

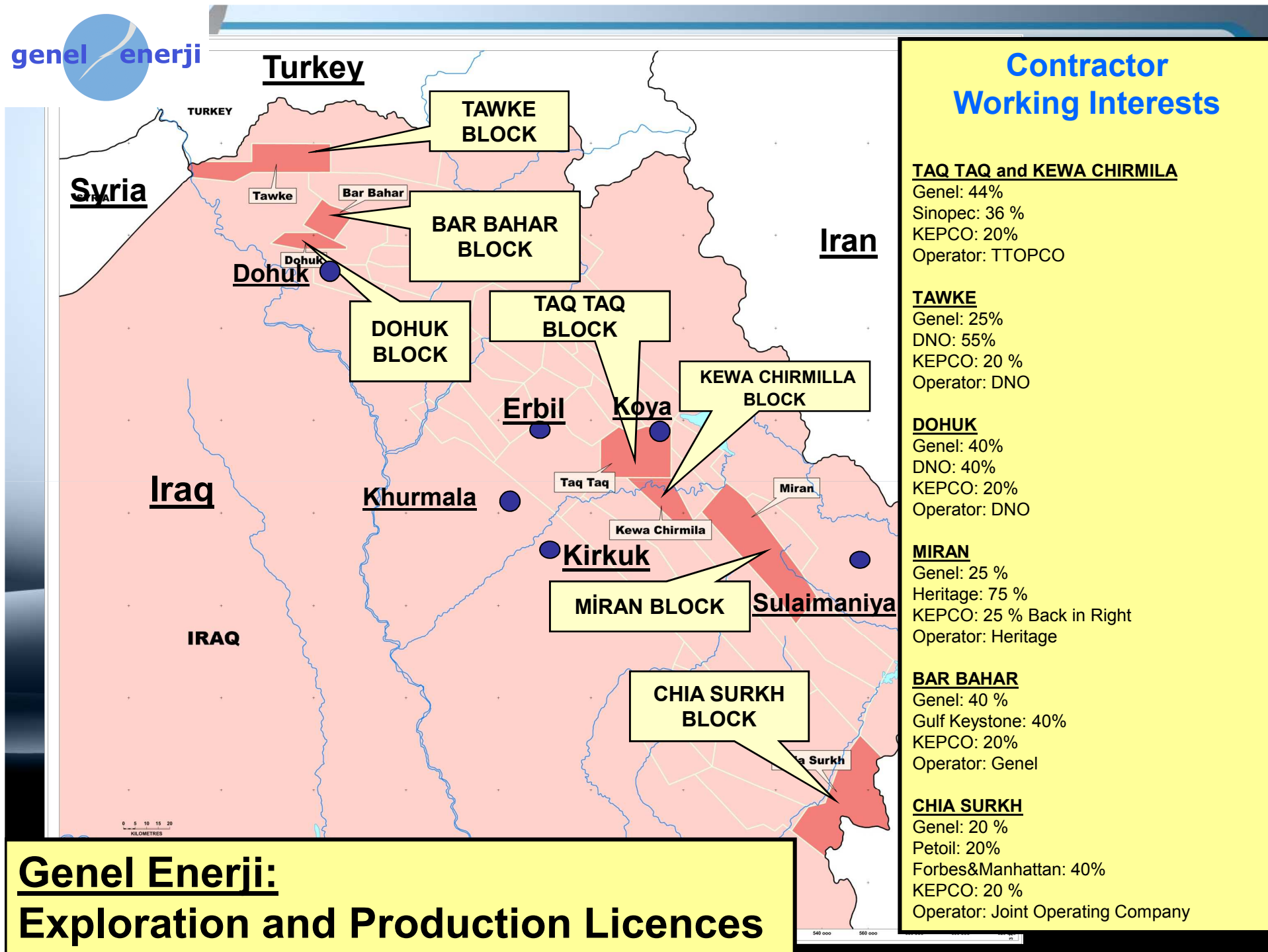
# ***Foreign Investments of Turkish E&P Companies***

## ***Arama ve Üretim Şirketlerinin Yurt Dışı Yatırımları***

***Orhan Duran  
Genel Enerji***

***Petform Panelleri  
11 January 2010  
Ankara***





## Contractor Working Interests

### TAQ TAQ and KEWA CHIRMILA

Genel: 44%  
Sinopec: 36 %  
KEPCO: 20%  
Operator: TTOPCO

### TAWKE

Genel: 25%  
DNO: 55%  
KEPCO: 20 %  
Operator: DNO

### DOHUK

Genel: 40%  
DNO: 40%  
KEPCO: 20%  
Operator: DNO

### MIRAN

Genel: 25 %  
Heritage: 75 %  
KEPCO: 25 % Back in Right  
Operator: Heritage

### BAR BAHAR

Genel: 40 %  
Gulf Keystone: 40%  
KEPCO: 20%  
Operator: Genel

### CHIA SURKH

Genel: 20 %  
Petoil: 20%  
Forbes&Manhattan: 40%  
KEPCO: 20 %  
Operator: Joint Operating Company

## Colombia Exploration asset

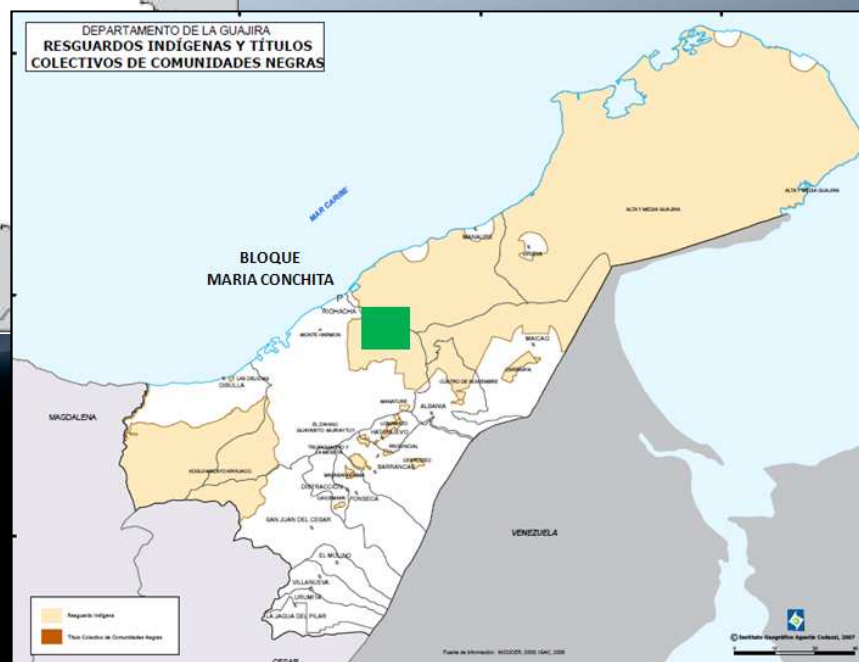
### Field location



### Asset details

#### Maria Conchita Exploration Block

Working interest:	40%
Partners	TPIC, Multiservicios
Operator:	TPIC



genel enerji

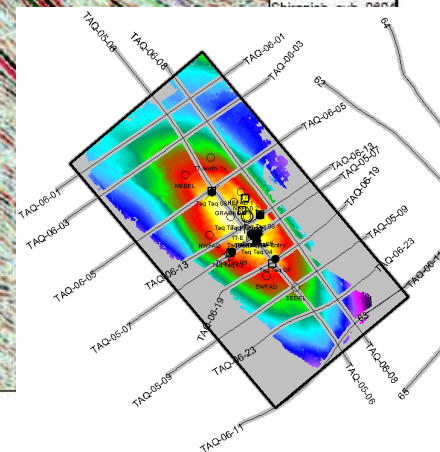
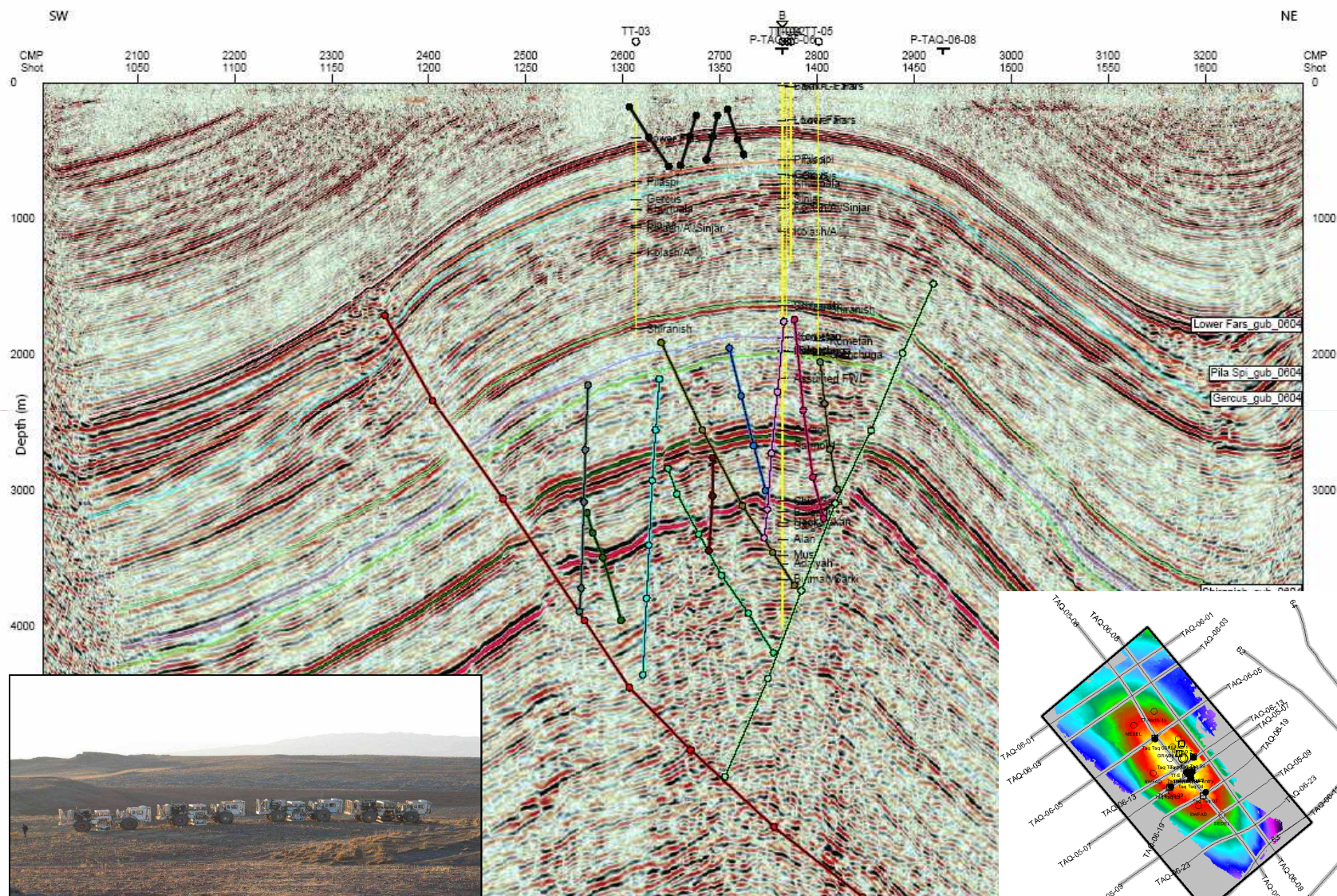


Pet Oil



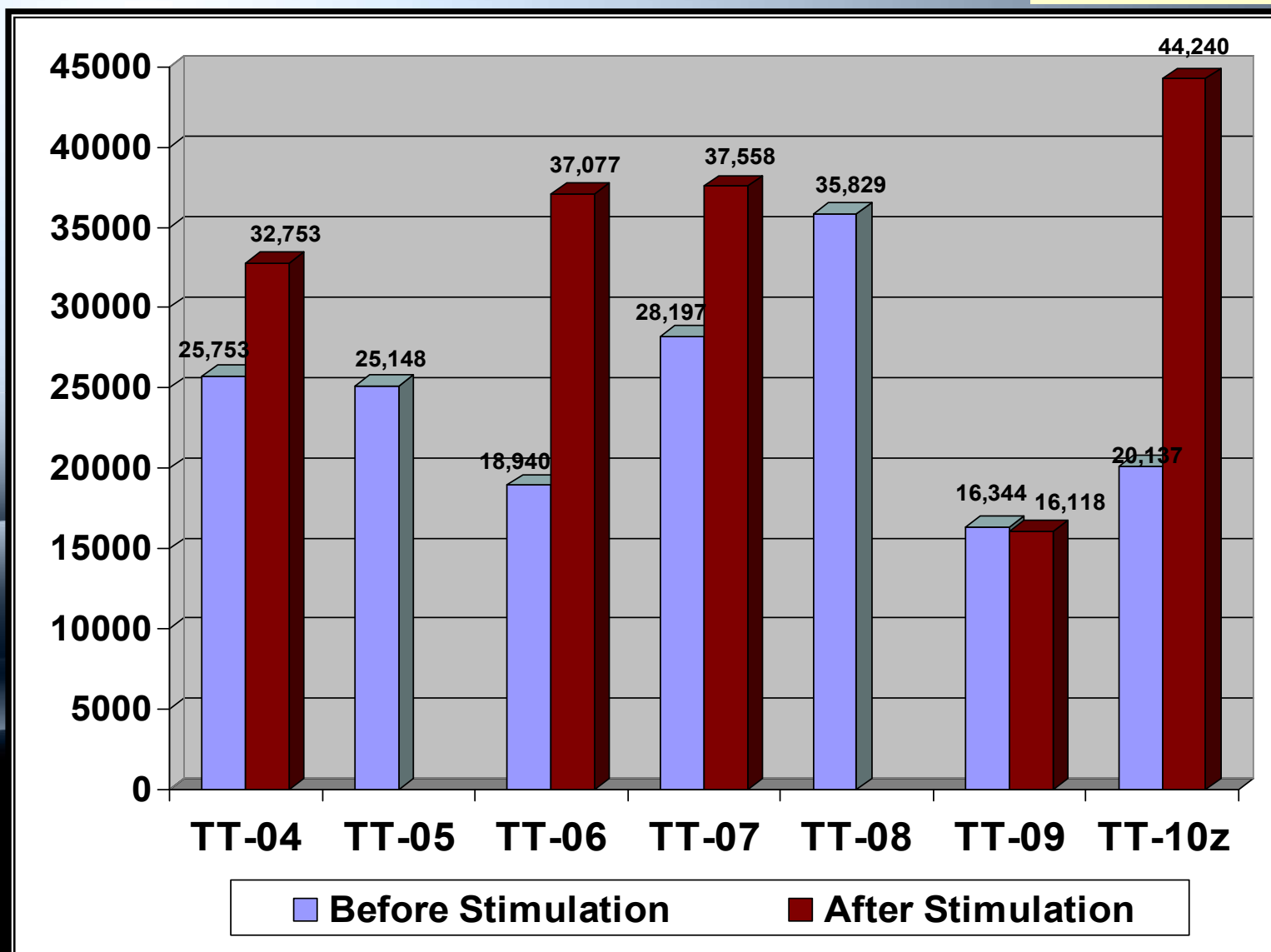
Forbes & Manhattan

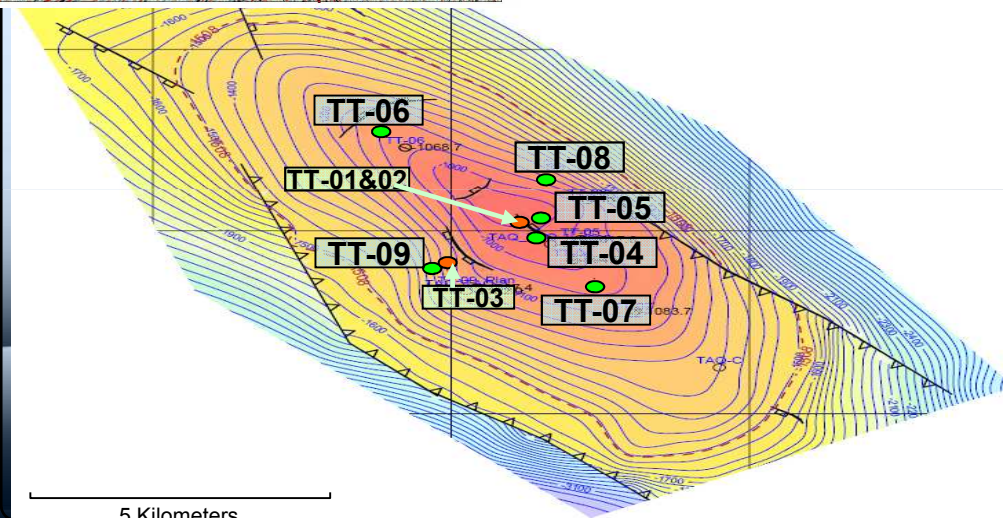
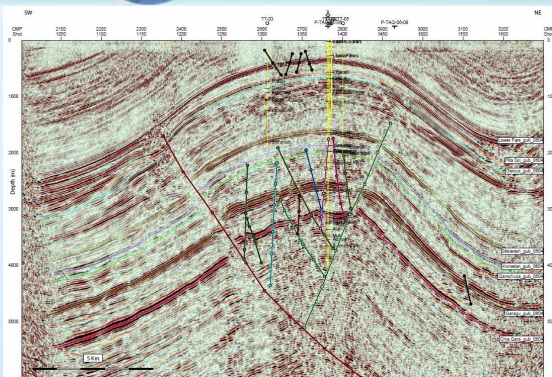
# Taq Taq Structure



**Test Results&Flow Capacity:**

**46-48 API light oil**

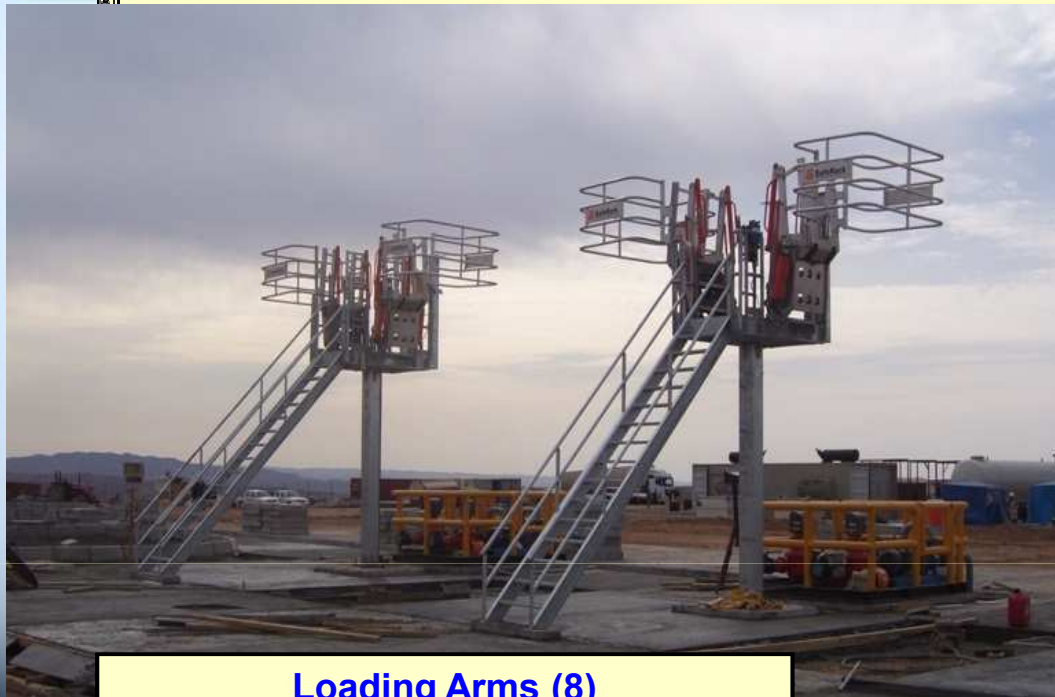




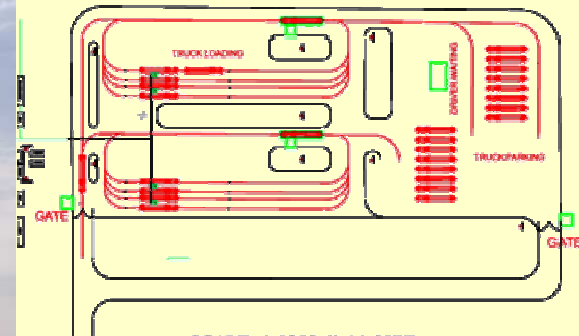
- ❖ *2009 up to 40.000 BOPD production capacity*
- ❖ *January 2009, production capacity 60,000-65,000 BOPD*
- ❖ *Export commenced on 1st June 2009.*
- ❖ *Production Capacity at Plateau Level: 180,000 – 200,000 BOPD*

## Tanker Loading Station (TLS)

## Taq Taq Oilfield



Loading Arms (8)



SCALE: 1:1250 @ A1 SIZE

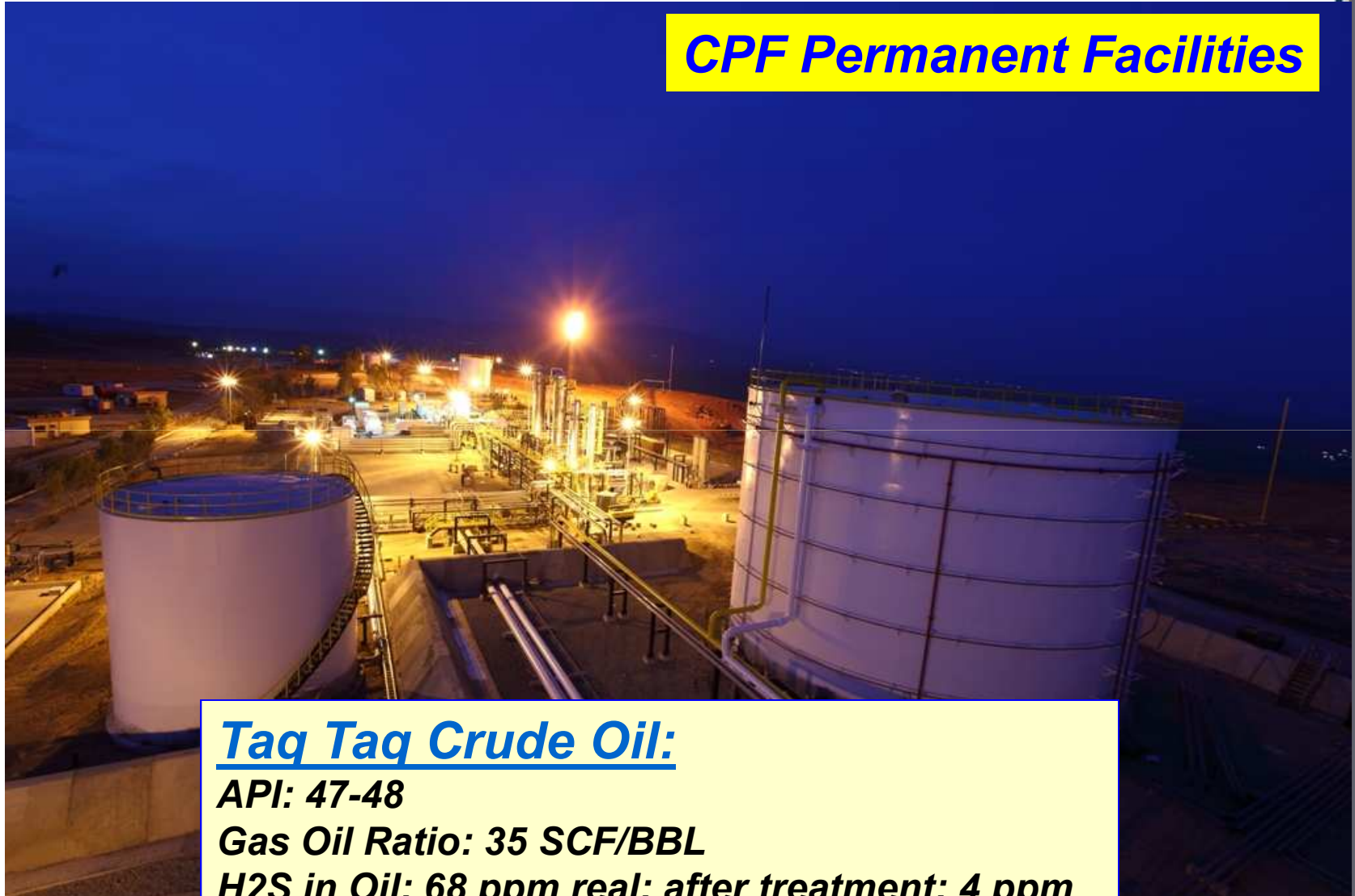
8 Loading Arm  
2 Weighbridges



Thanks

## Taq Taq Oilfield

### *CPF Permanent Facilities*



#### *Taq Taq Crude Oil:*

**API: 47-48**

**Gas Oil Ratio: 35 SCF/BBL**

**H<sub>2</sub>S in Oil: 68 ppm real; after treatment: 4 ppm**

**H<sub>2</sub>S in Associated Gas real 2.5%; after treatment: 4 ppm**

## Achievements

- *First mover to the Kurdish Region of Iraq*
- *New 2D and 3D acquisitions completed and Interpreted*
- *Drilling of 8 wells completed; 7 producers is connected to EPF*
- *Biggest player, investor and reserve holder among 35 IOCs.*
- *Field Development Plan (FDP) was discussed and approved*
- *Current Production Capacity: 60.000-65.000 BOPD*
- *Taq Taq Crude Oil Export commenced on 1st June 2009 and halted on 14th Oct 2009.*
- *60.000 bbl capacity Central Processing Facilities (CPF) is operational in Jan 2010*
- *Local sales going on to meet crude oil requirements of the KRG*
- *First exploration well was drilled in Kewa Chirmila Block*

### **Vision:**

***To become a world class exploration & production company by holding significant oil and gas reserves.***

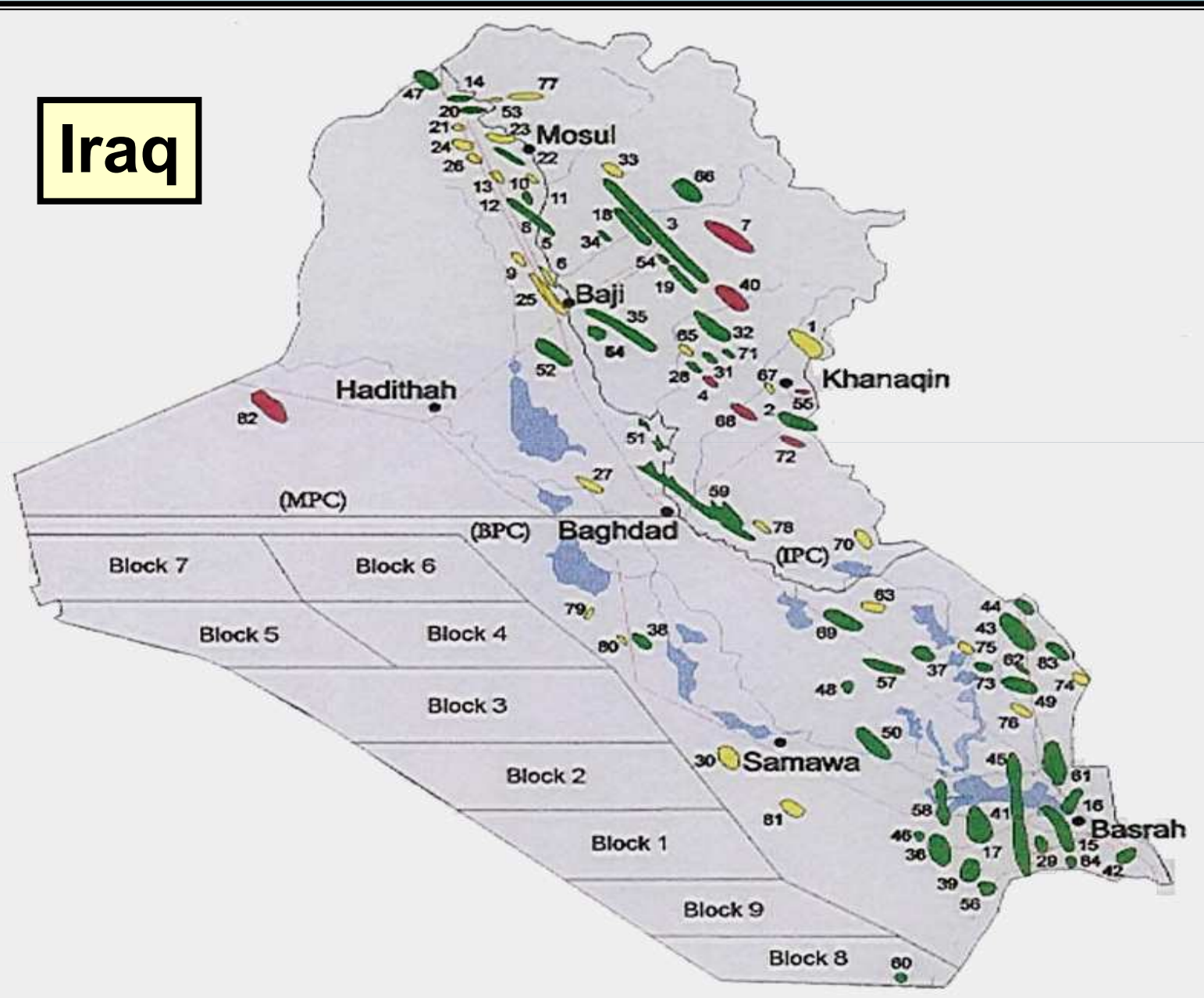
### **Strategy&Goals:**

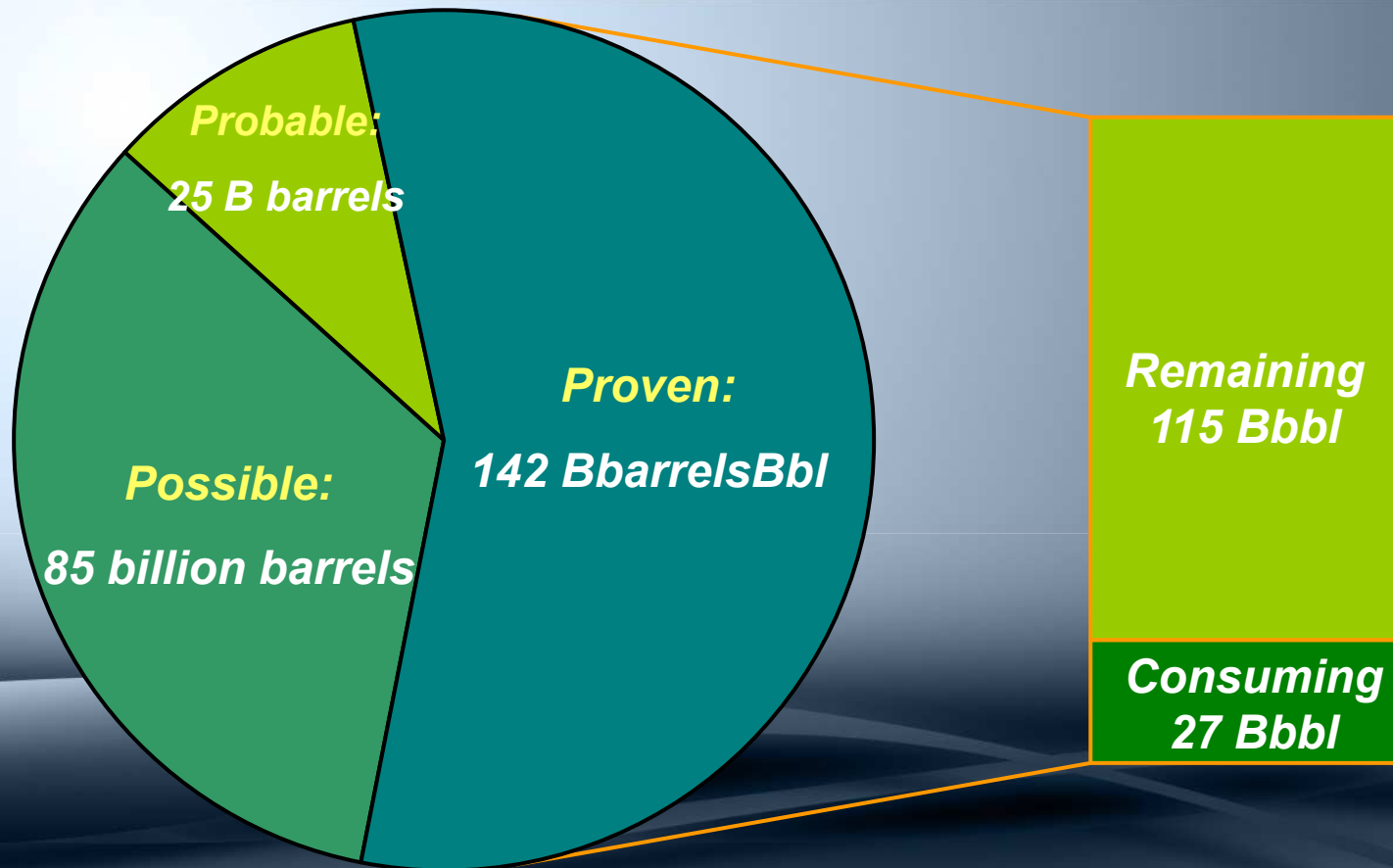
- ***GENEL aims to become a leading E&P company in the Kurdish Region of Iraq primarily through the existing upstream assets and by pursuing additional upstream initiatives in the Kurdish Region of Iraq where the Company sees significant growth opportunities.***
- ***In addition to existing assets and license areas, GENEL has been pursuing further business opportunities in South Iraq, South America, Middle East, North and West Africa, Central Asia and Turkey***

### **Management's strategy:**

- ***Successfully carry out and develop all E&P assets to international standards of exploration and development applications,***
- ***Organically grow in the upstream petroleum sector by execution of granted acquisitions***

# Iraq





- *Third Largest Oil Reserves / Many Undevelopped oilfields*
- *Lowest Production Costs*
- *Obvious Target for IOCs*
- *Up to 6 – 8 million barrels daily production within 5-6 years*

## **Oil Deals after Two Bidding Rounds in Iraq**



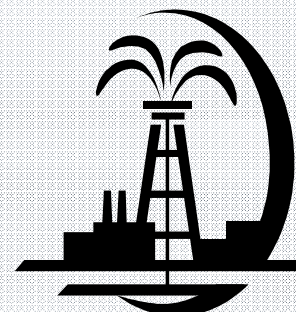
- **BP&CNPC:** *Rumelia Super Giant Oil Field, 18 Billion Barrels*
- **Royal Dutch Shell&Petronas:** *Majnoon Super Giant, 12,6 Billion Barrels,*
- **ENI&Occidental&Korea Gas:** *Zubair Oil Field.*
- **Lukoil&StatoilHydro:** *West Qurna Oilfield Phase II, 12,9 Billion Barrels,*
- **CNPC&Total&Petronas:** *Halfaya Oilfield, 4,1 Billion Barrels,*
- **Gazprom&Koreagas&Petronas&TPAO:** *Badrah Oilfield, 100 Million Barrels,*
- **Sonangol:** *Qayarah and Najmah Fields, both 1.7 Billion Barrels,*
- **Royal Dutch Shell:** *Gas Deal in the Basra Region*

- ❖ **Political Risk:** *Oil deals have to be ratified by a new government*
- ❖ **Daily Production Expectation:** *6 -8 million barrels within 5-6 years*
- ❖ **Possible daily Production Capacity:** *upto 10 – 11 million barrels*

**Genel Enerji/Addax JV**

- *DNO (Norway)*
- *Western Zagros (Canada)*
- *Hawler Energy/A&T Petroleum JV (Turkey, UK, Australia)*
- *Shakal/Trilax/Petoil JV (USA, Turkey)*
- *Hunt Oil Co (Texas-USA)*
- *Perenco (France)*
- *Dana Gas-Crescent Petroleum (UAE-Dubai)*
- *OMV (Austria)*
- *MOL/Gulf Keystone Pet Ltd JV (Hungary-UK)*
- *Gulf Keystone Pet Ltd/Kalegran Ltd JV (UK-Hungary)*
- *Reliance Energy Ltd (India)*
- *Norbes Ltd (BP-TNK affiliate)*
- *KNOC Baizan Ltd (KNOC-Korea)*
- *Hillwood Energy Co (HKN Energy)*
- *Sterling Energy (UK)*
- *General Exploration Partners (Aspect Energy-Denver)*
- *Talisman*

**Turkey, UK, USA, Canada,  
China, Norway, Austria,  
Australia, India, Hungary,  
France, Russia, UAE,  
S Korea etc...**



- *over 35 IOCs in the region more than 16 countries*
- *over 30 Production Sharing Contract were signed*
- *New Discoveries have been made*

## *Why Northern Iraq&Iraq?*

- ✓ *Significant Opportunities for Turkish national and private oil Companies,*
- ✓ *Logistic Advantages and benefits,*
- ✓ *Link of historic ties, culture, religion and long lasting trading relations,*
- ✓ *Next door and Easy access,*
- ✓ *Political and strategic supports are needed through coordination amongst Ankara, Baghdad*



*Genel Enerji presence and its absolute success in oil sector is visible and appreciated. Great business relations are established and ready to share its experience with Turkish oil firms having interest in the region.*

## **Challenges for Investors:**

### **❖ *Iraqi Oil Law***

- *Contracts (PSA – Service Contracts)*
- *INOC Restructuring*
- *Control of Producing and Undeveloped Fields*
- *Revenue Sharing Law*
- *disputed issues*

### **❖ *Export Payment***

### **❖ *Way of Solution***

- *Agreement on disputed issues*
- *Approval of Oil and Relevant Laws by the Iraqi Parliament*
- *Political and Strategic Support*
- *Turkey's constructive roles in the region.*

## *Foreign Investments of Turkish E&P Oil Companies*

- *TPAO (Azerbaijan, Kazakhstan, Libya, Iraq)*
- *TPIC (Colombia)*
- *Genel Enerji (Northern Iraq, Colombia)*
- *Petoil (Northern Iraq and Yemen)*
- *Dogan Enerji (Northern Iraq)*

### *Turkey:*

*Domestic Oil Production: % 7*

*Domestic Gas Production: % 2-3*

### *Iraq:*

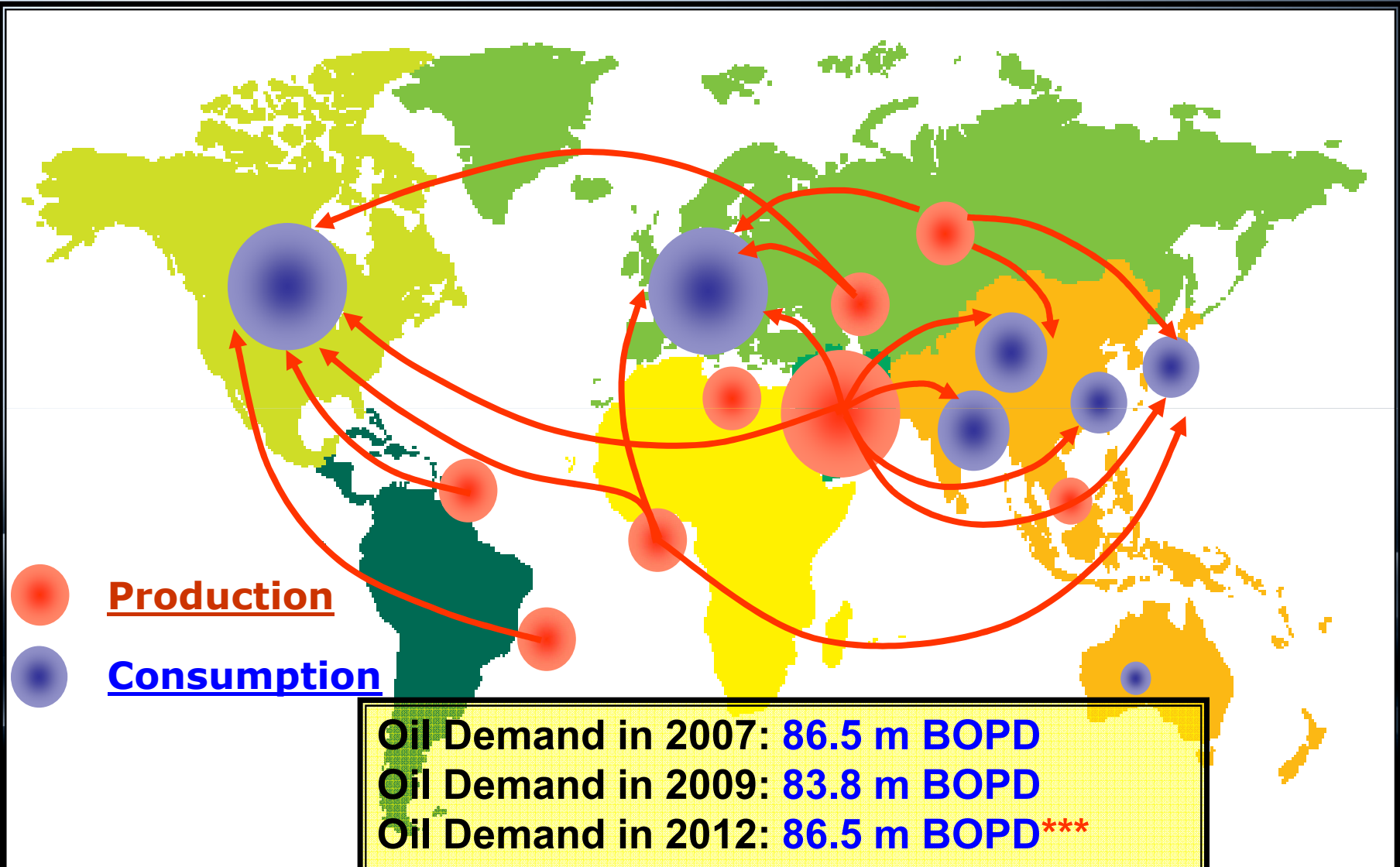
*Revenues From Oil Exports: % 93*

*Gas to Europe via Turkey: 10 to 20 BCM*

---

- ❖ *Kirkuk – Yumurtalık Main Oil Export Pipeline (North Oils)*
- ❖ *Possible Gas Pipeline from North Iraq to Europe via Turkey*
- ❖ *More Secure Routes for Iraqi Oil and Gas Exports*

*Oil Production and Consumption*

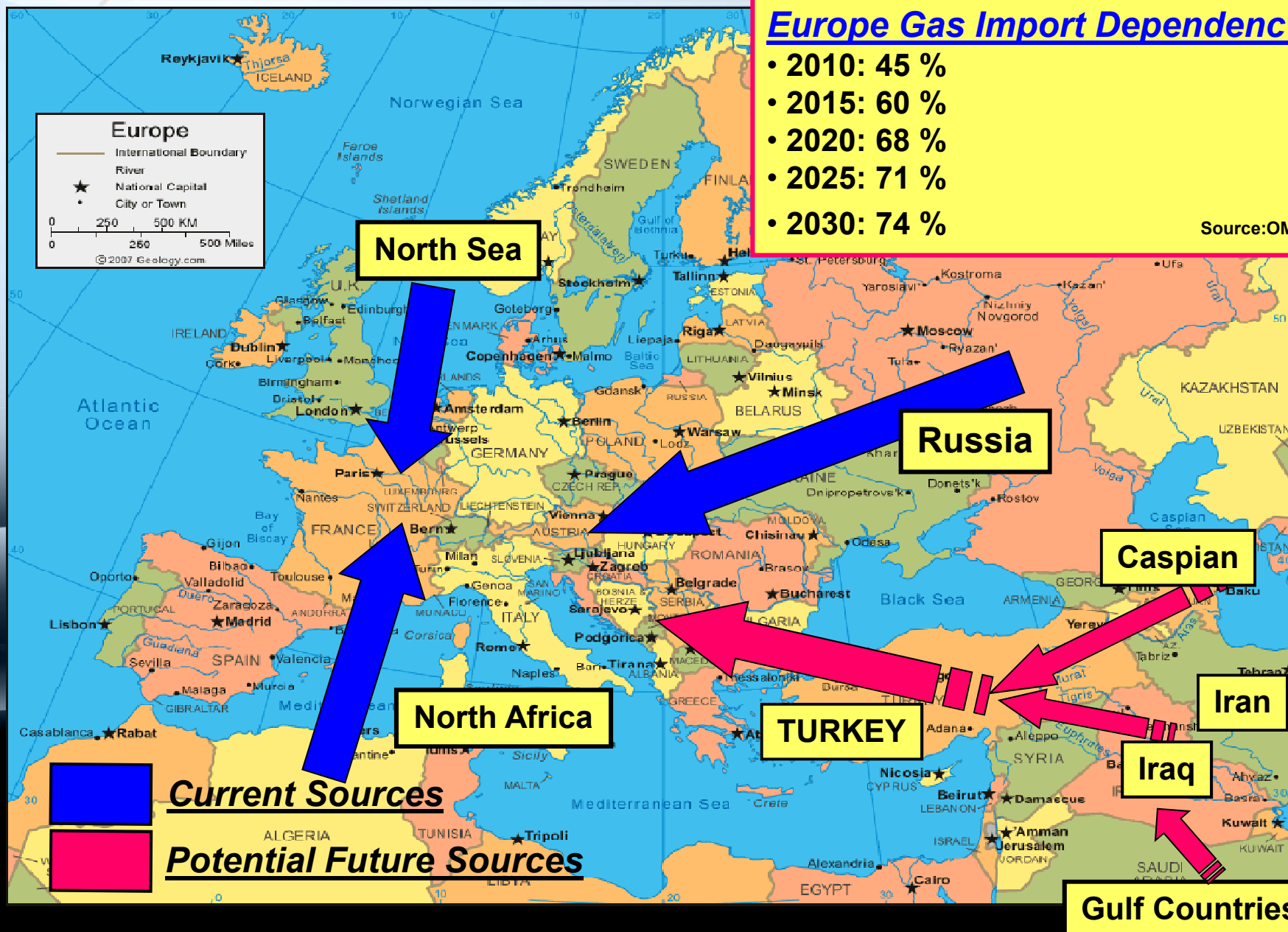


# Europe Gas Supply and Demand Gap

## Europe Gas Import Dependency

- 2010: 45 %
- 2015: 60 %
- 2020: 68 %
- 2025: 71 %
- 2030: 74 %

Source:OMV



## Conclusions

- ✓ *Genel Enerji is a young but very succesful E&P company*
- ✓ *Iraq is very rich in respect of oil and gas potential and can be main source for future oil and gas demand of Turkey*
- ✓ *Turkish E&P companies should get license rights in Iraq*
- ✓ *National and Private E&P Companies should be politically supported*
- ✓ *Strong presence of Turkish firms in oil and other sectors of Iraq and North Iraq would be beneficial and help solving problems*

genel enerji

*Genel Enerji*  
*Thanks*

The advertisement is a vertical rectangular panel with a colorful background. At the top, four children's faces are visible against a blue and yellow sky. Below them is the Genel Enerji logo, which consists of a blue circle with a white lightning bolt and the text 'genel enerji' in blue. Under the logo, the text 'INVESTING FOR THE FUTURE...' is written in bold blue capital letters. Below this, three lines of text in green italics read: 'significant reserves', 'mastering difficult tasks', and 'sensitive to environment and community'. The bottom half of the panel shows a woman in a white hard hat and safety glasses looking up at a sunset. In the background, an oil rig is illuminated with lights against the orange and red sky. At the very bottom, there are three lines of text: 'www.genelenerji.com', 'www.ttopco.com', and 'Part of Çukurova Group'. To the right of this text is a small logo for Çukurova, which features a yellow star and the word 'ÇUKUROVA' in black.

**genel enerji**

**INVESTING FOR THE FUTURE...**

*significant reserves*  
*mastering difficult tasks*  
*sensitive to environment and community*

[www.genelenerji.com](http://www.genelenerji.com)  
[www.ttopco.com](http://www.ttopco.com)

Part of Çukurova Group

ÇUKUROVA

**Thanks...**