

TABOGLU, ATES & DEMIRHAN

Newsletter

NEWS RE ENERGY SECTOR

cont'd.

- TPAO, state-owned oil company, is seeking a partner among one of the companies that have obtained licenses to build refineries. The General Manager of TPAO has stated that a partnership, in which TPAO owns 5% to 10% stake, would be more efficient than opening its own refinery.
- Aygaz, having its production facilities in Gebze converted into robotics automation, is aiming to be the biggest bottled gas supplier for the world's largest gas firms. In this context Aygaz has signed the first agreement with a gas company in Germany, which is owned by Total, the French energy conglomerate. The Deputy General Manager of Aygaz has stated that negotiations with BP with respect to the sale of bottled gas in England and France are continuing. He has also added that Aygaz is aiming to make 200,000 bottled gas sales per year through their participation in the gas tender of SHV, the second largest LPG distribution group in Europe.
- Pursuant to the dailies, it is expected that Elektrik Uretim A.S. will reflect the increase in cost, which has occurred due to purchase of electricity from the market at a high cost, to TETAS. According to the calculation made by the Undersecretariat of Treasury and the Ministry of Energy and Natural Resources, it is expected that the average sale price of electricity sold by TETAS to TEDAS will thus be increased to TRY 0.0095 in 2008. Under these circumstances it is expected that the government will increase the price of electricity for at least 10 % in average.
- The Energy Market Regulatory Authority has decided to accept the applications for wind and solar backed energy licenses on 15 October 2007. According to the decision of the Authority dated 6 September 2007, the applications, which are not complete, will not be taken into consideration.

- As stated in the decision of the General Directorate of Petroleum Affairs, published in the Official Gazette on 19 September 2007, the route of Samsun-Ceyhan pipeline has been changed without changing the main features of the previous route. According to the decision, the new route will run through Unye, Akkus, Niksa, Tokat, Yildizeli, Sarkisla, Pinarbasi, Sariz, Tufanbeyli, Saimbeyli, Feke, Kozan, Sumbas, Kadirli, Ceyhan and Yumurtalik. The construction of the project will be performed by Trans Anadolu Petroleum Pipeline Company, a subsidiary of Calik Holding.

- The decision of the Energy Market Regulatory Authority regarding enforcement of administrative fines amounting to TRY 364,637.- for 6 petroleum companies, namely Akturk Petrol, Birbay Petrol, Emay Petrol, Akin Petrol, Penta Petrol and Sonmez Kardesler Petrol, was published in the Official Gazette on 18 September 2007. Accordingly, the Authority has declared that such administrative fines have been imposed for the breach of the petroleum market legislation. The companies are required to pay respective fines in 30 days after the receipt of the notice; however, they may choose to challenge the decision before the Council of State.

TELECOMMUNICATIONS NEWS

- The Telecommunications Board has stated that the tender for the third-generation mobile phone license (3G) was cancelled due to lack of competition. Turkcell was the only bidder in the tender on 7 September 2007, where it has offered Euro 321 million for the A type license. The tender commission cancelled the remaining 3 tenders for B, C, and D type licenses, as there were no other bidders.

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Highlights

a. News re Energy Sector

b. Telecommunication News

c. Privatization Highlights

d. Banking Sector News

e. Other News

PRIVATIZATION HIGHLIGHTS*cont'd.*

- The CEO of Atlantia, the highway operator in Italy, has stated that the Company is interested in the privatization of eight highways and two bridges on the Bosphorus Strait in Turkey, which is expected to be launched in early 2008.
- The Chairman of IC Holding, which has undertaken the operation of the Antalya Airport's international and domestic terminals with its German partner, Fraport, has stated that they intend to participate and succeed in the tender for the operation of Bodrum Airport as well.
- The file of Petkim privatization tender for the sale of its 51% stake has not been submitted by the Turkish Privatization Administration to the Competition Authority yet. The Vice Chairman of the Competition Authority has stated that the Competition Authority will examine the control of TransCentral Asia Petrochemical Holding Joint Venture, which has given the highest bid for the tender, in the oil market and the scope of business of the shareholders of the Company, in Turkey. He has also added that the Authority will render its decision within 10 days after the submission of the file.
- As per the dailies, the approval of the Banking Regulation and Supervision Agency for the sale of Oyakbank to ING Group is awaiting the information regarding the financial relationship of the ING Group with Singapore Technologies Engineering, a mine and cluster bombs producer. The Agency has requested from the National Intelligence Agency to investigate whether or not there is any loan, investment or shareholding connection between ING Group and Singapore Technologies Engineering and its affiliate Singapore Technologies Kinetics.
- Morgan Stanley has announced that its Istanbul office has been established officially. According to the statement made by Morgan Stanley, Istanbul office will have operations in investment banking, capital markets, security market transactions, private capital investment and real estate sector.

OTHER NEWS

- The Board of the Istanbul Stock Exchange has decided to list the shares of Anadolu Efes Biracilik with the nominal value of TRY 337,123,181.37, the shares of Ceylan Giyim with the nominal value of TRY 2,226,830 and the shares of Trakya Cam with the nominal value of TRY 4,140,749.
- The Ministry of Finance has seized BOTAS' receivables to collect the tax due approximately amounting to TRY 700 million. BOTAS has not been able to collect its receivables exceeding TRY 10 billion from Elektrik Uretim A.S. and Ankara Metropolitan Municipality.

BANKING SECTOR NEWS

- According to the announcement made by Garanti Bank to the Istanbul Stock Exchange, Garanti Bank is planning to establish a company, Garanti Financial Services N.V., in the Netherlands to be used for overseas expansion projects. Besides, it is stated in the announcement that another company, Garanti Konut Finansmani Danismanlik, will be established in Turkey for the consultancy and support services to be provided to banks, housing finance and mortgage finance institutions.

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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, Ates & 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, Ates & Demirhan, a full-service law firm based in Istanbul.

TABOGLU, ATEŞ & DEMIRHAN**Attorneys at Law**

Levent Cad. No. 9

1. Levent, 34330, Istanbul, Turkey

E-MAIL: enquiries@taboglu.av.tr

www.taboglu.av.tr

PHONE: (212) 339 8800

FAX: (212) 339 8899