

# TABOGLU & DEMIRHAN

## Newsletter

### ENERGY MARKET UPDATES

*cont'd.*

- Pursuant to the dailies, Borusan Mannesmann Boru is preparing for a large investment on production of full-scale oil line pipes. As per the written statement of Borusan, a new facility in Gemlik is intended to be established with the production capacity of 250,000 tones which is anticipated to cost approximately US\$ 90 million. The Company will produce full-scale oil and natural gas line pipes in this facility. The facility will be constructed on the land located in Gemlik Campus of Borusan and is anticipated to launch in 2011.
- The General Directorate of Mineral Research and Exploration of the Ministry of Energy and Natural Resources has put out to tender 16 licensed geothermal areas. The bids for the tenders shall be submitted in a sealed envelop and the tenders shall be realized by bargaining method through negotiations. The specifications can be obtained from the General Directorate by the prospective bidders and the bidders will be requested to deposit bid bonds amounting to between US\$ 15 thousand and US\$ 450 thousand depending on the geothermal area.
- Exxon Mobil and Petrobras have reached settlement with TPAO to perform oil and natural gas exploration activities in Black Sea. Accordingly, Exxon Mobil and Petrobras will each have 25% portion in the exploration license pertaining to Sinop, Ayancik and Carsamba and the remaining 50% will belong to TPAO. It has been further stated that such settlement is in compliance with the agreement executed by and among the Turkish Government and Exxon Mobil and TPAO in November 2008.
- As per the Circular No. 321 of the Istanbul Stock Exchange published on 11 January 2010 in its web-site, subscription fee shall not be collected from new intermediary institutions established in relation to a non-public intermediary institution which applies to the Capital Markets Board to cancel its all licenses and thus ceasing to carry out intermediary activities; provided that such intermediary institution had paid the subscription fee to the Istanbul Stock Exchange at the time of enrollment. In the event that the intermediary institution has not paid a subscription fee when applying for membership to the Istanbul Stock Exchange, then such fee shall be collected from the new intermediary institution.
- Pursuant to the announcement made by Sabanci Holding to the Public Disclosure Platform, the shares representing the capital increase are registered with the Capital Markets Board on 7 January 2010. During the extraordinary general assembly held on 4 January 2010, it has been resolved that Akbank and Avivasa shares held by Ak Sigorta and Akbank shares held by Exsa be contributed in Sabanci Holding as capital in kind by way of partial spin-off and respective capital increase be realized. Further, the shares representing the increased capital shall be allocated to the shareholders of Ak Sigorta and Exsa who are not already shareholders of Sabanci Holding. It has also been stated in the announcement that the shares with TRY 140,403,931 total nominal value corresponding to the increased capital are registered with the Capital Markets Board and the Trade Registry.

### CAPITAL MARKETS NEWS

- Pursuant to the weekly bulletin of the Capital Markets Board, Akenerji and Deva Holding have applied to the Board for the issuance of stocks in the amount of TRY 310,474,000 and TRY 36,000,000, respectively.
- As per the announcement made by Tukas Gida in the Public Disclosure Platform, the production facility of the Company will be put out to tender with an estimated value of TRY 20 million 790 thousand.

*cont'd.*

#### Highlights

a. Energy Market Updates

b. Capital Markets News

c. Privatization Highlights

d. Other News

cont'd.

- The Capital Markets Board has imposed a fine of TRY 115,800 on Goldas Kuyumculuk based on the grounds that the Company did not duly comply with its obligations relating to public disclosures.
- Certain Koc Group companies, namely Ford, Aygaz, Otokar, Turk Traktor and Tat Konserve, have announced that they would use certain portion of the loan obtained by Koc Holding on 23 December 2009.

#### **PRIVATIZATION HIGHLIGHTS**

- The Council of State has decided for stay of execution upon the objection raised by Seker-Is Union with regard to the privatization of Kastamonu, Kirsehir, Turhal, Yozgat, Corum, Carsamba, Elbistan, Elazig, Erzincan and Malatya sugar factories. Seker-Is Union had formerly initiated a lawsuit before the Council of State requesting the cancellation of privatization commission decision finalizing the tender held on 8 December 2009 in relation to the privatization of such sugar factories, owned by Turkseker. In conclusion, the Council of State has decided for stay of execution for both privatization projects and the outcome of cancellation requests placed by Seker-Is will be considered in the following days.

#### **OTHER NEWS**

- Arbel Group, which established the first wheat grain, lentil and macaroni facilities in Mersin and combined its facilities in Canada, Australia and the United States under trade-name of "Alliance Grain Traders", has included its company located in Turkey under the same roof in September 2009.

cont'd.

cont'd.

- The Council of State declined the objection raised by the Tobacco and Alcohol Markets Regulatory Authority to its stay of execution decision with regard to pictorial warnings to be applied on cigarette boxes and decided that the application of such warnings on the cigarette boxes shall be determined in compliance with the relevant regulation. Formerly, British American Tobacco had filed a lawsuit before the Council of State requesting the cancellation and stay of execution of certain parts of the decision adopted by the Authority with regard to "Composite Warnings" arising out of the Regulation on Principles and Procedures regarding Production Method, Labeling and Controlling Intended for Protection from Harms of Tobacco Products. The Council of State had decided for stay of execution of certain parts of the Authority's decision in relation to the composite warnings covering at least 65% of the cigarette boxes.

- As per the statement made by the Russian Ministry of Communications, the permit required for the international associations to be realized between 3 largest mobile operators of Russia with foreign operators shall not be granted. Formerly, OAO Vimpel Communications had disclosed their interest in the Ukrainian operator KYvistar and later to such statement, OAO Megafon, the 3<sup>rd</sup> largest operator in Russia, had disclosed their request to merge with Turkcell.

- In line with the International Direct Investment data of the Undersecretariat of Treasury, net direct investments in Turkey has decreased by 59.2% between January and November 2009, as compared to the same period of the preceding year.

*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.*

### **TABOGLU & DEMIRHAN**

**Attorneys at Law**

Levent Cad. No. 9

1. Levent, 34330, Istanbul, Turkey

E-MAIL: [enquiries@taboglu.av.tr](mailto:enquiries@taboglu.av.tr)

[www.taboglu.av.tr](http://www.taboglu.av.tr)

PHONE: (212) 339 8800

FAX: (212) 339 8899