



TURCAS PETROL A.Ş. 2015 ORDINARY GENERAL MEETING DATED 3 MAY 2016 – Q&A

Question 1: Could you please share some information about Shell & Turcas Joint Venture? Do you think it is the right decision to invest in fuel distribution business despite low global oil price environment?

Answer 1: We're successfully running the Shell & Turcas business with our partner. During the last 2 years, fuel distribution sector went through a challenging period due to price cap implementation. Therefore, profit margins were eroded. On top of that, we have booked significant inventory losses due to sharp decline in oil prices. Our financial performance was also impacted by increased volatility in USD/TL. Shell & Turcas Petrol A.Ş. has announced net loss in 2015, for the first time in its history. However, we expect significant recovery in profitability driven by the end of challenging period. We believe that oil prices will not continue to decline sharply and will settle around USD 40-50. Shell & Turcas Petrol A.Ş. will compensate for the last 2 years' losses if free market conditions prevail.

Question 2: Could you please share some information about renewable energy? Also, I have noticed that your rent expenses have increased while your cost of electricity decreased sharply? What is the reason behind these variances?

Answer 2: Turcas attaches significant importance to renewable energy. We have developed superb projects. We will disclose the details of these projects to public in parallel with the gradual progress. Our first geothermal power plant will start commercial operations towards the end of 2017. We have detected production capacity in all 5 wells that were drilled. We continue our research activities in other geothermal fields. Also, we always look for investment opportunities in solar, wind and hydro power plant projects both in Turkey and abroad. We're dedicated to diversify our electricity generation portfolio.

Increase in rent expenses is due to a fuel station legally owned by Turcas Petrol A.Ş. during Shell & Turcas merger. These expenses were reflected under revenues item as well.

Decrease in both electricity costs and sales were due to gradual decrease in our electricity trading subsidiary's operations as a result of declining profit margins. Therefore, both electricity sales and costs were decreased.

Question 3: What is the reason behind the pressure on Turcas shares?

Answer 3: There is a worldwide downward trend in all stock exchange markets during the last 5-6 years. Turcas Petrol stock is not trading at its fair value. We have bought back 5.36% of Turcas shares in order to support the share performance. We don't have any intention to sell these shares. We know the real value of Turcas, better than anyone. On the other hand, this kind of "buy back" only create temporary solution. General market conditions, commencement of our investments, lower pressure on energy sector will boost our profitability and this will be reflected positively in our share performance.