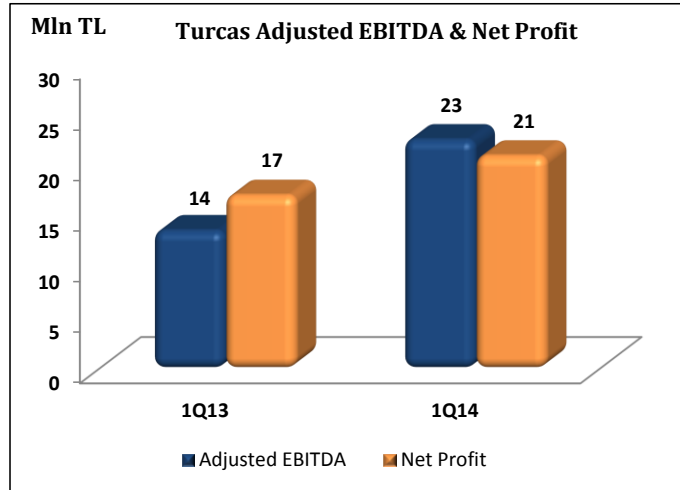


## TURCAS PETROL A.Ş. FIRST QUARTER 2014 EARNINGS RELEASE

**Istanbul, Turkey, 12 May 2014 – Turcas Petrol A.Ş. (BIST: TRCAS ) (“Turcas”)**

Turkey's energy focused investment company with subsidiaries in the Fuel Distribution, Lubricants, Refining and Power Generation-Trading sectors, today announced its IFRS financial results for March 31, 2014.

Turcas Petrol A.Ş. has recorded 21 million TL net earnings and EPS (Earnings per Share) of the company was realized at 0.09 TL/Share in 1Q14. Adjusted EBITDA, which is derived by adding the net income from subsidiaries (Shell&Turcas Petrol A.Ş., RWE & Turcas Güney Elektrik Üretim A.Ş. and SOCAR Turkey Yatırım A.Ş.) to the operating profit, has reached 23 million TL with a significant increase of 66% y/y. Therefore, net earnings increased by 23% on annual basis. The summary Financial Statements of Turcas has been provided in Annex-Table 1.



Net sales of Turcas, which totally comprises of electricity sales, has increased by 92% y/y and reached 19.9 million TL in 1Q14 from 10.3 million TL in 1Q13.

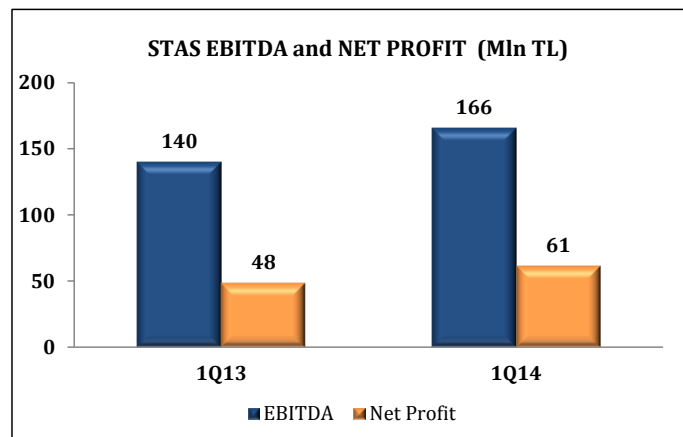
Turcas Power Trading's (100% subsidiary of Turcas) gross profit decreased by 79% y/y to 149 thousand TL on the back of unfavorable supply terms due to gas shortage in winter period and expected drought season for summer period, leading to high over-the-counter and day-ahead market prices.

Income from subsidiaries accounted via equity pick up method increased by 58% on annual basis and reached to 26 million TL in 1Q14. The breakdown of income from subsidiaries is provided in Annex-Table 1.

As a result of all these factors; the net profit of the Company has been realized at 21 million TL as of 1Q14.

### Fuel Distribution and Lubricants

Turcas' flagship subsidiary in fuel retail business, Shell & Turcas Petrol A.Ş. (STAS), has recorded a net sales figure of 3.5 billion TL (1.6 billion USD) in 1Q14 with a 20% increase on an annual basis mainly driven by higher diesel sales. The net profit is realized at 61 million TL with a 27% annual increase. The summary Financial Statements of STAS has been provided in Annex-Table 2.



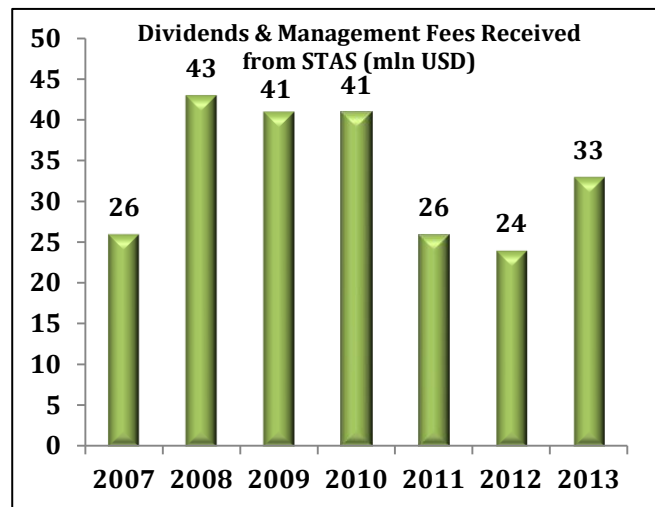
The EBITDA figure has increased by 18% y/y to 166 million TL (75 mln USD) in 1Q14.

Energy Market Regulatory Authority (EMRA) has temporarily introduced a price ceiling on fuel products towards the end of 1Q14 and limited the distributor mark-ups to 0.37 TL/liter on gasoline and diesel.

In terms of market share, STAS has preserved its market leader position in Gasoline (24%) and Lubricants sales (27%) and ranked as 3rd in white product sales (comprising of gasoline and diesel sales) (18%) as of 1Q14.

STAS has also preserved its market leader position in throughput per station ratio which is a significant indicator of profitability & efficiency in the market. STAS retail network consists of 1,042 nationwide Shell branded service stations as of 1Q14.

Turcas Petrol A.Ş has obtained total dividend and management fee at c.a. 33 million USD in 2013 from STAS. Thus, total dividends and management fees paid to Turcas Petrol A.Ş. by STAS has reached c.a. 234 million USD since 2007.



### Electricity Generation

The 775 MW gas fired combined cycle power plant, which Turcas Electricity Generation (Turcas' 100% subsidiary) and RWE (one of the leading energy companies in Europe) jointly constructed in Denizli has entered into commercial operation on June 2013. The financial figures of RWE& Turcas Güney Elektrik Üretim A.Ş. are shown on Annex-Table.3. The JV has recorded 154 million TL of net sales and 27 million TL of net loss as of 1Q14. The loss figure was mainly due to the amortization expenses and interest charges on the shareholder loans owed to the shareholders (Turcas and RWE).

Project cost of the Denizli power plant is around 600 million Euro. In order to finance its share of the investment (30% share corresponding to 180 million Euro), Turcas has already injected 30 Million Euro as equity in 2011. For the financing of the remaining part; 150 million Euro has been raised from Bayern LB and Portigon AG (former West LB) under ECA (Euler Hermes) coverage with 3+10 years of tenor and 55 million USD has been raised from TSKB (Industrial Development Bank of Turkey) with 3+7 years of tenor. First principal repayments of these loans have been realized in December 2013 and these loans make up the whole financial liability figure in the consolidated balance sheet of Turcas Petrol A.Ş.

As can be recalled from our public disclosures, as the completion of the Denizli power plant was delayed as of 1 January 2013 for 6 months, RWE&Turcas Güney Elektrik Üretim A.Ş. has the right to claim damages for such delay as per the relevant articles of the EPC Agreement signed between RWE&Turcas Güney Elektrik Üretim A.Ş., Metal Constructions of Greece SA (METKA) and Power Projects Sanayi İnşaat Ticaret LTD Companies (PPL) ("Contractor

Companies”). Therefore, RWE&Turcas Güney Elektrik Üretim A.Ş. management had decided to recognize an income accrual of 61,666,500 TL in its financial statements dated 31 December 2013. The part of this income accrual reflected on the Group’s consolidated financial statements dated 31 December 2013 amounted to 18,499,950 TL. Recall again from our public disclosures that, Contractor Companies had delivered an arbitration request to RWE & Turcas Güney Elektrik Üretim A.Ş. in order to solve the dispute about identifying the party which caused the delay in commissioning of the Facility. Following discussions between both parties, a settlement protocol has been signed between RWE & Turcas Güney Elektrik Üretim A.Ş. and Contractor Companies. As disclosed to the public on 6 May 2014, Contractor Companies withdrew their arbitration request based on this protocol and they will compensate RWE & Turcas Güney Elektrik Üretim A.Ş. in the amount of 21,000,000 Euro as a fee charged for the delay in commissioning of the Facility.

### **Renewable Energy**

In renewable energy segment, Turcas Yenilenebilir Enerji Üretim A.Ş. (TYEÜAŞ), which is 99.99% subsidiary of Turcas Petrol A.Ş., initiated pilot studies for geothermal electricity generation with its exploration licenses in Aydın and Denizli provinces. In the first phases of this study, geology and geophysics measurements and studies were performed. Slim-hole drilling was started in 1Q 2013. In this regard, TYEÜAŞ initiated slim drilling in Aydın Kuyucak Pamukören site and converted its exploration license to operating license. In September 2013, Turcas Energy Holding established a joint venture company (Turcas & BM Kuyucak Jeotermal Elektrik Üretim A.Ş.) with BM Mühendislik with the purpose of increasing investment efficiency. Operating licenses of TYEÜAŞ and BM Mühendislik have been transferred to this joint venture.

In March 2014, Turcas Yenilenebilir Enerji Üretim A.Ş. obtained the geothermal sources exploration license for Manisa-Gölmarmara-Hacıveliler region (site area: 4,959 ha), for a period of 3 years and to be valid from the date of 20 March 2014 with the condition of fulfilling obligations stated in the Tender Specifications Document. Geology and geophysics exploration works are planned in the mentioned region with the aim of detecting geothermal energy sources leading to new electricity generation investments.

### **Refinery**

As is known, 18.5% shares of SOCAR Turkey Yatırım A.Ş. (“STYAŞ”), %100 owner of STAR Refinery, are held by our 99.9% subsidiary Turcas Rafineri Yatırımları A.Ş. whereas the remaining 41.5% and 40% shares are held by Rafineri Holding A.Ş. (100% subsidiary of SOCAR Turkey Enerji A.Ş.) and Ministry of Economic Development of the Republic of Azerbaijan (“MED”) respectively.

Please note that as per our public disclosures dated 10 February 2014 and 25 March 2014, Turcas Group (Turcas Petrol A.Ş. and its subsidiary Turcas Rafineri Yatırımları A.Ş.) and Rafineri Holding A.Ş. have initiated talks in the way which would result in Turcas Group; selling at least 13.5% of its indirect shares in STAR Rafineri A.Ş. to Rafineri Holding A.Ş. The mentioned talks are ongoing as of the publishing date of this Earnings Release document.

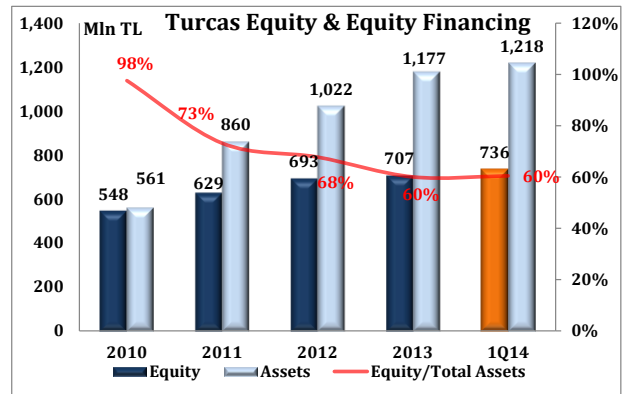
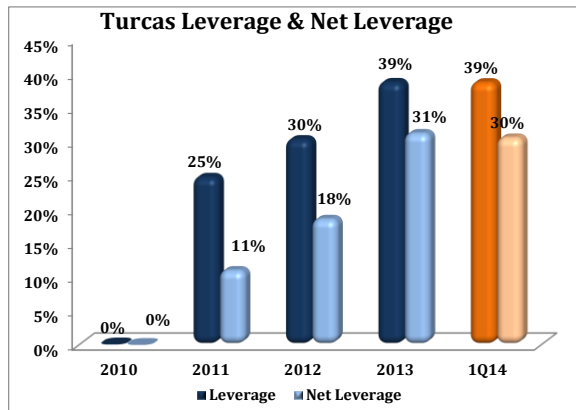
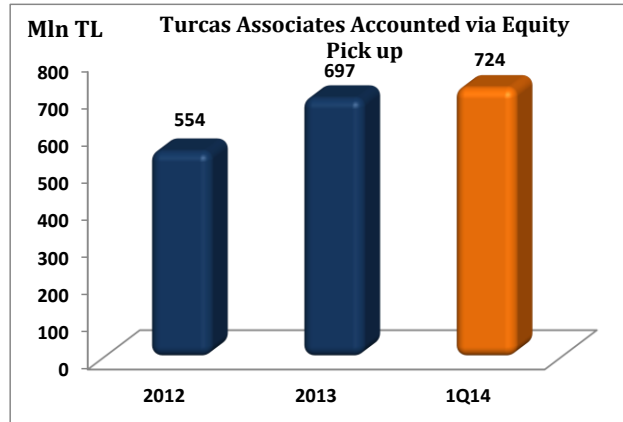
## Financing and Balance Sheet:

Total assets of the Company increased by 3% year-to-date and reached to 1.22 billion TL in 1Q14 compared to 1.18 billion TL in 2013 YE.

Almost all of the Company's financial liabilities are the project finance loans utilized for the construction of 775 MW Denizli Project with RWE & Turcas Partnership (Turcas: 30%, RWE: 70%).

As explained in electricity generation section, loans utilized from the project financing banks are transferred to Denizli Power Plant (RWE& Turcas Güney Elektrik Üretim A.Ş.) as shareholder loans. Repayment of the project finance loans will be made by the repayments of the shareholder loans from the Project Company (RWE&Turcas Güney Elektrik Üretim A.Ş.). These shareholder loans can be traced from Short & Long Term Receivables from Related Parties figure in Turcas' balance sheet.

Despite the project finance loans utilized for financing the Turcas share in Denizli project, the Shareholder Equity/Total Assets ratio is still at 60% level as of 1Q14. Taking into account the cash and cash equivalents figure (99.3 Million TL) the ratio of Net Financial Debt (371 Million TL) to Total Assets is at very sustainable levels (30%).



**Table.1 - Turcas Petrol A.Ş. – IFRS Financials 31.03.2014**

| <b>P&amp;L (Thousand TL)</b>     | <b>1Q14</b>   | <b>1Q13</b>   | <b>Y/Y (%)</b> |
|----------------------------------|---------------|---------------|----------------|
| <b>Net Sales</b>                 | <b>19,909</b> | <b>10,353</b> | <b>92%</b>     |
| <b>Gross Profit</b>              | <b>149</b>    | <b>721</b>    | <b>-79%</b>    |
| Operating Expenses               | 3,913         | 4,301         | -9%            |
| Other Operational Income (Net)   | 350           | 726           | -52%           |
| <b>Operating Profit</b>          | <b>-3,414</b> | <b>-2,854</b> | <b>nm</b>      |
| <b>Income from Subsidiaries</b>  | <b>26,044</b> | <b>16,516</b> | <b>58%</b>     |
| <i>STAS</i>                      | 18,333        | 14,484        | 27%            |
| <i>RWE &amp; Turcas</i>          | -7,972        | 551           | n.m.           |
| <i>STYAS (STAR &amp; Turcas)</i> | 15,693        | 1,481         | 959%           |
| <i>BM Kuyucak</i>                | -9            | -             | n.m.           |
| <b>Adjusted EBITDA</b>           | <b>22,630</b> | <b>13,662</b> | <b>66%</b>     |
| Net Financial Income             | -2,377        | 3,918         | n.m.           |
| Profit Before Tax                | 20,253        | 17,580        | 15%            |
| Tax                              | 781           | -440          | n.m.           |
| <b>Net Income</b>                | <b>21,034</b> | <b>17,140</b> | <b>23%</b>     |
| <b>Earnings Per Share (TL)</b>   | <b>0.09</b>   | <b>0.08</b>   | <b>23%</b>     |

|     | <b>1Q14</b> | <b>1Q13</b> |
|-----|-------------|-------------|
| ROA | 6.9%        | 6.5%        |
| ROE | 11.4%       | 9.7%        |

| <b>BALANCE SHEET (Thousand TL)</b>    | <b>1Q14</b>      | <b>YE13</b>      | <b>YTD (%)</b> |
|---------------------------------------|------------------|------------------|----------------|
| <b>Cash &amp; Cash Equivalents</b>    | <b>99,330</b>    | <b>88,703</b>    | <b>12%</b>     |
| Trade Receivables                     | 8,293            | 12,035           | -31%           |
| Receivables from Related Parties (ST) | 38,538           | 35,465           | 9%             |
| Receivables from Related Parties (LT) | 296,796          | 298,934          | -1%            |
| Investments / Associates              | 724,352          | 696,777          | 4%             |
| <b>Total Assets</b>                   | <b>1,218,305</b> | <b>1,177,499</b> | <b>3%</b>      |
| Short Term Financial Liabilities      | 57,601           | 52,123           | 11%            |
| Long Term Financial Liabilities       | 413,055          | 403,168          | 2%             |
| <b>Total Financial Liabilities</b>    | <b>470,656</b>   | <b>455,291</b>   | <b>3%</b>      |
| <b>Total Equity</b>                   | <b>736,221</b>   | <b>706,698</b>   | <b>4%</b>      |
| <b>Total Equity and Liabilities</b>   | <b>1,218,305</b> | <b>1,177,499</b> | <b>3%</b>      |

|                               | <b>1Q14</b> | <b>YE13</b> |
|-------------------------------|-------------|-------------|
| Equity / Assets               | 60%         | 60%         |
| Net Debt / Assets             | 31%         | 32%         |
| Net Debt / Equity             | 51%         | 53%         |
| Net Debt /Adjusted EBITDA (x) | 4.2         | 4.9         |

**Table.2 - Shell & Turcas Petrol A.Ş. – IFRS Financials 31.03.2014**

| <b>P&amp;L (Million TL)</b>    | <b>1Q14</b>  | <b>1Q13</b>  | <b>Y/Y (%)</b> |
|--------------------------------|--------------|--------------|----------------|
| Net Sales                      | 3,477        | 2,904        | 20%            |
| Gross Profit                   | 230          | 195          | 18%            |
| <b>Gross Margin</b>            | <b>6.62%</b> | <b>6.71%</b> | <b>-9 bps</b>  |
| Operating Expenses             | 169          | 155          | 9%             |
| Other Operational Income (Net) | 39           | 40           | -4%            |
| <b>EBIT</b>                    | <b>100</b>   | <b>80</b>    | <b>25%</b>     |
| Financial Gain / Loss          | -20          | -19          | n.m.           |
| <b>Net Income</b>              | <b>61</b>    | <b>48</b>    | <b>27%</b>     |
| <b>EBITDA</b>                  | <b>166</b>   | <b>140</b>   | <b>18%</b>     |
| <b>EBITDA Margin</b>           | <b>4.76%</b> | <b>4.82%</b> | <b>-6 bps</b>  |

| <b>BALANCE SHEET (Million TL)</b> | <b>1Q14</b>  | <b>YE13</b>  | <b>YTD (%)</b> |
|-----------------------------------|--------------|--------------|----------------|
| <b>Current Assets</b>             | <b>2,443</b> | <b>2,163</b> | <b>13%</b>     |
| Financial Liabilities             | 676          | 509          | 33%            |
| <b>Total Equity</b>               | <b>1,471</b> | <b>1,460</b> | <b>1%</b>      |
| <b>Total Assets</b>               | <b>3,474</b> | <b>3,201</b> | <b>9%</b>      |

**Table.3 –RWE & Turcas Güney Elektrik Üretim A.Ş. –Financial Summary 31.03.2014**

| <b>P&amp;L (Million TL)</b>       | <b>1Q14</b> | <b>1Q13</b> | <b>Y/Y (%)</b> |
|-----------------------------------|-------------|-------------|----------------|
| Sales                             | 154         | 0           | n.m.           |
| Net Income / (Loss)               | -27         | 2           | n.m.           |
| Turcas Share on Net Income / Loss | -8          | 1           | n.m.           |

| <b>BALANCE SHEET (Million TL)</b> | <b>1Q14</b> | <b>YE13</b> | <b>YTD (%)</b> |
|-----------------------------------|-------------|-------------|----------------|
| Total Assets                      | 1,660       | 1,643       | 1%             |
| Total Liabilities <sup>(1)</sup>  | 1,337       | 1,293       | 3%             |
| Net Assets                        | 324         | 350         | -8%            |
| Turcas Share on Net Assets        | 97          | 105         | -8%            |

(1) All of the total liabilities consist of shareholder loans obtained from RWE (70%) and Turcas Elektrik Üretim A.Ş. (30%).