

# Investor Presentation



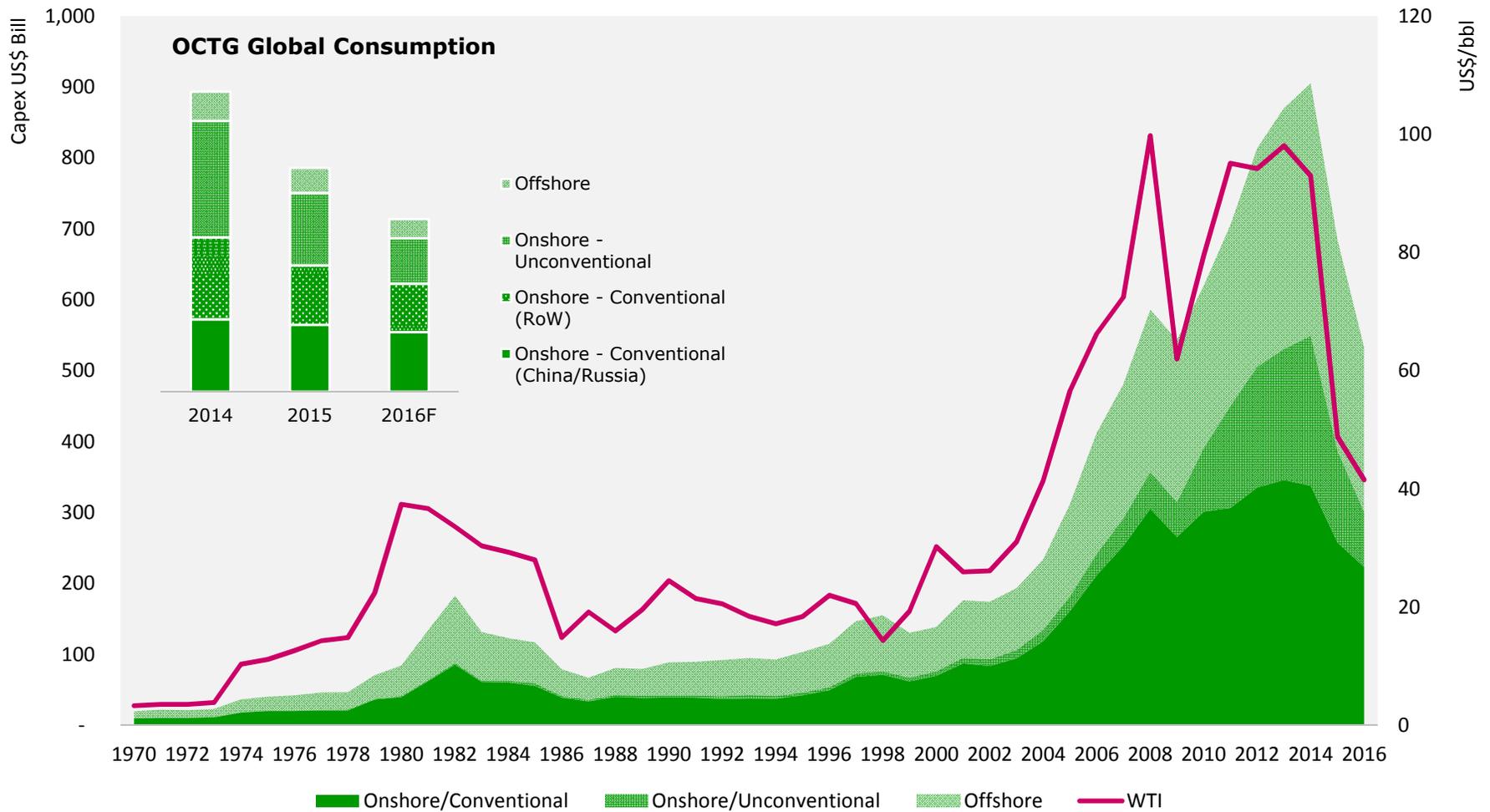


## **Disclaimer**

This presentation contains “forward-looking statements.” Forward-looking statements are based on management’s current views and assumptions and involve known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied by those statements. These statements include information regarding management strategy, investment plans, development and growth of the steel pipe and oil and gas industries, trends and other prospective data, including trends regarding the development of raw material costs and the levels of investment in oil and gas drilling worldwide and general economic conditions in the countries where Tenaris operates and sells its products and services. We do not undertake to update any forward-looking statement to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

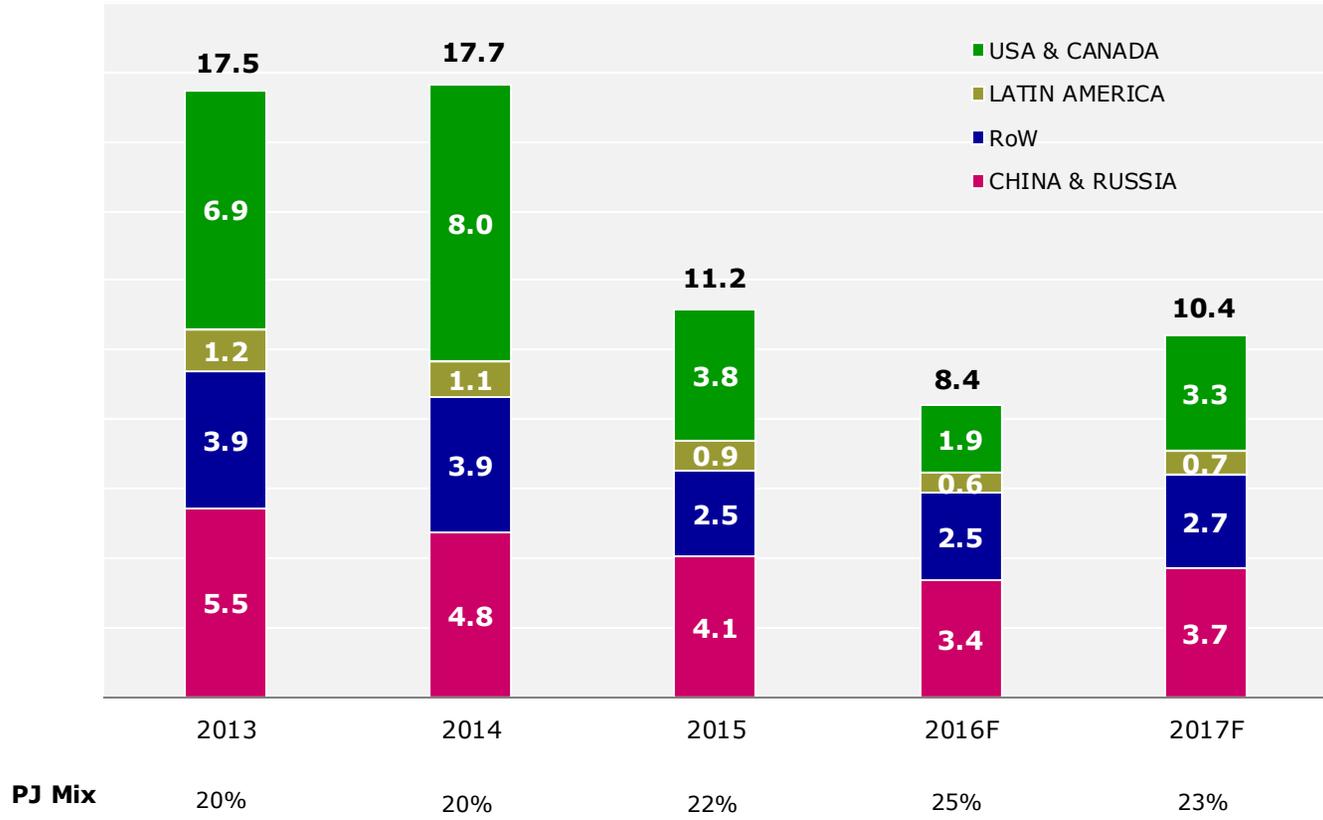
Except where otherwise stated, the data presented herein is based on Tenaris analysis and estimates.

# Market Overview



Source: Rystad + Bloomberg + TS estimates

# OCTG Demand



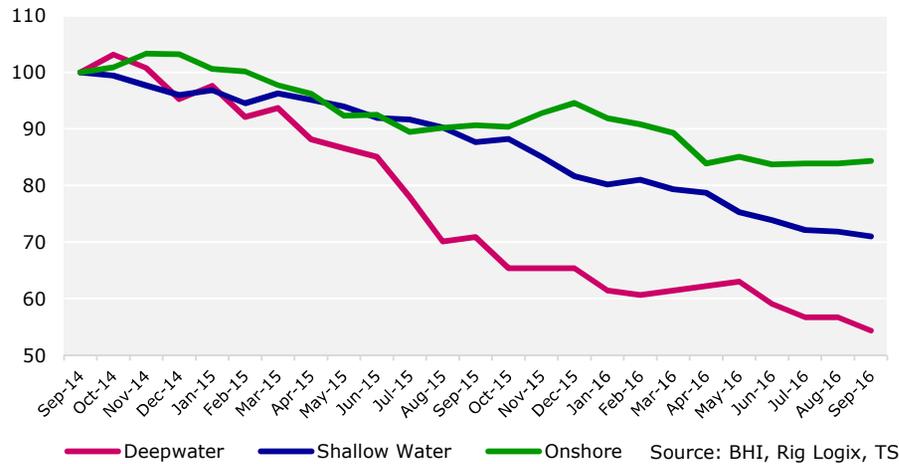
Source: TS estimates

# Strengthening Position in EH

In the most resilient markets



## Rig Activity Evolution



SAUDI ARABIA

Supporting Aramco's plans to double gas production by 2026 and encourage local industrial development



THAILAND

Rig Direct™ for Chevron's shallow water operations

# Strengthening Position in EH

## Capturing new projects



### 2016 YTD EH FIDs

Project	Capex [U\$S bn]
Tengiz Exp (CVX). Kazakhstan	37
Zohr (ENI). Egypt	14
Tangguh Ph2 (BP). Indonesia	8
KG-DWN 98/2 (ONGC). India	5
Greater Enfield (Woodside). Australia	2
Atoll (BP). Egypt	1
Dvalin (DEA). Norway	1

Source: Wood Mackenzie, TS



CVX TENGIZ

Supporting expansion with Dopeless® premium threading facility



ENI ZOHR

Fast track development of major deepwater gas resource 150 Km from shore



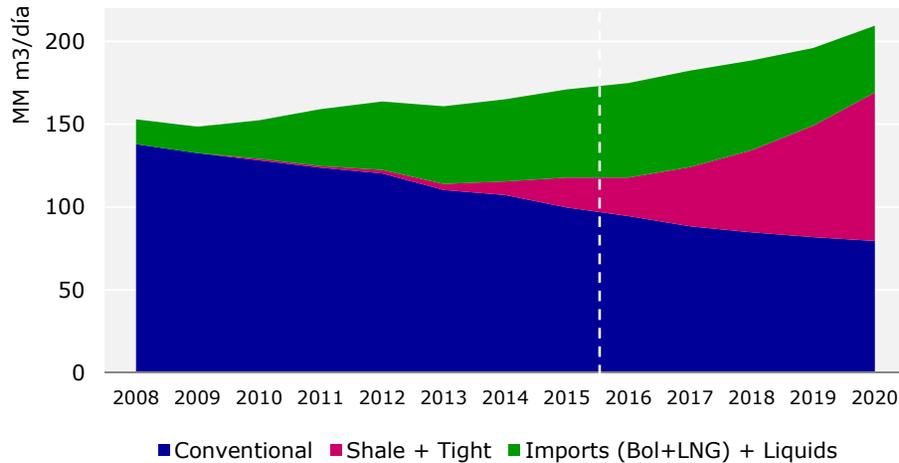
BP TANGGUH

Supporting expansion with local industrial content and chrome and carbon materials

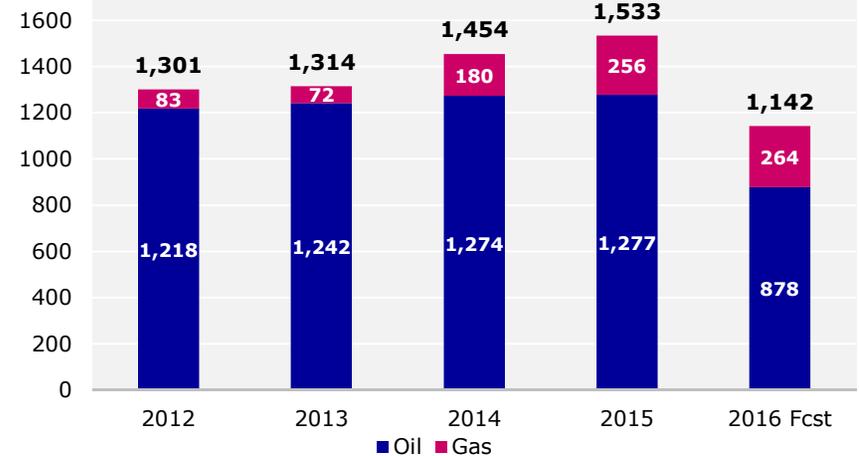
# Argentina and Vaca Muerta



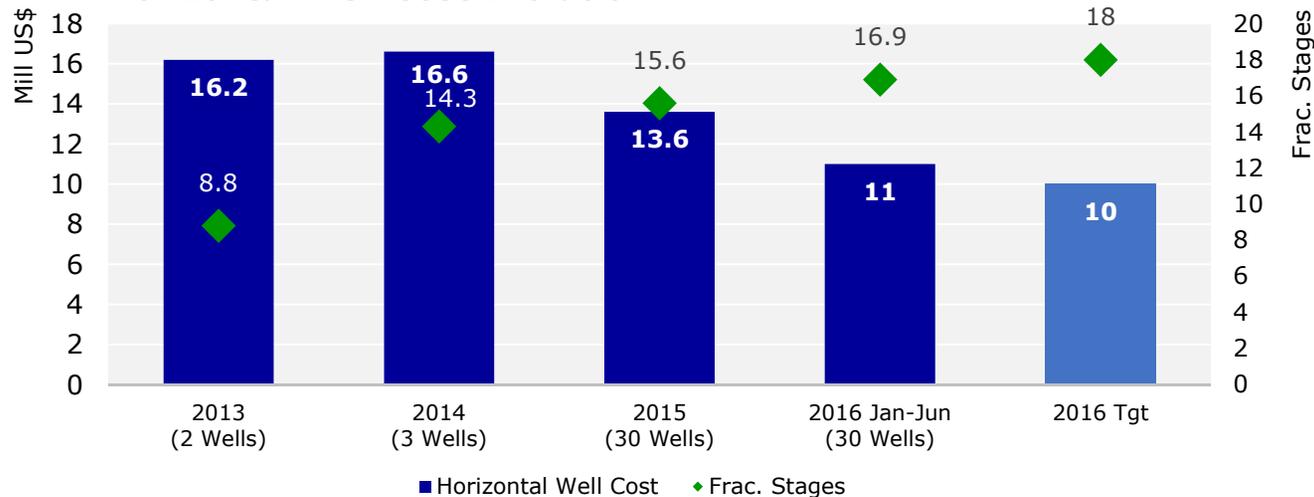
### Argentina Gas Balance



### Argentina Well Evolution



### Horizontal Well Cost Evolution



# Mexico and Energy Reform



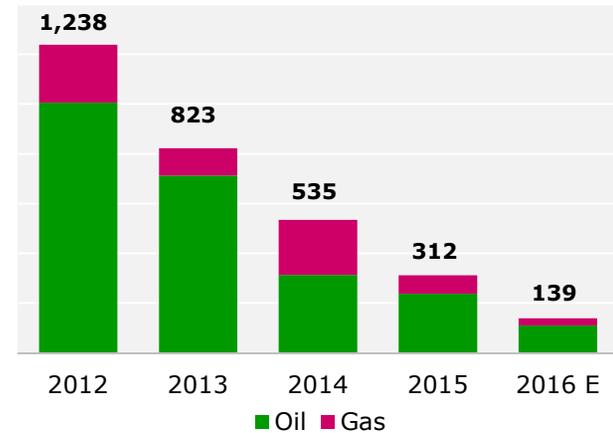
Pemex key figures		2013	2014	2015	2016	2017**
Oil Production	MBD	2,522	2,429	2,262	2,144*	1,925
Gas Production	MMCFD	6,370	6,532	6,442	5,881*	5,048
CAPEX E&P	BILL US\$	25	24	17	11	9

\* 2Q 2016

\*\* Preliminary budget under revision by Mexican Congress.

## Wells Drilled

(# Wells)

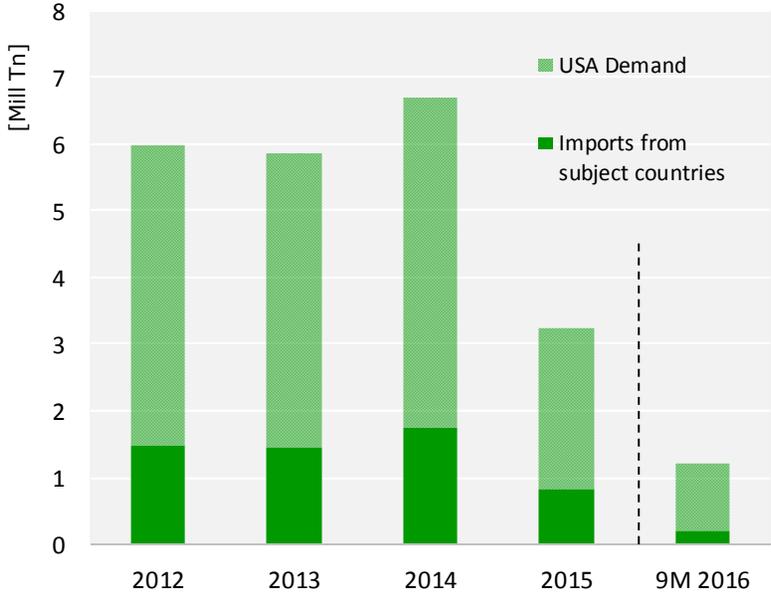


Energy Reform		Type	Blocks Offered	Contract Award	Blocks Awarded	% Awarded
Round One	1.1 Shallow Water	Sharing Contract	14	Jul-15	2	14%
	1.2 Shallow Water		5	Sep-15	3	60%
	1.3 Onshore	License	25	May-16	25	100%
	1.4 Deep Water		10	Dec-16		
Round Two	2.1 Shallow Water	Sharing Contract	15	Mar-17	To be Awarded	
	2.2 Onshore	License	12	Apr-17		
Farm Outs	Trion (Deep Water)	License	1	Dec-17		
	Deep Water		3	TBD		
	Onshore		7			
	Shallow Water		5			
Migrations		TBD	22			
			<b>119</b>			

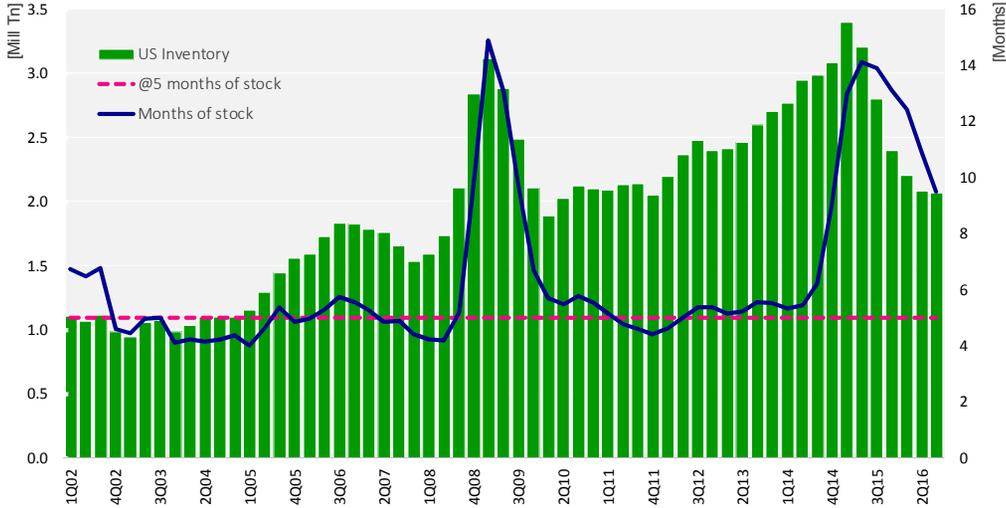
# North America



**USA Demand and Imports**



**USA Inventory**



# Rig Direct™



Integrated solution that addresses costs, quality, operational efficiency and sustainability

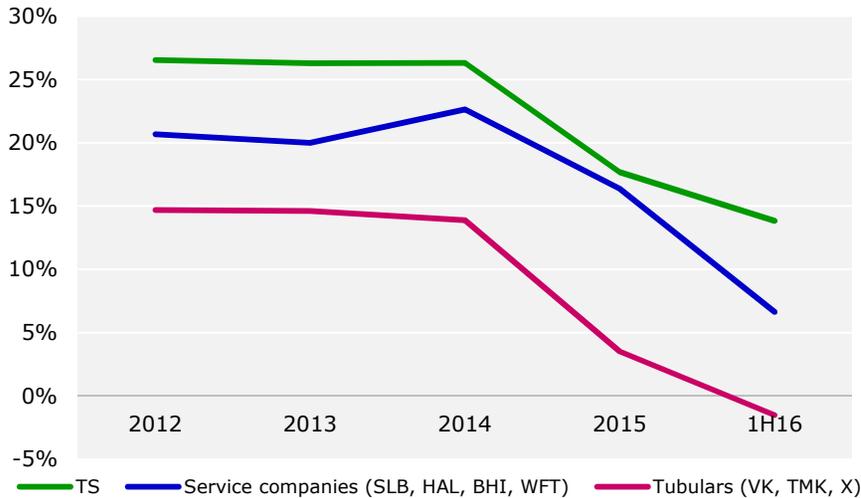


- Product optimization and standardization
- Inventory/working capital reduction
- Operational cost savings and process simplification
- Shorter and more flexible supply chain
- Consistent QHSE management system certified to the highest standards (ISO 9001, OHSAS 18001, ISO 14001)
- Supported by infrastructure investments (Bay City, Midland, Freeport, PipeTracer™)

# Financial Performance

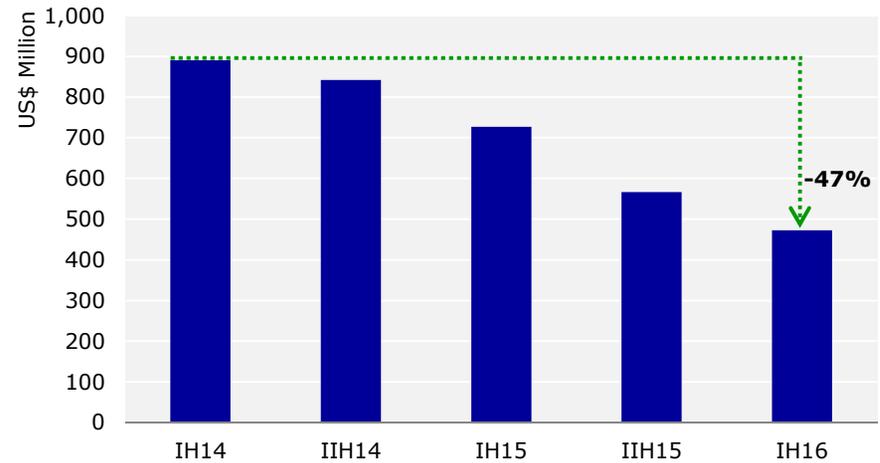


**EBITDA\* Margin**



\* Excluding asset impairments.

**SG&A\***



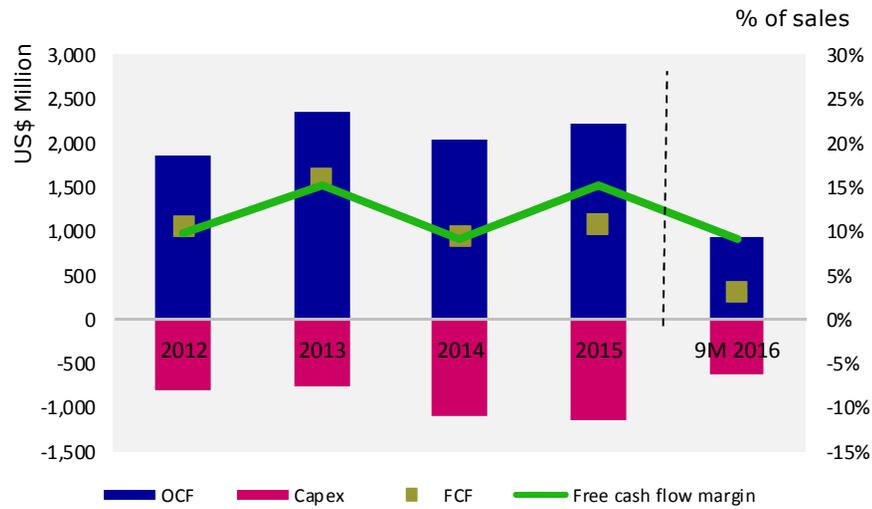
\*SG&A excluding depreciation, amortization and severance charges.

- Leveraging flexibility of global industrial system
- Focus on improving industrial efficiency and procurement
- Adapting fixed cost structure to market conditions

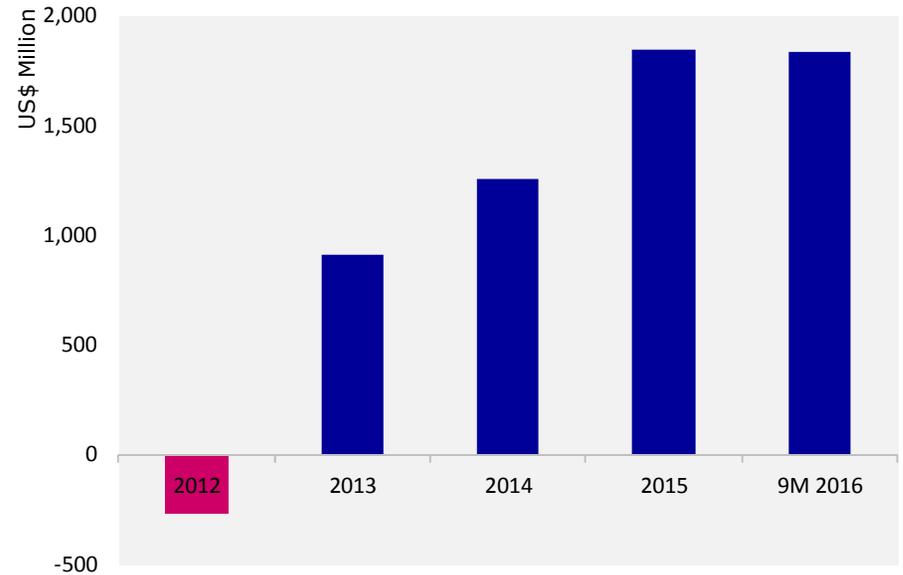
# Focus on Cash



### Cash Flow



### Net Financial Position



# Closing Remarks



- Market conditions are improving: the recovery in oil and gas investment will be gradual and led by North American shales
- Tenaris is uniquely positioned to take advantage in all regions and segments poised for growth
- Rig Direct™ is a game changer for the efficiency, capital discipline and time to market of the oil and gas industry
- Tenaris is leveraging its strengths in product technology, supply chain efficiency and global reach
- Tenaris has maintained a solid balance sheet and good financial performance even at the bottom of the downturn



*Tubular Technologies. Innovative Services.*