

TURKEY INSIGHT

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New appointments to EMRA departments

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EMRA postponed the application date of 2 GW wind licenses

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6.99 USDcent/kWh feed-in tariff for 1 GW solar tender

The tender for the 1 GW Karapınar Renewable Energy Resource Area, the largest solar energy power plant in Turkey, is concluded today with 6.99 USDcent/kWh feed-in tariff bid of Kalyon-Hanwha Joint Venture.

(Enerji IQ - 20 March 2017) The first tender for the 1 GW solar plant, to be established at the Karapınar Renewable Energy Resource Area (YEKA) is finalized today with the Kalyon-Hanwha JV's lowest bid 6.99 USDcent/kWh. Within the scope of the tender, a factory with a manufacturing capacity of 500 MWp of PV modules per year will be established in Turkey and R&D will be carried out at least 10 years.

The tender will be a milestone for Turkey's renewable energy investment model as the

previous model based on bulk applications for the connection capacities will be replaced by YEKA tender model.

Limak-CMEC- Haeron Solar JV, Kalyon-Hanwha JV, Çalık Enerji-Solargiga JV and Kibar-Acwa-Chint JV were the bidders of the tender, concluded by the Ministry of Energy.

The ratio of locally manufactured equipment for the first 500 MW phase will 60% and 70% for the remaining 500 MW.

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GAZBİR expects increase in natural gas consumption

Turkey's natural gas consumption, which was 45.9 billion m³ last year, is expected to rise to 47.5 billion m³ this year due to the increase in the number of households as a result of the new investments.

(Enerji IQ – 13 March 2017) Turkish Association of Natural Gas Distributors (GAZBİR) has provided a very important data set to the market with the Natural Gas Distribution Sector Evaluation Report. According to the report, Turkey's total gas consumption will reach 47.5 billion m³ in 2017. In 2020, 77% of the population will use natural gas and Turkey's total natural gas consumption will increase to 51.3 billion m³. The gas consumption of gas fired

power plants decreased by 11.9% in 2016 and hit 16.7 billion m³.

The average annual consumption per subscriber is stated as 934 million m³ in the report. The gas consumption of residential customers has increased by 5% compared to the previous year and reached 11.5 billion m³.

GAZBİR's report also highlighted the upward trend in the share of natural gas as a vehicle fuel.

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Turkey puts 28 new power plants into operation in February 2017

Turkey put 28 new power plants into operation in February with 316.7 MW of installed capacity, of which 94 percent came from local resources.

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Chairman Arslan, followed the GAZBİR's forecast with the following sentences:

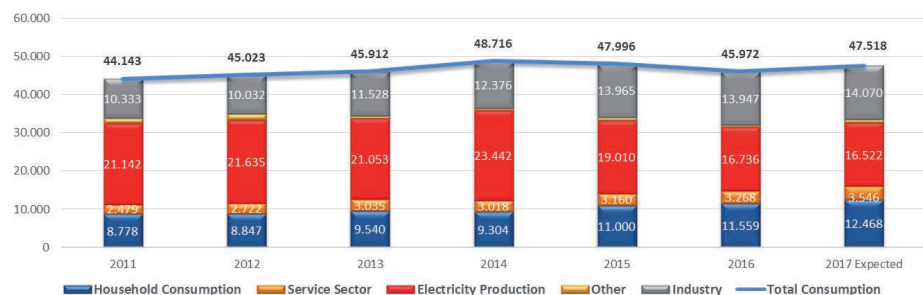
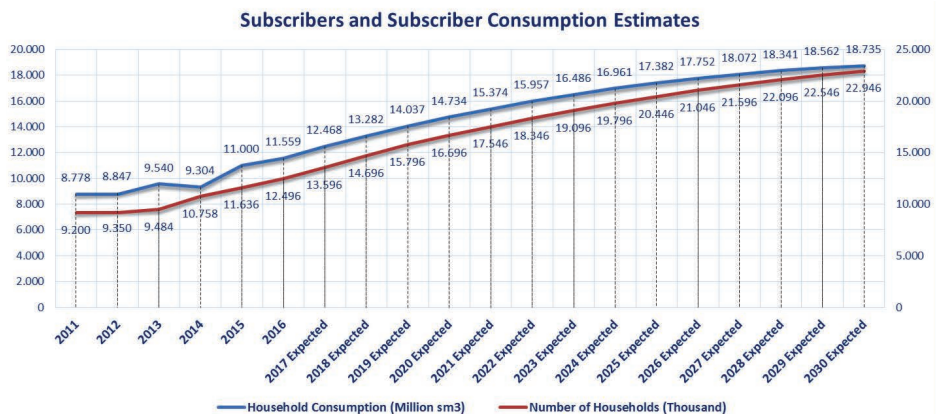
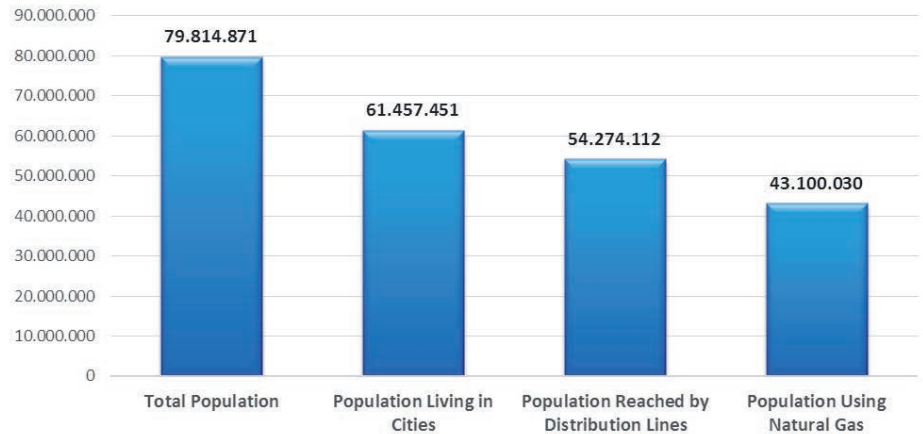
"As a result of the report we prepared as GAZBİR, we estimate that the total consumption of natural gas in Turkey will reach 47.5 billion m³ by 2017. In 2016, Turkey's national consumption amounted to 45.9 billion m³ with a decrease of 4% compared to the previous year due to the moderate climate conditions and the reduced share of natural gas consumption in electricity generation. In 2017, we anticipate that the consumption of households will increase, depending on the hiking number of users as a result of the new investments to be realized.

We can say that the declining trend in consumption of natural gas at power plants will slow down and follow a horizontal course in 2016. The gap created here will also fill the consumption of housing and in 2017 it will grow by 3.5% compared to the previous year."

According to the GAZBİR's Natural Gas Distribution Sector Assessment Report, the gas consumption of the gas fired power plants decreased by 11.9% in 2016 compared to the previous year:

While the share of electricity plants in total natural gas consumption in 2015 was 39.6%, it decreased down to 36.6% in 2016.

In 2016, gas fired power plants consumed 16.7 billion sm³ natural gas and 11.5 billion sm³ of this consumption took place in the cities Sakarya, Izmir, Tekirdag, Istanbul, Samsun, Kocaeli and Balikesir where the major power plants are located.



In 2016, household consumption increased in line with the number of subscribers. The number of subscribers increased by 7.3% to 12.4 million. In addition, the consumption of natural gas by residential customers has increased by 5% compared to the previous year to 11.5 billion m³. Industrial consumption did not increase in 2016 and remain the same with 2015 figure.

USD 11.8 billion investment in natural gas distribution

By the end of 2016, a total of USD 11.8 billion investment was realized in the natural gas distribution sector. While all the 81 provinces are getting natural gas after the tenders to be completed this year, USD 1 billion (TL 3.5 billion) network investment...

will be completed in order to provide gas access to the 206 new districts by 2020, in addition to the existing regions of the distribution companies.

Network investments in the natural gas distribution sector have increased 3.5 times since 2006. From 2017 onwards, it is planned to invest USD 1 billion in new expansions within two years.

According to the report, by the end of last year, with these investments, the use of natural gas became widespread in 76 provinces and 339 districts.

As of now, it was determined that the natural gas usage rate in the first natural gas provinces such as Aksaray, Balıkesir, Çorum, Denizli, Düzce, Erzurum, Kayseri, Manisa, Samsun, Sivas, Tekirdağ and Yalova which filled 10 years of activity is 90%.

The natural gas usage rate is calculated as 55% in places where 10 years of operation had not been completed.

Eastern city Ardahan ranks first in consumption per subscriber

In Turkey, the average annual consumption per subscriber is 934 million m³. Despite the inclusion of 30,000 new consumers in 2016, the average annual consumption rate of subscribers remained the same.

In 2016, 504,161 eligible consumers consumed 14 billion m³ natural gas.

Eastern city Ardahan ranks first with 1,544 m³ as the highest annual average consumption per subscriber.

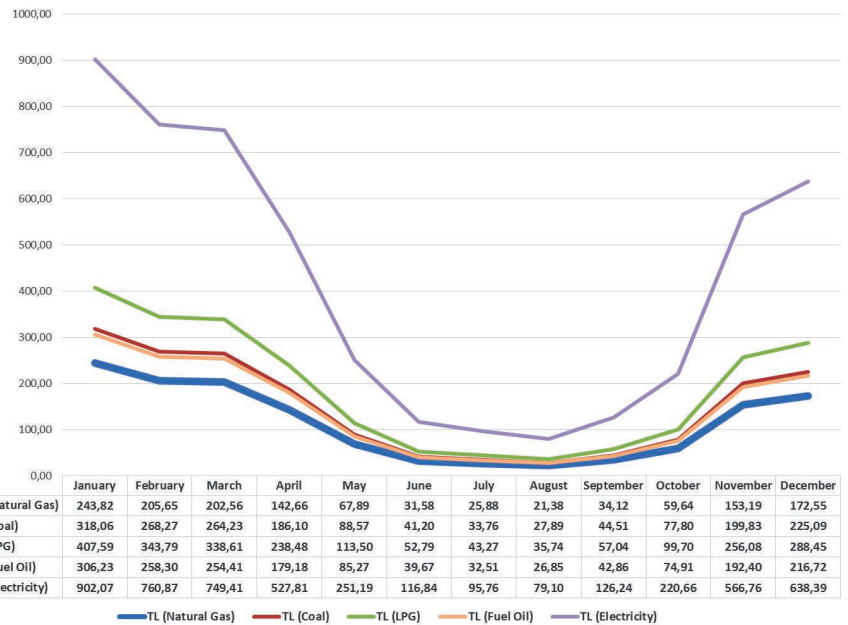
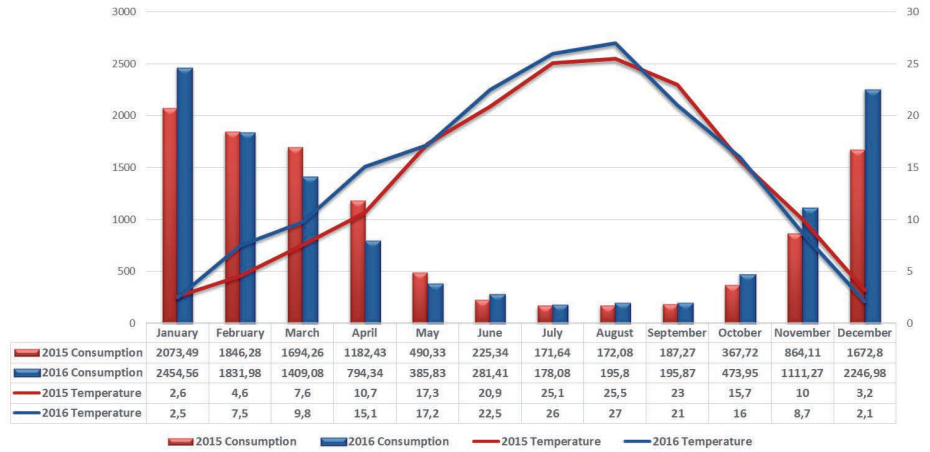
Kars, Van, Gaziantep, Gümüşhane, Bayburt, Kırklareli, Erzincan and Kastamonu were the top 10 cities with the highest average annual consumption per subscriber, while Ardahan is followed by Karabük with 1,413 m³.

On the other hand, the average annual consumption per subscriber was the lowest in Antalya with 701 m³. Antalya is followed by Mersin, Yalova, Hatay, Osmaniye and Kırşehir.

Annual average consumption per subscriber was 1,082 m³ in Ankara, while Istanbul was below the average of Turkey with 857 m³.

GAZBİR's report also highlighted the upward trend in the share of natural gas as a vehicle fuel. It was noted that, especially the capital Ankara and central Anatolian city Kayseri used natural gas in urban public transport vehicles. In Ankara, 72 million m³ of natural gas is used in the transportation

Comparison of Subscriber Consumption (Million sm³) - Temperature (°C)



sector and 12 million m³ of natural gas are used as fuel in Kayseri. In total, 95.5 million cubic meters of natural gas is used in Turkey.

Gas access to 206 new districts with an investment of TL 3.5 billion

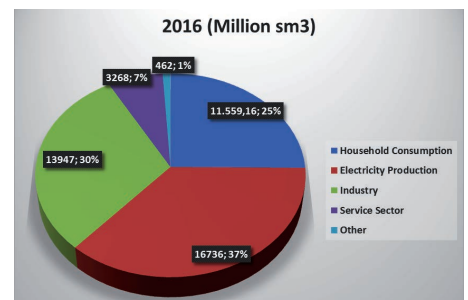
In Turkey, natural gas is available via distribution network in 76 of the 81 cities and 339 districts. In 2016, 28 new districts started using natural gas. At the end of 2016, natural gas supply to the newly concluded Agri-Doğubayazıt and Tunceli distribution regions will be provided soon by the tender processes that are being carried out by EMRA.

EMRA recently published the tender announcements of North East city Artvin, and South Eastern cities Hakkâri, Şırnak, Yüksekova, Cizre, Idil, Silopi. With the completion of the tenders opened by EMRA

this year, all of the 81 provinces will have natural gas networks.

Thus, with the increase in new investments and subscriber numbers, 77% of the citizens in Turkey will use natural gas in 2020, while Turkey's total natural gas consumption will increase to 51.3 billion m³.

28.7% of this consumption will be made by houses, 31.7% by electricity plants, 29.1% by industry, 7.8% by services and the remaining 2.7% by other sectors.



EMRA announced qualifications for gas distribution tenders

EMRA determine the firms that qualified for bidding at natural gas distribution license tender for the cities Hakkari, Şırnak, Yüksekova, Cizre, İdil, Silopi and Artvin.

(Enerji IQ – 10 March 2017) At the Board meeting of EMRA dated March 9, 2017, companies to be eligible to bid for natural gas distribution license tender for the distribution regions consisting of Hakkari, Şırnak, Yüksekova, Cizre, İdil and Silopi and Artvin were determined.

Companies that qualified to participate in the tender for Northern Eastern city Artvin, near Georgia border are as follows:

No	Company
1	AKMERCAN Turizm Taş. İnş. Güv. Sist. Tem. ve Gıda San. Dış Tic. Ltd. Şti.
2	PALEN Enerji Doğalgaz Dağıtım Endüstri ve Tic. A.Ş.
3	AKSA Doğalgaz Dağıtım A.Ş.
4	FERNAS İnşaat A.Ş.
5	ARSAN Aritma ve İnşaat A.Ş.
6	M.B.D. İnşaat San. Tur. Müh. ve Tic. Ltd. Şti.
7	AL-ÖZ Mühendislik Nak. İnş. Pet. Otom. San. ve Tic. Ltd. Şti.

Companies that qualified to participate in the tender for the distribution region composed of South Eastern cities and districts are as follows:

No	Company
1	AKMERCAN Turizm Taş. İnş. Güv. Sist. Tem. ve Gıda San. Dış Tic. Ltd. Şti.
2	AKSA Doğalgaz Dağıtım A.Ş.
3	FERNAS İnşaat A.Ş.
4	M.B.D. İnşaat San. Tur. Müh. ve Tic. Ltd. Şti.

EMRA postponed the application date of 2 GW wind licenses

Turkish regulator EMRA has third time postponed the application dates of the pre-license application for the 2 GW connection capacity to construct wind plants. The new date is set as April 3-6, 2018.

(Enerji IQ – 10 March 2017) The application date for 2 GW wind plant pre-licenses, which was earlier replaced by EPDK in April 2017 instead of October 2016, has been postponed to 3-6 April 2018 this time.

An EMRA official told Enerji IQ that the Turkey's regulations for new wind and solar investments, which is based

on bulk applications made to EMRA, seem to change completely, even if the 1 GW YEKA solar tender is considered as a successful model for the future of investments. The EMRA official also added that if the YEKA model succeeded, the competition model based on bulk applications would be pilled out from the agenda.

According to information provided from the Ministry of Energy, General Directorate of Renewable Energy is currently working on a tender for 2 GW of wind plants, to be erected on renewable resource areas, known as YEKA, in 4 different regions across the country. The tender is expected to announced in the first half of April.

Phoenix Solar to build 11.2 MWp power plant in Turkey for Akfen

(Enerji IQ – 20 March 2017) Phoenix Solar Yenilenebilir Enerji A.Ş., the newly established Turkish subsidiary of Germany's Phoenix Solar AG, said March 20 it was awarded an order by a consortium led by Akfen Renewable Energy, the energy arm of Turkey's Akfen Holding, to build a photovoltaic power plant with a total capacity of 11.2 MWp in the Northern province of Amasya.

The contract was signed after the successful commissioning of the first governmentally licensed project built

in the eastern province of Elazığ, which was also on behalf of Akfen Renewable Energy.

"We are more than pleased that such a renowned customer as Akfen extends its confidence by awarding us this second utility-scale project within less than one year," said Robert Moreau, senior vice president of the Middle East region at Phoenix Solar AG.

"The move to establish a fully-fledged subsidiary confirms our claim to gain and

maintain a leadership position in Turkey and is a token of our confidence that we will be able to sustainably expand our business in this fast growing market and the entire region," he added.

Phoenix Solar, an international photovoltaic systems integrator headquartered in Sulzemoos in Munich, will carry out all engineering, procurement and project management tasks including supervising the construction, which is due to begin in March, a statement said.

6.99 USDcent/kWh feed-in tariff for 1 GW solar tender

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in Turkey and R&D will be carried out at least 10 years.

The tender will be a milestone for Turkey's renewable energy investment model as the previous model based on bulk applications for the connection capacities will be replaced by YEKA tender model.

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The ratio of locally manufactured equipment for the first 500 MW phase will be 60% and 70% for the remaining 500 MW.

Cooperation agreement for huge YEKA wind tender

General Electric (GE), Borusan EnBW Energy, Fina Energy and Özgül Holding signed a memorandum of understanding under the Renewable Energy Resource Area (YEKA) wind plant tender, that will be announced by the Ministry of Energy soon.

(Enerji IQ – 8 March 2017) General Electric (GE), Borusan EnBW Energy, Fina Energy and Özgül Holding signed a memorandum of understanding (MoU) to cooperate on the establishment, operation and financing of a joint wind power plant within the scope of YEKA wind tender, the largest wind project in

the field of renewable energy.

Borusan EnBW Energy Chairman Agah Uğur, Fina Energy Chairman Murat Özyeğin, Özgül Holding Chairman Ömer Faruk Özgül and GE Global Growth Organization President John Rice, General Director of Renewable Energy Europe and Middle East (EMEA)

Cliff Harris and GE Turkey's Chairperson Canan M. Özsoy inked the MoU on behalf their companies.

The companies will carry out joint work on the provision and operation of wind energy fields for YEKA project, equipment, service, domestic production, financing and R&D.

EIA report of capacity expansion at Salt Lake Underground Storage Facility approved

Ministry of Environment approved the Environmental Impact Assessment (EIA) Report of BOTAŞ for the capacity expansion of Salt Lake Underground Storage Facility to 6 billion Nm³.

(Enerji IQ – 10 March 2017) Turkey's transmission system operator and biggest gas importer BOTAŞ, received the approval of the Ministry of Environment for the capacity expansion project of Salt Lake Underground Storage Facility to 6 billion Nm³.

In Salt Lake (Tuz Gölü) Natural Gas Storage Facility, 6 of the 12 storage caverns with a total capacity of 500 Nm³ were commissioned to operate on February 10, 2017. The construction of the remaining 6 caverns still continues. The second group of six depots will be completed by 2020, with a total storage

capacity of 1 billion Nm³.

In addition to the existing facilities consisting of 12 caverns and surface facilities with a storage capacity of 1 billion Nm³, 48 caverns, 2 surface facilities and 2 natural gas branch lines are planned with a storage capacity of 5 billion Nm³ at Salt Lake. The final capacity is expected to reach 6 billion Nm³ after the expansion.

As auxiliary units, it is envisaged to establish a fresh water supply line, salt water discharge line, connection lines between wells, pumping stations, water

storage tanks and concrete plants. The EIA report noted that there may be an increase or decrease in the number of such auxiliary units depending on the needs of the facility and the changing conditions.

The main and auxiliary units to be established within the scope of the project are located in Aksaray, Sanyahşi, Ağaören, Ortaköy, Eskil and Merkez districts, Emirgazi district of Konya and Evren district of Ankara.

In the final EIA report, the cost of the project was stated as approximately TL 9.5 Billion.

EMRA adopted Organized Natural Gas Wholesale Market Regulation



EMRA, at the weekly ordinary assembly meeting held on March 9, discussed and approved the Organized Natural Gas Market Wholesale Market Regulation, which will enable further trade options to shippers.

(Enerji IQ – 9 March 2017) EMRA's Board approved and adopted the Organized Natural Gas Market Wholesale Market Regulation, which was opened to public opinion in last October. The draft, which was revised with the comments from the market, entered the agenda of the Board for the first time on March 2, but could not be concluded, as

further studies were required.

The regulation is expected to be published in the Official Gazette within a few days. With the entry into force of the Regulation, Turkish energy exchange EPIAŞ will complete a sustainable infrastructure and software work and a common schedule for the simulation will

be set.

EMRA aims to start the simulation for the organized gas wholesale market in the second half of this year. However, sector representatives say that the system can work only with a very limited degree in the market structure subject to over-regulation, where there is no cost-based pricing.

New appointments to EMRA departments

(Enerji IQ – 16 March 2017) New appointments were made at Turkish regulator EMRA to the heads of Auditing, Law, Expropriation and LPG Market Departments.

In this context, Murat Baykara, former Head of the Law Department

is appointed as the Head of the Expropriation Department. Former head of the LPG Market Department Yılmaz Tamer is appointed as the Head of Auditing Department where he worked as an expert following the establishment of EMRA at 2001. Elif Yıldırım, currently working as a Head of Group is appointed

as the Head of Legal Department and Muhammed Demir is appointed as the Head of the LPG Market Department.

Mehmet İbiş, who has been serving as the Head of the Auditing Department for many years, was brought to the Advisory Board of the Chairman.

EMRA approved BOTAŞ's transmission network investment cap for 2017

EMRA approved the cap of the transmission network investments of BOTAŞ's as TL 592.3 million.

(Enerji IQ – 15 March 2017) EMRA approved the cap of the transmission network investments of BOTAŞ for 2017. The cap is set as TL 592,318,000 (USD 162.3 million) including the transit natural

gas transmission investments. The decision of the Board was published in the Official Gazette dated March 15, 2017 and entered into force.

BOTAŞ's investment cap for the year

2016 was determined as 406,863,000 TL at the Board meeting held on 9 June 2016, was decreased to 390,291,000 TL at the Board meeting held on 16 February 2017.

OMV enters major Upstream project in Russia

(Enerji IQ - 16 March 2017) OMV, the international integrated oil and gas company based in Vienna, is entering a major Upstream gas project in Russia. OMV signed an agreement to acquire a 24.99% share in the Yuzhno Russkoye natural gas field located in Western

Siberia from Uniper SE. The purchase price amounts to USD 1,850 mn (approx. EUR 1,749 mn based on an agreed exchange rate of EUR 1 = USD 1.0575) plus cash on the balance sheet per December 31, 2016. The transaction is anticipated to close by year end

and will be retroactively effective as of January 1, 2017. The implementation of the transaction is subject to further conditions, including co-shareholder consent as well as merger control and foreign investment control clearance in Russia.

ELDER elected new board at general assembly

Association of Distribution System Operators (ELDER) elected new chairman and board members at its 8th Ordinary General Assembly, at Ankara. Minister Albayrak, Undersecretary Fatih Dönmez and EMRA Chairman Mustafa Yılmaz were among the participants.

(Enerji IQ – 15 March 2017) The Association of Electricity Distribution System Operators of Turkey elected the new board members and the chairman of the association at its 8th General Ordinary General Assembly, held in Ankara.

Accordingly, IC İÇTAŞ Energy Chairman Serhat Çeçen is elected as the Chairman of the Board of Directors of ELDER. Yaşar Arslan, the Deputy Chairman of Çoruh and Fırat Electricity Distribution Companies and the CEO of Enerjisa Kıvanc Zaimler are elected as the Vice Chairmen of ELDER.

After the General Assembly, ELDER Chairman Serhat Çeçen said: "As the roof organization of the electricity sector; we will develop appropriate policies to supply our citizens with sufficient, uninterrupted, quality



and reasonable price electricity services in the new period. Consumer orientation is not a choice in a public service like the electricity distribution sector. We will continue to invest in

sustainability of electricity services at the fastest pace. In the electricity distribution sector; we will accelerate the institutionalization of work quality and customer satisfaction."

Minister Albayrak emphasized "domestic and national" initiative

Energy and Natural Resources Minister Berat Albayrak, who participated in the 8th General Ordinary General Assembly, stated that there is a significant progress in 2016 when compared to 2015, in the scope of the targets set in the electricity distribution sector. Minister Albayrak said that this year will be a year when more successful results will be taken in terms of the targets in the electricity distribution sector: "Both call centers and technical satisfaction are important points of local and regional investments. We will follow suit more closely."

Minister Albayrak reminded that the share of domestic resources in electricity generation reached 49% last year with a "domestic and national" initiative.

Albayrak stated that these developments will contribute positively to the narrowing of Turkey's current deficit. He continued as follows:

"Last year, the share of domestic coal production in electricity generation was 23%, while the share of renewable resources was 31%. We have made important strides in the natural gas sector; it has been a year in resource diversity and storage. It has been

a significant year in terms of gas delivery capacity to the system. The daily gas entry capacity has increased from 190 million m³ to 240-250 million m³. This year, we hope to reach 300 million m³/day gas entry capacity. In other words, it will be a period when we will leave behind the congestions experienced in the winter months but we need to think beyond that too. I hope that our daily gas entry capacity will reach 400 million cubic meters, not only in the domestic market, but also aim to be a natural gas vendor to the region. TANAP is going on, and hopefully will be completed in the second half of next year. I hope that the construction process will be completed by 2019 in Turkish Stream. So, we are talking about a much bigger natural gas market where 6-7 pipelines have been developed, with two new FSRUs, where LNG capacity will expand and act more actively, with storage capacity going from 10 billion to 10 billion cubic meters from 2.7 billion cubic meters."

'2017 will be an active year in Mediterranean Sea'

Albayrak, signaling that important steps



will be taken this year also in mining and E&P. Minister Albayrak said:

"Off-shore explorations will be an important step this year in terms of oil and gas exploration. We will continue with our second exploration vessel, in addition to the existing one. One of them will explore Black Sea and the other one at Mediterranean Sea and they will conduct three-dimensional seismic. In addition to the Black Sea, the Mediterranean Sea will now become a more strategic part of Turkey and will take up more space in Global explorations. The more you explore, the more you will find. Hopefully, as I said before, it will be a very active year in Mediterranean Sea."

Turkey puts 28 new power plants into operation in February

Turkey put 28 new power plants into operation in February with 316.7 MW of installed capacity, of which 94 percent came from local resources.

(Enerji IQ – 7 March 2017) Turkey put 28 new power plants into operation in February with 316.7 MW of installed capacity, of which 94 percent came from local resources, data from the Energy and Natural Resources Ministry showed on March 6.

Turkey's current installed electricity capacity reached 78,915 MW with the newly added capacity by the end of

February.

However, the new capacity in February decreased by 18.5 percent compared to the 389 MW that were in place during February last year.

Wind power plants constituted 129 MW of the new capacity in 12 power plants in the provinces of Kırklareli, Manisa, Afyonkarahisar, Balıkesir, İzmir, Tekirdağ, Kayseri and Istanbul in February.

Turkey put into operation 97.4 MW of hydroelectricity in six power plants in the provinces of Giresun, Rize, Zonguldak, Isparta, Düzce and Antalya.

In addition, a 50-MW lignite plant started producing electricity in the northern province of Karabük.

Turkey's domestic resources provided 298.5 MW of newly installed capacity.

Turkey's current account deficit widens in January

Turkey's current account deficit stood at USD 2.76 billion in January, up almost by USD 561 million year-on-year, according to the Turkish Central Bank's report.

(Enerji IQ – 13 March 2017) Turkey's current account deficit stood at USD 2.76 billion in January, up almost by USD 561 million year-on-year, according to the Turkish Central Bank's report on March 13, as reported by Anadolu Agency.

The figure was largely in line with forecasts made by a group of 17 economists who told Anadolu Agency they predict an average USD 2.8 billion

current account deficit for January 2017.

The Central Bank said this was due to an increase in foreign trade deficit and a decrease in revenue from services.

"This development in the current account is mainly attributable to USD 420 million increase in the deficit in goods item recording USD 3.105 billion and USD 232 million decrease in services item recording USD 578 million," the

bank said in a statement.

Travel items under services recorded a net inflow of USD 589 million in January, decreasing by USD 125 million compared with the same month of the previous year, the bank also said.

Meanwhile, the 12-month rolling deficit rose to USD 33.16 billion, up from USD 32.6 billion in December 2016, according to the report.

ENI takes Total's 50% share in Block 11 offshore Cyprus

ENI's deal with Total will allow acquisition of 50 percent interest in block 11 offshore Cyprus, ENI announces.

(Enerji IQ – 8 March 2017) Italian energy company ENI finalized a farm-in agreement with French Total to acquire 50 percent participating interest in block 11 offshore Cyprus, the company announced on March 7, 2017.

Through the transaction, ENI reinforced its own position in the field in the south of the Mediterranean island. The company acquired the right to explore the 2,215 square kilometer area,

adjacent to the major Zohr discovery in the Egyptian offshore, according to ENI's press release.

According to the farm-in agreement, which has been approved by the Greek Cypriot administration, Total will remain the operator of the block.

There are four main characteristics to the farm-in agreement, according to international business law and litigation firm, Fasken Martineau.

"In a farm-in agreement, the seller has a license interest, the buyer agrees to pay the seller's costs for a particular activity, and in return the seller transfers part of the seller's interest to the buyer while the seller retains part of its interest."

The Greek Cypriot administration assigned the rights of block 11 to Total in 2013 after it unilaterally held a bid round for the block.

Turkey's Akxa Energy establishes investment company in Netherlands

Akxa Energy's subsidiary, Akxa Global Investments B.V. in the Netherlands will coordinate expansion of foreign investments.

(Enerji IQ – 7 March 2017) Akxa Global Investments B.V., a subsidiary of Turkish company Akxa Energy, was established in the Netherlands to ensure coordination among the companies, Akxa Energy said on March 7, 2017.

Akxa Energy said in a statement sent to Turkey's Public Disclosure Platform (KAP) that the subsidiary was established for prior and future foreign investments in electricity production and sales.

Moody's cuts outlook on Turkey credit rating to 'negative'

Ratings agency Moody's cut its outlook on Turkey's rating to "negative" as risks to the country's credit profile have "risen materially" in recent months.

(Enerji IQ – 18 March 2017) Ratings agency Moody's late on March 17 cut its outlook on Turkey's rating to "negative" as risks to the country's credit profile have "risen materially" in recent months.

The ratings agency noted that the "tense political environment" following the failed coup attempt July 15, 2016 has "persisted for longer than expected"

and has "undermined the country's administrative capacity and damaged private sector confidence."

"Partly as a consequence, Turkey has experienced a further slowdown in growth," Moody's added.

Moody's rates Turkey at BAA1. It previously had a "stable" outlook on the sovereign.

The ratings agency also affirmed its "junk" non-investment grade of BAA1 on Turkey's debt, saying its economic and fiscal strength served as a buffer against the risks posed by its diminished institutional state.

Fitch Ratings in January cut Turkey's last remaining investment grade, when it downgraded it over widening concern about politics and monetary policy.

Asset volume of seized companies hits over USD 11 billion in Turkey: Deputy PM

(Enerji IQ – 16 March 2017) The asset volume of companies seized by the state has surpassed 40.5 billion Turkish Liras (USD 11.1 billion), Deputy Prime Minister Nurettin Canikli has said, adding that the state fund in charge of running these companies has become "one of the largest business holdings in the country."

More than 850 companies have been appointed with trustee board members before being transferred to the Saving Deposits Insurance Fund (TMSF).

"The asset volume of companies so far transferred to the TMSF has hit over 40.5 billion liras," Canikli told state-run Anadolu Agency on March 16.

"In terms of asset volume, the fund has become the largest holding in the country," he added.

The seized companies employ a total of over 44,000 people, Canikli said, adding that with the exception of the Koza Group, "most of these companies' financials have seen a rebound since being taken over."

These companies have lured huge interest from both local and global players, he added.

Turkcell signs deal to purchase China's Huawei products on local currencies

(Enerji IQ – 13 March 2017) Turkey's leading mobile operator Turkcell has said it clinched a deal to purchase Huawei products in local currencies in a bid to support the country's recent move to boost trade in local currencies rather than foreign exchanges, Reuters reported on March 13.

President Recep Tayyip Erdoğan called for Turkish citizens and companies to convert their dollars or euros into Turkish Liras late in 2016. Many state-run and private companies announced that they would start to make their transactions in liras.

Turkcell had earlier announced that it would start to make its investments, product and services purchases and rent contracts in liras.

Turkcell CFO Bülent Aksu said the company accelerated its works to make its product and services purchases in local currencies or liras from their foreign suppliers.

"We are happy to clinch our first commercial transaction in local currencies with our business partner Huawei," Aksu added.

Rosneft increases petroleum product supplies to Turkey

(Enerji IQ – 17 March 2017) Rosneft has said it signed a number of agreements with Turkey's leading energy companies on the sidelines of the top level negotiations between Russian President Vladimir Putin and Turkish President Recep Tayyip Erdoğan on March 10.

Rosneft signed an agreement on petroleum product supplies for the period between 2018 and 2020 with Demirören Group, the company said in a statement.

The document follows up on the development of the existing partnership between the parties, as in December 2016, a contract was signed for Rosneft to supply up to 840,000 tons of diesel fuel.

The new agreement determines the intention of the parties to sign an additional contract for the supply of up to 4.6 million tons of oil products by 2020, with 3.6 million tons of ultra-low-sulfur diesel-10 ppm and 1 million tons of liquefied petroleum gas, according to the statement.

As a result of the implementation of the agreement, Rosneft will meet more than half of Demirören's annual demand for petroleum products.

The agreement serves to strengthen mutually beneficial relations between Russian and Turkish partners.

When the agreement enters into force, Rosneft said it will significantly strengthen its positions in the

Turkish market, to which the company will be able to supply an additional 11.3 percent of imported and about 6 percent of all diesel fuel consumed in the country.

Rosneft and BA Gas Enerji Sanayi ve Ticaret A.S. entered into a cooperation agreement in a move to organize the supplies of up to 6 million tons of oil products per year - including Rosneft production - to end-users in Turkey.

During the period of 2005 - 2015, the consumption of petroleum products in Turkey grew by 35 percent, from 30.5 million tons in 2005 to 41.1 million tons in 2015, according to data on the company's website.

Power exchanges in European energy market to be discussed at 3rd Energy Commodities Conference

3rd Energy Commodities Conference, which will be held in Athens on May 12-13, brings great opportunity to reinforce the role of the Power Exchanges in the European Energy Market. 15% 'Early Bird' discount is available for participants until 18th April 2017.

(Enerji IQ – 20 March 2017) For the 3rd consecutive year, the "Energy Commodities Conference" of Athens takes place during the 12th and 13th of May 2017, organized by Bousias Communications.

The agenda of the conference has been set by the energy market itself and it will shed light upon four major subjects:

Session 1: Market Coupling in EU: The way Power Exchanges deal with it and the hedging solutions for utilities

Session 2: Capacity Market Mechanisms: Developments in various EU countries, signals for Investments in installed Capacity?

Session 3: Balkan utilities: The road from the Monopole to a competitive market, an "Odyssey" or not?

Session 4: IT for utilities: Powerful trading tools, ETRM systems & Energy Management Platforms

During this year's event, the role of the Power Exchanges in the region within the frame of Market Coupling, the transmission of LAGIE to Power Exchange according to the western European standards, the 'Target Model' guidelines, the 'NOME' products of the Greek market, the developments in regards to the Capacity Market Mechanisms as well as the upgraded role of EEX in the region, will be discussed in depth. Moreover for the first time the modern ways which help retailers become more attractive to the end customer



will be presented. In addition, state of the art software solutions for energy companies, especially in the field of Energy Management, Data Analytics as well as ETRM systems will be introduced.

In the 3rd Energy Commodities Conference experienced executives from various energy companies as well as organizations have been invited so as to create the fundamentals of an effective public dialogue on the matters which are open in the Greek and Balkan energy markets. They have confirmed their participations, Dr. Ion Lungu President of AFEER (Romanian Association of Electricity Suppliers), Martin Georgiev Head of South Balkans Area, Alpiq Energia Bulgaria, Dina Lasova Business Development, Power Exchange Central Europe, Andreas Daskalakis Director of Market Operations & Service Members, ATHEX Group, Luis Colasante Group Energy Manager & Head of Economic Research, Sogefi Group, Karoly Matrai CEO Keler Group, Konstantinos Athanasiadis President of ESEPIE (Greek Traders Association), Athanasios Ghikas founder and Managing Director of Clarus ESCo,

Dr. Sotirios Manolkidis, Vice-President of the Hellenic Regulatory Authority for Energy (RAE), Professor Dr. Antonis Metaxas is Managing Partner of M&A Law Firm, Konstantinos Nazos, Head of Market Analysis Section, Department of Energy Management and Trading, PPC, Dr. Vassilis Nikolopoulos, CEO, co-founder, Intelen Inc, Dr. Christos Papadopoulos Regional Director Europe, Energy Exemplar, Theodoros Trachanidis, Leadership consultant, Founder 9-Ennea

This important meeting will be concluded on Saturday, May the 13th, with two specialized seminars for Market's executives, with the following topics:

1. Negotiations in the energy sector, lasting five hours with Dr. Andreas Nikolopoulos, Diploma in Negotiations, OD .A as rapporteur and

2. Job Opportunities in Power & Gas – a Headhunter's View, lasting two hours with Jakob Bloch, CEO, Commodity Appointments Ltd. as rapporteur.

For more information click here:

<http://www.energycommodities.gr/default.asp?pid=1&la=2>