

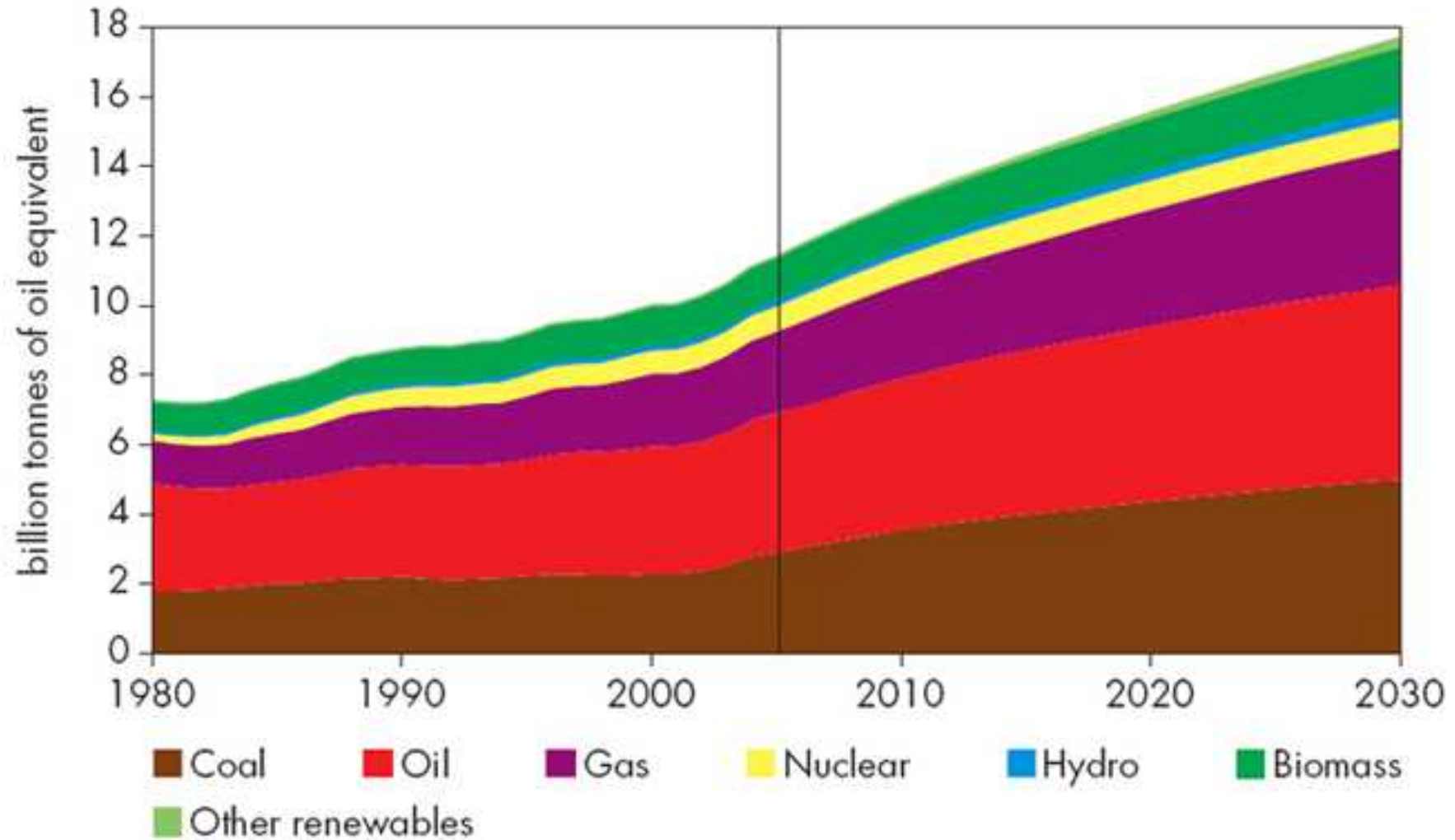
PETFORM



PETROLEUM PLATFORM ASSOCIATION

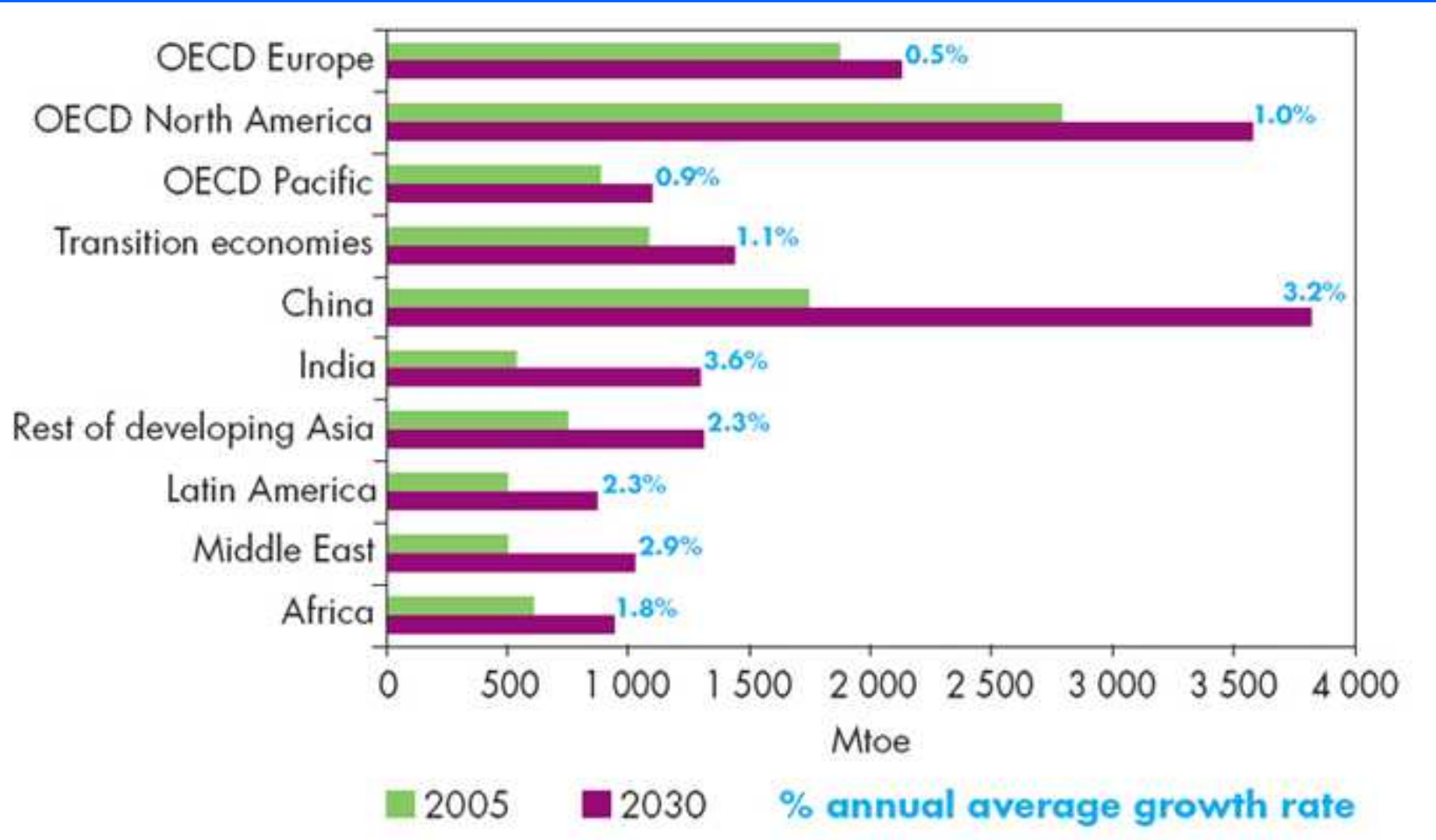


World Primary Energy Demand

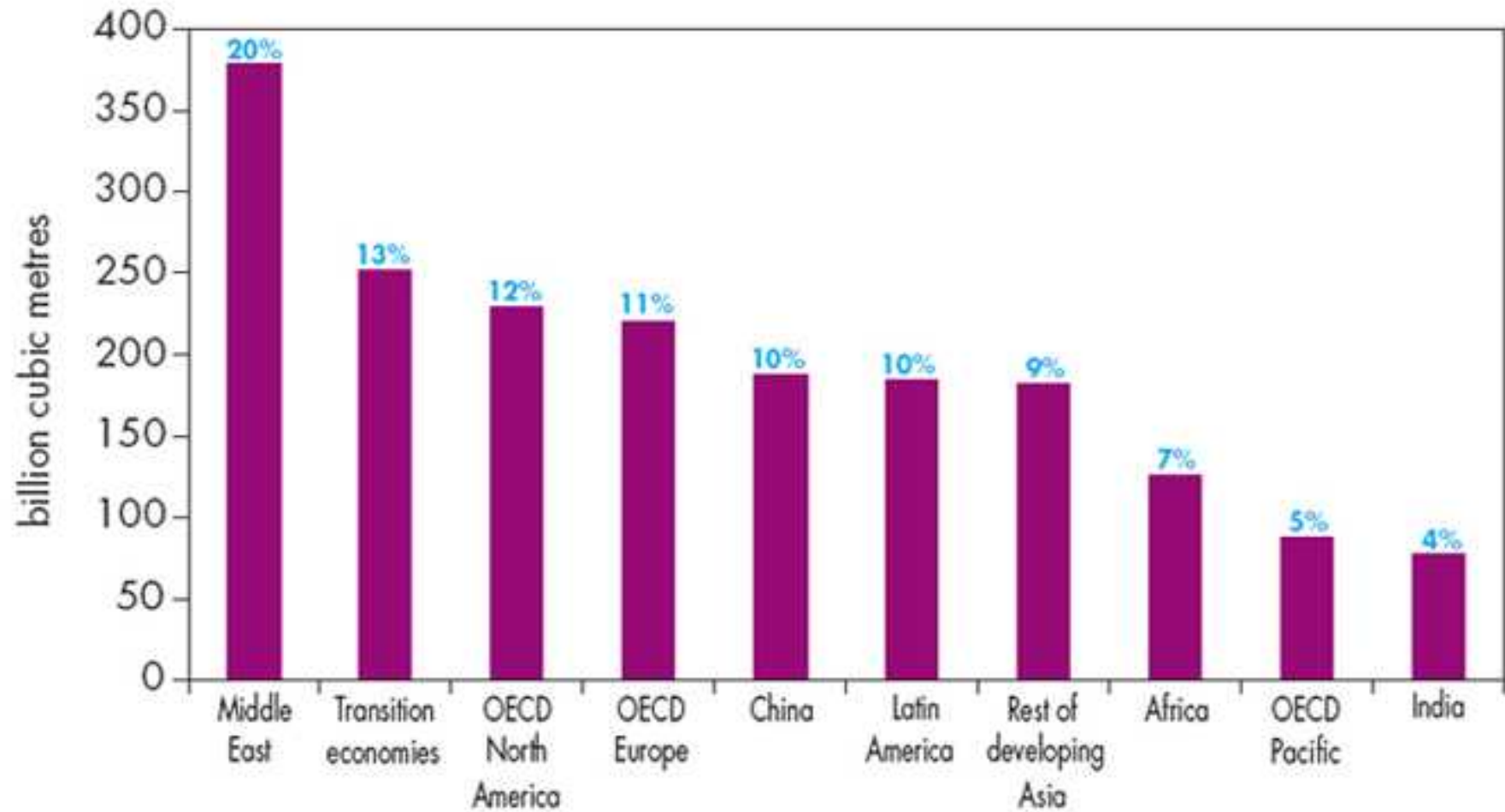




Energy Demand by Region

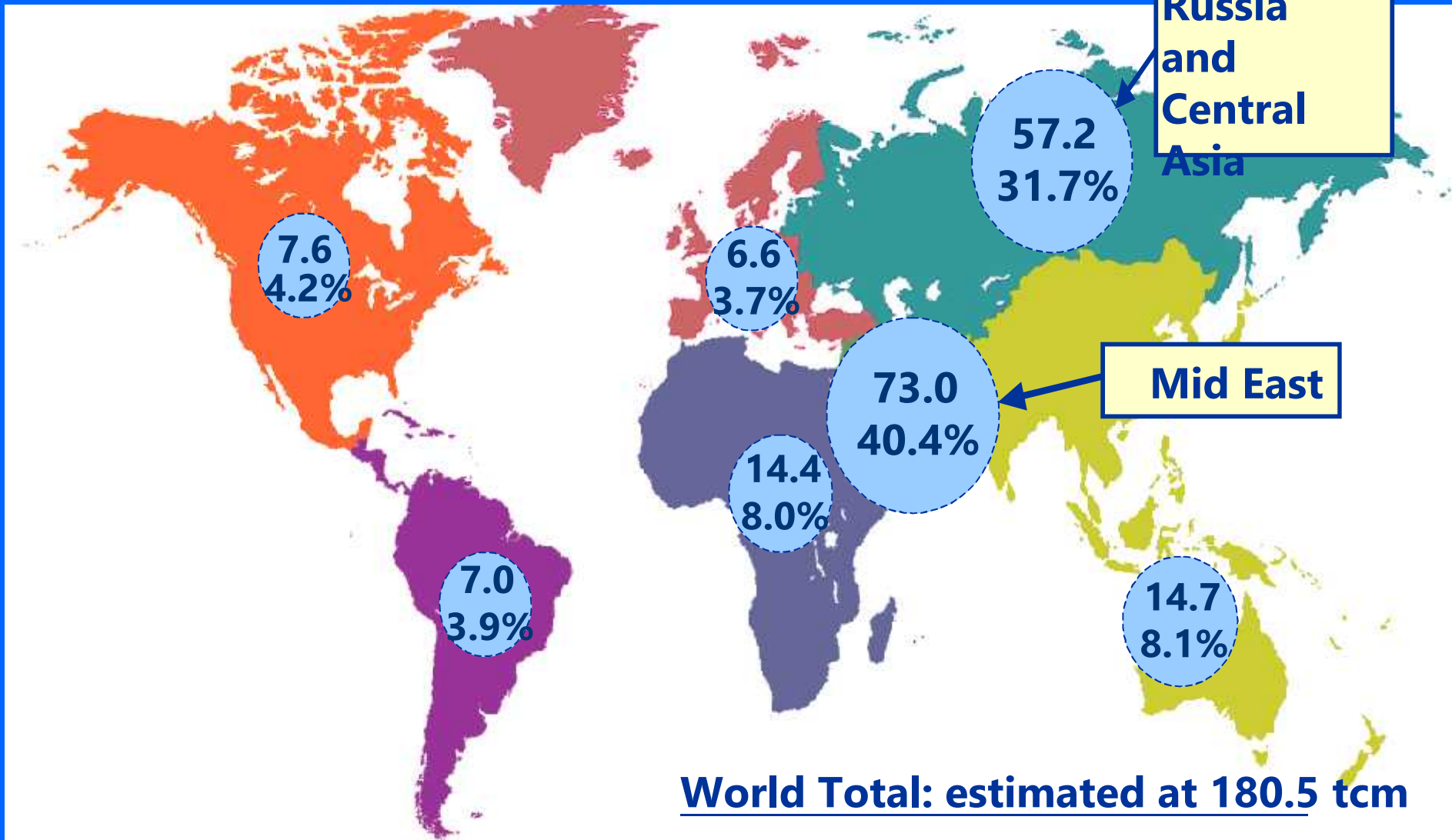


Natural Gas Demand by Region



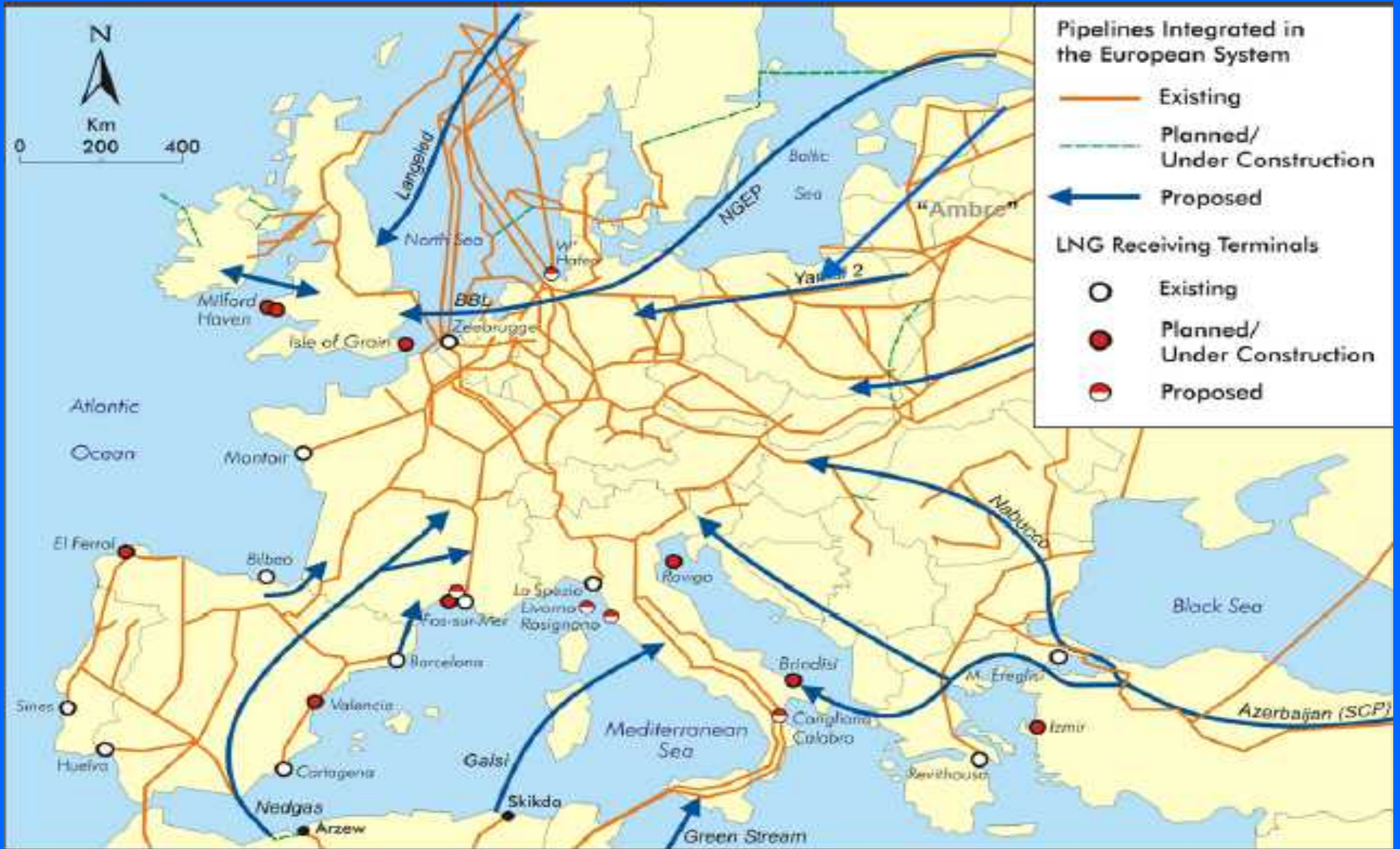
% share of increase in world primary natural gas demand 2005-2030

Global Gas Reserves

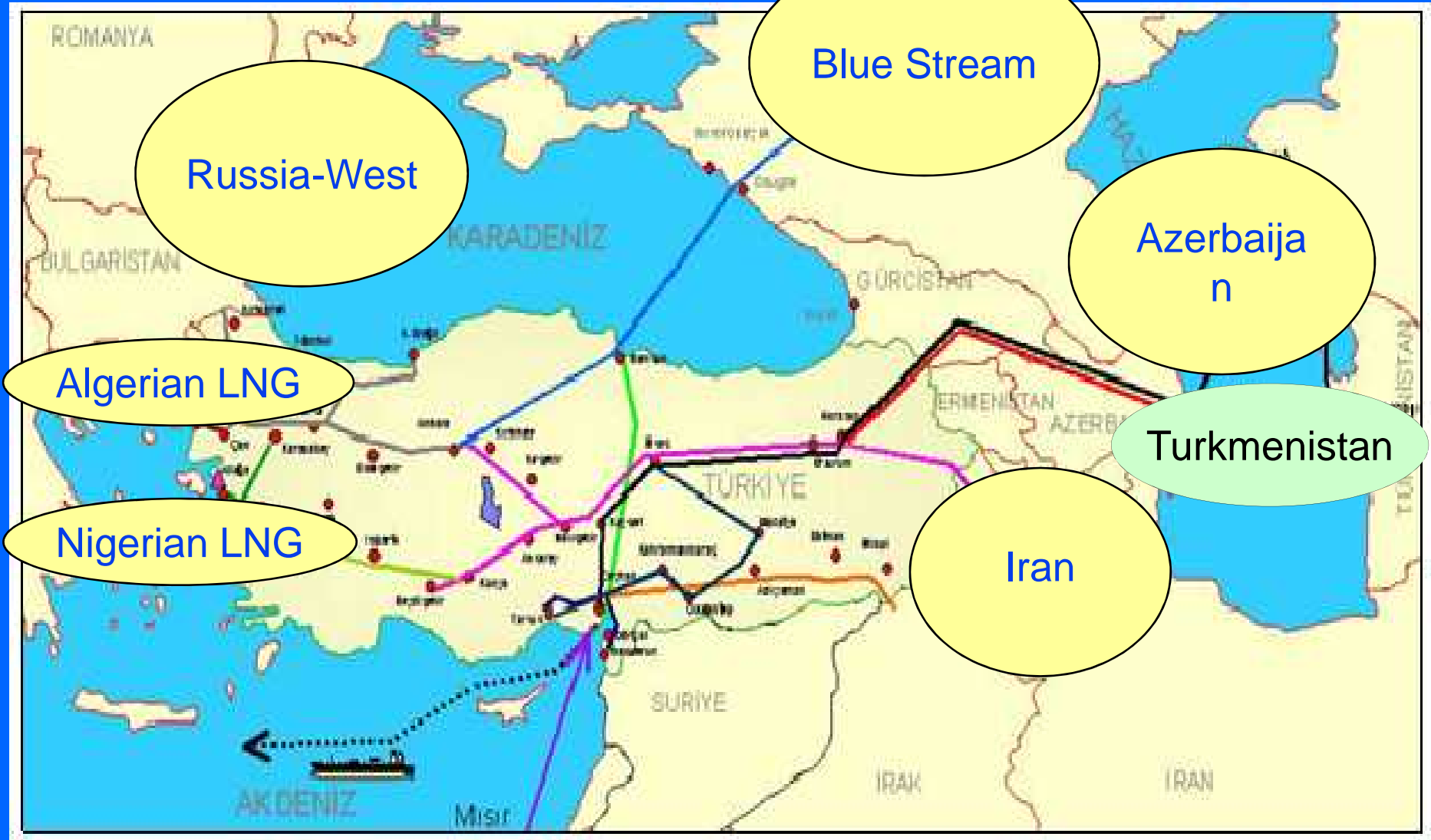


World Total: estimated at 180.5 tcm

Import Capacity into Europe



Gas Supplies to Turkey





Gas Imports in 2007

- **Russia** : **63,5%** - **23,1 bcm**
- **Iran** : **16,9%** - **6,1 bcm**
- **Algeria** : **11,8%** - **4,2 bcm**
- **Nigeria** : **3,9%** - **1,4 bcm**
- **Azerbaijan** : **3,4%** - **1,2 bcm**
- **Spot LNG** : **0,5%** - **0,1 bcm**
-
- **Total** : **36,4 bcm**



Source: BOTAŞ

Contracts	Date of Signature	Date of Operation	Duration (Years)	Volume (Plateau – bcma)	Date of Expiration
Russia (West)	Feb 1986	Jun 1987	25	6	2012
Algeria (LNG)	Apr 1988	Aug 1994	20	4	2014
Nigeria (LNG)	Nov 1995	Nov 1999	22	1,2	2021
Iran	Aug 1996	Dec 2001	25	10	2026
Russia (Blue Stream)	Dec 1997	Feb 2003	25	16	2028
Russia (West)	Feb 1998	Mar 1998	23	8	2021
Turkmenistan	May 1999	- - - - -	30	16	- - - - -
Azerbaijan	Mar 2001	- - - - -	15	6,6	- - - - -

GAS PRODUCTION & TRANSMISSION IN TURKEY





Natural Gas in Turkey

1970: The first gas, discovered in Kumrular region around Kırklareli, began to be used at Pınarhisar Cement Factory in 1976.

1984: The first agreement on gas importation was signed between Turkey and the USSR by Council of Minister's Decree No.84/8806.



Natural Gas in Turkey

1986: The first agreement was signed between **BOTAŞ** and Soyuzgazexport. The construction of 842-km pipeline was launched on October 1986.

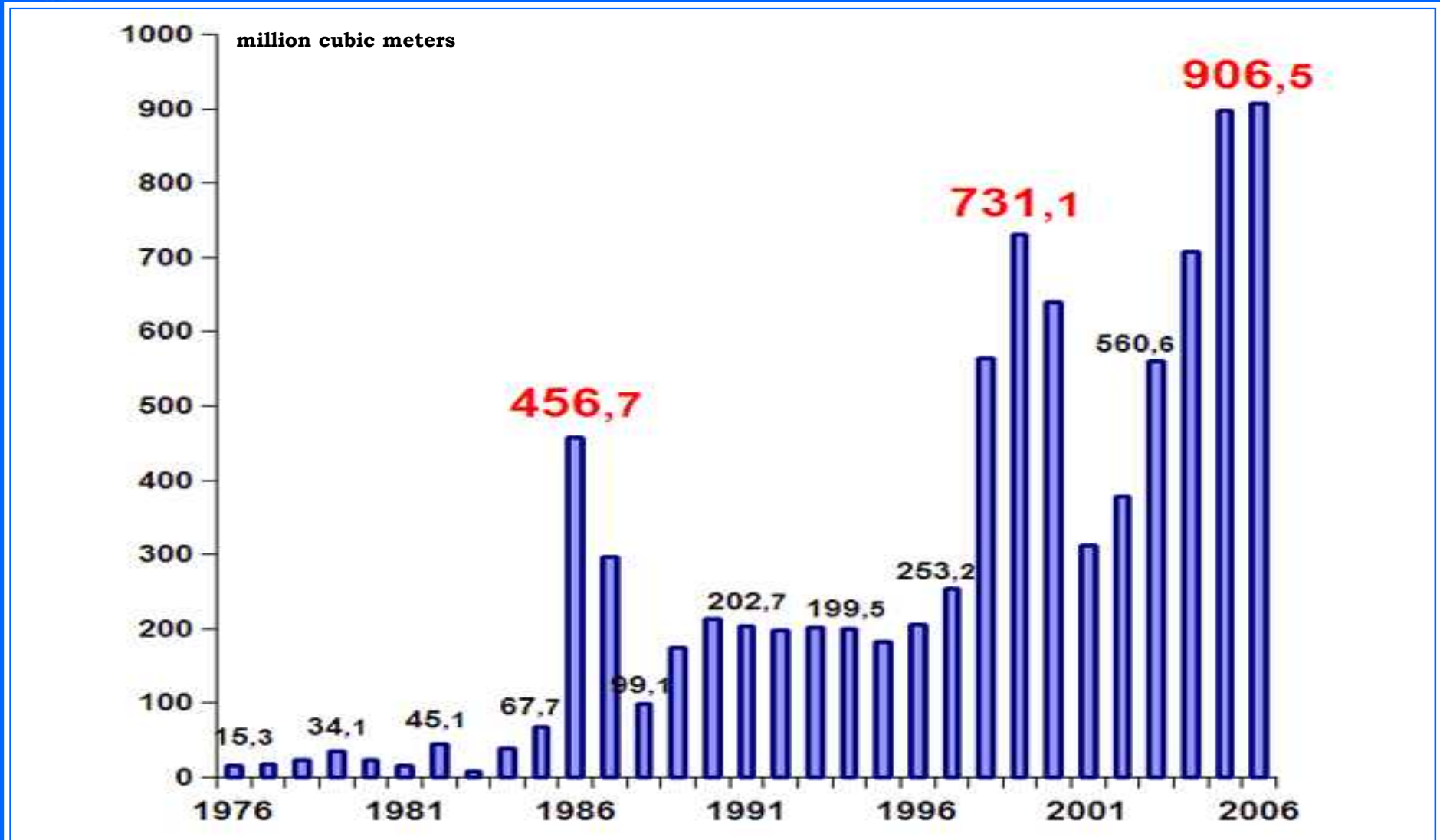
1988 – 1996: The gas was supplied to residential and industrial customers in 1988 in Ankara, in 1992 in Istanbul and in Bursa, in 1996 in Izmit and in Eskişehir.



- **Total Reserve** : 21,8 bcm
- **Recoverable Gas** : 16,4 bcm
- **Cumulative Production** : 8,6 bcm
- **Remaining Recoverable Gas** : 7,7 bcm
- **Production in 2006** : 0,9 bcm
- **Distribution of Production** : %54 » Private
%46 » TPAO



Gas Production in Turkey





Gas Production in Turkey

- *The production increased only by 3 times when consumption by 72 times in last 20 years.*
- *The share of domestic production in total consumption dramatically decreased to 3%.*



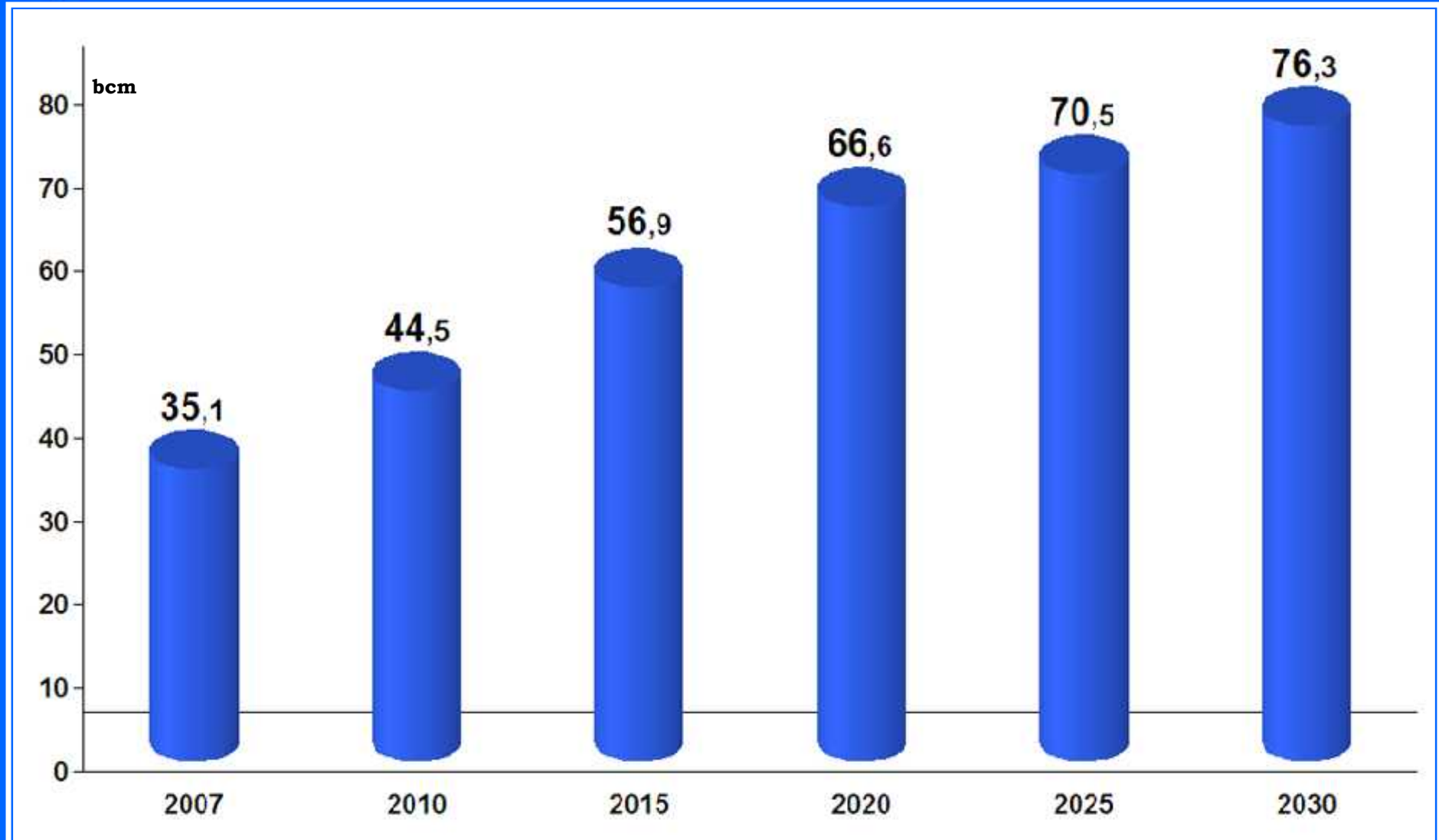
Increase in Energy Import

<u>Year</u>	<u>Energy Imports (billion USD)</u>	<u>Share in Total Import</u>
• 2003	11,5	16,7%
• 2004	14,4	14,7%
• 2005	21,2	18,2%
• 2006	28,8	20,8%
• 2007	33,8	19,9%



- **Power** : 56,1% - 19,6 bcm
 - **Industrial** : 22,3% - 7,8 bcm
 - **Residential** : 21,6% - 7,5 bcm
-
- **Total** : 35,06 bcm

Gas Demand Forecast





- **Creating a liberal and competitive gas market**
- **Reducing the share of BOTAS impact to max. 20% by 2009 through a gas release programme**
- **Legal unbundling of BOTAS impact / making and transmission activities by 2009**
- **Providing benefits to customers by supplying sustainable, cost effective and environment friendly source of energy**



Contract Releases

- **Shell Enerji** : 0,25 bcm
- **BosphorusGaz** : 0,75 bcm
- **Enerco Enerji** : 2,5 bcm
- **Avrasya Gaz** : 0,5 bcm
-
- **Total** : 4 bcm



- **On BOTAS side, immediately fulfilment of not only the ‘split of accounts’, but also legal unbundling**
- **Execution of ‘Cost - Based Pricing Mechanism’ as of July 1, 2008 fully in order to provide a healthy competition in gas market**



- **Continue gas release to reduce BOTAS' market share to 20% by 2009 through contract release and/or volume release programme**
- **To free importation for the security of supply purposes**



- **AKSA DOĞALGAZ**
- **ALADDIN MIDDLE EAST**
- **ARGM**
- **AVRASYA GAZ**
- **BOSPHORUSGAZ**
- **BP**
- **ÇALIK ENERJİ**
- **EGEGAZ**
- **ENERCO ENERJİ**
- **ENERGY OPERATIONS TURKEY**
- **ENERJİSA**
- **ENI REPRESENTATIVE**
- **GENEL ENERJİ**
- **GÜNEY YILDIZI**
- **IBS RESEARCH**
- **MERTY ENERGY**
- **N.V. TURKSE PERENCO**
- **OMV GAS & POWER**
- **OPALİT**
- **PALMET**
- **PEMI**
- **PETOIL**
- **PETROL OFİSİ**
- **SHELL ENERJİ**
- **STATOILHYDRO**
- **TEKFEN**
- **THRACE BASIN**
- **TOTAL**
- **TURCAS**
- **TURUSGAZ**
- **ZORLU PETROGAS**