

TABOGLU & DEMIRHAN Newsletter

BANKING SECTOR HIGHLIGHTS

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- Pursuant to the dailies, 15 Turkish banks are included in the List of the Biggest Banks in the World of the Banker Magazine. Among these banks, Is Bankasi is considered as the biggest Turkish bank with its share capital amounting to US\$ 8.5 billion and its total actives amounting to US\$ 72.9 billion.

ENERGY MARKET NEWS

- In accordance with the statement of Dogan Group Holding as published in the Public Disclosure Platform, Dogan Enerji, a subsidiary of Dogan Group, has previously started to seek for the establishment of strategic corporations for oil and natural gas prospecting and opportunities regarding potential cooperation. It has been announced that Dogan Enerji has been involved in Erbil research and development, and Khalakan research projects by way of acquiring 50% shares of each of companies that have been established to conduct the said projects. It has been declared that the other shareholders are corporate investors originated in Switzerland and the United Arab Emirates, which do not have any direct/indirect capital and/or management relations with Dogan Group. It has been further stated that the production period concession for the projects are 20 years. It is foreseen that the production in Erbil field will commence in 2011 due to the fact that oil has been stroked. The seismic data and collection operations in Khalakan field will commence in 2009 and will be maintained by way of exploratory shaft in 2010. According to the announcement, an amount of US\$ 80 million, a part of the investment expenses pertaining to the period until the production, will be provided by Dogan Enerji.

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- The tender process regarding 6 oil fields and 2 natural gas fields in Iraq has been commenced on 30 June 2009. 35 companies including the Turkish Petroleum Corporation from 18 countries will make their offers for the tender. The Minister of Petroleum of Iraq stated that the operations for the tender have commenced in 2008 and out of 120 applicants, 35 companies are qualified for the tender. The Minister has informed that the companies will be paid in return for the development of the fields and the oil and natural gas will belong to the Iraq public. The Minister has further stated that by way of the tender, the daily oil production is anticipated to raise from 2 million 400 thousand barrels to 4 million barrels and subsequent to development of all the fields, within 20 years, the daily oil production will reach to 6 million barrels. In the first part of the tender, the companies made their offers for the development of El-Rumeyle oil field in Basra. The Turkish Petroleum Corporation and the other bidding companies will compete for North El-Rumeyle, South El-Rumeyle and Zubeyr oil fields in Basra, El-Fekke, Ebugarb and Bezirgen oil fields in Misan, Beyhasan and Kirkuk oil fields in Kirkuk, Akkas and natural gas field in El-Enmar and Mansuriye natural gas field in Diyale.
- Pursuant to the announcement made by Zorlu Energy Group to the Public Disclosure Platform, the inter group share transfer and cash capital increase will result in a considerable decrease in the consolidated debt amount of the company which enables Zorlu Energy Group to focus on new projects.

Highlights

a. Banking Sector Highlights

b. Energy Market News

c. Telecommunications News

d. Capital Markets Update

e. Privatization Highlights

f. Other News

TELECOMMUNICATIONS NEWS

- As provided by the Number Portability Regulation of the Information and Communication Technologies Authority, fixed line subscribers will be entitled to change their operators as of 10 September 2009. The Regulation has rearranged the guidelines regarding the number portability and has amended and updated the Number Portability Regulation dated 1 February 2007. According to the Regulation, (i) geographic number portability shall be applied without changing the geographic means of the number; (ii) the Authority will determine the principles and procedures to be applied in accordance with the address and service portability obligations; (iii) the Authority, where it deems necessary, will restrict the number of times to apply for number portability in one year for a single number; (iv) the fees of number portability will be determined so as to encourage the subscribers to benefit from such service; (v) the operators shall not require lump sum or periodic payments for the number portability; and (vi) the operators will determine the inter-operator fees in compliance with the regulations. The General Manager of Koc.net has stated that by way of such Regulation the operators are authorized to apply the number portability service; however, the guidelines of such action have not been determined yet and therefore, the Regulation is not clear enough to apply for the operators.

CAPITAL MARKETS UPDATE

- As provided by the Central Registry Agency records, the foreign investors' ratio in the Istanbul Stock Exchange has been realized as 52.69% whereas their market value ratio has been determined as 65.69% as of 26 June 2009.

PRIVATIZATION HIGHLIGHTS

- According to the announcement of the Privatization Administration to the Istanbul Stock Exchange, there exists no process regarding the privatization of shares in Turk Telekom held by the Treasury. The privatization of Turk Telekom shall be realized in compliance with the Law No: 406 on Telegram and Telephone and therefore, the news dated 3 July 2009 stating that the Administration has sent invitation letters to the intermediary institutions and investment banks for the second public offering of Turk Telekom do not reflect the reality.

OTHER NEWS

- Pursuant to the dailies, the Vice President of KPMG Britain has criticized the decision of the Capital Markets Board and the Banking Regulation and Supervision Authority on the obligation of publicly held companies and banks to change the audit firms from which they receive service after a certain period of time. The Vice President has stated that such decision will result in a drop regarding the quality of the audit services. Such decisions of the Board and the Authority will be applicable as of 1 January 2010. The Board has determined the said period as 7 years whereas the Authority has determined it as 8 years.

The aim of this weekly newsletter is to highlight mainly the regulatory changes made by the Turkish Government during the relevant week. The content of this bulletin is limited to those areas Taboglu & Demirhan advises its clients. It contains a general summary of the changes and the areas it covers are broader. Thus, one should not rely on it for specific advice. For further information or advice please contact Taboglu & Demirhan, a full-service law firm based in Istanbul.

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