

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2015**

**(ORIGINALLY ISSUED IN TURKISH)**

**TURCAS PETROL A.Ş.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2015**

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**TURCAS PETROL A.Ş.****CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED  
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION  
AT 30 SEPTEMBER 2015 AND 31 DECEMBER 2014**

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

	Notes	Not Reviewed 30 September 2015	Audited 31 December 2014
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	189,482,555	193,719,985
Financial assets	5	7,721,716	7,774,969
Trade receivables		590,258	5,561,889
-Trade receivables from related parties	18	-	218,224
-Trade receivables from third parties		590,258	5,343,665
Other receivables		52,908,410	44,442,208
-Other receivables from related parties	18	52,761,096	44,213,731
-Other receivables from third parties		147,314	228,477
Prepaid expenses		1,584,187	1,573,960
Current income tax assets	16	-	278,558
Other current assets		57,429,553	7,190,824
		<b>309,716,679</b>	<b>260,542,393</b>
Assets held for sale		-	246,953
<b>Total Currents Assets</b>		<b>309,716,679</b>	<b>260,789,346</b>
<b>Non-current assets</b>			
Other receivables		310,304,702	302,185,867
-Trade receivables from related parties	18	310,266,494	302,109,988
-Other receivables from third parties		38,208	75,879
Financial assets	5	63,240	63,240
Investments accounted by equity method	7	476,645,196	498,513,898
Property, plant and equipment		19,542,297	20,105,490
Intangible assets		12,127	4,733
Deferred tax assets	16	27,430,798	11,951,345
Other non-current assets		1,776,578	4,018,182
<b>Total Non-Current Assets</b>		<b>835,774,938</b>	<b>836,842,755</b>
<b>Total Assets</b>		<b>1,145,491,617</b>	<b>1,097,632,101</b>

These condensed interim consolidated financial statements as at and for the period ended 30 September 2015 have been approved for issue by the Board of Directors ("BoD") on 6 November 2015 and signed on behalf of the BoD by Erkan İlhanterkin, Finance Director (CFO) and Nurettin Demircan, Accounting Manager.

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

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED  
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION  
AT 30 SEPTEMBER 2015 AND 31 DECEMBER 2014**

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

	Notes	Not Reviewed 30 September 2015	Audited 31 December 2014
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities	6	86,407,423	52,912,203
-Short-term portion of long term financial liabilities		86,407,423	52,912,203
Trade payables		523,669	6,309,794
-Trade payables from related parties	18	-	3,602,170
-Trade payables from third parties		523,669	2,707,624
Other payables		976,349	4,487,900
-Trade payables from related parties	18	356,585	418,430
-Trade payables from third parties		619,764	4,069,470
Current income tax liabilities	16	3,377,852	579,951
Short term provisions		457,654	556,204
-Short-term provisions related to employee benefits		248,714	325,755
-Other short term provisions		208,940	230,449
Other current liabilities		287	-
<b>Total Current Liabilities</b>		<b>91,743,234</b>	<b>64,846,052</b>
<b>Non-current liabilities</b>			
Long-term financial liabilities	6	405,641,185	350,566,964
Long term provisions for employee benefits		529,792	507,932
Deferred tax liabilities	16	8,201,022	587,980
Other non-current liabilities		1,032,281	1,093,079
<b>Total Non-Current Liabilities</b>		<b>415,404,280</b>	<b>352,755,955</b>
<b>Shareholders' Equity</b>			
Share capital	9	270,000,000	225,000,000
Adjustment to share capital	9	41,247,788	41,247,788
Treasury shares (-)	9	(22,850,916)	(22,850,916)
Restricted reserves	9	36,674,580	36,674,580
Actuarial gain for employee benefits		(5,515,500)	(5,515,500)
Retained earnings		348,170,904	420,252,091
Net loss for the period		(29,377,917)	(14,777,958)
Equity attributable to equity holders of the parent		638,348,939	680,030,085
Non-controlling interest		(4,836)	9
<b>Total equity</b>		<b>638,344,103</b>	<b>680,030,094</b>
<b>Total Liabilities and Equity</b>		<b>1,145,491,617</b>	<b>1,097,632,101</b>

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

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER**

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

	Notes	1 January- 30 September 2015	1 January- 30 September 2014	1 July- 30 September 2015	1 July - 30 September 2014
<b>CONTINUING OPERATIONS</b>					
Revenue	10	755,886	47,089,234	66,195	13,628,426
Cost of sales	10,11	(621,436)	(46,627,396)	(59,769)	(13,784,633)
<b>GROSS PROFIT/ (LOSS)</b>		<b>134,450</b>	<b>461,838</b>	<b>6,426</b>	<b>(156,207)</b>
General administrative expenses (-)	11	(16,161,417)	(10,469,622)	(4,844,700)	(2,534,207)
Marketing, selling and distribution expenses (-)	11	(612,627)	(1,118,797)	(196,223)	(280,561)
Other operating income	14	44,682,281	24,716,944	11,975,090	740,270
Other operating expenses (-)		(409,395)	(684,482)	(137,583)	(102,834)
<b>OPERATING PROFIT/ (LOSS)</b>		<b>27,633,292</b>	<b>12,905,881</b>	<b>6,803,010</b>	<b>(2,333,539)</b>
Loss from investment activities	15	-	(54,732,465)	-	-
Income from investment activities		433,840	-	-	-
(Loss)/ Income from investments accounted by equity method	7	(27,871,139)	30,546,291	(5,449,922)	12,007,422
<b>OPERATING (LOSS)/ PROFIT BEFORE FINANCIAL INCOME AND EXPENSE</b>		<b>195,993</b>	<b>(11,280,293)</b>	<b>1,353,088</b>	<b>9,673,883</b>
Financial income	12	93,006,422	106,253,847	30,084,135	35,186,113
Financial expense (-)	13	(123,519,653)	(72,067,311)	(67,931,534)	(24,217,167)
<b>(LOSS)/ PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>(30,317,238)</b>	<b>22,906,243</b>	<b>(36,494,311)</b>	<b>20,642,829</b>
Tax Expense From Continued Operations					
- Current income tax expense	16	(6,926,524)	(8,281,233)	(3,222,822)	(4,173,025)
- Deferred tax income/ (expense)	16	7,866,411	(6,144,244)	9,484,526	(2,921,935)
<b>CONTINUED OPERATIONS (LOSS)/ PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>(29,377,351)</b>	<b>8,480,766</b>	<b>(30,232,607)</b>	<b>13,547,869</b>
Equity holders of the parent		(29,377,917)	8,481,931	(30,232,975)	13,548,255
Non-controlling interest		566	(1,165)	368	(386)
(Loss)/ earnings per share	17	(0.1088)	0,0377	(0.1344)	0,0602

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

**TURCAS PETROL A.Ş.****CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED  
CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR  
THE NINE - MONTH PERIODS ENDED 30 SEPTEMBER**

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

	<b>1 January - 30 September 2015</b>	<b>1 January - 30 September 2014</b>	<b>1 July - 30 September 2015</b>	<b>1 July - 30 September 2014</b>
<b>TOTAL COMPREHENSIVE (LOSS)/ INCOME</b>	<b>(29,377,351)</b>	<b>8,480,766</b>	<b>(30,232,607)</b>	<b>13,547,869</b>
<b>Attributable to:</b>				
Equity holders of the parent	(29,377,917)	8,481,931	(30,232,975)	13,548,255
Non-controlling interest	566	(1,165)	368	(386)
(Loss)/ earnings per share	(0.1088)	0.0377	(0.1344)	0.0602

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

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER**

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

	Paid in capital	Adjustment to share capital	Treasury shares	Restricted reserves	Other Comprehensive income and expense not to be reclassified to profit/(loss)	Retained earnings	Net income/ (loss) for period	Equity holders of the parent	Non-controlling interest	Total Equity
<b>1 January 2014</b>	<b>225,000,000</b>	<b>41,247,788</b>	<b>(22,850,916)</b>	<b>34,823,299</b>	<b>(4,280,400)</b>	<b>407,493,623</b>	<b>25,256,777</b>	<b>706,690,171</b>	<b>7,963</b>	<b>706,698,134</b>
Transfers	-	-	-	1,851,281	-	23,405,496	(25,256,777)	-	-	-
Changes in minority shares	-	-	-	-	-	-	-	-	2,655	2,655
Dividends paid	-	-	-	-	-	(10,647,028)	-	(10,647,028)	-	(10,647,028)
Changes in scope of consolidation	-	-	-	-	-	2,984,177	-	2,984,177	-	2,984,177
Total comprehensive income	-	-	-	-	-	-	8,481,931	8,481,931	(1,165)	8,480,766
<b>30 September 2014</b>	<b>225,000,000</b>	<b>41,247,788</b>	<b>(22,850,916)</b>	<b>36,674,580</b>	<b>(4,280,400)</b>	<b>423,236,268</b>	<b>8,481,931</b>	<b>707,509,251</b>	<b>9,453</b>	<b>707,518,704</b>
<b>1 January 2015</b>	<b>225,000,000</b>	<b>41,247,788</b>	<b>(22,850,916)</b>	<b>36,674,580</b>	<b>(5,515,500)</b>	<b>420,252,091</b>	<b>(14,777,958)</b>	<b>680,030,085</b>	<b>9</b>	<b>680,030,094</b>
Transfers	-	-	-	-	-	(14,777,958)	14,777,958	-	-	-
Capital increase	45,000,000	-	-	-	-	45,000,000	-	-	-	-
Changes in minority shares	-	-	-	-	-	-	-	-	(5,411)	(5,411)
Dividends paid	-	-	-	-	-	(12,303,229)	-	(12,303,229)	-	(12,303,229)
Total comprehensive loss	-	-	-	-	-	-	(29,377,917)	(29,377,917)	566	(29,377,351)
<b>30 September 2015</b>	<b>270,000,000</b>	<b>41,247,788</b>	<b>(22,850,916)</b>	<b>36,674,580</b>	<b>(5,515,500)</b>	<b>348,170,904</b>	<b>(29,377,917)</b>	<b>638,348,939</b>	<b>(4,836)</b>	<b>638,344,103</b>

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

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED  
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW FOR THE NINE  
MONTH PERIODS ENDED 30 SEPTEMBER**

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

	Notes	1 January- 30 September 2015	1 January- 30 September 2014
<b>A, Cash flows from operating activities</b>		<b>2,813,368</b>	<b>(28,281,285)</b>
Net (loss)/ income		(29,377,351)	8,480,766
<b>Adjustments to reconcile net (loss)/ income</b>		<b>129,548,779</b>	<b>33,919,433</b>
Tax expense		(939,887)	14,425,477
Unrealized foreign exchange losses		101,693,003	2,944,736
Depreciation and amortization of property, plant and equipment and intangible assets		1,067,049	1,312,064
Income from sale of assets held for sale		433,840	-
Loss on sale of associate	13	-	54,732,465
Changes in financial assets		53,253	(481,852)
Provision for employee termination benefits		21,860	(33,992)
Provision for unused vacation		(77,041)	(7,780)
(Loss)/ income from investments accounted by equity method	7	27,871,139	(30,546,291)
Adjustments for accumulated earnings of associates		(574,437)	(8,425,394)
<b>Changes in working capital</b>		<b>(68,721,897)</b>	<b>(43,510,060)</b>
Changes in receivables from trade receivables and related parties		4,971,631	5,718,197
Changes in other receivables		(16,585,037)	(41,497,421)
Changes in other payables and liabilities		(3,593,571)	(2,134,553)
Changes in payables from trade payables and related parties		(5,786,125)	(3,898,369)
Changes in prepaid expenses and other current assets		2,241,604	(69,782)
Changes in prepaid expenses and non-current assets		(49,970,399)	(1,628,132)
<b>Cash generated from/ (used in) operations</b>		<b>31,449,531</b>	<b>(1,109,861)</b>
Taxes paid		(4,128,623)	(6,251,240)
Interest expense	15	10,702,649	10,907,630
Interest income	14	(35,210,189)	(31,827,814)
<b>B, Net cash generated from investing activities</b>		<b>28,944,264</b>	<b>174,866,170</b>
Purchase of property, plant and equipment and intangible assets		(671,618)	(1,622,789)
Changes in assets held for sale		(186,887)	-
Cash provided from sales of tangible and intangible assets		160,368	377,160
Capital increase of associates	7	(5,428,000)	(24,805,920)
Cash inflows from the sale of associate		-	123,002,629
Interest received		35,070,401	39,836,515
Cash inflows from the management fees		-	23,078,575
Dividends received	7	-	15,000,000
<b>C, Net cash used in financing activities</b>		<b>(36,134,850)</b>	<b>(41,219,060)</b>
Proceeds from bank borrowings		14,888,500	5,070,771
Repayment of bank borrowings		(30,795,014)	(27,377,691)
Interest paid		(7,919,696)	(8,267,767)
Capital increase-minority interest		(5,411)	2,655
Dividends paid		(12,303,229)	(10,647,028)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(4,377,218)</b>	<b>105,365,825</b>
<b>Cash and cash equivalents balance at the beginning of the period</b>	<b>4</b>	<b>193,559,426</b>	<b>81,421,815</b>
<b>Cash and cash equivalents balance at the end of the period 4</b>		<b>189,182,208</b>	<b>186,787,640</b>

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



## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

(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”) consist of Turcas Petrol A.Ş. (“The Company”), 6 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 1 July 2006, Turcas Petrol A.Ş. transferred its part of shares to Shell & Turcas Petrol A.Ş. (“STAŞ”) by partial spin-off. 30% shares of STAŞ were owned by Turcas Petrol A.Ş. and 70% of shares were owned by The Shell Company of Turkey Ltd (“Shell Türkiye”). Since this date, main operations of Turcas Petrol A.Ş.; which were purchasing, selling, importing, exporting of petroleum products, have been carried by STAŞ whose selling and export activities has recently begun. 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 subsectors 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 business lines with commercial, industrial, agricultural and financial purposes.

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

Ahi Evran Cad. No:6 Aksoy Plaza. Kat: 7 34398 Maslak/Sarıyer/İstanbul

The shares of the Company have been 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 9.

The number of employees of the Group as of 30 September 2015 is 52 (31 December 2014: 47).

<b>Subsidiaries</b>	<b>Country</b>	<b>Nature of business</b>
Turcas Enerji Holding A.Ş. (former Marmara Petrol ve Rafineri İşleri A.Ş.)	Turkey	Holding
Turcas Elektrik Üretim A.Ş.	Turkey	Electricity
Turcas Elektrik Toptan Satış A.Ş.	Turkey	Electricity
Turcas Gaz Toptan Satış A.Ş.	Turkey	Gas
Turcas Yenilenebilir Enerji Üretim A.Ş.	Turkey	Electricity
Turcas Rafineri Yatırımları A.Ş.	Turkey	Petroleum Refineries

## **TURCAS PETROL A.Ş.**

### **CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015**

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

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

In 1996, the Company acquired 100% of Turcas Enerji Holding A.Ş. (“Marmara”). During the year, The Company also bought Turcas Enerji Holding A.Ş. shares (5%) from Ataş Anadolu Tasfiyehanesi A.Ş., which was established in 1958, owned by “Marmara”.

Based on the resolution of the Board of Directors of the Company dated 7 June 2004, the Company’s subsidiary Marmara Petrol ve Rafineri İşleri A.Ş. and the other ATAŞ partners returned their Certificate of Refinery to the General Directorate of Petroleum Affairs, put an end to the refining operations of ATAŞ and obtained a Terminal License for ATAŞ from the Energy Market Regulatory Authority (“EMRA”). The entity continues its storage and service operations as of the balance sheet date.

As a result of the Extraordinary General Assembly meeting held on 27 May 2008, the company resolved for the change of its title from “Marmara Petrol ve Rafineri İşleri A.Ş.” to “Turcas Enerji Holding A.Ş.”. This decision was published on the Turkish Trade Registry Gazette numbered 7105 on 15 July 2008 and the title is registered and declared as Turcas Enerji Holding A.Ş.

Turcas Elektrik Üretim A.Ş. has been established on 23 December 2003 and obtained Electric Production License with the EMRA’s decision numbered 658-2 dated 16 February 2006, for 20 years starting from 16 February 2006. Electricity Production License has been terminated as of 31 January 2015 by the EMRA Board Decision No. 5440-17 dated 29 January 2015.

Turcas Elektrik Toptan Satış A.Ş. has been established on 30 October 2000 and obtained the license to operate in electricity trading business for 10 years starting from 5 June 2003 in accordance with the Electricity Market Regulation numbered 4628. Turcas Elektrik Toptan Satış A.Ş. has decided to gradually reduce the retail electricity sales operations with an aim to utilize resources in more efficient investments in accordance with the Board Decision dated 6 May 2015. Contractual obligations of Turcas Elektrik Toptan Satış A.Ş. towards its existing retail customer portfolio will be fulfilled and there won’t be any addition to existing retail customer portfolio starting from the above mentioned date. Wholesale electricity operations will continue with the existing Supplier License of Turcas Elektrik Toptan Satış A.Ş.. In parallel to future positive developments in the electricity market, Turcas Elektrik Toptan Satış A.Ş. may focus again on retail electricity sales operations.

Turcas Gaz Toptan Satış A.Ş. has been established on 6 June 2005, in order to operate in the import and wholesale of natural gas. The Company has obtained sales licence for a period of 30 years on 17 May 2007. Group has been decided to merge with Turcas Gaz Toptan Satış A.Ş. registered to Istanbul Trade Registry Directorate numbered 556066, via takeover method whereby all assets and liabilities of Turcas Gaz Toptan Satış A.Ş. shall be transferred to Turcas Petrol A.Ş. as a whole. Prior to merger transaction, Turcas Gaz Toptan Satış A.Ş. submitted an application to EMRA on 10 June 2015 for the termination of Gas Wholesale License dated 17 May 2007 and numbered DTS/1198-3/153 and Spot LNG License dated 3 August 2010 and numbered DİT/2680-4/213 held by Turcas Gaz Toptan Satış A.Ş. as per the Natural Gas Market License Regulation. Group has been informed that the mentioned applications were approved by EMRA and the related licenses have been terminated in accordance with Article 16 of Natural Gas Market License Regulation. In accordance with Capital Markets Board’s Communique on Merger and Demerger numbered II-23.2, merger via facilitated procedure has been registered by Istanbul Trade Registration Office on 7 October 2015

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

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

Turcas Rüzgar Enerji Üretim A.Ş. has been established on 25 October 2007 and it operates in the establishment and operation of electricity production facilities, electricity generation, and sale of electricity or electricity capacity. Turcas Elektrik Üretim A.Ş. owns 99.99% of Turcas Yenilenebilir Enerji Üretim A.Ş. (former Turcas Rüzgar Enerji Üretim A.Ş.).

Turcas Rafineri Yatırımları A.Ş. has been established on 28 December 2011. It operates in the establishment of petroleum refineries and additional plants, purchasing and operating of these plants, processing raw petroleum and ensuring that raw petroleum is processed both in domestic and foreign refineries. In accordance with the decision of Board of Directors dated 8 October 2015, the Company has decided to merge with Turcas Rafineri Yatırımları A.Ş., which is registered to Istanbul Trade Registry Directorate and numbered 801761, via takeover method whereby all assets and liabilities of Turcas Rafineri Yatırımları A.Ş. shall be transferred to the Company as a whole; follow up the required steps for the merger procedure as per Turkish Commercial Law. The main rationale behind this decision is the non-operational status of Turcas Rafineri Yatırımları A.Ş. following the divestment of shares in STAR Rafineri A.Ş. owned via Turcas Rafineri Yatırımları A.Ş. on 15 May 2014. The Company has decided to merge with Turcas Rafineri Yatırımları A.Ş. and registered to Istanbul Trade Registry Directorate numbered 801761, via takeover method whereby all assets and liabilities of Turcas Rafineri Yatırımları A.Ş. shall be transferred to Group as a whole. Accordingly, Group has applied to Capital Markets Board for the approval of “Text of Announcement” on 20 October 2015.

<b>Associates</b>	<b>Company</b>	<b>Nature of business</b>
Shell & Turcas Petrol A.Ş. (“STAŞ”)	Turkey	Petroleum products
RWE&Turcas Güney Elektrik Üretim A.Ş. (“RWE&Turcas Güney”)	Turkey	Energy, electricity
Turcas BM Kuyucak Jeotermal Elektrik Üretim A.Ş. (“Turcas&BM”)	Turkey	Energy, electricity

STAŞ operates in every aspect of the purchase, sale, import, export, storage and distribution of all types of fuel and oil.

RWE & Turcas Güney Elektrik Üretim A.Ş. has been established on 7 December 2007 in order to construct and operate electricity power plant, generate electricity, heat and steam from power plants, perform maintenance services and market the recycled and waste materials.

Turcas&BM Kuyucak Jeotermal Elektrik Üretim A.Ş, partnership with Turcas Enerji Holding A.Ş. (46%), BM Mühendislik ve İnşaat A.Ş. (46%) and Alte Enerji A.Ş. (8%), was established in order to operate in geothermal power generation in September 2013.

The detailed information about the investments accounted by equity method is given in Note 7.

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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

**2.1 Basis of Presentation**

**Principles Governing the Preparation of Condensed Consolidated Interim Financial Statements**

The accompanying condensed interim consolidated financial statements are prepared in accordance with Communiqué Serial II, No:14,1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013, According to Article 5 of the Communiqué, condensed interim consolidated financial statements are prepared in accordance with the Turkish Accounting Standards 34 (“TAS 34”) “Interim Financial Reporting” issued by Public Oversight Accounting and Auditing Standards Authority (“POAASA”).

In compliance with the TAS 34, entities have preference in presenting their condensed interim consolidated financial statements whether full set or condensed, In this framework, Group preferred to present its condensed interim consolidated financial statements in condensed, Therefore the interim condensed consolidated financial statements should be examined together with the year-end consolidated financial statements as of 31 December 2014.

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the accounting and financial reporting principles issued by the CMB, Accordingly, the Company did not apply TAS 29 “Financial Reporting in Hyperinflationary Economies” (“TAS 29”) issued by POAASA in its financial statements for the accounting periods starting 1 January 2005.

The Group maintains its books of account and prepares its statutory financial statements in TRY in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance, The condensed interim consolidated financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion, 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 TAS.

The preparation of financial statements in conformity with Turkish Accounting Standards requires management to exercise its judgement in the process of applying the group’s accounting policies, The significant assumptions and estimates applied in the preparation of the condensed interim consolidated financial statements, are disclosed in note 2.4.

**2.2 Summary of the Significant Accounting Policies**

The accounting policies applied during the preparation of these condensed interim consolidated financial statements are consistent with the accounting policies applied for the financial year between 1 January - 31 December 2014. These condensed interim consolidated financial statements should be read on a comparative basis with annual financial statements for the year between 1 January - 31 December 2014.

There is no difference in the accounting policy applied to the condensed interim consolidated financial statements from the annual consolidated financial statements which have been prepared within the framework of Communiqué II, No: 14,1 and related promulgations to this Communiqué as issued by the CMB in accordance with Turkish Financial Reporting Standards which is based on IAS/IFRS.

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

**2.2 Summary of the Significant Accounting Policies (Devamı)**

**a) *New standards, amendments and interpretations applicable as at 30 September 2015***

- Amendment to IAS 19 regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:
  - IFRS 2, ‘Share-based payment’
  - IFRS 3, ‘Business Combinations’
  - IFRS 8, ‘Operating segments’
  - IFRS 13, ‘Fair value measurement’
  - IAS 16, ‘Property, plant and equipment’ and IAS 38, ‘Intangible assets’
  - Consequential amendments to IFRS 9, ‘Financial instruments’, IAS 37, ‘Provisions, contingent liabilities and contingent assets’
  - IAS 39, Financial instruments – Recognition and measurement’
- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards:
  - IFRS 1, ‘First time adoption’
  - IFRS 3, ‘Business combinations’
  - IFRS 13, ‘Fair value measurement’ and
  - IAS 40, ‘Investment property’.

**b) *Standards, amendments and interpretations effective after 1 October 2015:***

- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendments to IAS 16 ‘Property, plant and equipment’, and IAS 41, ‘Agriculture’, regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

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

**2.2 Summary of the Significant Accounting Policies (Devamı)**

- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- IFRS 14 'Regulatory deferral accounts', effective from annual periods beginning on or after 1 January 2016. IFRS 14, 'Regulatory deferral accounts' permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.
- Amendments to IAS 27, 'Separate financial statements' on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:
  - IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
  - IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.
  - IAS 19, 'Employee benefits' regarding discount rates.
  - IAS 34, 'Interim financial reporting' regarding disclosure of information.
- Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports
- Amendment to IFRS 10 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

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

**2.2 Summary of the Significant Accounting Policies (Devamı)**

- IFRS 15 ‘Revenue from contracts with customers’, effective from annual periods beginning on or after 1 January 2018. IFRS 15, ‘Revenue from contracts with customers’ is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.
- IFRS 9 ‘Financial instruments’, effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

The Group will evaluate the effect of the aforementioned changes within its operations and apply changes starting from effective date. It is expected that the application of the standards and interpretations will not have a significant effect on the condensed interim 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 condensed interim consolidated financial statements are presented in TRY, which is the functional currency of Turcas and the presentation currency of the Group.

**2.3 Comparatives and restatement of prior year financial statements**

The Group prepares comparative consolidated financial statements, to enable readers to determine financial position and performance trends. For the purposes of effective comparison, comparative financial statements can be reclassified when deemed necessary by the Group, where descriptions on significant differences are disclosed.

The condensed interim consolidated financial position of the Group at 30 September 2015 has been provided with the comparative financial information of 31 December 2014 and the condensed consolidated interim statements of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the period ended 30 September 2015 have been provided with the comparative financial information, for the period ended 30 September 2014.

**2.4 Critical accounting estimates and judgements**

The preparation of condensed interim consolidated financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realised in the reporting period. The Group makes estimates and assumptions concerning the future. The accounting estimates and assumptions, by definition, may not be equal the related actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

## **TURCAS PETROL A.Ş.**

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

##### **2.4 Critical accounting estimates and judgements (continued)**

###### *Deferred Taxes:*

Group accounts the deferred tax assets and liabilities for the temporary differences arising from the timing differences between the statutory financial statements and the financial statements prepared in accordance with the Turkish Accounting Standards, Subsidiaries of the Group have deferred tax assets consisting of carry forward tax losses which may be deducted from the future taxable income and other deductible temporary differences, Amount of the deferred tax assets which may be partially or completely recovered are anticipated according to the current conditions. During the projections, future taxable income, current period losses, expiration dates of the carry forward tax losses, other tax assets and the tax planning strategies, if necessary, are taken into account, Group has carry forward tax losses amounting to TRY141,597,107 from which can be utilized with future profits, as of 30 September 2015, (31 December 2014: TRY55.186.214). Since the Group projects that Turcas Elektrik Üretim A.Ş. is going to generate taxable income within the next five years, deferred tax assets amounting to TRY27.099.731 (31 December: TRY9.668.593) has been recognized for total TRY135.498.655 carryforward tax losses (31 December 2014:TRY48.342.964) (Note 16).

###### *Contingent Liabilities:*

Regarding the tax inspection carried out for STAŞ, STAŞ management considers that matters criticized in the tax inspection report are in compliance and consistent with the related regulations; accordingly no provision regarding the inspection has been recognized in the financial statements of STAŞ (Note 8).

#### **NOTE 3 - SEGMENT REPORTING**

The reportable segments of Turcas have been organized by management as oil, electricity and natural gas. The products which are included in oil are lubricants, engine oil and fuel products. 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 consolidated financial statements prepared in accordance with Public Oversight 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.

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 competitors in the sector.



## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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#### NOTE 3 - SEGMENT REPORTING (Continued)

- a) Operating segments which have been prepared in accordance with the reportable segments as of 1 January -30 September 2015 are as follows:

	Oil	Natural gas	Electricity	Other	Total
Segment revenue	-	-	755,886	-	755,886
EBITDA	(49,787)	(68,775)	(2,341,689)	31,160,592	28,700,341
Financial income	23,430,428	1,018,320	41,270,987	27,286,687	93,006,422
Financial expense	(1,268,023)	(96,055)	(119,158,706)	(2,996,869)	(123,519,653)
Depreciation and amortisation expense	-	-	(5,915)	(1,061,134)	(1,067,049)
Income / (loss) from associates	13,174,500	-	(41,045,639)	-	(27,871,139)
Purchase of tangible and intangible assets	-	-	671,618	-	671,618

- b) Operating segments which have been prepared in accordance with the reportable segments as of 1 January - 30 September 2014 are as follows:

	Oil	Natural gas	Electricity	Other	Total
Segment revenue	-	-	47,089,234	-	47,089,234
EBITDA	(50,303)	(170,419)	(2,768,374)	17,207,041	14,217,945
Financial income	16,076,351	681,249	72,431,694	17,064,553	106,253,847
Financial expense	(2,782,655)	(218,096)	(65,422,424)	(3,644,136)	(72,067,311)
Depreciation and amortisation expense	-	-	(38,080)	(1,273,984)	(1,312,064)
Income/ (loss) from associates	47,942,696	-	(17,396,405)	-	30,546,291
Purchase of tangible and intangible assets	-	-	1,622,789	-	1,622,789

- c) Operating segments which have been prepared in accordance with the reportable segments for the period between 1 July - 30 September 2015 are as follows:

	Oil	Natural gas	Electricity	Other	Total
Segment revenue	-	-	66,195	-	66,195
EBITDA	(3,543)	(54,014)	(840,737)	8,053,256	7,154,962
Financial income	4,732,939	450,117	8,537,660	16,363,419	30,084,135
Financial expense	(612)	(87,812)	(65,378,742)	(2,464,368)	(67,931,534)
Depreciation and amortisation expense	-	-	(885)	(351,067)	(351,952)
Income / (loss) from associates	7,537,200	-	(12,987,122)	-	(5,449,922)
Purchase of tangible and intangible assets	-	-	293,657	-	293,657

- d) Operating segments which have been prepared in accordance with the reportable segments for the period between 1 July - 30 September 2014 are as follows:

	Oil	Natural gas	Electricity	Other	Total
Segment revenue	-	-	13,628,426	-	13,628,426
EBITDA	16,683,496	(4,361)	(1,164,472)	(17,502,693)	(1,988,030)
Financial income	11,821,984	260,652	19,961,353	3,142,124	35,186,113
Financial expense	(1,980,851)	(26,414)	(21,795,234)	(414,668)	(24,217,167)
Depreciation and amortisation expense	-	-	(12,693)	(332,816)	(345,509)
Income/ (loss) from associates	11,826,600	-	180,822	-	12,007,422
Purchase of tangible and intangible assets	-	-	78,047	-	78,047

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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#### NOTE 3 - SEGMENT REPORTING (Continued)

- e) Operating segments which have been prepared in accordance with the reportable segments as of 30 September 2015 are as follows:

	Oil	Natural gas	Electricity	Other	Eliminations	Total
Segment Assets	42,631,106	9,316,180	567,434,113	446,332,163	(396,867,141)	668,846,421
Associates	417,585,900	-	59,059,296	-	-	476,645,196
Segment Liabilities	1,278	(22,999)	567,831,382	24,758,966	(85,421,113)	507,147,514

- f) Operating segments which have been prepared in accordance with the reportable segments as of 31 December 2014 are as follows:

	Oil	Natural gas	Electricity	Other	Eliminations	Total
Segment Assets	139,590,016	8,505,351	520,481,235	435,139,785	(504,598,184)	599,118,203
Associates	404,411,400	-	94,102,498	-	-	498,513,898
Segment Liabilities	23,322	9,665	464,917,296	5,193,138	(52,541,414)	417,602,007

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

	1 January - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2015	1 July - 30 September 2014
<b>Income</b>				
Segment revenue	755,886	47,089,234	66,195	13,628,426
<b>Consolidated Income</b>	<b>755,886</b>	<b>47,089,234</b>	<b>66,195</b>	<b>13,628,426</b>
<b>EBITDA</b>				
Segment EBITDA	(2,460,251)	(2,989,096)	(898,294)	15,514,663
Other EBITDA	31,160,592	17,207,041	8,053,256	(17,502,693)
<b>Consolidated EBITDA</b>	<b>28,700,341</b>	<b>14,217,945</b>	<b>7,154,962</b>	<b>(1,988,030)</b>
Financial income	93,006,422	106,253,847	30,084,135	35,186,113
Financial expense	(123,519,653)	(72,067,311)	(67,931,534)	(24,217,167)
Income/ (expenses) from investing activities	433,840	(54,732,465)	-	-
(Loss)/ income from investments accounted by equity method	(27,871,139)	30,546,291	(5,449,922)	12,007,422
Amortisation and depreciation	(1,067,049)	(1,312,064)	(351,952)	(345,509)
<b>Consolidated (loss)/ income before tax</b>	<b>(30,317,238)</b>	<b>22,906,243</b>	<b>(36,494,311)</b>	<b>20,642,829</b>

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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#### NOTE 4 - CASH AND CASH EQUIVALENTS

	30 September 2015	31 December 2014
Cash	26,390	6,454
Banks		
- demand deposit	462,977	484,069
- time deposit	188,993,188	193,229,462
	<b>189,482,555</b>	<b>193,719,985</b>

The maturities of cash and cash equivalents are as follows:

	30 September 2015	31 December 2014
Up to 30 days	189,482,555	193,719,985
	<b>189,482,555</b>	<b>193,719,985</b>

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

	30 September 2015	31 December 2014
TRY	9.48	8.58
USD	3.12	1.56
EUR	0.50	-

Cash and cash equivalents as of 30 September 2015, 31 December 2014 and 30 September 2014, as seen in condensed consolidated interim and consolidated cash flow statements, are as follows:

	30 September 2015	31 December 2014	30 September 2014
Cash and cash equivalents	189,482,555	193,719,985	186,899,881
Less: Interest accrual	(300,347)	(160,559)	(112,241)
	<b>189,182,208</b>	<b>193,559,426</b>	<b>186,787,640</b>

The company has no blocked deposits as of 30 September 2015 (31 December 2014: None).

#### NOTE 5 - FINANCIAL ASSETS

	30 September 2015			31 December 2014		
	Short term	Long term	Total	Short term	Long term	Total
Financial assets held for sale	-	63,240	63,240	-	63,240	63,240
Held-to-maturity financial assets	7,721,716	-	7,721,716	7,774,969	-	7,774,969
	<b>7,721,716</b>	<b>63,240</b>	<b>7,784,956</b>	<b>7,774,969</b>	<b>63,240</b>	<b>7,838,209</b>

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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#### NOTE 5 - FINANCIAL ASSETS (Continued)

##### a) Financial assets held for sale

	<u>30 September 2015</u>		<u>31 December 2014</u>	
	<u>Participation amount</u>	<u>Participation rate (%)</u>	<u>Participation amount</u>	<u>Participation rate (%)</u>
ATAŞ	13,240	5,00	13,240	5,00
Elektrik Piyasaları İşletmeleri A.Ş.	50,000	0,08	50,000	0,08
	<b>63,240</b>		<b>63,240</b>	

Financial assets are valued by using purchase cost of financial assets less provision for impairment (if any) under the circumstances of no fair value of financial assets available for sale recorded in stock market or no other available methods to calculate the fair value.

##### b) Held to maturity financial assets:

The details of held-to-maturity financial assets are as follows:

	<b>30 September 2015</b>	<b>31 December 2014</b>
<b>Bonds:</b>		
Public sector bonds	5,372,808	5,372,808
Private sector bonds	2,348,908	2,402,161
	<b>7,721,716</b>	<b>7,774,969</b>

Remaining time to maturity dates of held-to-maturity financial assets in agreements as of 30 September 2015 is as follows:

Less than 3 months	5,848,807
Until the one year	1,872,909
<b>Total</b>	<b>7,721,716</b>

Remaining time to maturity dates of held-to-maturity financial assets in agreements as of 31 December 2014 are as follows:

Less than 3 months	5,937,675
Until the one year	1,837,294
<b>Total</b>	<b>7,774,969</b>

Movement table of held-to-maturity financial assets are as follows:

	<b>2015</b>	<b>2014</b>
<b>1 January</b>	<b>7,774,969</b>	<b>7,011,076</b>
Purchases	35,615	11,910,071
Disposals through sales and redemptions	(129,263)	(11,468,614)
Additions due to amortized cost	40,395	40,395
<b>30 September</b>	<b>7,721,716</b>	<b>7,492,928</b>

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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#### NOTE 6 - FINANCIAL LIABILITIES

As of 30 September 2015 and on 31 December 2014 financial liabilities are as follows:

	30 September 2015	31 December 2014
Short term bank borrowings	86,407,423	52,912,203
Long term bank borrowings	405,641,185	350,566,964
<b>Total financial liabilities</b>	<b>492,048,608</b>	<b>403,479,167</b>

	30 September 2015		
	Yearly average effective interest rate(%)	Original amount	TRY
EUR borrowings			
- Fixed interest rate (***)	3.33	5,095,117	17,431,413
- Floating interest rate (*)	1.78	13,311,852	45,542,510
USD borrowings			
- Floating interest rate (**)	3.74	7,700,029	23,433,500
<b>Total short term financial liabilities</b>			<b>86,407,423</b>
EUR borrowings			
- Floating interest rate (*)	1.78	88,560,779	302,984,135
- Interest accrual of floating rate loan		484,999	1,659,279
- Fixed interest rate	4.35	219,944	752,473
USD borrowings			
- Floating interest rate (**)	3.74	32,550,801	99,061,853
- Interest accrual of floating rate loan		388,869	1,183,445
<b>Total long term financial liabilities</b>			<b>405,641,185</b>
<b>Total financial liabilities</b>			<b>492,048,608</b>

(\*) Original amount of loan obtained from consortium of Bayern LB and Portigon AG is TRY369,305,412 (EUR107,946,163), ECA premium of TRY19,379,545 (EUR5,664,546) and management fee of TRY1,399,220 have been deducted from the original amount, These amounts is amortised until the end of loan agreement,

(\*\*) Original amount of loan obtained TSKB is TRY122,746,433 (USD40,333,333) and management fee of TRY251.082 (USD82,503) have been deducted from the original amount, These amounts is amortised until the end of loan agreement,

(\*\*\*) Original amount of loan related to invesment of geothermal power plants of Turcas BM Kuyucak is obtained from TSKB is EUR5,000,000 with maturity ending 4 July 2016 at interest rate 2,3%. Remaining balance of the short term financial liabilities is obtained from Garanti Malta at interest rate 4,35%.

**TURCAS PETROL A.Ş.****CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE  
INTERIM PERIOD ENDED 30 SEPTEMBER 2015**

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

**NOTE 6 - FINANCIAL LIABILITIES (Continued)**

	<b>31 December 2014</b>		
	<b>Yearly average effective interest rate(%)</b>	<b>Original amount</b>	<b>TRY</b>
EUR borrowings			
- Fixed interest rate	5,28	82,276	232,077
- Floating interest rate	1,87	12,660,435	35,711,288
USD borrowings			
- Floating interest rate	3,74	7,317,624	16,968,838
<b>Total short term financial liabilities</b>			<b>52,912,203</b>
EUR borrowings			
- Floating interest rate (*)	1,87	93,902,617	264,871,110
- Fixed interest rate	4,35	269,916	761,351
- Interest accrual of floating rate loan		52,286	147,482
USD borrowings			
- Floating interest rate (**)	3,74	36,558,873	84,776,372
- Interest accrual of floating rate loan		4,592	10,649
<b>Total long term financial liabilities</b>			<b>350,566,964</b>
<b>Total financial liabilities</b>			<b>403,479,167</b>

(\*) Original amount of loan obtained from consortium of Bayern LB and Portigon AG is TRY323,071,125 (EUR114,535,798), ECA premium of TRY21,089,506 (EUR7,476,692) and management fee of TRY1,399,220 have been deducted from the original amount, These amounts is amortised until the end of loan agreement.

(\*\*) Original amount of loan obtained TSKB is TRY102,031,600 (USD44,000,000) and management fee of TRY286,391 (USD123,503) have been deducted from the original amount, These amounts is amortised until the end of loan agreement.

Floating interest rated financial debts denominated in foreign currencies are valuated to TRY using effective exchange rates at period end, Interest rates of floating interest rated financial debts are redetermined in 6 month periods, therefore carrying values are considered to be approximate fair values.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

#### NOTE 6 - FINANCIAL LIABILITIES (Continued)

The redemption schedule of financial liabilities is as follows:

	2015	2014
0 - 1 year	86,407,423	52,912,203
1 - 2 years	66,036,210	52,483,456
2 - 3 years	66,047,449	52,492,544
3 - 4 years	66,060,476	52,501,925
4 - 5 years	65,797,220	52,456,292
After 5 years	141,699,830	140,632,747
	<b>492,048,608</b>	<b>403,479,167</b>

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

The loan agreement was entered into with the bank consortium composing of Bayerische Landesbank ("Bayern LB") and Portigon AG with respect to the amount EUR149,351,984, with a maturity of 13 years and no-payback (grace) 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 (grace) period of three years at the interest rate Libor + 3,40%.

The portion EUR107,946,163 of the loan received from the bank consortium formed by Bayern LB and Portigon AG and the portion USD40,333,333 of the loan received from TSKB have been utilised as of 30 September 2015.

Turcas Petrol A.Ş. has provided a Corporate Guarantee as collateral amounting to USD77,000,000 in favor of TSKB and EUR149,351,984 in favor of Bayern LB and Portigon AG consortium within the scope of the respective loan agreements.

As a requirement of the loan agreement signed with Portigon AG and Bayern LB, a DSRA Standby Letter of Credit has been 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 EUR 8,500,000, with maturity ending 3 February 2016. As a collateral to this DSRA Standby Letter of Credit, Turcas Petrol A.Ş. has provided a Corporate Guarantee amounting to EUR8,500,000 in favor of Türkiye Garanti Bankası A.Ş..

Within the scope of the Share Pledge Agreements and Shareholder Assignment of Receivables Agreements entered into by and between Turcas Enerji Holding A.Ş., Turcas Petrol A.Ş., Turcas Elektrik Üretim A.Ş., and Portigon AG, Bayern LB and TSKB, on 11 November 2010 a first degree pledge and assignment of receivables were established, (i) on the shares owned by Turcas Enerji Holding A.Ş. and Turcas Petrol A.Ş. in Turcas Elektrik Üretim A.Ş. and their receivables from Turcas Elektrik Üretim A.Ş., (ii) on the shares owned by Turcas Elektrik Üretim A.Ş. in RWE & Turcas Güney Elektrik Üretim A.Ş. and its receivables from RWE & Turcas Güney Elektrik Üretim A.Ş. on behalf of Portigon AG, Bayern LB and TSKB o pari passu and pro rata basis.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

#### NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD

	%	30 September 2015	%	31 December 2014
STAŞ	30.00	417,585,900	30.00	404,411,400
RWE & Turcas Güney Elektrik Üretim A.Ş.	30.00	50,059,803	30.00	90,458,925
Turcas & BM Kuyucak Jeotermal Elektrik Üretim A.Ş.	46.00	8,999,493	46.00	3,643,573
		<b>476,645,196</b>		<b>498,513,898</b>

	30 September 2015	30 September 2014
<b>Balance at the beginning of the period</b>	<b>498,513,898</b>	<b>696,777,036</b>
Incomes and loss from associates (net) (*)	(27,871,139)	30,546,291
Dividends received	-	(15,000,000)
Transactions with associates (**)	574,437	574,708
Currency translation differences	-	16,339,446
Changes in scope of consolidation	-	(191,090,363)
Capital increase of associates (***)	5,428,000	24,805,920
<b>Balance at the end of the period</b>	<b>476,645,196</b>	<b>562,953,038</b>

(\*) The Group's income and loss balances from associates amounting to TRY(27,871,139) consist of income balance from Shell & Turcas Petrol A.Ş. amounting to TRY13,174,500, expense balance from RWE&Turcas Güney Elektrik Üretim A.Ş. amounting to TRY(40,973,560), expense balance from Turcas BM Kuyucak Jeotermal Elektrik Üretim A.Ş. amounting to TRY(72,079).

(\*\*) The balance consists of the consolidation adjustment for capitalized finance expenses by RWE&Turcas Güney related to the borrowing from the Group in order to finance Denizli Plant investment of RWE&Turcas Güney.

(\*\*\*) The capital increase is related to Turcas & BM Kuyucak Jeotermal Elektrik Üretim A.Ş. as of 30 September 2015.

#### STAŞ

As explained in Note 1, STAŞ operates for the sales, purchase, export and import, storage and distribution of each kind of fuel products.

Shell & Turcas Petrol A.Ş. has become operational on 1 July 2006, STAŞ is one of the leading companies in Turkish fuel distribution sector with 1,049 fuel stations, lubricant production facilities, retail and commercial sale.



## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

#### NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD (Continued)

Shell & Turcas Petrol A.Ş. continued its strong position in fuel distribution and lubricants sector in Turkey and recorded TRY11,485,886,000 sales in the first three months of 2015 (30 September 2014: TRY11,986,983,000). Shell & Turcas Petrol A.Ş. is a market leader in sales per station which is the most important indicator of profitability in the sector, while Shell & Turcas Petrol A.Ş. has maintained sector leadership with market share of 24% in gasoline sales as of 30 September 2015. On the other hand, Shell & Turcas Petrol A.Ş. ranks second in lubricants sales with 24% market share and ranks third in the white products market that is total of gasoline and diesel sales with 17% market share.

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

#### STAŞ

	30 September 2015	31 December 2014
Total assets	3,880,729,000	3,338,590,000
Total liabilities	(2,488,776,000)	(1,990,552,000)
Net assets	1,391,953,000	1,348,038,000

<b>Group's share of associate's net assets</b>	<b>417,585,900</b>	<b>404,411,400</b>
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	1 January - 30 September 2015	1 January - 30 September 2014
Net sales revenue	11,485,886,000	11,986,983,000
Net income for the period	43,915,000	107,499,000

<b>Group's share of associate's profit for the period</b>	<b>13,174,500</b>	<b>32,249,700</b>
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#### RWE&Turcas Güney Elektrik Üretim A.Ş.

Turcas Elektrik Üretim A.Ş. which is 100% direct and indirect subsidiary of Turcas in electricity generation, has established a joint venture company named RWE & Turcas Güney Elektrik Üretim A.Ş. with RWE Holding A.Ş. that is a subsidiary of RWE AG which is one of the leading energy companies in the world. Shareholding ratio of Turcas Elektrik Üretim A.Ş. is 30 % in this joint venture established in 2007. Natural gas combined cycle power plant with a 775 MW installed capacity, which is established in Denizli by RWE & Turcas Güney Elektrik Üretim A.Ş. has become operational with completion of temporary admission process conducted by the Ministry as of 24 June 2013.

	30 September 2015	31 December 2014
Total assets	1,538,481,717	1,558,555,411
Total liabilities	(1,335,317,099)	(1,218,812,261)
Net assets	203,164,618	339,743,150

<b>Group's share of associate's net assets</b>	<b>60,949,385</b>	<b>101,922,945</b>
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## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

#### NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD (Continued)

	1 January - 30 September 2015	1 January - 30 September 2014
Net sales revenue	519,370,447	565,453,629
Loss for the period	(136,578,532)	(57,978,186)
<b>Group’s share of loss for the period</b>	<b>(40,973,560)</b>	<b>(17,393,456)</b>

#### Turcas BM Kuyucak Jeotermal Elektrik Üretim A.Ş.

Turcas&BM Kuyucak Jeotermal Elektrik Üretim A.Ş. has established to operate in the field of geothermal power generation with joint ventures of Turcas Enerji Holding A.Ş. (%46). BM Mühendislik ve İnşaat A.Ş. (%46) and Alte Enerji A,Ş, (%8).

	30 September 2015	31 December 2014
Total asset	31,767,703	15,506,952
Total liabilities	(12,203,591)	(7,586,142)
Net assets	19,564,112	7,920,810
<b>Group’s share of associate’s net assets (*)</b>	<b>8,999,493</b>	<b>3,643,573</b>

(\*) Group has made a contribution amounting to TRY 5,428,000 to the capital increase made in Turcas BM&Kuyucak Jeotermal Elektrik Üretim A.Ş. on 17 April 2015.

	1 January - 30 September 2015	1 January - 30 September 2014
Loss for the period	(156,693)	(6,411)
<b>Group’s share of associate’s loss for the period</b>	<b>(72,079)</b>	<b>(2,949)</b>

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

#### NOTE 8 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

##### a. Contingent assets and liabilities

###### Contingent assets and liabilities of Turcas Petrol

Collaterals, pledges, mortgages (CPM) given by the Group, as of 30 September 2015 and 31 December 2014 are as follows:

	Currency	30 September 2015		31 December 2014	
		Original Amount	TRY Amount	Original Amount	TRY Amount
A. CPM's given for companies' Own legal personality	TRY	429,085	429,085	381,500	381,500
B. CPM's given on behalf of fully Consolidated companies (**)	TRY	3,882,584	3,882,584	4,618,402	4,618,402
	EUR	-	-	200,000	564,140
C. CPM's given for continuation of its economic activities on behalf of third parties(*)	USD	77,000,000	234,334,100	77,000,000	178,555,300
	EUR	157,851,984	540,043,208	157,851,984	445,253,091
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		-	-	-	-
				<b>778,688,977</b>	<b>629,372,433</b>

(\*) Turcas Elektrik Üretim A.Ş. has entered into a loan agreement for USD55,000,000 with TSKB, with a maturity of 10 years with a grace period of three years, regarding the loans made available for the 775 MW Natural Gas Combined Cycle Power Plant investment in Denizli. The amount of total guarantee given to TSKB by Turcas Petrol A.Ş. is USD77,000,000. As stated in note 6, as a requirement of the loan agreement signed with Portigon AG and Bayern LB. Turcas Petrol A.Ş. has provided a corporate guarantee amounting to EUR149,351,984 in favor of Portigon AG and Bayern LB. Again, as a requirement of the loan agreement, 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 a maturity of 15 July 2014. The Guarantee amount was EUR21,656,038 as of 31 December 2013, later on it has decreased to amounting EUR8,500,000 during the period. Therefore, Turcas Petrol A.Ş. has provided a collateral amounting to EUR8,500,000 to Garanti Bank in order to prepare the said guarantee.

(\*\*) It consists of the guarantees that Turcas Elektrik Toptan Satış A.Ş. has given to electricity distributor companies and Turcas Yenilenebilir Enerji A.Ş. has given to EMRA and various public institutions.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

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

The rate of GPM’s given by the Company to equity is 122% as of 30 September 2015 (31 December 2014: 88%),

	30 September 2015	31 December 2014
Letter of guarantees received	50,000	7,361,109
Letter of other guarantees received	27,000	57,000
Mortgage received	-	2,201,150
	<b>77,000</b>	<b>9,619,259</b>

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

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

	30 September 2015	31 December 2014
Letters of guarantee given to the customs office	1,001,351,100	824,856,000
Letters of guarantee given to the tax office	46,867,800	15,000,000
Letters of guarantee given to the EMRA	15,001,500	24,577,800
Other	1,891,800	3,699,300
<b>Total</b>	<b>1,065,112,200</b>	<b>868,133,100</b>

	30 September 2015	31 December 2014
Mortgages taken	463,916,400	391,216,200
Letters of guarantees received	162,881,400	160,657,200
Other guarantees received	87,548,700	50,101,200
<b>Total</b>	<b>714,346,500</b>	<b>601,974,600</b>

Shell&Turcas Petrol A.Ş. has committed to pay TRY464,400,000 to the station owners for the station improvement in the periods mentioned below (31 December 2014: 139,500,000). The payment terms of group’s share of warranty is as follows:

	30 September 2015	31 December 2014
Within 1 year	19,667,100	10,438,200
1-5 years	82,052,700	20,816,400
5-22 years	37,600,200	10,595,400
	<b>139,320,000</b>	<b>41,850,000</b>

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

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

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.

The Supervisory Board of the Ministry of Finance has launched a general tax inspection for financial years 2009 to 2012 on STAŞ as part of the sector wide tax review. As a result of the inspection, services received from the foreign institution by STAŞ were criticized and STAŞ has been notified to pay TRY45,214,582 as tax base and TRY67,821,873 as tax penalty on 30 December 2014. Similarly, STAŞ has been criticized regarding VAT and stamp duty and has been notified on 31 December 2014 to pay penalty amounting TRY10,165,263 as tax base and TRY10,671,868 as tax penalty. According to STAŞ management, such practices subject to criticism were performed in compliance and consistent with the related regulations. STAŞ has been utilizing all its legal rights, including settlement and all applicable legal processes with respect to notifications issued and have not recognised any provision in relation to the inspection.

#### Contingent assets and liabilities of Turcas Petrol A.Ş. regarding RWE & Turcas Güney Elektrik Üretim A.Ş.

The contingent assets and liabilities of the Group related to RWE & Turcas Güney Elektrik Üretim A.Ş. are follows:

	<b>30 September 2015</b>	<b>31 December 2014</b>
Letters of guarantees given to EMRA	2,466,701	2,466,701
Other	10,500	10,500
<b>Total</b>	<b>2,477,201</b>	<b>2,477,201</b>
	<b>30 September 2015</b>	<b>31 December 2014</b>
Letters of guarantees received	6,831,307	3,434,423
Cheque of guarantees received	80,400	80,400
<b>Total</b>	<b>6,911,707</b>	<b>3,514,823</b>

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

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

##### Contingent assets and liabilities of Turcas Petrol A.Ş. regarding Turcas BM Kuyucak Jeotermal Elektrik Üretim A.Ş.

The contingent assets and liabilities of the Group related to Turcas BM Kuyucak Jeotermal Elektrik Üretim A.Ş. are follows:

	30 September 2015	31 December 2014
Letters of guarantees given to the Sub-Governorship of Kuyucak	274,225	97,578
Letters of guarantees given to the Governorship of Aydın	135,700	135,700
Letters of guarantees given to EMRA	61,962	61,962
Letters of guarantees given to Aydem Elektrik	61,640	51,980
<b>Total</b>	<b>533,527</b>	<b>347,220</b>

#### NOTE 9 - EQUITY

##### a) Share capital

Shareholders	Group	Allocation (%)	30 September 2015	Allocation (%)	31 December 2014
Aksoy Holding A.Ş,	A/C Group	51.55	139,175,892	51.55	115,979,910
Publicly Traded	A Group	25.05	67,621,972	24.91	56,312,433
Turcas Petrol A.Ş, (*)	A Group	5.36	14,471,336	5.36	12,059,447
YTC Turizm ve Enerji Ltd, Şti,	A Group	4.02	10,865,362	4.02	9,054,468
Suna Baban	A/B Group	3.46	9,347,663	3.46	7,789,719
Müeddet Hanzat Öz	A/B Group	3.46	9,353,058	3.46	7,794,215
Yılmaz Tecmen	A/B Group	2.21	5,962,540	2.21	4,968,783
Other	A/B Group	4.89	13,202,177	4.91	11,041,025
<b>Total</b>		<b>100.00</b>	<b>270,000,000</b>	<b>100.00</b>	<b>225,000,000</b>
Treasury shares adjustment (*)			(22,850,916)		(22,850,916)
Inflation adjustment			41,247,788		41,247,788
<b>Adjusted capital</b>			<b>288,396,872</b>		<b>243,396,872</b>

(\*) 5,36% shares of Turcas Petrol A.Ş. which was owned by Turcas Enerji Holding A.Ş. one of Turcas Petrol A.Ş.’s subsidiaries, have been purchased by Turcas Petrol A.Ş. on 29 November 2012 as a consequence of Repurchasing Programme prepared in accordance with the communiqué no 26/767 “Principles for the Firms whose shares are quoted in ISE (Istanbul Stock Exchange) during the purchase of their own shares” by CMB on 10 August 2011, Treasury shares as of 30 September 2015 and 31 December 2014 consist of this transaction.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

#### NOTE 9 - EQUITY (Continued)

##### a) Share capital (Continued)

As of 24 June 2015, Group has increased its share capital from TRY225,000,000 to TRY270,000,000 by transferring from retained earnings.

The issued capital of the Company in 2015 is composed of 270,000,000 shares (31 December 2014: 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.

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 September 2015	31 December 2014
Legal Reserves	36,674,580	36,674,580
	<b>36,674,580</b>	<b>36,674,580</b>

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. In accordance with the Turkish Commercial Code, legal reserves can be used for offsetting the losses as long as they do not exceed 50% of the paid in capital, Apart from that, they can not be used in anyhow.

#### Dividend distribution

Dividends are distributed according to Communiqué Serial: IV, No: 27 on “Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law”, principles on corporate articles and dividend distribution policy which is declared by Companies. In addition to the CMB, it is stipulated that companies which have the obligation to prepare consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated financial statements that will be prepared and announced to the public in accordance with the Communiqué II-14,1 that sufficient reserves exists in the unconsolidated statutory books.

**TURCAS PETROL A.Ş.****CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE  
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(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

**NOTE 10 - SALES AND COST OF SALES**

	<b>1 January - 30 September 2015</b>	<b>1 January - 30 September 2014</b>	<b>1 July - 30 September 2015</b>	<b>1 July - 30 September 2014</b>
Electricity sales (*)	637,535	44,092,924	54,463	13,205,535
Sales returns	-	(47,454)	-	(47,454)
Other sales	118,351	3,043,764	11,732	470,345
	<b>755,886</b>	<b>47,089,234</b>	<b>66,195</b>	<b>13,628,426</b>
	<b>1 January - 30 September 2015</b>	<b>1 January - 30 September 2014</b>	<b>1 July - 30 September 2015</b>	<b>1 July - 30 September 2014</b>
Electricity costs	611,718	46,588,574	58,134	13,779,930
Transmission capacity and service fee	4,453	24,686	1,635	117
Other costs	5,265	14,136	-	4,586
	<b>621,436</b>	<b>46,627,396</b>	<b>59,769</b>	<b>13,784,633</b>

(\*) Turcas Elektrik Toptan Satış A.Ş. has decided to gradually reduce the retail electricity sales operations with an aim to utilize resources in more efficient investments in accordance with the Board Decision dated 6 May 2015.

**NOTE 11 - EXPENSES BY NATURE**

	<b>1 January - 30 September 2015</b>	<b>1 January - 30 September 2014</b>	<b>1 July - 30 September 2015</b>	<b>1 July - 30 September 2014</b>
Personel Expenses	8,890,094	7,196,266	2,749,035	2,053,365
Outsourced services	2,067,364	1,230,786	318,263	173,531
Rent expenses	1,851,936	197,380	1,045,043	57,571
Depreciation and amortizatio expenses	1,067,049	1,312,064	351,952	345,509
Product cost	621,436	46,627,396	59,769	13,784,633
Repair and maintenance expenses	585,138	191,919	74,460	54,331
Taxes and other liabilities	580,155	204,774	98,015	44,250
Travel expenses	427,582	481,275	74,152	31,053
Donations	124,780	-	104,454	-
Other	1,179,946	773,955	225,549	55,158
	<b>17,395,480</b>	<b>58,215,815</b>	<b>5,100,692</b>	<b>16,599,401</b>



## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

#### NOTE 12 - FINANCIAL INCOME

	1 January - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2015	1 July - 30 September 2014
Foreign exchange gains	57,775,998	73,912,598	19,738,765	24,626,017
Interest income	35,210,189	31,827,814	10,345,370	10,557,654
Deferred finance income	20,235	513,435	-	2,442
	<b>93,006,422</b>	<b>106,253,847</b>	<b>30,084,135</b>	<b>35,186,113</b>

#### NOTE 13 - FINANCIAL EXPENSE

	1 January - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2015	1 July - 30 September 2014
Foreign exchange losses	112,787,559	61,016,689	64,218,806	20,733,948
Bank interest expenses	10,702,649	10,907,630	3,712,728	3,482,156
Rediscount interest expenses	29,445	142,992	-	1,063
	<b>123,519,653</b>	<b>72,067,311</b>	<b>67,931,534</b>	<b>24,217,167</b>

#### NOTE 14 - OTHER OPERATING INCOME

	1 January - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2015	1 July - 30 September 2014
Shell Company Joint Venture				
Contract revenue (*)	42,805,533	23,078,575	10,569,933	-
Rent income	1,176,985	777,754	1,031,081	642,556
Service revenue	421,592	262,949	314,947	81,896
Income from sales tangible	10,678	-	-	-
Other	267,493	597,666	59,129	15,818
	<b>44,682,281</b>	<b>24,716,944</b>	<b>11,975,090</b>	<b>740,270</b>

(\*) Associate Initiative Agreement gives the right to reflect the predetermined amount about Turcas to Shell Türkiye under the circumstances of exceeding amounts of reflected administration expenses from the main associate abroad of Shell Türkiye to STAŞ, The Group accounted for an income accrual amounting to TRY42,805,533 in accordance with the Joint Venture Contract between Turcas Petrol A.Ş. and Shell Turkey in the condensed consolidated interim financial statements as of 30 September 2015.

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### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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#### NOTE 15 - LOSS FROM INVESTMENT ACTIVITIES

	1 January - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2015	1 July - 30 September 2014
Loss on sale of associate (*)	-	54,732,465	-	-
	-	<b>54,732,465</b>	-	-

(\*) The Group has sold its shares which was 18,5% of Socar Turkey Yatırım A.Ş. to Rafineri Holding A.Ş. amounting to USD59,390,000 on 15 May 2014. Loss on sale of associate is equal to difference between the Group's share of the Associate's net asset and sales price as of date of sale.

#### NOTE 16 - TAX ASSETS AND LIABILITIES

Current tax liability	30 September 2015	31 December 2014
Corporate tax provision	(6,926,524)	(8,614,968)
Less: Prepaid tax and funds	3,548,672	8,035,017
<b>Prepaid tax and funds / (Current tax liability) , net</b>	<b>(3,377,852)</b>	<b>(579,951)</b>

Tax expense is comprised of the following:

	1 January - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2015	1 July - 30 September 2014
Current period corporate , tax provision	(6,926,524)	(8,281,233)	(3,222,822)	(4,173,025)
Deferred tax income/ (expense)	7,866,411	(6,144,244)	9,484,526	(2,921,935)
	<b>939,887</b>	<b>(14,425,477)</b>	<b>6,261,704</b>	<b>(7,094,960)</b>

#### 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% (31 December 2014: 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. The companies file their tax returns between 1<sup>st</sup>-25<sup>th</sup> of fourth month after fiscal year end.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015

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

#### NOTE 16 - 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 Turkish 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 Turkish Financial Reporting Standards and tax purposes.

The rate applied in the calculation of deferred tax assets and liabilities is 20% (31 December 2014: 20%).

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

	<b>Total temporary differences</b>		<b>Deferred tax asset/(liability)</b>	
	<b>30 September 2015</b>	<b>31 December 2014</b>	<b>30 September 2015</b>	<b>31 December 2014</b>
Carryforward tax loss	(135,498,655)	(48,342,964)	27,099,731	9,668,593
RWE&Turcas Güney interest accrual	10,047,592	-	(2,009,518)	-
Income accrual from Shell Company				
Joint Venture Contract revenue	42,805,533	-	(8,561,107)	-
Interest accrual	(10,515,308)	(10,506,708)	2,103,062	2,101,342
Tangible and intangible assets	(1,018,752)	(1,079,224)	203,750	215,845
Provision for employee termination benefit	(529,792)	(507,932)	105,958	101,586
Litigation provision	(1,190,785)	(225,949)	238,157	45,190
Unused vacation provisions	(248,714)	(325,755)	49,743	65,151
Income accrual	-	4,162,500	-	(832,500)
Unearned credit finance income	-	(20,235)	-	4,047
Unearned credit finance expense	-	29,444	-	(5,889)
<b>Deferred tax assets/ (liabilities) (net)</b>			<b>19,229,776</b>	<b>11,363,365</b>

As of the balance sheet date, the Group has carryforward tax losses amounting to TRY141,597,107 (31 December 2014: TRY55,186,214) to be deducted from future profits.

The Group has carry forward tax losses amounting to TRY141,597,107 from its affiliates, Total carry forward tax losses from Turcas Elektrik Üretim A.Ş. Turcas Yenilenebilir Enerji A.Ş. Turcas Enerji Holding A.Ş. Turcas Elektrik Toptan Satış A.Ş. Turcas Gaz Toptan Satış are TRY135,498,655, TRY4,489,524, TRY1,254,047, TRY 349,383 and TRY5,497, respectively, According to Group assessment, carryforward tax losses amounting to TRY6,098,452 can not be utilized from taxable income within the next five years. Therefore, the Group hasn't recognized deferred tax assets from these carryforward tax losses.

## TURCAS PETROL A.Ş.

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#### NOTE 16 - TAX ASSETS AND LIABILITIES (Continued)

The expiration dates of recognized carryforward tax losses are as follows:

	30 September 2015	31 December 2014
2018	48,342,964	48,342,964
2019	87,155,691	-
	<b>135,498,655</b>	<b>48,342,964</b>

The movement of deferred tax assets and liabilities as of 30 September 2015 and 2014 are as follows:

	1 January- 30 September 2015	1 January- 30 September 2014
Opening balance	11,363,365	18,028,625
Deferred tax income/ (expense)	7,866,411	(6,144,244)
<b>Closing balance</b>	<b>19,229,776</b>	<b>11,884,381</b>

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

	30 September 2015	30 September 2014
<b>(Loss)/ profit before tax</b>	<b>(30,317,238)</b>	<b>22,906,243</b>
Tax Effect	20%	20%
Tax income/ (expense) of the Group	6,063,448	(4,581,249)
Tax effect of exemptions	834,899	492,398
Utilized carry forward tax losses	61,199	(7,574,598)
Transactions with associates	(5,574,228)	(1,570,137)
Unused portion of carry forward tax losses	(249,947)	
Tax effect of non deductible expenses	(30,986)	(1,086,290)
Other	(164,498)	(105,601)
	<b>939,887</b>	<b>(14,425,477)</b>

#### NOTE 17 – (LOSS)/ EARNINGS PER SHARE

At 30 September 2015 and 2014, the weighted average number of shares and (loss)/ earnings per share are as follows:

	1 January - 30 September 2015	1 January - 30 September 2014	1 July - 30 September 2015	1 July - 30 September 2014
Weighted average number of outstanding shares	270,000,000	225,000,000	270,000,000	225,000,000
(Loss)/income attributable to the equity holders of the parent	(29,377,917)	8,481,931	(30,232,975)	13,548,255
<b>(Loss)/ earnings per share</b>	<b>(0.1088)</b>	<b>0.0377</b>	<b>(0.1344)</b>	<b>0.0602</b>

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

**NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

	30 September 2015								
	Receivables				Payables				
	Short term		Long term		Short term		Long term		
	Trade	Other	Trade	Other	Trade	Other	Trade	Other	
<b>Balances with related parties</b>									
<b>Associates</b>									
Shell&Turcas Petrol A.Ş.	-	-	-	-	-	5,359	-	-	-
RWE & Turcas Güney Elektrik Üretim A.Ş. (*)	-	45,312,106	-	310,266,494	-	-	-	-	-
Turcas & BM Kuyucak Elektrik Üretim A.Ş.	-	7,443,888	-	-	-	-	-	-	-
<b>Other entities</b>									
Dividend payable to real person shareholders						210,925			
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	-	107,534	-	-	-
Aksoy Petrol Taşınmaz Yatırımları A.Ş.	-	3,124	-	-	-	-	-	-	-
Aksoy Maslak Taşınmaz Yatırımları A.Ş.	-	1,978	-	-	-	-	-	-	-
Aksoy Holding A.Ş.	-	-	-	-	-	-	-	-	-
YTC Turizm ve Enerji Ltd. Şti	-	-	-	-	-	32,767			
<b>Total</b>	<b>-</b>	<b>52,761,096</b>	<b>-</b>	<b>310,266,494</b>	<b>-</b>	<b>356,585</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) 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 Bayern LB, Portigon AG and TSKB, Principal and interest of the loan (TRY Libor+2) is reflected to RWE & Turcas Güney Elektrik Üretim A.Ş.as stated in Shareholder Loan Agreement signed on 3 December 2010, TRY30,142,775 of interest income has been booked regarding related receivables.

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**NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

Transactions with related parties	1 January - 30 September 2015						
	Purchases	Sales	Interest received	Interest paid	Rent income	Other income	Other expense
<b>Associates</b>							
Shell & Turcas Petrol A.Ş.	-	-	-	-	964,836	-	-
RWE & Turcas Güney Elektrik Üretim A.Ş.	-	-	30,142,775	-	-	-	-
Turcas & BM Kuyucak Elektrik Üretim A.Ş.	-	-	293	-	4,500	238,560	-
<b>Other Entities</b>							
The Shell Company of Turkey LTD.	-	-	-	-	-	42,805,533	-
Conrad Yeditepe Beyn. Otelcilik Turz. ve Tic. A.Ş.	-	230,200	-	-	-	-	-
Etiler Dış Ticaret Ltd. Şti.	-	-	-	-	3,500	8,833	-
Aksoy Maslak Taşınmaz Yatırımları A.Ş.	-	-	-	-	4,500	15,089	-
Aksoy Holding A.Ş.	-	-	-	-	4,500	208,182	-
Aksoy Bodrum Taşınmaz Yatırımları A.Ş.	-	-	-	-	4,500	15,089	-
Aksoy Enternasyonal Ticaret Anonim Şirketi	-	-	-	-	4,500	452,678	-
Aksoy Petrol Taşınmaz Yatırımları A.Ş.	-	-	-	-	4,500	15,089	-
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	118,833	10,499	-
YTC Turizm ve Enerji Ltd. Şti.	-	-	-	-	-	3,328	-
<b>Total</b>	<b>-</b>	<b>230,200</b>	<b>30,143,068</b>	<b>-</b>	<b>1,114,169</b>	<b>43,772,880</b>	<b>-</b>

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**NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

Balances with related parties	31 December 2014							
	Receivables				Payables			
	Short term		Long term		Short term		Long term	
	Trading	Non-trading	Trading	Non-trading	Trading	Non-trading	Trading	Non-trading
<b>Associates</b>								
Shell & Turcas Petrol A.Ş.	-	-	-	-	284	5,415	-	-
RWE & Turcas Güney Elektrik Üretim A.Ş. (*)	-	41,076,955	-	302,109,988	3,601,886	-	-	-
Turcas & BM Kuyucak Elektrik Üretim A.Ş.	-	3,133,873	-	-	-	-	-	-
<b>Other entities</b>								
Conrad Yeditepe Beyn, Otelcilik Turz,ve Tic, A,Ş, (**)	218,224	-	-	-	-	-	-	-
Dividend payable to real person shareholders	-	-	-	-	-	190,071	-	-
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	-	177,007	-	-
Aksoy Petrol Taşınmaz Yatırımları A.Ş.	-	1,145	-	-	-	-	-	-
Aksoy Maslak Taşınmaz Yatırımları A.Ş.	-	-	-	-	-	45,937	-	-
Aksoy Taşınmaz Yatırımları A.Ş.	-	1,758	-	-	-	-	-	-
	<b>218,224</b>	<b>44,213,731</b>	<b>-</b>	<b>302,109,988</b>	<b>3,602,170</b>	<b>418,430</b>	<b>-</b>	<b>-</b>

(\*) 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 Bayern LB, Portigon AG and TSKB, Principal and interest of the loan (TRY Libor+2) is reflected to RWE & Turcas Güney Elektrik Üretim A.Ş. as stated in Shareholder Loan Agreement signed on 3 December 2010, TRY 37,491,933 of interest income has been booked regarding related receivables.

(\*\*) Turcas Elektrik Toptan Satış A.Ş. one of the Group’s subsidiary, sells electricity to Conrad Yeditepe Beynelmlelel Otelcilik Turizm ve Ticaret A.Ş. on an arm’s length basis, according to sales contract signed between them, This amount has been collected in subsequent period.

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**NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

Transactions with related parties	1 January - 30 September 2014						
	Purchases	Sales	Interest received	Rent income	Dividend income	Other income	Other expense
<b>Associates</b>							
Shell & Turcas Petrol A.Ş.	7,543	1,053,680	-	-	15,000,000	-	-
RWE & Turcas Güney Elektrik Üretim A.Ş.	15,065,298	-	26,215,079	-	-	-	-
<b>Other Entities</b>							
The Shell Company of Turkey LTD.	-	-	-	-	-	23,078,575	-
Conrad Yeditepe Beyn, Otelcilik Turz, ve Tic, A.Ş.	-	3,319,577	-	-	-	-	-
Etiler Dış Ticaret Ltd. Şti.	-	-	-	4,500	-	13,257	-
Aksoy Taşınmaz Yatırımları A.Ş.	-	-	-	9,000	-	26,515	-
Aksoy Holding A.Ş.	-	-	-	4,500	-	129,006	-
Aksoy Bodrum Taşınmaz Yatırımları A.Ş.	-	-	-	4,500	-	13,257	-
Aksoy Enternasyonal Ticaret Anonim Şirketi	-	-	-	4,500	-	44,407	-
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	97,251	-	-	-
YTC Turizm ve Enerji Ltd. Şti.	2,950	-	-	-	-	-	-
	<b>15,075,791</b>	<b>4,373,257</b>	<b>26,215,079</b>	<b>124,251</b>	<b>15,000,000</b>	<b>23,305,017</b>	<b>-</b>



## TURCAS PETROL A.Ş.

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#### NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

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

	<b>1 January - 30 September 2015</b>	<b>1 January - 30 September 2014</b>	<b>1 July - 30 September 2015</b>	<b>1 July - 30 September 2014</b>
Salaries and other short term benefits	3,745,301	2,143,601	1,805,021	602,340
	<b>3,745,301</b>	<b>2,143,601</b>	<b>1,805,021</b>	<b>602,340</b>

Between 2015 and 2014, the senior management bonuses, daily allowance, retirement benefits, dismissal, post employment benefits, equity settled share-based payments, and other long-term benefits did not provided.

#### NOTE 19 - FOREIGN CURRENCY POSITION

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 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.

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**NOTE 19 - FOREIGN CURRENCY POSITION (Continued)**

The Group is primarily exposed to risks from USD and EUR, other currency’s effects are immaterial.

		<b>30 September 2015</b>			
		<b>TRY Equivalent (Functional currency)</b>	<b>USD</b>	<b>Euro</b>	<b>Other</b>
1-	Trade receivables	-	-	-	-
2a-	Monetary financial assets	162,071,469	49,273,032	3,542,281	-
2b-	Non-monetary financial assets	-	-	-	-
3-	Other	-	-	-	-
<b>4-</b>	<b>Current assets (1+2+3)</b>	<b>162,071,469</b>	<b>49,273,032</b>	<b>3,542,281</b>	-
5-	Trade receivables	-	-	-	-
6a-	Monetary financial assets	-	-	-	-
6b-	Non-monetary financial assets	-	-	-	-
7-	Other	-	-	-	-
<b>8-</b>	<b>Non-current assets (5+6+7)</b>	-	-	-	-
<b>9-</b>	<b>Total Assets (4+8)</b>	<b>162,071,469</b>	<b>49,273,032</b>	<b>3,542,281</b>	-
10-	Trade payables	-	-	-	-
11-	Financial liabilities	86,407,422	7,700,029	18,406,969	-
12a-	Other monetary financial liabilities	-	-	-	-
12b-	Other non-monetary financial liabilities	-	-	-	-
<b>13-</b>	<b>Current Liabilities (10+11+12)</b>	<b>86,407,422</b>	<b>7,700,029</b>	<b>18,406,969</b>	-
14-	Trade payables	-	-	-	-
15-	Financial liabilities	405,641,186	32,939,669	89,265,722	-
16a-	Other monetary financial liabilities	-	-	-	-
16b-	Other non-monetary financial liabilities	-	-	-	-
<b>17-</b>	<b>Non-current liabilities (14+15+16)</b>	<b>405,641,186</b>	<b>32,939,669</b>	<b>89,265,722</b>	-
<b>18-</b>	<b>Total liabilities (13+17)</b>	<b>492,048,608</b>	<b>40,639,698</b>	<b>107,672,691</b>	-
<b>19-</b>	<b>Net asset / liability position of off-balance sheet derivatives (19a-19b)</b>	-	-	-	-
19a-	Off-balance sheet foreign currency derivative assets	-	-	-	-
19b-	Off-balance sheet foreign currency derivative liabilities	-	-	-	-
<b>20-</b>	<b>Net foreign currency asset liability position (9-18+19)</b>	<b>(329,977,139)</b>	<b>8,633,334</b>	<b>(104,130,411)</b>	-
<b>21-</b>	<b>Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(157,162,295)</b>	<b>24,033,392</b>	<b>(67,316,472)</b>	-
<b>22-</b>	<b>Fair value of foreign currency hedged financial assets</b>	-	-	-	-
<b>23-</b>	<b>Hedged foreign currency assets</b>	-	-	-	-
<b>24-</b>	<b>Hedged foreign currency liabilities</b>	-	-	-	-
<b>25-</b>	<b>Exports</b>	-	-	-	-
<b>26-</b>	<b>Imports</b>	-	-	-	-

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE  
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(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

**NOTE 19 - FOREIGN CURRENCY POSITION (Continued)**

		<b>31 December 2014</b>			
		<b>TRY Equivalent (Functional currency)</b>	<b>USD</b>	<b>Euro</b>	<b>Other</b>
1-	Trade receivables	-	-	-	-
2a-	Monetary financial assets	157,461,670	67,888,515	12,406	-
2b-	Non-monetary financial assets	-	-	-	-
3-	Other	-	-	-	-
<b>4-</b>	<b>Current assets (1+2+3)</b>	<b>157,461,670</b>	<b>67,888,515</b>	<b>12,406</b>	-
5-	Trade receivables	-	-	-	-
6a-	Monetary financial assets	-	-	-	-
6b-	Non-monetary financial assets	-	-	-	-
7-	Other	-	-	-	-
<b>8-</b>	<b>Non-current assets (5+6+7)</b>	-	-	-	-
<b>9-</b>	<b>Total Assets (4+8)</b>	<b>157,461,670</b>	<b>67,888,515</b>	<b>12,406</b>	-
10-	Trade payables	-	-	-	-
11-	Financial liabilities	52,912,203	7,317,624	12,742,711	-
12a-	Other monetary financial liabilities	-	-	-	-
12b-	Other non-monetary financial liabilities	-	-	-	-
<b>13-</b>	<b>Current Liabilities (10+11+12)</b>	<b>52,912,203</b>	<b>7,317,624</b>	<b>12,742,711</b>	-
14-	Trade payables	-	-	-	-
15-	Financial liabilities	350,566,966	36,563,465	94,224,819	-
16a-	Other monetary financial liabilities	-	-	-	-
16b-	Other non-monetary financial liabilities	-	-	-	-
<b>17-</b>	<b>Non-current liabilities (14+15+16)</b>	<b>350,566,964</b>	<b>36,563,465</b>	<b>94,224,819</b>	-
<b>18-</b>	<b>Total liabilities (13+17)</b>	<b>403,479,169</b>	<b>43,881,089</b>	<b>106,967,530</b>	-
<b>19-</b>	<b>Net asset / liability position of off-balance sheet derivatives (19a-19b)</b>	-	-	-	-
19a-	Off-balance sheet foreign currency derivative assets	-	-	-	-
19b-	Off-balance sheet foreign currency derivative liabilities	-	-	-	-
<b>20-</b>	<b>Net foreign currency asset / liability position(9-18+19)</b>	<b>(246,017,497)</b>	<b>24,007,426</b>	<b>(106,955,124)</b>	-
<b>21-</b>	<b>Net foreign currency asset / liability position of monetary items (1+2a+5+6a+10-11-12a-14+15-16a)</b>	<b>(140,193,093)</b>	<b>38,642,674</b>	<b>(81,469,702)</b>	-
<b>22-</b>	<b>Fair value of foreign currency hedged financial assets</b>	-	-	-	-
<b>23-</b>	<b>Hedged foreign currency assets</b>	-	-	-	-
<b>24-</b>	<b>Hedged foreign currency liabilities</b>	-	-	-	-
<b>25-</b>	<b>Exports</b>	-	-	-	-
<b>26-</b>	<b>Imports</b>	-	-	-	-

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE  
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(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated.)

**NOTE 19 - FOREIGN CURRENCY POSITION (Continued)**

*Foreign currency sensitivity*

	30 September 2015			
	Gain/(Loss)		Equity	
	Appreciation of Foreign currency	Depreciation of Foreign currency	Appreciation of Foreign currency	Depreciation of Foreign currency
<b>+/-10% fluctuation of USD rate</b>				
1- USD net asset / liability	2,627,383	(2,627,383)	-	-
2- Part of hedged from USD risk (-)	-	-	-	-
<b>3- USD net effect (1+2)</b>	<b>2,627,383</b>	<b>(2,627,383)</b>	-	-
<b>+/-10% fluctuation of EUR rate</b>				
4- Euro net asset / liability	(35,625,096)	35,625,096	-	-
5- Part of hedged from Euro risk (-)	-	-	-	-
<b>6- Euro net effect (4+5)</b>	<b>(35,625,096)</b>	<b>35,625,096</b>	-	-
<b>TOTAL (3+6)</b>	<b>(32,997,713)</b>	<b>32,997,71</b>	-	-

	31 December 2014			
	Gain/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>+/-10% fluctuation of USD rate</b>				
1- USD net asset / liability	5,567,082	(5,567,082)	-	-
2- Hedged from USD risk (-)	-	-	-	-
<b>3- USD net effect (1+2)</b>	<b>5,567,082</b>	<b>(5,567,082)</b>	-	-
<b>+/-10% fluctuation of EUR rate</b>				
4- Euro net asset / liability	(30,168,832)	30,168,832	-	-
5- Hedged from Euro risk (-)	-	-	-	-
<b>6- Euro net effect (4+5)</b>	<b>(30,168,832)</b>	<b>30,168,832</b>	-	-
<b>TOTAL (3+6)</b>	<b>(24,601,750)</b>	<b>24,601,750</b>	-	-

## **TURCAS PETROL A.Ş.**

### **CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2015**

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

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#### **NOTE 20 - SUBSEQUENT EVENTS**

- a) In accordance with Capital Markets Board's Communique on Merger and Demerger numbered II-23.2, merger between the Company and Turcas Gaz Toptan Satış A.Ş. via facilitated procedure has been registered by İstanbul Trade Registration Office on 7 October 2015
- b) The Company has decided to merge with Turcas Rafineri Yatırımları A.Ş., which is the Company's 100% subsidiary and registered to Istanbul Trade Registry Directorate numbered 801761, via takeover method whereby all assets and liabilities of Turcas Rafineri Yatırımları A.Ş. shall be transferred to Group as a whole. Accordingly, the Company has applied to the Capital Markets Board for the approval of “Text of Announcement” on 20 October 2015.

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