will help us to efficiently handle large volumes of products we make. The shop ensures the clockwork-like production and shipments of pipe goods, and our customers get high-quality products arriving in time!"

FACE TO FACE

Gennadiy Yesaulov: “Interpipe Premium Service: the task is set and the task is clear”



To offer highly-demanded innovative pipe solutions for its customers, Interpipe has launched a new project called “Premium Service”, which will be involved in designing and developing the company’s premium products. Premium Service Department Manager Gennadiy Yesaulov has shed some light on the principal tasks of this new project

— What are the objectives set for the “Premium Service” project? Our team has received the task of developing the widest possible range of threaded connections for demands of various markets. To do that, at present we have conducted a survey on the consumption of premium pipe products in various regions, as well as on the types of wells and threaded connections used. We also have analyzed tender documents for various projects and arrange and conduct meetings with final consumers. The comprehensive study on these matters will provide us with a possibility to offer, to every customer of ours, a premium product with individual technological parameters and properties, required for well operations in this specific region.

— Could you please tell us a little bit about the premium connection you are developing now?

The design of our company’s new connection has been made taking into consideration the peculiarities of the shale gas extraction. Certification of the special requirements of this new connection demanded by Shell will ensure the possibility to deliver this product for the development of shale gas fields at the Ukrainian territory. Obtainment of a patent for this new product, in my opinion, is one of the most crucial stages to enter the global market. We have already launched the preparation of a patent application, and after getting the results of our tests we will be ready to file our applications to patent bureaus in all countries, where we intend to sell our pipe products with this connection. According to our fore-

casts, we will be able to start the deliveries of the new premium connection by the end of 2015.

— When are you going to carry out the tests for this new connection?

Our Premium Service Department is currently arranging the con-

duct of qualification tests for the new premium connection of Interpipe at CAL II level. They will consist of a huge series of works to be carried out at the territory of America, Scotland, and the Netherlands. At present the works are carried out in accordance with the schedule. That means we will be able to get the results of the new thread tests in quite near future.

Our task is to enter the market with principally new premium connections, own developments of Interpipe



New faces

JORGE MANUEL BARROSO

SENIOR VICE PRESIDENT OF SALES FOR NORTHERN AND SOUTHERN AMERICA

Mr. Barroso is responsible for the development and implementation of sales and marketing strategy for the region, helping increase market share and building relationships with key customers in the NAFTA region.

Before Interpipe, Mr. Barroso used to work with Tenaris as Director of Sales in South-Eastern Asia. Jorge Barroso worked with Tenaris for fifteen years. Mr. Barroso graduated from the Fundacion Universidad delas Americas, Puebla, A.C with a Bachelor's degree in industrial construction and an MBA in the industrial sector.



BORIS LOMAKIN

TECHNICAL SALES DIRECTOR

Mr. Lomakin is responsible for the organization, control and development of technical support for clients. He helps strengthen the company's positions, while also employing a client oriented business approach. Boris has already entered upon his duties.

Before joining Interpipe, Boris helped provide technical support for international pipe company Tenaris, for six years.



Interpipe CCO Fadi Hraibi comments: "Boris and Jorge have been working in the pipe business for many years. Both of them have great experience in global companies. Strengthening of the sales team by such experienced managers will open additional opportunities for growth and help to reach a new stage of development".

Creative metallurgy

In order to inspire employees to think outside the box about pipe production and begin a process change at mills, Interpipe decided to use an extraordinary approach. As a result Interpipe NTRP and Niko Tube established their own theater troupes and workers of Interpipe NMPP created a unique art object

TUBE PARK

The principal purpose of the bright art object at Interpipe NMPP was to provide an opportunity to view familiar things from a new perspective, transforming pipes for the oil-refining industry into a piece of art. The art object is made from fifty-three elements composed of corporate colors – medium-diameter pipes and triangular

structures, designed out of shaped and rounded pipes from the pipe electric welding shop. Interpipe NMPP mill employees have not only made the materials for this installation, and carried out all construction works at the site.



YURIY ANTIPOV, INTERPIPE NMPP CHAIRMAN OF THE BOARD:

“We do not create just a high-quality and highly demanded product – we create pieces of art. Metallurgy itself may be considered as an art at the moment – the art to be a professional and a leader in your industry. Interpipe NMPP always continues to demonstrate and prove that. And the secret of our success consists in our employees, who design and create true metallurgical masterpieces”.

THEATRICAL MANAGEMENT

In the summer, Interpipe NTRP non-academic “Karlaganka” theater and Interpipe Niko Tube “Theater on the pipe” have made their first performances on the big stage. The debut performance of the mill’s theaters have presented the world famous comedy by Nikolai Gogol “The Inspector General” and satirical play

“Cinderella: before and after” based on the legendary tale. All roles in the staging have been performed solely by top managers of the mills – Chairman of the Board and his Deputies, department managers and heads of divisions.



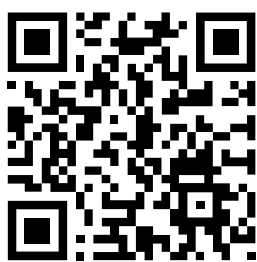
VLADIMIR GORNSTEIN, INTERPIPE NTRP CHAIRMAN OF THE BOARD:

“This performance has become a solution for several principal tasks at the production facilities of the Company. First of all, this is a change in the managers’ thinking, a shift from figures and plans to emotions and imagination. Rehearsals and agitation has really rallied all the guys, and we have become a full-grown theatrical troupe of actors and a real team. And in this way, through the theatrical performance, we will manage to change the thinking of our employees!”.

Interpipe on-line

Interpipe has launched a live-time web-camera at an electric-steel melting facility Interpipe Steel and seamless pipe production hub Interpipe Niko Tube. Following the link below you can see how metallurgical plants work:

www.interpipe.biz



www.interpipe.biz



Also via this link you can observe the center of Dnepropetrovsk providing updated information about the city where Interpipe's mills are located.

