

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Tüpraş Board of Directors' is making intense efforts to ensure full compliance with Corporate Governance Principles.

PART I: SHAREHOLDERS

Investor Relations Unit

The Investor Relations and Strategic Planning Department together with the Capital Movements Department operating under the Finance Directorate, coordinate their activities to serve shareholders and domestic and foreign institutional investors.

The Investor Relations and Strategic Planning Department answer all questions without prejudice that do not involve the disclosure of commercial secrets. Corporate shareholders of Tüpraş or potential investors enjoy presentations and teleconferences; in addition, they are kept regularly updated via national and international meetings. This ensures effective communication between shareholders and management and allows shareholders to obtain accurate and up-to-date information from the source. Furthermore, attention is paid to ensure that all company-related developments are posted on the Tüpraş website so that the public and the shareholders are up-to-date. The Investor Relations and Strategic Planning Department reports to the Assistant General Manager in charge of Finance.

Main activities of the The Investor Relations and Strategic Planning Department, and the Capital Movements Department operating under the Finance Directorate are:

- Managing capital market activities (Capital Markets Board and ISE relations, capital increases, dividend payments, etc.);
- Ensuring that General Meetings are held in compliance with current legislation and with the company's Articles of Association;
- Implementing and monitoring all activities related to public disclosures.
- Managing the relations among shareholders, domestic and foreign institutional investors, in coordination
- Taking necessary action to ensure, from a single source, coordination for regular, timely and accurate flow of information, which is a legal obligation set forth by the Istanbul and London Stock Exchanges where Tüpraş shares are traded and preparing the documents necessary for the timely delivery, to local and foreign investors, of information concerning material changes in the financial, operational and administrative status of the company;
- Improving the recognition and attractiveness of the company in the international investor community, to highlight its strengths as compared to equivalent refining companies and, using various tools such as road shows, teleconferences, e-mail and fax messages, analyst presentations, direct promotion activities and public announcements, to make Tüpraş a company of choice for organizations investing in emerging markets;
- Providing information to the foreign bank that performs the clearance services of shares traded on the London Stock Exchange, concerning procedures that directly affect shares, such as capital increases, dividend distributions and general meetings and ensuring that these procedures are properly and fully implemented;
- Providing financial and operational data for reports and models prepared by oil industry analysts and ensuring that such reports are controlled and, if necessary, corrected before publication;
- Preparing lists of Tüpraş's existing shareholders and a database containing detailed information on investors, revising this database regularly, and ensuring that all available tools, including external resources, are used to identify potential investors, monitoring material changes in the distribution and transaction volumes of the foreign and local owners of Tüpraş shares traded on the Istanbul Stock Exchange, and notifying top management of such changes, making suggestions whenever necessary;
- Developing and updating presentations to be used in promotional meetings and dissemination activities in Turkey and abroad plus ensuring that the company is ready to respond to investors' questions at such meetings.

Shareholders' Right to Obtain Information

In 2006,20 fund managers from 13 local investment firms and 286 fund managers from 223 foreign investment firms, a total of 306 fund managers and analysts from 236 investment companies visited the. The Investor Relations and Strategic Planning Department or were contacted abroad. At these meetings, the firms concerned and their representatives were given information on the current status and prospects of

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Tüpraş, thus ensuring continued investment in Tüpraş shares.

In addition to these meetings aimed to ensure that shareholders freely exercise their right to obtain information, responses were provided to the many requests for information via e-mail and phone. These requests mainly concerned the amount of dividends, payment dates, times and capital increases. Written answers were prepared for frequently-asked questions and made available on the Investor Relations pages of Tüpraş's website. Also in 2006, a total of 892 shareholder requests concerning dividend coupons (671 requests), bonus issue coupons (138 requests) and share certificate renewals (83 requests) were processed. Shareholders were notified of the General Meeting through announcements in the visual media and letters sent by the company. Shareholders were also provided information on the company through material disclosures submitted to the London Stock Exchange and the Istanbul Stock Exchange, as defined in the Capital Markets Board's relevant communiqué. Information on all disclosures is publicly available on the company's website.

The Articles of Association will be amended to recognize the right to appoint special auditors as an individual right.

General Meeting

Shareholders representing 56.97% of the company's capital attended the 46th. Ordinary General Meeting in 2006, thereby achieving the necessary quorum. A material disclosure was sent to the Istanbul Stock Exchange to announce the meeting to shareholders and institutional investors. Following this disclosure, invitations to the General Meeting were published in the Turkish Commercial Registration Gazette and two high-circulation newspapers. At the General Meetings, booklets featuring the company's annual performance and financial statements were distributed and shareholders exercised their right to ask questions, which were noted by the company.

The company's Articles of Association stipulate that material decisions such as spin-offs, material asset sales, purchases or leases require the approval of the holders of Class C (preferred) shares. Within this context, at the General Meeting, the Privatization Administration representing Class C shares should approve decisions concerning actions that would restrict and/or prevent the procurement of fuels to the Turkish Armed Forces, the closing or sale of any of the refineries, the setting up of any encumbrances on the refineries, the reduction of their capacity by more than 10% and the spinning off, merger and/or liquidation of the company. Decisions in matters other than those mentioned above require the consent of the General Meeting following discussions by the Board of Directors.

Minutes of General Meetings, lists of participants, agendas and announcements are made available to all investors on the Tüpraş website.

The 47th Ordinary General Meeting pertaining to the year 2006 shall be held at the Company Headquarters on 30 April 2007.

Voting Rights and Minority Shareholder Rights

Class C shares (Golden Shares), which are defined in the Articles of Association and held by the Privatization Administration, do not enjoy voting privileges other than in matters described under the General Meeting Information heading and decisions concerning the liquidation of the company. Cumulative voting, which ensures that minority shareholders send their representatives to Board Meetings, is not available in the Articles of Association since such a regulation is thought to hinder the harmonious management of the Company.

The General Meeting will take up the matter once legislation has been passed to prevent abuse through cumulative voting.

Dividend Policy and Timing of Distributions

A balanced and consistent dividend policy has been defined in accordance with Corporate Governance Principles and the company's interests.

To the extent permitted by relevant legislation and the company's investment needs and financial resources, the Board of Directors shall propose the distribution of the entire distributable profit of the company, which shall be approved by the General Meeting.

The company's profit is distributed in accordance with the Turkish Commercial Code and the regulations of the Capital Markets Board, within the timeframe specified by law. No privileges are granted under the Articles of Association in relation to the sharing of the company's profit.

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Transfer of Shares

The transfer of Class A bearer's shares held by Enerji Yatinmlan A.S. is subject to the approval of the Privatization Administration until January 26, 2009. The transfer of other Class A bearer's shares is not subject to any restriction at any time, and the restriction on the transfer of Class A bearer's shares owned by Enerji Yatinmlan A.S. will be lifted on January 26, 2009.

Class C registered shares may be transferred to another state-owned Turkish enterprise having the same authorities granted to the Turkish Privatization Administration under Law No: 4046. In such a case, the transfer shall be immediately entered into the stock ledger without necessitating a Board of Directors decision.

PART II: PUBLIC DISCLOSURES AND TRANSPARENCY

The Disclosure Policy of the Company

The company has adopted a disclosure policy in accordance with the Capital Markets Board's Corporate Governance Principles. This policy stipulates that other than the public disclosures required in accordance with CMB Communiqué Series VIII, No: 39, the following matters also be publicly disclosed whenever the need arises:

- Results of and reports on, the rating study conducted by international rating agencies approved by the Board.
- Changes in legislation applicable to the refining industry that would materially affect the activities and/or the financial position of the enterprise.
- Other changes that could affect share price.

In addition to material disclosures and other activities of the Investor Relations and Strategic Planning Department under the Shareholders' Right to Obtain Information heading, efforts are made to publish analyses and announcements concerning quarterly

activities and financial results. These reports are sent to all members in the company's investor database, including those signing up through the investor membership page on the website. Gross Refining Margins and Mediterranean Region Margins, which are the most important indicators of the company's profitability, are published on the website every month, along with relevant comparative data and the presentations prepared for the meetings with investors are also presented to the public.

Material Disclosures

In 2006, 38 material disclosures were made under the Capital Markets Board's Communiqué Series VIII, No: 39. The Capital Markets Board and the Istanbul Stock Exchange did not request additional explanations regarding these disclosures.

The company's material disclosure obligations pertaining to GDR shares, which have been traded on the London Stock Exchange since April 2000, are managed in coordination with the Istanbul Stock Exchange. All disclosures submitted to the London Stock Exchange have also been made in Turkey. An effort is made to submit material disclosures simultaneously to both stock exchanges, within the limits of the company's obligations in this regard.

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In 2006, the Capital Markets Board did not impose any sanctions on the company due to delays in material disclosures.

The Company's Website and its Content

The company's website can be found at www.tupras.com.tr. Most of the issues mentioned in the CMB's Corporate Governance Principles are available on the website.

All information required to be given under the Corporate Governance Principles heading are available on Tüpraş's website under the headings-Overview, Investor Relations and Media Relations. Upon the completion of the new web site work all this information will be presented under Investor Relations.

Although there is no FAQ section on the website, documents under the Introductory Documents heading provide answers to questions that are frequently asked to the company. The minutes of Board Meetings that contain resolutions that might have an effect on capital market instruments are also available on the website. .

Disclosure of Ultimate Controlling Individual Shareholder(s)

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No individual owns more than 5% of the capital of the company or its subsidiaries. In addition, distribution of the company's shares among corporations is indicated on the website under the heading, Capital Structure.

Disclosure of Potential Insiders

In keeping with the balance sought between transparency and the company's interests, great care is taken regarding the use of information obtained by company employees.

In this context, it is forbidden for the Chairman and Members of Tüpraş Board of Directors, Auditors, employees of the Investor Relations and Finance Directorates and other individuals who are in a position to obtain sensitive information during their employment to use such information for their own benefit or for the benefit of third parties.

The list of individuals who may be in a position to obtain insider information has been disclosed to the public.

not: 31 ARALIK 2006 tarihi itibariyle.

PEOPLE WHO ARE IN A POSITION TO OBTAIN INSIDER INFORMATION

MUSTAFA VEHBİ KOÇ	CHAIRMAN
MEHMET ÖMER KOÇ	VICE CHAIRMAN
F.BÜLEND ÖZAYDINLI	BOARD MEMBER
TEMEL KAMİL ATAY	BOARD MEMBER
EROL MEMİOĞLU	BOARD MEMBER
CÜNEYT AĞCA	BOARD MEMBER
HASAN KÖKTAŞ	PRIV. ADM. GLASS-C REPRESENTATIVE
ALI TARIK UZUN	AUDITOR
İBRAHİM MURAT ÇAĞLAR	AUDITOR
ŞÜKRÜ DİLAVER	AUDITOR
YAVUZ ERKUT	GENERAL MANAGER
GÜROL ACAR	ASISTANT GENERAL MANAGER (PRODUCTION)
YILMAZ BAYRAKTAR	ASISTANT GENERAL MANAGER (HUMAN RESOURCES)
HASAN TAN	ASISTANT GENERAL MANAGER (TRADE)
İBRAHİM YELMEOĞLU	ASISTANT GENERAL MANAGER (FINANCE)
CENGİZ DEMİRTÜRK	ACCOUNTING DIRECTOR
SUPHİ ERGEÇ	FINANCE DIRECTOR
TUNCAY ÖNBİLGİN	INVESTOR RELATIONS AND INFORMATION MANAGEMENT DIRECTOR

PART III: STAKEHOLDERS

Disclosures to Stakeholders

Stakeholders of the company are notified of General Meetings through invitation letters, newspaper announcements and disclosures to the Istanbul Stock Exchange. An attempt is made to include on the website detailed information on conferences, media announcements and presentations, with a view to providing information to stakeholders.

Employees are kept informed at every opportunity through e-mails sent to them by management, or printed materials and announcements.

Participation of Stakeholders in Management

No model is available for stakeholder participation in management.

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Human Resources Policy

As with other companies in the Koç Group, the essence of the human resources policy of Tüpraş is summarized by the motto, "Our most valuable asset is our human resources."
The human resources policy of the company is built along the following principles:

- Job descriptions, the delegation of authorities and performance criteria have been defined by company management and disclosed to employees.
- Hiring criteria are defined and announced in writing; employment decisions are made in accordance with these criteria.
- An attempt is made to use objective criteria in making training, appointment and promotion decisions and to take into account the company's interests in this context.
- It is a top priority to provide training aimed at improving the professional and individual skills of employees and developing individual competencies.
- Employees are provided a safe working environment and efforts are made to continuously improve working conditions.
- Decisions and changes concerning employees are shared with them.
- Employees who have completed five years and multiples of five years in service are rewarded; well-trained, qualified and experienced employees are encouraged to continue working at the company.
- There is no discrimination among employees in any form. Tüpraş employees have not filed complaints with top management regarding discrimination.
- There are no representatives assigned to manage employee relations.

Relations with Customers and Suppliers

Customer Relations:

Tüpraş Quality, Environment, Occupational Health and Safety Management Systems are dedicated to maximizing customer satisfaction.

As a criterion for measuring the performance of the company's management systems, the General Directorate of Tüpraş monitors customer perceptions on matters pertaining to customer satisfaction. The General Directorate has defined a methodology to obtain this information and to use it to achieve targets. In this context, customer surveys are carried out, assessed and targets determined accordingly.

Supplier Relations:

The General Directorate of Tüpraş makes an effort to ensure that the goods and services it purchases comply with predetermined purchasing criteria. It also aims to ensure that the type and detail of the controls imposed on suppliers and goods purchased are regulated by taking into consideration their impact on consecutive production processes and the final product.

The Tüpraş General Directorate evaluates and selects suppliers on the basis of their ability to provide products complying with Tüpraş requirements. Criteria have been defined for selection, evaluation and re-evaluation. Tüpraş keeps records of evaluation results and actions to be taken in response to these.

Social Responsibility

As Turkey's largest industrial enterprise, Tüpraş gives top priority to human health, facility safety, environmental protection and social benefit while realizing its objectives. In addition to continuously improving on its human- and environment-friendly products and services, Tüpraş complies with environmental standards in the conduct of its production in all refineries including Batman, without discriminating against any particular region.

In line with the inevitable need for education for national development, efforts were spent to satisfy all requests of aid and donations from Tüpraş made by schools and educational institutions. Additionally, grants are made to hospitals, entities supporting handicapped citizens, various sports clubs, and arts organizations.

Steps were taken to ensure participation to several social responsibility projects carried out by Koç Holding. Moreover, our Company continues to fulfill its obligations under the "Meslek Lisesi Memleket Meselesi" (Vocational Schools: A Matter of National Importance) campaign initiated by Koç Holding to meet the recently increasing need for qualified staff in industry.

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Steps were also taken to help heal the wounds opened by natural disasters which we hope never happen again not just in regions where our refineries located but in the entire country. Donations of asphalt were made to Batman and Diyarbakir Municipalities for infrastructural repairs in the aftermath of the flood in our country's Southeast Anatolia Region.

Tüpraş aims to maintain its leadership position in the oil industry by meeting its social and environmental responsibilities.

It is an undeniable fact that education plays a crucial role in the progress of a nation. With this in mind, Tüpraş has built schools and has provided educational materials in the provinces where it operates, under the Support to Education project. Tüpraş has built 92 classrooms in four provinces with approximately 3,300 students enrolled at these facilities.

Tüpraş has also set up a library in Rize and a public education center in Izmir. Extra computers and printers are donated to schools in provinces where Tüpraş operates.

In addition to donating vehicles and equipment to university and state hospitals, Tüpraş has also provided support for the establishment of intensive care units and makes its equipment and personnel available in case of a major fire in the region. Thus, Tüpraş makes every effort to meet its social and environmental responsibilities.

PART IV: THE BOARD OF DIRECTORS

Structure and Organization of the Board of Directors; Independent Members

The Board of Directors consists of seven members appointed by the General Meeting. Six board members are elected from among Class A shareholders who have received the highest number of votes at the General Meeting and one member from among the candidates nominated by the Class C shareholder. In the event a Board seat is vacated due to death, resignation or dismissal of a member, this position is filled through an election held by the Board of Directors in accordance with Article 315 of the Turkish Commercial Code. In the event of a vacancy representing Class A shares, the Board of Directors fills the vacant position by holding an election from among candidates nominated by Class A shareholders on the Board. In the event a position representing Class C shares becomes vacant for the above-mentioned reasons, the Board of Directors fills the vacant position by holding an election from among candidates nominated by Class C shareholders on the Board.

Status of Board Members

The minimum criteria required by the company for Board Membership are compatible with the criteria specified in Articles 3.1.2 and 3.1.5 of Part IV of the Capital Markets Board's Corporate Governance Principles.

According to Article 11 of the Articles of Association, Board Membership candidates should not have been legally incapacitated, they themselves or the company they were managing should not have been declared bankrupt or insolvent, they should own an interest in the company and they should not have been convicted of infamous crimes. In cases where persons who are not shareholders of the company are elected members, they may only become a member after becoming a shareholder. The General Meeting may provide consent in the cases described in Articles 334 and 335 of the Turkish Commercial Code.

The minimum conditions required by the company for eligibility to the Board of Directors are not set forth in the Articles of Association in accordance with Article 3.1.1, Part IV of the Capital Markets Board's Corporate Governance Principles.

The Company's Vision, Mission and Values

Vision

Our vision is to be an effective and reliable player in the global petroleum industry most admired for its human resources and performance.

Mission

Our mission is to play an active and leading role in petroleum industry, add value to our shareholders, business partners and the community while supplying domestic needs for oil products.

Values

Honest, transparent and ethical; respectful to people; sensitive to environment; creative and innovative; customer oriented; encouraging employee development; promoting teamwork.

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Financial Control Mechanism

The Board of Directors supervises the activities relating to financial control and auditing essentially through the Committee Responsible for Auditing. While fulfilling its function, the Auditing Committee examines and assesses in detail the reports furnished by the Financial Auditing Department established to review, audit, and report the financial efficiency of our processes. The Committee then provides the Company management with necessary instructions, and submits those reports to the information and approval of the Board of Directors where appropriate. The Board of Directors operates as part and under the coordination of Auditing Committee.

The Financial Auditing Department reviews all business processes of the Company in terms of financial efficiency, tests the appropriateness, effectiveness and implementation levels of the auditing mechanisms relating to those processes, determines measures to be taken to remove failures jointly with operational units, and then reports the results of its work to the Auditing Committee.

Duties and Authorities of Directors and Managers

The Board of Directors is the representing and governing body of the company. It assumes all duties other than those assigned to the General Meeting under the laws and the Articles of Association and is equipped with all authorities required to perform these tasks.

According to Article 319 of the Turkish Commercial Code, the Board of Directors may delegate all or part of its management and representation authority to one or more Board Members, to a Board Member and a general manager or manager(s) who are not Board Members and may set up executive committees made up of members or non-members to perform its duties or exercise its authorities.

Activities of the Board of Directors

At Board Meetings, all opinions voiced in relation to agenda items are indicated in decision texts in the form of meeting minutes.

In matters pertaining to Article 2.17.4, Part IV of the Capital Markets Board's Corporate Governance Principles, Board Members are required to attend meetings in person. However, in urgent matters required by law, this principle is waived. Outside of such matters, the quorum for Board Meetings is five members and decisions require the favorable vote of five members. A member who does not attend four consecutive Board meetings without a valid excuse is deemed to have resigned.

Until the changes in the Articles of Association are approved by the General Shareholders' Meeting to be held in April 30,2007, the Board of Directors convenes at least once a month and whenever the business of the company requires. The place of meetings is the company headquarters. Meetings may be held in another place decided by the Board of Directors. Matters to be discussed at Board Meetings must be indicated in an agenda that is presented to Board Members before the date of the meeting. Invitations to Board meetings must be made at least three days before the actual date of meeting.

The Board of Directors holds regular meetings at least four times a year and with the participation of all its members. These meetings review all operations of the company and decisions are taken on important matters. In addition to these regular meetings, the Board of Directors meets with the attendance of the absolute majority of its members, to take decisions on special matters brought to the Board's attention, or, in accordance with Article 330/2 of the Turkish Commercial Code, the Board may take this decision without actually convening.

The Board of Directors Secretariat draws up agendas of regular meetings after consulting with Board Members as to which decisions have already been taken and which need to be taken in upcoming meeting. Agendas of other types of meetings are determined with reference to matters for which a decision is required by law.

The Board of Directors Secretariat is under the supervision of the Assistant General Manager in charge of Finance.

The Articles of Association do not provide Members of the Board of Directors weighted voting rights or the right to veto.

Dealing with the Company and Non-competition

The General Meeting may provide consent for cases specified in Articles 334 and 335 of the Turkish Commercial Code.

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Rules of Ethics

The company adopts the following rules of business ethics:

- We act honestly in all relations inside and outside the company.
- The company adheres to the Constitution, to laws and regulations.
- We actively participate in improvement efforts in the industry and in the countries or unions of countries where Tüpraş operates.
- We act in compliance with Tüpraş's corporate identity in our dealings with suppliers, contractors and customers.
- We keep abreast of latest developments and act proactively.
- We strive toward the profitability targets of our company.
- We build intellectual capital using information obtained from customers and suppliers.
- In making decisions concerning ongoing processes, we choose the best alternative in terms of timing, competence and environmental conditions, using our experience.
- We maximize customer satisfaction by taking customer complaints and expectations seriously and finding quick and lasting solutions.
- We refrain from acts that would result in our company's violating the values of the communities where we operate.
- We refrain from refusing services that would benefit the company and from delaying or avoiding decisions that would further the company's well-being, for reasons of personal expectations and preferences.
- We do not allow discrimination based on race, religion, language or gender to infiltrate our decision-making mechanisms.
- We support activities to improve Tüpraş's image among stakeholders.

Number, Organization and Independence of Board Committees

An Audit Committee has been established to ensure that the Board performs its duties and responsibilities in a sound manner. No other committee has been formed.

The establishment of a Corporate Governance Committee will be considered in the near future.

Remuneration of Board Members

All rights, benefits and remuneration to which Board Members shall be entitled are determined at the General Meeting.

No loans have been extended to Board Members or managers in any form.