

Tupras acquired 40 % Opet Shares of Aygaz, leading LPG distribution company in Turkey Because of being the sole refining company in the region which has no integration with retailing and also announcements



EXPLANATION

Because of being the sole refining company in the region which has no integration with retailing and also announcements of various international petroleum companies in order to enter Turkish retailing sector in 2006, Tüpraş has shifted forward its long term targets and decided to enter into the retailing sector with the help of vertical integration opportunity given by the petroleum market law.

In this context, Tüpraş announces today that the Board Members have reached agreement to acquire from Aygaz (a leading LPG Distribution Company) a total of 60,000,000 B group shares each bearing nominal value of YTL 1, representing 40 % of the existing issued share capital in OPET. for a cash consideration of USD 380 million. The transaction consideration was the result of valuation report made by Ernst & Young consulting Firm and submitted on 12 December 2006. The transaction will be completed within the year of 2006 and payment in cash fully.

PRESS RELEASE

Tüpraş is entering petroleum distribution business and becoming an integrated refinery

In order to operate at all levels of the integrated value chain by having a share in the petroleum distribution business similar to other global refineries and benefit from the vertical integration opportunity allowed by the Petroleum Market Law, Tüpraş, one of Europe's largest refineries and Turkey's sole refiner, has made a decision to acquire 40% Opet shares from Aygaz for

US\$380mn. Mr. Erol Memiođlu, President of Koç Holding Energy Group, stated that, as the only refiner in the region which does not own a petroleum distribution company and considering the plans announced by numerous multinational petroleum companies to enter the petroleum distribution market in Turkey, Tüpraş has taken a decision to bring forward its long term plans and enter petroleum distribution business.

Memiođlu added that due to the constraints posed by the sectoral structure in establishing a new distribution network, it was decided to acquire Opet, which is a distribution company with a strong growth potential, from Aygaz. The acquisition will allow Tüpraş to minimize long term risks by diversification, while increasing shareholder value by benefiting from the high growth potential and profitability in petroleum distribution.

Koç Holding announced in their statement that it is their objective to further grow and strengthen their leadership position in the energy sector and the acquisition aims at maximizing the synergies between their energy group companies. Koç Holding stated that, in line with their motto of being closest to the consumer, having direct access to the end consumer will provide Tüpraş with valuable information on the requirements of the market and allow them to provide a better service.

With over 1,200 stations and approximately 14% market share, Opet is the fastest growing distribution company in the Turkish market, where the top 4 companies comprise 83% market share. Following the acquisition, Tüpraş will be able to benefit from Opet's storage and distribution capabilities and expand their coverage in the hinterland area, especially where Tüpraş does not have a refinery. In addition, it will be possible to trade crude oil in exchange of products from those countries which Tüpraş is importing crude oil and distribution companies are exporting products. Furthermore, close coordination and optimization of both companies' imports will result in higher efficiency and cost saving opportunities. Opet's large white product storage capacity and terminal advantages, which are complementary to Tüpraş' facilities, are expected to contribute significantly to Tüpraş' objective of becoming a global player. Tüpraş and Opet will work in coordination in international crude oil and product trading in order to create further value addition.