

TABOGLU & DEMIRHAN

Newsletter

ENERGY SECTOR NEWS

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- As per the dailies, an agreement will be signed between Turkey and Bulgaria on the interconnection of both countries' gas systems to facilitate the transportation of Hazar natural gas. Accordingly, the planned pipeline is to be 77 km long and have a transmission capacity of 3 billion m³.
- The Energy Market Regulatory Authority has stated that the application period to obtain permission for the import of natural gas from the West Line as of 1 January 2012 has expired on 23 November 2011. Applications have been submitted within the scope of the gas purchase agreement to be executed with Gazprom.
- As per the information provided in the Public Disclosure Platform, Aksa Enerji has obtained the approval of the Ministry of Energy and Natural Resources for the operation of the fuel oil plant. With such plant, which has a capacity of 30 MW, the operational installed capacity of the Company has reached to 2,036 mW.
- Egemer Elektrik, a subsidiary of Akenerji, has obtained a loan in the amount of US\$ 651 million from Garanti Bankasi, Yapi Kredi Bankasi and Vakifbank with a 12-year maturity. The loan has been obtained for the construction of the combined natural gas cycle power plant located in Hatay/Erzin by a consortium comprising of both local and foreign companies. The plant, which is considered to be Turkey's largest natural gas plant, will increase the installed natural gas capacity of Turkey by 1.7%
- TPAO and Shell have executed an exploration and production sharing agreement covering the Antalya Open Seas and Southeast Anatolia regions. Following the seismic detection in the area, the companies are planning to commence the sounding works.

- As per the report submitted to the Planning and Budget Commission of the Turkish Parliament, first oil well in Iskenderun Bay, Mediterranean will be opened in 2013. With the oil well, it is aimed to reveal the hydrocarbon potential of the region.
- Pursuant to the dailies, Emkat Consortium, who has won the tender regarding the Akdeniz Elektrik Dagitim Bolgesi with a bid in the amount of US\$ 1.1 billion as a result of the withdrawal of Park Grubu and Enerjisa from the tender, is trying to obtain loan for the financing of the project.

BANKING HIGHLIGHTS

- As per the written statement of ING Bank, the Bank will realize a book building for the 5th Principal Investment Protected Sub Fund. The book building period will be finalized on 28 November 2011.
- The Competition Board has initiated an investigation against 12 banks regarding interest rates imposed on loans including consumer and housing loans. The Board will examine whether any cooperation has been made between the banks during the determination of such interest rates.
- As per the statement of Turkiye Sinai ve Kalkinma Bankasi in the Public Disclosure Platform, the Bank has obtained a loan in the amount of US\$ 200 million to be used for financing of the projects regarding renewable energy and energy sufficiency.
- Kuveyt Turk has issued non-interest bearing bonds in the amount of US\$ 350 million for financing the investments and projects.

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Highlights

- a. Energy Sector News
- b. Banking Highlights
- c. Capital Markets Updates
- d. Competition News
- e. Other News

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- As per the dailies, Finansbank, whose major shareholder is the National Bank of Greece, will issue bonds and banking bills in the amount of TL 2 billion with maturities up to 5 years.
- Pursuant to the dailies, Vakifbank has executed a financial protocol with Dogu Marmara Kalkinma Ajansi (Marka), for providing loans to the projects supported by Marka.

CAPITAL MARKETS UPDATES

- As per the dailies, Oyak Cimento has increased its profit by 22% and reached to a profit of TL 183 million within the first 9 months of 2011.
- Pursuant to the information published in the Public Disclosure Platform, Sabanci Holdings, one of the Turkish conglomerates, has increased its stake in Aksigorta through purchase of 90 thousand shares of Aksigorta and reached to 31.04% .
- As per the information provided by Metro Ticari Yatirimlar in the Public Disclosure Platform, the Company has decided to sell the shares of its subsidiary, Metro Turizm, having a nominal value of TL 25 million, through public offering.

COMPETITION NEWS

- The Competition Board has granted permission for the transfer of certain assets of Mobil Oil Turk to Thy Opet Havacilik Yakitlari, as it would not create or strengthen a dominant position as described under the Communiqué Numbered 2010/4 regarding the Mergers and Acquisitions.

OTHER NEWS

- Celebi Holding, who has taken the operation rights of the Bandirma Port for 36 years, will make an investment in the amount of US\$ 70 million. US\$ 20 million of the investment will be used to purchase new equipments and machines and the remaining amount will be used for construction works.
- As per the dailies, the Savings Deposit Insurance Fund has put Kutahya Manyezit Isletmeleri (KUMAS) for sale in order to collect the debts of Zeytinoglu Group. The estimated value of KUMAS, which is considered as the most valuable entity of the Group, is determined as US\$ 320 million.
- As per the dailies, Algida, a subsidiary of Unilever Turkey, will start production in the Konya Organized Industrial Zone (OIZ), which is one of Turkey's most modern OIZs, in April 2013. The amount of the investment will be Euro 70 million. An allocation protocol has been executed between Konya OIZ and Unilever for the realization of such investment.
- Retaj, an investment group based in Qatar, will make an investment in the amount of US\$ 500 million to build hotels in Turkey.
- Turkiye Vagon Sanayi, Turkiye Lokomotif ve Motor Sanayi and Turkiye Demiryolu Makineleri Sanayi have executed a declaration for cooperation in the railway sector. Accordingly, the companies will cooperate in research and development activities, use of corporate capacities and sharing of data, material and service.

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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