ANNUAL REPORT 2009

Tüpraş

Seeing the future...

CONTENTS

Only a far-reaching vision will engender the **right decisions.**

Tüpraş, Turkey's only producer in the refining sector and its largest industrial corporation, joined the Koç Group of Companies in 2006. With its production facilities and partnerships, Tüpraş provides products and services in refining and distribution to meet approximately 70% of Turkey's fuel demand.

At Tüpraş, we are keenly aware of the fact that our growth is dependent on that of Turkey and we understand the responsibility of the vital role we play in meeting our nation's energy demand.

In line with our Investment Plans, we continually upgrade and improve our technologies in order to maintain our sustainable growth and enhance our competitive edge. Under the challenging and constantly changing market conditions, we capitalize on our experience and capacity to formulate efficient solutions to manage our risks with proactive strategies - always assured of the driving force of the Koç Group behind us.

TÜPRAŞ AT A GLANCE

TÜPRAŞ TÜRKİYE PETROL RAFİNERİLERİ A.Ş. COMPANY PROFILE

Date of Establishment
November 16, 1983

Headquarters
Körfez/Kocaeli

Registered Capital
TRY 500 million

Issued Capital
TRY 250.4 million

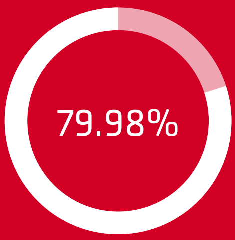
Profits in 2009 (After Taxes)
TRY 811.3 million

Public share
49%

Crude Oil Processing Capacity
28.1 million ton/year

Crude Oil Storage Capacity
2.0 million m³ (Gross)

Product and Product Storage Capacity
2.7 million m³ (Gross)



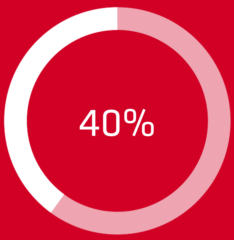
DİTAŞ

Tüpraş owns 79.98% of Ditaş

Crude Oil Tanker 165 kDWT

Product Tanker 10.98 kDWT

Two new product tankers



OPET

Tüpraş owns 40% of Opet

1,324 Filling stations

1,128.5 thousand m^3 of storage

Operations in commerce, mineral oil and bunker fuel

The pieces come together...

In a period of crisis, while world trade shrinks, market conditions toughen and risks increase, we proceed with a strategic foresight to focus on investments that will enhance our profitability and efficiency.

In 2009, we invested a total of USD 188 million in our refineries, completed our environmental responsibility related projects and established an R&D Department that is rapidly engaging in collaborations with universities.

KEY INDICATORS

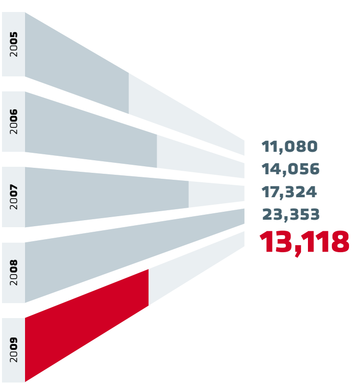
OPERATIONAL INDICATORS

THOUSAND TONS	2005	2006	2007	2008	2009
PROCESSED CRUDE OIL	25,495	26,192	25,590	24,208	16,975
REFINING PRODUCTION	23,889	24,591	23,994	22,780	15,968
SALES	24,965	26,137	26,328	25,957	21,521
PRODUCT EXPORTS	4,609	6,242	6,391	6,112	3,308
PRODUCT IMPORTS	1,052	1,823	2,279	2,931	5,828

PROFIT PER SHARE

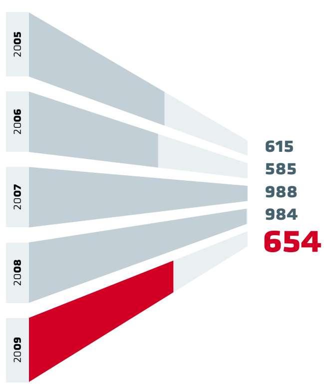
TRY	2005	2006	2007	2008	2009
PROFIT PER SHARE	2.72	3.28	5.18	1.73	3.24
GROSS DIVIDEND PER SHARE	1.94	2.63	4.19	2.31	2.50
NET DIVIDEND PER SHARE	1.75	2.24	3.56	1.97	2.14

NET SALES
(USD MILLION)



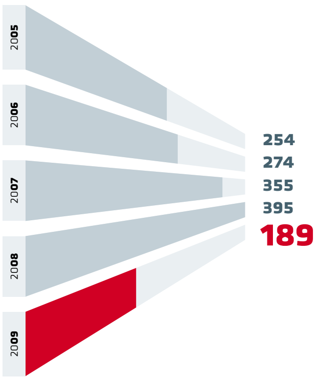
In 2009, due to the drop in oil and product prices, net sales stood at USD 13,118 million.

OPERATIONAL PROFIT
(USD MILLION)



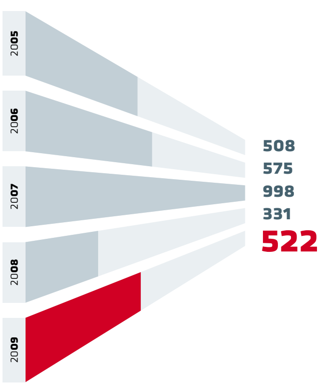
Despite the fall in refinery profit margins due to the global crisis, Tüpraş implemented apt strategies and has reached the highest profitability level in the sector in 2009.

INVESTMENT EXPENDITURE
(USD MILLION)



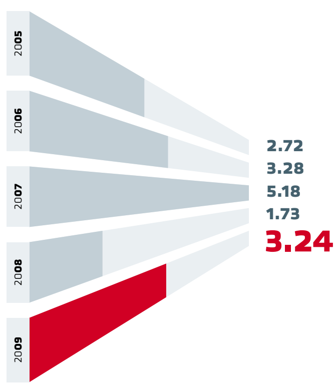
In the four-year period from 2006 to 2009, Tüpraş engaged investment expenditures of USD 1 billion 212 million.

PROFIT AFTER TAX
(USD MILLION)



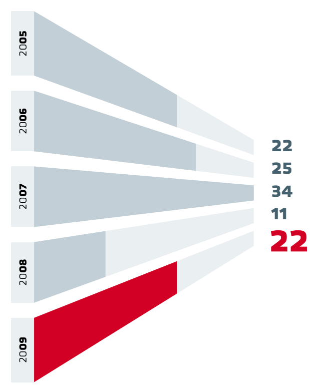
In a period of floating exchange rates and changing interest rates, Tüpraş' profit after tax grew 38% over the previous year as its efficient cash management strategy allowed for the maintenance of the sound income - expenditure balance.

PROFIT PER SHARE
(TRY)



Profits per share grew 87% over the previous year, from TRY 1.73 to TRY 3.24.

RETURN ON EQUITY (ROE)
(%)



Tüpraş' return on equity has increased two-fold since 2008, reaching 22%.

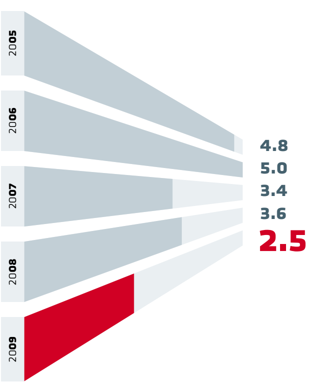
FINANCIAL INDICATORS

USD MILLION	2005	2006	2007	2008	2009
NET SALES	11,080	14,056	17,324	23,353	13,118
OPERATIONAL PROFIT	615	585	988	984	654
PROFIT BEFORE TAXES	680	705	1,240	421	653
PROFIT AFTER TAXES	508	575	998	331	522
EBITDA	769	712	1,081	1,099	779
NET DEBT (CASH)	(421)	259	(207)	215	(653)
RETURN ON EQUITY (%)	22	25	34	11	22
LEVERAGE RATE (%)	(18)	10	(6)	8	(36)
NET WORKING CAPITAL	997	750	1,105	202	283
INVESTMENT EXPENDITURE	254	274	355	395	188

SAFETY SCORES

ACCIDENT FREQUENCY RATE

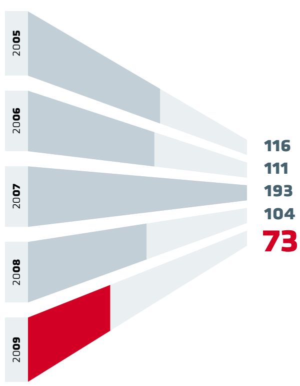
(NUMBER OF INCIDENTS X 1,000,000 / PERSON X HOUR)



The 2009 accident frequency rate target was originally set at 3.5; however, due to safety policies in place and measures taken, Tüpraş was able to attain an even lower figure of 2.5.

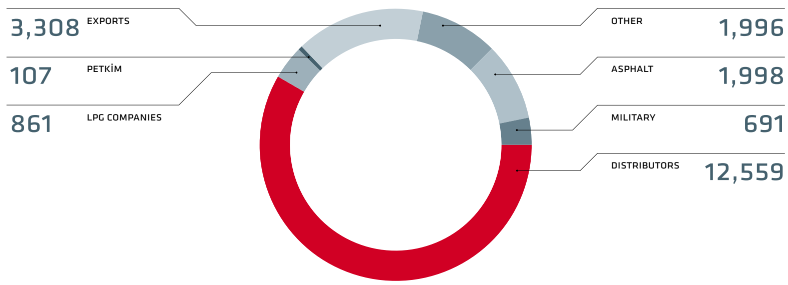
SEVERITY RATE

(DAYS LOST X 1,000,000 / PERSON X HOUR)

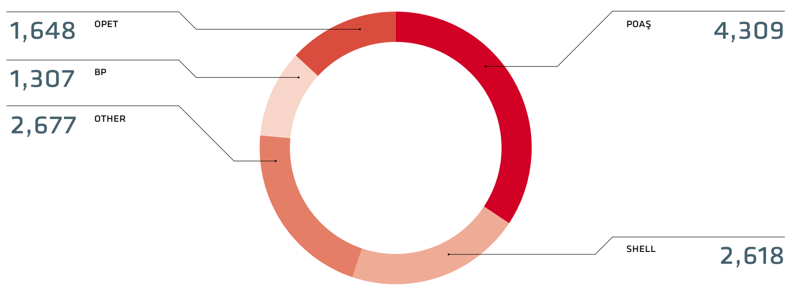


In 2009, the severity rate stood at 73, lower than the initial target of 80.

TOTAL SALES (THOUSAND TONS)



SALES TO THE DISTRIBUTION COMPANIES (THOUSAND TONS)



In 2009, Tüpraş sold a total of 21.52 million tons of produce, of which, 12.56 million tons were to petrol distribution companies and the total domestic sales stood at 18.21 million tons.

Enabling innovation by looking towards the future.

In order to shape the future, we force the limits of linear thinking - just like a chess master, we take precautions to preempt possible moves and focus on revealing hidden opportunities.

Our belief in our highly qualified workforce strengthens us and with our technological infrastructure and ambitious steps in expanding our distribution channels, we are moving towards becoming a prominent player in the global oil industry.

HIGHLIGHTS

Tüpraş is the leader and pioneer corporation in its sector due to its strong operational and financial structure, efficient storage capacity, strong distribution infrastructure, cash structure exceeding the refining sector average and its product diversity.

1955
In Southeastern Anatolia, Turkey's first modern oil refinery, the Batman Refinery, was commissioned.

1961
In the İzmit Gulf, the İzmit Refinery, with a 1 million ton/year capacity, was commissioned.

1971
İzmit Refinery's 1st Expansion Project was completed, with the crude oil processing capacity rising to 5.5 million ton/year.

1972
The İzmir Refinery, with a 3 million ton/year refining capacity, was commissioned on the Aegean coast.

1974
Turkey's only base oil production facility was commissioned as part of the İzmir Refinery.

1982
The İzmit Refinery's 2nd Expansion Project was completed, with the crude oil processing capacity rising to 11.5 million ton/year.

1983
Tüpraş was established with the aim of uniting all public refineries.

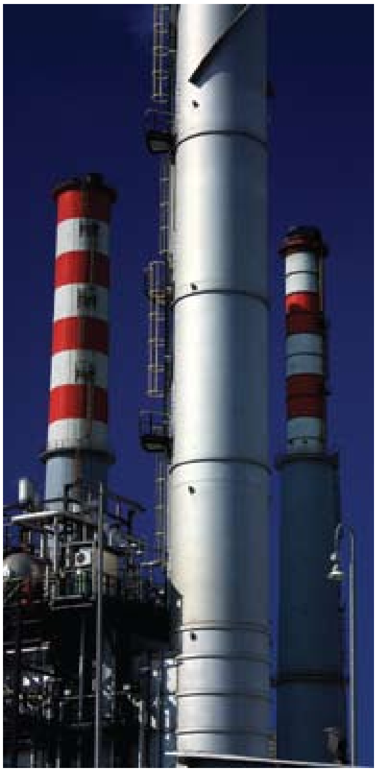
1986
In Central Anatolia, the 5 million ton/year capacity Kırıkkale Refinery was commissioned.

1987
The İzmir Refinery Expansion Project was completed, with the refining capacity rising to 10 million ton/year.

1991
2.5% of Tüpraş shares were offered to the public and began transactions on the ISE.

1993
The Hydrocracker Complexes were commissioned at the İzmir and Kırıkkale refineries.

1997
The Hydrocracker and CCR Complexes were commissioned at the İzmit Refinery.



2000
With the completion of the second public offering, 34% of the Tüpraş shares began transactions on the Istanbul and London stock exchanges.

2001
The Petkim Yarımca Complex was taken over by Tüpraş.
Tüpraş' registered capital was raised from TRY 100 million to TRY 500 million.
The İzmir Refinery's CCR Reformer and Isomerisation Unit were commissioned.

2002
The İzmit Refinery's Isomerisation Unit was commissioned.

2005
At the ISE Wholesale Market, 14.76% of Tüpraş shares were sold to international funds, with the total public shares rising to 49%.

The Koç-Shell Joint Venture Group won the tender for the block sale of 51% of the State-owned Tüpraş shares.

The İzmir Refinery's Diesel Desulphurization Unit was commissioned.

2006
On January 26, shares were transferred to Koç Holding A.Ş.
40% of OPET's shares were bought from Aygaz A.Ş.

2007
The İzmit Refinery's CCR Reformer and Diesel Desulphurization Unit were commissioned.

2008
The Kırıkkale Refinery's Diesel Desulphurization and CCR Reformer Unit was commissioned.
The İzmir Refinery's Gasoline Specifications Upgrading Investment was commissioned.
The 10,983 DWT M/T tanker, Sevgi, joined the Ditaş fleet.

2009
The İzmit Refinery's Gasoline Specifications Upgrading Investment was commissioned.
The 10,983 DWT M/T tanker, Gönül, joined the Ditaş fleet.

Well-earned achievements are the result of enduring and disciplined efforts.

We are flexible in the face of changing circumstances, realistic in our targets and expectations and consistent in our choices and decisions.

While creating value for our shareholders, business partners and society at large, we know that we have a sustainable base and we forge ahead with confidence. We are not satisfied with simply reaching our goals, thus we continue to contribute to our country and sector through our constant progress and development.

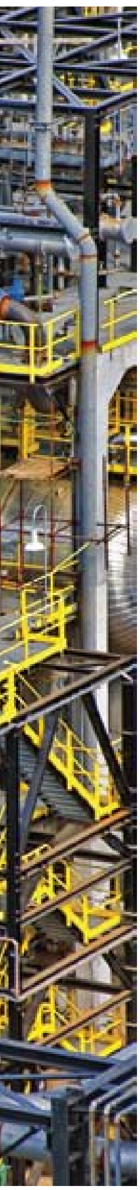
2009: A YEAR IN WHICH THE FUTURE WAS BUILT ON A STRONG FOUNDATION

Tüpraş is not satisfied with simply meeting domestic demand and it aims to become one of the prominent players of the sector in the global arena. To this strategic end, the Company developed an advanced technological infrastructure that allows it to meet domestic demand as well as provide the highly competitive world market with quality products.

Continued Investment during the Crisis with the Residuum Upgrading Project

Tüpraş completed the evaluation studies of the Residuum Upgrading Project that will process high sulphur fuel oil - demand for which is declining, both in Turkey and Globally - to produce white products such as diesel oil and gasoline at Euro V standards. Tüpraş has signed an agreement with the Spanish firm Tecnicas Reunidas to implement the project.

The project is designed with state-of-the-art refining technology and the total estimated investment of USD 1.8 billion is projected to be completed in 2014. The project will allow the transformation of approximately 4.2 million tons of low value, black products (fuel oil and atmospheric dip) into approximately 3.5 million tons of more valuable and environmentally-friendly white products such as gasoline and diesel oil at EU standards. Once the investment is complete, the İzmit Refinery's Nelson Complexity will rise from 7.75 to 14.5, thus making it one of the most complex refineries in Europe and raising Tüpraş' general complexity to 9.9. With the completion of the investment in the İzmit Refinery's B Region, at current crude oil and product prices, USD 400 million of additional EBITDA will be realized.



A Work Environment Favorable to Human and Environmental Health: **Accident Frequency Rate in Accordance With World Standards**

Tüpraş supports its targets with its corporate values and thus aims to contribute to both society and the world. In order to minimize all damage stemming from its operations, Tüpraş constantly enhances its health, safety and environmental criteria.

Tüpraş constantly prioritizes human health, technical safety and environmental factors, all of which constitute the basis of sustainability. Therefore, the Company set the 2009 accident frequency and severity rates at 3.5 and 80 respectively – including employees of contractors. Considered to be two of the most important safety performance criteria, these rates were at 2.5 and 73 as of year-end, thereby reaching world standards.

Enhanced White Product Productivity with the Optimum Use of Upgrading Units

At the Tüpraş refineries, the crude oil processing capacity utilization stood at 60.4% in 2009. Due to the unfavorable international market conditions and the fall in demand in 2009, the product strategy prioritized meeting domestic demand, while minimizing the amount of gasoline and fuel oil production superseding the demand. In line with this strategy, upgrading units that maximize those products in demand have been utilized in a more efficient manner. As a result, approximately 2.1 million tons of semi-finished products were imported and processed, thereby bringing the total capacity utilization (including crude oil) to 69.1%. This strategy has raised the previous year's 68.7% white product productivity to 73.6%. In addition, high sulphur diesel oil was imported to produce products with Euro V standards, utilizing the desulphurization units in order to meet domestic demand.

Winter Diesel Oil **Resistant to Minus 25**

In Turkey, as of 2009, the two diesel oil types utilized are 10 ppm and 1000 ppm sulfur diesel oil. Since the products preserve their viscosity until -15 degrees Celsius according to standards, various problems occur in regions where the winter is tougher. Tüpraş has produced a 10 ppm diesel oil that preserves its viscosity even at -25 degrees Celsius and introduced this product to the market on November 20, 2009.

The reasons behind the increase in Tüpraş' corporate governance rating are the numerous corporate governance changes that fall under the heading of Stakeholders and Board of Directors, as well as the progress in environmentally-friendly practices.

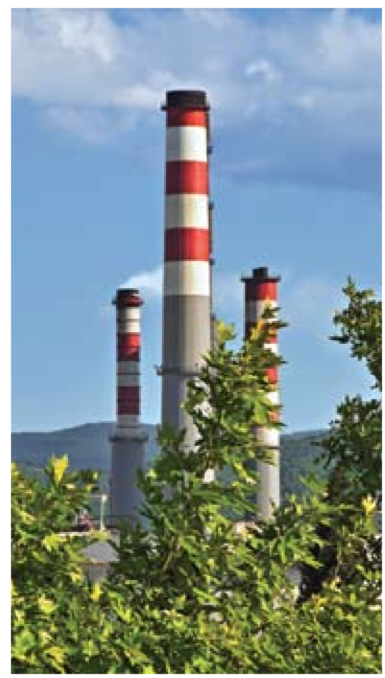
Tüpraş' Rating Raised to BBB-, the Country Rating Ceiling

On December 3, 2009, the international credit rating agency, Fitch Ratings, raised Turkey's foreign currency long-term country rating from BB- to BB and the country ceiling from BB to BBB-, at the same time raising Tüpraş' foreign currency long-term rating from BB to BBB-. Tüpraş' local currency long-term rating was rated BBB- and its outlook for both types of currencies as rated "stable."

Tüpraş' credit rating supersedes that of its rivals because of Tüpraş' strong operational and financial structure, efficient storage capacity and robust distribution infrastructure which bring it to a leadership position in the Turkish market, its cash structure rising above the refining sector average and its product diversity.

The high credit rating is also related to the fact that Tüpraş' Residuum Upgrading Project will transform black products into more valuable white products and enhance Tüpraş' cash structure, business profile and EBITDA. In addition, Tüpraş' balance sheet has the capacity to provide financing for this project and its liability leverage ratio is at a favorable level.

Tüpraş' **Corporate Governance Rating** Increased



Tüpraş has always figured at the top of the Corporate Governance Index and its corporate governance rating has been recently revised upwards by the SAHA Kurumsal Yönetim ve Derecelendirme A.Ş. from 8.20 to 8.34 out of a possible 10.

The reasons behind the upward revision of Tüpraş' ratings are the numerous corporate governance changes that fall under the heading of Stakeholders and Board of Directors, as well as the progress in environmentally-friendly practices.

AccountAbility Ethics **Accountability Award**

In August 2009, Tüpraş ranked 2nd among Turkey's 50 highest turnover corporations in the "Turkey 2008 AccountAbility Ethics Accountability Evaluation," organized in collaboration with the independent corporate social responsibility and accountability agency, AccountAbility Institute of Social and Ethical Accountability.

Added Value Created Through Business Perfection

Tüpraş has launched 80 projects as part of the Operational Excellence Program implemented in collaboration with Shell Global Solutions. This scheme has lead to an EBITDA of USD 244 million over a three-year period, of which, USD 80 million was in 2009.

Tüpraş and **Product Specifications Change** in Turkey

Tüpraş has been ready to produce and sell products at Euro V standards since June 1, 2008, and it declared to the market that it is ready to provide products at Euro V standards on November 20, 2008. As of April 2009, all gasoline products sold in Turkey are at Euro V specs and their 10 ppm sulphur, aromatic and gasoline values meet EU standards.

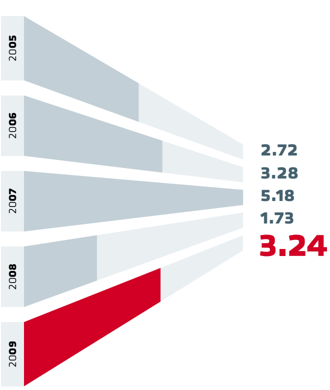
Leadership requires the ability to see the whole picture and attend to details.

The basis of our long-term strategies is to strengthen our leadership position throughout the sector. Our ability to transform highly competitive conditions into profit relies on our capacity to see the whole picture despite uncertainties and to make efficient and rapid decisions based on predictions when necessary.

Despite the low benchmark refinery margin and weak global demand in 2009, Tüpraş maintained its profitability thanks to low crude oil capacity utilization, products and sales optimization and its capacity to produce white products with recently completed investments. Tüpraş has once again paid high dividends to its investors while at the same time, enhancing its financial strength.

MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

PROFIT PER SHARE
(TRY)



Tüpraş' profit per share for 2009 has grown 87% over 2008, rising from TRY 1.73 to TRY 3.24.

As a result of its savings policies, productivity enhancing investments and production-sales optimization strategy, Tüpraş has reached its targets and posted a net profit of TRY 811 million 298 thousand in 2009 in which most oil companies posted losses in refining.

I would like to begin my message by extending my best wishes for a successful 50th Ordinary General Assembly Meeting being held today and expressing my pride in meeting our responsibilities to our stakeholders and our nation.

In our previous meeting to evaluate the final quarter of 2008 - during which the financial crisis deepened, crude oil prices fell rapidly and the continuation of refining operations entailed very large inventory losses - we declared that "We shall never allow our nation to suffer from fuel shortages," thus underlining our commitment to our country and pointing to our crisis exit strategy for 2009.

The success we obtained in 2009, while the repercussions of the crisis were still present, is clearly reflected in our financial tables, which we share with you. This success is not only related to our conscientiousness and our management philosophy, but also to the market's confidence in Tüpraş.

The repercussions of the biggest financial crisis of the last hundred years were not limited to the financial sector, but it also severely struck the real economy. Excluding a number of developing countries, such as China and India, no country was spared the effects of the crisis. Thanks to the monetary and fiscal measures taken in certain countries around the world, the effects of the crisis attenuated from the second quarter of 2009 onwards and there was visible recovery in financial markets.

Nevertheless, there are serious ongoing concerns in regards to the permanence and strength of this recovery, due to serious financial imbalances, economic hardships and high unemployment rates observed in a group of countries, including some EU members. In addition, it is unclear whether the recovery in the global economy is sustainable without the support of governments.

In 2009, the volume of world commerce contracted by around 12%. A parallel drop in Turkish exports was also observed, due to decreasing foreign demand. As a consequence of the rise in negative expectations, investment and consumption expenditures have been postponed, entailing a serious slow down in economic activity, with the Turkish economy contracting for four quarters in a row and with the unemployment rate standing at 13%. As tax incentives stimulated consumption expenditure, there has been a considerable recovery of demand in the second quarter of 2009, however, the cancellation of these incentives have meant a weaker performance in the latter part of the year.

The contraction of the export markets and the weakness of domestic demand, as well as the states of uncertainties will continue to suppress capacity utilization rates and investment expenditures in the industrial sector. Under such conditions, a more realistic prediction is that it will take a long time before employment picks up and that the recovery in economic activity will be slow and gradual.

Without doubt, one of the sectors hardest hit by economic contraction was the energy sector, due to its pivotal role in the economy. The world demand in petroleum and petroleum-based products fell considerably in 2009, despite the fact that these products have no substitutes and are almost indispensable. In spite of rising demand from China, India and the Middle East, the large decrease in developed countries has resulted in a 1.5% drop in the world demand for petroleum and petroleum-based products. This drop corresponds to a daily figure of 1.3 billion barrels – the largest drop in demand since 1982. The largest share of this drop in petroleum products is in the diesel category - also classified as industrial fuels - stemming from the slow down in the industrial sector. On the other hand, the slump in automobile sales, rising unemployment, falling personal incomes and the ensuing decrease in average miles driven have also translated into a significant drop in demand for gasoline.

In parallel to these worldwide events, Turkish fuel consumption shrank 7.6% in 2009. There has been a 3.9% drop in diesel consumption - which correlates directly with the GDP - and the changes in natural gas prices have entailed a fall of approximately 30% in heating oil and fuel oil. In the same way, gasoline consumption has continued to fall, with total consumption standing below 3 million m^3.

However, despite the crisis and the fall in demand, 2009 was a period in which crude oil prices - like most commodity prices - increased significantly. The crude oil price, which had regressed to an average of USD 40.35 per barrel in December 2008, showed a rising trend during the year - excluding minor volatilities- to USD 74.28 per barrel as of December 2009 - a 84.09% increase over the previous period.

Nevertheless, this rise in oil prices was partially offset by the drop in demand, entailing a smaller than expected rise in product prices, which made 2009 a tough period for the refining sector. The cutbacks in the OPEC countries' production, low capacity utilization at refineries and geopolitical factors suppressed the price differential between heavy and light crude oils and refinery margins dropped to below USD 2. In addition, countries such as China and India have become net product exporters with additional capacities of around 2 million barrels. Contracting demand, coupled with this rise in product supply, has obliged refineries to lower capacity utilization rates worldwide – except those refineries under state control, as in China.

These drops in consumption and refinery margins have necessitated a closer monitoring of capacity utilization rates, and thus, Tüpraş has implemented a policy of optimum production and sales, in line with its principle of meeting national fuel demand in a complete and uninterrupted manner.

As a result of its savings policies, productivity enhancing investments and production-sales optimization strategy, Tüpraş reached its targets and posted net a profit of TRY 811 million 297 thousand in a period in which most oil companies posted losses in refining.

2009 was a tough period, taking into account the predictions that the global economic recovery will be gradual, as well as the present high physical and floating inventories, newly added capacities and limited rise in demand. However, the refining sector cannot hope for a significantly easier period in 2010, especially for the refineries in the OECD region that lack logistic advantages and that are expected to recover gradually and that will be under considerable pressure.

Tüpraş, having gained strength despite the negative outlook for the refining sector, has speeded up investments that will enhance its profitability and has made decisions to shape its future. The courageous steps that we took after privatization have been a clear negation of all claims that Tüpraş would halt investments. During this period, previously troubled investments have been completed and all of Tüpraş' production and sales infrastructure were raised to Euro V standards. In addition to the present investment plan, other projects concerning product and crude oil blending, energy efficiency etc. have been implemented.

In the four year period between 2006 and 2009, Tüpraş undertook investment expenditures of USD 1 billion 265 million. In addition to these completed investments, Tüpraş has chosen the contractor firm and signed an agreement regarding the Residuum Upgrading Project, our most important middle term project, that will make our company even stronger and more profitable in the future. This investment, which is expected to be commissioned in the beginning of 2014, will significantly enhance Turkey's capacity to meet its diesel demand.

In order to sustain and develop our high product quality and standards and to create value for society at large, we plan on gearing up our Research and Development activities which we had initiated after privatization and to further enhance Tüpraş' scientific power by collaborations between the Company, distinguished universities and The Scientific and Technological Research Council of Turkey (TÜBİTAK).

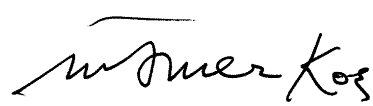
We strongly believe that sustainable development can only be possible in healthy occupational and environmental surroundings. To accomplish this, Tüpraş defines all risk levels in all of its operations and forges ahead towards its goal of either eradicating all these risks or lowering them to an acceptable level. Despite the crisis, Tüpraş completed its environmental projects by investing more than TRY 100 million to preserving nature since 2006.

One of the most crucial of Tüpraş' Health, Environment and Safety (HES) indicators is the accident incidence rate, which includes the employees of the contractors. This figure has dropped below the previously set target of 3.5 to reach 2.5 in 2009. In addition, the accidence severity rate, which had previously been set at 80, came down to 73 and the total number of accidents was halved vis-à-vis 2008.

Tüpraş not only enhances its operational and financial strength, but also constantly raises its targets in transparency and corporate governance. Tüpraş' Corporate Governance Rating, which had risen to 8.20 in 2008, further rose to 8.34 in 2009 and in regard to ISE's relevant index, Tüpraş has continued its tradition of figuring among the top three.

On December 3, 2009, Fitch, the international credit rating agency, confirmed Tüpraş' strong performance in the face of the crisis and raised its credit rating by two levels, bringing it to BBB(-) – which constitutes the country ceiling rating and an investable level.

In 2010, when the domestic market dynamics will continue to have a determining effect on profitability, as in 2009, we shall outperform the sector average and continue creating value for our shareholders, stakeholders and our nation, thanks to our logistical advantage related to our closeness to areas of consumption and strong infrastructure, to our constantly evolving production facilities, to our profitability enhancing projects and energy efficiency and to our competent human resources. We believe in Tüpraş and in a bright future for Turkey.



ÖMER M. KOÇ
CHAIRMAN OF BOARD OF DIRECTORS

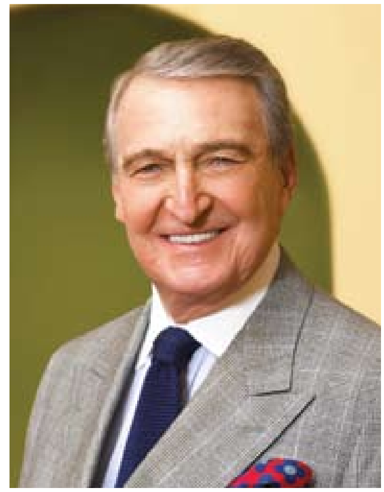
BOARD OF DIRECTORS

Ömer M. Koç
Chairman

Mehmet Ömer Koç was born in 1962. He received his B.A. in Ancient Greek at Columbia University in 1985 and later received his MBA from the same university in 1989. Koç began his professional career in 1985 as a Sales Clerk at Kofisa Trading Company in Switzerland and also worked as a Sales Clerk at Ramerica Int. Inc. in New York between 1989-1990. After serving as Manager of Gazal A.Ş. from 1991 to 1992, he acted as Finance Coordinator at Koç Holding A.Ş. between 1992-1996, as Vice-President of the Energy Group at Koç Holding A.Ş. between 1996-2000 and as Energy Group President at Koç Holding A.Ş. in 2000-2004. Since April 2004, Koç has been a Member of the Board of Koç Holding A.Ş. Koç has served as Vice Chairman of the Board of Directors at the Holding since May 2008. He is fluent in English and French. Koç also serves as the President of the Turkish Educational Foundation, President of the Geyre Foundation, President of the Yapı Kredi Arts and Culture Publications and Chairman of the Board of Directors at Tüpraş.

Dr. Bülent Bulgurlu
Vice Chairman

Dr. Bülent Bulgurlu graduated from the Faculty of Engineering at Ankara University. He later received his postgraduate and doctoral degrees in civil engineering from the Norwegian Technical University. Bulgurlu started his professional career in Oslo, then worked as an academic at the Norwegian Technical University and later served as a civil engineer in various positions at Garanti İnşaat A.Ş. of the Koç Group from 1979 onwards. He acted as General Manager at the same company between 1990 and 1996, as Vice-President of the Tourism and Services Group at Koç Holding A.Ş. between 1996-2000 and then as President between 2000-2001. Bulgurlu was also President of the Tourism and Construction Group at Koç Holding A.Ş. between 2001-2003 and President of the Durable Goods and Construction Group from 2004 until May 2007. Dr. Bulgurlu has been a Board Member and CEO of Koç Holding A.Ş. since May 2007. Bulgurlu is also a member of the Turkish Industrialists and Businessmen Association (TÜSİAD), the Clean Seas Association (TURMEPA) and the Turkish Tourism Investors Association.



Rahmi M. Koç
Member

Rahmi M. Koç graduated from Johns Hopkins University's Industrial Management Department. He started his professional career in 1958 at the Otokoç Company of the Koç Group and in 1960, was appointed to Koç Ticaret A.Ş., which represented the Koç Group in Ankara. In 1964, he became the General Coordinator of Koç Holding A.Ş. and later served as Chairman of the Executive Committee, Deputy Chairman of the Executive Assembly and Chairman of the Management Committee at Koç Holding. He became the Chairman of the Board of Directors at Koç Holding in 1984 and served in this position until 2003, thereafter becoming the Honorary Chairman of Koç Holding. Rahmi M. Koç is also the Deputy Chairman of the Board of Trustees of the Vehbi Koç Foundation, Chairman of the Board of Trustees of Koç University, Founder and Chairman of the Board of Directors of the Rahmi M. Koç Museum and Culture Foundation, Chairman of the Board of Directors at VKV American Hospital, Founder and Honorary Chairman of the Clean Seas Association (TURMEPA), Honorary Chairman of the High Advisory Council of the Turkish Industrialists and Businessmen Association TÜSİAD and Member of the Advisory Council of the Turkish Confederation of Employers' Unions (TİSK).

Semahat Sevim Arsel

Member

Having graduated from the American College for Girls in Istanbul, Semahat Arsel participated in German language programs at the Goethe Institute and is fluent in English and German. She started her professional career in 1964 as a Member of the Board of Directors at Koç Holding. Apart from this position, Arsel currently acts as Chairman of the Board of Directors at the Vehbi Koç Foundation, Chairman of the Board of Directors at the Tourism Group, Second Chairman of the Florence Nightingale Foundation and Chairman of Semahat Arsel Nursing Education & Research Center. Arsel is also the Founder of Koç University's Faculty of Nursing.

Mustafa V. Koç

Member

Mustafa V. Koç graduated from the Business Administration department of George Washington University in 1984. He started his professional career the same year at Tofaş Oto A.Ş. He served as Sales Manager at the Kofisa Trading Company in Sweden between 1986-1989, as Vice President at Ram DışTicaret A.Ş. between 1989-1992, as Vice President of Koç Holding A.Ş.' Industry-Energy-Trade Companies between 1992-1994, as Vice President of the Koç Holding A.Ş. Construction and Mining Group between 1994-1996 and then President of the same Group between 1996-2003. Since April 2003, he has served as Chairman of the Board of Directors of Koç Holding A.Ş. and is fluent in English and German. He is also a Member of the Board of Trustees at the Vehbi Koç Foundation, Member of the Board of Trustees at Turkey's Educational Volunteers Association, Member of the Istanbul Chamber of Commerce, Finland's Honorary Ambassador to Istanbul, Member of the Foreign Economic Relations Board, Member of the Kuwait International Bank's Advisory Council and Member of the Rolls-Royce Advisory Council. In June 2004, he joined the JP Morgan International Council. He is also the President of the High Advisory Council of TÜSİAD.

Ali Y. Koç

Member

Ali Y. Koç graduated from Rice University's Business Administration Faculty and from Harvard University's MBA Program. Between 1990-1991 Koç joined American Express Bank's Management Trainee Program, served as Coordinator at Ramerica International Inc. between 1991-1992 and as Analyst at the Morgan Stanley Investment Bank between 1992-1994. After being appointed as the New Business Development Coordinator to Koç Holding in 1997, Ali Y. Koç acted as Chairman of the Executive Committee at the Information Group between 2000-2002 and as President of the Information Group between 2002-2006. Since 2006, he has served as Chairman of Koç Holding's Corporate Communications and Information Group and as a Member of Koç Holding's Board of Directors since January 2008. Ali Y. Koç is fluent in English.

Temel Kamil Atay

Member

Temel Kamil Atay is a graduate of Istanbul Technical University's Mechanical Engineering Department and Wayne State University's Business Administration Department. He started his professional career as Product Development Engineer at Chrysler Industries in 1965 and later served as Product Development Director at Otosan A.Ş. between 1966-1969, as Product Development Engineer at Ford Motor Co. U.S.A. between 1969-1972, as Vice Automotive Coordinator at Koç Holding A.Ş. between 1972-1974, as CEO of Otoyol Sanayi A.Ş. between 1974-1981 and as CEO of Tofaş Türk Otomobil Fab. A.Ş. between 1981-1994. He was appointed Vice President of Technical Projects at Koç Holding A.Ş. in 1992, later served as Chairman of the Tofaş Group at Koç Holding A.Ş. between 1994-1996, became a member of the Board of Directors of Koç Holding A.Ş. in 1996. Between 1996-1998, he served as Vice Chairman of the Group's Board of Directors and as Chairman at other Automotive Group Companies, between 1998-2000 as Vice Chairman of the Board of Directors and Board Member Responsible for Implementation and between 2000-2001 as CEO of Koç Holding A.Ş., in addition to his aforementioned duties. Since 2003, he has served as the Vice Chairman of the Board of Directors of Koç Holding A.Ş. and the Family Office Director of Koç Holding. Atay is fluent in English.

Erol Memioğlu

Member

Erol Memioğlu is a graduate of the Middle Eastern Technical University's Petroleum Engineering Department. He started his business career in 1979 as expert/senior engineer at the Turkish Petroleum Corporation (TPAO) and became Production Manager in 1990. Between 1994-1999, he served as President of the Overseas Project Group and President of the Turkish Petroleum Overseas Co. He pursued his career as Vice President at the Koç Holding A.Ş. Energy Group between 1999-2003, later serving as Management Committee Member Responsible for Execution between 2003-2004 and as President at the same Group since May 2004. Erol Memioğlu is fluent in English.

Yavuz Erkut

Member and General Manager

Yavuz Erkut completed his undergraduate studies at Boğaziçi Unviersity's Chemical Engineering Department and later obtained his master's degree at Wales University's Mechanical Engineering Department. Erkut started his professional career at the İpraş Refinery in 1979 as Process Engineer. Between 1979-1990, he served as Chief of Unit, Senior Engineer and Vice Manager of Plant. In 1990, he was appointed to the Tüpraş Headquarters as Foreign Trade Director. Between 1994-1997, he served as Director of the Petroleum Transfer and Trade Department and as Director of Crude Oil Transfer, Fuel Sales, Pricing, Foreign Trade and LPG Transfer and Sales Departments. Between 1998-2000, he was the Department Manager responsible for the aforementioned departments and Vice President. In 2000, he joined Opet Petrolcülük A.Ş. Between 2000-2006, he served as a Member of the Board of Directors and CEO at Opet Petrolcülük A.Ş,, later as Tüpraş General Manager from January 2006 onwards and became a Member of the Board of Directors of Tüpraş in April 2008.

Ahmet Aksu
Member
Privatization Administration Class C Representative

Ahmet Aksu completed his undergraduate education at the Department of Economics of Middle East Technical University. Working at the Prime Ministry Privatization Administration since 1992, Aksu also served as a Member of the Board of Auditors at Deniz Nakliyat T.A.Ş. in 1993. Between 1993 and 2006, Aksu served as a Member of the Board and as Chairman at several corporations including ERDEMİR Ereğli Demir ve Çelik Fabrikası T.A.Ş., TÜMAŞ, Eti Alüminyum and ESGAZ. He held the post of Vice Chairman at TÜMAŞ between 2006 and 2007 and was appointed Chairman at Toroslar Elektrik Dağıtım A.Ş. in 2007 while acting as Vice-President of the Privatization Administration. Aksu is fluent in English.

Board of Auditors

İbrahim Murat Çağlar
Auditor
Kemal Uzun
Auditor
Goncagül Ayşe Özgit
Auditor

İbrahim Murat Çağlar
Auditor

Born in 1973, İbrahim Murat Çağlar graduated from the Department of Economics, Faculty of Economic and Administrative Sciences at Bilkent University. His career began in 1997 when he started working at PricewaterhouseCoopers and he served in this company as Auditing and Consultation Services Manager between 2002-2005. Çağlar served at Koç Holding as Auditing Group Manager between 2005-2008 and as Coordinator since 2008.

Kemal Uzun
Auditor

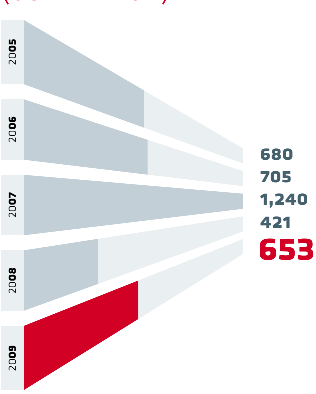
Kemal Uzun completed his undergraduate studies at Ankara University, Department of Business Administration and obtained his master's degree at the University of Illinois, College of Business. From 1990 until March 2006, he served at the Ministry of Finance as Intern Accountant Controller, Assistant Public Auditor, Public Auditor, Department Head, Income Service Group Manager, Income Service Department Manager. Uzun has served as the Coordinator of the Audit Group of Koç Holding A.Ş. since April 2006.

Goncagül Ayşe Özgit
Auditor

Goncagül Ayşe Özgit graduated from Middle Eastern Technical University, Faculty of Arts and Sciences, Chemistry Department. She started her business career at Aytemizler Tekstil A.Ş. and later served as Principal Clerk at the Privatization Administration between 1995-96, as a Member of the Board of Directors at Yarımca Porselen A.Ş. in 1996, as Director of the Foreign Relations Department at the Privatization Administration in 1997, as a Member of the Board of Directors at Hamitabat Elektrik Üretim A.Ş. in 1997, as Auditor at DİTAŞ Deniz İşletmeciliği ve Tankerciliği A.Ş between 1998-2004, as a Member of Tüpraş' Board of Directors in 2004 and as Expert in Privatization Administration, Consulting Services Department. Since 1998, she has served as Expert at the Privatization Administration, Post-Privatization Monitoring Department.

MESSAGE FROM THE GENERAL MANAGER

PROFIT BEFORE TAXES
(USD MILLION)



Despite contracting profit margins in 2009, Tüpraş adopted suitable strategies, as well as cost decreasing and productivity increasing projects, thereby achieving a profit before taxes figure of USD 653 million.

In 2009, in the world refinery sector, conditions of operation became tougher, the crude oil - product price relationship deteriorated to the disadvantage of products and refinery profits dropped. Tüpraş, however, adjusted itself to the repercussions of the global crisis with operational and financial flexibility, achieving reaction and adaptation.

Developments in the global economy:

The global crisis started in the final quarter of 2008 and spilled over to all countries in 2009, obliging all nations to take extensive measures and engage in a global war against recession. The USA, where the crisis broke out, joined the major economies of the European Union and Asia to simultaneously initiate urgent measures and gigantic bailout plans in the first quarter of 2009. The monetary equivalent of the monetary policies and measures adopted corresponds to 25% of the total world economic volume of USD 57 trillion. The measures taken have prevented recession in many countries starting from the second quarter onwards and in the third quarter, various macroeconomic indicators have shown that the worst of the crisis was behind, aiding the recovery of the global economy.

As of May, the collapse of the world economy was averted and economic indicators gradually started rising after hitting bottom, thanks to numerous measures. The world's prominent central banks cut interest rates, the FED bought government bonds and made giant purchases of securities related to mortgage loans in order to provide liquidity to the economy, banks in the USA passed the stress test and the G-20 nations provided the world financial systems with a total of USD 1 trillion, of which, USD 500 billion went to the IMF for aiding countries in trouble. Consequently, in the second and third quarters of the year, many countries, including the USA, Japan, Russia, Germany, France, Canada and Brazil, recorded positive growth rates. From the final quarter onwards, the world's foremost central banks decelerated the measures of liquidity and support meant to fight the global crisis. The timing of the interest rate rise that will put an end to loose monetary policy will be a determining factor for the global economy's performance in 2010.

Repercussions of the global crisis on the Turkish economy:

The Turkish economy's performance during the crisis conditions of 2009 drew a parallel to the performance of foreign economies. At the beginning of the crisis, in the first quarter of 2009, economic contraction accelerated, foreign exchange rates picked up and the unemployment rate peaked. Although the Turkish banking sector as resilient with its high capital adequacy ratios, the real economy suffered business losses due to the slump in domestic demand and exports. The Turkish economy, which is completely integrated with world markets, began to turn back the tide from the second quarter onwards. The Central Bank's policy to cut interest rates, various stimulation packages and tax reductions in consumer oriented sectors such as durable white goods and automobile sectors had a positive impact on the real economy. The timing and momentum of the recovery changed from nation to nation; however, the increased stability of exchange rates starting in the spring and continuing in the latter part of the year, the ongoing low interest rates and the deceleration of the economic slow down in the second half of the year resulted in a drop in both the unemployment rate and the severity of the recession.

Nevertheless, since it will take time for the real economy to regain its strength and enhance its profitability in 2010, the government's tax income will decrease; also, the stimulation packages implemented in 2009 will take their toll on the public budget, creating imbalances and a relatively high deficit and the real economy will most likely be unable to invest sufficiently, resulting in continued high levels of unemployment. All of these basic problems await solutions during the recovery of the national economy in 2010.

Crude oil prices:

The course of oil prices was significantly affected by the global crisis, as well as by the decisions of oil producers in 2009 and the amount of supply and inventory of oil. In the first quarter, oil prices stayed between USD 40-50; however, thereafter, oil prices rose steadily, due to factors such as the USA's year-long low interest rate policy resulting in a low exchange rate for the dollar, OPEC's decision in the final quarter of 2008 to cut production by 4.2 million barrels, which was implemented effectively throughout 2009, efforts to raise floating inventories due to low prices and the recovery signals of the world economy starting from the second quarter onwards. As global measures against the crisis gradually decreased towards the year end and since it became obvious that the high levels of physical and floating inventories could not be eliminated easily, the upward trend of oil prices slowed down towards the end of 2009.

Developments in the world refining sector:

In the refining sector, the newly commissioned refineries - especially in certain Asian countries - have coupled with weak consumption in the USA to create imbalances in the regional product trade in middle distillate markets. In an environment of global recession, rapidly changing trade balances in countries with weak domestic demand have obliged export-oriented refineries with low complexities to cut back on and even totally abandon production. Numerous inefficient refineries that suffered profit losses due to the loss of export markets, especially in developed countries, closed down permanently or temporarily in 2009.

The refinery margins around the Mediterranean in 2009 bottomed out as heavy crude oil types became more expensive relative to lighter types because of the production cutback by OPEC and as demand in middle distillate products decreased. In 2009, the worldwide consumption of petroleum products fell by around 1.3 million barrels per day and the newly opened refineries increased the world's production capacity by 2.0 million barrels per day. Despite the resulting supply surplus of 3.3 million barrels per day relative to 2008, the refineries that were permanently or temporarily closed down in 2009 had a total capacity of only 1.2 million barrels per day. The resulting excess in supply decreased Mediterranean refinery margins to an average of 1.95 US dollars/barrel in 2009.

Following the economic contraction in 2009, the global economy is expected to grow and the world demand for middle distillate products is expected to rise in 2010. However, since OPEC might ease its cutback decision in order to meet the global oil demand, refinery margins are expected to rise slightly above their level in 2009, despite the new refineries to be opened in 2010. Nevertheless, the demand-oriented, no stock production strategy based on low capacity utilization that became widespread in the final quarter of 2009 will probably have to be continued into 2010 because a strategy to the contrary would have negative effects on the profitability of the sector unless there appears to be a significant rise in demand.

In a general sense, 2010 is bound to be more favorable for the refining sector compared to 2009. Even so, the currently high physical and floating inventories of middle distillate products, as well as the prediction that global interest rates could rise due to crisis exit strategies, might result in fluctuations in economic growth and refinery margins during the recovery from the crisis.

Developments in the Turkish oil sector:

As in many other countries, the global crisis has taken its toll on petroleum product consumption in Turkey, with fuel product consumption decreasing 7.6% in 2009, a period in which the Turkish economy shrunk approximately 5%.

The products that suffered the largest fall were diesel and fuel oil – the products most sensitive to economic growth. The decrease in gasoline consumption continued in 2009, with the gasoline market shrinking by 2.7% to fall back to 2.9 million m^3. Tüpraş adopted a production and sales policy that will minimize the effects of the year-long crisis on its financial results and has met 60% of total fuel demand. In a period in which national gasoline consumption contracted by 2.7%, Tüpraş increased its gasoline sales by 1.9%, bringing its market share to 88%.

While the consumption of rural diesel in Turkey dropped by 9.4%, Tüpraş lowered the maturity on its sales on account and some clients' met their need for working capital by importing rural diesel. As a result, Tüpraş' sales of rural diesel dropped by an additional 10.6%. The overall consumption of low sulphur diesel however, increased 17.3%, with Tüpraş augmenting its sales by 231 thousand tons.

Contrary to the negative course taken by the air transport sector around the world, expansion of air transport in Turkey led the sector preserved its strength, and in parallel, Tüpraş achieve a growth of %9 in jet fuel sales. If military jet fuel sales are included, the total jet fuel sales grew 16% over 2008.

Tüpraş in 2009:

In 2009, in the world refinery sector, competition became tougher, prices for heavy crude oil remained high and product profitability fared below last year's. The global crisis' repercussions expanded and the world economy plummeted in the first quarter of the year; however, Tüpraş relied on its operational and financial flexibility to adapt to changing conditions. The production and sales optimization policy pursued in 2009 has allowed Tüpraş to figure among those refineries that showed a positive outlook during the crisis.

Tüpraş strives to optimize and diversify its crude oil purchases in order to diversify its petroleum sources, distribute risk in the supply chain and obtain advantages in prices and freight charges. Despite the source limitation related to low crude oil charge and optimum inventory policies, Tüpraş realized purchases of 16 different types of crude oil from 10 different countries in 2009.

The global refinery margins fell to their lowest and the profitability of exported products dropped in 2009; however, Tüpraş preferred to process semi-finished products (operationally more cost efficient relative to crude oil) in upgrading units, applied optimum production and sales policies to meet domestic demand and enhanced white product productivity. If only the processed crude oil is taken into account, the crude oil capacity utilization attained 60.4%; if semi- finished products utilised are also taken into account, the total capacity utilization rate rises to 69.1%. Pre-planned maintenance activities of the Kırıkkale and Batman refineries were carried out during the first quarter of 2009, when the crisis' full impact was felt and when demand was relatively weak. Regional demands were met by products transported by land or railroad from other refineries and thus, production and sales were optimized among Tüpraş refineries.

In the years prior to the crisis, black products in excess of domestic demand had been marketed abroad, however, the production of black products was decreased in 2009 since export markets had unfavorable conditions. The share of white products in total production rose from 68.7% in 2008 to 73.6% in 2009. Thanks to this policy, Tüpraş' gross refinery margin fell only 15% over the previous year, to 9.2 US dollars/barrel, whereas the Mediterranean refinery margin fell 65% to 1.95 US dollars/barrel.

Despite the negative effects of the global crisis on domestic demand, domestic sales attained 18.2 million tons. In 2009, the profitability of exports fell and the amount of exports was decreased by 46% over 2008 to 3.3 million tons of produce worth USD 1.8 billion. Thus, Tüpraş' total sales in 2009 attained 21.5 million tons.

In 2009, in parallel to the negative global outlook in the refining sector, many oil companies posted losses in refining activities. However, during the same period, Tüpraş implemented suitable strategies, became financially stronger and reached its target by posting USD 522 million in net profits.

In the face of the low margins in the sector, cost cutting and productivity enhancing projects became of great importance in order to keep refinery profitability through gaining competitive edge. In order to correctly measure advances in productivity, Tüpraş carried out sector-wide comparisons to be able to quantify the initial point reached and rapidly implemented energy saving projects. 80 projects have been chosen from the "Operational Excellence Program" organized to enhance the Company's productivity in its areas of operation. The result has been the creation of USD 244 million of added value in three years, of which USD 79 million was realized in 2009.

The Health, Environment and Safety (HES) criteria, which serve to minimize the risks that could be suffered by various parties due to our activities, are constantly enhanced. To this end, a long-term plan has been prepared in order to efficiently implement and monitor Health, Environment and Safety practices, which figure among the top priorities for our company.

One of the most crucial technical safety and environment indicators is the accident incidence rate –which includes the employees of the contractors. This figure has dropped even below the previously set 2009 target of 3.5 to reach 2.5, the target for 2012. We aim to lower the accident incidence rate further.

As an indicator of our compliance with the Capital Market Board's (CMB) Corporate Governance Principles, the corporate governance rating was revised upwards from 8.20 to 8.34 out of a possible 10. This was due to our progress in corporate governance, as well as steps taken for the sake of environmental awareness. In August 2009, Tüpraş ranked 2nd among Turkey's 50 highest turnover corporations in the "Turkey 2008 AccountAbility Ethic Accountability Evaluation" organized in collaboration with the independent corporate social responsibility and accountability agency, AccountAbility Institute of Social and Ethical Accountability.

Fitch, the international credit rating agency, raised Tüpraş' foreign currency long term credit rating from "BB" to "BBB-" –which constitutes the country ceiling rating and an investable level. This has been a confirmation of our company's ability to implement correct strategies and take the right steps in a period when the effects of the crisis were still present.

The factors behind Tüpraş' ability to have its credit rating supersede that of its rivals' are Tüpraş' strong operational and financial structure, efficient storage capacity and robust distribution infrastructure which bring it to a leadership position in the Turkish market, its cash structure rising above the refining sector average and its product diversity.

Residuum Upgrading Project:

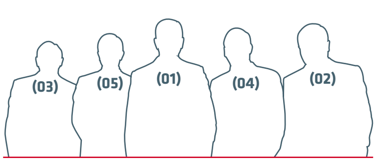
The Residuum Upgrading Project will transform 4.2 million tons of low value, black products such as fuel oil and atmospheric dip - which are consumed ever less in Turkey- into approximately 3.5 million tons of more valuable and environmentally-riendly white products such as gasoline and diesel oil. This project, with a total estimated investment of USD 1.8 billion, is expected to be completed in 2014 at the İzmit Refinery. This investment is a continuation and culmination of all of Tüpraş' previous investments. As a result of assessments in 2009, an agreement was signed with the Spanish firm Tecnicas Reunidas for the realization of this project and the detailed engineering process has been initiated.

The completion of this project will make the İzmit Refinery Europe's most complex refinery and an additional USD 400 million of EBITDA will be created. The project will contribute to the domestic supply of diesel (of which Turkey is a net importer) and Tüpraş' competitive advantage and profitability will be augmented.

Our employees have created a vision and broad perspective for Tüpraş' futurethat will allow us to maintain our position as a high performance player in the sector and continue to produce for our shareholders as well as for our country.

YAVUZ ERKUT
GENERAL MANAGER

SENIOR MANAGEMENT



01 Yavuz Erkut
02 Gürol Acar
03 Yılmaz Bayraktar
04 Hasan Tan
05 İbrahim Yelmenoğlu

Yavuz Erkut (01)
General Manager

Yavuz Erkut completed his undergraduate studies at Boğaziçi University's Chemical Engineering Department and later obtained his master's degree from The University of Wales' Mechanical Engineering Department. Erkut started his professional career at the İpraş Refinery in 1979 as Process Engineer. Between 1979-1990 he served as Chief of Unit, Senior Engineer and Vice Manager of Plant. In 1990, he was appointed to Tüpraş Headquarters as Foreign Trade Director. Between 1994-1997 he served as Director of the Petroleum Transfer and Trade Department and as Director of Crude Oil Transfer, Fuel Sales, Pricing, Foreign Trade and LPG Transfer and Sales Departments. Between 1998-2000, he became the Department Manager responsible for the aforementioned departments and Vice President. In 2000, he joined Opet Petrolcülük A.Ş. Between 2000-2006 he served as a Member of the Board of Directors and CEO at Opet Petrolcülük A.Ş, later as Tüpraş General Manager from January 2006 onwards and became a Member of the Board of Directors of Tüpraş in April 2008.

Gürol Acar (02)
Assistant General Manager

Born in 1953, Gürol Acar is a 1976 graduate of the Department of Chemical Engineering of the Middle East Technical University. Having begun his career in 1977 as a Process Engineer at the İpraş Refinery, Acar assumed various engineering positions. He served in various capacities at the Tüpraş İzmit Refinery and in the Head Office. While working at Tüpraş, Acar also acted as Head of the Petroleum Products Commission in the preparation of the State Planning Organization's Seventh and Eighth 5-Year Development Plans. While serving as Kırıkkale Refinery Manager, Acar was appointed as Terminal and Technical Services Manager of Opet Petrolcülük A.Ş. in October 2000. Between December 2004 and January 2006, Acar served as Terminal and Technical Services Assistant General Manager at Opet Petrolcülük A.Ş. and was appointed Tüpraş Assistant General Manager for Technical Affairs on January 27, 2006.

Yılmaz Bayraktar (03)
Assistant General Manager

Born in 1954, Yılmaz Bayraktar graduated from the Department of Chemical Engineering of Boğaziçi University in 1976. He obtained his M.S. in Mechanical Engineering at the University of Wales, in the Design and Business Administration for Industry program. Bayraktar's career started in 1979 as an Energy and Ecology Engineer at İpraş Refinery. During his long career in a number of refineries, he served as Supervisor and Head Engineer in the Power Plant, Steam Production, Electrical Production, Pump Transfer and Waste Water Treatment Units and later served as Assistant Manager in the Supplementary Plants Operation Division, as Production Units Operation Manager and from 1997 onwards, as Assistant Refinery Manager. After serving as Plant Manager for Siemens from 1999 to 2006 for the BOSEN Enerji Elektrik Üretim A.Ş. combined cycle plant built under the Siemens Power Generation Operation and Maintenance Agreement, Bayraktar was appointed Assistant General Manager of Tüpraş on January 27, 2006.

Hasan Tan (04)
Assistant General Manager

Hasan Tan graduated from the Department of Chemical Engineering at the Middle East Technical University and received his MBA from the University of Pennsylvania. Tan's career began when he started working at the Foreign Trade Department of Tüpraş as an engineer. He later served as Import Supervisor in charge of Diesel and LPG. In 1995, Tan was appointed coordinator in charge of crude oil agreements and profitability analyses at the Crude Oil Supply Department and then worked as LPG Supply and Sales Manager from 1999 until 2004. Since January 2005, Tan has acted as Assistant General Manager for Supply at Opet Petrolcülük A.Ş. Following Tüpraş' privatization on January 27, 2006, he was appointed Assistant General Manager for Commercial Affairs.

İbrahim Yelmenoğlu (05)
Assistant General Manager

İbrahim Yelmenoğlu graduated from the Faculty of Political Sciences at Ankara University in 1991 and received his Master's degree from the University of Illinois in 2003. Starting his career in 1987 at the Ministry of Finance, Yelmenoğlu worked on the Board of Public Accountants in 1992. In 2004, he started at the Koç Holding Auditors Group and served as Koç Holding A.Ş. Auditors Group Coordinator until 2006. Following the transfer of 51% of Tüpraş' shares to Koç Holding, on January 27, 2006, Yelmenoğlu was appointed Assistant General Manager for Financial Affairs.

Continued success depends on creating differences in the competition

We utilize our advantages in supply, distribution, infrastructure and financial structure to achieve perfection in production in order to create a difference and maintain our success.

Tüpraş implemented policies for increasing the profitability of production and applied apt financial strategies, thus increasing its difference with the reference Mediterranean complex margin. As a result, Tüpraş enhanced its cash position during the crisis.


Tüpraş
TK-414

PRODUCTION

Tüpraş strives for optimizing and diversifying its crude oil purchase operations in order to attain diversification of petroleum resources, distribution of the risk in supply chains and to obtain advantages in prices and freight charges.

In 2009, low demand and rising supply has meant increasing competition for refineries around the world, the prices of high sulphur and heavy crude oil have remained high and unit product profitability has been lower than previous years. As for Tüpraş, the company has focused on operational and financial flexibility and has adapted to changing conditions, despite the expansion of the effects of the global crisis and the bottoming out of the world economy in the first quarter.

Despite decreasing refinery margins and the falling profitability of exported products in 2009, Tüpraş has preferred to use more cost efficient semi-finished products rather than crude oil in upgrading units, has implemented an optimum production and sales policy prioritizing the meeting of domestic demand and has enhanced white product productivity. Consequently, capacity utilization for the processing of crude oil reached 60.4%; and this figure rises to 69.1% if semi-finished products such as ASRFO and HVGO used as raw materials are included.

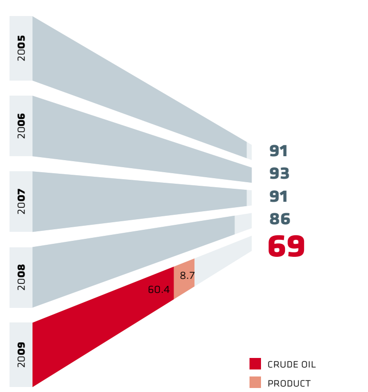
Crude oil prices, which stood at around USD 40 per barrel in the beginning of 2009, kept rising until the end of the year due to factors including the 4.2 million barrel production cutback decision by OPEC which was implemented uncompromisingly throughout the year, the weakness of the US dollar vis-à-vis other currencies due to the expansion of monetary supply and the signals for the recovery of the world economy making themselves felt starting from the second half of the year. The price of the Dated Brent, the reference crude oil of the European region, closed the year at USD 77.7 per barrel and its average price for the year was USD 61.51 per barrel.

Tüpraş strives for optimizing and diversifying its crude oil purchase operations in order to attain diversification of petroleum resources, distribution of the risk in supply chains and to obtain advantages in prices and freight charges.

Tüpraş realizes an important part of its crude oil purchases via annual agreements that it signs with various national oil companies. Apart from that, it also makes purchases to provide crude oil types meeting demands of different products, which allow for more supply flexibility and additional options. Together with purchases on the spot market, 2.3 million tons of the crude oil purchased is domestic.

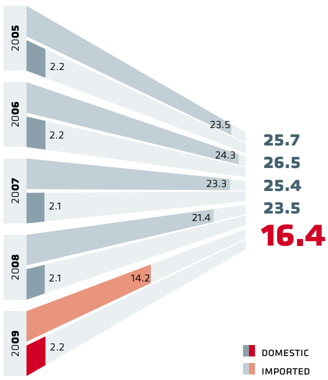
During the year, Tüpraş made purchases of 16 different types of oil from 10 sources, with gravities ranging between 22.93 API and 44.78 and of sulphur content varying between 0.2% and 4.13%. Tüpraş' average crude oil gravity is 31.93 API and crude oil sulphur rate is 1.4%.

CAPACITY UTILIZATION RATE (%)

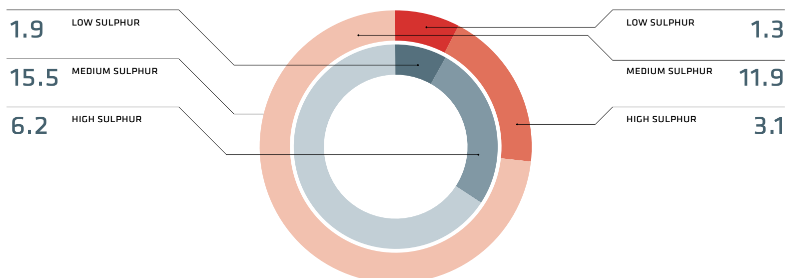


Tüpraş' capacity utilization for the processing of only crude oil stood at 60.4% in 2009 and this figure rises to 69.1% if semi-finished products such as ASRFO and HVGO given to charge are included.

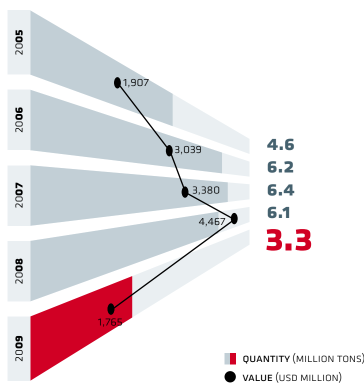
CRUDE PETROLEUM PROVISION (MILLION TONS)



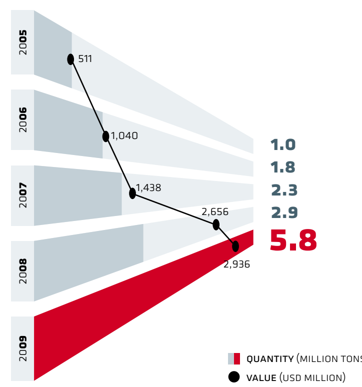
SULPHUR RATE OF THE CRUDE OIL PROVISION (MILLION TONS)



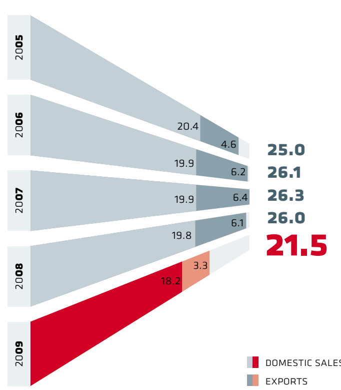
PRODUCT EXPORTS



PRODUCT IMPORTS



TOTAL SALES (MILLION TONS)



Tüpraş is the supplier of 36 different petroleum products across Turkey. Last year, 29% of the sales from Tüpraş refineries were realized via pipelines, 42% via marine transport and 29 % via highways and railroads.

The share of white products in total production rose from 68.7% in 2008 to 73.6 in 2009 and since the margins stayed rather low in the market, this resulted in an increase between the reference Mediterranean complex margin and that of Tüpraş, to the advantage of the latter.

Tüpraş' total import expenditure for 2009 stands at approximately USD 9.3 billion, with USD 6.4 billion spent on the import of 14.1 million tons of crude oil and USD 2.94 billion spent on the import of products and semi-finished products. The company has streamlined its production with the market demand and has optimized its production and inventory in order to minimize operational risk. Because the recovery in the world market did not become apparent before the June data was released, uncertainties remained concerning the timing of monetary and interest rate policies of different countries with respect to crisis exit strategies and the risk of crude oil prices to hit a slump once again in the course of the year. To this end, during 2009, 16.4 million tons of crude oil was procured and a total of 16.98 million tons of crude oil was processed – of which, 0.5 million came from the inventory.

During the year, the production policy aimed at meeting domestic demand, upgrading units were utilized in an efficient fashion and there was increase in the productivity of white products. Accordingly, the amount of black products, especially fuel oil produced for the export market, was decreased.

The share of white products in total production rose from 68.7% in 2008 to 73.6 in 2009 and since the margins stayed rather low in the market, this resulted in an increase between the reference Mediterranean complex margin and that of Tüpraş, to the advantage of the latter.

PRODUCTION OF TÜPRAŞ REFINERIES (THOUSAND TONS)

PRODUCTS	2008	2009	CHANGE %
LPG	769	619	(19.4)
GASOLINE & NAPHTHA	4,979	3,966	(20.3)
JET FUEL / KEROSENE	2,829	2,003	(29.2)
RURAL DIESEL	4,075	2,132	(47.7)
DIESEL	2,546	2,587	1.6
MIDDLE DISTILLATE	**9,450**	**6,722**	**(28.9)**
FUEL OILS	4,765	2,076	(56.4)
ASPHALTS	2,242	2,010	(10.3)
BASE OILS	264	247	(6.4)
OTHER	311	329	5.5
TOTAL	**22,780**	**15,968**	**(29.9)**

DOMESTIC SALES OF TÜPRAŞ REFINERIES (THOUSAND TONS)

PRODUCTS	2008	2009	CHANGE %
LPG	942	861	(8.5)
NAPHTHA	532	107	(79.8)
GASOLINES	1,969	2,007	1.9
JET FUEL / KEROSENE	2,307	2,665	15.5
RURAL DIESEL	6,144	4,988	(18.8)
DIESEL	2,134	2,365	10.8
MIDDLE DISTILLATE	**10,585**	**10,019**	**(5.3)**
FUEL OILS	3,089	2,637	(14.6)
ASPHALTS	2,260	1,998	(11.6)
BASE OILS	252	244	(3.3)
OTHER	217	338	56.2
TOTAL DOMESTIC SALES	**19,845**	**18,213**	**(8.2)**

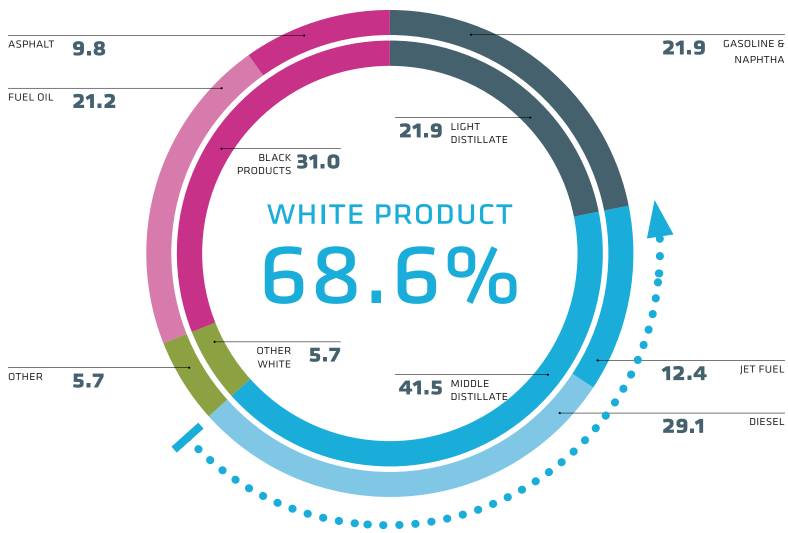
As can be seen in the graphic, in 2009, the share of black products fell to 26.4% and the share of asphalt - which is more profitable than fuel oil - in total black product production rose from 32.0% in 2008 to 48% in 2009.

Tüpraş' domestic product prices are directly correlated with the CIF Genoa Mediterranean Platts prices since Genoa constitutes the closest market as specified in the Petroleum Market Law. Tüpraş takes the Mediterranean refinery margins figures published daily by Reuters as the indicator for the profitability performance of Mediterranean refining companies. The complex margin of the Mediterranean-Ural region decreased 65% over 2008 to USD 1.95 per barrel; whereas, as a result of its production and sales policies in 2009, Tüpraş' gross refinery margin fell only 15% over the previous year to USD 9.21 per barrel and the net refinery margin stood at USD 2.3 per barrel. Accordingly, the difference in the margins of Tüpraş and Mediterranean refineries, which stood at USD 5.36 per barrel in 2008, further increased to USD 7.27 per barrel, to the advantage of Tüpraş.

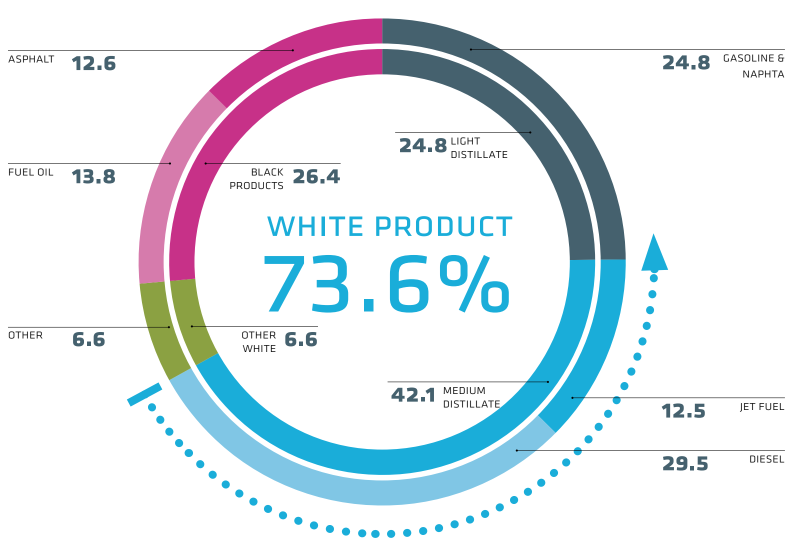
Tüpraş has structural advantages which help its refinery margin stay above the theoretically calculated Mediterranean refinery margin: Tüpraş' refineries are located in the center of the regions of consumption; Turkey is a net importer of many products; large scale purchases of crude oil provide price advantages; Tüpraş has the flexibility to process different types of crude oil; refineries' design allows for the processing of heavy and high sulphur crude oil; closeness to crude oil supply centers means crude oil supply at a favorable cost and with diversification; Tüpraş has strong infrastructure and facilities for crude oil and product import; direct pipeline connections to domestic clients result in low storage needs of clients; and, Tüpraş has a high export capacity.

PRODUCT YIELDS (%)

2008 PRODUCTION 22.78 MILLION TONS



2009 PRODUCTION 15.97 MILLION TONS



In 2009, Tüpraş' total product sales from production and imports achieved 21.52 million tons, of which, domestic sales account for 18.21 million tons.

GROSS REFINERY MARGIN	TÜPRAŞ	MEDITERRANEAN-URAL COMPLEX
JANUARY	7.5	5.2
FEBRUARY	9.5	4.4
MARCH	11.6	0.8
APRIL	9.7	2.5
MAY	8.6	1.6
JUNE	9.7	0.2
JULY	7.8	1.3
AUGUST	10.0	1.2
SEPTEMBER	9.0	2.3
OCTOBER	10.3	1.2
NOVEMBER	9.7	1.4
DECEMBER	8.1	1.5

Tüpraş is the supplier of 36 different petroleum products across Turkey. The clients to whom products are sold directly are: fuel, LPG, bunker fuel and mineral oil distribution firms licensed by the Energy Market Regulatory Authority, the petrochemical industry, the paint industry, the tire industry, General Directorate of Highways (KGM), municipalities and contractor firms authorized by these agencies and the National Defense Ministry in the name of the Turkish Armed Forces. Last year, out of the sales by Tüpraş refineries, 29% was realized via pipelines, 42% via marine transport and 29 % via highways and railroads.

Tüpraş' total product sales from production and imports realised 21.52 million tons in 2009. Despite the fall in crude oil and product prices and the contraction of domestic consumption due to the global crisis, domestic sales actualized 18.21 million tons in 2009. In the same year, taking into account product margins, Tüpraş has preferred to produce gasoline rather than naphtha, and asphalt rather than fuel oil in the black product category. In parallel with the growth in the air transport sector in 2009, domestic jet fuel sales reached their highest level ever. The share of white products in total domestic sales grew from 72.6% to 74% and their share in total sales grew from 70.3% to 73.2%.

As a company that frequently expresses its concerns about nature, Tüpraş strives not only to increase its profitability, but also to fulfill its responsibility to the nation and society. The two types of diesel used at present in our country have sulphur contents of 10 ppm and 1,000 ppm. Apart from their sulphur content, both diesels have the same specifications and since they preserve viscosity only to minus 15 degrees Celsius (in line with standards), in various regions of our country serious problems occur. As a part of its principle of providing all its customers with products suited to their needs, Tüpraş, has enhanced its 10 ppm fuel oil to resist cold to minus 25 degrees Celsius and introduced this product to the market on November 20, 2009. The additional cost of approximately USD 5 per ton has not been reflected in the sales prices of winter diesel.

Tüpraş is not satisfied with only meeting the national demand and it strives to become a prominent player in the global arena. In line with this strategic target, it uses its advanced technological infrastructure to produce high quality goods superseding domestic demand and sells them in the highly competitive global market. As a consequence, its export and customer potential has risen constantly in the last years. When the domestic market shrink due to economic circumstances and market conditions, the ensuing excess in supply is exported. Thereby, production and inventory costs are kept low and an automatic defense mechanism is installed against exchange rate risks.

In previous years, whereas low profit margin goods such as naphta and HVGO had the greatest share in Tüpraş' exports, at present, high value white products such as gasoline, jet fuel and diesel, as well as fuel oil have the greatest share in exports. Due to the global fall in demand in 2009, the quantity of exports has decreased by 46%. The total value of exports was USD 1.8 billion, corresponding to 3.3 million tons of products – comprised of 2 million tons of lead free gasoline, 1.0 million tons of fuel oil, 251 thousand tons of diesel and 33 thousand tons of other petroleum products.

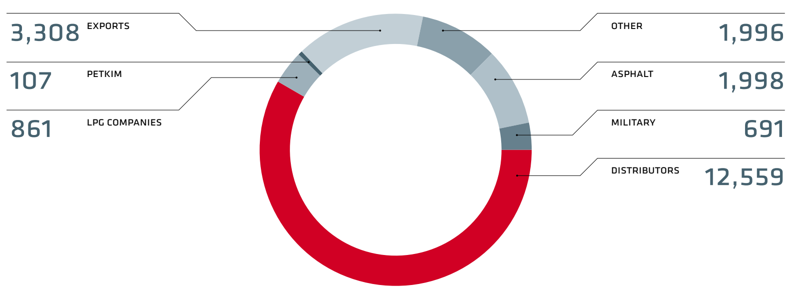
Tüpraş possesses the capability to produce products at European standards and it considers its benchmark to be high quality goods with less impact on nature. Sometimes there is a considerable price difference between products with high and low sulphur content. Beginning in 2008, Tüpraş utilized additional capacity in its units and implemented a new production sales planning more focused on meeting the domestic demand, which will allow it to enhance product quality and environmental impact products. As a part of this action, imported cheap diesel with high environmental impact was processed in refineries to obtain high quality diesel with low environmental impact.

Aware of the necessity of being flexible in the face of the rapidly changing supply - demand balance in the energy sector, in 2009, Tüpraş moved towards importing semi-finished goods to process in its refineries. In order to meet domestic product shortages and temporary demand increases, Tüpraş has imported final products, as well as semi-finished products, to be given to charge in upgrading units. In 2009, 2.9 million tons of high sulphur diesel, 1.1 million tons of ASRFO, 615 thousand tons of jet fuel, 519 thousand tons of low sulphur fuel oil, 174 thousand tons of LPG, 170 thousand tons of naphta, 150 thousand tons of MTBE and 130 thousand tons of HVGO and LCGO were imported as semi-finished goods to be processed. In total, 5.8 million tons of petroleum products worth USD 2.9 billion were imported.

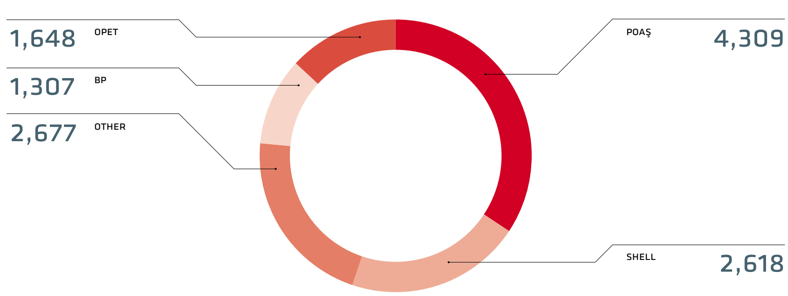
IMPORT VOLUME IN 2009

HIGH SULPHUR DIESEL	2.9 MILLION TONS
ASRFO	1.1 MILLION TONS
JET FUEL	615 THOUSAND TONS
LOW SULPHUR FUEL OIL	519 THOUSAND TONS
LPG	174 THOUSAND TONS
NAPHTA	170 THOUSAND TONS
MTBE	150 THOUSAND TONS
HVGO AND LCGO	130 THOUSAND TONS
FUEL OIL	30 THOUSAND TONS

SALES (THOUSAND TONS)



DISTRIBUTORS (THOUSAND TONS)



İZMİT REFINERY

The İzmit Refinery processed 7.8 million tons of crude oil in 2009, its capacity utilization rate based on crude oil processing is 71% and together with imported products charged in the refinery, this rate rises to 75%.

İzmit Refinery General Information

YEAR OF ESTABLISHMENT:	1961
REFINING CAPACITY:*	11.0
NELSON COMPLEXITY:	7.78
STORAGE CAPACITY:	1.97 MILLION M^3
EMPLOYEE NUMBER:	1,373

** Rafinery capacity is given in million tons/year.*

The İzmit Refinery started production in 1961, with a 1 million ton/year capacity of crude oil processing and as a result of significant capacity augmentations and investments over the years, its design capacity reached 11.5 million tons/year in 1982. Due to modernization efforts to enhance white product productivity, the crude oil processing design capacity changed and was confirmed to be 11.0 million tons/year.

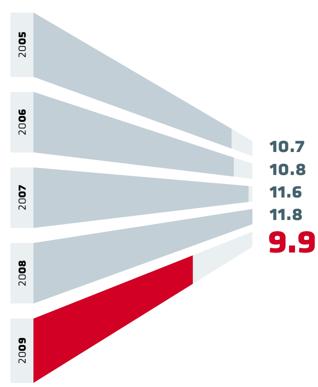
The İzmit Refinery is located at the center of a consumption hub that accounts for around 40% of Turkish petroleum products consumption. With the commissioning of the gasoline specifications upgrading unit, the refinery is capable of producing at Euro-V standards in compliance with EU norms.

Its Nelson Complexity Index, an indicator of the sophistication of refineries, rose to 7.78, making it one of the most enhanced refineries in the Mediterranean region.

The İzmit Refinery processed 7.8 million tons of crude oil in 2009, its capacity utilization rate based on crude oil processing is 71% and together with imported products charged in the refinery, this rate rises to 75%. The production of its main petroleum products - LPG, naphta, lead free gasoline, jet fuel, kerosene, diesel, heating oil, fuel oil and asphalt - amounted to 7.7 million tons. The product sales of the refinery reached 9.9 million tons in 2009 and all time records were broken in the sales of jet fuel, solvent and diesel.

In the last three years, 22 projects were completed as part of the Operational Excellence Program, including production planning, combustion, steam and energy optimization, diminution of loss, increase of margins and other efforts. These projects have yielded USD 77 million of additional income, of which, USD 28 million was in 2009.

İZMİT REFINERY SALES (MILLION TONS)



The İzmit Refinery achieved sales of 9.9 million tons of products in 2009 and broke all time records for the sales of jet fuel, solvent and diesel.

In order to minimize the İzmit Refinery's natural resource utilization, a waste water recycling project was launched in 2009. The said project has yielded gains of 350 m^3/hour of water, which was used as cooling water, fire water, boiler water and in steam generation.

The following activities were realized as part of the improvement and development efforts of 2009:

• With packing additions made to atmosphere and vacuum columns, the productivity of heavy naphta was increased by 5.9% and the amount of steam used was decreased, leading to a 4% rise in Heavy Vacuum Gas Oil feed rate.

• The most important conversion unit of the refinery is the Hydrocracker Unit, where recent changes in internal reactor components lengthened the catalysis period. In the same unit, various equipments were renewed in order to decrease corrosion and to achieve a better mixture of feed.

• In the Methanator Unit, pollution related to hydrogen rich gases, carbon dioxide and carbon monoxide pollutions has been eliminated, entailing a lengthened catalysis period in the Isomerisation Unit and additional EBITDA gain.

The refinery's Unifiner Unit has undertaken the production of solvents, thinner in the paint industry.

The following measures have been taken in order to limit environmental impact:

• The utilization of the FCC acid gas in units has lead to the production of an additional 700 tons of sulphur and thereby, the amount of SOx released from the flares has decreased by around 1,380 tons.

As a result of its comparative evaluation program among different laboratories, in 2009, IIS-Netherlands Interlaboratory Studies Institute granted the İzmit Refinery Experimental Laboratory 5 perfection certificates from gasoline, diesel and jet fuel tests.

İZMİR REFINERY

The İzmir Refinery has a 300,000 tons/year capacity base oil production unit, the only one of its kind in Turkey, and it also produces various types of naphtha and clarified oil as raw material for the petrochemical industry.

İzmir Refinery General Information

YEAR OF ESTABLISHMENT:	1972
REFINING CAPACITY:*	11.0
NELSON COMPLEXITY:	7.66
STORAGE CAPACITY:	2.51 MILLION M^3
EMPLOYEE NUMBER:	1,206

** Rafinery capacity is given in million tons/year.*

The İzmir Refinery started production in 1972 in order to meet Turkey's growing petroleum product demand with a 3 million tons/year crude oil processing capacity and since then, it underwent important capacity augmentations and unit modernizations to achieve 10 million tons/year of capacity as of 1987. In 2007, its crude oil processing capacity was confirmed to be 11 million tons/year, taking into account revisions made in its distillation capacity.

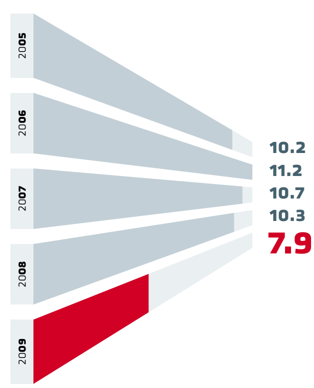
The refinery has a 7.66 Nelson Complexity. In line with charge optimization efforts realized throughout Tüpraş, the refinery's capacity utilization rate stood at 52% for crude oil processing and at 67% if imported products given to charge are included. Its production of main marketable products - consisting of LPG, naphta, gasoline, jet fuel, diesel, base oil, heating oil, fuel oil, asphalt, wax, extracts and other products - attained 6.9 million tons. In February 2009, due to the weak demand entailed by the global crisis, maintenance activities were carried out earlier than the plan and accordingly, the planned maintenance of the Crude Oil Unit, CCR Reformer, Diesel Desulphurization and Isomerisation Units was effectuated.

The İzmir Refinery has a 300,000 tons/year capacity base oil production unit, the only one of its kind in Turkey, and it also produces various types of naphtha and clarified oil as raw material for the petrochemical industry. In 2009, the refinery processed different types of crude oil in base oil production and generated additional profits.

Located in a touristic region, the İzmir Refinery broke sales records in auto gas, gasoline, diesel and jet fuel in 2009.

As of October 2009, the demands of fuel oil and LPG customers are being received via the internet, as part of the new Customer Relations Management program.

İZMİR REFINERY SALES
(MILLION TONS)



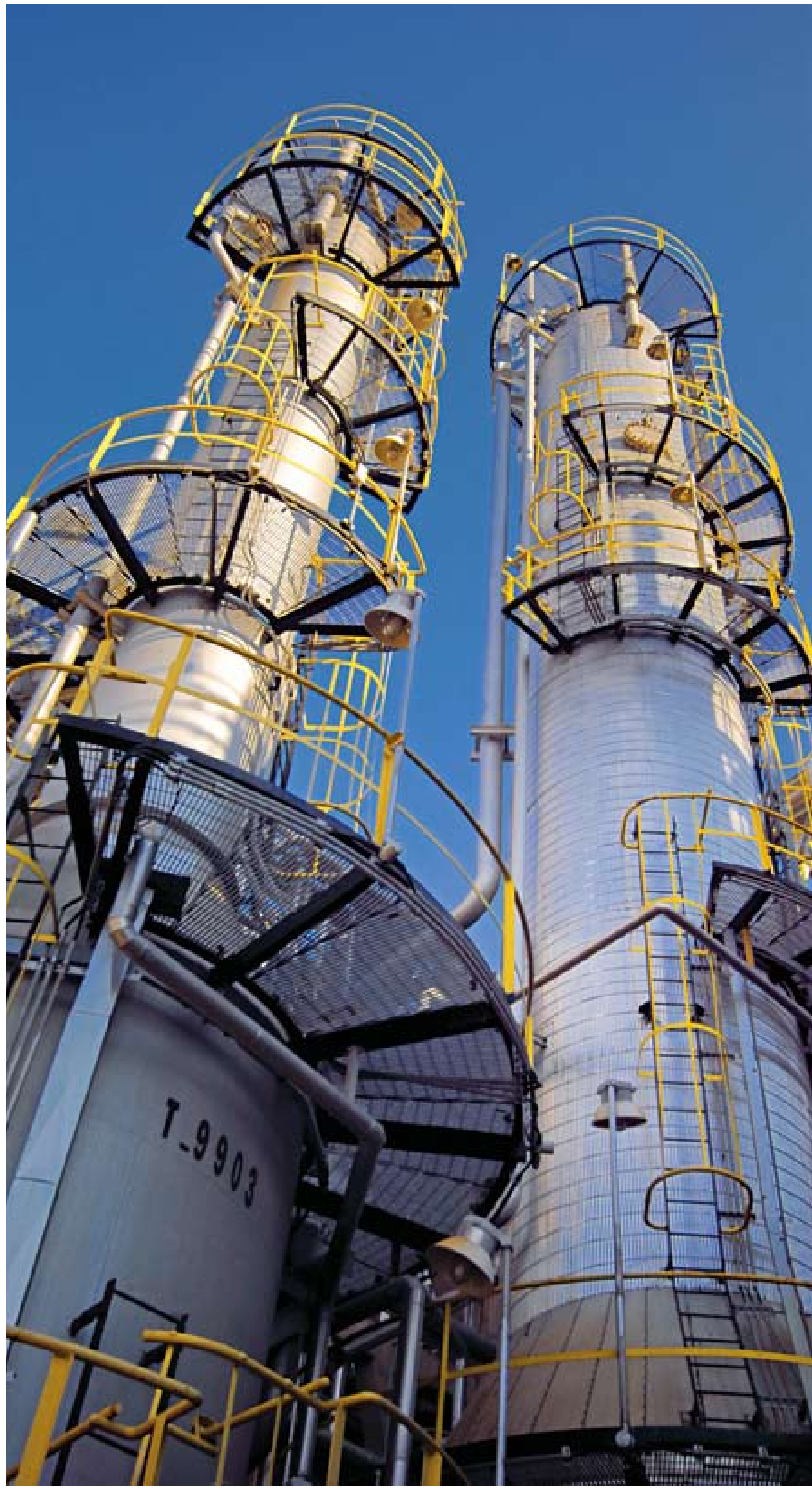
The İzmir Refinery achieved 7.9 million tons of product sales in 2009 and broke records in auto gas, gasoline, diesel and jet fuel sales.

The mechanical aspects of the construction of the new gauge system, which will automate the marine and land filling units and enhance customer satisfaction, have been completed. In order to achieve inventory optimization, a zero drain policy was implemented.

In line with projects aiming to minimize environmental impacts and cut back costs, emissions from the Waste Water Purification system are to be reduced. To achieve this, water mist was applied to API separators and the project for gas stripper pressure decrease has yielded USD 260,000 of savings and 2,000 tons/year of CO_2 emissions reduction.

The İzmir Refinery Experimental Laboratory received five perfection certificates in 2009 for internationally comparative tests in diesel, gasoline and jet fuel.

The wind farm to be installed at the Tüpraş İzmir Refinery will contribute to the environmentally sustainable development of Tüpraş. The license of the approximately USD 14 million project is awaiting approval. In addition to the refinery's 67 MW installed capacity, a wind power plant of 8 MW is planned in order to benefit from the natural energy resources surrounding it. As part of the Operational Excellence Program, 31 projects related to production planning, combustion, steam and energy optimization, loss reduction and margin augmentation have been completed. These projects have yielded USD 134 million additional income, of which, USD 33 million was in 2009.



KIRIKKALE REFINERY

The implementation of the Operational Excellence Program in the Kırıkkale Refinery has yielded an additional income of USD 16 million in 2009.

Kırıkkale Refinery General Information

YEAR OF ESTABLISHMENT:	1986
REFINING CAPACITY:*	5.0
NELSON COMPLEXITY:	6.32
STORAGE CAPACITY:	1.25 MILLION M^3
EMPLOYEE NUMBER:	911

** Rafinery capacity is given in million tons/year.*

Established in 1986 in order to meet the petroleum demands of the Ankara, Central Anatolia, Eastern Mediterranean and Eastern Black Sea regions, the Kırıkkale Refinery has become a refinery with mid-level complexity according to Mediterranean standards and its Hydrocracker, Isomerization, Diesel Desulphurization and CCR Reformer units have been expanded.

With a Nelson complexity of 6.32, the Kırıkkale Refinery has Turkey's largest road tanker filling capacity.

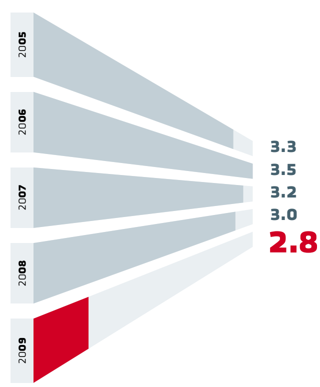
The refinery has an annual 5 million ton crude oil processing capacity and its crude oil transfer is realized via BOTAŞ' Ceyhan Terminal and the Ceyhan-Kırıkkale pipeline.

Kırıkkale Refinery's capacity utilization rate was 57% for crude oil processing and this figure rises to 62% if imported products given to charge are included. Its main products are LPG, gasoline, jet fuel, kerosene, diesel, fuel oil and asphalt and a total of approximately 2.8 million tons of petroleum products have been produced and sold. As part of the CCR Reformer & Diesel Desulphurization Units project, the Sulphur Unit was commissioned in April 2009 and the production of tablet sulphur was initiated. With the commissioning of seven new asphalt tanks, the refinery's asphalt storage capacity increased from 25,000 m^3 to 100,000 m^3.

The refinery's Hydrocracker Unit achieved a 2% increase in productivity and increased its profitability. In addition, as part of two new energy efficiency projects that enjoy investment incentives, electrical engines were installed and the renewal of furnace heater tubes of the crude oil and vacuum units continue.

In order to enhance energy efficiency, the hot water of the Atmospheric and Vacuum Dip Units has been transferred to crude oil and this resulted in an annual savings

KIRIKKALE REFINERY SALES (MILLION TONS)



The Kırıkkale Refinery has produced and sold 2.8 million tons of its main petroleum products, featuring LPG, gasoline, jet fuel, kerosene, diesel, fuel oil and asphalt.

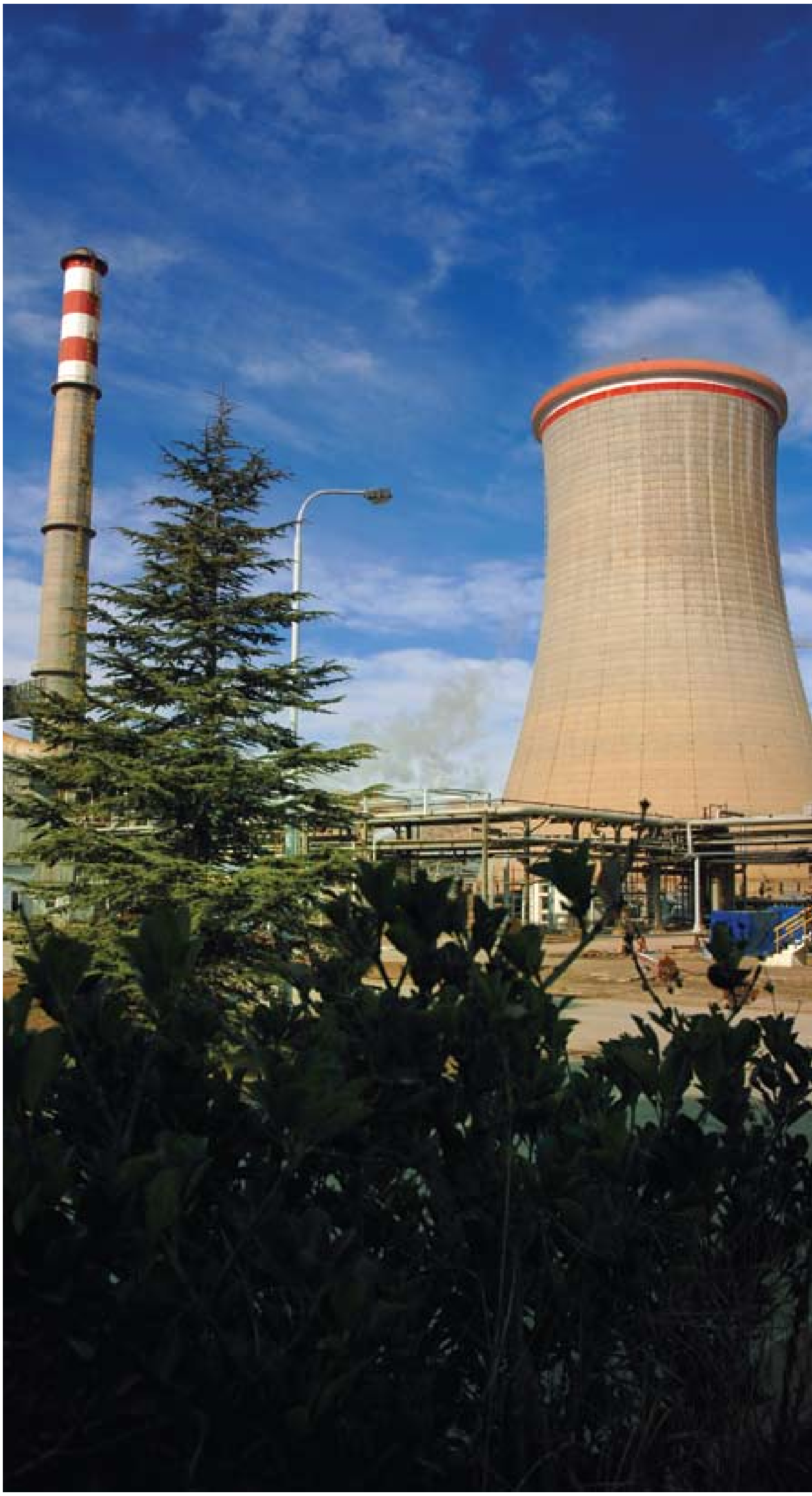
of 2,376 tons of fuel and 712,800 KW of electricity and the emission of 7,920 tons of greenhouse gas was prevented.

At present, flare loss can be monitored instantaneously or retrospectively at various time intervals and flare loss is minimized due to the manipulation of control valves by mathematical functions. As part of this project, the amount of hydrocarbon gases released into the atmosphere has been decreased and the amount of combustion gases released into the environment has been decreased by around 60%.

There have been important advances in sustaining the continuity, safety and reliability of production and the minimization of environmental impacts, thanks to qualitative and quantitative risk evaluation methods. No environmental accident was reported in 2009 at the refinery. The Kırıkkale Refinery's accident incidence rate attained 1.1, whereas the target set for 2009 was 3.0.

As part of the Operational Excellence Program, 16 projects related to production planning, combustion, steam and energy optimization, loss reduction and margin augmentation have been completed. These projects have yielded USD 30 million additional income, of which, USD 17 million was in 2009.

According to regulations, products bought or sold via international commerce have to be analyzed in laboratories authorized by the Turkish Accreditation Authority (TÜRKAK). The Kırıkkale Refinery Experimental Laboratory constantly increases the number of its accredited analyses; as of year-end 2009, the number of accredited analyses authorized by TÜRKAK stood at 71. Also, as a result of its comparative evaluation program between different laboratories, IIS-Netherlands Interlaboratory Studies Institute granted the Kırıkkale Refinery Experimental Laboratory five internationally valuable perfection certificates.



BATMAN REFINERY

In 2009, the Batman Refinery's diesel sales grew 21% over the previous year, from 275 thousand tons to 333 thousand tons, breaking the sales record.

Batman Refinery General information

YEAR OF ESTABLISHMENT:	1955
REFINING CAPACITY:*	1.1
NELSON COMPLEXITY:	1.83
STORAGE CAPACITY:	221 THOUSAND M^3
EMPLOYEE NUMBER:	429

** Rafinery capacity is given in million tons/year.*

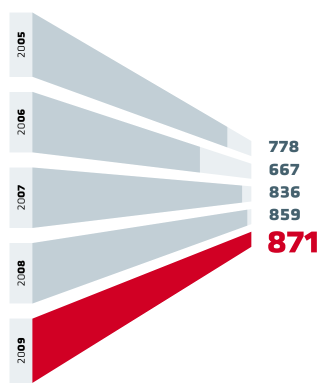
Commissioned in 1955, the Batman Refinery is Turkey's first refinery and had a 330 thousand ton crude oil processing capacity. Following a project to overcome production bottlenecks in 1960 and the commissioning of a new crude oil processing unit in 1972, Batman Refinery's annual crude oil processing capacity reached 1.1 million ton/year.

In 2009, the refinery processed 642 thousand tons of crude oil. An additional 614 thousand tons of products were also produced, which include asphalt, as well as naphta, diesel and semi-finished products sent to the Kırıkkale Refinery to be brought in line with standards. The Batman Refinery has the advantage of being close to the domestic sources of crude oil; however, since it does not have upgrading units, its configuration is simple and its Nelson complexity is 1.83.

In 2009, the total product sales attained 871 thousand tons with a growth of 1.4%. The Batman Refinery sells products at EU standards with the products transferred from the Kırıkkale and İzmir refineries and its total diesel sales rose 21%, from 275 thousand tons to 333 thousand tons, breaking a sales record. In 2009, the Batman Refinery sent off-spec diesel, HSRN and LSRN to the Kırıkkale Refinery, which has reciprocated with rural diesel, diesel and gasoline, all via land. As a result, transfers via pipeline - by mixing products in crude oil - have decreased and 61% less products were transferred vis-à-vis the previous year.

In the March-April 2009 period, the distillation columns of the crude oil units were renewed and their performance tests have been completed.

BATMAN REFINERY SALES (THOUSAND TONS)



The Batman Refinery processed 642 thousand tons of crude oil in 2009 and produced 614 thousand of products, mostly comprised of asphalt and diesel. In 2009, the total product sales grew 1.4%, to attain 871 thousand tons.

The refinery obtained its class A emission permit in 2007 and in order to lower chimney gas emissions, low sulphur fuel oil coming from outside the region is used as fuel in the Process Units of the refinery.

11 steam and energy optimization projects, forming part of the Operational Excellence Program, have yielded a total of USD 5 million additional income in the last three years, of which, USD 1 million was in 2009.

In order to minimize its environmental impact and enhance energy efficiency, the Batman Refinery obtained the "Jury Special Award" in the Industrial Energy Efficiency Project competition organized by the Ministry of Energy and Natural Resources in 2008 with three projects: "Condensed Recycling System," "Low Capacity Utilization of G A 511 Boiler Feed Pumps" and "Frequency Converter Applications" from among a total of 35 participants. The efforts were upgraded in 2009 and the "Single Boiler Application" and "Electricity Production Optimization" projects won first place for the Batman Refinery in the Industrial Energy Efficiency Project (Senver-10) of 2009, from among 19 participating projects.

The refinery's laboratory was accredited on 10 parameters in waste water tests and on 12 parameters on asphalt tests. The Batman Refinery Experimental Laboratory has also obtained two internationally valid perfection certificates as part of the IIS-Netherlands Interlaboratory Studies Institute's comparative evaluation among different laboratories.

SECTOR

In 2009, Turkey's total automobile fuel consumption - comprised of gasoline, diesel and LPG Auto gas - decreased 2.3% over the previous year to 18,038 thousand tons.

The global economic crisis, which began towards the end of 2008, resulted in a decrease in consumption and financing problems in the fuel sector in 2009. Another important event for the sector was the Energy Market Regulation Agency's two-month long ceiling price enforcement on diesel and gasoline. After this two-month long implementation, the market went back to a free determination of prices.

In 2009, Turkey's total automobile fuel consumption - comprised of gasoline, diesel and LPG Auto gas - decreased 2.3% over the previous year to 18,038 thousand tons. In 2009, the falling trend in gasoline consumption continued, due to the transition to auto gas, excessive tax increases and dieselization. The overall gasoline consumption dropped by 2.7%; however, Tüpraş' domestic gasoline sales grew by 1.9%, thanks to its competitive edge stemming from its storage and terminal infrastructure.

Turkey's total diesel consumption correlates directly with its GDP and has displayed an increasing trend for the last five years. Although there is a general consensus in the sector as to the utilization of fuel at EU standards, rural diesel is still widely used, partially due to its tax advantage. Despite the conjecture, since the number of automobiles rose by over 20%, the low sulphur diesel consumption

TURKISH PRODUCT CONSUMPTION (THOUSAND TONS)

PRODUCT	2008	2009	CHANGE %
GASOLINES	2,344	2,280	(2.7)
KEROSENE	11	9	(18.0)
DIESEL	2,886	3,386	17.3
RURAL DIESEL	11,122	10,072	(9.4)
DIESEL TOTAL	14,008	13,458	(3.9)
WHITE PRODUCTS	16,363	15,747	(3.8)
HEATING OIL	385	321	(16.7)
FOIL NO: 6	2,373	1,597	(32.7)
BLACK PRODUCTS	2,758	1,917	(30.5)
TOTAL FUEL	**19,121**	**17,665**	**(7.6)**

grew by 17.3% to reach 3.4 million tons and its share in total diesel consumption rose from 20% to 25%. Rural diesel consumption decreased 9.4% in 2009 to 10.1 million tons. The rise in low sulphur diesel consumption limited the decrease in total diesel consumption to 3.9%.

According to sector wide data published by the Turkish Petroleum Industry Association (PETDER) regarding petroleum product consumption, Tüpraş' share is 88% in gasoline, 100% in jet fuel, 94% in fuel oils except bunker fuel, 100% in asphalt and 70% in low sulphur 50 ppm diesel. This share falls to 54% in total diesel nd to 48% in rural diesel since distributors' working capital need is frequently met by imports and more import opportunities are available.

STRATEGY

With the completion of the Residuum Upgrading Project, planned for 2014, Tüpraş will become one the most complex refining corporations in the region.

As Turkey grows, its energy needs will grow as well. One of the aims of energy management is meeting this increasing energy need in a reliable fashion, therefore creating the infrastructure for sustainable growth. In the past, Turkey has entered into rapid growth periods after crises, with its energy demands growing accordingly. Tüpraş determined that its strategy would be focusing on profitability-oriented investments that will best utilize the potential of the country and the Company. Tüpraş aims to maximize its potential by maximizing operational profitability, which in turn, necessitates enhancing productivity and minimizing costs.

Tüpraş shapes its production according to the domestic market's demand pattern and aims to augment its competitive edge in the domestic market while also increasing its market share in the import market thanks to its robust infrastructure and sound customer relations. In addition, Tüpraş plans to use exports to decrease costs whenever international price dynamics allow and to take into account all business diversification opportunities that might appear in the energy sector.

Since its transfer to the Koç Group, Tüpraş has realized many operational and financial innovations. The purchase of 40% of Opet Petrolcülük A.Ş shares and the renewal and strengthening of the Ditaş fleet have been important steps towards developing the operational infrastructure and increasing the value added.

The most important strategic step taken in the mid-term is the Residuum Upgrading Project which will allow for the restructuring of refineries in order to meet the domestic diesel shortage in an optimum fashion. Instead of fuel oil, which currently exceeds demand, an additional 2.5 million tons of high standard diesel will be produced. As a result, the national energy supply safety will be enhanced and Tüpraş' competitive edge and profitability will be geared up. With the Residuum Upgrading Project expected to be completed in 2014, Tüpraş will become one of the most complex refining companies in the region.

Tüpraş' aim is to become a global energy market player whose human resources are envied by its competitors. In the last several years, important steps have been taken towards achieving this goal. In the four-year period between 2006-2009, Tüpraş investment expenditures reached USD 1 billion 265 million. Tüpraş is Europe's 8th and the world's 30th largest refining corporation and is one the most important players in the Black Sea and Mediterranean energy markets, with a 28.1 million ton refining capacity.

Since becoming a global player is a long-term target, priority must be given to competing in the global marketplace. Tüpraş is well aware that it is not sufficient to only have large share of the market and that size can lead to strength only if it is coupled with the capacity to adapt to the changing market conditions. To this end, Tüpraş' primary target is to ameliorate its cost structure constantly and thus boost its competitive edge.

Tüpraş has undertaken the necessary investments and has made production possible with Euro V specifications before it becomes obligatory in Turkey, thereby enabling the utilization of products with high environmental standards in parallel with the EU. The completion of the investments complying with EU specifications enables Tüpraş to export high standard products to Europe, the USA and the developed countries of the world.

The beginning of the integration process with Opet has rendered Tüpraş and Opet stronger in their markets. Opet's London Office and its recently opened Singapore Office will allow the Koç Holding Energy Group companies, as well as Tüpraş, to play a more active role in international commerce.

Robust and consistent growth is only possible with sustained customer satisfaction.

Thanks to our development - and quality - oriented growth philosophy, we develop products and services exceed the expectations of our customers.

According to the Quality Association's (KalDer) Turkish Customer Satisfaction Index, for the fourth time in a row, Opet ranked first in its sector among fuel consumers' favorite brands in 2009.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7

DISTRIBUTION

OPET PETROLCÜLÜK A.Ş.

With the aim of becoming the consumer's first choice in the Turkish fuel distribution sector, we seize opportunities to develop our activities and boost our service quality and market share.

Established in 1992, Opet Petrolcülük is engaged in retail and wholesale sales in fuel distribution, the production and marketing of lubricating oil, the sales of air transport fuels and the international trade of petroleum products. Opet continued to increase its market share in 2009. As of year-end 2009, it was the third largest fuel distributor in the white products segment with a 16.6% market share and the second largest in black products with a 26.3% market share.

In 2009, Opet's consolidated total turnover was USD 4.8 billion. The sector, which already showed a tendency to shrink due to the economic crisis, had a tough year due to the price ceiling implemented by the Energy Market Regulation Agency in June and July, as well as the government's decision to raise the Special Consumption Tax that followed. Despite the contraction of the fuel market, Opet managed to increase its sales of white products 5.3% over the previous year to 2.6 million tons and its sales of black products by 27.3% to 499 thousand tons.

In order to minimize the effects of the international economic crisis which started in 2008 and continued into 2009, Opet took numerous financial measures in regards to its present foreign exchange open position. In order to not to carry foreign exchange risk, the Company fixed exchange rates for its loans in foreign currencies and signed "forward" contracts with various banks. In order to not be adversely affected by the interest rate raises predicted for 2009, the Company changed the interest rates of its long term loans from variable to fixed, thus minimizing its interest risk. Opet monitored its import products inventory and its import liabilities daily and purchased foreign exchange on the spot market in order to not be affected by rises in the exchange rate in the time interval between the sale of products from the import inventory and the effectuation of payments to foreign suppliers.

The THY-OPET air transport fuel company established jointly with Turkish Airlines (THY) and Opet has entered the rapidly growing airport transport sector's fuel marketing segment as an efficient player.

Opet's target and strategies in the new period are focused on its main competitive advantages. Opet aims to realize different and successful projects as well as to augment its service quality and strengthen its customer base. As a result of these, the company aims to increase its market share and grow, while maintaining customer satisfaction at the same time.

Opet's distribution network and storage capacity

Opet has the second biggest storage capacity in the fuel distribution sector after Tüpraş and has increased the number of its stations from 1,317 at the end of 2008 to 1,324 by year-end 2009. Thus, Opet realizes its sales via a total of 1,324 stations, of which, 798 carry the Opet brand and 526 the Sunpet brand.

Koç Holding Energy Group obtained 50% of Opet in 2002. The company has prioritized infrastructural investments since its establishment. As of year-end 2009, with the completion of the facilities in construction, the total storage capacity stands at 1,129 thousand m^3. This rise in the storage capacity further augments Opet's competitive advantage in the sector.

STORAGE CAPACITY	M^3
MARMARA TERMINAL	723,000
MERSİN TERMINAL	240,000
ALİAĞA TERMINAL	64,000
GİRESUN TERMINAL	44,000
KÖRFEZ TERMINAL	37,500
ANTALYA TERMINAL	20,000
TOTAL TERMINAL	**1,128,500**

In 2009, as in 2008, Opet continued to deliver storage service to international firms engaging in trade and transfer services in the petroleum sector in its Marmara Ereğlisi Terminal. As of the end of 2009, the capacity leased to international firms stands at 470 thousand m^3.

An innovative and socially responsible company

Opet increases its market share daily and capitalizes on the synergy it has created with Tüpraş and the Koç Group companies to become the first choice of Turkish consumers. The main principles on which Opet is based in order to attain these targets are to augment the quality of its products and services and to attain customer satisfaction without compromising its respect to the environment and relevant laws. According to the Quality Association's (KalDer) Turkish Customer Satisfaction Index, for the fourth time in a roow, Opet ranked first among fuel consumers' favorite brands in 2009.

Having achieved sector-wide leadership in customer satisfaction in 2006 and having sustained this in 2007, 2008 and 2009, Opet has become a permanent leader due to the importance that it gives to its customers. Opet has also held the ISO 9001:2000 Quality Certificate since 2004.

Opet Lubricants has been a part of Opet since May 2007 and engages in mineral oil production and sales in its İzmir-Çiğli factories. Opet Lubricants exports its products to 20 countries, particularly the Middle Eastern and Balkan nations. The Company also hold the Integrated Quality System Certificates.

While making a difference in its sector with an expanding station network and new products and services, Opet also supports society through social projects such as the Clean Toilet Campaign, the Green Roads Project, the Model Village Project and the Honoring History Project.

The villages of the Gelibolu (Gallipoli) Peninsula, visited annually by two million tourists, now have been renovated thanks to the Honoring History Project. As a part of this education and rehabilitation-oriented project launched in 2006, two gigantic, 12-meter high monuments were inaugurated on March 18, 2008 in the Honoring History Park built in the Eceabat township of Çanakkale.

Opet's Affiliates

AFFILIATES	SHARE %
OPET GIDA VE İHTİYAÇ MAD. TURİZM SAN. İÇ VE DİŞ TİC. A.Ş.	100.00
OPET TRADE B.V.	100.00
OPET FUCHS MADENİ YAĞ SAN. VE TİC. A.Ş.	50.00
OP AY AKARYAKIT TİC. LTD. ŞTİ.	50.00
AKDENİZ AKARYAKIT DEPOLAMA VE NAKLİYAT TİC. A.Ş.	33.00
NEMRUT LİMAN VE BORU HATLARI İŞLETMECİLİĞİ NAKLİYAT İÇ VE DIŞ TİC. LTD. ŞTİ.	25.00
TANI PAZARLAMA VE İLETİŞİM HİZMETLERİ A.Ş.	10.00
ENERJİ YATIRIMLARI A.Ş:	3.00
ATAER ENERJİ OTOPRODÜKSİYON SAN. VE TİC. A.Ş.	0.03

Being efficient and successful requires a high capacity for mobilization.

DİTAŞ transports crude oil and petrol products to Tüpraş refineries in a timely, safe and cost efficient manner, which allows Tüpraş to gain operational and cost advantages and boost its logistics efficiency.

DİTAŞ' crude oil shipments were realized as 14.1 million tons in 2009. Its shipment of petroleum products stood at 1.4 million tons.


NO SMOKING

MARINE TRANSPORT

DİTAŞ DENİZ İŞLETMECİLİĞİ VE TANKERCİLİĞİ A.Ş.

DİTAŞ provides Tüpraş with great advantages operationally and cost-wise. DİTAŞ carries out its crude oil shipping operations,which constitute 95% of its total marine transport, according to Tüpraş' requirements.

DİTAŞ Marine Operations and Tanker Management Co. (Deniz İşletmeciligi ve Tankerciligi A.Ş.), was founded in March 1974 with the purpose of purchasing, chartering and running a range of marine vessels in order to carry out domestic and overseas shipping of crude oil and petroleum products.

The 29% share of DİTAŞ held by İPRAŞ (İzmit Petroleum Refinery Co.) was transferred to Tüpraş in 1983 within the scope of reorganizing and regrouping all State-owned refineries with Tüpraş as the parent company. Tüpraş then acquired 50.98% of DİTAŞ shares from the Privatization Administration (ÖİB) in October 2002 for USD 16.5 million, increasing its shareholding to 79.98% of the total. Providing services for tanker management, brokerage/chartering, piloting and tugging and other agency services, DİTAŞ, with over 30 years of experience in the sector, provides huge operational and cost advantages for Tüpraş.

DİTAŞ carries out its crude oil shipping operations (which constitute 95% of its total marine transport) according to Tüpraş' requirements. The Company conducts its crude oil shipment operations with the tankers it owns and the tankers it charters based on of the time or voyage, as necessary.

CAPITAL STRUCTURE OF DİTAŞ

SHAREHOLDERS	NUMBER OF SHARES	PAID-IN CAPITAL (TRY)	(%)
TÜPRAŞ	799,800,000	7,998,000	79.98
TSK GÜÇLENDIRME VAKFI	200,000,000	2,000,000	20.00
MOGAZ-AKPA-DEMİR EXPORT	200,000	2,000	0.02
TOTAL	**1,000,000,000**	**10,000,000**	**100.00**

FINANCIAL FIGURES

USD MILLION	2007	2008	2009
NET SALES	135.0	180.3	108.9
OPERATING BENEFIT	20.6	24.0	13.4
NET PROFIT	24.6	27.3	14.4

COMPANY	VESSELS OWNED BY THE COMPANY
ÜSKÜDAR TANKERCİLİK A.Ş.	TANKER T. SEVGİ
KADIKÖY TANKERCİLİK A.Ş.	TANKER T. GÖNÜL
BEYKOZ TANKERCİLİK A.Ş.	TANKER CUMHURİYET
T. DAMLA DENİZCİLİK A.Ş.	TUGBOATS AND MOORING BOATS

DİTAŞ also provides product shipping services for Petkim, Opet and other distribution companies.

Having applied to the Energy Markets Regulatory Authority in accordance with Petroleum Market Law No. 5015, DİTAŞ obtained the Transport License (Marine), valid for 30 years, as of December 6, 2004.

The company holds the ISO 9001-2008 Quality Management System and ISO 14001-2004 Environment Management System certificates for its Head Office and ISPS Code (International Ship and Port Facility Security Code) and International Safety Management (ISM) compliance certificates for the Cumhuriyet, T. Sevgi and T. Gönül tankers.

Efforts for the implementation of the Tanker Management Self Assessment Scheme 2 (TMSA 2), a major credential for tanker management operations that petroleum companies expect to see implemented, are continuing. Vessels managed by DİTAŞ are in compliance with the OCIMF Sire system. DİTAŞ is also a member of KalDer (Turkish Quality Association) and TURMEPA (Turkish Marine Environment Protection Association).

In line with the restructuring process launched in 2008, in 2008 and 2009 four affiliates were established and began operations, all of which are owned 100% by the main company, DİTAŞ. The established companies and the vessels that figure among their assets are shown in the table.

With the product tankers that have joined its fleet in the last two years, DİTAŞ' cash position has strengthened. On December 4, 2009, DİTAŞ decided to distribute TRY 68.5 million in profit shares from its extraordinary reserves, of which, TRY 54.8 million as paid to Tüpraş.

DİTAŞ' crude oil shipments were realized in line with the demands of Tüpraş refineries and attained a total of 14.1 million tons in 2009. Its shipment of petroleum products stood at 1.4 million tons.

DİTAŞ also offers tugging and mooring services at Tüpraş' İzmit Refinery's sea terminal with 5 tugboats and 4 mooring boats, as well as piloting, tugging and mooring services at Tüpraş' İzmir Refinery's sea terminal with 6 tugboats and 3 mooring boats. As of 2009, in order to increase safety, companies arriving at Tüpraş' sea terminals are provided with freight operation captains by DİTAŞ. Beginning in 2010, DİTAŞ will also control arriving ships for compliance.

DİTAŞ undertakes brokerage work by chartering domestic and foreign tankers as well as mediation services between ship owners and exporters or importers of crude oil and/or petroleum products.

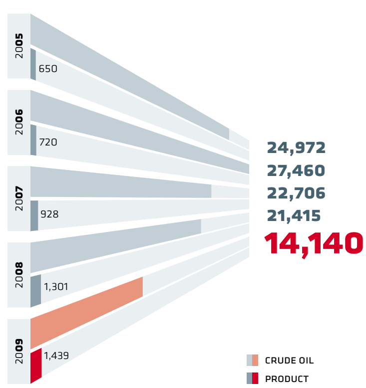
DİTAŞ also provides agency services for its own tankers and those it charters on behalf of Tüpraş.

GENERAL OVERVIEW OF DİTAŞ TANKERS

	M/T CUMHURİYET	M/T SEVGİ	M/T GÖNÜL
TANKER TYPE	CRUDE OIL	PETROL/CHEMICAL	PETROL/CHEMICAL
YEAR BUILT	2001	2008	2009
CARGO TANK CAPACITY	177,380 M^3	12,677 M^3	12,677 M^3
DWT	164,859 TON	10,983 TON	10,983 TON
GRT	84,476 TON	7,318 TON	7,318 TON
NET TONNAGE	53,710 TON	3,651 TON	3,651 TON
LENGTH	274.18 M	131.85 M	131.85 M

CRUDE OIL AND PETROLEUM PRODUCTS SHIPPED BY DİTAŞ

(THOUSAND TONS)



DİTAŞ' crude oil shipments were realized in line with the demands of the Tüpraş refineries and attained a total of 14.1 million tons in 2009.

R&D POLICIES AND PRACTICES

Tüpraş makes sure that all of its present and future projects contribute to our nation and to the energy sector and that the know-how created in these projects are further utilized and preserved.

In 2009, all R&D operations were brought under one department in order to coordinate the transformation of the R&D work at the refineries into R&D projects and to implement these projects inside and outside of the corporation. The R&D department is also responsible for preparing, managing and disseminating the results of projects designed to investigate advanced technologies through collaboration with universities, research institutes and other industrial firms. Tüpraş' strategy is to promote the common values of the country and the Company, to support the development of research centers, to nourish the culture of collaboration before competition and to employ various universities' departments as R&D centers. To this end, the first joint projects with TÜBİTAK MAM, Koç University, Boğaziçi University, METU and Dokuz Eylül University have already been initiated and a Master's Degree Program has been established at the Boğaziçi University.

The accumulated information, which will appear via collaboration between universities, research centers and the industry, are crucial for the sustained success and future prospects of Tüpraş. While preparing its new projects and determining a road map for implementing future technologies, Tüpraş gives priority to obtaining new technologies and project results, as well as lab equipment, specialized staff, scientific papers, industrial intellectual property rights such as patents and results and gains. Tüpraş makes sure that all of its present and future projects contribute to our nation and to the energy sector and that the expertise created from these projects is further utilized and preserved.

In order to efficiently manage information resources, Tüpraş has prepared the procedures and standards for reporting, classifying, archiving and reusing the information and experiences obtained and the company has also established the technical infrastructure for creating the corporate memory and archive.

Throughout the year, all refineries put forward their proposals for R&D projects. Numerous projects have been initiated from diverse areas and subjects such as the real time optimization of the Hydrocracker Unit, the design of devices for cooling the air coming from reactors, modeling the mechanisms for exchanger pollution generation, purification of chimney gases and the mathematical simulation and modeling of refining operations. A total of 280 engineers are involved in R&D work in Tüpraş' Head Office and refineries.

INVESTMENTS

TÜPRAŞ constantly enhances its competitive edge and leadership position in the sector with a wide range of investments aimed towards attaining Euro V specs, boosting operational efficiency, augmenting energy efficiency and protecting safety, health and the environment.

İZMİT
HYDROCRACKER AND CCR
USD **377** MILLION

İZMİR
CCR AND ISOMERIZATION
USD **199** MILLION

KIRIKKALE
HYDROCRACKER
USD **157** MILLION

İZMİT
MODERNIZATION
USD **81** MILLION

KIRIKKALE
ISOMERIZATION
USD **45** MILLION I

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999

HYDROCRACKER: A PROJECT THAT BOOSTS REFINERY PROFITABILITY BY TRANSFORMING LOW MARKET VALUE PRODUCTS SUCH AS FUEL OIL,WHICH ARE PRODUCED ABOVE THE REFINERY'S NEEDS IN THE PRODUCTION CYCLE, INTO VALUABLE AND LIGHT PRODUCTS.

CCR: THIS IS AN INVESTMENT PROJECT THAT WILL BOOST LEAD FREE GASOLINE PRODUCTION AND HELP ACHIEVE EU 2009 GASOLINE STANDARDS.

ISOMERIZATION: TOGETHER WITH THE CCR UNITS, THIS PROJECT IS ORIENTED TOWARDS AUGMENTING THE GASOLINE PRODUCTION CAPACITY OF THE REFINERIES.

DIESEL DESULPHURIZATION: THE PROJECT WAS IMPLEMENTED IN LINE WITH THE EUROPEAN UNION'S DECISION TO LIMIT THE SULPHUR CONTENT OF DIESEL TO A MAXIMUM OF 10 PPM.

GASOLINE SPECIFICATION IMPROVEMENT: THESE PROJECTS WERE INITIATED IN ORDER TO DESULPHURIZE FCC GASOLINE WITH HIGH SULPHUR CONTENT AND TO DEBENZENIZE REFORMAT WITH HIGH BENZENE CONTENT SINCE THE EUROPEAN UNION LIMITED THE SULPHUR CONTENT OF GASOLINE WITH MAXIMUM 10 PPM AND THE AROMATIC VALUE WITH MAXIMUM 35% AS OF JANUARY 1, 2009.

İZMİT
REFORMER AND DIESEL DESULPHURIZATION
USD **381** MILLION

KIRIKKALE
DIESEL DESULPHURIZATION
USD **372** MILLION

İZMİR
DIESEL DESULPHURIZATION
USD **139** MILLION

İZMİT
GASOLINE SPECIFICATION IMPROVEMENT
USD **105** MILLION

İZMİT
ISOMERIZATION
USD **78** MILLION

İZMİR
GASOLINE SPECIFICATION IMPROVEMENT.
USD **46** MILLION

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

Alongside large scale investment projects such as gasoline reduction and fuel oil upgrading, Tüpraş has also undertaken 32 middle and small scale projects aiming to significantly ameliorate Tüpraş' productivity and profitability.

The Master Investment Plan, which is meant to boost Tüpraş' profit potential and competitive edge, modernize refineries and enable production according to EU's environmental standards, was finished with the completion of the İzmit Refinery Gasoline specification improvement. As of April 20, 2009, all gasoline products sold in Turkey are in Euro V specs and their 10 ppm sulphur, aromatic and benzene values are equivalent to those of EU countries.

After its transfer to Koç Holding, Tüpraş made the decision to engage in an additional USD 2.1 billion investment along with ongoing projects it has realized of approximately USD 1.2 billion of investment expenditure. In 2009, Tüpraş refineries made investment expenditures totaling USD 189 million.

In the restructuring process, alongside large scale investment projects such as Diesel Desulphurization, gasoline improvement and fuel oil upgrading, 32 small and medium scale investment projects that will boost Tüpraş' operational competence, energy efficiency and profitability have been initiated and many of them have already been completed. The most important of these projects include fuel oil upgrading projects, construction of product and crude oil tanks, enhancement of instruments and electrical systems, charging and discharging wagons, crude oil blending, product preparation, DCS controlled sales systems, and amelioration of energy and steam production systems. All of these projects are important sources of value added and will further increase Tüpraş' competitive edge in the sector.

As of January 1, 2009, the sulphur content of lead free gasoline is limited to 10 ppm, its aromatic value to 35% and its benzene content to 1%; of the projects designed to meet these requirements, the İzmir Refinery Gasoline Specification Improvement Project was commissioned in August 2008.

In regards to the İzmit Refinery Gasoline Specification Improvement Project, the construction and installation of the Plt.73/74 Unit was completed as of May 2009 andthe units whose performance tests are completed have been commissioned and production began in the first half of 2009. As part of the Gasoline Specification ImprovementProject, the construction of two oxygenate tanks and the transfer lines between the piers and the highway are in the final stages of completion.

Main Projects Finished in 2009

Installation of the DCS Controlled Gauge System in the İzmit Refinery's White Product Sales

In white product sales via pipeline and vessels, the old measurement system, which was based on handmade measurementss of the tanks and the tank calibration values frequently lead to valve leakages and errors, has been replaced by a gauge system with a mass flow meter in which all parameters are seen on the DCS and controlled from there.

İzmit Refinery Crude Oil and Jet A-1 Tanks

In order to increase the crude oil storage capacity, two new crude oil tanks with approximate capacities of 115,000 m^3 and 51,000 m^3 have been installed in the Plt-2/5/25 Units. These tanks can be used separately for crude oil charging purposes.

A 27,000 m^3 capacity Jet A-1 tank has been installed in addition to the present Jet A-1 tanks.

İzmit Refinery Wagon Charge-Discharge and Tanker System

The İzmit Refinery has installed a tanker discharge system to receive biodiesel and bioethanol carried by tankers and white products from the Kırıkkale Refinery; and a wagon charging/discharging system as well as a tanker discharge system to realize diesel and high octane gasoline sales and receive black and white products from the Kırıkkale

Refinery. The wagon charging system can also fill rural diesel, 97 octane gasoline and fuel oil 4. In addition, new transfer lines have been built and supplementary sales lines have been added to the present pumps in order to realize the sales of diesel, 95 octane gasoline and fuel oil 6 from the wagon charging field. In addition, the fire safety systems have been enhanced in the wagon charging/discharging and tanker discharging system and a new control building has been constructed.

İzmir Refinery Boiler Burner Modernization

This İzmir Refinery project concerns low efficiency burners located in high fuel consuming steam boilers, which have high maintenance and repair costs and whose spare parts are difficult to locate. These will be replaced with burners with high efficiency and low NO_x release. The whole system will be modernized and the chimneys will be renewed in order to decrease chimney gas emissions.

The installation of burner and dampers to steam boilers has been completed. The chimneys common to the boilers have been renewed and the electricity system has been transformed into an ex-proof system.

Kırıkkale Refinery's New Energy Production System (TPP) Project

The Kırıkkale Refinery's present energy production system (TPP Unit) has been functioning since 1986 and its economic lifespan is over. It will be replaced by a technologically advanced "new energy production system" that has a "steam boilers, steam turbines and gas turbines" combination that will provide the older units and the newly installed units of the refinery steam and electricity with reserves. The project will provide steam and electricity without interruption and make the refining operation continuous.

A contract has been signed with the Foster Wheeler Company for the design of the TPP Project.

Main Ongoing Projects

Construction of New Product Storage Tanks at the İzmir Refinery

The İzmir Refinery requires the construction of new tanks in order to store certain products with a high profit margin, to meet certain specification demands in products to be exported, to use product storage tanks in a multi-purpose manner and to enjoy price advantages in certain products.

Gasoline and diesel tanks of 4x30,000 m^3, the hardware installation of a 50,000 m^3 fuel-oil tank, the installation of the steel roof, the construction of the environmental arrangement and the manufacture of pipes have been completed and commissioned.

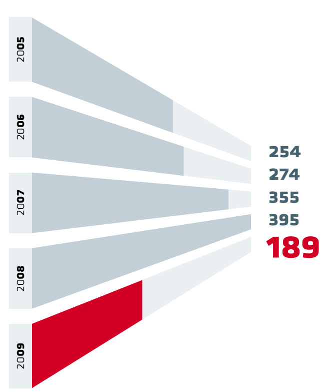
İzmit Refinery Residuum Upgrading (Fuel Oil) Project

In the last several years the decrease of the fuel oil demand and the widening of the price gap between white products and black products to the advantage of the former have created an important opportunity to implement "Residuum Upgrading" projects and increase the profitability of the refineries which have the necessary potential. With this project, Tüpraş will create products in demand in Turkey and enhance its competitive edge and leadership in the sector.

As part of the process proposed for fuel oil upgrading, Vacuum Distillation, Coker, Hydrocracker, Hydrotreater and Hydrogen (Steam Methane Reformer), Desulphurization Units and auxiliary units will be established and the high sulphur fuel oil produced at the İzmit Refinery will be transformed into more valuable white products.

When the investment is completed, the predicted capacity increases will yield around 2.5 million tons of diesel/jet fuel, 772 thousand tons of gasoline and 203 thousand tons of LPG, which amount to a total of 3.5 million tons of white products, as well as 807 thousand tons of petroleum coke. Initiated in 2008 and set to be finished in five years, the planned project is expected to decrease black products by 50% and to increase total white product productivity by 83%. This investment almost amounts to the construction of a new refinery, taking into account the amount of white product to be generated and the value added created for our nation. The İzmit Refinery's Nelson complexity will rise from 7.8 to 14.5, with alternatives.

INVESTMENTS
(USD MILLION)



After its transfer to Koç Holding, Tüpraş decided to engage in an additional USD 2.1 billion investment and along with ongoing projects it has realized approximately USD 1.2 billion of investment expenditure. In 2009, Tüpraş refineries made investment expenditures totaling USD 189 million.

The tender for the determination of the main contractor firm of the RUP project was completed and a contract was signed on December 17, 2009 with Tecnicas Reunidas.

Soil and underground water specimens was taken from the petrochemical area in order to be used in the environmental impact assessment report required for the initiation of the Residuum Upgrading Project and these specimens were analyzed and the results reported. The environmental impact assessment report of the project has been completed and a favorable EIA report as obtained on April 24, 2009.

The most important stages of the project are the licensing and engineering stages. The licensing and basic engineering contracts for the Coker, Vacuum, Hydrocracker, Hydrotreater and Hydrogen Units have been completed and the contract for the completion of the basic engineering package was signed with Foster Wheeler USA Corporation on September 15, 2008. In March 2009, the P&ID review meeting was held and the package was completed in June.

The contract for the preparation of the basic engineering package of the Vacuum Unit was signed with Shell on September 8, 2008. In March 2009, a meeting for the review of technical details was held and the package was completed in April.

The tender for the Hydroprocessing Unit's basic engineering package was also completed and an agreement was reached with UOP. The package was completed in October 2009.

A tender for the Hydrogen Unit's basic engineering package was posted and is scheduled to be completed in May 2010.

As part of the Residuum Upgrading Project, the pre-project planning was made for production sources and distribution systems that will meet the electric energy needs of the units in the project, in line with the information coming from licensor firms.

Two 5,000 m^3 diesel storage tanks will be added to the İzmit Refinery tank farm field and the contract for this as signed and the manufacture and installation of the tanks has been completed.

The contract for the manufacture, installation and tests of the cable transfer line has been signed and the contractor firm is going ahead with its activities.

The tender for the determination of the main contractor firm for the RUP project was completed and a contract was signed on December 17, 2009 with Tecnicas Reunidas.

Modernization of the HP Blending and Sales System at the İzmir Refinery

At the Petroleum Movements Unit, sales are realized via gauges and the pier fillings are effectuated by the tank level measurement systems. With this project, pier fillings will be effectuated by OIML-authorized flow meters and flow computers at international standards, thanks to the installation of extra sets of gauges and control systems on pier filling lines and additional petroleum movement sales lines.

As part of the project, stable charges with certain requirements will be delivered to crude oil units, crude oil tankers will be provided with mixers in order to avoid upsets in charge changes and new connections will be established between tanks.

Modernization of the Instrument Electricity System at the İzmir Refinery

As part of the modernization of the turbo generator, the turbo generator monitoring, control and emergency halt systems will be modernized and commissioned in March 2010.

Rehabilitation of the İzmir Refinery Road Tanker Filling area and the Initiation of the Gauge System

This project envisages the construction of a tanker filling island with 16 platforms in the empty space in the present land filling area, a white product filling system with gauge, a filling automation system, a tanker monitoring system, a bioethanol injection system, a control building, a pumping station and an inverter system, the expansion of the present energy distribution building and the construction of tanker ways.

90% of the construction of the White Product Tanker Filling Terminal with gauge has been completed, consisting of the pumping station, the control building, the transformer building and the construction of the field concrete. The infrastructure has been completed. Connections to the daily sales lines and the pipe installations of the pump line leading to the canopy have been completed and their hydrostatic tests are presently being carried out.

The installation of the filling arms, gauge skids, micron filters and water separator filters to be used in Jet A1 lines has been completed. 10 pumps have been installed and the final adjustments are being made before commissioning.

The construction and installation of the land filling detailed engineering, pump station, control building, transformer building and the filling platforms are continuing. The space roof has been installed and two dry type power transformers of 5 MVA have been installed. Pump and filling arms have been ordered.

Kırıkkale Refinery's Wagon and Maneuver Vehicle Purchases

Since 2008, refineries have transferred products between themselves via railways. In 2008, 250,491 tons of fuel was carried between Tüpraş refineries and this figure rose to 749,828 in 2009.

The wagon park consists of 68 second hand wagons with a tank volume of 60 m^3. In 2009, these wagons were repaired and renovated according to TCDD standards.

Contracts have been signed for 11 wagons. Tüpraş will purchase 72 wagons in 2010.

Successful leaders act in **a constructive and responsible fashion.**

We always put environment, health and safety standards before commercial success and act responsibly. We continue to invest in solutions that will minimize the negative effects and risks engendered by our actions and take this sense of responsibility as the principal element of our institutional culture.

HUMAN, PUBLIC AND ENVIRONMENTAL HEALTH

SAFETY AND HEALTH

Tüpraş always gives priority to human health, workplace safety and environmental protection and all activities are carried out in accordance to these principles, which are considered as the cornerstones of sustainability.

Tüpraş' Health, Safety and Environment (HSE) Policy

Tüpraş always gives priority to human health, workplace safety and environmental protection and all activities are carried out in accordance to these principles, which are considered to be the cornerstones of sustainability. The HSE practices are under the direct responsibility of the Tüpraş Board of Directors and the Tüpraş General Manager and the responsibility in execution is shared by all employees from the highest to the lowest level. Safety rules are prepared according to the national and international legislation and Tüpraş standards and are always implemented in a comprehensive fashion.

The aim of the HSE policy is minimizing all kinds of damage that its surroundings, employees, contractors, customers, general public and all others affected by its refining activities may suffer. Within the framework of the HSE policy issued in 2007, Tüpraş has set out projects to be carried out in order to achieve the targets and has committed itself to constantly improving its HSE performance and work conditions, while developing its products in an eco-friendly fashion.

In this context, firm, rigorous and full compliance of HSE standards is sought from the contractors' employees as well as its entire workforce. All employees are responsible for complying with regulations, Tüpraş standards and safety rules outlined in procedures, for using the protective equipment provided, for taking the necessary precautions to protect their colleagues and themselves from work accidents, for eliminating unsafe conditions in their area of responsibility and for reporting these to their superiors. Managers monitor and ameliorate working conditions in order to make sure that the staff works in safe and healthy circumstances and to eliminate the unsafe conditions that have been identified.

Health and Safety Practices

Since January 1, 2008, accidents in contractor firms are also included in the workplace accident statistics of Tüpraş. The target for the accident incidence rate, one of the most important HSE performance indicators, was set at 3.5 for 2009, but reached 2.5, whilethe accident severity rate was set at 80 and reached 73. The total number of accidents fell to the half of the 2008 figure.

Tüpraş issued the Contractor HSE Management System Standard in December 2008 in order to monitor its contractors according to HSE standards. The Standard was put into force as of January 1, 2009. Contractors in Tüpraş' portfolio are evaluated and grouped by third party independent agencies according to their own declarations and according to the work they have carried out for Tüpraş refineries or for other companies and the contractors are invited to tenders according to these groups. In 2009, the refineries' employees have been educated on HSE for a total of 40,082 man hours and the contractors' employees for 20,065 man hours. In addition, as part of its social responsibility, Tüpraş has educated students for 4,000 man hours in the Environment is Our Energy campaign.

Tüpraş aims to nourish a "preventive" HSE culture and every two years employees express their opinion on the company's HSE approach. According to the HSE Culture Questionnaires from the end of 2009, employees felt that Tüpraş' HSE culture was moving upwards from "Calculated and Balanced" to "Preventive."

To ameliorate and develop Tüpraş' HSE policies, HSE performance indicators for 2007, 2008 and 2009 have been monitored and reported and these data have been used to set new targets during the preparation of the 5-year report for the years 2010-2014. At the same time, the indicators that the Koç Group will publish in line with the UN Global Compact will also be monitored.

In every refinery, an independent observer from Shell Global Solutions International has conducted studies in order to evaluate whether the new HSE practices implemented following privatization function properly and the practical problems identified have been reported to senior management together with precautions to be taken.

As part of the "Visible Leadership" policy in the refineries, all managers participate in safety tours. Safety tours help identify the aspects in which the practices correspond to the management system, various action plans are prepared according to these results and the necessary precautions are taken with the contribution of the employees.

In all refineries, in line with the principle of working "with sincerity and confidence" all refinery managers, human resources managers and technical managers have participated in a HSE questionnaire. According to this system, participants are evaluated by five people that they themselves select and the HSE suggestions are reported are evaluated. As a result of the data obtained from this questionnaire, all managers in all refineries have taken one personal and one corporate action in order to enhance his/her visible leadership in HSE.

Apart from the diagonal internal evaluations as required by the integrated management system, independent HSE evaluations have been initiated as a part of the Tüpraş HSE-Q Management System in line with standards determined in 2009. During inspections, experts make detailed observations about occupational safety, health and environment and the results and the necessary precautions are used to render the refineries healthier, less dangerous and more eco-friendly. The data have led to various actions and the monitoring evaluation was carried out in December.

The annual health check-ups of all employees and special controls and porter examinations for employees who need special examination and scrutiny due to their working conditions, are carried out.

Risk Management

Tüpraş, takes into account the risk levels of all of its activities and aims to either eliminate these risks or bring them down to an acceptable and applicable level. To identify, grade and manage these risks and to make sure that critical issues are prioritized in resource allocation, a Risk Evaluation Chart (REC) is utilized.

A course in HAZOP (Hazard and Operability Studies) was organized with the participation of representatives from refineries and the participants learned about methodology. Due to the risk approach adopted by the company, every project undergoes a HAZOP evaluation.

As a result of analyses on the potential risk degrees of occurring events, the underlying reasons are identified and eliminated and as a result, there has been a significant fall in the number of occurances. These analyses are carried out considering not only events in Tüpraş refineries, but also events occurring in other refineries and the whole sector. The events in the refineries have been announced to other refineries and shared by way of "Safety Conversations."

In order to protect the company and its employees from future accidents and disasters, "Event Reports" are prepared in all refineries where unsafe situations and material damage are found during the examination.

In the Hazard and Impact Management Process (HIMS), risks are evaluated and managed and critical issues are allocated with the resources (workforce, money etc.) required. Hazards concerning HSE are recorded and risk evaluations are prepared.

Workplace doctors are educated in regards to the health risk evaluations, which are a part of HIMS. In every refinery, trained representatives prepare an inventory of critical health hazards, evaluate risks and prepare the standard for health risk evaluation in order to allow the company to preemptively identify possible health risks that employees could suffer and control these in a proactive manner.

ENVIRONMENT

In 2009, Tüpraş completed 100% of all actions taken as a result of the evaluation of the environmental responsibilities of refineries. Tüpraş figures among companies whose environmental risk is low.

Monitoring Emissions of Greenhouse Gases and Air

In all refineries, the Intergovernmental Panel of Climate Change's (IPCC) Tier-1 approach is applied in order to calculate greenhouse gas emissions. Tüpraş refineries are carrying out necessary analyses in accredited laboratories in order to make calculations at the highest level of precision, the IPCC Tier 3 approach and, at the same time, Tüpraş cooperates with the Scientific and Social Research Council of Turkey (TÜBİTAK).

The Turkish Statistical Institution calculates companies' combustion related emissions according to the fuel used, in line with the IPCC methodology. According to this, the CO_2 equivalent of total direct greenhouse emissions of Tüpraş refineries stemming from the fuel combusted in boilers and furnaces is 4.8 million tons.

With the identification of the emission of greenhouse gases, projects for energy efficiency and saving have been initiated and continue at full speed.

Tüpraş refineries have Class A authorization certificates. In all refineries, emission reports were renewed, since the two year period indicated in the regulation expired and new units were added. In the İzmit and Batman refineries, analyzers to monitor emissions yield results monitored online by the provincial Environment and Forestry Directorates. The İzmir and Kırıkkale refineries have analyzers in their chimneys, which constantly monitor emissions. The results of these refineries are periodically sent to the provincial Environment and Forestry Directorates.

In order to decrease the Volatile Organic Compound (VOC) emissions of the refineries, double impermeability systems have been installed in product tanks. In two refineries, the API separators have been covered and in two others, the water mist method is used to retain VOC.

In addition, halon based fire extinguishers have been replaced with FM-200 based fire extinguishers which do not harm the ozone layer and lab chemicals including Chlorofluorocarbon (CFC) have been replaced by alternative chemicals. Transformer oils which include Polychlorinated Biphenyl (PCB) have been replaced.

Monitoring Water Quality and Recycling Water

All Tüpraş refineries possess the discharge permits required by the Regulation on Water Pollution Control. Before discharge, waste water undergoes physical, chemical and biological purification and their values are brought under those specified in the regulations.

For the monitoring of parameters indicated in the Regulation on Fisheries, tests are carried out in an accredited laboratory. Refineries analyze the parameters indicated in the discharge permits, in periods determined according to the flow rate. At the İzmir Refinery, the İzmit Refinery's Waste Water Recycling Units commissioned this year and in all other refineries, a total of 11 million m^3 of water was processed and recycled to be used as cooling water, fire water, boiler feed water or in steam production.

Waste Management

In all Tüpraş refineries, solid, hazardous and medical wastes are separated at the source and controlled and eliminated in an efficient manner by licensed firms. Practices in line with the Solid and Hazardous Waste Management Standard - prepared along the lines of ISO 14001- are pursued uninterruptedly. In 2009, TRY

7.6 million was spent for the elimination of hazardous waste. In order to make sure that all hazardous/non-hazardous wastes are separated at the source, stored under appropriate storage conditions and sent to licensed firms according to waste type, a Waste Management Program was prepared by SAP and was commissioned in February 2010. Accordingly:

• Wastes will be separated at their point and unit of creation,

• Before entering the fields, all wastes will be weighed and the amounts will be registered electronically,

• The licensed firms in charge of waste transfer, their vehicles and drivers will be defined in the system; it will be monitored whether wastes are sent to licensed plants according to their codes and whether the forms prepared for wastes to be eliminated or sold are in compliance with legislation.

Control of Environmental Risks

As a part of the Environmental Dimension Identification and Assessment Standard - prepared in 2009 to identify risks beforehand and to control and minimize them - the environmental impact of chronic hazards stemming from the refineries is evaluated. Acute hazards, on the other hand, are evaluated with Bow-Tie Analysis as part of Hazard and Impact Management Process.

All incidents that occur, including environmental events, are reported according to the Incident Classification, Survey and Reporting Standard (ICSR) and uploaded to the common database. A Risk Evaluation Chart is used to make an underlying analysis according to the identified degree of risk and the necessary precautions are taken. The lessons taken from the results of the events and experiences gained are shared so as to minimize all problems and to sustain performance enhancement.

When considering the choice of chemicals to be used in processes, material safety forms are scrutinized and the chemicals that are harmless to human health and the environment are used whenever possible.

Tüpraş has collaborated with a specialist firm since September 17, 2007 in order to reevaluate the risks of coastal facilities and to renew emergency action plans. The emergency action plans of the İzmit and İzmir Refineries, which have coastal facilities, have been approved by the Ministry of Environment and Forestry.
• 3000 meters of inflatable barriers, 4 oil collectors, land and sea based temporary storage tanks have been purchased for the İzmit Refinery.
• For the İzmir Refinery, 1250 meters of inflatable barriers, 500 meters of fence barrier, two oil collectors with a capacity of 30 m^3/hour each, two boats to intervene in case of pollution, floating storage tanks, temporary storage tanks and other equipment to fight marine pollution have been purchased.
• The personnel in charge have the first and second degree training in fighting marine pollution. Tüpraş has tugboats equipped with water and foam spray systems in order to intervene in cases of fire or product leakage in fires or vessels. In order to be able to efficiently intervene against large-scale product leakages in the sea, an agreement has been signed with an internationally competent firm, Oil Spill Response Ltd. (OSRL).

Refineries engage in common field exercises with the public and private corporations in their region. In order to be able to timely intervene in cases of pollution related to sea accidents, and to create collaboration between corporations, various scenarios have been prepared and four field exercises were carried out in coastal facilities in 2009.

When considering the choice of chemicals used in processes, the material safety forms are scrutinized and the chemicals that do not jeopardize human health and the environment are used whenever possible.

A consultancy agreement has been signed with a consulting company to keep Tüpraş up to date on changes in national and international legislation concerning the environment and best practices and to provide consultancy on waste management and underground and surface water pollution. In order to protect the surrounding populations - who are also the employees and stakeholders of the company - from acoustic effects of the refining operations, environmental noise is measured. An accredited company prepares reports on acoustic noise measurements and sends them to the Ministry of Environment and Forestry for approval.

Controls and Reviews

Along the lines of ISO 9001:2000 Quality, ISO 14001 Environment; OHSAS 18001 Occupational Health and Safety Management Systems Standards, in-house auditors carry out internal controls and accredited corporations carry out external controls.

During the preparation of the five-year plan covering 2009-2013, indicators for dangerous hazards and debris have been monitored since 2008. The monitoring of recycled water and emissions was also added to the five-year plan covering 2010-2014. In addition, in line with the report that the Koç Group will prepare for the Global Compact, a total of 15 indicators have been monitored and reported.

In order to evaluate the environmental responsibilities of Tüpraş refineries, an agreement was signed with the firm ICC in February 2005 and this agreement has been renewed. All the actions taken as a result of the evaluation have been completed and the total expenditure made since 2006 amounts to TRY 105.9 million. With the completion of the projects, ICC has evaluated Tüpraş and found it to present a low level of risk to the environment.

The Environmental Units of the refineries gather every three months under the auspices of the Head Office Safety Environment Quality Directorate to assess the environmental actions already taken and those still to be completed and to monitor compliance with legislations.

The environmental performance of the refineries is controlled by the Head Office HSE Control Team, Koç Group Environmental Commission, independent agencies, insurance companies, provincial Environment and Forestry Directorates and municipalities.

The Environmental Council formed by the Koç Group discusses new legislation, the relevant actions to be taken how they will be carried out and the best practices are identified for the reporting of environmental indicators.

Environmental Investment Projects

Desalination

Alternative plans have been drawn up for Güzelhisar Dam which meets the water demands of the İzmir Refinery.

In order to ensure that the supply of water to the refinery does not hinder production, desalination of sea water is planned so that it can be used as an alternative water source.

The desalination facility to be installed will eliminate the impurities in sea water and create usable water. In the first stage, 50% of the refineries' approximate annual water demand of 9.83 million m^3 (the daily maximum is 31,000 m^3) is expected to be met by desalinated sea water. The facility will have the capacity to process daily 15,600 m^3 of water. Thus, the risk of having a problem in the water supply will be minimized. The investment is in the research-development stage.

Flare Gas Recycling

At the İzmit Refinery, a flare gas recycling project with a 3 ton/hour capacity is scheduled to be commissioned in the first quarter of 2010. This project will save 20,148 tons of natural gas per year and decrease greenhouse gas emissions by 54,340 ton/year.

Recycling Grease and Water from the Greasy Water Purification Mud

The İzmir Refinery's greasy water purification mud is processed by decanter and drying systems to dry 13,753 kg of mud and to regain 3,300 kg of grease. With these systems, mud was kept on the drying bed for a limited period of time, emissions were minimized, mud attained maximum dryness, its waste volume was decreased and grease and water were recycled.

Decreasing NO_x Emissions from Boilers

At the İzmir Refinery in 2009, low NO_x burners were installed on the boilers and NO_x emissions were minimized.

QUALITY

Tüpraş applies the EFQM Perfection Model as a tool for the constant improvement of its Total Quality Management.

Tüpraş prioritizes quality, environment and public and employee health in all of its operations.

In 2009, Tüpraş refineries' individual ISO 9001 Quality, ISO 14001 Environment, OHSAS 18001 Occupational Health and Safety Management Systems certificates were united in a single certificate and thus, the capability to achieve quality standards was enhanced and a quality equilibrium was achieved among refineries.

Tüpraş, does not consider the acquisition of Management Systems to be the final target, but rather, it is a step towards total quality. As a result, activities are carried out with this in mind.

Tupras signed a National Quality Movement Goodwill Statement with the Quality Association of Turkey (KalDer) on April 4, 2006 as a first step towards the participation in the National Quality Movement and Journey to Excellence Program and also implemented the EFQM Excellence Model, a continuous development tool in Total Quality Management. Tüpraş has earned the Competence in Excellence certificate.

Managers and employees are educated on the EFQM Excellence Model, Total Quality Management and Problem Solving Techniques. The participants have established a voluntary working group, "Quality Voyagers," in order to share with senior management their acquired knowledge and the results they have reached in problem solving. Tüpraş employees believe that such activities and presentations will contribute to constant improvements within Tüpraş.

Employees pass on to management their creative and innovative opinions on increasing productivity, improving quality, augmenting occupational safety and health.

ENERGY EFFICIENCY PROJECTS

As part of its effort to become more energy efficient, Tüpraş completed 35 projects in 2008 and 51 projects in 2009, creating a total value added of USD 73.4 million.

Tüpraş personnel completed 35 energy efficiency projects in 2008 and 51 projects in 2009, creating a total value added of USD 73.4 million. The projects included such issues as steam trap maintenance and repair, enhancing productivity in accidents and boilers, steam-electricity optimization, boiler production optimization, eliminating isolation loss and condensed recycling.

Summary Energy Savings Chart

ENERGY SAVING PROJECT REVENUES	USD MILLION
2008	41.8
2009	31.6
TOTAL	**73.4**

Ongoing Energy Efficiency Activities at the Refineries

The most important energy projects carried out and constantly monitored in the refineries are as follows: Natural gas/ fuel oil fuel optimization, preventing isolation loss, steam-power amelioration, boiler and furnace cleaning, frequency converter applications and augmenting combustion efficiency. These activities have led to a total decrease of 121,460 tons in CO_2 emissions.

Increased Energy Efficiency Projects for the İzmit, İzmir and Kırıkkale Refineries

This project aims to increase energy efficiency by process ameliorations in Vacuum, DHP, Sulphur Units, heat integration, heat gain, hot separator application and compressor amelioration. After the preliminary study completed in 2009, detailed engineering studies be completed in 2010 and the identified problem areas will be addressed. This project has been carried out at the İzmit Refinery's HDS Hydro Desulphurization/ DHP Diesel Hydro Processing Units; at the İzmir Refinery's NHT Naphta Hydrotreater/ HDS Hydro Desulphurization/HDS Hydro Desulphurization/DHP Diesel Hydro Processing Units and t the Kırıkkale Refinery's CDU Atmospheric Distillation/ VDU Vacuum Distillation Units.

Once all the projects tested are implemented, 81.78 Gcal/h of energy will be saved, which corresponds to 8.5 ton/h fuel oil. This amounts to an annual reduction of 148,900 tons of CO_2.

Installing Energy Optimization Software (Prosteam) in the İzmit and İzmir Refineries

The aim of this project is to decrease energy costs by 2 to 5 %. The program installed will receive online information from the Process Historical Data (PHD) systems and report the most cost efficient operating options. In addition, fuel will be saved and emissions will be reduced. Optimized conditions will be calculated automatically by the program. In the İzmit and İzmir Refineries, all increases and decreases will be monitored online after January 2010. The 2% saving in fuels will translate into a reduction of CO_2 emissions of 30,000 ton/year.

Illumination with Daylight in the İzmit Refinery

This project has already been applied at the İzmit Refinery's Metal Mechanics Workshop. Sunlight collectors have been installed on the roof of the workshop and during daylight hours, lamps are turned off to save electricity. Commissioned in July 2009, as a result of this project, lamps will be turned off for a total of 2,100 hours annually. This corresponds to an energy saving of 31,500 kWh and a CO_2 reduction of 16,220 kg.

HUMAN RESOURCES POLICY AND TÜPRAŞ EMPLOYEES

In the refining sector, qualified and experienced workforce is a necessity. In the last three years, 1,410 young people have joined the Tüpraş family, serving to rejuvenate and improve our human resources.

Tüpraş' HR Vision

Tüpraş makes its biggest investment in its human resources and considers this to be a vital part of the Company's targets and values. Its qualified human resources are Tüpraş' most vital capital and the main driving force behind its success. The human resources processes in Tüpraş are managed diligently in light of the company vision and targets. The target of human resources is to constantly improve the qualities of our employees so that the Company becomes a permanent, competent player in the global marketplace.

Tüpraş prepares its main management philosophy of preserving and promoting human rights not only in compliance with legal obligations but also in line with the UN Global Compact. The main pillars of the Tüpraş' human resources policy is to prioritize qualified workforce in the recruitment process and to employ the personnel in the most efficient and productive manner in the work environment.

In 2009, 140 young manager candidates joined the Tüpraş family, in line with the Human Resources Policy.

As of year-end, Tüpraş employed a total of 4,130 personnel, of which, 211 work in the Head Office, 1,373 at the İzmit Refinery, 1,206 t the İzmir Refinery, 911 at the Kırıkkale Refinery and 429 t the Batman Refinery.

The company believes that training is an indispensable element of productive development. In line with this perspective, all career plans are designed to augment the personal and occupational competences of employees. To achieve this, the Company organizes various internal training programs and benefits from the domestic and international services of various educational institutions. In 2009, a total of 11,952 people attended a total of 133,457 man/hours of training.

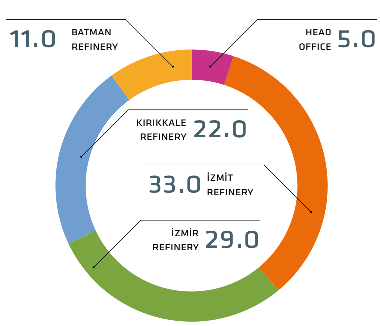
In line with the Company's efforts to improve its human resources, 1,410 young people joined the Tüpraş family in the last three years and one-third of the workforce was thus renewed, without any negative impact on workplace harmony or employee motivation.

Tüpraş' vision in Human Resources is to constantly develop the workforce and to obtain a permanent competitive advantage, in line with the principles of "the right person for the right job," "performance and competence-based wages," "merit based assessment" and "equal opportunities for all."

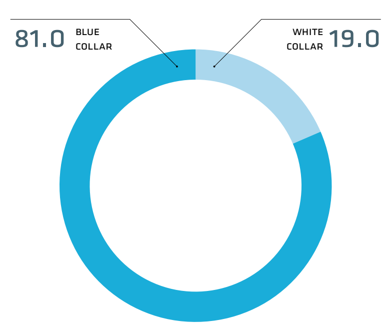
Training of In-House and Contracted Employees (Person/Hour)

	NUMBER OF EMPLOYEES	TOTAL HOURS OF TRAINING	AVERAGE HOURS OF TRAINING PER PERSON
WHITE COLLAR	765	51,265	67.0
BLUE COLLAR	3,365	82,193	24.4
TOTAL	**4,130**	**133,457**	**32.3**

EMPLOYEE DISTRIBUTION (%)



EMPLOYEE DISTRIBUTION (%)



CORPORATE SOCIAL RESPONSIBILITY

Tüpraş aims to embed and develop its Corporate Social Responsibility activities into its business targets, management strategy and work culture and to report its performance in these areas according to international criteria.

The aim of the Tüpraş management and employees is, while meeting the nation's petroleum product demand, to play a pioneering and efficient role in the development of the sector and to create value for shareholders, business partners and society at large. According to these priorities, Tüpraş implements new practices to reach its targets and forges ahead with reliable and confident steps. Tüpraş' top priority in its management philosophy is to enhance its relations with its stakeholders in its area of influence. Tüpraş aims to embed and develop its Corporate Social Responsibility activities into its business targets, management strategy and work culture and to report its performance in these areas according to international criteria.

Therefore, Tüpraş aims to create an efficient, transparent and ethical communications strategy with all parties that could affect and be affected by its activities, to implant its social, economic and environmental responsibilities in its company strategy and to maintain the sustainability of the outcomes.

Support for Education

Model Refinery and Practice Laboratory

The Batman Refinery's TCC Unit was deactivated in 1994 due to the insufficiency of its process technology and its environmental impact. In 2007, it was dismantled since it lost its mechanical integrity and posed safety and health risks.

The refinery employees who worked in the dismantling process proposed the remaining scrap equipment be used as a "Model Refinery and Practice Laboratory" at the School of Refining and Petrochemicals of Batman University and the company decided to take advantage of this opportunity. The university management accepted the proposal and a protocol was signed, which also included the stipulation that the expert personnel of the Batman Refinery would serve as voluntary educators at the school and that the students would receive practical training in the refinery facilities. Since a consensus was reached with the university in regard to the project, the scrap equipment was transferred to the site allocated to the School of Refining and Petrochemicals and was rebuilt as a model refinery. The Model Refinery and Practice Laboratory was inaugurated with a ceremony on June 16, 2009.

The outcomes of the project are as follows:
- The TCC Unit (Plant-200) equipment which would have been completely eliminated as scrap material was transformed into a permanent laboratory.
- The model facility has been proven to be one of the most realistic and high quality laboratories known.
- The volunteers have only had to spend a few hours of their time to maintain collaboration between the Company and the university.
- Students are going to obtain all operator skills and be better educated prior to graduating.

April 23rd Children's Day Festivities

The aim of this project is to celebrate the April 23rd National Sovereignty and Children's Day -a gift from the great leader Mustafa Kemal Atatürk to all children of the world- in a manner which goes beyond formalities and to make sure that children living around Tüpraş facilities enjoy the festivities fully. Primary school kids happily and wholeheartedly participate in this festival full of fun activities.

The Umbrella Movement Expands, "100 Smiling Faces" Comes to Körfez

The "100 Smiling Faces" project implemented in 2008 in Batman will be expanded to other cities where Tüpraş refineries are located and the first location was chosen as Körfez, İzmit, in April 2009. The objectives of the project are to tackle the following problems:

• Pupils who cannot integrate themselves into society and whose socialization capabilities are low due to economic problems, lack of education, divided families and/or insufficient parental attention,

• Families who cannot provide their children enough psychological and emotional support due to insufficient awareness, poor communication within the family and rising social violence,

• Teachers who have limited access to resources for personal and occupational development and information on child psychology.

The project was implemented in cooperation with the District National Education Directorate, school principals and teachers.

Another objective of this project covering 9th, 10th and 11th grade high school students is to provide them with "Professional and Life Coaching" by establishing communication and counseling networks between Tüpraş employees and targeted students, to make sure that they choose the correct profession and to support this decision with Career Day events and Personal Development Training.

The students participating in the project and the Tüpraş volunteers made a tour of the refinery, a trip to the Rahmi Koç Industrial Museum and enjoyed theatre shows and picnics. In addition, breakfasts and theatre performances were organized with the participation of the parents. The project is expected to create positive effects in the personal development of the students concerned. In the assessments made with the students, the expected benefits have been observed to a large extend.

For two academic years, Tüpraş has been the company sponsor for six Firefly Mobile Education Units of the Turkish Education Volunteers Foundation (TEV).

Our Power, Our Energy

A positive approach to energy efficiency and saving and the preservation of the nature has become standard corporate action at Tüpraş. In order to expand this corporate action to society as a whole and to transform it into a common vision shared with stakeholders, this project was set up with the following objectives:
• Energy and Environment Clubs will be formed in schools to deliver awareness training,
• Workshops will be organized in order to educate families, teachers, high school and university students about these issues,
• Common policies will be developed with public and private agencies and NGO's,
• In order to underline the fact that energy and environment related problems are universal issues prioritized by the whole world, international figures will be invited to the project to bring a different outlook on the issues,
• Permanent codes of conduct will be created in order to create an awareness about "clean environment, clean energy."

The project has been appropriated by both white and blue collar employees and they have joined in various activities together. This has also enhanced employee commitment to the Company. Employees' families and children have also joined in, further enhancing the acceptance of the corporate culture and rising awareness as regards to the issues. An efficient communication will be established with all stakeholders during the project and the perception of the Corporation by the public has already been influenced in a positive manner. University students coming from countries such as the USA, South Korea, Slovenia and Switzerland have come together with their peers from various departments of the Batman, Dicle and İnönü universities, Tüpraş employees' families and children and the teachers responsible for the Energy and Environment Clubs of 21 schools to engage in activities for 15 days. The result was information exchange, cultural interaction and an opportunity to learn about different cultures and perspectives. In addition, the environment cleanup activities were carried out in historically significant locations such as Hasankeyf and Malabadi, which have promoted awareness for appropriating our common historic and cultural heritage.

According to the project, a Waste Management System Council was established with one participant among from the prominent public figure from Batman and another one from among the stakeholders. The Council has prepared a Waste Management Council Code to be able to function in an active fashion. Volunteers from various countries have organized open air activities in order to draw attention to environmental problems and thus, the project has reached a wider public. On June 5th, World Environment Day, all parties of the "Our Power, Our Energy;" project came together for a "Respect Nature" parade in the city center. International volunteers who have returned to their countries have promoted the project and Tüpraş in their personal web sites, blogs, national news web sites and reviews where international projects are analyzed.

Company Sponsorship for "Fireflies"

For two years, (2008-2009/2009-2010), Tüpraş has been the company sponsor for six Firefly Mobile Education Units of the Turkish Education Volunteers Foundation (TEV). The objective of the sponsorship is to ensure that this beneficial project continues.

Tüpraş believes that TEV is providing an important service to society with its mobile education units that travel through Turkey, delivering education in various fields. In provinces where Tüpraş refineries operate, these mobile education units are located in schools selected by Tüpraş. As this project continues, competent experts will continue to contribute to the educational projects, a priority in Tüpraş' social responsibility programs.

Infrastructural Support to Education Institutions

After the restructuring of Company buildings and offices, office furniture that has become redundant has been donated to educational institutions that need such material. In this way, redundant equipment is put to good use and educational institutions near the plants obtain a better physical infrastructure and enhance the quality of their educational services.

As part of this project, ten primary schools and high schools have received 376 pieces of assorted office furniture to meet their needs.

Culture and Arts

Purchasing of Reliefs from the Geyre Foundation

Tüpraş has sponsored the Geyre Foundation which was established to support archeological work and studies on the ancient city of Aphrodisias, located in the Geyre village of Karacasu, Aydın, to organize courses and conferences for this purpose and to exhibit the pieces found in Aphrodisias nationally and internationally.

Tüpraş heeded the call of the Geyre Foundation and has given its support so that historical artifacts discovered in the Aphrodisias excavation can be displayed in the Aphrodisias Museum, located in the ancient city, at international standards. The objective is to ensure that scientific studies aiming to identify our nation's rich historical and cultural heritage can continue.

For a Healthy Society

Supporting the Turkish Family Planning Foundation (The Eastern and Southeastern Anatolia Project)

It is a very crucial and saddening fact that every year thousands of Turkish women lose their lives because of ignorance about reproductive health. Tüpraş contributes to solving this problem by supporting the Turkish Family Planning Foundation (TAPV) which is active in the areas of reproductive health, safe motherhood, mother-child health, pregnancy and post-natal care and the sexual education of youngsters.

Taking into consideration that the social groups most negatively affected by ignorance about reproductive health are uneducated women and impoverished youth, these activities in Eastern and Southeastern Anatolia have been prioritized.

Environment Friendly Practices

Planting of Trees along the Aliağa-Menemen Highway

Tüpraş' İzmir Refinery, with the collaboration of regional public agencies, plans to plant trees along the highway from the Menemen township of Aliağa to the Bergama township. In this project, along this 20-kilometer path, stone pines, cypress trees and eucalyptus trees will be planted at five meter intervals. In addition, in the area of the İzmir Refinery facilities, 700 pine saplings were planted in April 2009 with plants supplied by the Tema Foundation.

In this project, Tüpraş' environmental sensitivities have been put to good use with the cooperation of the various public agencies in Aliağa, including the Aliağa Township, Aliağa Special Administration Directorate, District Agricultural Directorate, İzmir Forestry Directorate and Highways Regional Directorate.

Support for the NATURAL İZMİT Project Kocaeli's University Graduates Group initiated the "Natural Approach to Global Warming" project as part of the European Union Youth Programs. The objectives of the project are: Raising the awareness of the local population, especially youth about global warming, increasing the cooperation and awareness among NGO's in regards to the correct and efficient use of natural resources, sharing the project outcomes with other participant countries, making sure that İzmit youth engages in a sophisticated project on one of the most important problems of İzmit - namely, protecting nature - and sharing this with the whole population of İzmit.

Activities of the Safety and Environment Week

The first week of June, which includes World Environment Day on June 5th, is celebrated as Safety and Environment Week in all Tüpraş facilities.

Our refineries are extremely conscientious about environmental and safety precautions and refinery units organize activities such as competitions in Environment, Cleanliness and Orderliness, Poster Slogans and Writing Catch Phrases For Posters. These activities are meant to sustain employees' awareness and attention on safety and environmental issues and to maximize safety in the enterprise. Teams that perform successfully are given awards during ceremonies on World Environment Day.

RISK MANAGEMENT

At Tüpraş, various proactive methods have been adopted in order to foresee and manage potential risks in all areas of risk management and to prepare necessary activity plans.

The philosophy that underlies Tüpraş' risk management policy is to protect the value of assets and to guarantee operational safety and sustainability. Various proactive methods have been adopted in order to foresee and manage potential risks in all areas of risk management and to prepare necessary activity plans.

The main risks faced by Tüpraş fall under five headings: hazard risks, financial risks, commercial risks, operational risks and strategic risks.

Safety Risks

At Tüpraş, technical safety is always prioritized in order to minimize the negative effects of hazard risks such as fire, work accident, earthquake, floods, terrorist attacks and sabotage. The HSE standards prepared are to be applied by all employees and all contractors' employees in a decisive, conscientious and uncompromising manner. The objective is to minimize all damage that the environment, employees, contractors' employees, clients, society and all stakeholders can incur due to the activities of Tüpraş.

20 projects of HSE and 16 projects of Maintenance and Technical Control have been initiated in collaboration with Shell G.S. in order to make all units at Tüpraş refineries safer, to create a safe work environment and to enhance productivity.

Technical safety and firefighting systems have been provided with state-of-the-art fire extinguishers, water pumps, tugs for fighting fire and environmental pollution and other equipment so that risks related to fires and natural disasters have been minimized. In order to make sure that employees act in an informed and safe manner during emergencies, a commission, presided over by the Safety and Environment Manager, conducts controls at all refineries once a year for HSE issues. Fire and Evacuation Exercises, Disaster Plan Exercises, and -in coastal refineries- ISPS CODE Exercises are carried out.

Thanks to the Distributed Control System (DCS) installed in refinery units, human errors under the enterprise process conditions have been minimized, thus making the work environment safer.

The Case Classification, Research and Reporting Guide has been implemented in order to monitor, evaluate and ameliorate the HSE performance of refineries. The Risk Evaluation Chart (REC) methodology is also used to eliminate risks or bring them down to a tolerable level.

In addition to these, the "Hazard and Impact Management" allows for the identification and management of risks and the allocation of resources to priority issues. In this way, hazards are monitored and risk evaluations are carried out.

All the Tüpraş refineries constitute special security areas and the safety of these areas is secured by special armed security units. The refineries are also protected by peripheral security systems comprised of modern and integrated elements such as hydraulic barriers, license identification systems, beyond fence detection, regional and central monitoring via CCTV and crisis centers.

In addition to all these measures, assets such as refinery equipment and inventories are secured against hazard risks through a wide array of insurance policies.

Financial Risks

Tüpraş strives to minimize all financial risks stemming from volatilities and uncertainties in financial markets. The related measures cover exchange rate, liquidity and interest rate risks.

Exchange Rate Risk

Due to the characteristics of the sector in which it operates, Tüpraş engages in large scale foreign currency transactions, especially purchases. The foreign exchange positions that might result from these transactions are constantly monitored by the Finance Department. Since the present inventories are priced in foreign currency, a sufficient amount of foreign currency is always kept present, thus a natural hedge is created and the open foreign exchange position is maintained at an acceptable level.

Liquidity Risk

A large part of the receivables arising from sales to private sector clients are taken under guarantee in order to eliminate the risk of payment collection. A Significant part of the sales and receivables concern public agencies and thus have no collection risk. Apart from this, Tüpraş also tries to minimize the average period for receivables and inventories. Due to this shorter period, the company does not deposit its cash in long term investments. These measures allow for the elimination of liquidity risk.

Interest Rate Risk

The negative effects of the interest rate risk are eliminated through ordinary measures such as balancing the interest rates and maturities of the assets and liabilities sensitive to interest rates.

Commercial Risks

In the oil sector, where crude oil and accordingly, product prices, are set in international markets, the biggest commercial risk is price changes. In accordance with the Petroleum Market Law and the criteria of the Energy Market Regulation, Tüpraş sets the prices of its products in line with free market conditions, according to the figures of the "the closest and most accessible international market," namely the CIF Mediterranean (Genoa/Lavera) market. Also, in order to eliminate risks that could stem from price changes, crude oil and product inventories are kept at the lowest possible level. Commercial receivables for fuel products are kept under check by making sales in paid cash or with short term maturity. Clients receive delivery of the products only under certain credit limits.

Operational Risks

Environment

One of the most important targets and responsibilities of Tüpraş is to minimize the effects of its activities on people and the environment. To this end, scientific innovations are monitored and processes are ameliorated and environmental risks such as emissions, noise, wastes, land and water pollution are managed according to national and international standards.

The target of our environmental practices is to preempt and control risks. To accomplish this, refineries identify risks and take results-oriented and permanent measures. The Risk Evaluation Chart (REC) is published and implemented in order to evaluate the effects of all Tüpraş activities on humans, assets, environment and prestige. Consequently, possible risks are determined, the reasons underlying middle and high level risks are analyzed and necessary precautions taken.

The environmental performance of all refineries is regularly monitored by the following agencies:

- Head Office HSE Control
- Koç Holding Environment Commission
- British Standards Institute
- Insurance Companies
- Provincial Environment and Forestry Directorates
- Municipalities' Environment Protection and Control Departments

Supply/Transport

The supply process at Tüpraş concerns crude oil, semi-finished products, final products and materials. Crude oil is the raw material of products and is therefore the main supply item. A small part of the required crude oil is procured from domestic production, while the majority is obtained from imported crude oil and thus, the continuity of production is sustained. Crude oil purchase operations are optimized by diversifying crude oil supply sources, distributing risk along the supply chain, gaining price and freight charge advantages and augmenting the company's operational capabilities.

The laboratories of the Tüpraş refineries have certificates of excellence awarded by international institutes, as well as certificates from the Turkish Accreditation Agency.

One of the most critical stages of the operations is the physical transport of crude oil and products. Among the products procured, there are numerous items that could jeopardize the environment and human health in case of transportation problems. In order to eliminate the risks posed by the transportation of these products, Tüpraş expects suppliers to comply fully with precautions and working conditions concerning the related item. The İzmit and İzmir Refineries can be supplied with crude oil only by sea. Therefore, in order to ensure supply security, suppliers have to apply certain standards to the tankers that deliver the crude oil. Especially in crude oil imports, only those sea tankers that comply with ISO 9001 and class certificates and "ISPS" Code (International Ship and Port facility Security Code) conditions can be utilized. This precaution eliminates transportation risks to a large extent. In order to cope with an accident or leakage which might happen despite all these measures, all refineries possess the necessary equipment and regularly carry out field exercises. Thereby, risks towards safety, environment and human health are minimized.

In order to ensure product transport between refineries or to customers, marine, land, railway transport and pipelines are used for purposes of diversification. This allows for the distribution of risks in transport operations and increases operational capabilities.

In addition to crude oil and fuels, Tüpraş realizes supply operations covering hundreds of other items. All of these operations are implemented according to specifications prepared by specialized personnel. Suppliers are required to meet minimum standards as regards to the product and the conditions for delivering it; and they have to perform in compliance with the conditions clearly explained in the purchase contract specifications. These specifications include the environmental impact of the product bought. At every purchase, examples must pass through various tests in internal and external laboratories, and the purchase of a product that fails any one of these tests is cancelled.

Product Specifications

The laboratories of the Tüpraş refineries have certificates of excellence awarded by international institutes, as well as certificates from the Turkish Accreditation Agency. Laboratories make all necessary measurements at every stage of production and sales and eliminate risks that could stem from product specifications.

Strategic Risks

The most important strategic risks that Tüpraş could face are political and legal risks, as well as international trends which could affect customer preferences.

Early warning systems and online databases of Koç Holding are utilized in order to monitor legal risks. The Legal Compliance Test and the Contract Control System (LERIMAN) figure among these systems.

In order to prevent problems stemming from customer preferences, international trends are closely surveyed and investments to meet environmental product criteria such as Euro V are undertaken. In addition, the İzmit Refinery Residuum Upgrading project is continuing as planned in order to replace fuel-oil, rapidly abandoned by the whole world, with diesel, whose consumption is rising rapidly.

Risk Management Committee

A Risk Management Committee has been established at Tüpraş in accordance with the Capital Markets Board Corporate Governance Principles.

The objective of this committee, which reports to the Executive Board, is to develop the necessary policies in order to monitor the risks that might appear and to carry out risk management processes.

The Risk Management Committee was formed in order to undertake the following tasks:

• Establishing efficient internal control systems in order to define, evaluate, monitor and manage risks that could obstruct our targets, according to their impacts and probability,
• Integrating risk management and internal control systems into the corporate structure and monitoring their efficiency,
• Employing risk management and internal control systems in order to measure and report risk elements via appropriate controls and to use these elements in decision mechanisms.

Internal Audit and Control

The Tüpraş Control Directorate carries out periodical controls for risks, financial issues, operational issues and corruption by employing a methodology based on International Internal Control Standards and the ethical principles of Tüpraş.

TÜPRAŞ SUMMARY RISK MAP

SAFETY RISKS	FINANCIAL RISKS	COMMERCIAL RISKS	OPERATIONAL RISKS	STRATEGIC RISKS
Fire	Exchange Rate	Raw Material Prices	Environment	Customer Preferences/ Consumption Trends
Work Accident	Liquidity	Product Prices	Supply/ Transport	Law
Earthquake	Interest Rate	Customer Loans	Product Specifications	Politics
Floods				
Terror and Sabotage				

INVESTOR RELATIONS

Throughout the year, Tüpraş shares maintained their price differential with the ISE index. As of year-end 2009, the share price increased 183% over the previous year to reach TRY 29.75 per share with a total market value of USD 5.58 billion.

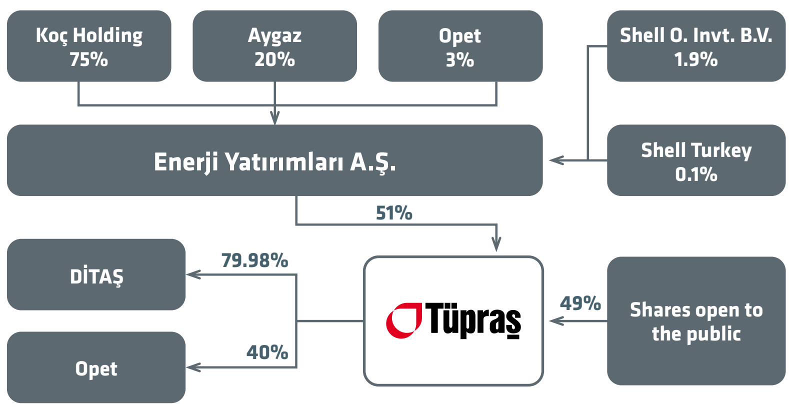
In accordance with CMB's Corporate Governance Principles, Tüpraş Investor Relations aims to present all types of information about the Company - except commercial secrets and information that could hamper the Company's competitive edge and cause damage - to the public, shareholders and stakeholders in a timely, correct, accurate, understandable and accessible manner, while protecting the rights and interest of the Company. This information is delivered according to the principles of fairness, transparency, accountability and responsibility.

In 2009, the Investor Relations and Strategic Planning Department held one-to-one meetings with 347 fund managers and analysts in a total of 263 gatherings - comprised of 29 meetings with 19 domestic investment corporations and 234 meetings with 191 international investment corporations. Apart from these meetings, all written and oral queries of shareholders and analysts were answered. Thanks to these activities, investors were kept up-to-date about Tüpraş' activities and recent changes and present and potential investors' interest in the Company increased.

Capital Structure

At the Extraordinary General Meeting of October 15, 2001, Tüpraş raised its registered capital from TRY 100 million to TRY 500 million and its issued capital stands at TRY 250.4 million.

Tüpraş' Share Structure



Share Structure

GROUP	NAME OF SHAREHOLDERS	AMOUNT OF CAPITAL (TL)	TYPE	NUMBER OF SHARES
A	ENERJİ YATIRIMLARI A.Ş	127,713,792.22	REGISTERED SHARE	12,771.379,222
A	OTHER SHAREHOLDERS (PUBLIC SHARES)	122,705,407.77	REGISTERED SHARE	12,270,540,777
C	PRIVATIZATION ADMINISTRATION	0.01	REGISTERED SHARE	1
TOTAL		**250,419,200.00**		**25,041,920,000**

Domestic/Foreign Distribution of Tüpraş Shares

49% of Tüpraş shares are traded in ISE and the London Stock Exchange. As of year-end, foreigners own 84% of its shares open to the public.

Analysts' Advices

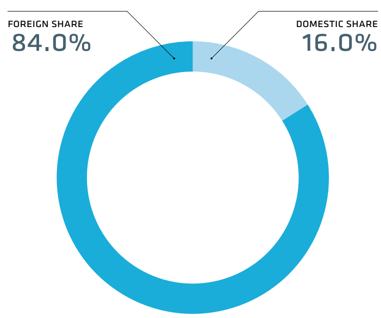
In 2009, 79 reports and updates on Tüpraş were released in 2009 by 31 investment corporations which actively report on Tüpraş. In the most recent reports by these corporations, there were 24 "buy" recommendations, 6 "hold" recommendations and 1 "sell" recommendation.

Share Performance

Throughout the year, the Tüpraş share has maintained its price differential with the ISE index.

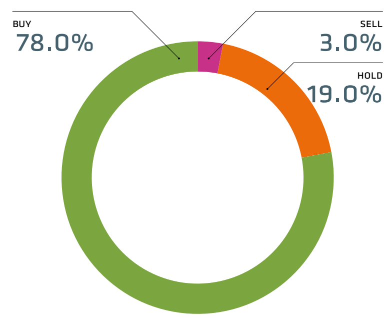
In 2008, the rising toll of the global crisis on the oil sector had meant sales on shares and thus, Tüpraş shares closed the year at TRY 16.3 per share with a total market value of USD 2.69 billion. However, in 2009, especially after September, Tüpraş shares displayed a strong performance and attained an increase of 119%, to close the year at TRY 29.75 with a total market value of USD 5.01 billion.

DOMESTIC/FOREIGN DISTRIBUTION OF SHARES (%)

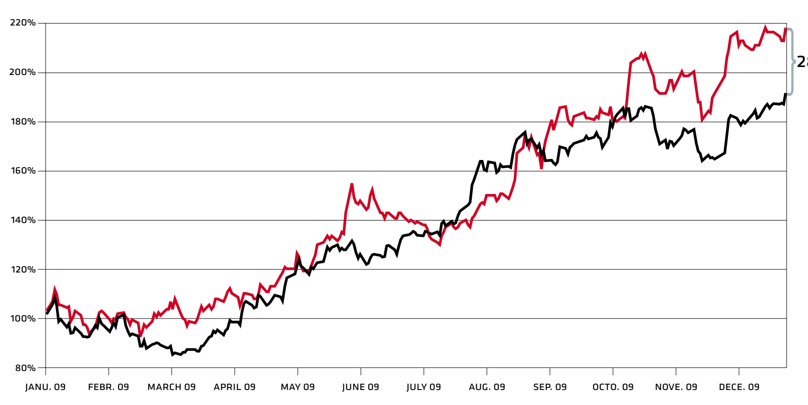


*As of December 31, 2009

ANALYSTS' ADVICES (%)



SHARE PERFORMANCE



Tüpraş has been in the Corporate Governance Index since its inception and for the last three years, it has been constantly improving its rating. In 2009, its rating rose from 8.20 (82.02%) to 8.34 (83.41%), out of a possible 10.

Profit Share

It is one of Tüpraş' principles to share profits with shareholders and the totality of the distributable profit is shared with shareholders, in accordance with Capital Markets legislations and the Articles of Association.

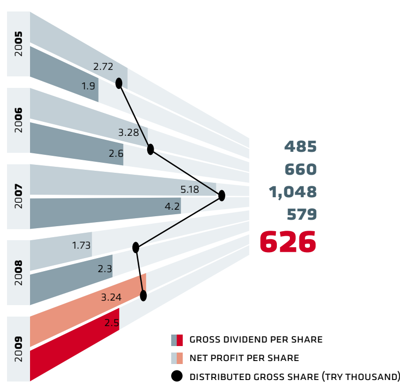
The distribution of profits is realized in the shortest amount of time after the General Meeting, within the period indicated by legislation.

Tüpraş' Corporate Governance Rating

Tüpraş has been in the Corporate Governance Index since its inception and for the last three years it has been constantly improving its rating. In 2009, its rating rose from 8.20 (82.02%) to 8.34 (83.41%), out of a possible 10.

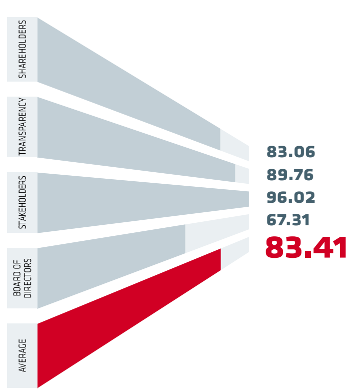
The reasons behind this increase are the various advances in corporate governance, particularly under the heading Stakeholders and Board of Directors, as well as practices towards enhancing environmental awareness.

DIVIDEND PER SHARE AND DISTRIBUTED GROSS PROFIT SHARE



It is one of Tüpraş' principles to share profits with shareholders and the totality of the distributable profit is shared with shareholders, in accordance with capital markets legislation and the Articles of Association.

TÜPRAŞ' CORPORATE GOVERNANCE RATING (%)



Tüpraş' Corporate Governance Rating of 8.20 on October 6, 2008, was revised upwards to 8.34 in 2009.

The independent corporation that made the evaluation has underlined the following factors behind this revision: The importance given by the Company to corporate governance principles, its willingness to carry it out as a permanent and dynamic process and the ameliorations realized for this purpose in the twelve-month period following the second rating.

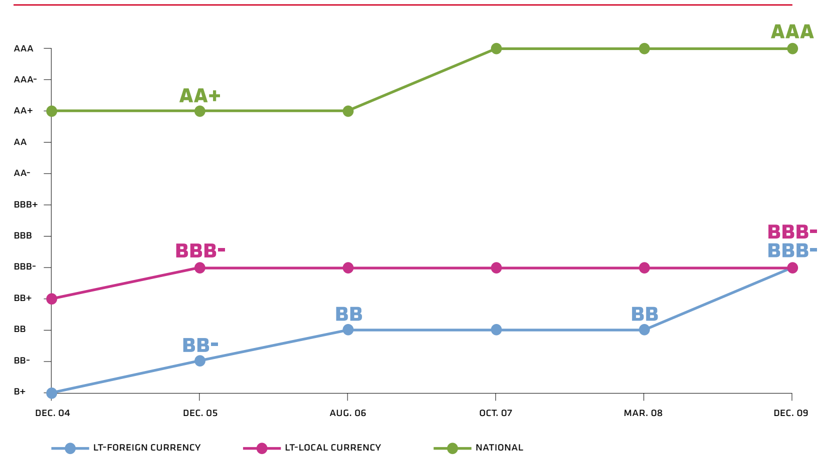
Tüpraş' Credit Rating

The international credit rating agency, Fitch Ratings, raised Tüpraş' foreign currency long term rating from B+ to BBB-, which constitutes an investable level, due to the measures taken after privatization and to the strengthening financial structure. On December 3, 2009, Fitch Ratings raised Turkey's foreign currency long term country rating to BB; while at the same time, raising Tüpraş' foreign currency long term rating to BBB-, the country ceiling. The factors behind this rise are Tüpraş' strong operational and financial structure, efficient storage capacity, leadership in the Turkish market and a cash structure exceeding the refining sector average.

It has been indicated that the Residuum Upgrading Project had a role in these decisions, since the project will transform cheap black products to more valuable white products and thus, augment Tüpraş' cash, business profile and EBITDA and it will provide a basis for sustainable growth without increasing leverage risk.

The following chart displays the credit ratings accorded by Fitch Ratings to Tüpraş, since 2004.

RATINGS BY FITCH RATINGS



STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Corporate governance enables companies to sustain their corporate presence and countries to maintain sustainable development.

Compliance with Corporate Governance Principles

The intensification of globalization entails tougher competition and investors attach importance to companies' corporate governance practices, as well as their financial performance. Insufficient corporate governance policies on behalf of public and private agencies are an important reason underlying the current financial crisis and bankruptcies; and this perception further increases the importance of corporate governance practices.

Corporate governance enables companies to sustain their corporate presence and countries to maintain sustainable development.

Tüpraş makes the utmost effort to comply with the Capital Markets Board's Corporate Governance Principles, issued in July 2003 and revised, expanded and republished in February 2005.

The Corporate Governance Rating Report assigned Tüpraş a Corporate Governance Rating of 7.91 on October 8, 2007, 8.20 on October 6, 2008 and 8.34 on October 6, 2009. With this rating, Tüpraş confirmed that it complies, to a large extent, with the Capital Markets Board's Corporate Governance Principles, that it applies most of the necessary policies and measures and that it attaches utmost importance with the public and its shareholders. The Corporate Governance Rating Reports are accessible via www.tupras.com.tr.

The Corporate Governance Rating Report for 2009 is presented below. The principles' components that can and cannot be applied have been indicated.

Corporate Governance Principles as of yet Unapplied

The fact that Tüpraş has figured in the top ranks of the ISE Corporate Governance Index since its inception is an indicator of the importance that the Company attaches to Corporate Governance Principles. Although most of the principles are fully applied, some principles have not been totally embraced due to national conditions, the capital market, the present structure of the Company and difficulties of full adoption. Tüpraş monitors developments as regards these few unapplied principles, strives to complete the necessary administrative, legal and technical infrastructure and is gradually undertaking ameliorations for full compliance. Details about the principles that are yet to be adopted have been indicated separately under each heading.

Activities in 2009 for Compliance with Corporate Governance Principles

In 2009, the Corporate Governance Committee carried on with its activities. In order to comply with Corporate Governance Principles, the Articles of Association was expanded with the addition of the following articles: Announcements of the General Meeting will be made three weeks in advance, the media and stakeholders will be invited to the General Meeting, Board Member, Auditor and the officer responsible for the preparation of the financial tables will be present at the meeting and a sufficient number of committees will be established to ensure that the Board of Directors carries out its duties and responsibilities in an efficient manner.

Tüpraş' website and annual report have been analyzed and the revisions for full compliance with the principles have been realized. Three weeks before the General Meeting, the agenda, the related documents and a sample letter of attorney were uploaded to the website and also kept at the Head Office. The media and stakeholders were invited to the meeting and provided with information accordingly.

In addition, there were important advances in parameters concerning environment and human health and the details of these activities are provided under the heading Environment and Human Health in this report. Despite the crisis, Tüpraş continued its investments to conclude numerous Environmental Responsibility Projects reported by ICC and, as of year-end 2009, approximately TRY 110 million has been spent on these projects.

In the period ahead, new changes and practices in legislation will be taken into account in order to comply with the Corporate Compliance Principles.

CHAPTER II: SHAREHOLDERS

2.1. Shareholder Relations Unit

The Company abides by all legislation concerning the exercise of rights guaranteed by shareholding, the Articles of Association and other internal regulations and takes all precautions to ensure that these statutory rights are fully exercised.

At Tüpraş, the Investor Relations and Strategic Planning Department (IRSP) and the Capital Movements Unit under the Financial Affairs Department work in coordination to liaise with individual shareholders and corporate investors. These units function under the coordination of CFO İbrahim Yelmenoğlu.

The IRSP responds to all enquiries raised, except those involving commercial secrets, in line with the principle of equality. Corporate shareholders of Tüpraş or potential investors are regularly briefed and updated through presentations and teleconferences, as well as meetings held domestically or abroad. This serves to promote active communication between the shareholders and the executives and enables shareholders to access all types of information required directly from its source. Special attention is paid to ensure that Tüpraş' website provides full and updated information about the Company with the aim of informing the public and shareholders.

The main activities of the IRSP and Capital Movements Coordination Unit are:

- Running transactions concerning capital markets (Liaising with the CMB and ISE, issuing of capital, paying of dividends, etc.),
- Ensuring that the General Meeting is held in accordance with current legislation, Articles of Association, and other Company regulations,
- Filing documents to be submitted to the shareholders at the meetings of the General Meeting and presenting these documents to the investors three weeks prior to the General Meeting via the Company website and electronic communication,
- Ensuring that minutes of the meetings are kept in order to make sure that voting results are recorded and that these results are reported to shareholders,
- Ensuring that the records about shareholders are kept in an efficient, reliable and up-to-date manner, with reference to Central Registry Agency (MKK) records,
- Carrying out all duties of public disclosure required by legislation, such as financial reporting or announcement of special situations, as well as carrying out, monitoring and ensuring other public disclosure functions related to the Company's information policy,
- Preparing information sheets and press releases and organizing teleconferences after the disclosure of financial reports,
- Answering queries and demands coming from shareholders and domestic or foreign corporate investors,
- Enhancing the Company's recognition and desirability within the international investment community; promoting its advantages in comparison with other refining companies on the same footing, utilizing or commissioning the use of necessary promotion instruments such as road show, teleconferencing, e-mailing, faxing, analyst presentations and statements/announcements providing direct information to make Tüpraş more preferable in the eyes of corporations investing in emerging markets,
- Reporting to the foreign correspondent bank undertaking clearance of shares traded on the London Stock Exchange concerning any procedures directly affecting the shares such as issue of capital, dividend payments and assembly of General Meeting, and undertaking necessary action to follow up and ensure full and accurate completion of these transactions,
- Promoting the Company vis-à-vis investment companies and financial intermediaries, supplying the analysts working in these companies with the information that they demand and controlling their reports,
- Surveying the breakdown of Tüpraş' existing shareholders, preparing a data base of investors' details, and employing all types of available tools, including external means, for identifying potential investors, and informing and advising the line managers when necessary. This is to be done by monitoring foreign/domestic components of investors holding Tüpraş shares at ISE and any significant changes of the trading volume there,
- Preparing and updating the required presentations for the domestic or foreign meetings for promoting the Company,
- The Investor Relations and Strategic Planning Department endeavors to employ electronic communication means and the corporate website of the Company in all their transactions. Maximum diligence is exercised for compliance with relevant legislation and Articles of Association in responding to the demands of the shareholders. To the extent of our knowledge, there were no written/oral complaints submitted to the Company, nor any administrative/legal action taken against the Company concerning the exercise of shareholders' rights in 2009.

In 2009, the Investor Relations and Strategic Planning Department held a total of 263 one-to-one meetings with 347 fund managers and analysts; of those, 29 meetings were held with 19 domestic investment companies and 234 meetings with 191 international investment companies. During these meetings, relevant individuals and organizations were informed about Tüpraş and updated about changes made.

2.2 Shareholders' Right to Information

No distinction is made between shareholders when processing demands for evoking their right to obtain and evaluate information. All information, except those involving commercial secrets are shared with shareholders.

Apart from meetings held respecting the principle of "Right to Information" of the shareholders, a great many questions or requests for information, mainly concerning the value of dividends, payment venue and time and issue of capital, were received and responded to in 2009. Documents and guidelines were prepared to answer frequently asked questions and these have been uploaded in the Investor Affairs section of the Tüpraş website. Furthermore, in response to the requests of dividend coupon transactions, new dividend coupons, share exchanges and dematerialization transactions received from shareholders in 2009, 359 dividend coupon transactions, 48 new dividend coupon issues, 31 share exchanges and 46 dematerialization transactions were made, bringing the total number of transactions to 484. The rights of the shareholders have been fully delivered.

Shareholders were informed about the content of the assembly of the General Meeting through notices placed in national newspapers with high circulations, as well as letters of invitation issued by the Company and via the website. In addition, in accordance with the communiqué of the Capital Markets Board (CMB), the Disclosures of Material Events (DME) made to the Istanbul Stock Exchange (ISE) and the London Stock Exchange (LSE) was also published in the Public Disclosure Platform (PDP), ensuring that the shareholders were informed about the Company. The Company has prepared the necessary infrastructure to make sure that all announcements are made solely via PDP, starting from January 1, 2010. All these transactions are available for public scrutiny at the Company website.

Requests for the appointment of special auditors are not yet included as an individual right within the Articles of Association and no such request was received from shareholders in 2009. Apart from internal audits, the Company activities are periodically controlled by independent external auditor and auditors. The Company chosen for this job in the last General Meeting was the independent external audit Company Başaran Bağımsız Denetim and Serbest Muhasebeci Mali Müşavirlik A.Ş., a member of PricewaterhouseCoopers.

2.3 Information on the General Meeting

The Company held its 49th Ordinary General Meeting on March 27, 2009. Shareholders representing 59.64% of all shares attended the meeting. During the General Meeting, the shareholders used their right to pose questions. Apart from the items on the agenda, no issue was brought up.

The Ordinary General Meeting is held after the end of every fiscal period, as soon as possible, and with a maximum delay of three months. According to the Articles of Association, General Meeting sessions are also open to stakeholders and the media; however, they do not have the right to speak.

The invitations to the General Meeting are issued by the Board of Directors, according to the Turkish Commercial Code, Capital Markets Law and Company Articles of Association. As soon as the Board of Directors makes the decision to hold the General Meeting, the public is notified via disclosures of material events made to the ISE and the CMB.

The notice from the General Meeting assembly is made within the period required by legislations and also with a minimum advance notice of three weeks via the website www.tupras.com.tr in order to reach the largest number of shareholders; in addition, the notice is published in the Turkish Trade Registry Gazette and in an all-Turkey edition of a newspaper with high circulation.

Before the General Meeting, an information sheet is prepared about the items in the agenda and issued to the public; all disclosures comply with legal processes and legislation. In line with the agenda items of the General Meeting, financial tables and reports including the annual activities report with the audited figures of 2009, corporate governance compliance report, profit distribution proposal, independent external auditing reports and auditor's report, information sheet on General Meeting agenda items and other documents providing the basis for the agenda, the final version of Articles of Association, and in case of a revision in Articles of Association the text of the revision and its justification are displayed to the Head Office and on the website, in the most accessible manner for shareholders, after the publication of the notice for the general Meeting.

The voting procedure of the meeting is announced to the shareholders via the website and newspaper notices. In General Meeting sessions, items on the agenda are voted on in an open manner, by raising hands.

For all those who want to be represented by attorneys, sample letters of attorney are announced and made available to the shareholders via the website, before the General Meeting assembly.

All Tüpraş shares are registered shares. For those shareholders whose shares are kept in the Central Registry Agency in investors' accounts controlled by financial intermediaries and who want to attend the General Meeting assembly, the records in the General Meeting Blockage List are taken into consideration, in line with Central Registry Agency's decisions on the "General Meeting Blockage" transactions.

According to law, those shareholders who have not registered themselves on the Blockage List via Central Registry Agency cannot attend the meeting. The Central Registry Agency General Meeting Blockage List is prepared the evening before the meeting.

In the General Meeting assembly, the items of the agenda are presented in an unbiased and detailed way, in a clear and comprehensible form and shareholders are provided equal opportunities to voice their opinions and ask questions, creating a forum for healthy discussion.

In the General Meeting, at least one Board Member, one Auditor, one of the officers responsible for the preparation of the financial tables, as well as one officer informed about the agenda items and ready to make explanations are present. In case of the absence of any one of these people, their excuse for absence is presented by the president of the meeting to the General Meeting.

After the General Meeting, the minutes of the assembly are translated to English and kept in the Company's minute book. On the Tüpraş website, minutes and a list of participants of the General Meeting, agenda items and notices are simultaneously made available for the scrutiny of all domestic and foreign investors.

The important decisions indicated in the Turkish Commercial Code are presented for the approval of the shareholders in the General Meeting. When the legal compliance of the Corporate Governance Principles is concluded, all important decisions indicated in changing laws will also be presented for approval of the shareholders in the General Meeting.

The 50th Ordinary General Meeting of the Company for 2009 will be held on April 5, 2010 at the Tüpraş Head Office.

2.4. Voting Rights and Minority Rights

As stipulated in the Articles of Association, material decisions concerning spin-offs or sales, acquisitions or lease of assets with significant value can only be taken with the affirmative vote of Group C (preferential) shares, represented by the Privatization Administration. In this context, approval of Group C shares represented by the Privatization Administration is sought at the General Meeting for deciding on issues that might restrict or hinder the supply of petroleum to the Turkish Armed Forces, such as closure or sale of one of the refineries, limitation of activities through establishment of restraint or any reduction corresponding to more than 10% of the capacity, or spin-off or merger and/or liquidation of the Company. In matters other than those mentioned above, decisions are made by bringing issues debated by the Board of Directors to the General Meeting for discussion and resolution.

Class C shares do not hold any other privileges concerning voting rights, apart from those indicated above.

No upper limit is set on the voting rights of any shareholder and, to encourage participation of shareholders based abroad, samples of letters of attorney have been uploaded on the website.

In the present Board of Directors, it is felt that the limited number of professionals who can contribute to the Company - apart from those with a background in the sector and in the Koç Group - complicates the need for and the selection of independent members.

Independent members, who are not widespread in our country and who can lead to many managerial problems in practice, can only represent a very limited part of the minority, as revealed by the experience of various companies. It is deemed that if Articles of Association provide for cumulative voting in order to allow minority shareholders to send a representative to the Board of Directors, the harmony of the Company management will be harmed; thus, no such regulation has been made.

2.5. Dividends Policy and Deadlines

The dividends policy of the Company is determined within the framework of the Capital Markets Legislation and our Articles of Association. In accordance with the Corporate Governance Principles, a balanced and consistent policy towards shareholders and Company interests is pursued for the distribution of dividends.

As long as the relevant legislation, investment requirements and financial means permit, it is the Company's policy to have the Board of Directors distribute the entire distributable profit of the Company, subject to the approval of General Meeting following the proposal of the Board of Directors.

The distribution of profit is carried out within the legal timelines in accordance with the Turkish Commercial Code (TCC) and the CMB. There are no privileges assigned in the Articles of Association concerning participation in profit.

Dividends are paid out within the time limits set forth in the legislation, as soon as possible following the General Meeting.

2.6. Transfer of Shares

The restriction on the transfer of 51% of Class A registered shares belonging to Enerji Yatırımları A.Ş. ended on January 26, 2009. As of this date, the transfer of the Class A shares is not subject to the approval of the Privatization Administration.

In accordance with the mandate vested in the Turkish Prime Ministry Privatization Authority with Law 4046, Class C registered shares can be transferred to another Turkish Public Enterprise enjoying essentially the same level of powers and this transfer is not subject to the approval of the Board of Directors.

CHAPTER III: PUBLIC DISCLOSURES AND TRANSPARENCY

3.1. Disclosures Policy of the Company

The "Disclosures Policy" of the Company is executed with reference to legal regulations, capital markets legislation and rules set out by the directives issued. The Company has drawn up a written document regarding public disclosures and information and has announced this to its shareholders and the public on its website following the approval of the Board of Directors and the General Meeting.

The Board of Directors is responsible for the monitoring, revision and amelioration of the disclosures policy. The aim of the disclosures policy is to share information concerning the Company's past performance, prospects, strategies and aims with the public, relevant authorities, existing and potential investors and shareholders in an equitable manner - with the exception of information constituting commercial secrets -, thereby providing a permanent, effective and transparent communication platform by the Investor Relations and Strategic Planning Department and Corporate Communication Units within the framework of provisions of the Capital Markets Board.

Queries coming from outside the Company are answered by the General Manager, Corporate Communications Department and Investor Relations and Strategic Planning Department. The Corporate Communications Department provides the written and visual media with a controlled news flow throughout the year as various events arise and thus, informs the public in a detailed manner.

In accordance with the Disclosures Policy, presentations are made concerning activities and financial outcomes of every quarter for investors, financial analysts, members of press and relevant circles and these presentations are then issued on the Company website. The said reports are also dispatched to all registered members on the investor data base of the Company, which includes those who have signed up through the member registry page. Additionally, the Company has an active and updated website. Information flow to the public and investors is provided through the Company's corporate website, www.tupras.com.tr, designed with maximum care to include all provisions required for the corporate page. This website also includes comprehensive information on issues for which information can be requested from the Company.

Tüpraş updates its disclosure policy according to the changing market conditions and new regulations.

3.2. Disclosures of Material Events

In 2009, 17 disclosures of material events were made in relation to the Communiqué of CMB Series: VIII, No. 54. No additional information was requested by the CMB or ISE regarding these disclosures of material events.

The Company executes its liabilities for disclosure of material events pertaining to the GDR-Tüpraş shares traded on the London Stock Exchange since April 2000 in parallel with those on the ISE. There are no disclosures made to the London Stock Exchange that are withheld from the domestic market. Special attention is paid to providing disclosures of material events to both exchanges and ensuring their announcement simultaneously within the framework of the Company liabilities.

The Company was not subject to any sanctions from the CMB brought in the event of failing to disclose material events in a timely fashion.

3.3. Company's Website and Content

The Company website can be accessed at www.tupras.com.tr. Both past and current information concerning the following are available in Turkish and English.

- Detailed information about the corporate identity
- Vision and main strategies
- Information about the Members of the Board of Directors and the senior management of the Company
- Organization of the Company and partnership structure
- Articles of Association of the Company
- Commercial register information
- Periodical financial tables, financial data, benchmarks and analysis reports
- Press Releases
- Annual activity reports
- Disclosures of Material Events to PDP
- Data and charts about the share performance, rating grades
- Presentation to Investors
- Information on the analysts evaluating the Company and their reports
- Date for convention of the General Meeting, items of agenda, explanations about issues on the agenda
- The minutes and list of participants of the General Meeting
- A sample letter of attorney
- Corporate Governance Practices and Compliance Report
- Corporate Social Responsibility Report
- Dividends policy and profit yields per share
- Disclosure policy
- Information on social responsibility projects

3.4. Disclosure of Individual Shareholder(s) with Controlling Shares

No individual owns equal to or more than 5% of the Company's or its affiliates' shares. Other corporate information concerning the breakdown of Company's capital is available on our website, in the "Corporate Governance" section under the heading of the Investor Relations.

3.5. Disclosure of Insiders to the Public

All necessary precautions are taken to ensure that all Company personnel heed the rules concerning the use of insider information in order to achieve balance between transparency and protection of Company interests.

Information acquired in the course of employment that belongs to the Company and is viewed by the Company as information on a need to know basis that might be construed as commercial secrets, is deemed “Proprietary Information.” All employees safeguard proprietary information and shall not disclose this information out of its scope directly or indirectly while employed or thereafter.

The list of insiders, consisting of Members of the Board of Directors, auditors and senior management staff, who have access to insider information as of the date of this report, is presented below. Insiders are also declared each year as part of the Annual Activity Reports and on our website.

People with access to insider information

Ömer M. Koç, Chairman of the Board
Dr. Bülent Bulgurlu, Vice Chairman of the Board
Rahmi M. Koç, Board Member
Semahat S. Arsel, Board Member
Mustafa V. Koç, Board Member
Ali Y. Koç, Board Member
Temel K. Atay, Board Member
Erol Memioğlu, Board Member
Yavuz Erkut, Board Member and General Manager
Ahmet Aksu, Privatization Administration Class C Representative
İbrahim Murat Çağlar, Auditor
Kemal Uzun, Auditor
Goncagül Ayşe Özgit, Auditor
Gürol Acar, Assistant General Manager (Production)
Yılmaz Bayraktar, Assistant General Manager (Human Resources)
Hasan Tan, Assistant General Manager (Trade)
İbrahim Yelmenoğlu, Assistant General Manager (Finance)
Cengiz Demirtürk, Finance Director
Deniz Köseoğlu, Financial Reporting Manager
Tuncay Önbilgin, Investor Relations and Strategic Planning Manager

CHAPTER IV: STAKEHOLDERS

4.1. Informing Stakeholders

Stakeholders of the Company are notified about General Meetings by the meeting invitations sent out, notices in newspapers and statements sent to the ISE. Information offered on the Company website is as comprehensive as possible, including conference statements and interviews given to the press and media and presentations, bearing in mind that stakeholders will thus be informed. Arranging meetings at the highest possible levels, the Company endeavors to respond to the requests for meetings by the shareholders.

Company personnel are given access to circulars and announcements via the intranet portal and important announcements are communicated to all employees via electronic mail. “Rafine” is the Company journal issued with the aim of reinforcing corporate communication between employees at different geographical locations. Employees and senior management executives of Tüpraş come together once a year to evaluate the goals and progress achieved in the course of the year and to exchange ideas.

Despite the lack of any binding provisions in the Articles of Association of the Company endorsing participation of stakeholders in the management of the Company, the “Tüpraş Recognition, Appreciation and Award” scheme has been devised to reward the personnel’s acts and efforts in support of the values and goals of the organization, while the “Refined Suggestions” initiative was launched to promote and encourage individual and original suggestions concerning process improvement, energy saving, resource efficiency, productivity, protection of environment and work safety.

4.2. Human Resources Policy

As is the case with other Companies of the Koç Group, the essence of the human resources policy at Türkiye Petrol Rafinerileri A.Ş. is embodied in the maxim “the most precious asset are our human resources.”

The principles of the human resources policy adopted by the Company are as follows:

• Job descriptions, their delegation and performance criteria applied are defined and communicated to the employees by the Company.
• Recruitment criteria are laid out and communicated in writing and these criteria are applied for recruitment.
• Decisions for training, appointments and promotions are taken diligently by consulting objective data and considering corporate interests.
• There is great emphasis on providing training to develop both the professional knowledge and capabilities and personal talents of our staff.
• A safe work environment and work conditions are provided for our staff and efforts are constantly made to improve them.
• Events relating to or decisions concerning our employees are communicated to our employees.
• Rewards are presented to employees upon completion of five years, and multiples thereof, in service thus encouraging qualified, trained and experienced staff for continued service.
• There is no discrimination between the employees of our Company. There have been no complaints brought by Tüpraş employees to Senior Management concerning discrimination.
• There is no practice of assigning representatives for liaising with our employees.

4.3. Information on Customer and Supplier Relations

Customer Relations

As a token of its responsiveness for quality, environment, public and occupational health in all its activities, Tüpraş obtained ISO 9001:2008 Quality, ISO 14001:2004 Environment and OHSAS 18001:2007 Occupational Health and Safety Management System certificates. The Company commits itself to maintaining the highest levels of customer satisfaction in its policies concerning quality, environment, occupational health and safety management systems.

The Tüpraş Headquarters monitors information concerning customer perceptions as to what extent it can meet customer expectations and needs. This is one of the main measurement criteria for governance systems and methods have been drawn up to elicit this information and use it for future targets. Therefore, customer surveys are conducted and evaluated, and targets are set in accordance with their outcome.

Within the framework of the modern management philosophy of Total Quality Management, the Company signed a Goodwill Statement with KalDer (Turkish Society for Quality) on April 4, 2006 as the first step of admission to the National Quality Movement and Journey to Excellence Program and it has introduced EFQM Excellence Model, a continuous development tool in Total Quality Management to its practices.

Supplier Relations

In accordance with the type and content of controls applied to products or service and product suppliers, Tüpraş Headquarters checks the compliance of goods and services procured against the procurement stipulations. The Company also examines the impact of purchased products and services on the next product developed and their dependence on the finished product.

Tüpraş Headquarters evaluates and selects suppliers on the basis of their capability to deliver products meeting the requirements of Tüpraş. Criteria have been drawn up for selection, evaluation and re-evaluation. Tüpraş retains the outcomes of these evaluations and records of action to be taken in accordance with these outcomes.

4.4. Social Responsibility

With its accumulated knowledge in the refining sector, Tüpraş is oriented towards social rather than individual interests. Thanks to its institutionalized structure and socially responsible employees, Tüpraş initiates and supports various projects in cities where its refineries are located so as to contribute to the cultural and social development of our nation.

Tüpraş regards the Global Compact, signed by Koç Holding's Chairman of the Board of Directors Mr. Mustafa V. Koç and Secretary General of the United Nations Mr. Kofi Annan in New York on March 30, 2006, as the point of reference in fulfilling its requirements of Corporate Social Responsibility.

Tüpraş has further enhanced its corporate and ethical management philosophy and standards by issuing its first Corporate Social Responsibility Report in 2008. In its first Corporate Social Responsibility Report, Tüpraş adopted the Global Reporting Initiative's (GRI) G3 Reporting Principles. In the international arena, the "Ethical Accountability Capacities" of states, NGO's and companies regarding corporate social responsibility are evaluated under the control of the "AccountAbility" organization. In Turkey, the second of these evaluations was conducted by the Institute for Corporate Social Responsibility, the accredited Company of the "AccountAbility" organization in our country. In the "Ethical Accountability" evaluation, based on a survey covering 50 companies with the highest turnover, Tüpraş was ranked second.

As the largest industrial enterprise in Turkey, Tüpraş places human health, workplace safety, environmental protection and public interest at the forefront of its activities in pursuit of its goals. Apart from continuously developing products and services that protect people and the environment, Tüpraş complies with environmental standards concerning the fuel used in all its refineries for production purposes, regardless of regional differences. Operating on world standards concerning environmental protection, Tüpraş recognizes the importance of improving the natural habitat as well as preserving it and works towards the creation of new natural conservation areas.

In 2009, Tüpraş realized numerous events as part of its Corporate Social Responsibility activities, in areas such as education, culture and arts, health, sports, environmentally friendly actions and employee rights; the details of which are presented under the heading Corporate Social Responsibility.

CHAPTER V: BOARD OF DIRECTORS

5.1. Structure, Formation, Independence

The Board of Directors consists of at least five members, elected by the General Meeting. In the selection of the Board of Directors, one member has to be appointed by the Class C shareholders. The Class A shareholders, in order to determine their representatives, vote among themselves in the General Meeting, with those receiving the highest votes becoming members of the Board.

In the event of a Board seat falling vacant due to death, resignation or disqualification of a member, an election is held by the Board of Directors to fulfill this position, in accordance with Article 315 of the Turkish Commercial Code. If the vacancy is among members representing Class A shares, the Board of Directors fills the vacant position by electing one among the candidates nominated by the Class A shareholders on the Board. In case the seat appointed by Class C shares becomes vacant due to the abovementioned reasons, the Board of Directors fills the vacant position by making a choice among the candidates nominated by Class C shareholders. The Board of Directors can share the duties of management and representation among its members, or it can partially or fully relinquish these functions to delegate members who are members of the Board or to directors who do not have to be shareholders.

Only the Board of Directors is authorized to assign its management and representation duties in the aforementioned manner.

Board of Directors determines the duties of the delegate members and directors, and all responsibilities assigned to the Board of Directors, -except in cases in which the Class C member has the right for speech and approval, as indicated in Article 14 of the Articles of Association- can be transferred to related parties under the limits, rules and restrictions determined by the Board of Directors and if deemed necessary, all or some of these responsibilities can be revised or revoked.

In the areas that it deems necessary, the Board of Directors can form advisory committees, coordination committees, or sub-committees from among or outside its members.

The rules concerning the way in which presidents and members of the committee will gather, work and report is determined, regulated and revised by the Board of Directors.

In line with the Turkish Commercial Code, the Board of Directors can be paid attendance fees. Apart from the attendance fee, the members of the Board of Directors and the committees can also be paid wages, bonuses or premiums for the services that they deliver. The form and amount of the payments made to the Board of Directors are determined by the General Meeting and the form and amount of the payments made to committee members for their committee membership service are determined by the Board of Directors, as stipulated in legislations.

5.2. Requirements for Board Membership

Minimum eligibility requirements sought by the Company for electing members to the Board correspond to the qualities stated in the articles 3.1.1., 3.1.2, 3.1.3, 3.1.4 and 3.1.5. in Part IV of the CMB Corporate Governance Principles.

As indicated in Article 11 of the Articles of Association, eligibility for membership to the Board of Directors requires that the person is not legally incapacitated, not declared bankrupt or insolvent personally or through a Company previously managed, owns a share in the Company and has no previous convictions for serious crimes. In case persons not holding Company shares are elected as members, they shall take the position after acquiring capacity as a shareholder. For the cases described in Articles 334 and 335 of the Turkish Commercial Code, the General Meeting may give consent.

The minimum eligibility requirements sought by the Company for members of the Board of Directors are specified in the Articles of Association of the Company in accordance with Article 3.1, Part IV of the CMB's Corporate Governance Principles.

5.3. Vision, Mission and Values of the Company

Vision

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

Mission

Our mission is to create value for our shareholders, business partners and society by playing an active and leading role in development of the industry, while meeting the domestic petroleum demand.

Values

- Honest, transparent and ethical,
- Respectful to people,
- Sensitive to the environment,
- Creative and innovative,
- Customer oriented,
- Encouraging development of employees,
- Promoting teamwork.

5.4. Risk Management and Internal Control

The Board of Directors oversees activities relating to financial control and auditing under the auspices of the Auditing Committee. In fulfilling this function, the Audit Committee examines and assesses in detail the reports compiled by the Financial Audit Department established to review, audit, and report the financial efficiency of our processes. The Committee then provides the Company management with necessary instructions and submits these instructions to the attention and approval of the Board of Directors, where appropriate. The Board of Directors operates within the scope of and in coordination of the Audit Committee.

The Financial Audit Department reviews the efficiency of all business processes of the Company from a financial perspective, tests the appropriateness, effectiveness and implementation levels of the auditing mechanisms relating to those processes, determines measures to be taken to rectify any shortcomings in cooperation with operational units and then reports the results of its work to the Audit Committee.

5.5. The Powers and Responsibilities of the Directors of the Board and Managers

The Board of Directors is the representative and executive body of the Company. It is responsible for undertaking all duties other than those assigned to the General Meeting under the laws and the Articles of Association and is vested with all powers required to perform these tasks.

In accordance with Article 319 of the Turkish Commercial Code, the Board of Directors may delegate all or part of its executive and representative powers to one or more of the Board Members, jointly to a Board Member and a non-member General Manager or manager(s), or otherwise may set up executive committees comprised of its members or non-members to perform its duties or exercise its powers.

5.6. Principles of Activity for the Board

All opinions voiced at meetings of the Board of Directors are recorded in the official reports in the form of meeting minutes.

Attendance of Board Members in person is ensured where matters set out in Article 2.17.4, Part IV of the CMB's Corporate Governance Principles are discussed. However, in urgent matters pertaining to legal obligations, this principle is waived. With the exception of such matters, the quorum for Board Meetings is five members and decisions are taken with the affirmative vote of five members. A member who does not attend four consecutive Board meetings without a valid excuse or a justified cause is deemed to have resigned.

The Board of Directors convenes whenever the business of the Company so requires. However, it is obligatory to have at least four meetings annually. All operations of the Company are reviewed in these meetings and material issues are resolved. In addition to these regular meetings, the Board of Directors may meet when deemed necessary, with the attendance of the absolute majority of its members, to make decisions on special matters, or may decide without actually convening in accordance with Article 330/2 of the Turkish Commercial Code.

The place of meetings is the Company headquarters. Meetings may be held at another venue with the decision of the Board of Directors. Matters to be discussed at Board Meetings must be pre-determined on an agenda that is communicated to Board Members before the date of the meeting. Invitations to Board meetings must be made at least three days before the actual date of meeting.

The agendas for regular meetings are drawn up by the Secretariat of the Board of Directors in consideration of previous decisions and issues warranting resolution and in consultation with the Members of the Board.

Meanwhile, agendas of other meetings are determined by matters where there is a legal obligation requiring a decision.

The duties of the Secretariat of the Board of Directors are under the supervision of the Chief Financial Officer (CFO).

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

5.7. Dealings with the Company and Non-Competition

Consent can be granted by the General Meeting for cases specified in Articles 334 and 335 of the Turkish Commercial Code.

5.8. Ethics Code

The Code of Ethical Business involves the fundamental principles of conduct. Tüpraş has renewed its code of ethical business towards compliance with the Global Compact signed by Koç Holding. It also adapts to changes in legal, social and economic circumstances.

Employees of the Company are expected to comply with the "Code of Work Ethics" and "Common Values of the Koç Group" in performing their jobs. In recognition that business procedures, standards, laws and regulations cannot provide guidance for all of our conduct and actions, we have the Business Ethics Code built on corporate values and the Ethics Council.

The Code of Work Ethics adopted by the Board of Directors is defined under the topics of Honesty and Reliability, Secrecy and Protection of Commercial Secrets, Conflict of Interest, and Our Responsibilities.

The abovementioned text can be accessed in full on the Company's website under the heading of the Corporate Governance.

5.9. Number, Organization and Independence of Board Committees

The Company has a number of committees established to ensure that the Board performs its duties and responsibilities in a robust manner. These committees perform their activities in accordance with certain procedures. Audit Committee and Corporate Governance Committee thus established operate in accordance with the pre-determined principles.

Corporate Governance Committee

The committee was established to monitor the harmonization of the Company with Corporate Governance Principles and assess justification for non-compliance with the principles not yet implemented and advise the Board of Directors with proposals for improvement of practices.

NAME SURNAME	TITLE	RELATION WITH COMPANY	INDEPENDENCE STATUS	DUTIES UNDERTAKEN IN OTHER COMMITTEES
ALİ Y. KOÇ	MEMBER	BOARD MEMBER (NOT COMMISSIONED IN EXECUTION)	DEPENDENT	N/A
DR. BÜLENT BULGURLU	VICE CHAIRMAN	VICE CHAIRMAN OF BOARD (NOT COMMISSIONED IN EXECUTION)	DEPENDENT	N/A
SEVAL KIZILCAN	MANAGER	CORPORATE COMMUNICATIONS MANAGER (COMMISSIONED IN EXECUTION)	DEPENDENT	N/A

Risk Governance Committee

The committee was established in order to make recommendations to the Board of Directors in regards to issues related to identifying, measuring, analyzing, monitoring and reporting risks that the Company is exposed to and to decrease controllable and uncontrollable risks.

NAME SURNAME	TITLE	RELATION WITH COMPANY	INDEPENDENCE STATUS	DUTIES UNDERTAKEN IN OTHER COMMITTEES
MUSTAFA V. KOÇ	MEMBER	BOARD MEMBER (NOT COMMISSIONED IN EXECUTION)	DEPENDENT	N/A
ÖMER M. KOÇ	CHAIRMAN	CHAIRMAN OF BOARD (NOT COMMISSIONED IN EXECUTION)	DEPENDENT	N/A
İBRAHİM MURAT ÇAĞLAR	MEMBER	AUDIT BOARD MEMBER (NOT COMMISSIONED IN EXECUTION)	DEPENDENT	N/A
ARDAN AKSADE	MANAGER	AUDIT MANAGER (COMMISSIONED IN EXECUTION)	DEPENDENT	N/A

Audit Committee

The committee in charge of audits was established to monitor financial affairs, to assess periodical financial charts and endnotes, to take necessary action within the framework of the Corporate Governance Principles and to present its proposals concerning financial results based on existing information and examination of the Independent External Audit and to oversee the internal audit processes.

NAME SURNAME	TITLE	RELATION WITH COMPANY	INDEPENDENCE STATUS	DUTIES UNDERTAKEN IN OTHER COMMITTEES
TEMEL KAMİL ATAY	MEMBER	BOARD MEMBER (NOT COMMISSIONED IN EXECUTION)	DEPENDENT	N/A
EROL MEMİOĞLU	MEMBER	BOARD MEMBER (NOT COMMISSIONED IN EXECUTION)	DEPENDENT	N/A

Ethic Committee

NAME SURNAME	TITLE	RELATION WITH COMPANY	INDEPENDENCE STATUS	DUTIES UNDERTAKEN IN OTHER COMMITTEES
RAHMİ M. KOÇ	MEMBER	BOARD MEMBER (NOT COMMISSIONED IN EXECUTION)	DEPENDENT	N/A
SEMAHAT S. ARSEL	MEMBER	BOARD MEMBER (NOT COMMISSIONED IN EXECUTION)	DEPENDENT	N/A
YILMAZ BAYRAKTAR	ASSISTANT GENERAL MANAGER	ASSISTANT GENERAL MANAGER (COMMISSIONED IN EXECUTION)	DEPENDENT	N/A

5.10. Remuneration of Board Members

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

No loans of any form are extended to Board Members or managers directly or indirectly.

At the Ordinary General Meeting concerning activities of 2008, it was voted unanimously to pay the gross monthly salary of TRY 1,765 to the Chairman and Members of the Board of Directors and TRY 1,295 to the Members of the Audit Board.

AGENDA

1) Inauguration of the General Meeting and election of the Presidency of the Council,

2) Reading of and deliberation upon the summaries of the annual reports of the Board of Directors, Board of Auditors and Independent Auditor, Başaran Nas Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers), adoption, amendment and adoption or rejection of the proposal of the Board of Directors concerning the Balance Sheet and Income Statement of 2009,

3) Acquittal of the members of the Board of Directors and Board of Auditors for the accounts and the activities for the year 2009,

4) Approval of the following amendments of the Articles of Association, in case the Capital Markets Board and the Turkish Ministry of Industry and Commerce grant their due permissions: Amendment of Article 3 on "Purposes and fields of activity of the Company" in order to remove the word "Yeni" (New) which preceded the expressions Turkish "Lira" and "Kuruş," as well as the amendments of 6 on "Capital" and of Article 31 on "Right of Vote,"

5) Determination of the number and term of office of Board of Directors members, organization of elections according to the determined number of members and term of office,

6) Election of Auditors and the determination of their term of office,

7) Determination of the gross monthly salaries of members of the Board of Directors and Auditors,

8) The adoption, amendment and adoption, or rejection of the Board of Directors' proposal for the distribution of dividends for the year 2009 and the distribution date,

9) Provision of information to our shareholders regarding the dividend distribution policy pursuant to the principles of Corporate Governance,

10) Provision of information to our shareholders regarding the "Company Disclosure Policy" pursuant to the principles of Corporate Governance,

11) Provision of the General Meeting with information about social aid donations and assistance made by the Company in 2009 to the foundations and associations,

12) Approval of the Independent Audit Firm selected by the Board of Directors for the audit of activities and accounts pursuant to the Regulation on Independent External Audit issued by the Capital Markets Board,

13) Decision to allow the Board Members to enter into business transactions, directly or on behalf of others and to become shareholders and carry out other transactions of other companies active in the fields of activity of the Company, under Articles 334 and 335 of the Turkish Commercial Code,

14) Authorization of the Presidency of the Council to sign the minutes of the General Meeting and contending with this action if no further action is necessary.

15) Other business.

STATEMENT ON THE PROFIT DISTRIBUTION FOR 2009

According to the Capital Markets Law and Capital Markets Board Regulations, our Company earned a post-consolidated tax net profit of TRY 811,297,710.17 as a result of its activities in 2009, whereas statutory records show post-tax net profits to be TRY 632,932,412.73. Consolidated balance sheet assets totaled TRY 10,223,303,304.46 in 2009.

The 5% Legal Reserve to be set aside pursuant to Article 466 of the Turkish Commercial Code was not set aside in the current year, since reserves in previous years exceeded the ceiling.

Since the distributable profits pertaining to the current period in the financial statements created in line with official records are below the distributable current period profits in the financial statements issued in accordance with the Capital Market Law and Capital Market Board Regulations, the profit to be regarded as the basis of distribution is the one in the official records totaling TRY 632,932,412.73. Therefore we propose to the Ordinary General Meeting that will convene on Monday, April 5, 2010 to debate the outcomes of the activities of 2009 that of TRY 626,048,000.00 to be distributed as dividends and to recommend TRY 61,352,704.00 to be separated as 10% Class II Reserve,

If the dividend distribution proposal is approved, on the basis of our official records that

- of TRY 31,656,091.83 be expended from the exceptional earnings of the current year, TRY 544,875,279.74 from the non-exceptional earnings of the current year and TRY 49,516,628.43 from the non-exceptional legal reserves,

- a cash dividend of gross=net TRY 2.50 be paid for one nominal stock worth TRY 1.00 at a rate of 250% to our fully fledged corporate taxpayer shareholders and limited corporate taxpayer shareholders earning dividends through a Turkey based business or permanent representation office;

- other shareholders be paid a gross cash dividend of TRY 2.50 and net cash dividend of TRY 2.14396 in return for one nominal stock worth TRY 1.00, at a rate of 250%;

and the dividend distribution be set to begin on Tuesday, April 6, 2010.

With the wishes for the best in 2010 for our country and Tüpraş, we submit our regards.

M. Ömer Koç
Chairman of the Board of Directors

PROFIT DISTRIBUTION PROSAL AS OF JANUARY 1, 2009 - DECEMBER 31, 2009

TÜRKİYE PETROL RAFİNERİLERİ A.Ş. 2009 PROFIT DISTRIBUTION CHART (TL)			
1, PAID-IN/ISSUED CAPITAL			**250,419,200.00**
2, TOTAL LEGAL RESERVES (ACCORDING TO OFFICIAL RECORDS)			**651,102,638.05**
INFORMATION ON PRIVILEGES IN PROFIT DISTRIBUTION IF ANY IN THE ARTICLES OF ASSOCIATION			
		SPK'YA GÖRE	**YASAL KAYITLARA (YK) GÖRE**
3,	CURRENT PERIOD PROFIT	1,010,679,345.67	776,931,356.70
4.	TAXES PAYABLE (-)	199,381,635.50	143,998,943.97
5.	**NET PERIOD PROFIT (=)**	**811,297,710.17**	**632,932,412.73**
6.	ACCUMULATED LOSSES (-)	0.00	0.00
7.	FIRST LEGAL RESERVES (-)	0.00	0.00
8.	**DISTRIBUTABLE NET PERIOD PROFIT (-)**	**811,297,710.17**	**632,932,412.73**
9.	CHARITABLE DISTRIBUTIONS DURING THE YEAR (+)	7,017,659.43	
10.	**CHARITABLE DISTRIBUTIONS DURING THE YEAR TO WHICH CHARITABLE CONTRIBUTIONS ARE ADDED ON WHICH FIRST DIVIDEND IS CALCULATED**	**818,315,369.60**	
11.	FIRST DIVIDEND TO SHAREHOLDERS	163,663,073.92	
	- CASH	163,663,073.92	
	- BONUS		
	- TOTAL	163,663,073.92	
12.	DIVIDEND DISTRIBUTED TO OWNERS OF PREFERENTIAL SHARES	0.00	
13.	DIVIDEND DISTRIBUTED TO MEMBERS OF THE BOARD OF DIRECTORS, EMPLOYEES ETC.	0.00	
14.	DIVIDEND DISTRIBUTED TO OWNERS OF REDEEMED SHARES	0.00	
15.	SECOND DIVIDEND TO SHAREHOLDERS	412,868,297.65	
16.	SECOND LEGAL RESERVES	56,401,041.16	
17.	STATUTORY RESERVES	0.00	
18.	SPECIAL RESERVES	0.00	
19.	**EXTRAORDINARY RESERVES**	**178,365,297.44**	**0.00**
20.	**OTHER RESOURCES PAYABLE**	**49,516,628.43**	**49,516,628.43**
	- PREVIOUS YEAR'S PROFIT		
	- EXTRAORDINARY RESERVES	0.00	0.00
	- OTHER DISTRIBUTABLE RESERVES AS PER THE LAW AND THE ARTICLES OF ASSOCIATION	49,516,628.43	49,516,628.43

(*) The concept of Participation has been defined to include the participation, affiliation and partnership subject to collective management of the parent company.

INFORMATION REGARDING THE DISTRIBUTION PROFIT SHARE (ON THE BASIS OF PREFERENTIAL - NON-PREFERENTIAL SHARES)				
DIVIDEND PER SHARE				
	GROUP	**TOTAL DIVIDEND AMOUNT (TL)**	**DIVIDEND PER SHARE NOMINAL VALUE OF TRY 1**	
			AMOUNT (TL)	**RATE (%)**
GROSS	A	626,048,000.00	2.5	250
	C	0.00	2.5	250
	TOTAL	**626,048,000.00**		
NET *	A	582,360,194.75	2.14396	214.40
	C	0.00	2.14396	214.40
	TOTAL	**582,360,194.75**		

THE RATIO OF THE DISTRIBUTED DIVIDEND TI THE NET DISTRIBUTABLE PROFIT, CHARITABLE CONTRIBUTIONS INCLUDED	
DIVIDEND DISTRIBUTED TO SHAREHOLDERS (TL)	**THE RATIO OF THE DIVIDEND DISTRIBUTED TO THE SHAREHOLDERS TO THE ENDOWMENT ADDED NET DISTRIBUTABLE PROFIT (%)**
626,048,000.00	**76.50**

(*) While calculating net profit, 15% withholding was applied after the exclusion of the exceptional earnings worth TRY 31,656,091.83 without calculating any stoppage over residual value on account of all the shares closed to public, 51% of all shares, belong to fully fledged corporate taxpayers and assuming that the shares open to public, 49% of all, belong to fully fledged real persons.

AMENDMENTS OF THE ARTICLES OF ASSOCIATION

PURPOSES AND FIELDS OF ACTIVITY OF THE COMPANY

OLD TEXT

PURPOSES AND FIELDS OF ACTIVITY OF THE COMPANY

ARTICLE 3: Purposes and fields of activity of the Company are as follows:

a) to establish, purchase, acquire shares in, operate, and expand if and when necessary, oil refineries, appurtenances and all and any supplementary and complementary facilities and units within and outside Turkey;

b) to procure, export, import and store all kinds of crude oil and petroleum products;

c) to process crude oil or semi-products and to obtain all kinds of petroleum products, intermediary products and by-products in its own refineries;

d) to store, blend and export the products obtained from refining crude oil, and for this purpose and for the purpose of carrying on the activities referred to hereinabove, to build, construct, establish and procure all and any machinery, equipment, materials, substances and premises required in connection therein with;

e) to process and/or make others process crude oil at the refineries within and/or outside Turkey;

f) to supply the requirement of petroleum products of the Turkish Armed Forces at a desired quality and quantity on time with an suitable market price and to provide and maintain for such production capability and transportation systems in the refineries or those owned by the Company.

g) to render maritime pilotage and towage service in region/regions defined by rules and regulations, to acquire, build, rent and/or sell necessary vessels (including environmental pollution and marine cleaning (Oil spill) vessels) and, if and when necessary, to found partnership within and outside Turkey on the activities referred to hereinabove;

h) to establish and operate plants and units in petrochemical industry and other relevant industries;

i) to procure and process necessary raw materials, equipments, chemicals and other feedstocks from any domestic and international sources for production of petrochemical materials and other related materials, or, to produce and trade these products in the domestic or international market;

j) to pack products in each stage of production and to establish packaging units for this purposes, to recycle waste, semi and off-spec products and/or to sell or to establish and operate necessary disposal plants and to sell all kinds of unused or scrape materials;

PURPOSES AND FIELDS OF ACTIVITY OF THE COMPANY

NEW TEXT

PURPOSES AND FIELDS OF ACTIVITY OF THE COMPANY

ARTICLE 3: *Purposes and fields of activity of the Company are as follows:*

a) to establish, purchase, acquire shares in, operate and expand if and when necessary, oil refineries, appurtenances and all and any supplementary and complementary facilities and units within and outside Turkey;

b) to procure, export, import and store all kinds of crude oil and petroleum products;

c) to process crude oil or semi-products and to obtain all kinds of petroleum products, intermediary products and by-products in its own refineries;

d) to store, blend and export the products obtained from refining crude oil and for this purpose and for the purpose of carrying on the activities referred to hereinabove, to build, construct, establish and procure all and any machinery, equipment, materials, substances and premises required in connection therein with;

e) to process and/or make others process crude oil at the refineries within and/or outside Turkey;

f) to supply the requirement of petroleum products of the Turkish Armed Forces at a desired quality and quantity on time with an suitable market price and to provide and maintain for such production capability and transportation systems in the refineries or those owned by the Company.

g) to render maritime pilotage and towage service in region/regions defined by rules and regulations, to acquire, build, rent and/or sell necessary vessels (including environmental pollution and marine cleaning (Oil spill) vessels) and, if and when necessary, to found partnerships within and outside Turkey on the activities referred to hereinabove;

h) to establish and operate plants and units in petrochemical industry and other relevant industries;

i) to procure and process necessary raw materials, equipments, chemicals and other feedstocks from any domestic and international sources for production of petrochemical materials and other related materials, or to produce and to trade these products in the domestic or international market;

j) to pack products in each stage of production and to establish packaging units for these purposes, to recycle waste, semi and off-spec products and/or to sell or to establish and operate necessary disposal plants and to sell all kinds of unused or scrape materials;

k) to establish and operate power plants and other facilities relevant to electricity in accordance with the current and/or future energy law and regulations and to establish required industry at an every stage of energy production, purchase and sell. For these operations, to obtain relevant permission from governmental organizations;

l) to establish units relevant to energy production, to use any kind of equipment, material and chemicals obtained from domestic and international sources for necessary production, procurement and sale of energy and to make domestic and international trade of these materials;

m) to purchase, sell, import, export, store, distribute and retail or to make others distribute all kinds of petroleum products, LPG (Liquid Petroleum Gas) and natural gas in the wholesale and retail market within and outside of Turkey and to establish, operate, make others operate, take over, turnover, (transfer) or lease, operate a dealership of service stations and maintenance facilities, in order to ensure the sale of these products on the retail market, to render transportation service through its own or leased sea, rail and road vehicles, partially or entirely to operate on these purposes and subjects to establish a partnership with Company of real or legal persons or other similar partnership or to take the possession of stocks and/or documents representing shares (receipts) of existing shareholders, to sell, if required, to acquire or transfer participations.

n) For the above mentioned purposes, to purchase, sell, rent and let for rent movables and/or immovables, to establish and annul liens, pledges and/or mortgages as a security against debts or for receivables of its own or its participations, to establish other property rights on its own real estate, to stand surety for its participations and to do all kinds of transactions required in connection hereinwith;

o) For the above mentioned purposes, to enter into all ventures, do all transactions and deal with all industrial and commercial activities required in connection herein with;

p) to found affiliated companies for activities included in its scope of activities within and outside Turkey and to dispose its own shares in its affiliates already existing or to be founded in the future;

q) to issue all and any dividends and securities in accordance with the provisions of the related legislation;

r) to contribute and donate to established social foundations, associations, universities and similar institutions in accordance with the rules set by the Capital Markets Board.

s) to deal with any other activities to be decided by the General Assembly of Shareholders.

k) to establish and operate power plants and other facilities relevant to electricity in accordance with the current and/or future energy law and regulations and to establish required industry at an every stage of energy production, purchase and sell. For these operations, to obtain relevant permission from governmental organizations;

l) to establish units relevant to energy production, to use any kind of equipment, material and chemicals by obtaining from domestic and international sources for necessary production, procurement and sale of energy and to make domestic and international trade of these materials;

m) to purchase, sell, import, export, store, distribute and retail or to make others distribute all kinds of petroleum products, LPG (Liquid Petroleum Gas) and natural gas in the wholesale and retail market within and outside of Turkey,and to establish, operate, make others operate, take over, turnover, (transfer) or to lease, give a dealership of service stations and maintenance facilities, in order to ensure sale of these products in retail market, to render transportation service through its own or leased sea, rail and road vehicles, partially or entirely to operate on these purposes and subjects to establish a partnership with Company of real or legal persons or other similar partnership or to take the possession of stocks and/or documents representing shares (receipts) of existing shareholders, to sell,if required, to acquire or transfer participations.

n) For the above referred purposes, to purchase, sell, rent and let for rent movables and/or immovable, in accordance with the regulations of the Capital Markets Board to establish other property rights on its own real estates, to stand surety for its participations and to do all kinds of transactions required in connection herein with;

o) In accordance with the regulations of the Capital Markets Board, pledges including mortgages, liens and guarantees may be provided either for its own or for third party's benefit.;

p) for the above mentioned purposes, to enter into all ventures, do all transactions and deal with all industrial and commercial activities required in connection herein with;

q) to found affiliated companies for activities included in its scope of activities within and outside Turkey and to dispose its own shares in its affiliates already existing or to be founded in the future;

r) to issue all and any dividends and securities in accordance with the provisions of the related legislation;

s) to contribute and donate to established social foundations, associations, universities and similar institutions in accordance with the rules set by the Capital Markets Board.

t) to deal with any other activities to be decided by the General Assembly of Shareholders

OLD TEXT

CAPITAL

ARTICLE 6: The Company has accepted the authorized capital system as per the provisions of the Capital Markets Law, no. 2499, and adopted this system under the permission of the Capital Markets Board, no.886, dated 22.11.1990.

a) Authorized Capital:

The authorized capital of the Company is YTL 500,000,000 (five hundred million), divided into 50,000,000,000 (fifty billion) shares each bearing a nominal value of one New Kuruş 1(YKr).

b) Issued Capital and Shares

The issued capital of the Company is YTL 250,419,200 (two hundred fifty million and four hundred nineteen thousand and two hundred), divided into 25,041,920,000 shares each bearing a nominal value of YKr 1 (One YKr).

The shares of the Company are classified in two groups: (A) and (C) group shares registered. The issued capital has been divided into two groups and subscribed to the shareholders in proportion to the shares they currently hold in the capital, as shown herein below, and group (C) shares have been recorded in the shareholders' register.

SHARE CLASS	HOLDERS	CAPITAL (YTL)	TYPE	SHARES
A	Enerji Yatırımları A.Ş.	127,713,792.22	Registered	12,771,379,222
A	Others	122,705,407.77	Registered	12,270,540,777
C	ÖİB	0.01	Registered	1
Total		**250,419,200.00**		**25,041,920,000**

NEW TEXT

CAPITAL

ARTICLE 6: *The Company has accepted the authorized capital system as per the provisions of the Capital Markets Law, no. 2499 and adopted this system under the permission of the Capital Markets Board, no.886, dated 22.11.1990.*

a) Authorized Capital:

The authorized capital of the Company is TL 500,000,000.00 (five hundred million), divided into 50,000,000,000 (fifty billion) shares each bearing a nominal value of one New Kuruş 1(Kr).

The capital ceiling as given by the Capital Markets Board is valid for 2010-2014, (5 years). After 2014, even if the capital has not reached the ceiling or new ceiling level, in order for the Board to make a decision to increase the capital, after obtaining permission from the Capital Markets Board authorization for a new period must be obtained from the General Assembly. Failure to obtain authorization will affect the ejection of the Company from the Registered Capital System.

b) Issued Capital and Shares

The issued capital of the Company is TL 250,419,200.00 (two hundred fifty million and four hundred nineteen thousand and two hundred), divided into 25,041,920,000.00 shares each bearing a nominal value of Kr 1 (One Kr).

The shares of the Company are classified in two groups: (A) and (C) group shares are registered.

The issued capital has been divided into two groups and subscribed to the shareholders in proportion to the shares they currently hold in the capital, as shown herein below, and group (C) shares have been recorded in the shareholders' register.

SHARE CLASS	HOLDERS	CAPITAL (TL)	TYPE	SHARES
A	Enerji Yatırımları A.Ş.	127,713,792.22	Registered	12,771,379,222
A	Others	122,705,407.77	Registered	12,270,540,777
C	ÖİB	0.01	Registered	1
Total		**250,419,200.00**		**25,041,920,000**

c) The Board of Directors is entitled to increase the issued capital of the Company up to the ceiling of the authorized capital.

When the issued capital is increased, the existing shareholders of the Company shall have the right to acquire new shares in proportion to the shares they currently hold in the capital and shall have a pre-emptive right exclusively on the shares issued.

However, (C) group shares will not participate in these capital increases and carry on its existence as 1 unit.

(C) Group shares will carry on its existence until the rights given to these shares are terminated by the decision of Privatization High Council (or the decision of competent authority at that date). In case of a decision to terminate the rights given to (C) group shares, these shares will transform into a (A) group shares.

In connection with Code 5274 regarding the Amendment of the Turkish Commercial Code, the nominal TL 1,000 value of each share has been amended to YKr 1 per share. Because of the amendment, the number of shares has been reduced and shares bearing a nominal value of TL 10,000 (for 10 shares with a value of TL 1,000) will be exchanged for a share with a nominal value of YKr 1. In connection with the transactions of share change, the shareholders' rights arising out of their shares are reserved.

OLD TEXT

RIGHT OF VOTE

ARTICLE 31: Each share bearing a nominal value of 1 New Kuruş (one YKr) carries one (1) voting right at the meetings of the General Assembly of Shareholders.

c) In the period from 2010-2014, in accordance with the regulations of the Capital Markets Board, the Board of Directors are authorized to raise the Company's capital up to the previously announced ceiling level through the issuance of newly registered shares whenever it is deemed appropriate.

When the issued capital is increased, the existing shareholders of the Company shall have the right to acquire new shares in proportion to the shares they currently hold in the capital and shall have a pre-emptive right on exclusively the shares issued. However, (C) group shares will not participate in these capital increases and carry on its existence as 1 unit.

(C) group shares will carry on its existence until the rights given to these shares are terminated by the decision of Privatization High Council (or the decision of competent authority at that date). In case of a decision to terminate the rights given to

(C) group shares, these shares will transform into a (A) group shares.

Previously, while the nominal value of shares was TL 1,000, under Turkish Commercial Law number 5274, this was changed to 1 New Kuruş. In accordance with the Ministerial Decree of April 4th 2007, 2007/11963, the word "New" in the terms New Turkish Lira and New Kuruş were dropped and as of January 1, 2009, the nominal value became 1 Kuruş. This change means that 10 shares of old nominal value TL 1,000 were replaced by one share of nominal value 1 (Yeni) Kuruş. With regards to the change in question, the rights of the shareholders have been reserved.

The "Turkish Lira" expressions used in this contract have been amended according to the abovementioned decree of the Council of Ministers.

NEW TEXT

RIGHT OF VOTE

***ARTICLE 31:** Each share bearing a nominal value of 1 Kuruş (one Kr) carries one (1) voting right at the meetings of the General Assembly of Shareholders.*

REPORT OF AUDITORS

To the Turkey Petrol Rafinerileri A.Ş.
General Meeting,

The results of our audit of the 2009 fiscal period of the Company are hereby presented for your attention.

1. In view of the Turkish Commercial Code and related legislations, it has been confirmed that;

    a. The obligatory books and records have been kept in accordance with the law,

    b. Documents verifying these records have been preserved in an orderly fashion, and

    c. Decisions about the management of the Company are recorded in the casebook in an appropriate manner.

2. In this perspective, taking into consideration the situation of the Company, the attached consolidated financial tables as of December 31, 2009 - prepared in view of the Capital Markets Board's "Communiqué on Principles of Financial Reporting in Capital Markets," Series: XI, No: 29 and of CMB's announcements elaborating on this Communiqué - reflect accurately the consolidated financial situation and the consolidated operational outcomes of the Company.

In conclusion, we hereby present Company operations summarized in the report prepared by the Board, consolidated financial charts prepared in accordance with the Capital Markets regulations and the approval of Board proposal regarding the distribution of profit and the acquittal of the Board, to the kind attention of the General Meeting. Istanbul, 03.03.2010

With regards,

İbrahim Murat Çağlar	**Kemal Uzun**	**Goncagül Ayşe Özgit**
Auditor	Auditor	Auditor

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2009 TOGETHER WITH INDEPENDENT AUDIT REPORT

(ORIGINALLY ISSUED IN TURKISH)

PRICEWATERHOUSECOOPERS

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers
BJK Plaza, Süleyman Seba Caddesi
No:48 B Blok Kat 9 Akaretler
Beşiktaş 34357 İstanbul-Turkey
www.pwc.com/tr
Telephone +90 (212) 326 6060
Facsimile +90 (212) 326 6050

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDIT REPORT ORIGINALLY ISSUED IN TURKISH SEE NOTE 2.2.3

INDEPENDENT AUDIT REPORT

To the Board of Directors of Türkiye Petrol Rafinerileri A.Ş.

1. We have audited the accompanying consolidated financial statements of Türkiye Petrol Rafinerileri A.Ş., its subsidiary and jointly controlled entities (collectively referred to as the "Group") as of 31 December 2009 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Group Management's Responsibility for the Financial Statements

2. The Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the financial reporting standards adopted by the Capital Markets Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the generally accepted auditing principles and standards issued by the CMB. Those principles require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Group management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Türkiye Petrol Rafinerileri A.Ş. as of 31 December 2009, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the financial reporting standards adopted by the CMB (Note 2).

Additional paragraph for convenience translation

5. The financial reporting standards adopted by the CMB as described in Note 2 to the accompanying consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January-31 December 2005. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of PricewaterhouseCoopers

Cansen Başaran Symes, SMMM
Partner

Istanbul, 8 March 2010

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

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

	Notes	31 December 2009	31 December 2008
ASSETS			
Current assets		**5.780.050**	**4.419.956**
Cash and cash equivalents	6	3.149.016	1.466.725
Trade receivables (net)	8	709.799	1.072.248
-Due from related parties	8, 31	112.453	57.044
-Other trade receivables		597.346	1.015.204
Other receivables (net)	9	16.019	18.945
Inventories (net)	10	1.522.493	1.264.035
Other current assets	21	381.539	570.056
Derivative financial instruments	22	444	2.348
Assets held for sale	29	740	25.599
Non-current assets		**4.443.254**	**4.216.842**
Trade receivables (net)	8	1.993	2.429
Financial assets (net)	11	78.581	70.021
Goodwill (net)	15	189.073	189.073
Investment property (net)	12	5.423	5.423
Property, plant and equipment (net)	13	3.572.723	3.369.520
Intangible assets (net)	14	122.779	134.563
Other non-current assets	21	472.682	445.813
TOTAL ASSETS		**10.223.304**	**8.636.798**

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

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.
CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

LIABILITIES			
Current Liabilities		**5.353.550**	**4.113.756**
Short-term financial liabilities (net)	7	1.516.521	1.176.949
Short-term portion of long-term financial liabilities (net)	7	117.400	101.606
Other financial liabilities	7	11.293	9.237
-Due to related parties	7, 31	11.293	9.237
Trade payables (net)	8	2.327.828	1.564.536
-Due to related parties	8, 31	31.668	41.686
-Other trade payables		2.296.160	1.522.850
Advances received	18	9.939	19.760
Provisions	19	82.606	80.579
Current period profit tax provision	28	58.426	2.740
Employee benefits	20	2.180	3.498
Other current liabilities	21	1.222.092	1.132.963
Derivative financial instruments	22	5.196	-
Liabilities directly associated with assets held for sale	29	69	21.888
Non-current Liabilities		**1.090.212**	**966.778**
Long-term financial liabilities (net)	7	520.593	494.508
Other financial liabilities	7	-	9.237
-Due to related parties	7, 31	-	9.237
Trade payables (net)	8	-	2.165
Employee benefits	20	98.815	95.261
Deferred tax liabilities	28	196.754	157.053
Other non-current liabilities	21	274.050	208.554
EQUITY		**3.779.542**	**3.556.264**
Equity attributable to equity holders of the parent			
Share capital	23	250.419	250.419
Adjustment to share capital	23	1.344.243	1.344.243
Share premium		172	172
Financial assets fair value reserve		32.850	30.783
Restricted reserves		125.210	125.210
Currency translation differences		1.891	3.268
Retained earnings		1.184.615	1.331.863
Net income for the year		811.298	432.222
Total equity attributable to equity holders		**3.750.698**	**3.518.180**
Minority interests		**28.844**	**38.084**
TOTAL EQUITY AND LIABILITIES		**10.223.304**	**8.636.798**
Commitments, contingent assets and liabilities	17		

The consolidated financial statements as at and for the year ended 31 December 2009 have been approved by the Board of Directors on 8 March 2010 and signed by İbrahim Yelmenoğlu and Deniz Köseoğlu. These consolidated financial statements will be authorized following their approval in the General Assembly.

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

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

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

	Notes	1 January-31 December 2009	1 January-31 December 2008
Sales (net)	24	20.330.633	30.404.009
Cost of sales (-)	24	(18.781.687)	(28.556.999)
Service income (net)	24	59.250	52.390
Gross profit		**1.608.196**	**1.899.400**
Marketing, selling and distribution expenses (-)	25	(267.484)	(288.701)
General administrative expenses (-)	25	(389.637)	(380.237)
Other income	26	94.442	85.933
Other expense (-)	26	(29.552)	(32.893)
Operating profit		**1.015.965**	**1.283.502**
Financial income	27	251.651	387.727
Financial expenses (-)	27	(252.464)	(1.121.964)
Profit before taxation		**1.015.152**	**549.265**
Income tax expense	**28**	**(199.381)**	**(109.915)**
-Taxes on income		(159.789)	(100.273)
-Deferred tax expense		(39.592)	(9.642)
Profit for the year		**815.771**	**439.350**
Other comprehensive income:			
Change in financial assets fair value		2.176	16.648
Change in foreign currency translation differences		(1.377)	6.230
Tax expenses related to change in financial assets fair value reserve		(109)	(833)
Other comprehensive income (after taxation)		**690**	**22.045**
Total comprehensive income		**816.461**	**461.395**
Distribution of profit for the year:			
Minority interests		4.473	7.128
Attributable to equity holders of the Company		811.298	432.222
Distribution of other comprehensive income:			
Minority interests		4.473	7.128
Attributable to equity holders of the Company		811.988	454.267
Earnings per share with nominal value Kr 1 each	**30**	**3,24**	**1,73**

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

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

	Capital				Other comprehensive income		Retained earnings				
	Share capital	Adjustment to share capital	Share premium	Restricted reserves	Financial assets fair value reserve	Currency translation differences	Retained earnings	Profit for the year	Total equity attributable to equity holders	Minority interests	Total equity
1 January 2008	**250.419**	**1.344.243**	**172**	**125.210**	**14.968**	**(2.962)**	**1.081.826**	**1.298.039**	**4.111.915**	**33.208**	**4.145.123**
Transfers	-	-	-	-	-	-	1.298.039	(1.298.039)	-	-	-
Dividend payment	-	-	-	-	-	-	(1.048.002)	-	(1.048.002)	(2.252)	(1.050.254)
Total comprehensive income	-	-	-	-	15.815	6.230	-	432.222	454.267	7.128	461.395
31 December 2008	**250.419**	**1.344.243**	**172**	**125.210**	**30.783**	**3.268**	**1.331.863**	**432.222**	**3.518.180**	**38.084**	**3.556.264**
1 January 2009	**250.419**	**1.344.243**	**172**	**125.210**	**30.783**	**3.268**	**1.331.863**	**432.222**	**3.518.180**	**38.084**	**3.556.264**
Transfers	-	-	-	-	-	-	432.222	(432.222)	-	-	-
Dividend payment	-	-	-	-	-	-	(579.470)	-	(579.470)	(13.713)	(593.183)
Total comprehensive income	-	-	-	-	2.067	(1.377)	-	811.298	811.988	4.473	816.461
31 December 2009	**250.419**	**1.344.243**	**172**	**125.210**	**32.850**	**1.891**	**1.184.615**	**811.298**	**3.750.698**	**28.844**	**3.779.542**

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

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

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

	Notes	1 January- 31 December 2009	1 January- 31 December 2008
Profit before taxation		1.015.152	549.265
Depreciation and amortisation expense	13, 14	194.067	149.488
Provision for employment termination benefits	20	17.446	22.216
(Income) on sales of property, plant and equipment	26	(405)	(14.241)
(Decrease)/increase in provision for impairment on inventory	10	(68.622)	68.081
Pending claims and lawsuits provision expense	19	4.734	15.443
Provision for EMRA participation share	19	4.362	9.946
Seniority incentive bonus provision	20	1.505	1.153
Provision for unused vacation rights	19	4.243	5.265
Other provisions expense	19	55.774	665
Provision for doubtful receivables	8	3.175	2.506
Interest (expense)/income (net)		11.774	(51.249)
Unearned credit finance (expense)/income, (net)		10.265	(5.568)
Loss/(gain) on sales of investments	26	1.380	(5.554)
Foreign exchange (gains)/losses on borrowings	27	(8.416)	164.887
Foreign currency translation differences		(1.377)	6.230
Net cash provided by operating activities before changes in operating assets and liabilities		**1.245.057**	**918.533**
Net changes in the operating assets and liabilities:			
Decrease in trade receivables		349.318	707.754
Decrease/(increase) in other assets		118.674	(134.688)
(Increase)/decrease in inventories		(189.836)	937.244
Increase/(decrease) in trade payables		760.819	(931.000)
Increase/(decrease) in other liabilities		122.985	(37.066)
Taxes paid		(101.363)	(289.037)
Employment termination benefits paid	20	(15.566)	(25.622)
Pending claims and lawsuits expenses paid	19	(2.654)	(4.322)
Unused vacation liabilities paid	19	(3.459)	(3.031)
Seniority incentive bonus paid	20	(1.149)	(1.345)
EMRA participation share paid	19	(4.973)	(7.578)
Other provisions paid	19	(56.000)	(9.363)
Net cash provided by operating activities		**2.221.853**	**1.120.479**
Investing activities:			
Purchase of property, plant and equipment	13	(391.762)	(512.969)
Proceeds from sale of property, plant and equipment		9.863	19.032
Purchase of intangible assets	14	(3.204)	(13.491)
Purchase of financial assets	11	-	(216)
Contribution to financial assets capital increases	11	(6.384)	(602)
Proceeds from sales of investments		2.670	4.576
Interest received		165.666	135.424
Net cash used in investing activities		**(223.151)**	**(368.246)**
Financing activities:			
Change in derivative financial instruments		7.100	(8.592)
Proceeds from bank borrowings, (net)		417.801	801.635
Dividends paid		(593.183)	(1.050.254)
Interest paid		(219.938)	(61.027)
Net cash used in financing activities		**(388.220)**	**(318.238)**
Net increase in cash and cash equivalents		1.610.482	433.995
Cash and cash equivalents at the beginning of the year	6	**1.261.420**	**827.425**
Cash and cash equivalents at the end of the year	6	**2.871.902**	**1.261.420**

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

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

NOTE 1-ORGANISATION AND NATURE OF OPERATIONS

Türkiye Petrol Rafinerileri A.Ş. ("Tüpraş" or the "Company") was established on 16 November 1983. The Company is mainly engaged in the following fields:

- To provide and refine crude oil, to import and export petroleum products when necessary, and to establish and operate domestic and foreign refineries for this purpose,
- To establish and operate factories and facilities in petrochemical and other related industries,
- To provide the necessary raw and supplementary materials and process, produce or trade these materials in order to obtain petrochemical and other related products,
- To package the products produced during various phases of production and to establish a packaging industry for this purpose, to evaluate and/or to sell waste, by products and substandard products, to establish and operate the necessary facilities for the destruction of the waste products,
- To establish and operate facilities and plants related with all kinds of energy and energy related industries within the framework of the laws and regulations. To obtain, use and trade all kinds of equipment, materials and chemical substances for this purpose,
- To purchase, sell, import, export, store, market and distribute (wholesale, retail, foreign and domestic) all kinds of petroleum products, LPG and natural gas; to establish, operate and transfer retail stations and maintenance facilities, to take over, rent, give distributorship in order to provide the retail sales of these products, to provide transportation services with its own vehicles or leased vehicles, to establish marketing and distributing companies or similar partnerships with legal entities or real persons or to acquire, transfer or sell the shares of partnerships, when necessary.

The main operations of Tüpraş, its subsidiaries and its joint ventures (collectively referred as "the Group") are in Turkey and the Group's business segments have been identified as refining and distribution.

The Company is registered at the Capital Markets Board ("CMB") and its shares have been quoted at the Istanbul Stock Exchange ("ISE") since 1991. As at 31 December 2009, the shares quoted on the Istanbul Stock Exchange are 49% of the total shares. At 31 December 2009, the principal shareholders and their respective shareholdings in the Company are as follows (Note 23):

	%
Enerji Yatırımları A.Ş.	51,00
Publicly held	49,00
	100,00

The nature of the business of the subsidiaries and joint ventures of Tüpraş included in the scope of consolidation is as follows:

Subsidiary	Country of incorporation	Nature of business
Ditaş Deniz İşletmeciliği ve Tankerciliği A.Ş. ("Ditaş")	Turkey	Crude oil and petroleum products transportation
Üsküdar Tankercilik A.Ş. ("Üsküdar")	Turkey	Crude oil and petroleum products transportation
Damla Denizcilik A.Ş. ("Damla")	Turkey	Crude oil and petroleum products transportation
Kadıköy Tankercilik A.Ş. ("Kadıköy")	Turkey	Crude oil and petroleum products transportation
Beykoz Tankercilik A.Ş. ("Beykoz")	Turkey	Crude oil and petroleum products transportation

Joint Venture	Country of incorporation	Nature of business
Opet Petrolcülük A.Ş. ("Opet")	Turkey	Petroleum products retail distribution
Opet International Limited ("Opet International")	United Kingdom	Petroleum products trading
Opet Trade B.V.	Netherlands	Petroleum products trading
Opet Trade Ireland (*)	Ireland	Petroleum products trading
Opet Trade Singapore	Singapore	Petroleum products trading
Tasfiye Halinde Opet Gıda ve İhtiyaç Maddeleri Turizm Sanayi İç ve Dış Ticaret A.Ş. ("Opet Gıda") (**)	Turkey	Food distribution

(*) The liquidation process of Opet Trade Ireland, a joint venture of the Group, started on 31 May 2009 and its assets and liabilities directly associated with those assets have been classified as assets held for sale in the balance sheet as of 31 December 2009 (Note 29).

(**) Opet Gıda ceased its operations as of 1 August 2003.

Opet Aygaz Bulgaria EAD and TBS Denizcilik ve Petrol Ürünleri Ticaret A.Ş. ("TBS"), joint ventures of the Group, were sold in 2008 and as of 22 April 2009, respectively, whereas Opet Aygaz BV, a joint venture of the Group was liquidated in 2009.

The total number of employees of the Group as at the year ended on 31 December 2009 is 5.267 (31 December 2008: 5.467).

As of the date of these consolidated financial statements, the address of the registered office is as follows:

Türkiye Petrol Rafinerileri A.Ş.
Petrol Caddesi, 41002
Körfez, Kocaeli

NOTE 2-BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 BASIS OF PRESENTATION

2.1.1 Financial reporting standards

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

With the decision taken on 17 March 2005, the CMB 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 CMB Financial Reporting Standards. Accordingly, International Accounting Standard ("IAS") 29 ("Financial Reporting in Hyperinflationary Economies"), issued by the IASB, has not been applied in the consolidated financial statements for the fiscal year commencing from 1 January 2005.

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

The Group maintains its books of account and prepares its statutory financial statements ("Statutory Financial Statements") in Turkish Lira in accordance with the requirements of the Turkish Commercial Code (the "TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The consolidated financial statements are prepared in Turkish Lira ("TL") based on the historical cost convention except for the financial assets and liabilities which are expressed with their fair values. These consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with CMB Financial Reporting Standards.

2.1.2 Amendments in International Financial Reporting Standards (IFRS)

Standards, amendments and interpretations that are effective in 2009 and applied by the Group:

The following standard has been published in order to be applied during accounting periods beginning on or after 1 January 2009. The standard has been applied by the Group after date of validity.

IAS 1 (Amendment), "Presentation of Financial Statements": In order to increase benefit from information presented on financial statements, IAS 1 that was revised prevents income and expense items of shares without controlling power to be shown on the statements of changes in equity. Instead, all changes regarding shares that do not have controlling power will be stated on a performance statement. Companies are free to choose a single performance statement (statement of comprehensive income) or to choose both statements together (statement of income and statement of comprehensive income).

Starting the issuing of a new financial statement called statement of comprehensive income and restatement of previous periods' financial statements in new periods or application of new accounting policies on previous periods' retrospectively on a third column are the main amendments on the standard. The Group has prepared condensed consolidated financial statements as of 31 December 2009 considering the amendments in IAS 1 (See Statement of Comprehensive Income).

Standards, amendments and interpretations effective in 2009, but not relevant to the Group's financial statements:

- IAS 23 (Revised), "Borrowing costs"
- IAS 32, "Financial instruments: Presentation"-Amendment on puttable financial instruments and obligations arising on liquidation
- IFRS 8, "Operating segments"
- IFRS 2, "Share-based payment"
- IFRS 7, "Financial instruments-Disclosures"
- IFRIC 15, "Agreements for the construction of the real estates"
- IFRIC 16, "Hedges of a net investment in a foreign operation"

Standards, amendments and interpretations to existing standards that are not yet effective in 2009 and have not been early adopted by the Group

Effective for annual periods beginning on or after 1 July 2009:

- IAS 27 (Amendment), "Consolidated and separate financial statements"
- IAS 31 (Amendment), "Interests in joint ventures"-Amendment on purchase method
- IAS 38 (Amendment), "Intangible assets"
- IFRS 3 (Amendment), "Business combinations"
- IFRIC 17, "Distributions of non-cash assets to owners"

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Effective for the annual periods beginning on or after 1 January 2010:

- IAS 1 (Amendment), "Presentation of financial statements"
- IAS 24 (Amendment) "Related part explanations"
- IFRS 2 (Amendment), "Share based payments
- IFRS 5 (Amendment), "Non-current assets held for sale and discontinued operations"

The Group will evaluate the effect of the aforementioned changes on its operations and apply changes starting from 1 January 2010. It is expected that the application of the standards and the interpretations above will not have a significant effect on the consolidated financial statements of the Group.

2.1.3 Financial statements of joint ventures operating in foreign countries

Financial statements of joint ventures operating in foreign countries are prepared according to the legislation of the country in which they operate, and adjusted to the CMB Financial Reporting Standards to reflect the proper presentation and content. Foreign joint ventures' assets and liabilities are translated into TL with the foreign exchange rate at the balance sheet date. Exchange differences arising from the retranslation of the opening net assets of foreign undertakings and differences between the average and balance sheet date rates are included in the "currency translation differences" under equity.

2.1.4 Basis of consolidation

a) The consolidated financial statements include the accounts of the parent company, Tüpraş, its subsidiary and its joint ventures on the basis set out in sections (b), (c) (d) and (e) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and in accordance with CMB Financial Reporting Standards and the Group accounting policies.

b) A Subsidiary is a company in which the Company has the power to control the financial and operating policies for the benefit of the Company, either (i) through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and companies whereby the Company exercises control over the voting rights of (but does not have economic benefit of) the shares held by them, or (ii) although not having the power to exercise more than 50% of the voting rights, through the exercise of an actual dominant influence over the financial and operating policies.

The table below shows the total interest of the Company in its subsidiaries included in the scope of the consolidation as of 31 December 2009 and 2008:

	2009		2008	
	Direct and indirect voting rights possessed by the Company(%)	Proportion of effective interest (%)	Direct and indirect voting rights possessed by the Company(%)	Proportion of effective interest (%)
Subsidiary				
Ditaş	79,98	79,98	79,98	79,98
Üsküdar	79,98	79,98	79,98	79,98
Damla	79,98	79,98	79,98	79,98
Beykoz (*)	79,98	79,98	-	-
Kadıköy (*)	79,98	79,98	-	-

(*) Beykoz and Kadıköy, subsidiaries of Ditaş, are established to operate in crude oil and petroleum products transportation in March 2009.

The balance sheet and statement of comprehensive income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company is eliminated against the related equity. Intercompany transactions and balances between the Company and its subsidiary are eliminated on consolidation. The cost of and the dividends arising from, shares held by the Company in its subsidiary are eliminated from equity and income for the year, respectively.

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

c) Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by Tüpraş and one or more other parties. The Group exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly and indirectly by itself whereby Tüpraş exercises control over the voting rights of (but does not have the economic benefit of) the shares held by them. The Group's interest in Joint Ventures is accounted for by way of proportionate consolidation. According to this method, the Group includes its share of the assets, liabilities, income and expenses of each Joint Venture in the relevant components of the financial statements.

The table below shows the total interest of the Company in its joint ventures included in the scope of consolidation as of 31 December 2009 and 2008:

	2009		2008	
	Direct and indirect voting rights possessed by the Company (%)	Proportion of effective interest (%)	Direct and indirect voting rights possessed by the Company (%)	Proportion of effective interest (%)
Joint Ventures				
Opet	50,00	40,00	50,00	40,00
Opet Aygaz B.V. (*)	-	-	25,00	20,00
Opet Gıda	50,00	39,99	50,00	39,99
Opet International	50,00	40,00	50,00	40,00
Opet Trade B.V.	50,00	40,00	50,00	40,00
Opet Trade Ireland	50,00	40,00	50,00	40,00
Opet Trade Singapore	50,00	40,00	50,00	40,00
TBS (*)	-	-	25,00	9,99

(*) Due to the fact that Opet Aygaz BV was liquidated and TBS was sold during the year 2009, they were excluded from the scope of consolidation (Note 29).

d) Other investments in which the Group has interest below 20%, or over which the Group does not exercise a significant influence, or which are immaterial, are classified as available-for-sale. Available-for-sale investments that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value (Note 11).

e) The minority shareholders' share of the net assets and results for the period for the subsidiaries are classified separately in the consolidated balance sheets and statements of comprehensive income as minority interest. The portions of these shareholders stated as minority interests in the consolidated financial statements are not included in the net assets and operating results of the Group.

2.2 CHANGES IN ACCOUNTING POLICIES

2.2.1 Comparative information and restatement of prior year financial statements

Where necessary comparative figures have been reclassified to conform to changes in the current year presentation.

In order to allow for the determination of the financial situation and performance trends, the Group's consolidated financial statements have been presented comparatively with the previous year. The Group presented the consolidated balance sheet as of 31 December 2009 comparatively with the consolidated balance sheet as of 31 December 2008, the consolidated statement of comprehensive income, consolidated cash flows and statement of changes in equity for the year ended 31 December 2009 comparatively with the consolidated financial statements for the year ended 31 December 2008.

The reclassifications made in the comparative financial statements during the preparation of the consolidated financial statements for the year ended 31 December 2009 are as follows:

- Other tangible fixed assets amounting to TL 63.072 thousand, which were classified under "property, plant and equipment" in the consolidated balance sheet as of 31 December 2008, have been reclassified as spare parts and materials under "other non-current assets" (Note 21).

- Deposits and guarantees received amounting to TL 1.429 thousand, which were classified under "trade receivables" in the consolidated balance sheet as of 31 December 2008, have been reclassified under "other current assets" (Note 21).

2.2.2 Offsetting

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

2.2.3 Convenience translation into English of consolidated financial statements originally issued in Turkish

The financial reporting standards adopted by the CMB as described in Note 2.1 to these consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January-31 December 2005. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with IFRS.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of the consolidated financial statements are summarized below:

2.3.1 Cash and cash equivalents

The cash and cash equivalents are carried at cost in the consolidated balance sheet at cost. Cash and cash equivalents consist of cash on hand, deposits at banks and highly liquid investments with maturity periods of three months or less (Note 6).

2.3.2 Trade receivables and provision for impairment

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortised cost.

A credit risk provision for trade receivables is established when there is objective evidence that the Group is not able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income (Note 8).

2.3.3 Related parties

For the purpose of these consolidated financial statements, shareholders, key management personnel, Board of Directors members and Koç Group companies including their family members and companies controlled by or affiliated with them are considered and referred to as related parties (Note 31).

2.3.4 Inventories

Inventories are valued at the lower of acquisition cost or net realisable value. The cost components of inventories include materials, conversion costs and other costs that are necessary to bring the inventories to their present location and condition. The cost of inventories is determined on the weighted average cost basis. As during the production process more than one product produced from single raw material inputted, the costs of conversion of each product are not separately identifiable. In order to allocate the costs of conversion between the products on a rational and consistent basis, the approach used by the Company for the allocation is based on the relative sales prices of each product.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 10).

2.3.5 Spare parts and material stocks

Spare parts and material stocks are valued at the lower of cost or net realisable value. The cost elements of spare parts and material stocks include materials and other costs that are necessary to bring them to their present location and condition. The cost of spare parts and material stocks is determined on the weighted average cost basis. The Group has provided provision for the slow-moving spare parts and material stocks.

2.3.6 Available-for-sale investments

All investment securities are recognized at cost including acquisition charges associated with the investment. Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in macro-economic environment are classified as "available-for-sale investments". These investments included in non-current assets unless management has not indented to realize gain from asset in short term or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Group management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such classification on a regular basis.

At every balance sheet date, the Group assesses whether there is objective evidence that a financial asset on a group of financial assets is impaired. For financial instruments classified as available for sale a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator of impairment. If such evidence exists for an available for sale financial asset, cumulative net loss recorded by decreasing the fair value gain on the financial asset previously recorded as "financial asset fair value reserve" within equity. The amount of impairment exceeding the fair value reserve is recorded as expense in the statement of comprehensive income for the year.

After initial recognition, investment securities that are classified as available-for-sale are measured at fair value unless fair value cannot be reliably measured. The unrealised gains and losses arising from changes in the fair value of available-for-sale securities are deferred in the equity under "financial assets fair value reserve" until the financial asset is sold, collected or otherwise disposed of. When available-for-sale securities are sold, collected or otherwise disposed of, related deferred gains and losses in equity are released to the statement of comprehensive income.

When the financial asset is not traded in an active market and fair value of the asset cannot be measured reliably, the fair value of the financial asset is identified by using valuation techniques. These valuation techniques include the use of recent transactions under market conditions or by considering other similar investment instruments and discounted cash flows performed by considering the specific conditions of the company invested in.

Other financial assets in which the Group has an interest below 20%, that do not have a quoted market price in active markets and whose fair value cannot be measured reliably, are carried at cost, if applicable, less any provision for diminution in value. Available-for-sale investments that have a quoted market price in active markets and whose fair values can be measured reliably are carried at fair value (Note 11).

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

2.3.7 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Historical costs include the costs directly related to the acquisition of property plant and equipment. Costs incurred after the acquisition can be added to the net book value of the assets or can be booked as another asset if and only if it is probable that the future economic benefits will flow to the Group and cost of the asset can be measured reliably. All other repair and maintenance costs are expensed in the consolidated statement of comprehensive income for the period. Depreciation is provided using the straight line method based on the estimated useful lives of gross book value of assets (Note 13).

As discussed in Note 3, the property, plant and equipment purchased with the Opet acquisition are recorded in these consolidated financial statements with their provisional values at 28 December 2006, the date of acquisition, in accordance with IRFS 3, and are being depreciated over their remaining useful lives.

The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

Useful life	
Land and land improvements	3-50 years
Buildings	5-50 years
Machinery and equipment	3-50 years
Motor vehicles	4-20 years
Furniture and fixtures	2-50 years

Land is not depreciated as it is deemed to have an indefinite useful life.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (Note 2.3.11). Recoverable amount is the higher of asset net selling price or value in use. Net selling price is calculated by deducting the selling costs from the fair value of the asset. Value in use is calculated as the discounted value of the estimated future cash flows the entity expects to derive from the asset. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their restated carrying amounts and are included in the related income and expense accounts, as appropriate.

2.3.8 Intangible assets

Intangible assets include rights and software, customer relations, Opet brand value and usufruct rights and distribution agreements (Note 14).

a) Rights and software

Rights and software are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful lives of such assets not exceeding 5 years. Usufruct rights are composed of agreements made with distribution dealers to secure operations. Usufruct rights acquired with the Opet acquisition are initially recognised over their fair value in accordance with IFRS 3 and started to be amortised using straight line method through their remaining useful lives, commencing from the date of acquisition, 28 December 2006.

b) Customer relationships

According to IFRS 3, if an entity establishes relationships with its customers through contracts, those customer relationships also meet the contractual/legal criterion for identification as intangible assets when an entity has a practice of establishing contracts with its customers, regardless of whether a contract exists at the date of acquisition.

Customer relationships acquired with the Opet acquisition were initially recognised over their fair value in accordance with IFRS 3 and amortised using straight line method through their remaining useful lives of 14 years commencing from the date of acquisition, 28 December 2006 (Note 14).

c) Opet brand value

Opet brand value acquired with the Opet acquisition was initially recognised over its fair value in accordance with IFRS 3 and amortised using straight line method through its remaining useful life of 10 years commencing from the date of acquisition, 28 December 2006 (Note 14).

d) LPG distribution contracts

LPG distribution contracts acquired with the Opet acquisition were initially recognised over their fair values in accordance with IFRS 3 and amortised using straight line method through their remaining useful lives of 13 years commencing from the date of acquisition, 28 December 2006 (Note 14).

2.3.9 Business combinations and goodwill

Business combinations are accounted for using the acquisition method in accordance with IFRS 3. The cost of a business combination is allocated by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Any excess of the acquirer's interest over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination cost is accounted for as goodwill. In business combinations, the acquirer recognizes identifiable assets, intangible assets (such as trademarks) and/or contingent liabilities which are not included in the acquiree's financial statements and which can be separated from goodwill, at their fair values in the consolidated financial statements. Goodwill recognised in business combinations is tested for impairment annually or more often under when circumstances indicating impairment risk.

The excess of the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the business combination is accounted for as income in the related period.

For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of combination. The Group considered the significant position of Opet in the domestic market and the synergy expected from its cooperation with Tüpraş as the main reason leading to generation of goodwill related to the Opet acquisition dated 28 December 2006. Therefore, the Group management evaluated Opet, its subsidiaries and its joint ventures as one cash-generating unit.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is affected, because either the fair values to be assigned to be acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination can be determined only provisionally, the acquirer shall account for the combination using those provisional values. The acquirer shall complete the merger accounting made provisionally, within twelve months of the acquisition date; and adjust the consolidated financial statements from the acquisition date.

2.3.10 Investment property

Land and buildings held for the purposes of long-term rental yields, for capital appreciation or both rather than land and buildings held in the production or supply of goods or services, for administrative purposes and for sale in the ordinary course of business, are classified as "investment property". Investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses. Investment properties are depreciated with the straight-line depreciation method over their useful lives.

Investment properties are reviewed for possible impairment losses and where the carrying amount of the investment property is greater than the estimated recoverable amount, it is written down to its recoverable amount. The recoverable amount of the investment property is the higher of future net cash flows from the utilisation of this investment property or fair value less costs to sell (Note 12).

2.3.11 Impairment of assets

The Group rewiews all tangible and intangible assets except goodwill for indicators of impairment at every balance sheet date. If any indication of impairment exists, carrying value of the asset is compared with its recoverable amount which is the higher of value in use or fair value less costs to sell. Impairment exists when carrying value of the asset or cash generating unit that the asset belongs to is higher than the recoverable amount. An impairment loss is recognised immediately in the consolidated statement of comprehensive income.

An impairment loss recognised in prior periods for an asset is reversed if the subsequent increase in the asset's recoverable amount is caused by a specific event since the last impairment loss was recognised. Such a reversal amount cannot be higher than the previously recognised impairment and is recognized as income in the consolidated financial statements. The reversal of the impairment is recognized in the comprehensive income statement. Net book value of goodwill arising from acquisition of Opet is evaluated annually and impairment is recorded when necessary considering a significant on prolonged decline (Not 2.5-c).

2.3.12 Prepaid station rent contracts

Prepaid station rent contracts obtained through the Opet acquisition have been recognised over their fair values as at 28 December 2006 and contracts obtained after acquisition date have been recognized over their acquisition cost, in accordance with IFRS 3. All prepaid station contracts are amortised using straight line method over the remaining contract period (Note 21).

2.3.13 Borrowing costs

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings. The transaction costs and borrowing commissions are also recognised in the consolidated statement of comprehensive income over the outstanding period of the borrowing.

When borrowing cost include foreign currency gains, such gains are netted off from the total capitalized borrowing costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until the assets are ready to be used or are ready for sale.

Other borrowing costs are charged to the consolidated statement of comprehensive income when they are incurred.

2.3.14 Finance and operating leases

The Group as the lessee

Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges in order to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in leasing payable. The interest element of the finance cost is charged to the consolidated statement of comprehensive income over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Obligations under finance leases are stated in the consolidated financial statements at the acquisition values of the related property, plant and equipment. Future interest payments inherent in the lease contract are charged to the consolidated statement of comprehensive income over the period of the lease.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

The Group as the lessor

Operating leases

Assets leased by operational lease are classified under property plant and equipment at the consolidated balance sheet and rent income is recognized equally during the rent period in consolidated statement of comprehensive income. Rent income is recognised in the consolidated statement of comprehensive income using the straight line method during the rent period.

2.3.15 Deferred taxes

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities. Deferred tax assets and deferred tax liabilities are classified as long-term in the consolidated financial statements (Note 28).

2.3.16 Provision for employment termination benefits

Provision for employment termination benefits represent the present value of the estimated total reserve of the future probable obligation of the Group arising in case of the retirement of the employees upon the completion of minimum one year service calculated in accordance with the Labour Law (Note 20).

2.3.17 Seniority incentive bonus provision

The Group has an employee benefit plan called "Seniority Incentive Bonus" ("Bonus") which is paid to employees with a certain level of seniority. Seniority incentive bonus provision represents the present value at the date of the consolidated balance sheet of the estimated total reserve of the probable future obligations (Note 20).

2.3.18 Transactions in foreign currency

Transactions in foreign currencies during the year have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira at the exchange rates prevailing at the balance sheet dates. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognised in the consolidated statement of comprehensive income except the ones that are capitalised (Note 2.3.13).

2.3.19 Revenue recognition

Revenue is based on the invoiced amount of products sold and services given. Revenues are recognised on an accrual basis at the time deliveries or acceptances are made, when the amount of revenue can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of consideration received or receivable. Risks and rewards are transferred to customers, when the transfer of ownership has realised. Net sales represent the invoiced value of goods sold less sales returns and commission and exclude related taxes.

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised as interest income on a time proportion basis that takes into account the effective yield on the asset.

Commission income is recorded on an accrual basis according to the LPG sales agreements with Aygaz A.Ş. and Mogaz Petrol Gazları A.Ş.

Rent income is recorded on an accrual basis considering related rent contracts.

Dividend income is recognised when the Group's right to receive dividend is established.

2.3.20 Derivative financial instruments

Derivative financial instruments are recorded with their acquisition costs and transactions costs for those assets are also included to their acquisition costs. Derivative financial assets are reported with fair values in subsequent periods. Fair value differences of those derivative assets are reflected in consolidated comprehensive income statements (Note 22).

2.3.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions, as of the balance sheet date, are recorded with the best estimate of management in order to provide for the estimated obligation and are discounted, if they are material for the consolidated financial statements.

2.3.22 Commitments, contingent assets and liabilities

Contingent assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, are not included in the consolidated financial statements and are treated as contingent assets or liabilities (Note 17).

2.3.23 Dividends

Dividend receivables are recognised as income in the period that entitlement right arises. Dividend payables are recognised in the consolidated financial statements as a result of profit distribution in the period they are declared.

2.3.24 Earnings per share

Earnings per share for each class of shares disclosed in the consolidated statement of comprehensive income is determined by dividing the consolidated net income for the year attributable to that class of shares by the weighted average number of shares of that class that have been outstanding during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to shareholders' equity. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the period in which they were issued and for each earlier period.

2.3.25 Cash flows

The Group prepares cash flows as an integral part of the consolidated financial statements to provide information about the changes in the net assets and financial structure of the Group and the ability of the Group to manage the amount and timing of cash flows according to changing circumstances.

2.3.26 Assets held for sale and liabilities directly associated with such assets

Asset groups are classified as assets held for sale when book value of the asset intended to be recovered by a sales transaction rather than by their utilization. Liabilities that are directly related with those assets are grouped similarly. Corresponding asset groups are accounted with the minimum of either their book value net of liabilities directly associated with them or their fair value net of sales costs.

2.4. CHANGES IN ACCOUNTING POLICES, ACCOUNTING ESTIMATES AND ERRORS

Significant changes in accounting policies and correction of significant accounting errors are applied retrospectively and prior period financial statements are restated. If changes in accounting estimates are related to only one period, they are recognised in the period when changes are applied; if changes in estimates are related to future periods, they are recognised both in the period where the change is applied and future periods prospectively.

2.5. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below:

a) Purchase price allocation:

The Group has made certain estimations and assumptions during the purchase price allocation process related to the Opet acquisition.

b) Economic useful lives:

Tangible assets, investment property and intangible assets, except for goodwill, have been depreciated and amortized by using estimated useful lives. Estimated useful lives determined by management have been disclosed in Note 2.3.7 and Note 2.3.8.

c) Goodwill impairment tests:

As explained in the accounting policy note 2.3.9, the Group performs impairment tests on goodwill annually, or more often under circumstances indicating impairment risk. The recoverable amount of the cash generating unit has been determined based on the fair value less costs to sell calculations. Those calculations are based on specific expectations and assumptions. The Group has not identified any impairment on the goodwill amount as of 31 December 2009, as a result of these tests (Note 15).

NOTE 3-BUSINESS COMBINATIONS

No business combinations occurred during the years 2009 and 2008.

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

NOTE 4-JOINT VENTURES

Summary financial information on Joint Ventures

The summary consolidated financial information of the joint ventures of the Group, prior to the consolidation adjustments, which is included proportionately in the consolidated financial statements, is as follows:

	2009	2008
Current assets	551.368	428.983
Non-current assets	544.989	537.159
Total assets	**1.096.357**	**966.142**
Current liabilities	507.754	455.239
Non-current liabilities	116.850	111.653
Equity	471.753	399.250
Total liabilities and equity	**1.096.357**	**966.142**

	2009	2008
Sales (net)	2.944.398	3.371.146
Gross profit	226.805	227.722
Operating profit	130.131	120.283
Net income/(loss) for the period	67.940	(12.508)

NOTE 5-SEGMENT REPORTING

Considering that the primary source and nature of the Group's risks and returns are the developments in the energy industry, the Group management considers business segment as the format for reporting segment information. Group's business segments have been identified as refining and distribution following the acquisition of Opet shares on 28 December 2006. The Group has presented its segment information, composed of refining and distribution segments, in its consolidated financial statements.

a) Segment sales (net)

	2009	2008
Refining	17.575.525	27.212.369
Distribution	2.814.358	3.244.030
	20.389.883	**30.456.399**

b) Segment operating profit

	2009	2008
Refining	885.834	1.163.219
Distribution	130.131	120.283
	1.015.965	**1.283.502**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

c) Segment analysis

1 January-31 December 2009	Refining	Distribution	Inter-segment adjustment	Consolidated Total
External revenue	17.575.525	2.814.358	-	20.389.883
Inter-segment revenue	554.019	130.040	(684.059)	-
Revenue	**18.129.544**	**2.944.398**	**(684.059)**	**20.389.883**
Cost of sales	**(16.748.153)**	**(2.717.593)**	**684.059**	**(18.781.687)**
Gross profit	**1.381.391**	**226.805**	**-**	**1.608.196**
Operating expenses	(503.380)	(153.741)	-	(657.121)
Other income	31.586	62.856	-	94.442
Other expenses	(23.763)	(5.789)	-	(29.552)
Operating profit	**885.834**	**130.131**	**-**	**1.015.965**

1 January-31 December 2008	Refining	Distribution	Inter-segment adjustment	Consolidated Total
External revenue	27.212.369	3.244.030	-	30.456.399
Inter-segment revenue	830.201	127.116	(957.317)	-
Revenue	**28.042.570**	**3.371.146**	**(957.317)**	**30.456.399**
Cost of sales	**(26.370.892)**	**(3.143.424)**	**957.317**	**(28.556.999)**
Gross profit	**1.671.678**	**227.722**	**-**	**1.899.400**
Operating expenses	(499.565)	(169.373)	-	(668.938)
Other income	18.646	67.287	-	85.933
Other expense	(27.540)	(5.353)	-	(32.893)
Operating profit	**1.163.219**	**120.283**	**-**	**1.283.502**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

d) Segment assets and liabilities

Segment assets

	2009	2008
Refining	9.157.965	7.728.793
Distribution	1.055.459	903.021
Total	**10.213.424**	**8.631.814**
Assets held for sale	740	25.599
Financial assets-available for sale	78.581	70.021
Less: Inter-segment adjustments	(69.441)	(90.636)
Consolidated total assets	**10.223.304**	**8.636.798**

Segment liabilities

	2009	2008
Refining	5.655.724	4.450.278
Distribution	590.347	514.943
Total	**6.246.071**	**4.965.221**
Assets held for sale	69	21.888
Deferred tax liabilities (Note 28)	196.754	157.053
Corporate income tax provision (Note 28)	58.426	2.740
Less: Inter-segment adjustments	(57.558)	(66.368)
Consolidated total liabilities	**6.443.762**	**5.080.534**

e) Property, plant and equipment, intangible asset and investment property purchases and depreciation and amortisation

Investments on property, plant and equipment, intangible asset and investment property:

	2009	2008
Refining	372.196	543.569
Distribution	22.770	57.829
	394.966	**601.398**

Depreciation and amortisation

Refining	(166.258)	(122.778)
Distribution	(27.809)	(26.710)
	(194.067)	**(149.488)**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

NOTE 6-CASH AND CASH EQUIVALENTS

	2009	2008
Cash on hand	4	8
Cash at banks		
Demand deposits with special interest rates	414.194	396.793
Time deposits	2.703.092	1.043.304
Demand deposits	13.993	18.563
Other	3.878	1.585
Accrued interest receivable	13.855	6.472
	3.149.016	**1.466.725**

Demand deposits with special interest rates

At 31 December 2009, TL 414.194 thousand (31 December 2008: TL 396.793 thousand) of the demand deposits at banks are demand deposits with special interest rates. The Group generates daily interest income from these deposits. At 31 December 2009, the effective interest rates of the TL and USD denominated demand deposits with special interest rates are 9,88% and 2,54%, respectively (31 December 2008: 16,53% and daily Libor).

At 31 December 2009, foreign currency denominated demand deposits with special interest rates amount to TL 96.443 thousand equivalent to USD 63.535 thousand, EUR 360 thousand (31 December 2008: TL 61.466 thousand equivalent to USD 40.631 thousand and 8 thousand EUR and 1.000 GBP).

As required by the Petroleum Market Licence Regulation, the revenue share collected by the Group is blocked in banks and invested as demand deposits with special interest rates (Note 21). As of 31 December 2009, the revenue share blocked as demand deposits with special interest rates amounts to TL 263.823 thousand (31 December 2008: TL 198.952 thousand).

Time deposits and other cash and cash equivalents

As of 31 December 2009 and 31 December 2008, the maturity and the currency information of the time deposits, is as follows:

31 December 2009	Less than 1 month	1-3 months	3-12 months	Total
TL	1.443.267	-	-	1.443.267
USD	1.223.519	9.606	26.672	1.259.797
EURO	28	-	-	28
Time deposit	**2.666.814**	**9.606**	**26.672**	**2.703.092**

31 December 2008	Less than 1 month	1-3 months	3-12 months	Total
TL	192.672	-	-	192.672
USD	821.596	-	-	821.596
EURO	29.036	-	-	29.036
Time deposit	**1.043.304**	**-**	**-**	**1.043.304**

Effective interest rate of TL time deposits is 9,95%, effective interest rate of USD time deposits is 2,75% and effective interest rate of EUR time deposits is 0,25% (31 December 2008: TL 20,65%, USD 6,99%, EUR:7,55%).

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Other cash and cash equivalents at 31 December 2009 consist of credit card receivables amounting to TL 3.878 thousand (31 December 2008: credit card receivables amounting to TL 1.574 thousand and reverse repurchase agreements amounting to TL 11 thousand).

Cash and cash equivalents included in the consolidated statements of cash flows for the years ended 31 December 2009 and 2008 are as follows:

	2009	2008
Cash and cash equivalents	3.149.016	1.466.725
Blocked deposits (Revenue share)	(263.823)	(198.952)
Cash and cash equivalents of assets held for sale	564	119
Less: Time deposit interest accruals	(13.855)	(6.472)
Cash and cash equivalents for cash flow purposes	**2.871.902**	**1.261.420**

NOTE 7-FINANCIAL LIABILITIES

	2009	2008
Short-term financial liabilities:		
Short-term financial liabilities	1.502.576	1.131.952
Interest expense accruals	13.945	44.997
	1.516.521	**1.176.949**
Short-term portion of long-term financial liabilities:		
Short-term portion of long-term financial liabilities	115.122	95.265
Interest expense accruals	2.278	6.341
	117.400	**101.606**
Long-term financial liabilities:		
Long term financial liabilities	520.593	494.508
Total financial liabilities	**2.154.514**	**1.773.063**

Other financial liabilities as of 31 December 2009 and 2008 include the following borrowings from the related parties:

	2009	2008
Short-term portion of long-term borrowings		
Koç Holding A.Ş.	11.293	9.237
	11.293	**9.237**
Long-term borrowings		
Koç Holding A.Ş.	-	9.237
	-	**9.237**
Total borrowings from related parties	**11.293**	**18.474**

The total borrowings due to related parties represent the borrowings amounting to USD 18.750 thousand (2008: USD 30.540 thousand) equivalent to TL 28.232 thousand (2008: TL 46.186 thousand) (TL 11.293 thousand with the effective ownership rate of Tüpraş (2008: TL 18.474 thousand)) received by Opet from Koç Holding A.Ş. (Note 31).

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

As of 31 December 2009 and 2008, the currency and interest rate information of bank borrowings is as follows:

		2009	
	Effective interest rate (%)	Original currency	Thousand TL
Short-term borrowings			
USD Borrowings	2,28	146.648.659	220.809
TL Borrowings	7,55	1.281.766.533	1.281.767
			1.502.576
Short-term portion of long-term borrowings			
USD Borrowings	2,55	66.607.817	100.291
EUR Borrowings	1,39	6.865.164	14.831
			115.122
Interest expense accruals			16.223
Total short-term bank borrowings			**1.633.921**
Long-term bank borrowings			
TL Borrowings	10,00	36.000.000	36.000
USD Borrowings	2,57	267.665.680	403.024
EUR Borrowings	1,39	37.758.402	81.569
Total long-term bank borrowings			**520.593**

		2008	
	Effective interest rate (%)	Original currency	Thousand TL
Short-term borrowings			
USD Borrowings	6,65	177.753.512	268.817
TL Borrowings	23,99	863.134.542	863.135
			1.131.952
Short-term portion of long-term borrowings			
USD Borrowings	3,77	53.275.093	80.568
EUR Borrowings	5,50	6.865.164	14.697
			95.265
Interest expense accruals			51.338
Total short-term borrowings			**1.278.555**
Long-term bank borrowings			
USD Borrowings	3,98	263.859.497	399.038
EUR Borrowings	5,50	44.595.478	95.470
Total long-term borrowings			**494.508**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

As of 31 December 2009 and 2008, the redemption schedule of long-term bank borrowings is as follows:

	2009	2008
2010	-	98.995
2011	115.143	98.995
2012	151.122	98.995
2013	89.848	73.609
2014	76.888	60.594
2015 and thereafter	87.592	63.320
	520.593	**494.508**

The redemption schedule of borrowings according to their contractual repricing dates is as follows:

	2009	2008
Less than 3 months	1.559.127	437.922
Between 3-12 months	398.584	1.232.667
Between 1-5 years	196.803	102.474
	2.154.514	**1.773.063**

As of 31 December 2009 and 2008, the fair values and carrying values of the borrowings are as follows:

	2009		2008	
	Carrying value	Fair value	Carrying value	Fair value
USD Borrowings	725.998	714.760	762.198	758.969
TL Borrowings	1.331.698	1.331.648	899.080	898.629
EURO Borrowings	96.818	95.598	111.785	110.999
	2.154.514	**2.142.006**	**1.773.063**	**1.768.597**

At 31 December 2009, borrowings of the Group amounting to USD 24.428 thousand equivalent to TL 36.783 thousand (31 December 2008: USD 34.993 thousand equivalent to TL 52.920 thousand) are guaranteed by the Undersecretariat of the Turkish Treasury. The liabilities that may arise due to non-payment of those borrowings related to such guarantees will be collected from the Group by the Undersecretariat of the Turkish Treasury according to Law 6183 "Collection of Public Receivables".

NOTE 8-TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables (net):

	2009	2008
Trade receivables	468.809	927.168
Notes and cheques receivables	128.967	98.426
Due from related parties (Note 31)	112.453	57.044
Doubtful trade receivables	15.481	12.306
Other trade receivables	10	6
Less: Unearned credit finance income	(440)	(10.396)
Less: Provision for doubtful receivables	(15.481)	(12.306)
Total short-term trade receivables (net)	**709.799**	**1.072.248**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Long-term trade receivables:

	2009	2008
Notes receivables	1.993	2.429
	1.993	**2.429**

Maturities of the long-term notes receivables vary between 1 and 5 years.

The credit quality of trade receivables that are neither past due nor impaired

The Group categorizes the details of credit quality of trade receivables that are neither past due nor impaired or receivables whose conditions are renegotiated under four groups. The details of credit quality of such trade receivables for the years ended 31 December 2009 and 2008 are as follows:

	2009	2008
Group 1	23.699	33.599
Group 2	3.722	23.928
Group 3	414.661	508.494
Group 4	31.594	14.953
	473.676	**580.974**

Group 1-New customers (which have been customers for less than three months)
Group 2-State owned enterprises
Group 3-Existing customers with no payment defaults in previous years (which have been customers for more than three months)
Group 4-Customers with previous record of collection delays but from which all receivables due are collected (excluding Group 1 and 2)

Aging analysis for trade receivables that are past due but not impaired

Aging of overdue receivables that are not impaired as of 31 December 2009 and 2008 is as follows:

	2009	2008
Up to 3 months	62.518	223.616
3 to 12 months	158.293	270.087
Over 1 year	17.305	-
	238.116	**493.703**

The Group management does not estimate a collection risk for these receivables as the significant portion of these receivables is due from government entities where sales are made regularly (Note 32-b Credit Risk).

Movement of the provision for doubtful receivables for the years ended 31 December 2009 and 2008 is as follows:

	2009	2008
1 January	12.306	9.800
Charge for the year	5.777	4.147
Collections within the year	(2.602)	(1.443)
Write-offs	-	(198)
31 December	**15.481**	**12.306**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Short-term trade payables (net):

	2009	2008
Trade payables	2.296.397	1.523.395
Due to related parties (Note 31)	31.668	41.686
Less: Unrealised credit finance charges	(237)	(545)
Total short-term trade payables (net)	**2.327.828**	**1.564.536**

Long-term trade payables (net):

	2009	2008
Long-term trade payables (net)	-	2.165
Total long-term trade payables (net)	**-**	**2.165**

NOTE 9-OTHER RECEIVABLES

Other short-term receivables:

	2009	2008
Receivables from personnel	5.566	5.456
Receivables from insurance recoveries	4.024	6.730
Other doubtful receivables	744	752
Other receivables	6.429	6.759
Less: Provision for other doubtful receivables	(744)	(752)
	16.019	**18.945**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

NOTE 10-INVENTORIES

	2009	2008
Raw materials and supplies	293.113	399.093
Work-in-progress	268.118	256.377
Finished goods	506.515	444.159
Trade goods	237.892	100.385
Goods in transit	214.916	130.776
Other inventories	2.728	2.656
	1.523.282	**1.333.446**
Provision for impairment on inventories	(789)	(69.411)
	1.522.493	**1.264.035**

The movement of provision for impairment on inventories for the years ended 31 December 2009 and 2008 is as follows:

	2009	2008
1 January	69.411	1.330
Charges during the year	-	68.081
Cancellations during the year-net (*)	(68.622)	-
31 December	**789**	**69.411**

(*) The Group cancelled the provision for impairment on inventories that was accounted for at 31 December 2008 since the inventories subject to the provision are sold during the year.

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

NOTE 11-FINANCIAL ASSETS

	2009		2008	
Available-for-sale financial assets:	**Share (%)**	**Carrying amount**	**Share (%)**	**Carrying amount**
Enerji Yatırımları A.Ş. ("EYAŞ") (*)	1,20	71.634	1,20	68.894
Körfez Hava Ulaştırma A.Ş. (**)	100,00	3.999	-	-
Nemrut Liman ve Boru İşl. Nak. İç ve Dış Tic. Ltd. Şti.	10,00	1.501	10,00	701
THY Opet Havacılık Yakıtları A.Ş. (**)	20,00	1.000	-	-
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	4,00	216	4,00	216
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş. (**)	20,00	160	20,00	160
Op Ay Akaryakıt Ticaret Ltd. Şti. (**)	20,00	48	20,00	28
Ataer Enerji ve Otoprodüksiyon San. ve Tic. A.Ş.	0,04	16	0,04	16
Akdeniz Akaryakıt Depolama Nakliyat ve Tic A.Ş.	13,32	7	13,32	6
		78.581		**70.021**

(*) At 31 December 2009 and 2008, the 3% share of Opet (1,20% with the effective ownership rate of Tüpraş) in Enerji Yatırımları A.Ş., which is the main shareholder of the Group, is carried at its fair value. The unrealized gains and losses in the fair value of this financial asset is accounted for in "Financial Assets Fair Value Reserve" under equity.

(**) Körfez Hava Ulaştırma A.Ş. ("Körfez"), a subsidiary of the Group, and THY Opet Havacılık Yakıtları A.Ş. ("THY Opet Havacılık"), Opet Fuchs Madeni Yağ. San ve Tic. A.Ş. and Op Ay Akaryakıt Ticaret Ltd. Şti, joint ventures of Opet, have not been included in the scope of consolidation in the consolidated financial statements for the years ended 31 December 2009 and 2008 on the grounds of materiality, and are accounted for at cost as financial assets available-for-sale. Körfez was established in April 2009 to operate in air transportation and THY Opet Havacılık, a joint venture of Opet and THY A.Ş., was established in September 2009 to operate in the business of jet fuel delivery.

The movement in the financial assets during the years ended at 31 December 2009 and 2008 is as follows:

	2009	**2008**
1 January	70.021	52.555
Fair value increase	2.176	16.648
Capital contribution to the newly established financial assets	4.999	-
Capital contribution to the financial asset's capital increase	1.385	602
Purchase of financial assets	-	216
31 December	**78.581**	**70.021**

NOTE 12-INVESTMENT PROPERTY

At 31 December 2009, investment property represents the land amounting to TL 5.423 thousand (31 December 2008: TL 5.423 thousand). The fair value of the investment property has been identified by Çelen Kurumsal Değerleme ve Danışmanlık Ltd. Şti. as TL 38.919 thousand at 30 September 2006. Company management estimates that there is no material change in the fair value amounts as of 31 December 2009 and 2008.

(Amounts expressed in thousands of Turkish Lira [“TL”], unless otherwise indicated.)

NOTE 13-PROPERTY, PLANT AND EQUIPMENT (NET)

	1 January 2009	Additions	Transfers	Disposals	Currency translation differences	Transfers to assets held for sale	31 December 2009
Cost:							
Land	79.689	84	-	(2.766)	-	-	77.007
Land improvements	1.184.789	2.159	141.668	(2.024)	-	-	1.326.592
Buildings	294.471	-	46.753	(1.562)	-	-	339.662
Machinery and equipment	5.153.034	851	235.489	(1.844)	-	-	5.387.530
Motor vehicles	268.546	513	53.819	(13.266)	-	(33)	309.579
Furniture and fixtures	121.538	5.129	11.484	(3.416)	(1)	(56)	134.678
Construction-in-progress	321.759	383.026	(489.213)	(750)	-	-	214.822
Other tangible fixed assets	3.540	-	-	(20)	-	-	3.520
	7.427.366	**391.762**	**-**	**(25.648)**	**(1)**	**(89)**	**7.793.390**
Accumulated depreciation:							
Land improvements	(801.149)	(34.585)	-	1.970	-	-	(833.764)
Buildings	(135.679)	(6.903)	-	207	-	-	(142.375)
Machinery and equipment	(2.975.279)	(105.873)	-	1.560	-	-	(3.079.592)
Motor vehicles	(87.881)	(17.694)	-	9.557	1	23	(95.994)
Furniture and fixtures	(57.800)	(14.018)	-	2.876	1	43	(68.898)
Other tangible fixed assets	(58)	(6)	-	20	-	-	(44)
	(4.057.846)	**(179.079)**	**-**	**16.190**	**2**	**66**	**(4.220.667)**
Net book value	**3.369.520**						**3.572.723**

At 31 December 2009, there is no mortgages on property, plant and equipment provided to banks related to borrowings (31 December 2008: USD 5.802 equivalent to TL 8.774 thousand) (Note 17).

Foreign exchange losses amounting to TL 306 thousand which are directly related with construction in progress as of 31 December 2009 have been added to the cost of construction in progress (31 December 2008: TL: 12.232 thousand interest expense and TL 62.706 thousand foreign exchange gains).

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

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Amounts expressed in thousands of Turkish Lira [“TL”], unless otherwise indicated.)

	1 January 2008	Additions	Transfers	Disposals	Currency translation differences	Transfers to assets held for sale	31 December 2008
Cost:							
Land	76.618	3.174	-	(103)	-	-	79.689
Land improvements	1.064.192	9.494	113.690	(2.579)	-	(8)	1.184.789
Buildings	262.028	3.216	36.932	(7.705)	-	-	294.471
Machinery and equipment	4.805.394	342	350.939	(3.646)	5	-	5.153.034
Motor vehicles	181.523	132.866	3.693	(49.557)	21	-	268.546
Furniture and fixtures	93.233	14.582	18.207	(4.523)	59	(20)	121.538
Construction-in-progress	420.987	424.233	(523.461)	-	-	-	321.759
Other tangible fixed assets	4.820	-	-	(1.280)	-	-	3.540
	6.908.795	**587.907**	**-**	**(69.393)**	**85**	**(28)**	**7.427.366**
Accumulated depreciation:							
Land improvements	(776.440)	(26.833)	-	2.122	-	2	(801.149)
Buildings	(134.018)	(6.568)	-	4.907	-	-	(135.679)
Machinery and equipment	(2.896.647)	(82.206)	-	3.574	-	-	(2.975.279)
Motor vehicles	(128.582)	(8.403)	-	49.110	(6)	-	(87.881)
Furniture and fixtures	(49.622)	(12.296)	-	4.153	(47)	12	(57.800)
Other tangible fixed assets	(805)	-	-	747	-	-	(58)
	(3.986.114)	**(136.306)**	**-**	**64.613**	**(53)**	**14**	**(4.057.846)**
Net book value	**2.922.681**						**3.369.520**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Total depreciation expense amounting to TL 179.079 thousand (2008: TL 136.306 thousand) in the consolidated statement of comprehensive income for the year ended 31 December 2009 has been allocated to cost of goods sold amounting to TL 138.249 thousand (2008: TL 104.799 thousand), to marketing, sales and distribution expenses amounting to TL 20.987 thousand (2008: TL 16.994 thousand), to general administration expenses amounting to TL 15.603 thousand (2008: TL 13.046 thousand) and to other expenses amounting to TL 4.240 thousand (2008: TL 1.467 thousand).

The property, plant and equipment obtained through finance lease agreements as of 31 December 2009 and 2008 are composed of the assets with the following net book values:

	2009	2008
Buildings	1.897	1.972
	1.897	**1.972**

NOTE 14-INTANGIBLE ASSETS (NET)

The movements of intangible assets and related accumulated amortisation for the year ended 31 December 2009 are as follows:

	1 January 2009	Additions	Disposals	31 December 2009
Cost:				
Rights and software	88.620	3.152	-	91.772
LPG distribution contracts	64.800	-	-	64.800
Opet brand value	11.600	-	-	11.600
Customer relationships	4.400	-	-	4.400
Other intangible assets	1.033	52	-	1.085
	170.453	**3.204**	**-**	**173.657**
Accumulated amortisation:				
Rights and software	(22.637)	(8.339)	-	(30.976)
LPG distribution contracts	(9.969)	(4.985)	-	(14.954)
Opet brand value	(2.320)	(1.160)	-	(3.480)
Customer relationships	(629)	(314)	-	(943)
Other intangible assets	(335)	(190)	-	(525)
	(35.890)	**(14.988)**	**-**	**(50.878)**
Net book value	**134.563**			**122.779**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

The movement of intangible assets and related accumulated amortisation for the year ended 31 December 2008 are as follows:

	1 January 2008	Additions	Disposals	31 December 2008
Cost:				
Rights and software	75.240	13.491	(111)	88.620
LPG distribution contracts	64.800	-	-	64.800
Opet brand value	11.600	-	-	11.600
Customer relationships	4.400	-	-	4.400
Other intangible assets	1.033	-	-	1.033
	157.073	**13.491**	**(111)**	**170.453**
Accumulated amortisation:				
Rights and software	(16.019)	(6.718)	100	(22.637)
LPG distribution contracts	(4.985)	(4.984)	-	(9.969)
Opet brand value	(1.160)	(1.160)	-	(2.320)
Customer relationships	(315)	(314)	-	(629)
Other intangible assets	(329)	(6)	-	(335)
	(22.808)	**(13.182)**	**100**	**(35.890)**
Net book value	**134.265**			**134.563**

Total amortisation expense amounting to TL 14.988 thousand (2008: TL 13.182 thousand) in the consolidated statement of comprehensive income for the year ended 31 December 2009 has been allocated to cost of goods sold amounting to TL 6.344 thousand (2008: TL 5.410 thousand), to marketing, sales and distribution expenses amounting to TL 6.847 thousand (2008: TL 6.458 thousand), to general administration expenses amounting to TL 1.413 thousand (2008: TL 1.181 thousand), to other expenses amounting to TL 384 thousand (2008: TL 133 thousand).

NOTE 15-GOODWILL

	2009	2008
Goodwill	189.073	189.073

Goodwill represents the goodwill arising from the acquisition of Opet shares at 28 December 2006.

Goodwill impairment test

Goodwill arises from the acquisition of Opet shares at 28 December 2006 and the Group considers the significant position of Opet in the domestic market and the synergy expected from its cooperation with Tüpraş and Opet as the main source of generation of goodwill. Therefore, the Group management evaluated Opet, its subsidiaries and its joint ventures as a single cash generating unit and goodwill is allocated on Opet.

The recoverable amount of the cash generating unit is determined using discounted cash flow analyses based on fair value less costs to sell calculations. These fair value calculations include post-tax cash flow projections denominated in USD and are based on the financial budgets approved by Opet management covering a 10 year period. The cash flows for the periods beyond 10 years are extrapolated using the long term growth rate of 2%. During fair value calculations, the value denominated in USD is converted to TL by using the USD currency rate on the balance sheet date. Therefore, the fair value model is affected by fluctuations in the foreign currency market. As at 31 December 2009, had the USD rate strengthened/weakened by 1%, with all other variables held constant, the calculated fair value would be affected by TL 6.553 thousand.

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Other key assumptions used in the fair value calculation model are stated below:

Gross margin	4%-5,8%
Discount rate	9,5%

The budgeted gross margin has been determined by Opet management based on past performance of the Company and expected market growth rate. The discount rate used is the post-tax discount rate and includes company specific risks. An increase/decrease of 1% on the post-tax discount rate used in the discounted cash flow calculations (10,5% or 8,5% instead of 9,5%), would lead to a decrease by TL 132.617 thousand/increase by 176.183 thousand in the fair value calculations as of 31 December 2009.

As a result of the tests performed by using the assumptions above, no impairment on goodwill has been identified as of 31 December 2009. Since the asset's fair value less cost to sell is higher than its carrying amount, the Group management did not calculate the asset's value-in-use.

NOTE 16-GOVERNMENT GRANTS

Batman refinery benefits from reimbursement of 40% of electrical energy costs by the Undersecretariat of the Turkish Treasury and from the exemption from the income tax on the employees' wage equal to the 80% of the minimum wage for each employee.

NOTE 17-COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

	2009	2008
Guarantees received:		
Letters of guarantee	662.428	541.000
Guarantee notes	99.666	105.245
Other guarantees	100.000	100.000
Mortgages	1.872	2.004
Total guarantees received	**863.966**	**748.249**
Guarantees given:		
Letters of credit	1.094.710	329.831
Letters of guarantee	253.827	231.803
Letters of guarantee given to customs office	139.563	133.404
Mortgages	62.119	39.520
Total guarantees given	**1.550.219**	**734.558**

Letters of guarantee received are composed of guarantees from customers and suppliers. Guarantees given are mainly composed of guarantees given to government entities and customs offices.

At 31 December 2009, there is no mortgages on property, plant and equipment provided to banks related to borrowings (31 December 2008: USD 5.802 thousand equivalent of TL 8.774 thousand).

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Collaterals, pledges, mortgages given by the Company as of 31 December 2009 and 2008 are as follows:

Collaterals-Pledges-Mortgages ("CPM"s) given by the Company	2009	2008
A. CPMs given for companies in the name of its own legal personality	1.409.925	630.116
B. CPMs given on behalf of the fully consolidated companies	-	-
C. CPMs given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other CPMs	-	-
i) Total amount of CPMs given on behalf of the majority shareholder	-	-
ii) Total amount of CPMs given to on behalf of other Group companies which are not in scope of B and C.	-	-
iii) Total amount of CPMs given on behalf of third parties which are not in scope of C.	-	-
	1.409.925	**630.116**

Environmental pollution liability:

The Group is responsible for cleaning environmental pollution that could be caused as a result of its operations. There are no material lawsuits against the Group regarding environmental matters as of date of these consolidated financial statements.

The environmental impact of the storage of chemical materials, environmental air quality and emission, collection and quality of waste water, garbage dump, surface and underground water and overall refinery operations have been analyzed by an expert advisor company of the Group. As a result of the evaluation regarding the expenditures to be made the Group management has the opinion that necessary expenditures have been completed as of 31 December 2009 and 2008.

Requirement to keep the national petroleum stocks:

The storage of the national petroleum stocks is the responsibility of petroleum products and LPG distributor license owners should hold a minimum of twenty days' average reserves at their own or other licensed storages, either together or separately. According to Petroleum Market Law, for continuous supply and prevention of risks in extraordinary circumstances, fulfillment of the liabilities related with petroleum reserves during extraordinary situations according to international agreements, the national petroleum reserves are stored with the amount defined as the net imported amount included in the prior year's average daily usage, with minimum duration of 90 days. Refineries are held responsible for holding the supplementary portion of the national petroleum reserves.

EMRA administrative penalty:

As an outcome of a sector-wide inspection, the Energy Market Regulatory Authority Control Board criticized certain dealership practices of 26 companies in the sector and accordingly imposed and notified administrative penalties to Opet dated 31 August 2006. The penalties amounting to TL 165.040 thousand to Opet and TL 3.572 thousand to Opet Dış Ticaret (with an effective ownership rate of Tüpraş: TL 67.445 thousand) were levied in accordance with Law No.5015 and the 19th article of the Petroleum Market Law "Communiqué about the administrative fines to be applied after 1 January 2005". Opet publicly announced that the legal procedure to cancel these administrative fines will be applied, and Opet management brought lawsuits for the cancellation of the administrative fines by the 13th State Council and for a stay of execution.

Regarding the sentence of the 13th State Council on 10 November 2006, the demand of Opet for a stay of execution was accepted for only TL 2.143 thousand (with an effective joint venture rate of Tüpraş TL 857 thousand) of the total penalty. Following this, Opet paid TL 3.472 thousand (with effective joint venture rate of Tüpraş: TL 1.388 thousand) including postponement interest to the Ministry of Finance Anatolian Tax Administration.

Regarding the sentence of the State Council Assembly of Administrative Chambers on 25 January 2007, the rejection of the demand of Opet for a stay of execution on 10 November 2006 was cancelled and the demand for a stay of execution has been accepted for TL 166.469 thousand (with effective joint venture rate of Tüpraş TL 66.588 thousand). Based on this sentence of the State Council General Assembly of Administrative Chambers, the Istanbul 8th Administrative Court also accepted the stay of execution for the collection of the fine on 8 February 2007.

The last trial regarding the cancellation of the above mentioned penalty filed by the Group.resulted in favor of the Group on 21 April 2009 and the State Council decided to cancel the penalty. The administrative fine paid (TL 3,472 thousand) was collected by the Group and the prosecutor filed an appeal.

Competition Authority usufruct right agreements arrangement:

In accordance with the studies of the fuel sector conducted by the Competition Authority, the decisions taken as a result of the applications made to the Competition Authority and the adjudications in the following process, the Competition Authority determined the exemption period for the usufruct right agreements in the fuel sector as a maximum of five years and announced this on its website. In its announcement, the Competition Authority decided that dealership agreements and related loan agreements, equipment agreements, long-term lease agreements or agreements granting personal rights or rights in kind such as long-term usufruct rights may not be used to extend the term for the competition prohibition, the process for the harmonisation of the provisions in vertical agreements about the competition prohibition with Article 5 of Communiqué No. 2002/2, commencing 18 September 2003 and ending 18 September 2005, accordingly; agreements signed before 18 September 2005 and whose period exceeds five years can benefit from the exemption stated in the Communiqué until 18 September 2010 as per the "reduction to the maximum limit" applied by the Competition Authority, and exemption conditions will be removed after this date, the agreements signed after 18 September 2005 can benefit from the exemption for the first five years as of the execution date whatever their term is, the exemption conditions will be removed for terms exceeding five years, the dealership agreements signed by the distributor and the dealer and the relevant usufruct right agreement can benefit from the exemption until 18 September 2010 according to Communiqué No. 2002/2, therefore there is no need for a preliminary review or investigation at this stage, in the event that the dealers are forced to sign agreements again in the scope of usufruct rights, proceedings shall be initiated in accordance with Article 4 of Law No. 4054.

Since in accordance with its legal counsel the group management believes that the provisions of usufruct right and lease agreements regarding term were not evaluated in the scope of the Competition Law in the abovementioned previous decisions of the Competition Authority, and that they should be subject to provisions of civil law, it harmonised the terms of its dealership agreements with Communiqué No. 2002/2, but continued to sign its usufruct right and lease agreements for longer terms due to their amounts and other reasons. Therefore, the rights acquired by the Group from the mentioned usufruct right and lease agreements, trusting the application of the Competition Authority constituted acquired rights and therefore the said application of the Competition Authority is in contravention of the law since it violates the "certainty of the management's operations". The approach of the Competition Board is that it has the authority to interfere with certain agreements executed with the rights and authorities granted by civil law, is against the law according to evaluation of the Competition Authority, and this has been taken to court by various companies. The Group is considering proceedings against the administrative application that violates the aforementioned rights which are subject to various juridical dimensions.

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Due to uncertainty regarding the application of the abovementioned decision, the Group has made no changes to the usufructs, rents and other investments in the consolidated financial statements at 31 December 2009.

NOTE 18-ADVANCES RECEIVED

	2009	2008
Order advances received	9.939	19.760
Total	**9.939**	**19.760**

Advances received represent the advances received from customers in relation to future sales.

NOTE 19-PROVISIONS

	2009	2008
Short-term provisions:		
Pending claims and lawsuits	52.347	50.267
Unused vacation rights	18.734	17.950
EMRA participation share provision	9.335	9.946
Other	2.190	2.416
Total short-term provisions	**82.606**	**80.579**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Movement in short-term provisions for the years ended 31 December 2009 and 2008 is as follows:

	Pending claims and lawsuits	Unused vacation rights	EMRA participation share	Other	Total
1 January 2009	**50.267**	**17.950**	**9.946**	**2.416**	**80.579**
Charges/(reversals) for the year, net	4.734	4.243	4.362	55.774	69.113
Payments during the year	(2.654)	(3.459)	(4.973)	(56.000)	(67.086)
31 December 2009	**52.347**	**18.734**	**9.335**	**2.190**	**82.606**
1 January 2008	**39.146**	**15.716**	**7.578**	**11.114**	**73.554**
Charges/(reversals) for the year, net	15.443	5.265	9.946	665	31.319
Payments during the year	(4.322)	(3.031)	(7.578)	(9.363)	(24.294)
31 December 2008	**50.267**	**17.950**	**9.946**	**2.416**	**80.579**

EMRA participation share is the participation fee that is paid by the refinery license owners in accordance with the Petroleum Market License Regulation, calculated by multiplying net sales with the participation share rate determined by EMRA.

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

NOTE 20-EMPLOYEE BENEFITS

Short term employee benefits:	2009	2008
Seniority incentive bonus provision	2.180	3.498
Total	**2.180**	**3.498**

Long term employee benefits:	2009	2008
Provision for employment termination benefits	93.299	91.419
Seniority incentive bonus provision	5.516	3.842
Total	**98.815**	**95.261**

Seniority incentive bonus provision:

The Group has an employee benefit plan called "Seniority Incentive Bonus", which is paid to the employees with a certain level of seniority.

Seniority incentive bonus is paid to personnel together with their monthly salary when certain seniority levels are reached. The bonus amounts to 45 days of salary for 5 years seniority level, 55 days of salary for 10 years seniority level, 70 days of salary for 15 years seniority level, 80 days of salary for 20 years seniority level, 90 days of salary for 25 years seniority level and 100 days of salary for 30 years seniority level, paid once for each seniority level.

The seniority incentive bonus provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the qualification of the employees for the bonus.

IAS 19 requires that actuarial valuation methods be developed to estimate the employee benefit provisions. The following actuarial assumptions have been used in the calculation of the total provision:

	2009	2008
Discount rate (%)	5,92%	6,26%
Turnover rate to estimate the probability of retirement (%)	99,78%	99,64%

The movement in the provision for seniority incentive bonus during the years is as follows:

	2009	2008
1 January	7.340	7.532
Charge for the year	1.505	1.153
Payments during the year	(1.149)	(1.345)
31 December	**7.696**	**7.340**

Provision for employment termination benefits:

Under the Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of TL 2.365,16 (31 December 2008: TL 2.173,19) for each year of service as of 31 December 2009.

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

IAS 19 requires that actuarial valuation methods be developed to estimate the employee termination benefit provision. The following actuarial assumptions have been used in the calculation of the total provision:

	2009	2008
Discount rate (%)	5,92%	6,26%
Turnover rate to estimate the probability of retirement (%)	99,72%	99,64%

The principal assumption is that the maximum liability of employee termination benefits for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TL 2.427,04 which is effective from 1 January 2010, has been taken into consideration in calculating the provision for employment termination benefits of the Group (1 January 2009: TL 2.260,04).

The movement of the provision for employment termination benefits during the years is as follows:

	2009	2008
1 January	91.419	94.825
Interest expenses	5.574	6.010
Actuarial losses	40	90
Charge for the year	11.832	16.116
Payments during the year	(15.566)	(25.622)
31 December	**93.299**	**91.419**

NOTE 21-OTHER ASSETS AND LIABILITIES

Other current assets:

	2009	2008
Deferred Value Added Tax ("VAT")	159.608	198.542
Deferred Special Consumption Tax ("SCT")	95.356	115.614
Prepaid rent for stations	26.122	29.435
Order advances given	24.402	43.094
Prepaid corporate taxes and funds	19.869	132.415
Prepaid insurance and other expenses	18.528	11.799
Deposits and guarantees given	18.101	1.429
Other current assets	19.553	37.728
	381.539	**570.056**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Other non-current assets:

	2009	2008
Spare parts and materials (net)	361.188	318.731
Prepaid rent for stations	131.875	117.616
Advances given for property, plant and equipment	20.419	54.456
Other	577	230
Provision for spare parts and materials	(41.377)	(45.220)
	472.682	**445.813**

The movement of the provision for spare parts and materials for the years ended 31 December 2009 and 2008 is as follows:

	2009	2008
1 January	45.220	48.084
Cancellations during the year	(3.843)	(2.864)
31 December	**41.377**	**45.220**

Other short-term liabilities:

	2009	2008
SCT payable	664.546	553.239
VAT payable	200.092	196.480
Deferred VAT	159.608	198.542
Deferred SCT	95.356	115.614
Deferred revenue from derivative financial instruments (*)	32.936	-
Other taxes and liabilities	23.033	30.445
Due to personnel	18.877	17.832
Deposits and guarantees received	8.046	11.196
Other	19.598	9.615
	1.222.092	**1.132.963**

(*) Opet Trade Singapore, a joint venture of the Group, entered into a sales and repurchase agreement with Esomet SAS, which is a subsidiary of BNP Paribas, to fulfill its long term financial needs due to the expectation of appreciation of its inventory on hand. The Group entered into the sales and repurchase agreement for funding purposes, and therefore the sales transaction has not been realized. The goods that are subject matter of the agreement are classified under inventories in the consolidated financial statements as of 31 December 2009. Deferred income earned in the scope of those agreements, amounting to TL 82.341 thousand (TL 32.936 thousand with effective ownership rate of Tüpraş) is classified under other short term liabilities.

Deferred VAT and SCT include VAT and SCT amounts related to export committed sales and are classified within "Other current assets" under assets and within "Other current liabilities" under liabilities. Such SCT and VAT amounts are offset when the export transaction is certified and the related taxes are cancelled by the tax office.

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Other long-term liabilities:

	2009	2008
Revenue share	265.596	200.823
Deferred revenue	5.450	4.452
Other	3.004	3.279
	274.050	**208.554**

Revenue Share:

According to the Petroleum Market Law, financing needs of refinery owners to maintain the National Petroleum Stock (Note 17) are supplied by the revenue share, which is a surplus added to the sales price, limited to a ceiling of USD 10/ton as determined by Energy Market Regulation Association ("EMRA"). In the case of importation of petroleum products, the revenue share is to be paid to the refinery owner by the importer. The Group has been collecting the revenue share over the sales of petroleum products and non-refinery imports of petroleum products since 1 January 2005, the date the relevant article of the regulation came into force.

The Group has been collecting revenue share for LPG sales since 16 September 2005 in addition to the revenue share collected for petroleum products, in accordance with the Liquefied Petroleum Gas ("LPG") Market Regulation.

It has been decided by the National Petroleum Reserves Commission that the investment management of the revenue share collected will be conducted by the General Directorate of Tüpraş, and the collected amount will be invested in overnight reverse repurchase agreements.

As a result of these regulations, the revenue share amounting to TL 265.596 thousand (31 December 2008: TL 200.823 thousand) accumulated as of 31 December 2009 which is not recognized in the comprehensive income statement, has been classified as "Revenue Share" within "Other long-term liabilities" and the TL 263.823 thousand, (31 December 2008: TL 198.952 thousand) blocked in banks as demand deposits with custom interest rates related to the calculated revenue share has been classified as "Demand deposits with special interest rates" within "Cash and cash equivalents"
(Note 6).

NOTE 22-DERIVATIVE FINANCIAL INSTRUMENTS

All of the derivative financial instruments of the Group are held for trading and the details are as follows:

	2009			2008		
		Fair Value			Fair Value	
	Contract Amoun	Asset	Liability	Contract Amount	Asset	Liability
Forward contracts	101.000	-	4.671	-	-	-
Interest rate swap contracts	32.265	-	470	-	-	-
Commodity futures contracts (*)	153.945	444	55	22.031	2.348	-
Short term derivative financial instruments	**287.210**	**444**	**5.196**	**22.031**	**2.348**	**-**
Total derivative financial instruments	**287.210**	**444**	**5.196**	**22.031**	**2.348**	**-**

(*) The commodity futures agreements are composed of Opet's commodity futures contracts that have been entered into to manage the exposure of inventory costs to fluctuations in the base fuel price, which is determined with reference to Brent crude oil as a benchmark.

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

NOTE 23-EQUITY

The Company's shareholders and their shareholding percentages as of 31 December 2009 and 2008 are as follows:

	31 December 2009	Share (%)	31 December 2008	Share (%)
Enerji Yatırımları A.Ş.	127.714	51	127.714	51
Publicly owned	122.705	49	122.705	49
Total	250.419	100	250.419	100
Adjustment to share capital	1.344.243		1.344.243	
Total paid-in capital	**1.594.662**		**1.594.662**	

"Adjustment to share capital" represents the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with the CMB Financial Reporting Standards.

Registered capital of the Company is TL 500.000 thousand and is divided into 50.000.000.000 shares with a registered nominal value of Kuruş ("Kr") each. The authorised and paid-in share capital of the Company comprises 25.041.919.999 Group A shares with a registered nominal value of Kr1 and one Group C share with privileges belonging to the Privatisation Administration.

As per the articles of association of the Company, one member of the Board of Directors should be nominated by the Group C shareholders. Board of Directors' decisions on the supply needs of petroleum products of the Turkish military forces requires the consent of the member representing the Group C shareholders.

Retained earnings, as per the statutory financial statements other than legal reserves, are available for distribution, subject to the legal reserve requirement referred to below.

Restricted reserves

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. Under the TCC, the legal reserves can only be used to offset loss and are not available for any other usage unless the reserve exceeds 50% of paid-in share capital.

In accordance with CMB Financial Reporting Standards the aforementioned amounts should be classified under "Restricted Reserves". At 31 December 2009, the restricted reserves of the Company amount to TL 125.210 thousand (31 December 2008: TL 125.210 thousand).

Dividend distribution

Quoted companies are subject to dividend requirements regulated by CMB as follows:

In accordance with the CMB Decision No. 02/51 and dated 27 January 2010, concerning allocation basis of profit from operations of 2009, minimum profit distribution will not be applied for the year 2009 (31 December 2008: 20%). According to the Board's decision and Communiqué No. IV-27 issued by the CMB regarding the allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realised as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the Company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends from the profit made from 2008 operations are required to distribute the initial amount in cash.

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

In addition, it has been decided that the entities required to prepare consolidated financial statements in accordance with the aforementioned Board decision shall calculate the net distributable profit amount – providing it can be covered by the equity in the statutory records – based on the net profit in the consolidated financial statements prepared in accordance with Communiqué XI No. 29 and publicly announced.

No dividends will be distributed if there is a loss in either the consolidated financial statements prepared in accordance with CMB regulations or in the statutory financial records.

The total amount of net income of the Company after deductions of accumulated losses in the statutory records and other equity accounts subject to dividend distribution amount to TL 2.397.323 thousand. This amount includes inflation adjustment differences of the equity accounts amounting to TL 1.698.998 thousand which are subject to corporate taxation when distributed as dividends in accordance with Article 2 of the Law numbered 5024 dated 30 December 2003.

NOTE 24-SALES AND COST OF SALES

	2009	2008
Domestic sales	17.379.274	24.697.270
Export sales	3.024.083	5.785.292
Service revenue	59.250	52.390
Gross sales	**20.462.607**	**30.534.952**
Less: Sales discounts	(62.701)	(51.474)
Less: Sales returns	(10.023)	(27.079)
Net sales	**20.389.883**	**30.456.399**
Cost of goods sold	(18.781.687)	(28.556.999)
Gross profit	**1.608.196**	**1.899.400**

Cost of Goods Sold:

	2009	2008
Raw materials	12.936.821	24.173.236
Cost of trade goods sold	5.085.386	3.631.591
Personnel expenses	195.006	181.240
Depreciation and amortisation (Note 13-14)	144.593	110.209
Other production costs	419.881	460.723
Cost of Goods Sold	**18.781.687**	**28.556.999**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

NOTE 25-MARKETING, SELLING AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses:

	2009	2008
Personnel	165.127	156.115
Taxes and duties	51.650	47.859
Lawsuit and consultancy expenses	32.698	26.528
Outsourced services	31.110	33.330
Insurance	18.199	19.788
Depreciation and amortisation (Note 13-14)	17.016	14.227
Office	15.581	20.122
Rent	12.065	6.882
Subscription fees	9.484	13.172
Donations	8.399	9.768
Transportation	5.486	5.284
Other	22.822	27.162
Total	**389.637**	**380.237**

Marketing, selling and distribution expenses:

	2009	2008
Freight and insurance	65.959	63.709
Personnel	47.801	45.704
Sales incentive and premium	33.302	26.601
Advertising	27.879	31.539
Depreciation and amortisation (Note 13-14)	27.834	23.452
Warehousing	22.564	17.890
Rent	12.913	10.221
Office	9.051	9.460
Transportation	4.050	4.217
Repair and maintenance	3.897	5.558
Energy	1.962	2.327
Subscription fees	1.311	2.834
Other	8.961	45.189
Total	**267.484**	**288.701**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

NOTE 26-OTHER INCOME/(EXPENSE)

	2009	2008
Other income:		
Commission income	28.737	25.421
Rent income	26.851	17.038
Insurance and incentive income	10.441	3.866
Reversed provisions	5.256	1.226
Technical and operational income	4.180	2.578
Gain on sales of property plant and equipment, (net)	405	14.241
Gain on sales of investments (*)	-	5.554
Other	18.572	16.009
	94.442	**85.933**

(*) Gain on sales of investments for the year ended 31 December 2008 is composed of gains from sale the of Opet Aygaz Bulgaria EAD.

	2009	2008
Other expense:		
Idle capacity expenses	(13.588)	(9.595)
Pending lawsuits provision expenses	(4.734)	(15.443)
Idle capacity depreciation expenses	(4.624)	(1.600)
Loss on sales of investments (*)	(1.380)	-
Promotion materials expense	(241)	(3.202)
Other	(4.985)	(3.053)
	(29.552)	**(32.893)**

(*) Loss on sales of investments for the year ended 31 December 2009 is composed of loss from the sale of TBS.

NOTE 27-FINANCIAL INCOME/(EXPENSE), NET

Financial income:

	2009	2008
Interest income on deposits	173.049	140.625
Credit finance income	77.917	246.490
Other	685	612
Financial income	**251.651**	**387.727**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Financial expenses:

	2009	2008
Interest expenses	(184.823)	(89.376)
Loss on derivative financial instruments	(25.429)	(53.401)
Credit finance charges	(15.619)	(106.222)
Factoring expenses	(15.038)	(131)
Foreign exchange losses on borrowings, (net)	(8.416)	(164.887)
Foreign exchange losses, (net)	(607)	(706.664)
Other	(2.532)	(1.283)
Financial expenses	**(252.464)**	**(1.121.964)**

NOTE 28-TAX ASSETS AND LIABILITIES

i) Corporation tax:

	2009	2008
Corporation tax payable	159.789	100.273
Foreign currency translation differences	-	(596)
Less: Prepaid taxes	(101.363)	(229.352)
Provision for corporation tax/(prepaid corporation tax), (net) (*)	**58.426**	**(129.675)**

(*) Prepaid corporate taxes as of 31 December 2008 are composed of prepaid corporate tax, (net) of Tüpraş amounting to TL 132.415 thousand and provisions booked for corporate taxes of Opet and Ditaş amounting to TL 251 thousand and TL 2.489 thousand respectively.

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

The corporation tax rate is 20% in Turkey (31 December 2008: 20%). Corporation tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, exempt income and allowances.

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

The tax rates for the companies operating in foreign countries are as follows:

	2009	**2008**
Ireland	12,5%	12,5%
United Kingdom	28%	28,5%
Singapore	18%	18%

	2009	**2008**
Taxation on income:		
Current year taxation charge	(159.789)	(100.273)
Deferred taxation expense	(39.592)	(9.642)
	(199.381)	**(109.915)**

The reconciliation of the income before tax with the calculated corporate tax is as follows;

	2009	**2008**
Profit before taxation	1.015.152	549.265
Expected tax expense (20%)	(203.030)	(109.853)
Effect of tax rate difference of joint ventures operating in foreign countries	406	912
Deductions and exemptions	14.753	448
Disallowable expenses and differences not subject to taxation	(11.510)	(1.422)
Taxation on income	**(199.381)**	**(109.915)**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

ii) Deferred income taxes

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported under CMB Financial Reporting Standards and their statutory tax financial statements.

Deferred income taxes for entities operating in Turkey are calculated on temporary differences that are expected to be realised or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20% (2008: 20%).

The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as of 31 December 2009 and 2008 using the enacted tax rates are as follows:

	Cumulative temporary differences		Deferred tax asset/(liability)	
	2009	2008	2009	2008
Difference between the carrying values and tax base of property, plant, equipment and intangible assets	1.202.819	1.084.205	(240.567)	(216.841)
Prepaid station rents fair value difference	14.202	15.620	(2.840)	(3.124)
Financial assets fair value difference	31.470	29.294	(1.574)	(1.465)
Other	-	1.817	-	(363)
Deferred tax liability			**(244.981)**	**(221.793)**
Employment termination benefits and seniority incentive bonus provision	100.995	98.759	20.197	19.772
Provisions for pending claims and lawsuits	52.347	50.267	10.469	10.053
Provision for impairment on spare parts	41.377	45.220	8.275	9.044
Provision for unused vacation liability	18.734	17.950	3.747	3.590
Provision for doubtful receivables	7.277	6.228	1.455	1.246
Fair value difference of derivative financial instruments	5.179	-	1.036	-
Provision for impairment on inventory	789	69.411	158	13.882
Unearned credit finance income, (net)	203	9.851	41	1.969
Carry forward tax losses	-	23.497	-	4.699
Other	14.248	2.416	2.849	485
Deferred tax assets			**48.227**	**64.740**
Deferred tax liability-net			**(196.754)**	**(157.053)**

The movement of deferred taxes is as follows

	2009	2008
Deferred tax liability, net		
1 January	157.053	146.578
Charge for the period	39.592	9.642
Financial assets fair value reserve	109	833
31 December	**196.754**	**157.053**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

NOTE 29-ASSETS HELD FOR SALE

During the year ended 31 December 2008, the Group announced its decision to sell its joint venture TBS, which is involved in marine fuels trading, and the assets and liabilities of TBS directly associated with those assets were classified as assets held for sale in the consolidated balance sheet as of 31 December 2008. The sales transaction of TBS has been completed on 22 April 2009.

The liquidation process of Opet Trade Ireland, a joint venture of the Group, started on 31 May 2009 and its assets and liabilities directly associated with those assets have been classified as assets held for sale in the consolidated balance sheet as of 31 December 2009.

Furthermore, the liquidation of Opet Aygaz BV and the sale of Opet Aygaz Bulgaria EAD, joint ventures of the Group, were completed in the years 2009 and 2008, respectively.

a) Assets held for sale and liabilities directly associated with such assets

	2009	2008
Asset groups held for sale	740	25.599
Liabilities directly associated with assets held for sale	69	21.888

A summary of information regarding asset and liability groups held for sale is as follows:

i) Asset groups held for sale

	2009	2008
Cash and cash equivalents	564	119
Trade receivables (net)	5	5.863
Inventories (net)	-	86
Property, plant and equipment (net)	-	14
Deferred tax assets	-	606
Other assets	171	18.911
	740	**25.599**

ii) Liabilities directly associated with assets held for sale

Financial liabilities (net)	-	605
Trade payables (net)	63	2.208
Provision for employment termination benefit	-	3
Other liabilities	6	19.072
	69	**21.888**

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

NOTE 30-EARNINGS PER SHARE

	2009	2008
Profit for the year attributable to equity holders of the Company	811.298	432.222
Weighted average number of shares with nominal value of Kr 1 each	25.041.920.000	25.041.920.000
Basic and diluted earnings per share in Kr	**3,24**	**1,73**

NOTE 31-RELATED PARTY TRANSACTIONS

a) Deposits:

	2009	2008
Yapı ve Kredi Bankası A.Ş.	1.049.907	451.114
	1.049.907	**451.114**

b) Due from related parties:

Opet Petrolcülük A.Ş.	84.647	46.258
Aygaz A.Ş.	21.636	5.115
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.	1.787	1.110
Other	4.383	4.561
Total	**112.453**	**57.044**

c) Due to related parties:

	2009	2008
Aygaz A.Ş.	14.193	6.526
Zer Merkezi Hizmetler ve Ticaret A.Ş.	4.000	3.689
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	3.486	12.255
Opet Petrolcülük A.Ş.	2.499	2.102
Koç Holding A.Ş.	1.149	5.178
Koç Sistem Bilgi ve İletişim A.Ş.	963	1.170
RMK Gemi Yapım Sanayi A.Ş.	2	5.773
Other	5.376	4.993
Short term trade payables	**31.668**	**41.686**
Koç Holding A.Ş.	11.293	9.237
Short term financial liabilities	**11.293**	**9.237**
Koç Holding A.Ş.	-	9.237
Long term financial liabilities	**-**	**9.237**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

The total financial liabilities due to related parties represent the borrowings amounting to USD 18.750 thousand (2008: USD 30.540) equivalent to TL 28.232 thousand (2008: TL 46.186 thousand) (TL 11.293 thousand with the effective ownership rate of Tüpraş (2008: TL 18.474 thousand)) received by Opet from Koç Holding A.Ş. (Note 7). The interest rate of the aforementioned long-term borrowing is 6 months Libor +1,7% and the redemption schedule is as follows:

	2009	2008
2009	-	9.237
2010	11.293	9.237
	11.293	**18.474**

d) Advances given for property,plant and equipment

	2009	2008
Koç Sistem Bilgi ve İletişim A.Ş.	5.279	-
RMK Gemi Yapım Sanayi A.Ş.	-	29.233
Ark İnşaat Sanayi ve Tic. A.Ş.	-	7.438
	5.279	**36.671**

e) Bank borrowings:

	2009	2008
Yapı ve Kredi Bankası A.Ş.	51.194	-
	51.194	**-**

f) Product and service sales:

	2009	2008
Opet Petrolcülük A.Ş.	831.055	1.238.249
Aygaz A.Ş.	168.475	245.190
Ram Dış Ticaret A.Ş.	55.126	2.602
TBS Denizcilik ve Petrol Ürünleri Ticaret A.Ş.	21.361	80.857
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Tüketim Malları A.Ş.	22.381	21.685
Mogaz Petrol Gazları A.Ş.	9.359	7.866
Other	25.631	21.996
	1.133.388	**1.618.445**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

g) Goods and services received:

	2009	2008
Aygaz A.Ş.	190.189	131.836
Opet Trade-Singapur Ltd.	129.312	-
Opet International Limited	36.413	25
Zer Merkezi Hizmetler ve Ticaret A.Ş.	31.561	26.627
Opet Petrolcülük A.Ş.	29.334	21.579
Koç Holding A.Ş.	8.130	8.027
Koç Sistem Bilgi ve İletişim A.Ş.	8.191	7.702
Otokoç Otomotiv Tic.Ve San.A.Ş.	6.066	4.854
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	2.269	1.732
Opet Trade Ireland	-	180.330
Other	24.312	18.211
	465.777	**400.923**

h) Property, plant and equipment purchases:

	2009	2008
RMK Gemi Yapım Sanayi A.Ş.	47.119	58.815
Ark İnşaat Sanayi ve Tic. A.Ş.	17.212	16.478
Other	3.893	3.196
	68.224	**78.489**

i) Remuneration of board of directors and executive management:

	2009	2008
Short term remunerations	16.172	23.167
Long term remunerations	-	20
	16.172	**23.187**

The Group classifies the general manager and assistant general managers as executive management since they are responsible for the planning, management and control of the Group's operations.

j) Inventory purchased from related parties:

	2009	2008
Opet Petrolcülük A.Ş.	3.767	4.184
	3.767	**4.184**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

k) Other transactions with related parties:

	2009	2008
Time deposit interest income	45.108	64.239
Financial expenses	30.241	131
Donations	6.170	4.983

NOTE 32-FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is performed in accordance with the policies approved by the Board of Directors.

(a) Liquidity risk

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate fund providers from high quality lenders.

Prudent liquidity risk management comprises maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out open positions.

The table below demonstrates the Group's future cash outflows due to financial liabilities as of 31 December 2009 and 2008. The amounts demonstrated are undiscounted cash flows on agreements and the Group manages its liquidity risk by taking into account its expected undiscounted cash flows.

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Non-derivative financial liabilities:

31 December 2009	Book value	Contractual cash outflows	Less than 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities	2.154.514	2.183.685	1.342.785	292.099	440.274	108.527
Other financial liabilities	11.293	11.293	11.293	-	-	-
Trade payables	2.327.828	2.327.828	2.327.828	-	-	-
Liabilities directly associated with assets held for sale	69	69	69	-	-	-
Other liabilities	1.496.142	1.496.142	1.222.092	-	274.050	-

31 December 2008	Book value	Contractual cash outflows	Less than 3 months	3-12 months	1-5 years	Over 5 years
Financial liabilities	1.773.063	1.941.259	179.883	1.201.019	429.508	130.849
Other financial liabilities	18.474	20.410	-	9.882	10.528	
Trade payables	1.566.701	1.567.246	1.565.081	-	2.165	-
Liabilities directly associated with assets held for sale	21.888	21.888	21.888	-	-	-
Other liabilities	1.341.517	1.341.517	1.132.963	-	208.554	-

Cash outflows will be financed through cash inflows generated from sales or through funding.

The table below demonstrates the Group's outstanding cash inflows and outflows related to derivative financial liabilities and assets as of the 31 December 2009 and 2008. The amounts demonstrated in the table are undiscounted cash flows, and the Group manages its liquidity risk by taking into account its expected undiscounted cash flows

31 December 2009	Book value	Total cash inflows	Less than 3 months	3-12 months	1-5 years	Over 5 years
Derivative cash outflows, (net)	(4.752)	(4.752)	(4.711)	(41)	-	-

31 December 2008	Book value	Total cash inflows	Less than 3 months	3-12 months	1-5 years	Over 5 years
Derivative cash inflows, (net)	2.348	2.348	2.348	-	-	-

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

(b) Credit risk

The Group is subject to credit risk arising from trade receivables related to credit sales and deposits at banks. These risks are managed by limiting the aggregate risk from any individual counterparty and obtaining sufficient collateral where necessary and making only cash based sales to customers considered as having a higher risk. Collectability of trade receivables are evaluated by management depending on their past experiences and current economic condition, and are presented in the consolidated financial statements net of adequate doubtful provision.

Major portion of Tüpraş's customers are composed of financially strong companies or government entities. Opet has an effective control system on its domestic distributors which form a major portion of its customers. As of 31 December 2009 and 2008, trade receivables from the top 5 customers of the Group are 39% and 26% of total receivables, respectively. When these factors are considered together with the insignificant historical default experience for the Group's receivables, the Group management considers the credit risk as low. The Group uses the same risk management principles for the management of financial assets. Investments are made to highly liquid instruments and the banks that the Group deposits its cash and cash equivalents in are selected among the financially strong institutions. As the Group did not have any uncollected, past due, impaired or renegotiated bank deposits, the Group believes that it does not have any credit risk related to bank deposits.

Credit risks exposed by the Group for each financial instrument type as of 31 December 2009 and 2008 are as follows:

	Receivables			
	Trade Receivables		Other receivables	Derivative Instruments
31 December 2009	**Related Party**	**Other**		
Maximum amount of risk exposed (*)	**112.453**	**599.339**	**16.019**	**444**
-Part of the risk covered by guarantees	**-**	**461.183**	**-**	**-**
A. Neither due nor impaired (**)	112.453	355.192	16.019	444
B. Conditions renegotiated, otherwise to be be classified as past due or impaired (**)	-	6.031	-	-
-Part covered by guarantees (A+B)	-	348.039	-	-
C. Past due but not impaired (***)	-	238.116	-	-
-Part covered by guarantees	-	108.825	-	-
D. Impaired				
-Past due (gross book value)	-	15.481	744	-
-Impairment amount(-)	-	(15.481)	(744)	-
-Part covered by guarantees	-	4.319	-	-

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

	Receivables			
	Trade Receivables		Other receivables	Derivative Instruments
31 December 2008	**Related Party**	**Other**		
Maximum amount of risk exposed (*)	**57.044**	**1.017.633**	**18.945**	**2.348**
-Part of the risk covered by guarantees	**-**	**622.063**	**-**	**-**
A. Neither due nor impaired (**)	57.044	517.518	18.945	2.348
B. Conditions renegotiated, otherwise to be be classified as past due or impaired (**)	-	6.412	-	-
-Part covered by guarantees (A+B)	-	335.610	-	-
C. Past due but not impaired (***)	-	493.703	-	-
-Part covered by guarantees	-	283.774	-	-
D. Impaired			-	-
-Past due (gross book value)	-	12.306	752	-
-Impairment amount(-)	-	(12.306)	(752)	-
-Part covered by guarantees	-	2.679	-	-

(*) This line represents the total of the rows A,B,C and D. Factors mitigating credit risk such as guarantees received have not been taken into consideration.

(**) Disclosures related to the credit quality of the trade receivables of the Group as of 31 December 2009 and 2008, that are neither due, nor impaired or that are renegotiated have been disclosed in Note 8.

(***) Explanations on aging of receivables as of 31 December 2009 and 2008 that are past due, but not impaired are disclosed in Note 8.

During the impairment test of financial assets, the Group has considered the indicators regarding uncollectibility of receivables that are due.

(c) Market risk:

The Group identifies commodity price, interest rate and currency risk as major components of market risk. Foreign exchange and interest risk are evaluated separately based on portfolio and product.

Commodity price risk

The Group is exposed to risk arising from fluctuations in crude oil prices due to raw material inventory held for production. The Group management manages the risk by regularly reviewing the amount of inventory held.

Tüpraş sets its sales price according to Petroleum Market Law No:5015 considering the product prices at the Mediterranean market, which is the most attainable world competitive market and USD currency rates. The changes in prices in the Mediterranean market and USD currency rate are evaluated daily by the Group management and sales prices are updated when prices calculated according to the aforementioned factors differ significantly from current sales prices.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. These exposures are managed by balancing interest rate sensitive assets and liabilities.

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

The Group's interest rate position as of 31 December 2009 and 2008 is demonstrated below:

	2009	2008
Financial instruments with fixed interest rate		
Cash and cash equivalents	3.117.286	1.440.097
Financial liabilities	1.612.941	1.150.505
Financial instruments with floating interest rate		
Financial liabilities	541.573	622.558
Other financial liabilities	11.293	18.474

As 31 December 2009, had the interest rate for borrowings denominated in TL strengthened/weakened by 500 base points (5%), with all other variables held constant, profit before tax would be TL 7.122 thousand lower/higher. (31 December 2008: 8.531). As of 31 December 2009, had the interest rate for borrowings denominated in USD strengthened/weakened by 100 base points (1%), with all other variables held constant, profit before tax would be TL 2.493 thousand lower/higher. (31 December 2008: TL 2.363 thousand). As of 31 December 2009, had the interest rate for borrowings denominated in EURO strengthened/weakened by 100 base points (1%), with all other variables held constant, profit before tax would be TL 289 thousand lower/higher (31 December 2008: TL 414 thousand).

Expected reprising and maturity dates do not differ from the contract dates excluding borrowings, therefore no additional table is included. The maturity groupings of borrowings at 31 December 2009 and 2008 based on their contractual reprising dates are disclosed in Note 7.

Foreign exchange risk

The Group is exposed to foreign exchange risk due to rate changes on the translation of foreign currency assets and liabilities to local currency. These risks are monitored by management by analysis of the foreign currency position. In addition, the fair value less costs to sell model used in the impairment test for the goodwill related to the Opet acquisition, which is dominated in USD is converted to TL with the USD rates applicable at the balance sheet date. Therefore, such fair value model is exposed to fluctuations at the foreign exchange rate market. Foreign currency sensitivity analyses are presented at Note 15.

The net financial liabilities of the Group are exposed to foreign exchange risk due to raw material imports from foreign countries and export sales. The Group manages such risks by regularly reflecting the foreign exchange rate changes to its product prices.

The table below summarizes the foreign currency position risk of the Group as at 31 December 2009 and 2008. Foreign currency denominated assets and liabilities of the Group and related foreign currency position as of 31 December 2009 and 2008 are as follows:

	2009	2008
Assets	1.450.148	985.485
Liabilities	(2.884.399)	(2.254.739)
Net balance sheet foreign currency position	**(1.434.251)**	**(1.269.254)**
Net foreign currency position of derivative financial instrument	(138.028)	22.031
Net foreign currency position	**(1.572.279)**	**(1.247.223)**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

	2009				
		Original currencies			
	Total TL equivalent (thousand)	USD (thousand)	EURO (thousand)	GBP (thousand)	Other (thousand)
Assets					
Cash and cash equivalents	1.343.393	891.602	419	1	-
Trade receivables	79.763	51.825	801	-	-
Derivative financial instruments	444	295	-	-	-
Assets held for sale	740	492	-	-	-
Other current assets	8.506	4.345	909	-	-
Total current assets	**1.432.846**	**948.559**	**2.129**	**1**	**-**
Other non-current assets	17.302	8.495	2.088	-	-
Total non-current assets	**17.302**	**8.495**	**2.088**	**-**	**-**
Total assets	**1.450.148**	**957.054**	**4.217**	**1**	**-**
Short term borrowings	220.809	146.649	-	-	-
Interest accruals	2.292	1.244	194	-	-
Short term portion of long term borrowings (net)	115.122	66.608	6.865	-	-
Financial liabilities to related parties	11.293	7.500	-	-	-
Trade payables (net)	2.039.589	1.350.513	2.678	67	10.831
Derivative instruments	5.196	3.451	-	-	-
Liabilities directly associated with assets held for sale	69	46	-	-	-
Other current liabilities	3.612	178	1.548	-	-
Other provisions	1.824	933	194	-	-
Total current liabilities	**2.399.806**	**1.577.122**	**11.479**	**67**	**10.831**
Long term trade payables	-	-	-	-	-
Long term financial liabilities	484.593	267.666	37.758	-	-
Long term financial liabilities to related parties	-	-	-	-	-
Total non current liabilities	**484.593**	**267.666**	**37.758**	**-**	**-**
Total liabilities	**2.884.399**	**1.844.788**	**49.237**	**67**	**10.831**
Net balance sheet foreign currency position	**(1.434.251)**	**(887.734)**	**(45.020)**	**(66)**	**(10.831)**
Net asset/liability position of off-balance sheet derivatives (A-B)	(138.028)	(91.670)	-	-	-
A. Total foreign currency amount of off-balance sheet derivative financial assets	48.182	32.000	-	-	-
B. Total amount of off-balance sheet derivative financial liabilities	186.210	123.670	-	-	-
Net foreign currency position	**(1.572.279)**	**(979.404)**	**(45.020)**	**(66)**	**(10.831)**

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

	2008				
		Original currencies			
	Total TL equivalent (thousand)	USD (thousand)	EURO (thousand)	GBP (thousand)	Other (thousand)
Assets					
Cash and cash equivalents	901.264	576.581	13.684	3	-
Trade receivables	54.884	36.173	84	-	-
Derivative instruments	2.348	1.553	-	-	-
Other current assets	11.526	5.013	1.833	9	-
Total current assets	**970.022**	**619.320**	**15.601**	**12**	**-**
Other non-current assets	15.463	5.479	3.353	-	-
Total non-current assets	**15.463**	**5.479**	**3.353**	**-**	**-**
Total assets	**985.485**	**624.799**	**18.954**	**12**	
Short term borrowings	268.817	177.754	-	-	-
Interest accruals	15.362	9.111	740	-	-
Short term portion of long term borrowings (net)	95.264	53.275	6.865	-	-
Financial liabilities to related parties	9.237	6.108	-	-	-
Trade payables (net)	1.339.150	850.933	24.175	242	-
Other current liabilities	2.163	26	992	-	-
Other provisions	18.841	12.458	-	-	-
Total current liabilities	**1.748.834**	**1.109.665**	**32.772**	**242**	**-**
Long term trade payables	2.165	1.432	-	-	-
Long term financial liabilities	494.503	263.859	44.595	-	-
Long term financial liabilities to related parties	9.237	6.108	-	-	-
Total non current liabilities	**505.905**	**271.399**	**44.595**	**-**	**-**
Total liabilities	**2.254.739**	**1.381.064**	**77.367**	**242**	**-**
Net balance sheet foreign currency position	**(1.269.254)**	**(756.265)**	**(58.413)**	**(230)**	**-**
Net asset/liability position of off-balance sheet derivatives (A-B)	22.031	14.568	-	-	-
A. Total amount of off-balance sheet derivative financial assets	22.031	14.568	-	-	-
B. Total amount of off-balance sheet derivative financial liabilities	-	-	-	-	-
Net foreign currency position	**(1.247.223)**	**(741.697)**	**(58.413)**	**(230)**	**-**

The Group manages its foreign currency risk by regularly considering and reflecting the foreign exchange rate changes in the determination of petroleum product prices. As at 31 December 2009, the Group has raw materials and petroleum products amounting to TL 1.232.460 thousand (31 December 2008: TL 1.130.893 thousand) (Note 10).

(Amounts expressed in thousands of Turkish Lira ["TL"], unless otherwise indicated.)

Export and import

	31 December 2009		31 December 2008	
	Original amount	TL	Original amount	TL
USD	1.781.065	2.755.116	4.577.074	5.785.292
Total export			**2.755.116**	**5.785.292**
USD	9.610.440	14.670.628	18.677.121	23.393.953
EURO			13.737	26.908
Other	1.499.278	1.499.278	-	-
Total import			**16.169.906**	**23.420.861**

The table below summarizes the effect of foreign currency rate changes on net balance sheet foreign currency position of the Group as of 31 December 2009 and 2008.

	2009		2008	
	Appreciation	Depreciation	Appreciation	Depreciation
10% change in USD rate:				
USD net effect	(133.666)	133.666	(114.370)	114.370
10% change in EURO rate:				
EURO net effect	(9.726)	9.726	(12.500)	12.500

Capital risk management

The Group's objectives when managing capital are safeguarding the Company's ability to continue as a going concern in order to provide returns for shareholders and providing benefits for other stakeholders and maintaining an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (including borrowings, trade, due to related parties and other payables, as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group can realize in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Monetary assets

The fair values of balances denominated in foreign currencies, which are translated at period-end exchange rates, are considered to approximate carrying values.

The fair values of certain financial assets carried at cost, including cash and amounts due from banks, are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses.

The carrying values of trade receivables along with the related allowances for doubtful receivables are estimated to be their fair values.

Monetary liabilities

The fair values of bank borrowings are based on discounted cash flows using a discount rate based upon the market rates at the consolidated balance sheet date (Note 7).

NOTE 33-SUBSEQUENT EVENTS

None.

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