

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD 1 JANUARY - 30 JUNE 2011
TOGETHER WITH AUDITOR'S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)

TURCAS PETROL A.Ş.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AT 30 JUNE 2011**

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**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
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TURCAS PETROL A.Ş.

**CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
AT 30 JUNE 2011 AND 31 DECEMBER 2010**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	30 June 2011	31 December 2010
ASSETS			
Current assets			
Cash and cash equivalents	4	26,063,747	45,882,464
Trade receivables		1,855,281	6,813,869
<i>Trade receivables from related parties</i>	19	488,009	5,243,824
<i>Trade receivables from third parties</i>		1,367,272	1,570,045
Other receivables		35,291,062	140,913
<i>Other receivables from related parties</i>	19	35,287,385	116,884
<i>Other receivables from third parties</i>		3,677	24,029
Other current assets	9	31,957,112	3,762,083
		95,167,202	56,599,329
Assets held for sale		1,098,871	1,098,871
Total currents assets		96,266,073	57,698,200
Non-current assets			
Other receivables		53,942,019	54,509
<i>Trade receivables from related parties</i>	19	53,879,002	-
<i>Other receivables from third parties</i>		63,017	54,509
Financial assets	6	58,240	58,240
Associates	5	490,959,081	496,994,264
Property, plant and equipment		3,742,833	4,081,814
Intangible assets		46,570	65,525
Other non-current assets		3,513,153	2,259,992
Deffered tax assets	17	331,421	-
Total non-current assets		552,593,317	503,514,344
TOTAL ASSETS		648,859,390	561,212,544

These condensed interim consolidated financial statements as at and for the period ended 30 June 2011 have been approved for issue by the Board of Directors on 25 August 2011 and signed on its behalf by Cabbar Yılmaz, Coordination and editor directors and by Nurettin Demircan, Accounting Manager.

The accompanying notes form an integral part of these consolidated financial statements.

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CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH**

TURCAS PETROL A.Ş.

**CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
AT 30 JUNE 2011 AND 31 DECEMBER 2010**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	30 June 2011	31 December 2010
LIABILITIES			
Current liabilities			
Financial liabilities	7	3,621,364	258,930
Trade payables		2,043,845	7,007,726
<i>Trade payables from related parties</i>	19	280,476	238,716
<i>Trade payables from third parties</i>		1,763,369	6,769,010
Other payables		2,709,578	716,502
<i>Trade payables from related parties</i>	19	43,853	184,453
<i>Trade payables from third parties</i>		2,665,725	532,049
Current income tax liabilities	17	2,466,444	-
Provisions		7,615	866,500
Provisions for employee benefits		375,442	234,938
Other current liabilities		8,173	12,626
Total current liabilities		11,232,461	9,097,222
Non-current liabilities			
Financial liabilities	7	81,295,962	529,417
Provisions for employee benefits		415,166	250,319
Other non-current liabilities		3,792,376	3,708,076
Deffered tax liabilities	17	-	19,297
Total non-current liabilities		85,503,504	4,507,109
Shareholders' Equity			
Paid Capital	10	225,000,000	225,000,000
Adjustment to share capital	10	41,247,788	41,247,788
Purchase of treasury shares	10	(22,850,916)	(22,850,916)
Restricted reserves	10	29,863,082	26,996,418
Prior years' income		261,776,097	220,825,272
Net income for the period		17,080,110	56,382,717
Attributable to			
equity holders of the parent		552,116,161	547,601,279
Minority interest		7,264	6,934
Total shareholders' equity		552,123,425	547,608,213
Total liabilities and shareholders' equity		648,859,390	561,212,544

The accompanying notes form an integral part of these condensed interim consolidated financial statement.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH**

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**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF
INCOME FOR THE SIX - MONTH PERIODS ENDED 30 JUNE**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	<i>Notes</i>	<u>Audited</u> 1 January - 30 June 2011	<u>Audited</u> 1 January - 30 June 2010	<u>Not audited</u> 1 April - 30 June 2011	<u>Not audited</u> 1 April - 30 June 2010
Net sales	<i>11</i>	4,960,743	28,037,768	3,493,361	13,025,453
Cost of sales	<i>11</i>	(4,030,883)	(27,415,650)	(2,998,218)	(12,948,892)
Gross profit		929,860	622,118	495,143	76,561
Marketing, selling and distribution expenses		(611,905)	(30,497)	(295,319)	(19,577)
General administrative expenses	<i>12</i>	(4,783,824)	(4,761,675)	(2,797,812)	(2,365,341)
Other income	<i>14</i>	13,302,492	17,175,492	13,239,716	16,646,278
Other expenses		(51,819)	(76,937)	(28,489)	(31,393)
Operating profit		8,784,804	12,928,501	10,613,239	14,306,528
Income from associates	<i>5</i>	15,644,448	36,486,823	271,464	15,763,053
Financial income	<i>15</i>	4,302,583	6,021,437	2,420,258	3,399,182
Financial expenses	<i>16</i>	(9,535,955)	(2,622,059)	(7,934,744)	(1,474,440)
Income before tax		19,195,880	52,814,702	5,370,217	31,994,323
Tax expense					
- Taxes on income	<i>17</i>	(2,466,444)	(3,387,505)	(2,466,444)	(3,369,546)
- Deferred tax income	<i>17</i>	350,718	96,516	92,153	20,509
Net income		17,080,154	49,523,713	2,995,926	28,645,286
Other comprehensive income		-	-	-	-
Total comprehensive income		17,080,154	49,523,713	2,995,926	28,645,286
Distribution of total comprehensive income:					
Equity holders of the parent		17,080,110	49,523,495	2,995,895	28,645,339
Minority interest		44	218	31	(53)
Earnings per share	<i>18</i>	0.08	0.22	0.01	0.13

The accompanying notes form an integral part of these condensed interim consolidated financial statement.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

TURCAS PETROL A.Ş.

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDEDN 30 JUNE 2011 AND 31 DECEMBER 2010**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Paid in capital	Inflation adjustment of capital	Treasury shares	Restricted reserves assorted from profit	Retained Earnings	Net Profit for the year	Equity attributable to equity holders of the parent	Minortiy interest	Total equity
Balances at 1 January 2010	136,500,000	41,247,788	(22,850,916)	24,842,674	296,755,739	27,641,671	504,136,956	5,471	504,142,427
Transfers	-	-	-	2,153,744	25,487,927	(27,641,671)	-	-	-
Capital increase - minority interest	-	-	-	-	-	-	-	1,589	1,589
Dividends paid	-	-	-	-	(12,918,394)	-	(12,918,394)	-	(12,918,394)
Total comprehensive income	-	-	-	-	-	49,523,495	49,523,495	218	49,523,713
Balances at 30 June 2010	136,500,000	41,247,788	(22,850,916)	26,996,418	309,325,272	49,523,495	540,742,057	7,278	540,749,335
Balances at 1 January 2011	225,000,000	41,247,788	(22,850,916)	26,996,418	220,825,272	56,382,717	547,601,279	6,934	547,608,213
Transfers	-	-	-	2,866,664	53,516,053	(56,382,717)	-	-	-
Capital increase - minority interest	-	-	-	-	-	-	-	286	286
Shell Gaz A.Ş. acquisition	-	-	-	-	(1,918,200)	-	(1,918,200)	-	(1,918,200)
Dividends paid	-	-	-	-	(10,647,028)	-	(10,647,028)	-	(10,647,028)
Total comprehensive income	-	-	-	-	-	17,080,110	17,080,110	44	17,080,154
Balances at 30 June 2011	225,000,000	41,247,788	(22,850,916)	29,863,082	261,776,097	17,080,110	552,116,161	7,264	552,123,425

The accompanying notes form an integral part of these condensed interim consolidated financial statement.

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**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENTS FOR THE
INTERIM PERIODS ENDED 30 JUNE 2011 AND 2010**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	30 June 2011	30 June 2010
Operating activities:			
Income before tax		19,195,880	52,814,702
Adjustments to reconcile net cash provided from operating activities to income before taxes			
Depreciation and amortisation	13	639,934	718,800
Provision for employee benefits		164,847	(20,826)
Provision of unused vacation		140,504	135,211
Provision for doubtful receivables		116,606	36,906
Associates	5	(15,644,448)	(36,486,823)
Interest expenses	16	2,057,662	581,905
Interest income	15	(1,578,976)	(2,688,958)
Cash flows from before changes in operating assets and liabilities		5,092,009	15,090,917
<i>Changes in operating assets and liabilities</i>			
Changes in receivables from trade receivables and related parties	19	(49,045,528)	3,542,014
Changes in other receivables and assets		(33,775,471)	59,728
Changes in other payables and liabilities		1,240,855	81,687
Changes in payables from trade payables and related parties	19	(4,963,881)	(4,472,930)
Corporate taxes paid	17	(26,815)	(360,944)
Cash flows from operating activities		(81,478,831)	13,940,472
Investing activities:			
Purchase of tangible and intangible assets		(282,000)	(727,595)
Capital increase in financial assets		-	(30,000)
Associates capital increase	5	(11,061,440)	(17,205,190)
Dividends received	5	-	45,000,000
Cash flows from investing activities		(11,343,440)	27,037,215
Financing activities:			
Increase in bank borrowings	7	84,342,335	3,264,840
Loans paid	7	(213,356)	140,594
Interest received	15	1,618,251	2,473,894
Interest paid	16	(2,057,662)	(581,905)
Dividends paid		(10,647,028)	(12,918,394)
Capital increase-minority interest		286	1,589
Cash flows from financing activities		73,042,826	(7,619,382)
Net decrease in cash and cash equivalents		(19,779,445)	33,358,305
Cash and cash equivalents at the beginning of the period		45,825,298	62,932,961
Cash and cash equivalents at the end of the period	4	26,045,853	96,261,266

The accompanying notes form an integral part of these condensed interim consolidated financial statement.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
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TURCAS PETROL A.Ş.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 30 JUNE 2011**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Turcas Petrol A.Ş. and its subsidiaries (“The Group”) consists of, Turcas Petrol A.Ş. (“The Company”), a total of 5 subsidiaries and 3 associates.

Turcas Petrolcülük A.Ş. was established in 1988 by Türkp petrol Holding and Burmah-Castrol, In 1996, Tabaş Petrolcülük A.Ş. (“Tabaş”) purchased shares of Turcas Petrolcülük A.Ş. resulting in an ownership of 82.16%.

On 30 September 1999, Tabaş merged with Turcas Petrolcülük A.Ş. As a result of the merger, the assets and liabilities of Turcas Petrolcülük A.Ş. were transferred to Tabaş and Turcas Petrolcülük A.Ş. was dissolved. As of the same date, the commercial title of Tabaş was changed to Turcas Petrol A.Ş.

As of July 1, 2006, Turcas Petrol A.Ş. transferred its part of shares to Shell & Turcas Petrol A.Ş. by partial spin-off, 30% shares of Shell & Turcas Petrol A.Ş. were owned by Turcas Petrol A.Ş. and 70% shares of Shell & Turcas Petrol A.Ş. were owned by Shell Company of Turkey Ltd. Since this date, main operations of Turcas Petrol A.Ş.; purchasing, selling, importing, exporting of petroleum products, have been carried by Shell & Turcas Petrol A.Ş. By the decision of the Company’s Board of Directors, the main operations of the Company changed into search, research, production, transportation, distribution, storage, export, import, re-export, and national and international investments about trade in the energy sector and its sub sectors like petroleum, fuel, electricity and natural gas; and to establish new companies and/or to join the management and establishment of the companies that focus on developing new with commercial, industrial, agricultural and financial purposes.

The Company is incorporated in Turkey and the address of the registered office is as follows:

Dikilitaş Mahallesi Emirhan Caddesi No: 109 Beşiktaş/İstanbul.

The shares of the Company are traded on İstanbul Stock Exchange since 1992.

The Company’s main shareholders are Aksoy Holding A.Ş., The capital structure of the Company as of the related balance sheet dates have been provided at Note 10.

The number of employees of the Group as of 30 June 2011 is 39 (31 December 2010: 34).

Subsidiaries	Country	Nature of business
Turcas Enerji Holding A.Ş. (Former Marmara Petrol ve Rafineri İşleri A.Ş.)	Turkey	Fuel Storage
Turcas Elektrik Üretim A.Ş.	Turkey	Electricity
Turcas Elektrik Toptan Satış A.Ş.	Turkey	Electricity
Turcas Gaz Toptan Satış A.Ş.	Turkey	Gas
Turcas Rüzgar Enerji Üretim A.Ş.	Turkey	Electricity

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TURCAS PETROL A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2011

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Associates	Country	Nature of business
Shell & Turcas Petrol A.Ş.(“STAŞ”)	Turkey	Petroleum products
SOCAR & Turcas Enerji A.Ş.(“STEAS”)	Turkey	Energy & petroleum
RWE&Turcas Güney Elektrik Üretim A.Ş.	Turkey	Energy, electricity

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation

Financial reporting standards

The consolidated financial statements of the Group have been prepared in accordance with the accounting and reporting principles published by the CMB, namely “CMB Financial Reporting Standards”. CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with Communiqué No, XI-29, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”). The Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes Communiqué No, XI-25, “The Accounting Standards in the Capital Markets”.According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards (“IAS/IFRS”) endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board (“IASB”) are announced by Turkish Accounting Standards Board (“TASB”). IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards (“TAS/TFRS”) issued by the TASB which are in line with the aforementioned standards shall be considered.

In accordance with the Communiqué No: XI-29, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 34, “Interim Financial Reporting”. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods and prepared the aforementioned condensed consolidated financial statements in compliance with CMB Financial Reporting Standards.

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these consolidated financial statements, the condensed interim consolidated financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB, in accordance with the CMB Financial Reporting Standards which are based on IAS/IFRS. The condensed interim consolidated financial statements and the related notes to them are presented in accordance with the formats recommended by the CMB, with the announcement dated 14 April 2008, including the compulsory disclosures.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

TURCAS PETROL A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2011

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Turcas and its Subsidiaries registered in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and accounting principles issued by the CMB for listed companies. These condensed interim consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB Financial Reporting Standards.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the group’s accounting policies.

Amendments in International Financial Reporting Standards

Standards, amendments and interpretations, effective from 1 January 2011 and adopted by the Group

- IAS 24 (Amendment), “Related party disclosures”;
- IAS 32 (Amendment), “Financial instruments: Presentation)
- IFRIC 14, (Amendment), “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”;
- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”;
- IFRS 1 (Amendment), “First-time Adoption of International Financial Reporting Standards”;
- IFRS 2010 Improvements

The implementation of the standards and interpretations stated above is expected to have no material impact on Company’s condensed interim financial statements in the following years.

Standards, amendments and interpretations to existing standards that are not yet effective as of 30 June 2011 and have not been early adopted by the Company

- IAS 1 (Amendment), “Presentation of Financial Statements”;
- IAS 12 (Amendment), “Income Taxes”;
- IAS 19 (Amendment), “Employee Benefits”;
- IAS 27, “Separate Financial Statements”;
- IAS 28, “Investments in Associates”
- IFRS 1 (Amendment), “First-time Adoption of International Financial Reporting Standards”;
- IFRS 7 (Amendment), “Financial Instruments: Disclosures”;
- IFRS 9, “Financial Instruments”;
- IFRS 10, “Consolidated Financial Statements”;
- IFRS 11, “Joint Arrangements”;
- IFRS 12, “Disclosure of Interest in Other Entities”;
- IFRS 13, “Fair Value Measurement”;

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TURCAS PETROL A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2011

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Group will evaluate the effect of the aforementioned changes within its operations and apply changes starting from 1 July 2011. It is expected that the application of the standards and the interpretations above will not have a significant effect on the consolidated financial statements of the Group.

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in TRY, which is the functional currency of Turcas and the presentation currency of the Group.

Going Concern

Group prepared consolidated financial statements in accordance with the going concern assumption.

Offsetting

Financial assets and liabilities are offset and reported in the net amount when there is a legally enforceable right or when there is an intention to settle the assets and liabilities on a net basis or realise the assets and settle the liabilities simultaneously.

Comparatives and restatement of prior periods’ financial statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current year consolidated financial statements and the significant changes are explained.

2.2 Restatement and errors in the accounting policies and estimates

Material changes in accounting policies or material errors are corrected, retrospectively; by restating the prior year consolidated financial statements. The effect of changes in accounting estimates affecting the current period is recognised in the current period; the effect of changes in accounting estimates affecting current and future periods is recognised in the current and future periods.

2.3 Summary of Significant Accounting Policies

The condensed interim consolidated financial statements of the Group for the period ended 30 June 2011 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2010. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2010.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2011

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING

The reportable segments of Turcas have been organized by management as oil, petrochemicals, electricity and natural gas. The products which are included in oil are lubricants, engine oil and fuel products. Petrochemicals group mainly consists of the production and distribution of thermoplastics and other petrochemicals. Electricity group consists of the production, wholesale and distribution of electricity products. Natural gas group consists of wholesale business of natural gas.

Accounting policies applied by each operational segment of Turcas are the same as those are applied in Turcas's condensed interim consolidated financial statements prepared in accordance with CMB Financial Reporting Standards.

Turcas's reportable segments are strategical business units which presents various products and services. Each of these segments are administrated seperately by the necessity of requiring different technologies and marketing strategies.

Detailed information about each segment is given below. Earnings before interest, tax, depreciation and amortisation (EBITDA) have been taken into consideration for evaluation of the performance of the operational segments. Management considers EBITDA as the most adequate indicator for making comparison with other players in the sector.

- a) Operational segments which have been prepared in accordance with the reportable segments as of 30 June 2011 are as folllows:

	Oil	Petrochemicals	Natural gas**	Electricity	Other*	Total
Revenue out of segments	-	-	-	4,960,743	-	4,960,743
EBITDA	-	-	(122,841)	(357,316)	(3,345,778)	(3,825,935)
Financial income	-	-	365,562	717,713	3,219,308	4,302,583
Financial expense	-	-	(146,619)	(8,549,528)	(839,808)	(9,535,955)
Amortisation and redemption expense	-	-	(189)	(248,636)	(391,109)	(639,934)
Income/(expense) from Associates	16,218,900	-	-	(574,451)	-	15,644,448
Purchase of tangible and intangible asset	-	-	-	238,415	43,585	282,000

- b) Operational segments which have been prepared in accordance with the reportable segments as of 30 June 2010 are as follows:

	Oil	Petrochemicals	Natural gas**	Electricity	Other*	Total
Revenue out of segment	-	-	26,724,943	1,312,825	-	28,037,768
EBITDA	-	-	283,851	(817,639)	(2,917,466)	(3,451,254)
Financial income	-	-	964,187	800,175	4,257,075	6,021,437
Financial expense	-	-	(652,024)	(282,487)	(1,687,548)	(2,622,059)
Amortisation and redemption expense	-	-	-	(297,282)	(421,518)	(718,800)
Income/(expense) from associates	37,618,107	-	-	(1,131,284)	-	36,486,823
Purchase of tangible and intangible asset	-	-	-	1,068	744,799	745,867

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NOTE 3 - SEGMENT REPORTING (Continued)

c) Operational segments which have been prepared in accordance with the industrial segments for the period between 1 April - 30 June 2011 are as follows:

	Oil	Petrochemicals	Natural gas**	Electricity	Other*	Total
Revenue out of segment	-	-	-	3,493,361	-	3,493,361
EBITDA	-	-	(74,284)	(123,127)	(2,154,916)	(2,352,327)
Financial income	-	-	182,221	682,090	1,555,947	2,420,258
Financial expense	-	-	(28,992)	(7,549,005)	(356,747)	(7,934,744)
Amortisation and redemption expense	-	-	(94)	(212,668)	(32,899)	(245,661)
Income/(expense) from associates	583,800	-	-	(312,335)	-	271,464
Purchase of tangible and intangible state asset	-	-	-	140,208	(87,695)	52,513

d) Operational segments which have been prepared in accordance with the reportable segments for the period between 1 April - 30 June 2010 are as follows:

	Oil	Petrochemicals	Natural gas**	Electricity	Other*	Total
Revenue out of segment	-	-	12,290,844	734,609	-	13,025,453
EBITDA	-	-	(246,542)	(376,027)	(1,171,744)	(1,794,313)
Financial Income	-	-	521,649	354,097	2,523,436	3,399,182
Financial Expense	-	-	(427,853)	(221,020)	(825,567)	(1,474,440)
Amortisation and redemption expense	-	-	-	(297,282)	(216,762)	(514,044)
Income/(expense) from associates	16,850,007	-	-	(1,086,954)	-	15,763,053
Purchase of tangible and intangible asset	-	-	-	1,068	620,453	621,521

e) Operating segment information as of 30 June 2011 are shown below:

	Oil	Petrochemicals	Natural gas**	Electricity	Other*	Total
Segment Assets (*)	-	-	38,078,795	51,342,984	68,478,530	157,900,309
Investments valued by equity method	412,045,229	-	-	78,913,852	-	490,959,081
Segment Liabilities	-	-	75,766	85,317,507	11,342,692	96,735,965

f) Operating segment information as of 31 December 2010 are shown below:

	Oil	Petrochemicals	Natural gas**	Electricity	Other*	Total
Segment Assets	-	-	15,220,724	7,046,714	41,950,842	64,218,280
Investments valued by equity method	428,567,400	-	-	68,426,864	-	496,994,264
Segment Liabilities	-	-	5,286,025	915,710	7,402,596	13,604,331

(*) Composed of operations of Turcas Petrol.

(**) Group has ceased its sales operations on this segment temporarily.

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NOTE 3 - SEGMENT REPORTING (Continued)

g) Reconciliation between reportable segment income, EBITDA, assets and liabilities and other significant items are as follows:

	1 January - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2011	1 April - 30 June 2010
Income				
Segment revenue	4,960,743	28,037,768	3,493,361	13,025,453
Consolidated Income	4,960,743	28,037,768	3,493,361	13,025,453
	1 January - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2011	1 April - 30 June 2010
EBITDA				
EBITDA of segment	(480,157)	(533,788)	(197,411)	(622,569)
Other EBITDA	(3,345,778)	(2,917,466)	(2,154,916)	(1,171,744)
Consolidated EBITDA	(3,825,935)	(3,451,254)	(2,352,327)	(1,794,313)
Financial Income	4,302,583	6,021,437	2,420,258	3,399,182
Financial Expense	(9,535,955)	(2,622,059)	(7,934,744)	(1,474,440)
Other Operational Expense	13,250,673	17,098,555	13,211,227	16,614,885
Shares of profit/loss of associates	15,644,448	36,486,823	271,464	15,763,053
Amortisation and redemption	(639,934)	(718,800)	(245,661)	(514,044)
Profit before consolidated tax	19,195,880	52,814,702	5,370,217	31,994,323
			30 June 2011	31 December 2010
Assets				
Segment Assets			89,421,779	15,327,072
Other Assets			42,414,783	3,008,744
Investments valued by equity method			490,959,081	496,994,264
Assets cannot be associated with the segments			26,063,747	45,882,464
Total assets			648,859,390	561,212,544
			30 June 2011	31 December 2010
Liabilities				
Segment Liabilities			85,393,274	6,201,735
Other Liabilities			8,633,113	6,686,094
Liabilities cannot be associated with the segments			2,709,578	716,502
Total Liabilities			96,735,965	13,604,331

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NOTE 4 - CASH AND CASH EQUIVALENTS

	30 June 2011	31 December 2010
Cash	11,275	19,705
Banks		
- time deposit	117,154	15,985,322
- demand deposit	25,935,318	29,877,437
	26,063,747	45,882,464

The maturities of cash and cash equivalents are as follows:

	30 June 2011	31 December 2010
Up to 30 days	26,063,747	45,882,464
	26,063,747	45,882,464

The effective interest rates (%) of time deposits are as follows:

TRY	8.75	7.63
USD	3.40	3.39
EUR	2.50	-

Cash and cash equivalents as of 30 June 2011 ve 31 December 2010, as seen in condensed interim consolidated cash flow statements, are as follows:

	30 June 2011	31 December 2010	30 June 2010	31 December 2009
Cash and cash equivalents	26,063,747	45,882,464	96,506,330	62,979,661
Less: Accrued interest	(17,891)	(57,166)	(215,064)	(46,700)
	26,045,856	45,825,298	96,291,266	62,932,961

The company has no restricted deposits as of 30 June 2011 (31 December 2010: None).

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NOTE 5 - ASSOCIATES

	%	30 June 2011	%	31 December 2010
STAŞ	30.00	442,899,053	30.00	428,567,400
RWE & Turcas Güney Elektrik Üretim A.Ş.	30.00	78,913,852	30.00	68,426,864
STEAŞ	25.00	-	25.00	-
		521,812,905		496,994,264

	30 June 2011	30 June 2010
Balance at the beginning of the period	496,994,264	435,747,202
Incomes and expenses from associates (net)	15,644,448	36,486,823
Dividends received	(30,822,870)	(45,000,000)
Associate capital increase (*)	11,061,439	17,205,190
Shell Gaz A,Ş, alımının etkisi (**)	(1,918,200)	-
Balance at the end of the period	490,959,081	444,439,215

(*) Resulting from capital increase of RWE&Turcas Güney.

(**) STAŞ, one of the group subsidiaries, acquired Shell Gaz Ticaret ve Sanayi A.Ş. on 10 February 2011 in return for USD34,750,000. As the companies are operating under common control before and after the transaction, the transaction in question was evaluated under IFRS 3 "Mergers" and an acquisition method was applied. As a result of the transaction performed under common control, the assets and liabilities of Shell Gaz Ticaret ve Sanayi A.Ş. were reflected to the consolidated financial statements of the Group, together with their registered values. Income statements were also reflected to the consolidated financial statements as of the date of the acquisition. No goodwill was calculated as a result of these transactions. The TL1,918,200 of the difference belonging to the Group composed after the amounts of the contribution and the share in the capital of the acquired company was accounted in the equity capital as "Fund outflow resulting from Shell Gaz A.Ş. acquisition."

STAŞ

STAŞ operates for the sales, purchase, export and import, storage and distribution of each kind of fuel products.

The Shell Company of Turkey Ltd. and Turcas Petrol A.Ş. have established Shell & Turcas Petrol A.Ş. on 1 July 2006 by merging part of their assets. Turcas Petrol A.Ş. owns %30 of the new company. The main fields of activity of Turcas Petrol A.Ş., i.e. purchasing, selling, export and import of petroleum and petroleum products have started to be undertaken by Shell & Turcas Petrol A.Ş. as of 1 July 2006.

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NOTE 5 - ASSOCIATES (Continued)

STAŞ operates for the sales, purchase, export and import, storage and distribution of each kind of fuel products.

The Shell Company of Turkey Ltd. and Turcas Petrol A.Ş. have established Shell & Turcas Petrol A.Ş. on 1 July 2006 by merging part of their assets. Turcas Petrol A.Ş. owns %30 of the new company. The main fields of activity of Turcas Petrol A.Ş., i.e. purchasing, selling, export and import of petroleum and petroleum products have started to be undertaken by Shell & Turcas Petrol A.Ş. as of 1 July 2006.

STAŞ, as one of the most important associates of the group, has generated TRY4,922,799,000 of sales revenue as of 30 June 2011 and continues to strengthen its place in the Turkey's oil & lubricants market. The company maintains its first place in low sulfur diesel and lubricants business, second place in high sulphur diesel business and third place in LPG business with its 977 stations all over the country.

The summarized financial informations of STAŞ, which is an associate of the Group accounted using the equity method is as follows:

STAŞ

	30 June 2011	31 December 2010
Total assets	2,816,514,000	2,465,606,000
Total liabilities	(1,443,030,000)	(1,037,049,000)
Net assets	1,373,484,000	1,428,557,000
The Group's share of net assets	412,045,229	428,567,400
	1 January - 30 June 2011	1 January - 30 June 2010
Net sales revenue	4,922,799,000	4,249,970,282
Net profit for the year	54,063,000	125,393,690
Group's share among period profit	16,218,900	37,618,107

STEAS

The associate of the Group, STEAS, established SOCAR & Turcas Petrokimya A.Ş. owning 99,75% of the shares of the company; and SOCAR & Turcas Petrokimya A.Ş. became the preferred bidder for the specialization of 51% of the shares of Petkim Petrokimya Holding A.Ş. and purchased these shares as of 30 May 2008. The company paid USD1.660.000.000 of the total sale amount of USD 2.040.000.000 to the Privatization Administration as of 28 and 29 May 2008. The remaining portion of USD380.000.000; USD40.000.000 has been paid on 30 May 2010 and remaining USD 340.000.000 has been paid on 30 May 2011.

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NOTE 5 - ASSOCIATES(Continued)

Also in 2008; SOCAR & Turcas Enerji A.Ş. established SOCAR & Turcas Rafineri A.Ş. (“STRAŞ”) owning 99,99% of the shares and this company commenced the necessary studies and applications to establish a petroleum refinery at Petkim Aliğa. Environmental Impact Assessment of the investment have been complete and sent to the Ministry for appreciation. Agreements have been signed with Technip (Italy) and UOP (England) which are among the leading foreign engineering firms of the world for the preliminary engineering studies. Aforementioned refinery will have 10 million tones crude oil capacity and will primarily guarantee the supply of naphta, and to contribute to the operations of Petkim by selling the other petroleum products. Moreover, it will provide supply of other petroleum products those demands have not been fulfilled and are stil being imported.

The summarized financial informations of STEAŞ, which is an associate of the Group accounted using the equity method is as follows:

STEAŞ	30 June 2011	31 December 2010
Total assets	5,715,112,448	5,720,263,712
Total liabilities	(4,633,419,839)	(4,482,407,353)
Minority shareholders	(1,959,885,245)	(1,927,881,497)
Net assets	(878,192,636)	(690,025,138)

The Group’s share of net assets (*) - -

	1 January - 30 June 2011	1 January - 30 June 2010
Net sales revenue	1,942,409,049	1,401,571,730
Comprehensive loss	(183,163,750)	(142,858,496)
Retained losses	(1,079,117,988)	(889,347,825)
The Group’ total share of losses	(45,790,938)	(35,714,624)
The Group’ total share of losses among retained losses	(269,779,497)	(222,336,956)
Valuation effect under the equity method of consolidation (*)	-	-

(*) STEAŞ’s equity has turned negative due to the loss for the period and previous periods losses on interim consolidated financials statements as of 30 June 2011

RWE&Turcas Güney Elektrik Üretim A.S.

	30 June 2011	31 December 2010
Total assets	537,093,242	236,593,984
Total liabilities	(274,047,069)	(8,504,435)
Net assets	263,046,173	228,089,549
The Group’s share of net assets	78,913,852	68,426,864

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NOTE 5 - ASSOCIATES(Continued)

	1 Jan - 30 June 2011	1 Jan - 30 June 2010
Net sales revenue	-	-
Loss for the period	(1,914,839)	(3,801,357)
Group's share of loss for the period	(574,452)	(1,131,284)

Turcas Elektrik Üretim A.Ş., which is 100% in the position of subsidiary due to the direct and indirect shares regarding the electricity generation of Turcas, established two joint ventures, titled RWE & Turcas Güney Elektrik Üretim A.Ş. and RWE & Turcas Kuzey Elektrik Üretim A.Ş. The share Turcas Elektrik A.Ş. has in these companies, founded in 2009, is 30%. RWE & Turcas Güney Elektrik Üretim A.Ş. obtained positive response for its Environmental Impact Statement from the Republic of Turkey Ministry of the Environment and Forestry in 2008 in order to establish and operate a natural gas combined cycle power plant with installed power of 775 MW, and also obtained an Electricity Generation Licence from the Energy Market Regulatory Authority in 2009, and completed the land purchases.

Moreover, for the power plant to be established by RWE & Turcas Güney Elektrik Üretim A.Ş. in Denizli, a turnkey engineering, acquisition and construction contract was signed with the Greek "METKA" firm on 27 October 2009. The construction licence of the power plant was also obtained during the period. In 2010 system connection agreements were finalised with the Turkish Electricity Transmission Corporation and the final decision was reached, and at the end of 2010 loan agreements were signed with West LB, Bayern LB and TSKB under appropriate conditions for the financing of the project. The second phase of the final construction was initiated on 30 April 2010 as planned. The construction of the power plant actually started on 19 July 2010. Agreements for gas provision, usage and connection were signed with BOTAS and Kentgaz, one of the local gas distribution establishment, in 2011.

NOTE 6 - FINANCIAL ASSETS

Available for sale financial assets

	30 June 2011		31 December 2010	
	Participation amount	Participation rate (%)	Participation amount	Participation rate (%)
ATAŞ	13,240	5.00	13,240	5.00
RWE & Turcas Kuzey Elektrik Üretim A.Ş. (*)	45,000	30.00	45,000	30.00
	58,240		58,240	

(*) Since the company is currently non-operating and does not have significant effect on the consolidated financial statements, it has been stated at cost in the financial statements rather than being accounted for by the equity method.

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NOTE 7 - FINANCIAL LIABILITIES

Short-term financial liabilities:

	30 June 2011		
	Yearly average effective interest rate(%)	Original amount	TL
EUR borrowings	6.37	64,835	152,311
TRY borrowings	-	3,469,053	3,469,053
Total short term financial liabilities			3,621,364

Long-term financial liabilities:

	30 June 2011		
	Yearly average effective interest rate(%)	Original amount	TL
EUR borrowings			
- Floating interest rate(*)	2.89	34,380,412	80,766,464
- Fixed interest rate	6.29	225,395	529,498
Total long term financial liabilities			81,295,962
Total financial liabilities			84,917,326

(*) Original amount of loan obtained from consortium of Bayern LB and West LB is TRY111,804,989 (EUR47,592,793). ECA premium of TRY29,639,306 (EUR13,678,207) and management fee of TRY1,399,220 (EUR746,760) have been deducted from original amount. These amounts will be depreciated until the end of loan agreement.

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NOTE 7 – FINANCIAL LIABILITIES (Continued)

Short-term financial liabilities:

	31 December 2011	
	Yearly average effective interest rate(%)	Original amount
		TL
EUR borrowings	6,25	126,363
Total short term financial liabilities		258,930

Long-term financial liabilities:

	31 December 2011	
	Yearly average effective interest rate(%)	Original amount
		TL
EUR borrowings - Fixed interest rate	6,29	258,365
Total long term financial liabilities		529,417
Total financial liabilities		788,347

	30 June 2011	31 December 2010
Short-term financial liabilities	3,621,364	258,930
Long-term financial liabilities	81,295,962	529,417
	84,917,326	788,347

The redemption schedule of financial liabilities is as follows:

	30 June 2011	31 December 2010
2010	-	258,930
2011	3,562,661	363,214
2012	284,775	65,896
2013	4,105,738	70,164
2014	8,151,605	30,143
2015 and after	68,812,547	-
	84,917,326	788,347

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NOTE 7 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of borrowings as of 30 June 2011 according to their contractual repricing dates of the Group is as follows:

	30 June 2011	31 December 2010
1-3 year	7,953,173	502,100
3-5 year	16,307,629	286,247
5-7 year	24,281,336	-
7-10 year	24,250,125	-
10-13 year	12,125,063	-
	84,917,326	788,347

The following is the information compiled regarding the loans made available for the 775 MW Natural Gas Combined Cycle Power Plant investment, currently under construction within the scope of financing corresponding to the share of Turcas Elektrik Üretim A.Ş., an indirect subsidiary of the Group, in the Denizli Project:

- The loan agreement was entered into with the bank consortium composed of Bayerische Landesbank ("Bayern LB") and West Landesbank ("West LB") with respect to the amount EUR149,351,984, with a maturity of 13 years and no-payback period of three years at the interest rate Euribor + 1.65%, under the guarantee of Euler Hermes German Export Loan Agency,
- The loan agreement was entered into with Türkiye Sınai Kalkınma Bankası A.Ş. ("TSKB") with respect to the amount USD55,000,000, with a maturity of 10 years and no-payback period of three years at the interest rate Libor + 3.40%.

The portion EUR47,592,793 of the loan received from the bank consortium formed by Bayern LB and West LB has been utilised as of 30 June 2011, whereas the loan to be made available by TSKB is yet to be utilised.

Turcas Petrol A.Ş. pledged USD77,000,000 to the bank within the scope of the loan agreement signed with TSKB and EUR149,351,984 within the scope of the loan agreement made with Bayern LB and West LB.

As a requirement of the loan agreement signed with West LB and Bayern LB with a view to financing the section corresponding to its part in the Denizli Project, a DSRA Standby Letter of Credit was arranged by Türkiye Garanti Bankası A.Ş. on behalf of Turcas Elektrik Üretim A.Ş. with Bayern LB as the drawee bank in the amount of EUR21,656,038, with maturity ending 15 July 2014. In order to ensure the above standby letter of credit is issued, Turcas Petrol A.Ş. pledged EUR21,656,038.

Within the scope of the Share Pledge Agreements entered into by and between Turcas Enerji Holding A.Ş., Turcas Petrol A.Ş. and Turcas Elektrik Üretim A.Ş., and WestLB, Bayern LB and TSKB, on 11 November 2010 a first degree pledge was established on the shares of Turcas Enerji Holding A.Ş. and Turcas Petrol A.Ş. in Turcas Elektrik Üretim A.Ş. as well as on the shares of Turcas Elektrik Üretim A.Ş. in RWE & Turcas Güney Elektrik Üretim A.Ş. on behalf of WestLB and Bayern LB and TSKB under equal terms and at the rate equalling the share of each bank in the relevant loans.

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NOTE 8 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Contingent Liabilities

Contingent Liabilities related with Turcas

Collaterals, pledges, mortgages (CPM) given by the Group, as of 30 June 2011 and 31 December 2010 are as follows:

CPM's given by the Company (Collateral-Pledge-Mortgage)

	Currency	30 June 2011		31 December 2010	
		Original Amount	TL Amount	Original Amount	TL Amount
A. CPM's given for companies					
Own legal personality	TL	251,061	251,061	126,650	126,650
B. CPM's given on behalf of fully Consolidated companies					
TL	TL	3,528,660	3,528,660	4,787,878	4,787,878
USD	USD	-	-	8,500,000	13,141,000
EUR	EUR	-	-	-	-
C. CPM's given for continuation of its					
D. Economic activities on behalf of third parties(*)					
TL	TL	2,502,000	2,502,000	2,502,000	2,502,000
USD	USD	77,000,000	125,525,400	98,251,000	151,896,046
EUR	EUR	172,508,022	405,255,845	-	-
D. Total amount of other CPM's					
i) Total amount CPM's given on behalf of the majority shareholders		-	-	-	-
ii) Total amount of CPM's given to on behalf of other group companies which are not in scope of B and C		-	-	-	-
iii) Total amount of CPM's given on behalf of third parties which are not in scope of C		-	-	-	-
				537,062,966	172,453,574

(*) As of 30 June 2011, the Company has no obligations as guarantor on behalf of SOCAR & Turcas Petrokimya A.Ş. related to the acquisition of Petkim amounts to USD90,000,000 (31 December 2010: USD90,000,000).

(*) The guarantees given to banks related to the contract signed with Shell Enerji A.Ş. about the purchase of natural gas amounting to USD8,251,000 (31 December 2010: USD8,251,000) has been rendered as of March 2011.

(*) The bail amount is TRY2,502,000 for RWE&Turcas Güney Elektrik Üretim A.Ş. (31 December 2010: TRY2,502,000).

(*) Turcas Elektrik Üretim A.Ş. has entered into a loan agreement for USD55,000,000 with TSKB, with a maturity of 10 years and no repayment of first three years, regarding the loans made available for the 775 MW Natural Gas Combined Cycle Power Plant investment in the Denizli. The amount of total guarantee given to banks by Turcas Petrol A.Ş. is USD77,000,000. As stated in Note 7, as a requirement of the loan agreement signed with West LB and Bayern LB with a view to financing the section corresponding to its part in the Denizli Project, a DSRA Standby Letter of Credit was arranged by Türkiye Garanti Bankası A.Ş. on behalf of Turcas Elektrik Üretim A.Ş. with Bayern LB as the drawee bank in the amount of EUR21,656,038, with maturity ending 15 July 2014. In order to ensure the above standby letter of credit is issued, Turcas Petrol A.Ş. pledged EUR21,656,038. In addition, Turcas Petrol A.Ş. has given a guarantee of EUR1,500,000 to Siemens AG for maintenance of gas tribunes in Denizli Project.

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NOTE 8 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

	30 June 2011	31 December 2010
Mortgage received	2,201,150	2,301,150
Letter of guarantees received	39,195	117,195
Letter of other guarantees received	35,000	-
	2,275,345	2,318,345

Contingent assets and liabilities of Turcas Petrol A.Ş. regarding Shell & Turcas Petrol A.Ş.

- a) If Shell Turkey, decides to hand over its shares in Shell & Turcas A.Ş. to a third party, Turcas will have the right to sell them under the same circumstances and the same price (or if the sale option referred below is applicable, or greater than an amount of USD 150 million). However, if the third party makes an offer to the entire Shell Turkey Joint Venture Company, Shell Turkey can force Turcas to sell its shares under the same conditions and (1) Amount offered for the shares, (2) fair value, or (3) (If Turcas is forced to sell its shares 7 years and 13 days after (or before) the date partial separation took place) whichever is greater than USD 150 million. In this situation, Turcas, will not have to sell its shares if there is an objective reason not to sell its shares.
- b) The indemnification commitments given by Turcas are related to the following liabilities related to these subjects:
- (1) In the event that the responsibility of the Joint Venture Company would be greater if the existing guarantees and other securities are transferred to the Joint Venture Company, indemnification of the sums indebted to the Joint Venture Company by any dealer to the extent that the responsibility of the Joint Venture Company is greater;
 - (2) Re-marking of the retail sale station with "Shell" brand;
 - (3) Regarding the transfer of any right to BP and Total over the land parcel acquired by Turcas in Ambarlı, for which BP and Total has paid 50% for the existing right to Turcas, if the Joint Venture Company is forced to complete such transfer, Turcas is obliged to pay the Joint Venture Company the sum which has the lesser amount: (i) USD1,000,000 and (ii) an amount equal to the current market value of Ambarlı Land as of the transfer date or an amount equal to the income from sale, in both cases the payment shall be made by the Joint Venture Company along with the costs and expenses undertaken regarding the issue;
 - (4) Excluded Turcas assets;
 - (5) Pursuant to the Business Transfer Contract, any Turcas Contract where the debts are transferred to the Joint Venture Company but the right corresponding to the related debts is not transferred to the Joint Venture Company;
 - (6) Any existing liability of Turcas;

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- (7) Any tax relating liabilities to the transfer of the assets of Turcas, relating to the division process to the Joint Venture Company;

There have been no important change except the mentioned ones below regarding the commitment and contingent liabilities of STAŞ between 30 June 2011 and 31 December 2010.

- (8) Matters regarding taxation of Turcas.

The contingent assets and liabilities of the Group related to Shell&Turcas Petrol A.Ş. are follows:

	30 June 2011	31 December 2010
Letters of guarantee given to the customs office	60,388,980	54,176,400
Letters of guarantee given to the EMRA	15,000,000	15,000,000
Letters of guarantee given to the tax office	226,200	226,200
Other	10,614,291	10,289,251
Total	86,229,471	79,691,851

	30 June 2011	31 December 2010
Mortgages taken	211,826,700	191,955,900
Letters of guarantees received	102,901,200	80,856,300
Other guarantees received	7,262,400	7,255,200
Total	321,990,300	280,067,400

Shell&Turcas Petrol A.Ş. has committed to pay TRY 845,000 to the station owners for the station improvement in the periods mentioned below (31 December 2010: TRY 1,124,000).

	30 June 2011	31 December 2010
Within 1 year	28,800	124,200
1-5 years	133,800	158,400
5-14 years	90,900	54,600
	253,500	337,200

According to the environmental laws in effect, Shell & Turcas Petrol A.Ş. (“STAŞ”) is responsible for any environmental pollution that may arise as a result of its operations. In the case that STAŞ causes an environmental pollution, STAŞ may be required to recover the damages. There are no environmental lawsuits claimed against STAŞ as of the balance sheet date, however in the case of abandoning the currently operating terminals in the future, STAŞ may be charged for the soil clean-up costs for these terminals. On the other hand, according to the BCA, any environmental liabilities that have arisen prior to the acquisition date are the responsibility of shareholders. STAŞ is accountable only for the environmental liabilities that occur subsequent to the Acquisition Date. However, STAŞ management does not foresee any liabilities that should be reflected in these consolidated financial statements.

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NOTE 8 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

In compliance with the legislation, the dealers which fulfill the legal Special Consumption Tax Law Article 7/A requirements are allowed to make fuel sales to vehicles carrying export cargos without charging Special Consumption Taxes and Value Added Taxes as per stipulated by the law. In the first quarter of 2009, the tax authorities have completed a tax investigation on the Company’s deliveries related with the exemption covering a period between July 2006 and December 2008. With an interpretation of the tax regulations by the tax authorities exemption with regards to such deliveries are incentives provided to transit vehicles limited to a maximum amount of 550 liter per vehicle and the distributors are jointly responsible with the dealers. As a result of the investigation, the Company has been charged a tax penalty of TL 56 million including penalties and interest charges with respect to portion of sales exceeding the restricted quantity of 550 liter per vehicle.

A conciliation meeting was held between the Company and the tax authorities on 10 June 2009, however the parties could not come to a settlement at the end of the meeting. The Company has filed a lawsuit on 24 June 2009 for the cancellation of the penalty claiming that the 550 liter restriction is valid solely for inbound vehicles entering Turkey and there is no restriction on this incentive for outbound vehicles leaving Turkey; accordingly the Company claims that the conclusion of the tax authority and the related penalty has no legal basis. The Court has not come to verdict as of the date of the issue of these consolidated financial statements, however, the Company management is of the opinion that the likelihood of winning the case is probable and has not recorded any provision with regards to the aforementioned penalty in the consolidated financial statements as of 31 December 2010.

The Turkish Competition Authority (“Authority”) announced in March 2009 that the terms of the loan agreements, equipment agreements, long-term rent agreements or long-term usufruct agreements performed with the dealers aside the dealership agreements must be limited to a period of 5 years within the scope of the Block Exemption Communiqué on Vertical Agreements (Communiqué) dated 14 July 2002. According to the aforementioned announcement, long-term rental agreements and agreements granting long-term usufruct rights that are related to dealership agreements shall not be used to expand the duration of the non-compete obligation in such agreements. In accordance with the Communiqué, the authority also stated that the exemption period for agreements dated prior to 18 September 2005 will expire on 18 September 2010 whereas total effective period for agreements dated after 18 September 2005 will be limited to 5 years.

Since the announcement of the Authority does not provide guidance for recovering the rights previously gained with regards to the agreements extending the fifth year, the Group filed a lawsuit at the 13th Judicial Office of the State Council on 1 June 2009 to cancel the retrospective application of the resolution of the Authority with a demand for a stay of execution. The State Council has not come to verdict yet as of the issue date of these consolidated financial statements and the decision on the stay of execution will be given after the depositions of the administration are taken. Accordingly, a reasonable estimation cannot be made on the outcome of the legal case since the lawsuit is continuing and the company management has not foresee an adverse impact on the consolidated financial statements as of 31 December 2010.

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NOTE 8 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Commitment and contingent liabilities of SOCAR & Turcas Enerji A.Ş regarding acquisition of Petkim

As of 30 May 2008, letters of guarantees amounting to USD 491.750.000 equivalent of TRY743,673,525 has been given to Privatization Administration regarding the acquisition of Petkim by SOCAR & Turcas Petrokimya A.Ş., 100% subsidiary of SOCAR & Turcas Enerji A.Ş. Guarantee cheques amounting to TRY70,000,000 were given to Türkiye Petrol Rafinerileri A.Ş. related to raw material purchases, whereas the letters of guarantee amounting to TRY57,826,473 consist of TRY26,310,215 of letters of guarantee given to the banks for the loans utilized, TRY20,786,000 of letters of guarantee given to the customs, TRY8,780,314 of letters of guarantee given to TETAŞ and TEİAŞ regarding the electricity purchases, TRY1,761,000 of letters of guarantee given to EMRA and the remaining TRY188,944 of letters of guarantee given to other service providers.

With respect to the loan amounting to USD 625 million received by STPAŞ for the acquisition of Petkim; all of the shares of Petkim belonging to STPAŞ have been pledged in favor of the creditor banks.

With respect to the aforementioned credit facility obtained for the acquisition of Petkim shares, there are certain restrictions on the Group related to the distribution of cash and non-cash dividends and related to investment of the dividends received from Petkim. In addition, STEAŞ and its associates have to meet several financial and non-financial covenants. In the event that these covenants are not fulfilled by STEAŞ and its associates, the aforementioned banks have the right to recall the outstanding borrowing. Another requirement brought by the same credit facility is that STEAŞ and its associates have committed to identify and complete the necessary work at Petkim in order to provide compliance of Petkim with the currently effective environmental regulations.

Letters of guarantee given to Administration were provided by STPAŞ based on payment, investment, production and inspection commitments stated in the “Share Sales Agreement”. The aforementioned commitments will be cancelled by the Administration as soon as they have been fulfilled in accordance with the clauses of the “Share Sales Agreement”.

Based on the Share Sales Agreement, STPAŞ has accepted and committed to take the Administration’s approval for any kind of stock transfer that will result in change in controlling interest of Petkim for the following three years after signing the Share Sales Agreement.

STPAŞ has committed to preserve the rights of union member personnel subject to Labor Law Article 4857 and to pay their employment termination benefits (including periods they have worked in other public institutions) along with all other rights they have earned. STPAŞ has accepted and committed that Petkim has the responsibility to compensate for the unused vacation rights of the personnel whose service contracts are still valid and have the right to be transferred to other public institutions as of the effective date of the Share Sales Agreement.

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NOTE 8 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

STPAŞ has accepted and committed to make investments over a certain amount for infrastructure and services for Petkim harbour, increase production capacities of factories and establish new factories for the following three years after the Share Sales Agreement. STPAŞ also has accepted and committed to continue production in the Ethylene Factory and produce a certain amount for at least three years after signing the Share Sales Agreement unless there are unforeseen situations that do not involve STPAŞ.

STPAŞ is responsible for all operations, all unrecorded receivables, payables and liabilities that are related to the period prior to the acquisition of Petkim. STPAŞ has accepted and committed that it has no right of application or rescinding that may result in binding of Administration or Petkim about aforementioned matters. This liability will be valid for continuing share transfers.

Commitment and contingent liabilities of the Group regarding acquisition of Petkim:

	30 June 2011	31 December 2010
Letters of guarantees received	137,056,359	123,060,683
Total letters of guarantees received	137,056,359	123,060,683
Letters of guarantees given for purchase	-	153,600,175
Security cheques given	17,500,000	17,500,000
Letters of guarantees given	13,567,697	10,746,217
Total guarantees given	31,067,697	181,846,392

Commitment and contingent liabilities of Turcas regarding acquisition of RWE & Turcas Güney Elektrik Üretim A.Ş

	30 June 2011	31 December 2010
Letters of guarantees given for EMRA	2,802,000	2,802,000
Other	556,007	-
	3,358,007	2,802,000

	30 June 2011	31 December 2010
Letters of guarantees received (*)	114,268,294	98,053,262
	114,268,294	98,053,262

(*) Letters of guarantees received are mainly consists of the guarantee letters amounting to EUR159,495,000 taken from METKA.

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NOTE 9 - OTHER ASSET AND LIABILITIES

Other current assets

	30 Haziran 2011	31 Aralık 2010
Income accruals(*)	30,822,870	-
Prepaid loan commission	170,639	1,399,220
Deferred VAT	731,696	1,977,438
Prepaid expenses	198,126	66,673
Prepaid taxes	26,837	317,318
Work advances given	6,944	1,434
	31,957,112	3,762,083

(*) STAŞ, one of the associates of the Group, has decided to pay dividends according to Board of Director's resolution; and Group's share of dividends has been received in July 2011. Therefore, dividend of TRY30,822,870 has been booked as income accrual in the financial statements of 30 June 2011.

NOTE 10 - EQUITY

a) Paid in capital

Shareholders	Group	Allocation (%)	30 June 2010	Allocation (%)	31 December 2009
Aksoy Holding A.Ş.	A/C Grubu	51.55	115,979,910	51.55	115,979,910
Public Traded	A Grubu	28.95	65,133,559	28.94	65,118,684
YTC Turizm ve Enerji Ltd. Şti.	A Grubu	4.02	9,054,468	4.02	9,054,468
Suna Baban	A/B Grubu	3.46	7,789,719	3.46	7,789,719
Müeddet Hanzat Öz	A/B Grubu	3.46	7,794,215	3.46	7,794,215
Yılmaz Tecmen	A/B Grubu	2.21	4,968,783	2.21	4,968,783
Other	A/B Grubu	6.35	14,279,346	6.36	14,294,221
Total		100.00	225,000,000	100.00	225,000,000

The issued capital of the Company in 2011 is composed of 225.000.000 shares (2010: 225.000.000 shares). The nominal value of shares is TRY 1 per share.

At least three members of the Board of Directors are elected among the candidates nominated by Group "B" shareholders. At least two members of the Board of Directors are elected among the candidates nominated by Group C shareholders. Group C shareholders have at least forty percent (40%) right, Group A shareholders have the right of nominating and electing three (3) members of the Board of Directors at the General Assembly Meeting where the members of the Board of Directors are elected. However, the remaining members of the Board of Directors are nominated and elected by the Group B shareholders.

One of the two members of the Audit Committee of the Company is elected among the nominees of the Group C shareholders, and the other member is elected among the candidates who are nominated by the majority of the Group B shareholders.

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NOTE 10 - EQUITY (Continued)

At least one of the the Group C shareholders is required to vote in the affirmative for some critical decisions determined in the establishment agreement of the Company.

There is no privilege assigned to any group of shares in terms of dividend distribution.

b) Restricted reserves excepted from profit

	30 June 2011	31 December 2010
Legal Reserves	29,863,083	26,996,418
	29,863,083	26,996,418

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital.

NOTE 11 - SALES AND COST OF SALES

	1 January - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2011	1 April - 30 June 2010
Electricity sales	4,910,916	1,149,584	3,753,166	630,787
Natural gas sales	-	25,613,231	-	11,618,405
Service sales	-	163,241	-	103,822
Other sales	49,827	1,111,712	(259,805)	672,439
	4,960,743	28,037,768	3,493,361	13,025,453

	1 January - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2011	1 April - 30 June 2010
Cost of sales	2,691,886	25,633,496	2,140,781	12,057,728
Transmission capacity and service fee	91,447	270,191	80,639	9,164
Other costs	1,247,550	1,511,963	776,798	882,000
	4,030,883	27,415,650	2,998,218	12,948,892

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NOTE 12 - OPERATING EXPENSES

General administrative expenses

	1 January - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2011	1 April - 30 June 2010
Personnel expenses	1,685,137	1,869,337	1,007,192	901,860
Outsourced services	739,463	811,828	442,983	395,526
Depreciation and amortization expenses	504,924	718,800	110,651	514,044
Travel expenses	387,235	273,104	196,937	170,673
Taxes and other liabilities	276,287	43,362	220,200	25,672
Rent expenses	275,529	273,902	138,331	137,992
Doubtful receivable and other provision expenses	264,155	146,774	264,155	114,646
Repair and maintenance expenses	20,650	219,257	4,565	82,378
Other	630,444	405,311	412,798	22,550
	4,783,824	4,761,675	2,797,812	2,365,341

(*) Outsourced services are composed of consultancy expenses (TRY 327,207), building maintenance expenses (TRY 160,556) and EMRA participation share(TRY24,006) as of 30 June 2011.

NOTE 13 - EXPENSE BY NATURE

	1 January - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2011	1 April - 30 June 2010
Cost of goods	4,030,883	27,415,650	2,998,218	12,948,892
Personnel expenses	2,084,484	1,869,337	1,027,106	901,860
Outsourced services	762,935	811,828	462,278	395,526
Depreciation and amortization expenses	639,934	718,800	245,661	514,044
Travel expenses	422,321	273,104	211,353	170,673
Taxes and other liabilities	279,921	43,362	221,622	25,672
Rent expenses	278,848	273,902	141,650	137,992
Doubtful receivable and other provision expenses	264,155	146,774	128,760	114,646
Repair and maintenance expenses	20,650	219,257	12,220	82,378
Other	642,481	435,808	642,481	42,127
	9,426,612	32,207,822	6,091,349	15,333,810

(*) Outsourced services are composed of consultancy expenses (TRY 327,207), building maintenance expenses (TRY 160,556) and EMRA participation share(TRY24,006) as of 30 June 2011.

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NOTE 14 - OTHER INCOME

Other operating income

	1 January - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2011	1 April - 30 June 2010
Shell Company Joint Venture				
Contract revenue	12,764,169	16,280,680	12,764,169	16,280,680
Service revenue	376,716	380,494	374,553	91,355
Rent income	51,767	201,413	25,691	53,366
Other	109,840	312,905	75,303	220,877
	13,302,492	17,175,492	13,239,716	16,646,278

(*) Joint Venture Contract gives Turcas Petrol A.Ş. the right of reflecting a predefined portion of management expenses to Shell Turkey, in case management expenses charged on STAŞ exceeds a certain amount, by parent company of Shell Turkey.

NOTE 15 - FINANCIAL INCOME

	1 January - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2011	1 April - 30 June 2010
Interest income	2,206,234	2,954,354	1,567,022	2,003,488
Foreign exchange gains	1,578,976	2,688,958	929,026	1,415,458
Deferred financing income	517,373	378,125	(75,790)	(19,764)
	4,302,583	6,021,437	2,420,258	3,399,182

NOTE 16 - FINANCIAL EXPENSE

	1 January - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2011	1 April - 30 June 2010
Foreign exchange losses	(6,810,385)	(2,039,349)	(6,183,350)	(1,434,399)
Interest expenses	(2,057,662)	(157,344)	(1,885,090)	(49,047)
Rediscount interest expenses	(667,908)	(425,366)	133,696	9,006
	(9,535,955)	(2,622,059)	(7,934,744)	(1,474,440)

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NOTE 17 - TAX ASSETS AND LIABILITIES

Liability for Period Income Tax

Current tax liability	30 June 2011	31 December 2010
Corporate tax provision	(2,466,444)	(3,119,707)
Less: Prepaid tax and funds	26,815	3,437,025
	(2,439,629)	317,318

Tax expense is comprised of the following:

	1 January - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2011	1 April - 30 June 2010
Current year corporate tax provision	(2,466,444)	(3,387,505)	(2,466,444)	(3,369,546)
Deferred tax benefit	350,718	96,516	92,153	20,509
	(2,115,726)	(3,290,989)	(2,374,291)	(3,349,037)

Corporate Tax

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

The Group is subject to Turkish corporate taxes. Provision is recognized in the accompanying financial statements for the estimated charge based on the Group's results for the period.

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20% in 2011 (2010: 20%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the profit occurred in the prior years retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. The companies with special accounting periods file their tax returns between 1st-25th of fourth month after fiscal year end.

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 15 %. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Deferred tax assets and liabilities

The Group, recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Financial Reporting Standards and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes.

The rate applied in the calculation of deferred tax assets and liabilities is 20% (2010: %20).

The breakdowns of cumulative temporary differences and the resulting deferred tax assets/liabilities using principal tax rates are as follows:

	Total temporary differences		Deferred tax asset/(liability)	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Tangible and intangible assets	218,939	682,296	43,790	(136,459)
Reducible accumulated losses	(667,140)	(1,048,368)	133,428	209,674
ETB provision	(415,166)	(250,319)	83,033	50,064
Doubtful receivable provision	(151,055)	(151,055)	30,211	30,211
Unused vacation accrual	(375,442)	(234,938)	75,087	46,987
Prepaid commission expenses	170,639	1,098,871	(34,128)	(219,774)
Deferred tax asset (net)			331,421	(19,297)

As of the balance sheet date, the Group has carry forward tax losses amounting to TRY 28,906,555 (31 December 2010: TRY 20,021,270) to be deducted from future profits and has recognized deferred tax assets for the carried forward tax losses amounting to TRY 667,140 (31 December 2010: TRY 1,048,368) for which the Group believes it will utilize in the future. The expiration dates of unrecognized carry forward tax losses are as follows:

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

	30 June 2011	31 December 2010
2011	34,161	34,161
2012	3,301,603	3,301,603
2013	11,081,941	11,081,941
2014	2,128,337	2,128,337
2015	3,475,228	3,475,228
2016	8,885,285	-
	28,906,555	20,021,270

The movement of deferred tax assets and liabilities as of 30 June 2011 and 2010 are as follows:

	30 June 2011	30 June 2010
Opening balance	(19,297)	205,386
Deferred tax income	350,718	96,516
Closing balance	331,421	301,902

The reconciliation of tax expenses stated in consolidated income statements is as follows:

	30 June 2011	30 June 2010
Profit before tax	19,195,880	52,814,702
Tax effect (%)	20%	20%
Tax expense of the Group	(3,839,176)	(10,562,940)
Tax effect of exemptions	1,953,630	2,443,566
Unused portion of retained earning	(1,777,057)	(695,046)
Income from associates	3,128,890	7,297,365
Tax effect of non deductible expenses	(1,817,088)	(2,091,543)
Other	235,075	317,610
Income tax expense	(2,115,726)	(3,290,988)

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NOTE 18 - EARNINGS PER SHARE

At 30 June 2011 and 2010, the weighted average number of shares and earnings per share are as follows:

	1 January - 30 June 2011	1 January - 30 June 2010	1 April - 30 June 2011	1 April - 30 June 2010
Weighted average number of outstanding shares	225,000,000	225,000,000	225,000,000	225,000,000
Net profit of shareholders	17,080,110	49,523,495	2,995,895	28,645,339
Earnings per share	0.08	0.22	0.01	0.13

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Balances with related parties	30 June 2011							
	Receivables				Payables			
	Short term		Long term		Short term		Long term	
	Trade	Other	Trade	Other	Trade	Other	Trade	Other
Associates								
SOCAR & Turcas Enerji A.Ş.(****)	180	11,286,732	-	-	-	-	-	-
Shell&Turcas Petrol A.Ş.(****)	173,078	2,834,264	-	-	-	-	-	-
Socar & Turcas Rafineri A.Ş.	53,269	-	-	-	-	-	-	-
RWE & Turcas Güney Elektrik Üretim A.Ş. (*)	-	-	-	53,879,002	-	-	-	-
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	-	43,853	-	-
Other entities controlled by the main shareholder								
Conrad Yeditepe Beyn. Otelcilik Turz.ve Tic. A.Ş. (***)	261,482	-	-	-	-	-	-	-
Dividend payable to real person shareholders	-	-	-	-	280,476	-	-	-
Aksoy Holding A.Ş. (**)	-	21,166,389	-	-	-	-	-	-
	488,009	35,287,385		53,879,002	280,476	43,853		

- (*) In order to finance the section corresponding to its part in the Denizli Project of RWE & Turcas Güney Elektrik Üretim A.Ş., the Group has entered into a loan agreement with Beyrn LB and West LB. Principal and interest of the loan is reflected to RWE & Turcas Güney Elektrik Üretim A.Ş., as stated in Shareholder Loan Agreement signed on 3 December 2010.
- (**) The Group has collected short-term receivables given to Aksoy Holding A.Ş. on 9 August 2011. In relation with this receivable, interest of TRY33,489 is booked, using current market interest ratio.
- (***) Turcas Elektrik Toptan Satış A.Ş., one of the Group’s associates, sells electricity to Conrad Yeditepe Beynelmillel Otelcilik turizm ve Ticaret A.Ş., as such in other clients, according to sales contract signed between them. This amount has been collected in subsequent period.
- (****) Group has given a loan to Socar Turcas Enerji A.Ş., one of the Group’s associates. In relation with this loan, interest of TRY347,489 is booked, using current market interest ratios.
- (*****) As the date of June 30, 2006, “Partial division” realized between Turcas Petrol Company and Shell Company of Turkey Ltd.. Group became the owner of %30 share of Shell & Turcas Petrol A.Ş. As a result of division the companies has assigned a portion of assets as non-cash capital for newly established Shell & Turcas Petrol A.S. In tax notification which’s arranged by T.C. Ministry of Finance Directorate of Tax Administration-Mecidiyeköy Tax Office on 24 th of August 2010, tax amounting to TRY 5,662,824.48 which equals to VAT of fixed assets that constitutes to “Partial division” and transferred to established partnership, was confirmed to Group. This fine was restructured within the meaning of the law 6111 and Group has paid their own portion and reflected the remaining balance to Shell&Turcas Petrol A.Ş.. Receivables from Shell&Turcas Petrol A.Ş. has collected in subsequent period.

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Transactions with related parties	1 January - 30 June 2011				
	Purchases	Sales	Interest received	Rent income	Other Income
Associates					
SOCAR & Turcas Enerji A.Ş.	-	-	347,489	-	2,065
Shell & Turcas Petrol A.Ş.	117,624	589,235	-	-	2,831,412
SOCAR & Turcas Petrokimya A.Ş.	-	-	2,094	-	-
SOCAR & Turcas Rafineri A.Ş.	-	-	2,679	-	109
Petkim Petrokimya Holding A.Ş.	-	-	-	-	-
RWE & Turcas Güney Elektrik Üretim A.Ş.	-	-	207,121	-	380,231
Other entities controlled by the main shareholder					
Yeditepe Beyn. Otelcilik Turz. ve Tic A.Ş.	-	976,986	-	-	-
Etiler Dış Ticaret Ltdi Şti.	-	-	-	600	-
Aksoy Holding A.Ş.	-	-	338,168	4,283	13,602
Enak Yapı ve Dış Ticaret A.Ş.	-	-	-	600	-
	117,624	1,566,221	897,551	5,483	3,227,419

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES(Continued)

	31 December 2010							
	Receivables				Payables			
	Short term		Long term		Short term		Long term	
Balances with related parties	Trade	Other	Trade	Other	Trade	Other	Trade	Other
Associates								
SOCAR & Turcas Petrokimya A.Ş.	-	66,776	-	-	-	-	-	-
Socar & Turcas Rafineri A.Ş.	-	50,108	-	-	-	-	-	-
Petkim Petrokimya A.Ş.	4,894,434	-	-	-	-	-	-	-
RWE & Turcas Güney Elektrik Üretim A.Ş.	131,952	-	-	-	-	-	-	-
Other entities controlled by the main shareholder								
Yeditepe Beyn. Otelcilik Turz.ve Tic. A.Ş.	217,438	-	-	-	-	-	-	-
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	-	184,453	-	-
Dividend payable to real person shareholders	-	-	-	-	238,716	-	-	-
	5,243,824	116,884	-	-	238,716	184,453	-	-

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Transactions with related parties	1 January - 30 June 2010				
	Purchases	Sales	Interest received	Rent income	Other income
Associates					
SOCAR & Turcas Enerji A.Ş.	-	-	41,753	29,674	149,519
Shell & Turcas Petrol A.Ş.	95,938	-	-	-	45,001,405
SOCAR & Turcas Petrokimya A.Ş.	-	-	67,075	4,931	122,280
SOCAR & Turcas Rafineri A.Ş.	-	-	16,440	4,931	131,735
Other entities controlled by the main shareholder					
Conrad Yeditepe Beyn. Otelcilik Turz. ve Tic A.Ş.	-	1,552,803	-	-	-
Socar Bosphorus Enerji Ve Ticaret Ltd,Şti.	-	-	-	420	-
Etiler Dış Ticaret Ltd, Şti,	-	-	-	2,450	-
Aksoy Holding A.Ş.	-	-	-	2,450	-
Enak Yapı ve Dış Ticaret A.Ş.	-	-	-	2,450	2,556
Petkim Petrokimya Holding A.Ş.	-	28,563,391	-	36,270	234,150
	94,938	30,116,194	125,268	83,576	45,641,645

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES(Continued)

Total compensation provided to key management personnel by the Company during the current period are as follows:

	1 January - 30 June 2011	1 January- 30 June 2010	1 April- 30 June 2011	1 April - 30 June 2010
Salaries and other short term benefits	485,379	338,397	242,830	169,620
	485,379	338,397	242,830	169,620

NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(i) Foreign currency risk management

Foreign currency transactions cause foreign currency risk.

The Group has foreign currency risk, due to the fluctuations in exchange rates used in used in foreign currency transactions. The foreign currency risk arises from future trade transactions, the difference between recorded assets and liabilities. Under such circumstances, the group controls this risk by netting off the foreign currency assets and liabilities. The management analyzes the group's foreign

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**NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

Currency position and takes necessary precautions when needed. The Group is primarily exposed to risks from USD and EUR, other currency's effects are immaterial.

		30 June 2011			
		TRY Equivalent (Functional currency)	US Dollar	Euro	Other
1-	Trade receivables	-	-	-	-
2a-	Monetary financial assets	1,886,440	810,268	240,622	130
2b-	Non-monetary financial assets	-	-	-	-
3-	Other	-	-	-	-
4-	Current assets (1+2+3)	1,886,440	810,268	240,622	130
5-	Trade receivables	-	-	-	-
6a-	Monetary financial assets	-	-	-	-
6b-	Non-monetary financial assets	-	-	-	-
7-	Other	-	-	-	-
8-	Non-current assets (5+6+7)	-	-	-	-
9-	Total Assets (4+8)	1,886,440	810,268	240,622	130
10-	Trade payables	-	-	-	-
11-	Financial liabilities	152,310	-	64,835	-
12a-	Other monetary financial liabilities	-	-	-	-
12b-	Other non-monetary financial liabilities	-	-	-	-
13-	Current Liabilities (10+11+12)	152,310	-	64,835	-
14-	Trade payables	-	-	-	-
15-	Financial liabilities	81,182,852	-	34,605,807	-
16a-	Other monetary financial liabilities	-	-	-	-
16b-	Other non-monetary financial liabilities	1,630,200	1,000,000	-	-
17-	Non-current liabilities (14+15+16)	82,813,052	1,000,000	34,605,807	-
18-	Total liabilities (13+17)	82,965,362	1,000,000	34,670,642	-
19-	Net asset / liability position of off-balance sheet derivatives (19a-19b)	-	-	-	-
19a-	Off-balance sheet foreign currency derivative assets	-	-	-	-
19b-	Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20-	Net foreign currency asset liability position (9-18+19)	(81,078,922)	(189,732)	(34,430,020)	130
21-	Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(81,078,922)	(189,732)	(34,430,020)	130
22-	Fair value of foreign currency hedged financial assets	-	-	-	-
23-	Hedged foreign currency assets	-	-	-	-
24-	Hedged foreign currency liabilities	-	-	-	-
25-	Exports	-	-	-	-
26-	Imports	-	-	-	-

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**NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

		31 December 2010			
		TRY Equivalent (Functional currency)	US Dollar	Euro	Other
1-	Trade receivables	-	-	-	-
2a-	Monetary financial assets	26,320,377	17,019,483	3,732	306
2b-	Non-monetary financial assets	-	-	-	-
3-	Other	-	-	-	-
4-	Current Assets (1+2+3)	26,320,377	17,019,483	3,732	306
5-	Trade receivables	-	-	-	-
6a-	Monetary financial assets	-	-	-	-
6b-	Non-monetary financial assets	-	-	-	-
7-	Other	-	-	-	-
8-	Non-current assets (5+6+7)	-	-	-	-
9-	Total assets (4+8)	26,320,377	17,019,483	3,732	306
10-	Trade payables	-	-	-	-
11-	Financial liabilities	502,100	-	245,034	-
12a-	Other monetary financial liabilities	-	-	-	-
12b-	Other non-monetary financial liabilities	-	-	-	-
13-	Current Liabilities (10+11+12)	502,100	-	245,034	-
14-	Trade payables	-	-	-	-
15-	Financial liabilities	588,020	-	286,965	-
16a-	Other monetary financial liabilities	-	-	-	-
16b-	Other non-monetary financial liabilities	1,547,855	1,001,200	-	-
17-	Non-current liabilities (14+15+16)	2,135,875	1,001,200	286,965	-
18-	Total liabilities (13+17)	2,637,975	1,001,200	531,999	-
19-	Net asset / liability position of off-balance sheet derivatives (19a-19b)	-	-	-	-
19a-	Off-balance sheet foreign currency derivative assets				
19b-	Off-balance sheet foreign currency derivative liabilities				
20-	Net foreign currency asset liability position yükümlülük pozisyonu (9-18+19)	23,682,402	16,018,283	(528,267)	306
21-	Net foreign currency asset / liability position monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	25,230,258	17,019,483	(528,267)	306
22-	Fair value of foreign currency hedged financial assets	-	-	-	-
23-	Hedged foreign currency assets	-	-	-	-
24-	Hedged foreign currency liabilities	-	-	-	-
25-	Exports	-	-	-	-
26-	Imports	-	-	-	-

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NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Foreign currency sensitivity

	30 June 2011			
	Gain/(Loss)		Equity	
	Appreciation of Foreign currency	Devaluation of Foreign currency	Appreciation of Foreign currency	Devaluation of Foreign currency
+/-10% fluctuation of USD rate				
1- US Dollar net asset / liability	(30,930)	30,930	(30,930)	30,930
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- US Dollar net effect (1+2)	(30,930)	30,930	(30,930)	30,930
+/-10% fluctuation of EUR rate				
4- Euro net asset / liability	(7,976,989)	7,976,989	(7,976,989)	7,976,989
5- Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	(7,976,989)	7,976,989	(7,976,989)	7,976,989
+/-10% fluctuation of other rates				
7- Other foreign exchange net asset / liability	27	(27)	27	(27)
8- Part of hedged from foreign exchange risk (-)	-	-	-	-
9- Net effect (7+8)	27	(27)	27	(27)
Total (3+6+9)	(8,007,892)	8,007,892	(8,007,892)	8,007,892
31 December 2010				
	Gain/(Loss)		Equity	
	Appreciation of Foreign currency	Devaluation of Foreign currency	Appreciation of Foreign currency	Devaluation of Foreign currency
+/-10% fluctuation of USD rate				
1- US Dollar net asset / liability	2,476,427	(2,476,427)	2,476,427	(2,476,427)
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- US Dollar net effect (1+2)	2,476,427	(2,476,427)	2,476,427	(2,476,427)
+/-10% fluctuation of EUR rate				
4- Euro net asset / liability	(108,248)	108,248	(108,248)	108,248
5- Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	(108,248)	108,248	(108,248)	108,248
+/-10% fluctuation of other rates				
7- Other foreign exchange net asset / liability	61	(61)	61	(61)
8- Part of hedged from foreign exchange risk (-)	-	-	-	-
9- Net effect (7+8)	61	(61)	61	(61)
Total (3+6+9)	2,368,240	(2,368,240)	2,368,240	(2,368,240)

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NOTE 21 - SUBSEQUENT EVENTS

- a) Turcas Rüzgar Enerji Üretim A.Ş., 100% subsidiary of the Group, has obtained a license to research geothermal resources based on renewable resources such as wind, geothermal, water, solar to make investments on electricity production located in Denizli.
- b) Turcas Rüzgar Enerji Üretim A.Ş., 100% subsidiary of the Group, has obtained licenses to research geothermal resources based on renewable resources such as wind, geothermal, water, solar to make investments on electricity production at 3 sites located in Aydın (Koçarlı, Kuyucak) and İzmir (Dikili).
- c) The Company signed a long-term loan agreement amounting to USD1 billion with Credit Suisse Bank on 15 August 2011 in order to restructure and expand the loan amounting to USD625 million that Socar&Turcas Petrokimya A.Ş. (“STPAS”), a 25% subsidiary of the Company, obtained from Akbank and Garanti Bank while acquiring the shares of Petkim Petrokimya Holding A.Ş. (“PETKİM ”) and the short-term loans used for the financing of the payment of USD380 million made to the Directorate of the Privatisation Administration in the last two years. In this context, the pledge by Akbank T.A.S. (Malta Branch) implemented on the share STPAS has in the capital of PETKİM (51%) pursuant to the Loan and Guarantee Agreement signed on 29 May 2008 was released and in accordance with the Loan Refinancing and Guarantee Agreements signed on 15 August 2011 by STPAS, a pledge in favour of Akbank T.A.S. and other creditors was applied on 11,000,000,000 Group A and 40,000,000,000 Group B shares representing 51% of the capital of PETKİM owned by STPAS and according to the guarantee agreements, a pledge shall be applied to 2,351,893,432 Group A shares representing 2.35% of the capital of PETKİM owned by SOCAR & TURCAS Enerji A.Ş. (“STEAS”) in favour of Credit Suisse Securities (Europe) Limited and Credit Suisse International.

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