

11. GLOSSARY

API

American Petroleum Institute is the main US trade association for the oil and natural gas industry (www.api.org).

Casing

Steel pipes used to line the walls of a well.

DNV

Det Norske Veritas, one of the world's three major companies in the classification society business and a provider of services for managing risk. Important industries where the company operates include sea freight, energy, aviation, and automotive (www.dnv.com).

Drill pipes

Seamless pipes used to drill oil and gas wells; these pipes make up the drill string with tool joints. Drill pipes are used for lowering and raising the drill bit, transmitting rotational force, creating axial load on the tool and sending drilling mud or compressed air into the well.

EAF

Electric Arc Furnace, a scrap iron charged furnace that is energized by an electrical arc flowing between three electrodes.

EBITDA

Earnings before Interest, Taxes, Depreciation, and Amortization.

FQM

Fine Quality Mill, is a retained mandrel mill that uses the state-of-the-art process for seamless tube rolling, featuring 3-roll stands. The mill produces tubes of the highest quality up to 18" in a wider range of sizes and steel grades, as compared with the traditional two-roll process. The mill is based on a compact and simplified design, with a high degree of component standardization, and allows easy and quick roll changes (www.danieli.com).

IFRS

International Financial Reporting Standards

ISO 9000

Series of standards for quality management systems (www.iso.org).

ISO 14000

Series of standards for corporate environmental management, allowing to secure a harmonious approach to the Company's environment protection activity.



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ISO 13679

Series of standards for guaranteed quality of casing and tubing connections used in oil and gas industry.

Large-diameter pipe (LD)

This type of pipe is used in the construction of trunk pipeline systems for the long distance transportation of natural gas, crude oil and petroleum products. TMK produces longitudinal and spiral large-diameter welded pipes with diameters ranging from 457mm to 2520mm, wall thickness of up to 42mm and in strength groups of up to X100.

Line pipes

Line pipe is used in the construction of oil and gas pipelines for the short-distance transportation of crude oil, oil products and natural gas from deposits to storage reservoirs, oil terminals, and loading and distribution centers. TMK produces both welded and seamless line pipe.

OCTG

Oil Country Tubular Goods. These are threaded pipes used in the oil and gas industry including, drill pipe, casing, and tubing. TMK produces both welded and seamless OCTG.

OHSAS 18001

An international occupational health and safety management system specification.

PQF

Premium Quality Finishing, a 3-roll type retained mandrel mill for the production of seamless pipes. The use of PQF technology provides advantages in the piercing and sizing and stretch reducing operations (www.sms-meer.com).

RAS

Russian Accounting Standarts

RSPP

Russian Union of Industrialists and Entrepreneurs (www.rspp.ru)

Seamless pipes

Pipes manufactured through the insertion of a solid billet in a press or a piercing mill (with subsequent hot or cold working). As its name implies, this type of pipe has no weld seam.

Tubing

A pipe that is inserted inside the casing string to bring oil or gas to the surface.

Welded pipe

Pipe that is made from metal coil, plate, strip or sheet, rolled and welded, manufactured on a tube welding mill.

